

CHAPTER III Performance Audit

This Chapter contains performance audits on Implementation of Watershed Development Programmes, National Programme of Nutritional Support to Primary Education (Mid Day Meal), Infrastructure Development under Tribal Sub-Plan and one long paragraph on Irrigation facilities in Narmada Tapti Basin.

Panchayat and Rural Development Department

3.1 Implementation of Watershed Development Programmes

Highlights

Watershed Development programmes aimed to achieve sustained growth in agriculture productivity through prevention of drought and soil degradation and by bringing about improvement in soil fertility were started in 1996. The success in these initiatives was expected to improve living conditions among people dependent on agriculture and allied activities.

The performance review indicated partial success in works of water conservation. However the achievement in activities like afforestation, pasture development etc. were significantly below the target.

The districts taken up as sample for scrutiny revealed that only 65 per cent of the total projected output was achieved. The various components of the programme were not sequenced properly, leading to non-optimisation of benefit. Impact of the activities under the programme was not assessed to determine the extent of change in socio-economic environment and need for mid course correction. Further major audit findings noticed in implementing the programmes are as follows:-

Expenditure of Rs.24.75 crore was incurred by Watershed Committees in excess of cost norms fixed .

(Paragraph 3.1.6.3)

Expenditure of Rs.76.38 crore was incurred on six watershed projects under Integrated Wasteland Development Programme (IWDP) and 292 watershed projects under Drought Prone Area Programme (DPAP) where agriculture land was over 70 per cent .

(Paragraph 3.1.7.4)

Avoidable expenditure of Rs.21.84 crore was incurred on villages which had already been treated by the Agriculture Department or were under command areas of earlier Irrigation Projects.

(Paragraphs 3.1.7.5 and 3.1.7.6)

Zila Panchayats failed to achieve the assigned targets despite time and cost over runs. As of March 2008 only 213 of the 986 scheduled watershed projects were completed.

(Paragraph 3.1.8.1)

In five districts Rs.8.32 crore out of funds meant for afforestation, pasture development, training/community organisation, etc. was diverted for water conservation works.

(Paragraph 3.1.8.3)

Rupees 1.60 crore was irregularly deducted from the wages of labourers for funding Watershed Development Fund Accounts.

(Paragraph 3.1.8.4)

Developmental works were executed by Watershed Committees in Rewa and Shivpuri district at a cost of Rs.29.04 crore without employing labourers. Similarly payment of Rs.5.08 crore was made on works without recording detailed measurement in Measurement Book.

(Paragraph 3.1.8.5 and 3.1.8.7)

3.1.1 Introduction

In order to overcome the problems of drought, land degradation and to improve the socio-economic condition of economically weaker sections, Watershed¹ Development Projects were taken up in the State under the Centrally Sponsored Schemes “Drought Prone Area Programme” (DPAP) for non-arable lands since 1987 and “Integrated Wasteland Development Programme” (IWDP) for developing wastelands since 1989. The primary objectives of both programmes inter-alia included conservation of soil, water and other natural resources through watershed development programmes with the help of low cost and locally accessible technologies such as *in-situ* soil and moisture conservation measures, afforestation, pasture development etc.

3.1.2 Organisational set-up

The Principal Secretary/Development Commissioner, Panchayat and Rural Development Department is the overall in-charge for implementation of watershed development programmes at Government level. Rajiv Gandhi

¹ *Watershed is a geo-hydrological unit or an area that drains at common point.*

Watershed Management Mission (RGWMM) established in August 1994 under the Panchayat and Rural Development Department is headed by a Director, who is competent to sanction new watershed projects, monitoring progress and supervision.

At the district level these programmes are being implemented by the Chief Executive Officer (CEO) under the leadership of the Collector, through the Project Implementing Agencies² (PIAs) headed by Project Officers (POs) at block level. Each PIA supervises one or more micro-watershed projects³.

At village level the programmes are executed through Watershed Committees⁴ (WCs) in association with Self Help Groups⁵ (SHGs) and User Groups⁶ (UGs).

3.1.3 Objectives of Audit

Audit objectives were to assess whether:

- the watershed projects were selected as per prescribed criteria and approved guidelines of the programmes;
- the action plans of watershed projects were prepared according to guidelines;
- financial management, implementation of programme components, supervision and monitoring mechanism were effective.

3.1.4 Audit Criteria

Audit conclusion were benchmarked against the following criteria:-

- DPAP Manual and Guidelines issued by the Ministry of Rural Development, Land Resources Department, Government of India.

² PIA: Team of members from Government Department and voluntary organization which work on the project.

³ One micro-watershed project comprises of approximately 500 hectare and one milli watershed comprises of ten micro-watersheds.

⁴ Nominated 10-12 members from UG (4-5), SHG (3-4), Gram Panchayat (2-3) and members of WDT (Multidisciplines from Agriculture, Engineering, Horticulture, Sociology etc.)

⁵ SHG: Homogenous groups having common identity such as agriculture labourers, women, shepherds, SCs/STs etc.

⁶ UG: Identified Groups of most affected people, either beneficially or adversely.

- Circulars and orders issued by Government of Madhya Pradesh, Panchayat and Rural Development Department regarding watershed development projects.
- Detailed Project Reports of each watershed project and records pertaining to its execution.

3.1.5 Audit Scope and Methodology

The implementation of the Watershed Development Programmes during the period 2003-08, was reviewed through a test check (April-October 2008) of the records maintained by the Director RGWMM and twelve⁷ out of 48 CEOs, Zila Panchayats. Information was also collected from other line departments. Out of 2394 DPAP and 124 IWDP watershed projects in the State, 1638 DPAP and 18 IWDP watershed projects were checked involving an expenditure of Rs.339.89 crore (55 *per cent*) out of the total expenditure of Rs.616.88 crore.

The districts were selected on the basis of number of DPAP blocks, number of watershed projects sanctioned in DPAP/IWDP watershed programmes and allocation of funds received from GOI/State Government on a random sampling basis.

An entry conference was held in May 2008 with Director RGWMM where the audit objectives, criteria etc were explained. Audit findings and recommendations of audit were discussed with Principal Secretary to Government of Madhya Pradesh, Panchayat and Rural Development Department in an exit conference held in November 2008. Views of the Government were considered while finalising the review report. Results of test-check are embodied in the succeeding paragraphs.

Audit Findings

3.1.6 Financial Management

Both the programmes are Centrally Sponsored on cost sharing basis between the Government of India (GOI) and State Government in the ratio 3:1 (DPAP) and 11:1 (IWDP). GOI and State Government release their shares to Zila Panchayats (ZPs). ZPs in turn release funds to PIAs and WCs through account payees cheques, which are deposited in the respective bank accounts. Eighty *per cent* of funds upto March 2003 and thereafter eighty five *per cent* of funds are earmarked for development works by WCs. Five *per cent* funds were earmarked each for training and community organization upto March

⁷ *Badwani, Betul, Chhindwara, Damoh, Dhar, Jhabua, Khandwa, Khargone, Rewa, Shajapur, Shivpuri and Sidhi*

2003. Thereafter, only five *per cent* funds for both the components are transferred to PIAs. Administrative expenses (10 *per cent*) are shared in equal ratio between PIAs and WCs. WCs, PIAs and ZPs prepare their annual accounts duly audited by Chartered Accountant (CA). WCs and PIAs submit monthly report on physical and financial progress to ZPs. ZPs submit their annual accounts alongwith utilization certificates (UCs) to GOI. Watershed projects were sanctioned in batches by the GOI every year and funds were received accordingly. The funds were also earmarked against each batch and expenditure was to be watched there against. As per GOI instructions the saving of one batch could not be utilised in other batches.

Programme-wise and year-wise breakup of amounts released by GOI, State Government and expenditure incurred during 2003-2008 in the State is as under:-

Table No. 3.1: Financial outlays and expenditure

(Rupees in crore)

Name of Programme	Year	Opening Balance	Total Release		Other receipt	Total funds available	Expenditure	Balance with per cent age	
			Central share	State share					
DPAP	2003-04	18.48	50.22	21.97	0.15	90.82	69.60	21.22 (23)	
	2004-05	21.22	52.88	16.72	0.11	90.93	62.58	28.35 (31)	
	2005-06	28.35	53.28	19.25	0.19	101.07	69.85	31.22 (31)	
	2006-07	31.22	80.36	29.67	0.13	141.38	101.55	39.83 (28)	
	2007-08	39.83	56.57	16.12	0.18	112.70	81.58	31.12 (28)	
	Total			293.31	103.73	0.76		385.16	
IWDP	2003-04	9.92	25.58	2.41	0.06	37.97	28.07	9.90(26)	
	2004-05	9.90	29.79	2.46	0.08	42.23	25.27	16.96 (40)	
	2005-06	16.96	44.65	3.44	0.10	65.15	47.95	17.20 (26)	
	2006-07	17.20	78.54	5.75	0.06	101.55	68.53	33.02 (33)	
	2007-08	33.02	56.33	5.05	0.16	94.56	61.90	32.66 (35)	
	Total			234.89	19.11	0.46		231.72	
	<i>G.T.s</i>			528.20	122.84	1.22		616.88	

Source: Data furnished by Director RGWMM

There were significant savings at the end of the year which was attributed by the department to delayed release of funds by GOI. No visible efforts had however been made by RGWMM to take up the matter for early release of funds with the GOI.

3.1.6.1 Release of funds

As envisaged in the guidelines, funds were required to be released by ZP to PIA and WC within 15 days from the date of its receipt.

In 11 out of 12 Zila panchayats checked it was noticed that Rs.57.60⁸ crore out of Rs.339.89 crore was released after significant delays ranging from two to 27

⁸ (Barwani Rs.5.29 crore, Betul Rs.8.79 crore, Chhindwara Rs.5.54 crore, Damoh Rs.2.44 crore, Dhar Rs.8.36 crore, Jhabua Rs.9.66 crore, Khandwa Rs.2.61 crore, Khargone Rs.4.99 crore, Rewa Rs.1.30 crore, Shivpuri Rs.2.19 crore and Sidhi Rs.6.43 crore)

Extent of delay in release of funds to WCs by ZPs was between 2 to 27 months.

months during 2003-08. The delay in release of funds was assigned to non-formation of WCs, non-receipt of demand from WCs and frequent changes of staff at ZPs level. The delay in release of funds to WCs led to delayed completion of watershed projects. In the exit conference department intimated that e-banking system to expedite release of funds is being introduced.

3.1.6.2 Diversion of earmarked components funds

Expenditure of Rs.2.08 crore was incurred in excess of norms on work component without authorization.

According to the guidelines, expenditure under project components shall be limited to the percentage ceilings fixed for each component. Any amount remaining unutilized from earmarked components shall be duly refunded to ZP by the PIA and WC.

Contrary to these provisions, savings of Rs.2.08⁹ crore out of funds earmarked for administration, training and community organization components was used by PIAs and WCs on Development works components in excess of ceiling fixed for that component without approval of ZPs and Mission Leaders as detailed below:-

(Rupees in crore)

Name of component with per cent age break-up	DPAP-5 th , 6 th & 7 th Batch			IWDP (Phase-I)		
	Expenditure ceiling as per norms	Expenditure actually incurred	Excess (+) Saving (-)	Expenditure ceiling as per norms	Expenditure actually incurred	Excess (+) Saving (-)
Administrative cost (10 per cent)	3.10	2.81	-0.29	0.80	0.80	-
Training (5 Per cent)	1.55	0.69	-0.86	0.40	0.27	-0.13
Community organization (5 per cent)	1.55	0.75	-0.80	0.40	0.40	-
Development works (80 per cent)	24.80	26.75	+1.95	6.40	6.53	+0.13
Total	31.00	31.00		8.00	8.00	

The CEO, ZPs Jhabua and Khargone intimated that the unspent amount of components was utilized as per relaxation given in the State Government order (March 2002). Replies do not correctly interpret the said order. As per the provisions such amounts could be used to cover special cases only (viz. in such micro watersheds where funds was not provided as per project cost) and were not meant to cover routine cases.

3.1.6.3 Adherence to cost norms

Expenditure of Rs.24.75 crore was incurred in excess of cost norms.

As per guidelines overall cost norms¹⁰ fixed for treatment of land per hectare was to be adhered to. Scrutiny of progress reports (March-2008) of checked

⁹ (Dhar Rs.0.05 crore, Jhabua Rs.0.56 crore, Khargone Rs.1.39 crore and Shivpuri Rs.0.08 crore)

¹⁰ Rs.4000 per hectare in DPAP 5th Batch, IWDP-Ist and Rs.6000 per hectare in other batches

ZPs revealed that except in Barwani, and Shajapur an expenditure amounting to Rs.24.75 crore was incurred in excess of cost norms as detailed below:-

(Rupees in crore)

Name of Zila Panchayat	Name of Programme	Total area treated in hectare	Expenditure to be incurred as per cost norms	Total expenditure incurred	Excess expenditure	Average Per hectare cost in Rupees
Betul	DPAP-6 th , 9 th , 10 th	29539	17.72	18.93	1.21	6408
Chhindwara	DPAP-6 th to 12 th and IWDP-IIIrd	54881	32.93	41.28	8.35	7522
Dhar	DPAP-6 th , 7 th , 9 th , 11 th , 12 th and IWDP	39310	23.59	25.42	1.83	6467
	DPAP-5 th	16789	6.72	7.95	1.23	4735
Damoh	DPAP-6 th to 12 th	21707	13.02	17.36	4.34	7997
Jhabua	DPAP-5 th	24791	9.92	10.82	0.90	4364
	DPAP-6 th to 12 th & IWDP-Ist	53001	31.80	35.04	3.24	6611
Khargone	DPAP-9 th to 12 th & IWDP	15302	9.18	11.41	2.23	7456
Khandwa	DPAP-7 th & 8 th	5457	3.27	3.53	0.26	6469
Rewa	DPAP-6 th , 8 th to 11 th	18796	11.28	11.78	0.50	6267
Shivpuri	DPAP-5 th	8874	3.55	3.68	0.13	4147
Sidhi	DPAP-7 th	8490	5.09	5.62	0.53	6620
	Total	296937	168.07	192.82	24.75	

The CEO, ZPs attributed the excess expenditure mainly to delayed release of funds by the GOI, as a result of which the cost of watershed escalated. In the exit conference the department stated that the cost norm of Rs.6000 per hectare was very meager for achieving the objectives of programmes, leading to increased in cost norms. No efforts had however been made by the department to get the cost norms revised.

3.1.7 Programme Management

Implementation of programme was to be designed to develop wastelands, prevent soil erosion and improve land fertility through contour/vegetative bunding in the first year and to improve moisture content through supplemental water harvesting engineering structures and allied activities in subsequent years of the project.

3.1.7.1 Action Plans with focus on water conservation measures

Action plans for treatment of watershed were to be prepared according to targeted area and nature of activities which were to be carried out on the

arable, non-arable land including degraded land, wasteland, government land and community land out of earmarked funds received for work components. The cost of developmental works was to be fixed in sector-wise ceiling limits viz. 30 *per cent* for soil conservation, 40 *per cent* for water conservation, 10 *per cent* for afforestation, 10 *per cent* for pasture development, 7.5 *per cent* for other activities and 2.5 *per cent* for assistance to Self Help Groups.

The action plan for watershed development indicated only the name of work and its cost. It did not link these works to any outcome parameters viz. area to be treated by the work and quantified benefits to the users from each of the individual works planned.

Action plans prepared by ZPs gave indicated priority to water conservation works leaving areas like afforestation and pasture development unaddressed.

In eight districts¹¹ high priority was given to water conservation works (more than 60 *per cent* of funds were allocated against prescribed 40 *per cent*) by ignoring afforestation, pasture development and other activities, which were also essential in drought proofing the areas.

The CEO, ZPs intimated that due to non-availability of land, less priority were given to these activities. Replies of CEO, ZPs indicated that selection of villages were made without conducting a bench-mark survey.

In the exit conference the department stated that deviation was permitted in special circumstances. This reply is not acceptable as GOI guidelines restricted the deviation upto five *per cent* only.

3.1.7.2 Selection of Watershed Projects

The main criteria for selection of watershed projects was preponderance of wastelands, common lands, acute shortage of drinking water and prevalent poor wage rate (lower than the minimum wages). Scrutiny showed that in many projects these criteria and size norms were not followed as described in the succeeding paragraphs.

3.1.7.3 Size of micro-watershed

Scrutiny of action plan of watershed projects in test-checked districts revealed that except in Betul and Damoh the size of 94 micro-watersheds was overstated in reports submitted for release of funds to GOI vis-à-vis that in the action plans. The variation in size of micro-watersheds test-checked by audit were as under:-

Area of 94 micro-watersheds was over reported to GOI.

¹¹ *Betul, Dhar, Damoh, Kargone, Khandwa, Rewa, Shajapur and Sidhi*

Table No. 3.2: Inflated size of micro watersheds

(Area in hectare/Rupees in crore)

Name of ZP	Name of watershed programme	Number of Micro watershed	Area of villages found in the action plan	Total area of micro watershed selected and reported to GOI	Area inflated	Cost of area inflated
Barwani	DPAP	21	7409.207	10500.00	3090.793	1.85
Chhindwara	DPAP	9	1893.72	4499.60	2605.88	1.56
Dhar	DPAP & IWDP	7	2618.267	3517.00	898.733	0.54
Jhabua	DPAP	16	6841.41	8275.00	1433.59	0.86
Khargone	DPAP	8	3124.853	4000.00	875.147	0.53
Khandwa	DPAP & IWDP	11	8618.00	9299.00	681.00	0.41
Rewa	DPAP	2	761.128	1000.00	238.872	0.14
Shajapur	DPAP	9	4273.76	5182.00	908.24	0.55
Shivpuri	DPAP & IWDP	7	2252.76	2837.00	584.24	0.35
Sidhi	DPAP	4	1399.04	2000.00	600.96	0.36
	Total	94	39192.15	51109.60	11917.45	7.15

Source: Action plans and progress reports

Due to overstating the size (area) of micro-watershed to GOI by ZPs, project cost has also been inflated by Rs.7.15 crore. Thus possibilities of misutilisation of higher resources available as a result of overstating of size of watershed could not be ruled out. In the exit conference the department stated that matter was referred to ZPs for ascertaining the factual position.

3.1.7.4 Watershed Projects in area with preponderance of agricultural land

Rs.76.38 crore were spent on further development of agriculture land.

Under IWDP, the criteria for selection of project is that;

- 50 per cent of the project area should be wasteland or revenue/community land and;
- Private land should be less than 50 per cent of total project area.

Scrutiny of watershed projects records revealed that in five out of twelve ZPs the prescribed parameters were not followed in selection of projects with total area of 33713 ha. as detailed below:-

Table No. 3.3: Classification of area selected

(Area in hectare/Rupees in crore)

Name of Z.P.	IWDP Phase No.	Total selected area of projects	Classification of area selected with per cent age				Cost of projects
			Private (Agriculture land)	Government Revenue/Community land	Waste land	Forest land	
Jhabua	IWDP-IV	4125	1844.54 (45)	1418.11 (34)	Nil	862.35 (21)	2.48
	IWDP-III	5758	4163.58 (72)	1423.42 (25)	Nil	171.00 (3)	3.45
Shivpuri	IWDP-II	4373	3445.16 (79)	736.85 (17)	Nil	191.00 (4)	2.62
Shajapur	IWDP-I	9562	7046.75 (74)	2515.26 (26)	Nil	Nil	5.74
Khargone	IWDP-I	4895	2806.36 (57)	1477.16 (30)	Nil	611.48 (13)	2.94
Chhindwara	IWDP-III	5000	3039.00 (61)	787.00 (16)	995.00 (20)	179.00 (3)	3.00
	Total	33713	22345.39 (66)	8357.80 (25)	995.00 (3)	2014.83 (6)	20.23

Source: Action plans of watershed projects

The ZPs covered 22345.39 ha. area (66 *per cent*) of agricultural land by spending Rs.13.41 crore (66 *per cent* of Rs.20.23 crore) where the treatment was not required.

Similarly, under DPAP 292 micro watershed projects were selected in contravention of guidelines. The ZPs in selected districts covered 104957 ha. of agriculture land (73 to 89 *per cent*) after spending Rs.62.97 crore (77 *per cent*) on areas which were not to be covered as per prescribed guidelines as detailed in **Appendix 3.1.**

The ZPs intimated that selection of watershed project was made on the basis of availability of land and demand of local people. The reply was not acceptable as the norms for selection have been drawn to bring non-arable land to the status of arable land and selection of project areas which were pre-dominantly arable defeated the objective.

3.1.7.5 Overlapping of programmes and reselection of already treated villages

As per guidelines of National Watershed Development Project for Rainfed Areas (NWDPRA) of Ministry of Agriculture, watershed development projects were to be implemented only through DPAP funds in all the declared drought prone blocks and in the remaining blocks watershed projects were to be implemented through either NWDPRA for arable lands or IWDP funds for non-arable lands. It was however, noticed that this territorial delineation was not found to be maintained; as 206 NWDPRA projects were being implemented simultaneously in 75 DPAP blocks or where IWDP watershed programmes were in operation. Similarly 58 IWDP projects were found in operation in 4 DPAP blocks.

Avoidable expenditure of Rs.2.73 crore incurred on selection of villages which were already treated by Agriculture department.

Further, those villages, which had already been treated under previous/earlier schemes of watershed development programme like DPAP/NWDPRA/IWDP were not to be taken up for treatment again.

It was however noticed in test check of records of CEO, ZPs that 30 villages, which had already been treated at a cost of Rs.4.53 crore under NWDPRA by Agriculture Department in 8th, 9th, 10th, five years plan (1992-93 to 2006-07) were reselected for treatment under DPAP in 6 ZPs at a cost of Rs.8.64 crore as per details in **Appendix 3.2.** Expenditure of Rs.2.73 crore has been spent on these projects upto March 2008.

Selection of villages was wrong as many villages earlier were also covered by similar programmes. This indicated lack of co-ordination between ZPs and Agriculture department and non-conducting of survey during Participatory Rural Appraisal exercises by the Project Officers. Thus expenditure of Rs.2.73 crore incurred on the treatment of already treated villages (upto March-2008) was avoidable. On this being pointed out, CEO, ZPs stated that no intimation

of these watershed villages, which were already been treated by Agriculture Department, was received at the time of selection.

3.1.7.6 Selection of micro-watershed villages falling under command area of Irrigation Projects

Watershed projects costing Rs.19.11 crore was carried out in the command area of Irrigation projects.

Villages falling within the command area of irrigation projects were not to be selected for treatment under watershed programme. Scrutiny of records of ZPs revealed that ZPs had approved Rs.19.11 crore for 63 micro-watersheds, which fell under the command area of irrigation projects **Appendix 3.3.**

3.1.8 Programme Implementation

3.1.8.1 Physical Achievements

Slow progress of works in checked ZPs resulted in 65 per cent achievement of the planned target.

As per guidelines, the targeted areas were to be treated within a period of five years from the date of sanction of project by GOI. Status of watershed projects sanctioned, completed, ongoing and land treated was not made available to audit by Director, RGWMM. Position of achievement of checked ZPs during 2003-08 was as shown in **Appendix 3.4.** Following audit points emerged:-

- Out of the total targeted area of 807485 ha., only 524000 ha. area (65 per cent) could be treated up to March 2008 by incurring an expenditure of Rs.339.89 crore. Thus not only was the area treated much less than what was targeted but the treatment cost was also above the norm of Rs.6000 per ha.
- The watersheds taken up for development were to be completed within five years but most of the watershed projects could not be completed. 986¹² watershed projects (550180¹³ ha.) were targeted to be completed upto 2008, but only 213¹⁴ projects having an area of 106946 ha. could be completed, 773 watershed projects with total area of 443234 ha., remained incomplete even after time over-run of one to three years.

ZPs failed to complete the projects within the period of five years only 213 out of 986 watershed projects completed.

The CEO, ZPs attributed the shortfall in achievement to non-availability of funds from GOI. The ZPs could have explored the possibility of approaching GOI to utilize the saving from earlier batches till the receipt of funds for the succeeding batches.

¹² Total number of project DAAP 6th -399,7th -161, 8th -219, 9th -198 IWDP-I-2, II-4, III-1, IV-2=986

¹³ Total area of these batches 199500+80500+109500+99000+19581+24232+7972+9895=550180 ha

¹⁴ DPAP-6th- Betul-12 (5882 ha.), Barwani-38 (18775 ha.), Dhar-45 (19346 ha.), Khargone-38 (18916 ha.), Khandwa-35 (17500 ha.), Rewa-25 (11311 ha.), Shivpuri-7 (3488 ha.) DPAP-7th -Barwani-12 (5621 ha.) IWDP- Shivpuri-1 (6107 ha.)=213

3.1.8.2 Adoption of ridge to valley strategy

Works were executed mostly in lower reaches of 30 watersheds without following an integrated and sequential approach.

While implementing the project in the first year ridge to valley strategy was to be ensured and soil conservation was to be carried out in the upper reaches of watersheds. In the second and third years water conservation works and other activities were to be carried out in lower reaches.

In nine out of 12 checked districts it was noticed that in 30 micro-watershed projects, ridge to valley strategy was not followed and works were first executed in the lower reaches as shown below :

Table No. 3.4: Ridge wise execution of works

Name of district	Number of micro-watershed	Name of watershed programme and Batch Number	Duration of treatment	Date of executing works	
				Upper reaches soil conservation	Lower reaches water conservation
Barwani	2	DPAP-9 th	2004-06	15.6.05 14.6.05	15.9.04 13.10.04
Chhindwara	1	IWDP	2006-08	15.5.07	14.08.06
Damoh	1	DPAP-12 th	2007-08	No works were carried out.	26.06.07
Dhar	6	DPAP-11 th & 7 th	2007-08 2003-04	9.7.08 2005-.06	29.06.07 01.04.03
Khargone	1	DPAP-11	2006-08	12.4.08	14.11.06
Khandwa	3	IWDP	2006-08	16.2.08 29.1.08 16.2.08	27.06.06 02.07.06 15.12.06
Rewa	6	DPAP-9 th & 10 th	2006-08	No work carried out	09.05.2006 27.10.2006
Shivpuri	3	DPAP-8 th	2002-03	No work carried out.	Jan-03 (only water conservation works were carried out)
Shajapur	7	IWDP	2006-08		Jan. to March-2007

Source: Watershed committees records

The water conservation structures such as percolation tanks and ponds which were constructed in the first year in lower reaches, would also have limited effectiveness as these would be susceptible to damage and choking due to soil flowing downwards with rain water from the top as soil conservation works on upper reaches had not been carried out earlier. The proper sequence of activities was neither provided for in the project plans nor followed and works were being carried out in unplanned manner. In exit conference department stated that local community wanted to have some immediate tangible results of programme hence treatment could not be done in ridge to valley strategy. The reply is not acceptable as it was a deviation from the strategy of the programme.

High priority was given to water conservation works by diverting Rs.8.32 crore from other activities.

3.1.8.3 Prioritization of sectoral activities

As per DPAP Manual, for effective implementation of the watershed development programme, activity-wise cost ceiling of developmental works was to be adhered to. Only a flexibility margin of five *per cent* for diversion of funds from one sector to the other was permissible.

Scrutiny of final progress reports of completed watershed projects of DPAP-6th Batch in five¹⁵ districts revealed that activity wise cost ceiling for development works was not adhered to as detailed below:-

Table No. 3.5: Sector wise expenditure

(Rupees in crore)

Sl No.	Activities with <i>per cent</i> age	Expenditure as per norms	Actual expenditure	<i>Per cent</i>	Excess/less over cost ceiling
1.	Soil Conservation (30 <i>per cent</i>)	8.74	7.98	27	-0.76
2.	Water Conservation (40 <i>per cent</i>)	11.66	19.98 ¹⁶ (18.59 +1.39)	64	+8.32 (6.93+ 1.39)
3.	Afforestation (10 <i>per cent</i>)	2.91	1.28	4	-1.63
4.	Pasture Development (10 <i>per cent</i>)	2.91	0.59	2	-2.32
5.	Other Activities (7.5 <i>per cent</i>)	2.91	0.69	3	-2.22
6.	Self Help Group (2.5 <i>per cent</i>)				
	Total	29.13	30.52	100	

Source: Watershed committees records

From the above table following points emerged:-

- Maximum expenditure of Rs.19.98 crore was incurred on water conservation works i.e. construction of percolation tank, farm pond, dabri and deepening of ponds etc. (against the ceiling limit of Rs.11.66 crore) by diverting Rs.8.32 crore meant for afforestation, pasture development, training/community organization and SHG's activities.
- The afforestation programme aimed at increasing productivity of degraded land and providing fuel and fodder to the local people, an expenditure of Rs.1.28 crore (four *per cent*) was incurred against the provision of Rs.2.91 crore, this was 50 *per cent* below the prescribed cost ceiling.
- Only two *per cent* of project cost was spent on Pasture development against 10 *per cent* as required under the programme. Pasture development which was essential for providing fodder as well as preventing soil erosion was thus given least priority.
- Other income generating activities of SHGs were marginally covered in the district. Formation of SHGs and Women Thrift and credit groups, their training, linking them with credit institutions and facilitating them to start income generating activities were not given due attention.

¹⁵ Betul, Dhar, Khargone, Rewa & Shivpuri

¹⁶ Rs.1.39 crore was incurred out of savings of training & community organization components.

The CEO, ZP Shivpuri stated that POs will be instructed to execute the treatment works as per action plan. CEO, ZPs Khargone and Dhar stated that there was non-availability of lands in micro-watersheds area for afforestation and pasture development works, hence high priority was given to water conservation works. CEOs of ZPs Betul and Rewa intimated that thrust on water conservation works were given as per policy of *Pani Roko Abhiyan*.

Thus due to non-performance of all the sectoral activities, the programmes lacked synergy in action, and also failed to improve areas like income generation and participative management.

3.1.8.4 Execution of works through muster rolls

Works costing Rs.29.04 crore were got executed without employing labourers.

As per DPAP Manual all works under programme were to be executed by employing local labourers through muster rolls so that full benefit of wage employment could reach labourers. However, it was observed that payment of Rs.29.04 crore (in Rewa Rs.0.16 crore and in Shivpuri Rs.28.88 crore) for developmental works of the programme were made on sub-vouchers to Secretary of WCs instead of labourers through muster rolls of works. In the absence of muster rolls the possibilities of the works getting executed through contractor and mechanical means could not be ruled out. On this being pointed out, CEOs of ZPs, Rewa and Shivpuri stated that in future, works would be carried out on muster rolls. In exit conference department assured to initiate an early action in this regard.

3.1.8.5 Closure of watershed project without treating the entire targeted area

Incomplete watershed projects closed despite availability of funds.

In DPAP, projects were sanctioned by GOI to ensure drought proofing of the entire drought prone areas on watershed basis. Scrutiny of final progress reports of 122 completed watershed projects revealed that projects were closed without treating the entire targeted area sanctioned by the GOI. Details are as under:-

Table No. 3.6: Incomplete projects closed

(Area in hectare and Rupees in crore)

Name of ZP	Name of programme & Batch No.	Year of sanction	No. of sanctioned projects	Targeted Area	Funds received	Treated Area	Area left without treatment	Expenditure	Amount Refunded to Director RGWMM
Dhar	DPAP-5	1995-96	39	19578	8.07	16789	2789	7.95	0.12
	DPAP-6	2000-01	45	22500	13.69	19346	3154	12.77	0.92
Khargone	DPAP-6	2000-01	38	19000	11.49	18916	84	11.05	0.44
TOTAL			122	61078	33.25	55051	6027	31.77	1.48

Source: Progress reports

Despite provision of funds by GOI, the projects were closed without treating 6027 hectare area and an unspent balance of Rs.1.48 crore was refunded to Director, RGWMM. CEO, ZPs did not intimate the reasons but stated that

remaining area of each micro-watershed will be treated by other ongoing schemes i.e. NREGS in near future.

3.1.8.6 Execution of works without recording detailed measurement

Payment of Rs.5.08 crore made without recording measurement.

As per guidelines all works executed should be measured and details of measurements recorded in the Measurement Book (MB) which would form the basis of payments.

Scrutiny of records of WCs of ZP Rewa revealed that construction works were executed under soil and water conservation and plantation work valued at Rs.5.08 crore as of March 2008 through muster rolls but the progress/measurement of all works were not found to be recorded in Part-II of muster rolls/MB as prescribed. Consequently in the absence of recorded measurement of works, actual execution of works as per requirement and specification as well as correctness of payment could not be ascertained in audit. On being pointed out CEO, ZP accepted the audit observation and stated that instructions are being issued to all WCs in this regard.

3.1.9 Verification of Treated Areas through Land Revenue Records

The objective of improving the economic conditions of weaker sections through watershed development alone was not assessable as this depended on diverse socio-economic factors and watershed programmes could at best play a limited role. As far as drought prevention was concerned, it was observed that 1656 watershed projects were undertaken in 85 drought affected blocks during 2003-08 in the twelve checked districts. These blocks also include villages where watershed treatment works are being carried out over long periods (1995-96).

Thus, 1656 watershed projects (924885 ha.) in 85 blocks of twelve districts were executed during 2003-08 for drought proofing/prevention of which 524000 ha. area (65 per cent) of the targeted area was treated as of March 2008. The status of the land in the test-checked blocks in the districts was assessed for pre and post classification status in 2000 and 2007. This revealed that the sown area was 2138925 ha. in 2006-07 against 2154015 ha. in 1999-2000 showing a decline by 15090 ha. Similarly the area of barren land and non-agriculture land showed an increase from 505782 ha. to 597349 ha. during the same period. District wise details are shown in **Appendix 3.5**.

Increase of barren land/ non-agriculture use land/ wasteland indicated failure of watershed programmes in checked districts.

Thus the claims made by the ZPs of achieving 524000 ha. land treatment was not supported by the records of Superintendent, Land Records Department. The audit scrutiny identified the reasons as non-selection of appropriate project areas, non-execution of project plans as per prescribed sequence, less emphasis on afforestation and pasture development programmes, absence of efforts to develop skills of the community development and non-maintenance of assets by ZPs.

In the exit conference the department stated that instructions to CEO, ZPs have been issued to get the changed status of land incorporated in to land revenue

records. The contention of the department is not accepted in audit because of absence of confirmation of achievements either in the land revenue records or by line departments.

3.1.10 Impact Analysis

For carrying out impact assessment of completed watershed projects, no records like pre and post watersheds observation of ground water level, change in cropping pattern, change in productivity, increase in area of irrigation and reduction in area of wasteland etc. had been maintained at any level. Data for physical achievements resulting in increases in ground and surface water level in water bodies, checking of soil erosion, enhancement of area for irrigation, land treatment etc. depicted that in 103 completion reports shown to audit out of 213 completed projects were not certified by the line departments. These data of achievements were certified by the POs and WC members themselves only and were not authenticated by any other authority. Thus after incurring an expenditure of Rs.339.89 crore during 2003-08, neither the DPAP blocks nor the villages treated on watershed basis could be declared as drought proof in the test check districts.

In the exit conference the department intimated that a village wise register was being maintained to enter pre and post data of crop production, water table etc. but no such register was found to be maintained in the micro watersheds covered by audit.

3.1.11 Monitoring and Supervision

The implementation of watershed programmes was to be monitored at the State, District and Project level. The data of physical and financial achievements of watershed programmes reported through Monthly Progress Reports (MPRs) were however not analysed at any level.

Although periodical returns/reports required for monitoring of the programmes were prescribed yet the progress reports did not contain the component wise and activity wise cumulative figures of physical and financial achievements of the programme at the end of month/year. The formats of reports were being changed every year and were unable to depict the true and fair status of programmes. Poor monitoring of programmes at State level resulted in defective planning, irregularities in selection of micro-watershed area, non-adherence to cost norms, non-execution of work in proper sequence etc. by ZPs as pointed out earlier.

3.1.12 Conclusion

The planning for the projects was not sound. It ignored the GOI guidelines and could not give the required attention to activities which could yield multiple and long term benefits. Project selection was faulty, villages with preponderance of agriculture lands were being selected, land upgradation

measures were totally ignored. Components of the programme were not executed in prescribed sequence necessary for proper development of watershed. Major emphasis was given to construction of minor structures under water and soil conservation measures, which were not of sustainable nature and other components were either partially taken up or totally ignored. Due to tardy progress, the projects could not be completed in time.

Thus it was evident that the watershed development programmes under execution in the State since 1995-96 and all other measures for drought prevention have met with little success even after an expenditure of Rs.616.88 crore during 2003-08 on implementation. The test-checked blocks therefore remained drought prone and contrary to the guidelines of programme land records showed increase in area under barren land and non-agriculture land use.

3.1.13 Recommendations

Following recommendations if adopted could help in smooth operation and flow of benefits from watershed development programmes:-

- Selection of micro-watershed projects should be based on scientific and technical surveys and actual availability of lands for its treatment in the villages of DPAP blocks and other blocks of the districts as per Land Revenue Records.
- Project plans should be prepared with appropriate need based technical inputs and all related activities as envisaged in guidelines to be carried out in watershed area. Project plan should be approved by the Director RGWMM.
- Co-ordination between line departments should be closely monitored to prevent overlapping and reselection of villages.
- Funds should be released to the WCs in time for proper implementation of the projects and watershed development works should be executed according to norms.
- Monitoring and evaluation of the programmes to be made more effective to achieve the goals.
- Pre and post status data of lands classification, soil erosion, crops production and water table shown in project completion reports should be certified by the line departments to keep a close watch on the programme parameters.

These recommendations have been accepted by the department in exit conference.

Panchayat and Rural Development Department

3.2 National Programme of Nutritional Support to Primary Education (Mid Day Meal)

Highlights

The Mid Day Meal (MDM) scheme was launched in the State of Madhya Pradesh with the specific objectives of improving the nutritional status of school going children and bringing about growth in their enrolment and retention to give boost to primary education among children of poorer sections of the society. The figures of enrolment in primary classes in the year 2007-08 decreased by five per cent from the previous year. Performance audit of the programme revealed deficiencies in financial management and programme implementation as there were cases of unspent funds, providing meals in inadequate quantities to students, non-supply of meals to students, lack of infrastructure such as pucca kitchen, drinking water facility, cooking gas facility, etc. Study conducted by National Institute of Public Co-operation and Child Development (NIPCCD) at the instance of MP Govt. revealed poor nutritional status of students covered under the scheme. Some of the highlights of audit review are as follows:

Cost of cooking was not sufficiently provided to the Parent Teacher Associations as a result they had to incur a credit of Rs.3.68 crore.

(Paragraph 3.2.6.2)

Suspected embezzlement of Rs.1.20 lakh was noticed in Block Education Office Gandhwani district Dhar

(Paragraph 3.2.6.4)

Enrolment figure in primary classes declined during 2007-08.

(Paragraph 3.2.7.1)

Against the requirement of 79471 kitchen-cum-store (KCS) only 58688 KCS were sanctioned out of Government of India funds. Out of this construction of 17359 KCS were completed. Against the sanction of 13848 kitchen sheds (KS) out of state fund, only 5024 KS were completed by Tribal Welfare Department (TWD).

(Paragraph 3.2.12.2)

Commissioner TWD provided funds of Rs.9.10 crore irregularly to the districts for purchase of utensils at district level, instead of crediting in the accounts of Parent Teacher Associations (PTAs) of schools for procurement of kitchen devices/utensils.

(Paragraph 3.2.12.3)

Irregular engagement of contractor and non Government organization for cooking/serving of cooked meals below the prescribed rate led to deterioration in quality of food and interruption in supply.

(Paragraph 3.2.13)

3.2.1 Introduction

The Mid Day Meal Scheme (MDM) was launched as a Centrally Sponsored Scheme on 15 August 1995 with the objective of boosting universalisation of primary education by increasing enrolment, attendance, retention and simultaneous improvement in the nutritional level of students of primary classes (I to V) of all Government schools including local body and Government aided schools. From October 2002, the scheme was extended to children studying in the Centres under Education Guarantee Scheme (EGS) and Alternative and Innovative Education (AIE). The Scheme initially provided for distribution of fixed quantities of dry food grains to school children. This was replaced by cooked meals with effect from October 1995 of selected blocks and of all primary schools from July 2004 after the orders of the Supreme Court. The scheme laid (December 2004) special emphasis on disadvantaged groups with the additional objective of providing MDM in drought-affected areas during summer vacation also. From September 2006, the calorific value of the meal was increased from 300 calories to 450 calories and protein content from 8-12 grams to 12 grams and providing essential micro nutrients and de-worming medicines to the children regularly.

3.2.2 Organisational set-up

Principal Secretary to the Government of MP, Panchayat and Rural Development Department (PRDD), (nodal department), is responsible at Government level for implementation of the scheme. The Development Commissioner implemented the scheme with the assistance of Tribal Welfare Department (TWD) Urban Administration and Development Department (UADD), Food and Civil Supplies Department (FCSD), School Education Department (SED) and Public Health & Family Welfare Department (PHFWD).

At the district level, the Collector was responsible for planning and implementation of the programme. The day to day functioning of the programme was carried out by Chief Executive Officer, Zila Panchayat (CEOZP) with the assistance of other connected departments at district level/block level.

At the school level, Gram Panchayats (GP)/ Nagriya Nikay (NN) were the implementing agencies prior to the year 2004. Thereafter, Parent Teacher Associations (PTAs) of schools were made responsible as implementing

agencies for the programme. Self Help Groups (SHGs) were involved (September 2007) in place of PTAs for the schools of rural areas for running the programme/scheme. The responsibilities of PTAs/SHGs included fixing of menu, appointment of cooks, procurement of ingredients for cooking food, procurement of kitchen devices/utensils, payment of expenditure incurred on cooking, maintenance of quality and hygiene.

The Madhya Pradesh State Civil Supplies Corporation (MPSCSC) is the nodal agency for lifting of food grains from the nearest FCI Depot and its distribution to Fair Price Shops (FPSs) through lead societies from where PTAs/SHGs are required to lift the food grains and to transport it upto schools. An organisational chart is given in **Appendix 3.6**.

3.2.3 Audit Objectives

The objectives of the performance audit were to verify whether:

- the scheme achieved its principal objective of supporting the universalisation of primary education;
- the scheme achieved its secondary objective of improving the nutritional status of the children in the primary classes;
- the internal controls were adequate and in place;
- the scheme was run through well designed implementation procedures; and conformed to the prescribed norms for expenditure; and
- reporting, inspection and monitoring system were efficient.

3.2.4 Audit Criteria

The following audit criteria were adopted while carrying out the Performance Audit.

- Relevant guidelines, instructions issued by the Central and State Government from time to time for implementation of the programme;
- Utilisation of funds as per prescribed norms;
- Statistics on enrolment, retention and attendance in schools;
- Nutrient value of meals served to students; and
- Evaluation reports/studies and survey findings etc.

3.2.5 Audit Coverage and Methodology

The performance audit of the scheme for the period 2003-08 was conducted¹⁷ in twelve¹⁸ out of 48 districts, as selected by Stratified Circular Systematic Random Sampling (10 districts) and Probability Proportional to size with Replacement (two districts) method. Twenty schools were also selected on random basis in each test checked district.

Records of the implementing departments, MPSCSC and Rajya Shiksha Kendra (RSK), maintained at the state, district and block levels, were scrutinized. Joint inspection of 64 schools, interview of 63 children and 41 teachers were also carried out alongwith the representatives of PRDD/SED.

An introductory meeting was held in April 2008 with Secretary PRD Department and subsequently the audit findings and recommendations of audit were discussed in the exit conference held in November 2008 with Principal Secretary, Government of Madhya Pradesh, PRD Department and their views were considered while finalising the review. Results of test-check are embodied in the succeeding paragraphs.

Audit Finding

3.2.6 Financial Management

The GOI provided financial assistance to the State for the MDM scheme in the shape of food grains free of cost through FCI godowns and funds for (i) conversion cost, (ii) management, monitoring and evaluation (MME) funds, (iii) infrastructural funds and (iv) transportation cost of food grains from FCI godowns to schools by reimbursement on receipt of transportation bills.

3.2.6.1 Excess provision for conversion cost

From September 2004, conversion cost of ingredients¹⁹, cost of fuel and wages/remuneration for cooking was payable by GOI at the rate of Rupee one per child per school day and the differential cost of cooking beyond the central assistance was to be borne by State Govt. The rate was increased (15 August 2006) to Rupees two (including State share of Re. 0.50) per child per school day. Details of fund released by Central and State Government and their utilization for the period of 2003-08 for conversion cost was as under:-

¹⁷ During February to November 2007 and May to October 2008

¹⁸ Betul, Bhind, Bhopal, Burhanpur, Dindori, Jhabua, Khargone, Mandla, Narsinghpur, Shahdol, Shajapur, Shivpuri.

¹⁹ Pulses, vegetables cooking oil and condiments.

Table No. 3.7: Funds released and expenditure

(Rupees in crore)

Year	Central Funds	State Funds	Total	Actual Expenditure	Saving(-)/ Excess(+)	Percentage of Saving/ Excess
2003-04	NA	NA	NA	NA	NA	NA
2004-05	138.96	179.07	318.03	237.15	(-)80.88	(-)25
2005-06	186.14	95.51	281.65	253.13	(-)28.52	(-)10
2006-07	235.08	121.50	356.58	288.90	(-)67.68	(-)19
2007-08	199.38	50.37	249.75	315.02	65.27	26

Source: Panchyat and Rural Development Department.

From the above it is seen that funds between 10 to 25 per cent remained unutilised at the end of each year during 2004-07 indicated excess provision of funds in budget. PRDD attributed (April 2008) the savings to less attendance of children. The departmental reply accepts failure to achieve the objective of improvement of attendance. In test checked districts unutilized balances of Rs.11.63²⁰ crore (as of March 2008) with the Zila Panchayats (ZPs) were not taken into consideration while releasing the funds to PTAs.

3.2.6.2 Sufficient funds of conversion cost not provided to PTAs

Sufficient funds for conversion cost was to be credited in the PTA's account of school in advance on the basis of students enrolled. Progress report of the CEO ZPs revealed that PTAs spent more than the funds provided to them amounting to Rs.3.68 crore as detailed below.

(Rupees in crore)

Name of district	Reporting month	Period covered in the report	Cooking cost provided to PTAs	Cooking cost incurred by PTAs	Amount of minus balance
Shahdol	June 08	July 07 to June 08	3.43	5.28	1.85
Shivpuri	April 08	July 07 to April 08	7.17	9.00	1.83
Total			10.60	14.28	3.68

Only CEO ZP Shivpuri replied (July 2008) that PTAs purchased the materials on credit or made arrangement on their own. Similarly out of 237 schools checked in audit, 19 to 27 per cent schools²¹ reported minus balance during 2004-08 as shown in **Appendix 3.7**.

3.2.6.3 Reimbursement of cooking cost to Gram Panchayats (GPs) without observing formalities

As per instructions (July 2004) of Assistant Commissioner Tribal Welfare Department Dindori, the amount spent by Gram Panchayats (GPs)/Nagriya Nikays (NNs) in excess of funds provided to them were to be reimbursed by Block Education Officers (BEOs) after getting the information of previous

²⁰ Betul Rs. 2.73 crore, Bhind Rs. 2.70 crore, Burhanpur Rs. 0.91 crore, Dindori Rs. 0.05 crore, Jhabua Rs. 0.45 crore, Khargone Rs. 1.54 crore, Mandla Rs. 0.22 crore and Shajapur Rs. 3.03 crore.

²¹ 44 schools in 2004-05, 59 schools in 2005-06, 48 schools in 2006-07 and 63 schools in 2007-08

Short transfer of funds of Rs.3.68 crore to Parent Teacher Associations.

Block Education Officer reimbursed irregularly Rs.1.96 lakh to GPs.

years, utilization certificates, and information on proforma-V duly signed by teachers of schools. It was, however, observed that BEO, Shahpura irregularly reimbursed the claim of Rs.1.96 lakh to GPs for the period July 2003 to January 2004 without getting the aforesaid information duly signed by teachers of schools. BEO replied (July 2008) that necessary action is in process.

3.2.6.4 Suspected embezzlement

Block Education Officer Gandhwani, made doubtful payment of Rs.1.20 lakh.

According to instructions/guidelines of scheme, BEOs were required to credit the amount of conversion cost into PTA's account and were not authorised to incur any expenditure at block level. Scrutiny of records of BEO Gandhwani district Dhar revealed that a payment of Rs.1.20 lakh through DD on account of conversion cost was shown in the cash book on 3 December 2005, but neither the bank's slip for DD and payees stamp receipts, nor the voucher of the party to whom the payment was made, were available from the records. BEO Gandhwani replied (May 2007 and October 2008) that after scrutiny, result would be intimated but results are awaited (November 2008). No reply was furnished by Government.

3.2.7 Enrolment, Attendance and Retention of students

According to the scheme guidelines (August 1995) while furnishing the request/ Annual Work Plan and Budget (AWPB) for each year PRDD was required to be furnished to the GOI, along with the number of Children enrolled in class I to V in Government, Local body and Government aided primary schools and also in EGS and AIE centres for release of food grains, conversion cost and management monitoring and evaluation (MME) cost.

Base line survey was not conducted.

GOI guidelines (December 2004) also envisaged that base line studies for the year 2004-05 should be conducted and completed before the end of academic session 2004-05. However no base line study has been conducted so far (March 2008).

3.2.7.1 Enrolment of students

Enrolment increased by 10 per cent during 2003-08.

The year wise position of enrolment, retention and dropout of students in primary education during the period 2003-08 are shown in **Appendix 3.8**. It was observed that the enrolment in the schools providing MDM increased by 10 per cent from 76.94 lakh students to 84.90 lakh students during 2003-04 to 2007-08. Analysis indicated that though the enrolments increased in year 2003-07 it decreased by five per cent during 2007-08. It was also noticed that percentage of number of beneficiaries availing MDM decreased by six per cent during the year 2007-08. The table also shows significant decline in new enrollments from 24.05 lakh students in 2004-05 to 11.80 lakh students in 2007-08. For the decline in enrolment no specific reasons were furnished by the Department.

3.2.7.2 Attendance and retention

Average attendance did not improve.

Scrutiny of information furnished by schools checked in audit revealed that average attendance rate (AAR) decreased from 75 per cent in 2003-04 to 74 per cent in 2007-08 as shown in **Appendix 3.9**. Joint inspection of 64 schools in nine checked districts by the audit team alongwith the representatives of PRDD and SED showed that against enrolment of 9815 students, 5742 (59 percent) were present as per the attendance registers, showing a wide gap between the children enrolled and those attending schools. On actual counting, the number of children present in the schools was 5620 as against 9815 children enrolled (57 per cent) only.

Decline in retention figures.

Scrutiny of data captured from checked sample schools revealed that the retention of students from class I to V decreased in nine²² districts as shown in **Appendix 3.9**.

3.2.8 Management Monitoring and Evaluation (MME) Assistance

The GOI was to provide funds equivalent to 0.9 per cent during 2004-05 and there after 1.8 per cent of the total assistance on food grains, transportation cost and cooking cost, under the MDM scheme for effective MME. The MME fund was to be utilized for school level expenses i.e. forms, stationery, weighing machine, height recorder and replacement of cooking device/utensile etc.(50 per cent), management, supervision, training, internal monitoring and evaluation (35 per cent) and external monitoring and evaluation (15 per cent). The details of funds received from GOI and utilization were as under:

Table No. 3.8: Funds available and spent on MME

(Rupees in crore)

Year	Opening balance	Released by GOI	Total availability	Expenditure incurred by the State Govt.	Saving
2005-06	Nil	3.27	3.27	0.60	2.67
2006-07	2.67	3.14	5.81	5.13	0.68
2007-08	0.68	6.93	7.61	5.64	1.97

Source : Panchyat and Rural Development Department.

It was observed that:

- Funds for forms, stationery, weighing machine and height recorder at school level were not released during 2005-08.
- PRDD issued (March 2006) instructions to each district for evaluating the programme through District Institute of Educational Training (DIET). However PRDD released Rs.0.50 lakh to each district as late

²² *Bhind, Burhanpur, Jhabua, Khargone, Mandla, Narsinghpur, Shahdol, Shajapur and Shivpuri*

as in July 2007. Even after that CEO ZP Jhabua and Narsingpur did not provide funds to DIET and hence the evaluation was not done.

3.2.9 Food grains management

The GOI provided food grains free of cost at the rate of 100 gram per child per school day under the cooked meal scheme. Allocation of food grains was made by GOI to FCI.

3.2.9.1 Quality and quantity control of food grains

According to GOI instructions (2004), District collectors were to ensure that food grains of Fair Average Quality (FAQ) are issued by FCI. This was to be ensured through joint inspection by a team consisting of FCI and collector nominee(s). Similar instructions were issued (June 2005 and December 2005) by PRDD in which District Manager MPSCSC was asked to furnish the report to this effect each month to Development Commissioner. Though joint inspection of stack was conducted each month, DM MPSCSC of checked districts did not submit reports to this effect to Co-ordinator MDM. As per instructions of PRDD issued (December 2005) food grains are required to be lifted by PTAs only after actual weighing. However, 128 (54 percent) out of 237 schools checked, stated that the food grains were not being given by FPSs after actual weighing but on the basis of number of gunny bags as per filling capacity. Hence the possibility of short receipt remaining undetected cannot be ruled out.

3.2.9.2 Allotment of food grains to Fair Price Shops.

Allotment orders for distribution of foodgrains are issued by the Collectors/ CEO ZP and required provisioning is done by MPSCSC to FPSs through lead societies. Thereafter foodgrains are lifted by PTAs of schools on the basis of release orders issued by CEOs/ BEOs. Scrutiny of records in checked districts revealed that the entire quantity provided to FPSs was not lifted by the schools and balances remained with the FPSs each year. Balances of food grains available with the FPSs were however not accounted for during the subsequent release by Collector/CEO, ZPs. It has been gathered from District Co-operative Central Banks of checked districts that 3,195 MT²³ food grains valuing Rs.3.20 crore was lying undistributed with FPS at the end of March 2008. The loss of these food grains due to theft/pilferage, etc. is a risk which has not been addressed.

Joint inspection reports were not submitted.

Food grains were not given by actual weighing.

Accumulation of undistributed food grains worth Rs.3.20 crore with Fair Price Shops.

²³ Betul :846, Bhind :22.7, Bhopal :308.7, Shahdol :399.4, Shajapur :32.8, Shivpuri: 315.0, Khargon 714.3, Jhabua 230.90 and Mandla 325.20 MT.

Over reporting of utilization of food grains to GOI.

3.2.9.3 Inflated data of utilization of food grains reported to GOI

PRDD was required to furnish a Utilisation Certificate (UC) to GOI in respect of food grains lifted and consumed during the preceding financial year. A scrutiny of the UCs furnished, revealed that the stock of food grains in hand reported by the PRDD were at variance with the stock in hand as depicted in the records of MPSCSC as shown below:

(Quantity in quintal)

Year	Balance	Stock in hand as per MPSCSC	Figures reported to GOI as per utilization certificate	Excess reported
2004-05	Opening	(W) 100684.33	(W)100634.33	50.00
2005-06	Closing	(W) 170805.66	(W)154025.04	16780.62
		(R) 60556.18	(R) 59403.47	1152.71
Total				17983.33

W-Wheat, R-Rice

Thus, utilization of 17983 quintal food grains worth Rs.1.80 crore during 2004-06 were over reported to GOI.

3.2.9.4 Actual consumption of food grains not reported to GOI

Actual consumption of food grains was not reported.

Utilisation Certificates (UCs) sent to GOI were not based on actual utilization of food grain. In the UCs, quantity of food grains utilized for coverage of eligible children was to be reported. But PRDD sent the UCs on the basis of food grains distributed by MPSCSC to FPSs which was not based on actual consumption. This resulted in reporting of consumption of food grains in excess to that consumed.

3.2.10 Transportation

3.2.10.1 Non payment of transportation charges to PTAs

Transportation charges were not paid to Parent Teacher Associations.

Out of transportation cost of Rs.75 per quintal being reimbursed by GOI to MPSCSC, Rupees five per quintal were payable to PTA for transportation of food grains from FPS to school. In the checked districts it was noticed that Rs.31.95²⁴ lakh for transportation of food grains from FPSs to schools during April 2005 to March 2008 were not reimbursed due to non submission of claims after completing the formalities with necessary documents by PTAs due to non awareness and lengthy procedure. PRDD further simplified (July 2007) the procedure of submission of transportation claim cancelling the earlier

²⁴ *Bhind : Rs. 6.26 lakh, Betul :Rs 5.02 lakh, Bhopal : Rs. 2.40 lakh, Narsinghpur : Rs. 2.68 lakh, Shahdol : Rs. 2.97 lakh, Shivpuri : Rs. 7.98 lakh, Shajapur Rs. 4.64 lakh.*

orders but still the payments were not made for the above period to the PTAs as the required information was not furnished by link societies/FPSs.

3.2.10.2 Undue benefit to FPSs

Empty gunny bages of Rs.2.51 crore retained by FPSs.

The scheme guidelines issued (December 2004) by GOI, envisaged that empty gunny bags should be disposed off by the implementing agency at school level i.e. PTA/SHG in a transparent manner so as to fetch the best possible price and their sale proceeds utilized for further enrichment of the MDM scheme. PRDD issued (June 2005) the instructions. However, it was observed that out of 237 schools, 219 schools (92 per cent) had reported that the empty gunny bags were called back by FPSs. Thus, 20.52 lakh empty gunny bags valuing of Rs.2.51 crore @ Rs.12.25 approximately on 10.26 lakh Qtl²⁵ of food grains distributed up to March 2008 in the checked districts resulted in undue benefit to FPSs.

3.2.11 Nutritional status of children

The scheme aimed at providing cooked meal adhering to the prescribed nutritional norm of calories and protein by adding fresh green vegetables etc. in adequate quantities. GOMP decided (January 2004) to provide cooked tasty meal in all primary schools (PS/EGS/AIE centers) from July 2004. Implementing Officer was to ensure that wholesome cooked meal of good quality and prescribed nutritional value was served without any interruption.

3.2.11.1 Nutritive value

As per scheme requirement, each child was to be provided with a meal comprising 300 calories and 8-12 grams of protein from July 2004 to 14 August 2006. From 15 August 2006 the calorific value was increased to 450 calories and 12 grams of protein. Audit observed that there is no provision in the scheme to check the nutritional value of the meals provided to children. National Institute of Public Co-operation and Child Development, (NIPCCD) Western Regional Centre, Indore had evaluated the nutritional value and stated that the amount given to the child was about two roties, one katori of dal or vegetable. Sometimes a child receives three roties on demand and its availability. A standard roti weighs about 30 grams which contributes 103.5 calories of energy and 2.04 grams of protein. Hence caloric contribution in two roties is barely 207 calories and 4.08 grams of protein. The remaining energy has to be made good by either dal or vegetable. Dal/ vegetables prepared in the form of curry was found thin thus reducing the possibilities of adequate calorie and protein supplementation as per norms.

²⁵ Betul 1.24, Bhind 1.25, Bhopal 0.69, Khargone 1.26, Shajapur 0.99, Shivpuri 1.42, Dindori 0.66, Mandla 0.82, Shahdol 0.99, Burhanpur 0.26, Narsinghpur 0.68 (figure in lakh Quintal).

3.2.11.2 Distribution of cooked meals

**Cooked meals not/
short distributed.**

Cooked meals were to be served regularly according to varied menu without interruption, but it was observed that there was interruption in supply of MDM in 323 schools²⁶ of Bhopal and Bhind during December 2004 to April 2007. There was also interruption in urban schools of Dindori district during June-July 2008 (39 to 50 days) and about 388 students were deprived of MDM.

Joint inspection of 41 schools (July to October 2008) revealed that

- Cooked meal was not prepared and served in primary school (PS) Pipariya, Sohagpur (Shahdol) on 21 July 2008 due to non availability of rice.
- Interviewed boys and girls stated that dal toowar (Arhar) and potato vegetable are prepared generally thereby indicating non-supply of varied menu .
- Iodised salt was not used in PS Imalitola Burhar Shahdol.
- Meal was not prepared in required quantity and according to menu in PS Imalitola of Burhar Shahdol as a result of which, two students used to share one thali meals meant for one student.

The responsibility for cooking and distribution of cooked meals in schools of urban areas of Bhopal was given to M/s Naandi Foundation from July 2006. Block Resource Centre Coordinator (BRCC), Block Phanda, Bhopal reported that against the requirement of 794857 meals in April 2007 (for 23 days to 34559 average number of students) only 549621 meals were provided. During the joint inspection of PS Bhiansakhedi Bairagarh Bhopal on 4 October 2007, it was also noticed that out of 211 students enrolled only 125 students were present. M/s Naandi Foundation provided only 10 kg cooked rice, against the requirement of 22 to 25 kg cooked rice made from 12.5 kg uncooked rice. Thus, cooked meal was not given in required quantity to the students but the agency was given the full money for providing required quantity of cooked meals to students.

3.2.11.3 Distribution of de-worming & micronutrient tablets

The revised scheme in 2004 provided that mid-day meal programme should also be utilized for appropriate intervention relating to micro-nutrients, Vitamin A supplementation and de-worming of primary school students.

Directorate Health Services placed (December 2006) the supply order to MP, LUN for supply of Albendazol tablets (88.92 lakh) costing Rs.34.68 lakh and

²⁶ *District-Month-Number of Schools-Bhopal-12/04-69, 02/05-79; Bhind-08/06-43, 09/06-48, 10/06-27, 11/06-15, 12/06-24, 01/07-10, 02/07 to 04/07-08*

Short/non distribution of micro nutrients.

IFA tablets (8891.70 lakh) costing Rs.4.45 crore. It was, however, observed that both the tablets were not supplied to three districts²⁷ and Albendazol tablets to two districts²⁸ during 2006-08. Further micronutrient and de-worming tablets were not procured during 2007-08.

Schools were not provided full quantities of tablets for distribution to students thereby, depriving the students from the supplementation in the schools as shown in **Appendix 3.10**.

Vitamin 'A' was not distributed.

Scrutiny revealed that Vitamin A supplement was not given in any year 2005-08, though provided in the scheme.

3.2.11.4 Nutritional status

There were no norms for impact of nutritional level and nutritional level was far from satisfaction.

A committee was constituted with the representatives from National Institute of Public Co-operation and Child Development (NIPCCD), UNICEF, Food and Nutrition Board, National Institute of Nutrition and Gandhi Medical College, Bhopal to provide input for nutritional assessment, growth monitoring and develop training manual for teachers to carry out growth monitoring exercise. However no detailed instructions were issued in the checked schools. Despite availability of funds of Rs.2.67 crore at the end of March 2006 and Rs.1.97 crore at the end of March 2008 under MME, Weighing machine/Height recorder were not provided in any school. However, NIPCCD evaluated the programme and reported that nutritional status of the children receiving MDM in the State was far from satisfactory.

3.2.12 Infrastructure

Scheme guidelines envisaged that kitchen sheds/ Kitchen cum store (KCS) should be constructed in each school to facilitate cooking in schools itself so that fresh and hot cooked meal is served to children. Clean drinking water facility was required to be made available in each school. Cooking devices such as smokeless chulha were to be used to the extent possible and use of firewood was to be discouraged in the interest of environmental protection. Further containers for storage of food grains and other ingredients and utensils for cooking and serving were to be made available to all schools.

3.2.12.1 Infrastructure provided

The status of infrastructure available in checked district as shown in **Appendix 3.11** was inadequate. Due to lack of adequate infrastructure in schools, smooth implementation of the programme was hampered to a large extent. Cases of deficiencies noticed in the joint inspection of sample schools in rural areas were as under:

²⁷ Betul, Burhanpur, and Narsinghpur .

²⁸ Shahdol and Dindori.

- MDM was being cooked in open space under unhygienic condition in PS Imalitola in Shahdol district.
- Students had to drink water by thali as the glasses, though available, were not provided to them in Girls PS Police line in Shajapur district.
- In PS Koni in Shahdol and PS Talapar in Narsinghpur districts, MDM was being cooked in the Verandah attached to the class room creating a lot of smoke and disturbing the teaching/learning process.
- Children were drinking contaminated water in PS Talapar, Narsinghpur.

3.2.12.2 Construction of Kitchen cum Store (KCS)/ kitchen shed(KS) in primary schools

**Unfruitful
expenditure on
construction of
kitchen cum stores.**

PRDD assessed the requirement of 79,471 Kitchen sheds in the State. GOI released Rs.139.39 crore and 212.74 crore during 2006-07 and 2007-08 for construction of 23,232 and 35456 KCS @ Rs.60,000 per KCS. The work of construction of KCS was to be completed in about 3 months. But, only 17,359 KCS were completed, 12,420 KCS were in progress and 28,909 KCS were yet to be started as of March 2008. In the exit conference Department stated that the earlier provision of Rs. 60,000 fixed by the Central Government two years ago was insufficient due to escalation and now Rs. 90,000 are required for construction of shed of similar specification but the Central Government has not revised provision or specification for the shed. Hence due to inadequacy of funds, the KCS could not be completed.

Similarly TWD sanctioned construction of 13848 kitchens in 89 tribal blocks of 19 districts during 2006-07 and provided funds of Rs.45.95 crore out of the saving of cooking cost, yet only 5024 KS were completed as of March 2008. In the checked districts it was observed that 2234 kitchens were incomplete as the approval for revised estimates and specifications had not been accorded. Thus, the money remained blocked and schools were not getting the desired benefit.

Joint inspection of PS boys Sunera, Shajapur revealed that KCS do not have platforms and proper ventilation.

3.2.12.3 Kitchen Utensils

According to scheme guidelines, procurement of utensil and storage bins at schools was to be done by the PTAs. However, Commissioner TWD provided (January 2007) funds of Rs.9.10 crore to Assistant Commissioners Tribal Development (ACTDs) of 19 tribal districts for purchase of utensils and storage bins and instructed that purchases be made at district level. ACTDs Dindori, Betul, Mandla, Shahdol and Burhanpur purchased utensils and storage bins on scale basis for all the schools contrary to the provision of guidelines.

The flexibility of PTAs to assess their own requirements was also eroded leading to mismatch between material supplied and its requirement.

3.2.13 Role of Non Government Organisations/ Self Help Groups

The guidelines (December 2004) envisaged that in urban areas where a centralized kitchen set up was possible for a cluster of schools, cooking may where appropriate, be undertaken in a centralized kitchen and cooked hot meal transported under hygienic conditions through a reliable transport system to various schools. No contractor or bhojnalaya was to be engaged. But it was observed that the work of cooking and serving was assigned to contractor and Bhojnalaya in Shajapur²⁹ and Dindori³⁰ districts.

Meal supply arrangement were made with contractors below the prescribed rate.

Further it was observed that in Shajapur district, contract was given to contractors below the prescribed rate of the conversion cost fixed by GOI (during 2006-08) resulting in students getting deprived of meals of proper calorific value and quality. There were many complaints leading to cancellation of the contract (September 2007). In Dindori district there was interruption in supply of cooked meal from 39 to 50 days during June-July 2008 wherein 388 children did not get cooked meals.

3.2.13.1 Engagement of Self Help Groups

Improper Engagement of Self Help Groups.

It was observed that the BEO Shahdol and Mandla engaged SHGs at block level for regular supply of ingredients to 911 schools and made payment worth Rs.64.38 lakh³¹ during April 2005 to February 2006 against the laid down procedure. Further, Collector (Tribal) Jhabua engaged 24 SHGs for work of grinding of wheat and supply of flour in packets of 23 kg each by adjusting wastage of 8 kg wheat per quintal. There was no provision of allowing/permitting wastage of foodgrains at any level in the guidelines. Wastage of 942.02 quintal of Rs.9.42 lakh was allowed at 8 percent of 11775 quintal wheat grinded in Bhabra, Jobat, Rama and Ranapur blocks during 2006-07. It was also observed that recovery of short supplied flour of 37.44 Quintal @ Rs. 5/- per kg was made from SHGs, instead @ Rs.10/- per kg as prescribed in guidelines resulting in loss of Rs.18.72 lakh.

²⁹ Shajapur District:- (i) Nagar Panchayat Nalkhera- Namdev Bhojnalaya @ Rs. 1.40 per child per day July 2005 to April 06, Jain Bhojnalaya @ Rs. 1.90 per child per day August 06 to April 07, (ii) Nagar Panchayat Susner @ Rs. 1 per child per day (iii) Urban school Shajapur-Akanchha SHG Jawad @ Rs. 0.89 per child per day October 06 to April 07, Pasupati Nath Mahila Mandal @ Rs. 1.80 per child per day September 07 to April 08.

³⁰ Dindori- Urban schools of Dindori – Durgadas Multipurpose Sanstha – at prevailing rate February 08 to June 08.

³¹ BEO Gohaparu-Shahdol Jyoti Mahila SHG Chotarihatola Rs 6.51 lakh, Ganga SHG Umaria Rs. 8.19 lakh., BEO Jaisingh Nagar Shahdol-Mahila SHG Kanadi Khurd Rs.40.24 lakh, BEO Niwas-Mandla-Jai Bhawani SHG Awadongri, Rs.5.93 lakh, Mahabir SHG Kusmi Rs. 3.51 lakh.

3.2.14 Monitoring and Supervision

- According to PRDD instructions (February-March 2005) Steering cum Monitoring committees (SMCs) at District/Block level were required to have atleast one meeting in every month. Against the requirement of 36 meetings to be held in each district during 2005-08, few meetings Bhopal (3), Dindori (11), Shahdol (6), Bhind (10), Burhanpur (2) were held. Blocks where SMCs were set up have not furnished the details of meetings held during 2005-08. Scrutiny revealed that SMCs were not constituted at block of Betul, Burhanpur, Dindori, Mandla, Narsinghpur, Shahdol and Shivpuri districts. Meetings were thus not held as required at block level. Thus monitoring of performance by the designated committees was far from satisfactory.
- According to instructions (April 2006) of PRDD, MDM Cell was to be established in each district for effective MME. It was observed that MDM cell in Dindori, Jhabua, Mandla, Narshingpur and Shivpuri districts were not established and the funds were lying unutilized.
- PRDD issued (October 2005) instructions that Jan Shikshak/Cluster Resource Centre (CRC) was to inspect all schools atleast once in a month. At block and district level, a roster was to be prepared and the officers at block/district level were to inspect atleast 10 schools and 5 schools of remote locality in a month. No information or records relating to inspections were furnished by checked districts/blocks.
- PRDD issued instructions (October 2005) regarding submission of reports in prescribed formats and to prepare the MIS database. During scrutiny of formats of monthly progress reports of Dindori, Khargone, Mandla, Dhar and Shahdol, it was noticed that the data of the previous month did not tally with the current month. CEOZP Betul, Jhabua and Shajapur did not provide the progress reports to audit.
- Separate cash book and ledger were required to be maintained for MDM, It was observed that separate cash book and ledger were not maintained at State level, instead they were mixed with Rajeev Gandhi Jal Grahan Mission account.

3.2.15. Conclusion

The programme implementation was weak. Main objective of universalisation of Primary Education was not achieved as there was no noticeable improvement in overall enrolment, average attendance and retention of students. There were cases of deficiencies in financial management such as non-utilisation of funds, diversion of funds etc. Besides there were cases of short allotment of cooking cost to PTAs, non/short distribution of cooked

meals, delay in construction of kitchens in primary schools etc. were also observed. Non/short distribution of de-worming & micronutrient tablets indicated that implementation of the programme lacked focus on internal issues. 'Health profile' of primary students was not maintained rendering monitoring of health standards more difficult. MDM Cells and Steering cum Monitoring Committees were not set up at district and block levels respectively. Regular meetings were not held to discuss the operational issues. Regular inspections of primary schools, were not carried out to ensure efficient implementation of MDM.

3.2.16.Recommendation

Since the success of the scheme depended heavily on improved delivery, some steps need to be taken to address issues like quality of meals and regularity in supply and efficiency in operation. Some major areas/aspects requiring better attention and efforts are stated below:

- Cooking and supply of meals should conform to the prescribed procedure be of the required quality.
- Necessary records be maintained to monitor the health standards of children.
- The committees at various level should be made more pro-active/participative.
- Evaluation of the scheme may be made to pinpoint events, reasons behind fall in enrolment and retention of school going children.
- More attention needs to be given to improve the status of the kitchen and drinking water as well as utensils.
- Construction of kitchens be speeded up to avoid disruption in teaching by making suitable arrangements for additional funds.

Scheduled Tribes and Scheduled Castes Welfare Department

3.3 Infrastructure Development under Tribal Sub-Plan

Highlights

The Government of India (GOI) evolved Tribal Sub-Plan (TSP) strategy during 5th Plan period (1974-79) with the objective to develop basic infrastructure facilities like irrigation, road and bridge connectivity, construction of educational institutions and health infrastructure in the tribal areas of the State. In Madhya Pradesh Rs.1606.84 crore were spent during 10th Plan (2002-2007) under TSP for developing infrastructure for areas inhabited by tribal population of the State. Some important findings of performance audit are given below.

Government failed to utilise TSP funds of Rs.356.99 crore during the entire 10th plan period. Rupees 4.92 crore received from Central grants remained unutilized as deposits in Badwani and Khargone districts.

(Paragraph 3.3.7)

Diversion of Rs.14.68 crore from TSP funds to non-tribal areas was noticed in Katni and Sidhi districts. The irrigation potential created could not be utilised fully.

(Paragraphs 3.3.7.1 and 3.3.8.2)

Unwarranted splitting of works resulted in avoidable extra expenditure of Rs.4.18 crore.

(Paragraph 3.3.7.3)

Abandonment of five minor irrigation schemes due to overlapping of command area resulted in unfruitful expenditure of Rs.26 lakh.

(Paragraph 3.3.8.5)

A sixty bedded hospital building in Jhabua district remained incomplete for last 12 years due to abnormal delay in finalising the tender.

(Paragraph 3.3.9.6)

3.3.1 Introduction

Scheduled Tribes (STs) are the most disadvantaged section of the Indian society. Apart from high levels of poverty, they remained backward in all aspects of human development indices including education, health, employment, nutrition etc.

The ST population of the country, as per 2001 Census, was 8.43 crore (i.e. 8.2 per cent of the total population of the country) of which 1.22 crore STs live in

Madhya Pradesh (MP), 20.27 *per cent* of the total population of MP is ST, which is the highest among all the Indian States. There were 17 full/ partial tribal districts in the State covering 89 Tribal Development Blocks.

Tribal Development Strategy

The Tribal Sub-Plan (TSP) strategy was evolved by an Expert Committee set-up by the Ministry of Education and Social Welfare, for rapid socio-economic development of the tribal population during the Fifth Five Year Plan (1974-79) and the same is in operation till date.

The salient features of TSP were:

- The benefits given to the tribals and tribal areas of the State should be in addition to what percolates from the overall Plan of the State.
- To ensure a flow of funds for TSP areas the allotment should at least be in equal proportion to the ST population of the State (i.e.20.27 *per cent* in case of MP).
- The TSP funds were non-lapsable and non-divertible.

Expenditure from TSP funds up-to 30 *per cent* was permissible for the purpose of developing infrastructure.

3.3.2 Organisational set-up

The Scheduled Tribes and Scheduled Castes Welfare Department (TWD) is the nodal department for development of SCs/STs in the State. The Principal Secretary, TWD acts as the Nodal Officer for TSP schemes.

There were four Works Departments (Water Resources Department, Narmada Valley Development Authority, Public Works Department & Public Health Engineering Department) mainly responsible for development of infrastructure in the State including ST areas of the State. Each department at apex level is headed by the Principal Secretary to the Government and assisted by Engineers-in Chief (E-in-C) , Chief Engineers (CE), Superintending Engineers (SE) and at field level Executive Engineers (EE). The NVDA is headed by the Chairman, five members, CEs, SEs and the EEs.

3.3.3 Audit objectives

The performance audit objectives were to assess whether:

- the planning for various infrastructure development schemes was systematically done;

- the fund flow earmarked for various infrastructure development schemes under TSP was adequate and in proportion to ST population of the State and the same was utilized for benefit of STs;
- the schemes were executed properly and effectively by executing / implementing agencies;
- the basic development indices of the STs have improved during this period; and
- the monitoring system at various levels was adequate and effective.

3.3.4 Audit criteria

The main criteria to arrive at audit conclusions were:

- Guidelines issued by the Government of India and the Planning Commission for release and utilization of TSP funds;
- Budget provisions under tribal sub-plan during the period from 2002-03 to 2006-07;
- Sanctions accorded for the schemes/works under TSP, detailed estimates prepared for works/schemes and the contract documents.

3.3.5 Scope of audit and methodology

The Performance Audit of infrastructure development of STs under TSP was conducted during February to October 2008 covering the period from 2003 to 2008.

Scrutiny of records was conducted in nine WRD and six PWD divisions in nine (out of total 17) tribal districts and two non-tribal districts of the State. Also the information was collected from Nodal Officer and Heads of the Departments. Probability proportionate to size sampling (PPS) method was used to select tribal divisions.

An introductory meeting was held in March 2008 with Commissioner Tribal Development, Secretary of Public Works Department (PWD) and Water Resources Department (WRD) and subsequently audit findings and recommendations of audit were discussed in the exit conference held in December 2008 with Secretary Scheduled Tribes and Scheduled Castes Welfare Department, PWD and WRD.

Audit Findings

3.3.6 Planning

In order to achieve the objective of the programme/schemes, the department/implementing agency was required to develop a system of planning, assessment and identification of the infrastructure development works to be created in the tribal areas and their execution within a prescribed time frame. It was, however, observed that no such planning was attempted by the implementing departments and execution was carried out as and when sanctions were accorded by the Government.

Implementation of Schemes

3.3.7 Fund Management

Funding Pattern and Budget Analysis

Funds for Tribal Development (under TSP) were sourced from:

- State Plans,
- Special Central Assistance (SCA) and Grants under Article 275 (1) of the Constitution,
- Sectoral (Grants of Ministries and Departments), and
- Institutional Finance like NABARD loan assistance.

(i) **Allocation of funds under TSP:-**As per guidelines, the flow of funds to the TSP in MP out of the total State plan outlays should not be less than 20.27 per cent (i.e. proportionate to the tribal population) of total state plan outlays. These funds were to be used for implementing the community development programmes (70 per cent) and infrastructural development (30 per cent).

Table No.3.9: Allotment and expenditure for infrastructure

(Rupees in crore)

Years	Total Plan Outlay of State	Allotment under TSP (per cent)	Allotment & Expenditure in Works Departments for infrastructure development					
			Water Resources Department		Public Works Department		Narmada Valley Development Authority	
			Allotment	Expenditure	Allotment	Expenditure	Allotment	Expenditure
2002-03	4821.00	824.69 (17.11)	85.76	72.96	79.26	48.68	62.14	65.18
2003-04	5703.00	962.73 (16.88)	103.79	95.98	69.60	57.84	104.01	78.31
2004-05	6709.96	1365.55 (20.35)	107.75	102.19	100.20	47.70	328.16	307.63
2005-06	7471.00	1652.59 (22.12)	138.07	126.02	96.23	88.89	191.78	119.06
2006-07	9100.67	2060.61 (22.64)	160.73	149.66	128.72	99.49	207.63	147.25
Grand Total	33805.63	6866.17 (20.31)	596.10	546.81	474.01	342.60	893.72	717.43
(+)Excess expenditure/(-) Savings			(-) Rs.49.29 crore		(-) Rs.131.41 crore		(-) Rs.176.29 crore	

Source: State Planning Board & Information given by PWD, WRD and NVDA

There was under-utilisation of Rs.356.99 crore TSP funds during 10th Plan period.

The GOMP did not provide fund under TSP in proportion to the tribal population of the State during 2002-03 and 2003-04, though, the flow of fund improved in the subsequent years. However, during the entire 10th Plan period, Rs.356.99 crore under TSP remained un-utilised.

On this being pointed out, the GOMP, WRD, stated (October 2008) that utilisation of allotment was more than 90 *per cent*, hence it was considered satisfactory.

(ii) Central Assistance-funds kept under Civil Deposits

An amount of Rs.4.92 crore was lying under Civil Deposits whereas utilization was reported to GOI.

The State received a sum of Rs.803.35 crore as central assistance and grants under Article 275 (1) of the Constitution from Government of India (GOI). According to the guidelines only 30 *per cent* amount of central grants is to be spent on infrastructural development activities through ITDPs³². An amount of Rs.787.89 crore from central assistance and grants were utilised by the State Government on community programmes and infrastructure schemes.

GOI guidelines (1998) clearly prohibited parking of central funds under civil deposits. Audit observed that in one district (Badwani) seven irrigation works estimated to cost Rs.4.66 crore were sanctioned with grants under Article 275(1) of the Constitution. The amount was also received by the WR Division and was kept under Civil Deposits. Only two works were completed at a cost of Rs.0.48 crore and balance amount of Rs.4.18 crore was lying in 8443-Civil Deposits. No work was started on five irrigation schemes, while the Nodal Officer reported to GOI that grants have been utilized.

Similarly in WR Division, Khargone it was noticed that a sum of Rs.0.74 crore provided in December 2006 remained un-utilized as of May 2008. The unspent amount was kept under Civil Deposits. Audit observed that in the above cases the implementing department received fund from the nodal department at the lag end of the financial year. In order to avoid lapse of fund, these amounts were kept under Civil Deposits.

On this being pointed out, Government admitted (October 2008) that certain grants were temporarily kept under Civil Deposits.

3.3.7.1 Diversion of TSP funds

In MP 89 Tribal Development Blocks were notified in 17 districts (vide Annexure VII) by the Government of India under Constitution (Scheduled Tribes) Order 2003 (C.O.192) of February 2003. As per guidelines of scheme the TSP funds were to be primarily utilized only in scheduled areas, however, diversion of TSP funds for non-scheduled areas was permissible if beneficiaries of the schemes were more than 50 *per cent* from tribal

³² ITDPs- Integrated Tribal Development Projects

community. Cases of diversion of TSP funds, where tribal population is less than 50 per cent, as noticed by audit are discussed below:

- GOMP spent Rs.1.43 crore under TSP for construction of Jhanpi tank project to irrigate 154 ha. land of Katni district. The scheme was completed in June 2004. Scrutiny of detailed project report (DPR) revealed that out of total 162 beneficiary cultivators, the number of ST cultivators was merely 29 (18 per cent) with their land holdings as 15 per cent.

On this being pointed out, it was stated by the EE that the tribal beneficiaries were 41 per cent. Even the 41 per cent as reported by EE did not qualify the norms prescribed by GOI.

Diversion of Rs.14.68 crore TSP funds to non-tribal areas/ schemes was noticed.

- In Sidhi district, ST population is 30 per cent and out of eight development blocks only one block namely Kusmi was declared as a Tribal block. Scrutiny of records revealed that GOMP accorded (June 1999 to June 2001) approval of Rs.21.46 crore for construction of eight roads having length of 145.70 km under TSP. None of these roads was located in the tribal block of Kusmi. The division incurred an expenditure of Rs.13.25 crore on completion of 79.10 km Black Topped (BT) road as of July 2008. The beneficiary ST population in those non-tribal areas ranged between 10.84 and 32.78 per cent, which did not qualify the conditions for utilization of TSP funds in non-tribal area.

3.3.7.2 Schemes sanctioned during 5th & 6th Plan remained incomplete due to non-receipt of funds in time

The objective of TSP was to ensure flow of funds to complete the incomplete projects with priority to old ongoing projects over the new projects. In one district (Shalipura tank of Mandleshwar division of district Khargone), a scheme was approved (1978 i.e. during 5th Plan) with designed irrigation potential of 398 hectares. Only 298 hectare (74.87 per cent) potential could however been created as of March 2008, due to non-completion of canals.

Fifty seven schemes capable to irrigate 16832 ha remained incomplete as of March 2008.

The abnormal delay in completion of canal in the eight divisions of seven districts test checked by audit was due to various reasons, which are exhibited in **Appendix 3.12**. It would be seen that 57 schemes sanctioned during 5th and 9th Plan period, capable of irrigating 16832 ha land remained incomplete due to the reasons like paucity of funds, delay in getting the forest clearance from GOI and etc. as indicated against each.

On these being pointed out in audit, the Government stated (October 2008) that non-completion was due to local resistance in acquisition of land required for the schemes. The completion of all the incomplete schemes would be expedited.

Reply is not acceptable, as out of 57 schemes only five remained incomplete due to non-acquisition of land and the 22 schemes remained incomplete due to inadequacy of funds. Balance 30 schemes were under progress.

3.3.7.3 Unwarranted splitting of work resulted in extra cost of Rs.4.18 crore

Construction of Bagedi tank project in Badnawar block of Dhar district was approved (August 2002) under TSP at an estimated cost of Rs.10.72 crore. The construction of canal work including steel siphon was awarded (November 2003) to a contractor for Rs.3.84 crore. The agency could execute the work valuing Rs.0.92 crore only and after that the contract was rescinded (January 2006). The work of providing and erection of MS steel pipes for siphon was awarded (January 2006) to another agency through Madhya Pradesh Laghu Udhog Nigam (MPLUN) at a cost of Rs.5.61 crore. Balance civil work (except steel siphon work) with an estimated cost of Rs.1.67 crore was awarded (June 2006) to another agency for Rs.2.09 crore (25.01 *per cent* above) at risk and cost of the original contractor. Though the canal work is still incomplete, the cost of steel siphon was paid without commissioning the canal. The dam work was completed in June 2006.

Unwarranted splitting of work resulted in avoidable extra expenditure of Rs.4.18 crore.

In original contract the civil work of canal and MS steel siphon work was awarded to a single contractor. The rate of MS pipes for siphon (weighing 417282 kg) was based on per kg steel and its total cost as per contractor's rates works out to Rs.1.14 crore. However, while splitting of siphon work, the weight component was eliminated and nomenclature of the item was changed on the basis of diameter, length and thickness of steel pipe. The escalation in cost of civil work was merely 25 *per cent* (June 2006) while cost of siphon work (January 2006) rose to Rs.5.61 crore (490.83 percent). Had the splitting of work not done and been included in subsequent single contract like the original one the cost of the work could have been minimized to Rs.1.43 crore. Thus unwarranted splitting of work resulted in avoidable extra expenditure of Rs.4.18 crore under TSP besides litigation in fixing risk and cost on defaulting contractor.

On being pointed out, the GOMP, WRD stated (October 2008) that due to unsatisfactory progress, the earlier contract was rescinded. While preparing tender for balance work, MPLUN directed (September 2005) that purchase of MS pipe was included in reserved list of MPLUN, hence it should be removed from contract and be purchased through MPLUN only. Therefore, it was separated from the balance work and the splitting was done from the composite work.

Reply was not in consonance with the fact that the item of MS pipe was already existed in reserved list and the Store Purchase Rules were also in existence at the time of original contract. Further, it was a civil contract for execution of complete canal work and not only purchase of MS pipe alone.

Execution

There were four works departments mainly responsible for development of infrastructure in the State including tribal areas.

Departments	Sectors
<i>Water Resources Department & Narmada Valley Development Authority</i>	<i>Irrigation</i>
<i>Public Works Department</i>	<i>Roads & Buildings</i>
<i>Public Health Engineering Department</i>	<i>Drinking Water</i>

The coverage of drinking water has already been included in performance audit review on “Accelerated Rural Water Supply Programme” appeared in the Audit Report (Civil) MP, for the year ending March 2007.

3.3.8 Water Resources Department

3.3.8.1 Development of Irrigation facilities

An additional irrigation potential of 21631 hectares only could be created under TSP during 10th Plan period.

Out of the four departments responsible for providing infrastructure under TSP, Water Resources Department (WRD) and Narmada Valley Development Authority (NVDA) deal with construction and maintenance of irrigation infrastructures like dam, canals and reservoirs in the state. Tenth Plan period targetted to create additional potential of 3.40 lakh ha. in the State from major, medium and minor irrigation schemes. However, no specific target was specified under TSP except the Man and Jobat ongoing projects (with NVDA) which were proposed to be completed during 10th Plan period. Both the projects got completed (March 2008).

At the end of 9th Plan (31st March 2002), 3 medium and 181 minor schemes having irrigation potential of 10692 ha. were under progress. During 10th Plan period 137 minor irrigation schemes having irrigation potential of 37961 ha. were sanctioned. Out of the total 3 medium and 318 minor schemes under TSP, only one medium and 47 minor schemes were completed during 10th Plan period with additional irrigation potential of 21631 ha.

Table No. 3.10: Year-wise position of sanctioned, completed and ongoing irrigation schemes

Year	Number of ongoing scheme			Number of schemes sanctioned			Number of schemes completed		
	Medium	Minor	Potential (ha)	Medium	Minor	Potential (ha)	Medium	Minor	Potential (ha)
02-03	3	166	5480	0	17	5433	0	9	4441
03-04	3	258	1510	0	40	12648	0	15	6490
04-05	3	218	2420	0	22	4553	0	8	5564
05-06	3	218	4150	0	36	9196	0	15	2707
06-07	2	392	5800	0	22	6131	1	0	2429
TOTAL							1	47	21631

Source: Information furnished by Water Resources Department

3.3.8.2 Non-utilization of created irrigation potential

Under TSP a total of 200984 ha irrigation potential was created till the end of 10th Plan period. Utilisation from TSP schemes during 10th Plan period ranged

between 24.87 *per cent* and 37.43 *per cent*, while for the State as a whole the range of utilisation was between 36.12 *per cent* and 50.02 *per cent*.

During test check of records in seven tribal districts, position of irrigation potential utilised during 10th Plan period under TSP was found to be low. Against the creation of 91858 ha. irrigation potential, the utilisation ranged from 19.14 *per cent* to 34.23 *per cent*.

Table No. 3.11: Utilisation of irrigation potential

Sl. No.	District	Number of completed schemes	Irrigation potential created (Ha)	Actual utilization (ha)					Number of schemes where percentage of utilization was		
				2002-03	03-04	04-05	05-06	06-07	Below 10 <i>per cent</i>	10-25 <i>per cent</i>	Above 25 <i>per cent</i>
1	Khargone	35	16654	6991	8354	7071	3956	7778	09	07	19
2	Dhar	109	12604	3920	5791	5911	3958	6107	18	13	78
3	Seoni	56	15736	3920	4370	2277	4756	5873	17	12	27
4	Mandla	28	22898	7292	2609	8088	2047	6273	12	10	06
5	Dindori	47	9046	641	1180	1340	2200	1512	17	21	09
6	Badwani	99	14423	4995	5645	4190	482	3838	30	27	42
7	Katni	3	497	00	92	09	191	65	01	02	-
Total		377	91858	27759	28041	28886	17590	31446	104	92	181
Percentage				30.21	30.52	31.44	19.14	34.23			

Source: Information furnished by test checked divisions

Non-utilisation of irrigation potential.

The non-utilisation of irrigation potential was due to lack of maintenance of canal systems due to paucity of funds, loss of reservoir storage due to technical problems and operational problem of canal systems etc.

The Government while admitting under-utilisation stated (October 2008) that it was wide spread problem and not confined to tribal areas alone.

The reply did not explain why the maximum utilisation under TSP (34.23 *per cent*) was below even the minimum utilisation of the State (36.12 *per cent*) as a whole. Moreover, it appeared that the Tribal Welfare Department had not taken sufficient initiative through the Agriculture Department to educate and encourage the tribal cultivators about advantageous cropping pattern as well as benefit of irrigation facilities in terms of guidelines issued in May 2003.

Non-utilization of created irrigation potential deprived the poor tribal cultivators from the benefit of irrigation facilities and also resulted in loss of additional production of food grains as per **Appendix 3.13**.

3.3.8.3 Schemes without canal network

In the absence of canal network only 12 ha out of 160 ha created potential could be utilised.

In two districts (Khargone and Dhar) five minor schemes with designed irrigation potential of 582 hectares were sanctioned. GOMP, WRD, decided (March 2000) not to construct canals and allow cultivators to make their own arrangements for lifting the water from dams to their fields. Rupees 7.01 crore were spent on the schemes till March 2008. Out of 160 hectares irrigation potential created, actual utilisation was 12 hectares only due to absence of canal network.

The Government admitted (October 2008) that many irrigation schemes were taken-up without canal network in the entire State including tribal areas on local demand. Government also admitted that marginal farmers might not take advantage of such schemes; therefore, expectation of the Government seems to be unrealistic.

Irrigation potential of 5574 hectare remained un-utilised in four districts rendering the expenditure of Rs.51.48 crore idle.

3.3.8.4 Delay in completion of canal network

In four³³ districts it was observed that though head works (dam) of 12 minor schemes with designed irrigation potential of 5,574 hectares were completed at a cost of Rs.51.48 crore and reservoirs were full of water but due to delay in construction of canal network no irrigation facilities could be provided to the tribal cultivators as of May 2008 resulting in idle investment of Rs.51.48 crore.

The Government admitted (October 2008) that delay was mainly due to non-acquisition of land for canal network and for some other reasons too.

3.3.8.5 Overlapping of command area resulting in abandonment of schemes

In one district (Khargone) seven schemes with designed potential of 1415 ha at an estimated cost of Rs.13.19 crore were sanctioned (during 2002-03 to 2006-07) under TSP. After incurring an expenditure of Rs.0.26 crore, five schemes were proposed for abandonment due to overlapping of command area of one medium and one major project. Two schemes were abandoned due to refusal of cultivators of submergence area. Abandonment of schemes indicated unrealistic and inadequate survey/ investigations while proposing the schemes, and the expenditure of Rs.0.26 crore became unfruitful.

Overlapping of command area resulted in abandonment of five approved schemes.

The Government admitted (October 2008) that while preparing land acquisition cases it was found that the schemes were in the command area of Indira Sagar Project, and were therefore dropped.

3.3.9 Public Works Department

The Public Works Department was responsible for infrastructural development such as road, government residential and non-residential buildings, requirement for educational infrastructure, health infrastructure and general administration etc for the entire State including tribal areas.

3.3.9.1 Development of Road Infrastructure

Road is the basic need to provide physical connectivity between two destinations, hence is one of the oldest forms of infrastructure. Roads are, therefore, the backbone of any economy. The PWD is vested with the

³³ Khargone, Badwani, Dindori and Dhar districts

responsibility of construction, up-gradation and maintenance of roads in the State. Two new authorities, the Madhya Pradesh Rural Road Development Authority (MPRRDA) and the Madhya Pradesh Road Development Corporation (MPRDC) were constituted with effect from December 2000 and July 2004 respectively with the specific purpose to improve rural roads connectivity, especially with reference to implementation of PMGSY³⁴ by the MPRRDA, and construction and maintenance of state highways by the MPRDC.

Test check of records in five districts out of eleven, revealed that not a single km BT³⁵ road was constructed for new connectivity to tribal habitations. Three (3) km WBM³⁶ road in Khargone district and one km WBM road in Dindori district for PTG³⁷ (Baiga village) were constructed. A substantial portion of TSP fund was utilized for up-gradation and strengthening of existing roads instead of new connectivity.

Table No. 3.12: Position of un-connected habitation in 10 tribal districts

Tribal Districts	Percentage of villages not connected by pucca road
Badwani	51.8
Betul	61.9
Dhar	61.8
Dindori	64.6
Jhabua	48.2
Khargone	53.1
Mandla	61.8
Seoni	68.4
Shahdol	59.6
Sidhi	51.3

Source: MPRRDA and Annual Reports of PWD for 1999 to 2006

3.3.9.2 Inordinate delay in completion of road for primitive tribal groups

Rusa to Jada Surang, all weather BT road with length of seven km in Dindori district for providing connectivity to Baiga (PTGs) villages was sanctioned (March,2006) by GOI under Article 275 (1) of the Constitution. Though funds were made available (March 2006) to the department, yet the work was not allotted to any contract agency till March 2008. Scrutiny of records did not reveal any reason for the non-allotment of work to any contract agency. Audit further observed that the work was being executed departmentally and only one km WBM road was constructed after incurring an expenditure of Rs.0.31 crore as of March 2008.

³⁴ PMGSY- Pradhan Mantri Gram Sadak Yojana

³⁵ BT- Black Topped (BT road is considered as all weather road and superior than WBM road)

³⁶ WBM-Water Bound Macadam

³⁷ PTGs- Primitive Tribal Groups

3.3.9.3 Sub-Standard Cement Concrete Pavement

According to MORT&H specifications (clause 602.4) a cement concrete pavement should be laid over a Dry Lean Concrete (DLC) sub-base³⁸ constructed in accordance with clause 601. Audit observed that in two³⁹ districts the cement concrete pavement was laid directly on Water Bound Macadam (WBM) surface without the proper sub-base of DLC. This resulted in sub-standard work valuing Rs.2.22 crore.

Sub-standard work of Rs.2.22 crore was executed against the Specifications.

On being pointed out it was stated by auditee that DLC sub-base was not provided in the CC⁴⁰ roads passing through village area in view of less traffic. Hence it was not provided in the sanctioned estimates. The reply was not conforming to the specifications of MORTH.

3.3.9.4 Excess payment on back filling

The MORT&H specifications section 300, as well as general note of SOR provided that the item of excavation for foundation of structures included backfilling up-to original ground level, no extra charges were payable on this account.

Execution of superfluous item resulted in excess payment of Rs.42 lakh.

It was, however, observed that in Dindori, Jhabua and Mandla districts, Hume-pipe (HP) culverts⁴¹ were constructed and an item “back-filling behind abutments and returns” was paid to the contractors. Since the item of excavation for foundation had already included backfilling and the HP culverts did not have any abutment⁴² or returns except headwalls and face walls⁴³ the item was superfluous resulting in excess payment of Rs.42 lakh to the contractors.

On being pointed out it was stated that earthwork for face walls and head walls was necessary, hence payment was regulated vide the item of back filling behind abutments. The reply was contrary to the provisions of SOR as no separate payment for backfilling was to be made.

³⁸ *Dry lean concrete sub-base acts as foundation of cement concrete pavement*

³⁹ *Bistan-Sirwel-Tensemli, Anakwadi-Kabri-Bhulwania road (Khargone district) and Jobat-Bori-Para road (Jhabua district),*

⁴⁰ *Cement concrete roads are classified as rigid pavements for roads.*

⁴¹ *Hume pipe culverts are cross drainage structures made of Hume pipes.*

⁴² *Abutments are the end support of the bridge structure and returns are provided behind abutment to accommodate embankment for approaches to the bridge structure.*

⁴³ *Head wall supports the Hume pipes along the roadway, while face wall supports the pipe along the waterway for cross drainage.;*

3.3.9.5 Development of Health infrastructure

Development of any area depends primarily on the progress of its people. To overcome poverty, unhygienic condition, mal-nutrition and illiteracy are expected to strive for social change and economic betterment. Further establishment of medical facilities to cater the needs of the ST population was, therefore, one of the primary aims of TSP.

Table No. 3.13: Position of construction of PHCs and CHCs during 10th plan period in State

Particulars	Position as on 1 st April 2002	Sanctioned during 10 th Plan period (2002-07)	Constructed and handed over to Health Department	Position of 10 th Plan period as of Sept.2008
Primary Health Centre (PHC)	0	143	63	Work in progress-64 Work not started-16
20 bedded Community Health Centre (CHC)	0	32	14	Work in progress-14 Work not started-04
30 bedded Community Health Centre (CHC)	0	35	06	Work in progress-25 Work not started-04

Source: Information furnished by Health Department

Out of test checked 11 districts, in three districts (Mandla, Jhabua and Sidhi) it was observed that GOMP Public Health and Family Welfare Department sanctioned (January 2003) the construction of 17 Primary Health Centres (PHCs), 12 numbers 20 bedded Community Health Centres (CHCs) and 7 numbers 30 bedded hospital buildings at various places. However, two PHCs, six 20 bedded CHCs and only two 30 bedded CHC buildings could be completed as of July 2008. The delay in completion was due to non-availability of land, termination of contracts and belated invitation of tender, apart from paucity of funds. This resulted in beneficiaries being deprived of basic health facilities.

3.3.9.6 Abnormal delay in completion

At Jobat in Jhabua district it was seen that, 60 bedded one hospital with operation theatre facilities was sanctioned (3 March 1996) at a cost of Rs.19 lakh and funds provided to the division. Department did not initiate any action for three years and finally the work was awarded (28 June 1999) to a contractor to complete the work within eight months. The contractor could execute work valuing Rupees four lakh only as of October 2003. Despite instruction from the EE, further progress was not achieved and after three years contract was rescinded (September 2006). Tenders for balance work were invited on eight occasions but agency could not be fixed (July 2008) either due to excessive or unworkable rates. The hospital building sanctioned (in 1996) has remained incomplete even after lapse of 12 years depriving the tribal population of adequate medical facilities.

Hospital building sanctioned in 1996 remained incomplete for more than 12 years.

3.3.9.7 Development of Educational Infrastructure -Eklavya Model Residential Schools (EMRS)

With the objective of providing quality education to the tribal students, it was decided (1997-98) by Government of India to utilize a part of the funds under Article 275(1) of the Constitution of India for setting up of EMRS in the State. The GOI provides Rs.2.50 crore for construction of school building and associated infrastructure such as hostel for each EMR Schools.

During test check of 11 districts, in five⁴⁴ districts it was noticed that as against the target of five EMRS, only three EMRS (Mandla, Jhabua and Betul) were completed and remaining two EMRS (Dindori and Khargone) were incomplete because of delay on the part of the contractors for not giving proportionate progress though prescribed period of completion had expired.

View of incomplete EMRS building Khargone (As on February 2008)



On being pointed out the department replied that progress was satisfactory. Reply was contrary to the actual progress.

3.3.9.8 Non-completion of hostel building

50 seated hostel building remained incomplete due to non availability of additional funds.

In Jhabua district it was observed that the division invited tenders for construction of 300 seated hostel building. The building was completed at a cost of Rs.1.70 crore and was handed over to TWD on 31st March 2004. The Tribal Commissioner while inspecting the site ordered (19th May 2004) the construction of one additional 50 seated block of hostel building. The work was awarded (December 2004) to a contractor at an estimated cost of Rs.0.29 crore but due to non-availability of funds the work could not be completed. The funds (Rs.0.25 crore) were provided only on 10 March 2008. The 50 seated hostel block remained incomplete as of July 2008. On this being pointed out, the department admitted the facts.

3.3.9.9 Defective construction

The GOMP accorded (January 2002) sanction of Rs.1.81 crore for 350 seated hostels and Rs.2.38 crore (March 2003) for construction of school building and

⁴⁴ Khargone, Mandla, Dindori, Jhabua and Betul

staff quarters for EMRS Shahpura, district Betul. The works of construction of school and hostel were awarded to a contractor in 2003-04 and 2004-05. The EMRS, except 3 staff quarters was completed in April 2006. Scrutiny revealed that sanction for Rs.4.19 crore accorded by GOMP exceeded the norms of Rs.2.50 crore fixed by GOI. Further, the collector during inspection (August 2008) observed that the quality of work was poor as there were many defects such as cracks in walls, leakage from roof slab, breakage of septic tank and sanitary fittings causing overflow, lack of drainage system etc. indicating ineffective supervision and lack of quality control by the department.

On being pointed out EE stated (October 2008) that defects would be repaired from the earnest money of contractor available with the department.

3.3.9.10 Construction of Hostels for Girls and Boys

The scheme for construction of Girls Hostel was started during 3rd Plan period (1961-66). A separate scheme for construction of Hostel for ST Boys was launched in 1989-90. Both the schemes were merged into one scheme during the 10th Plan. The main objective of the scheme was to promote literacy among tribals by providing hostel accommodation to those tribal students who were not in a position to continue their education either because of the remote location of their villages or because of their poor economic conditions.

Table No. 3.14: Pre-matric and post-matric hostels constructed under TSP

Type of Institutions	Boys		Girls		Total	
	As on 1 st April 2002	As on 31 st March 2007	As on 1 st April 2002	As on 31 st March 2007	As on 1 st April 2002	As on 31 st March 2007
Pre-Matric Hostels	968	980	178	232	1146	1212
Post-Matric Hostels	52	56	30	39	82	95
Total	1020	1036	208	271	1228	1307

The position of works allocated to PWD in the test checked districts was as under:

- Three Pre-matric Girls hostel buildings at Samnapur, Bajag and Amarpur block headquarters of Dindori districts were sanctioned (November 2006) by GOMP for Rs. 91.95 lakh. Scrutiny in audit revealed that the department failed to initiate any action for about 16 months as agency could not be fixed in respect of Samnapur and Bajag. Only one work at Amarpur was at initial stage (brick work) as of February 2008 after incurring an expenditure of Rs.0.14 crore deprived the tribal girls from availing the hostel facilities.

On this being pointed out it was stated (March 2008) that tenders were called for and were submitted to competent authority. However, approval was

awaited. The reply indicated lackadaisical approach of the executing department.

- One post-matric and 3 pre-matric boys/girls hostel buildings were sanctioned (October 2003) for Rs.1.05 crore in Singarpur, Nainpur, Chiraidongri and Mandla of Mandla district. After incurring an expenditure of Rs.0.90 crore one work at Mandla remained incomplete as of March 2007.

This was indicative of the fact that Nodal Officer (TWD) as well as the implementing agency (PWD) failed to monitor the works effectively.

3.3.10 Impact Assessment

A detailed study⁴⁵ was carried out in the State in 1999 to understand the role of different types of public investments and their impact on poverty. The results show that government spending on productivity enhancing investments such as on irrigation, rural infrastructure (including roads), rural development etc. targeted directly to rural poor, have all contributed to reduction in rural poverty.

Test check in 11 districts⁴⁶ (9 tribal and 2 non-tribal) of the State, however, revealed that despite substantial investment in infrastructure development under TSP, the number of ST families below poverty line (BPL) increased from 617644 (2002) to 687635 (2007), while the Human Development Indices (comprising of education, health and income as of 2005) of these districts were between 0.398 and 0.596 as against 0.710 and 0.680 in respect of developed urban areas of the State, thus negating the impact of government investments on infrastructure development.

Number of ST families below poverty line increased from 617644 (2002) to 687635 (2007) negating the impact.

3.3.11 Monitoring

According to the guidelines the State Government had to develop information system for smooth flow of information about all the projects/ schemes sanctioned/ implemented with TSP/central fund for effective monitoring. The monitoring mechanism was also to be strengthened at District and State level.

Scrutiny of records in 11 districts, however, revealed that though there was regular and smooth flow of information about the progress of sanctioned works at nodal department level as well as at apex level of sectoral departments, yet, there was lack of effective monitoring. The sectoral departments were unable to deal with the bottlenecks at field level such as delay in acquisition of land, non-availability of funds, delays and defaults on the part of the contractors

Lack of effective monitoring at sectoral/departments level.

⁴⁵ By : Fan, Hazell and Thorat (1999)- Source: Madhya Pradesh Human Development Report-2007

⁴⁶ Dhar, Khargone, Seoni Badwani, Mandla Sidhi, Katni, Jhabua, Sidhi, Sehore and Betul districts

resulting in under utilization/ non-utilization of assets created, abandonment of schemes due to planning weaknesses etc.

3.3.12 Conclusion

Despite the added thrust given to the TSP since 5th Five Year Plan, planning and implementation suffered due to neglect of priority areas. Inadequate and inefficient monitoring resulted in non completion of schemes. Underutilization of created irrigation potential, inadequate infrastructure facilities related to education and health care and increase in number of family below poverty line etc. largely contributed to failure in delivering the expected improvement in socio-economic conditions of the ST population. Poor fund management led to diversion of large amount to non-tribal areas, and amount being kept in deposits, apart from non-utilization of TSP Funds during the 10th Plan period.

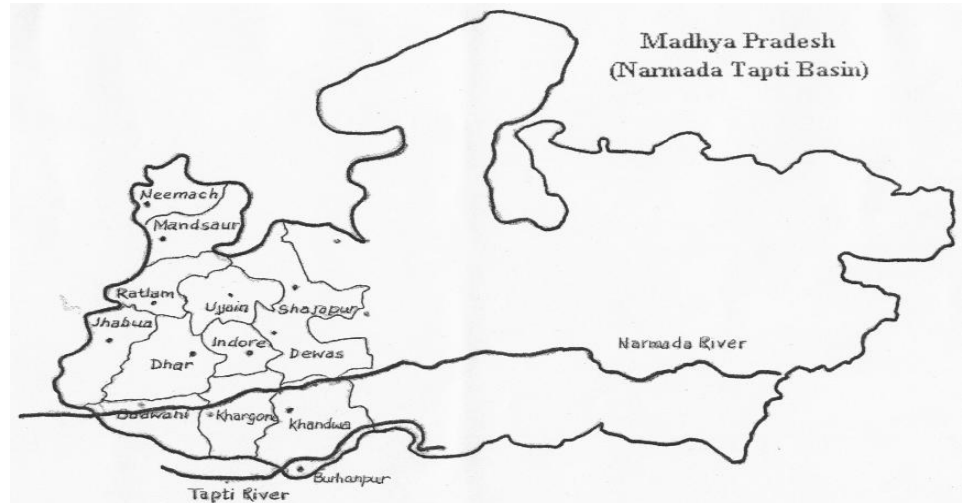
3.3.13 Recommendations

- Government should ensure flow of funds for TSP in proportion to the tribal population in the State as well as its timely release to the implementing departments.
- Parking of funds in civil deposits may be discouraged. Diversion of TSP funds to non-tribal areas/ schemes should not be allowed.
- The implementing departments may ensure proper system of planning for infrastructure development.
- Proper/ timely utilization of irrigation potential created may be ensured by the Government.
- Nodal/ Sectoral departments to streamline monitoring of TSP schemes for their effective implementation.
- Impact assessment on the socio-economic development of beneficiary tribal population may be conducted periodically.

WATER RESOURCES DEPARTMENT

3.4 Irrigation facilities in Narmada Tapti Basin

The Narmada Tapti (NT) Basin is the biggest river basin of the State of Madhya Pradesh (MP). It covers 13 districts⁴⁷ and 24.9 per cent of total 308245 sq.km area of the State.



- Up to March 2003, net sown area (NSA) was 43.77 lakh hectare (ha) (29.23 per cent of the State) and irrigation potential created was 2.58 lakh ha (11.72 per cent of the State)
- During 2003-08 additional potential of only 0.22 lakh hectare could be created.

The NT Basin is under the administrative control of the Water Resource Department (WRD) headed by the Principal Secretary at Government level. The Engineer-in-Chief (E-in-C) is the technical advisor and head of the department with seven basins headed by the Chief Engineers (CE). The CE in charge of NT basin has five Circles headed by the Superintending Engineers (SE) and 21 Divisions headed by the Executive Engineers (EE).

3.4.1 Planning

During 2003-08, a total of 434 irrigation projects (including ongoing Mahi major project) were taken up for construction in the NT Basin at an outlay of Rs.889.03 crore. It aimed to create an additional irrigation potential of 1.02 lakh ha. Till March 2008, 108 projects were completed after incurring an

Out of 434 projects targeted to be completed during 2003-08, only 108 projects could be completed. Work of 104 projects was not started.

⁴⁷ Indore, Ujjain, Ratlam, Dhar, Mandsaur, Neemuch, Jhabua, Khargone, Badwani, Khandwa, Burhanpur, Dewas, and Shajapur

expenditure of Rs.181.83 crore and 22033 ha. additional irrigation potential was created.

222 projects remained incomplete due to delay in land acquisition/compensation, slow progress of work by contractors, opposition by cultivators, delay in obtaining Government of India's (GOI) approval because of involvement of forestland, technical unfeasibility, high cost of construction and non-sanction of revised estimates. Work in case of 104 projects has not been taken up. Out of 2.80⁴⁸ lakh ha. irrigation potential created as on March 2008, only 0.71 lakh ha potential could be utilized and balance remained unutilized due to various reasons like no irrigation for kharif crop, changes in cropping pattern, scanty rain fall, water kept reserved for drinking purpose and deteriorating conditions of dams and canals.

The funding of the projects was obtained from the State Plan fund, Tribal Sub Plan (TSP), loan from National Agriculture Bank of Rural Development (NABARD), Special Central Assistance under article 275 (i), Special Component Plan (SCP) and Accelerated Irrigation Benefit Programme (AIBP). Status of the projects with reference to their sanctioned cost, expenditure incurred, designed irrigation potential and irrigation potential created is shown in **Appendix 3.14**.

In addition to above 434 projects, Government of Madhya Pradesh(GOMP), WRD had undertaken the survey work of 382 projects but work on these projects could not be sanctioned or started due to various reasons as tabulated below as on 31st March 2008.

Table No. 3.15: The physical progress of survey work of the projects

(Rupees in crore)

Sl No.	No. of Schemes	Sanctioned cost	Designed irrigation potential (ha)	Present status	Remark
1	116	1011.44	81245	Surveyed between January 1990 and January 2007	DPRs submitted between March 2003 and February 2008 but sanctions are awaited (March 2008) from the GOMP, WRD
2	21	53.72	4418	Surveyed between November 2003 and January 2007	Proposed to drop due to high cost of construction. The approval was awaited (March 2008) from the GOMP, WRD.
3	20	231.35	20112	Surveyed between January 2004 and March 2006	Forest affected and some were rejected by the Standing Committee due to high cost of compensation for forestland.
4	33	54.22	5287	Surveyed between November 2003 and March 2006	Proposed to drop due to their technical unfeasibility and command overlapped. The orders for dropping was awaited (March 2008) from the GOMP, WRD.
5	28	59.68	5691	Though survey works were reported complete but DPRs could not be prepared by March 2007.	The instructions (November 2006) of Minister of WRD were not complied.
6	164	--	--	Schemes were identified for	Survey work not started.

⁴⁸ *Irrigation potential created by March 2003 was 2.58 lakh hectares and additional 0.22 lakh hectare was created during 2003-2008.*

				survey.	
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The plan conceived to create additional irrigation potential could not be delivered despite clear instructions (November 2006) of the GOMP, WRD to complete the work and get the projects sanctioned with NABARD loan by March 2007. The progress was tardy due to lackadaisical approach of the divisional officers as reflected in the table above .

3.4.2 Financial Management

3.4.2.1 Diversion of funds under Special Component Plan

Central assistance is received under Special Component Plan (SCP-grant no. 64) for construction of projects in the area where scheduled castes (SC) beneficiaries are more than 50 *per cent*. Scrutiny revealed that due to less number of projects/slow progress of projects under SCP grant no. 64, there was savings of Rs.19.15 crore. E-in-C (December 2006), and GOMP,WRD with a view to utilize that savings directed (May 2007) to debit the cost of other (non-SCP grant) projects to SCP-grant no.64 in the ratio of SC beneficiaries under the project. Thus Rs.11.43 crore and Rs.6.75 crore were spent against the allotment of Rs.12 crore and Rs.7.15 crore during 2006-07 and 2007-08 respectively under SCP-grant no. 64/4702 on other projects sanctioned under non -tribal grants. The investment clearance of these projects by the State Planning Board was also under non tribal grants other than SCP-grant no. 64.

This resulted in diversion of central assistance of Rs.19.15 crore.

3.4.2.2 Expenditure of major project to medium project and medium to minor project

In a number of cases as shown in the following table, department debited allotment and expenditure of the projects from one category to another category though it was not permissible.

Table No. 3.16: Incorrect classification of allotment and expenditure of the projects

S.No	Name of the project	Period	Amount (Rupees in crore)	Where the amount was wrongly debited	Correct debit head
1	Mahi major project, Petlawad	March 2008	210.57	Grant no. 41/4701 (Medium)	Grant no. 41/4700 (Major)
2	Chambal,Gandhisagar Mandsaur (major) and Sukta, Khandwa (major)	2002-03	13.45	Grant no. 23/2701 Non-Plan (Medium)	Grant no. 23/2700 (Major)
3	Retam Barrage, (medium) Mandsaur	July, 2006	4.49	Grant no. 64/4702 (Minor)	Grant no. 45/4701 (Medium)

The CE stated (May 2008) that expenditure on Mahi major Project was incurred as per budget provided by the Tribal/Finance department. Expenditure on Retam Barrage was not included as a medium project in the supplementary

Savings of Rs. 19.15 crore during 2006-08 under Special Component Plan relating to SC beneficiaries was wrongly utilized on other projects.

budget for 2006-07 which was lapse on the part of department. The CE did not explain, why funds could not be demanded as per approved classification of projects.

3.4.2.3 Irregular utilization of AIBP funds

Unutilised funds of Rs.11.04 crore under AIBP was incorrectly utilized on other projects.

The project wise allotment was released by the Government of India (GOI), Ministry of Water Resources (M/o WRD) under AIBP during 2007-08. As per the AIBP guidelines, the savings of one project was not permitted to be utilized on other projects. However, scrutiny in audit revealed that there was savings of Rs.17.24 crore of 24 projects, out of which Rs.4.40 crore was utilised on 11 projects other than for which the amount was sanctioned. Similarly, savings of Rs.7.24 crore of seven projects was utilized to cover excess Rs. 6.64 crore spent on 10 different projects as shown in **Appendix 3.15**.

The CE stated (May 2008) that amount was spent as per actual execution of works. The reply was not in consonance with the AIBP guidelines.

3.4.3 Execution

3.4.3.1 Major and medium project

3.4.3.2 Mahi major project

Mahi major project was sanctioned (March 1981) at an outlay of Rs.27.10 crore to create additional irrigation potential of 26430 ha in Dhar and Jhabua districts and to meet (51.640 mcf⁴⁹) drinking water and industrial water requirements of Ratlam. The cost of the project was revised to Rs.61.52 crore in 1985 under VIth Five year plan. The work which was awarded in October 1991 was stopped in May 1993 due to paucity of funds.

Fresh work order was issued (October 2002) to complete the balance work by March 2006. The work was in progress till March 2008 and the contractor's 68th running account bill of Rs.29.79 crore was paid (March 2008). The Division had admitted (April 2008) that the work has been delayed for 2 years and the cost of the project had shot up due to slow progress of rehabilitation and resettlement (R and R) work, revision (December 2002) of R and R policy by the GOMP, delayed co-operation of Revenue authorities in land acquisition, hindrance by project affected people, delayed receipt of construction drawing from Central Water Commission (CWC), substantial increase in quantities of masonry and concrete work due to changes suggested by the Geological Survey of India and CWC as per model studies.

⁴⁹ *Million cubic feet*

The contractor requested (July 2007) for the foreclosure of the work as he was unable to execute the excess quantities due to low quoted rates. Agenda note to foreclose the contract and award of additional quantities of work costing Rs.20.43 crore to some other contractor under separate agreement was sent (February 2008) to the E-in-C but decision was awaited (November 2008). Rs.283.18 crore was spent against revised (August 2002) sanctioned cost of Rs.203.56 crore. The sanction of further revised cost of Rs. 360.52 crore was awaited (June 2008).

Rs.2.22 crore payable by the contractor was waived of thereby an undue favour to the contractor.

Thus, the decision of apex body to revoke the old agreement proved imprudent. Therefore, target for completion of the much needed project under AIBP could not be achieved. Rather it resulted in a loss of Rs.2.22 crore (Interest of Rs. 1.67 crore on advances given to contractor and burden of Rs. 0.55 crore as royalty charges payable by the contractor was waived of).

3.4.3.3 Retam Barrage medium project

Delay in deciding the classification of the project resulted in cost over run. The project was not got cleared by CWC.

Retam Barrage in Mandsaur was initially sanctioned (October 2003) by the GOMP, WRD as minor project at an outlay of Rs.22.75 crore⁵⁰ though it had a cultivable command area of 3360 ha. (more than minimum area limit of a medium project). The project was taken up late (2006) due to delay in deciding the classification of project as a minor or medium project. The project was sanctioned with NABARD loan (Tranche XII) of Rs.32.06 crore in September 2006 after GOMP, WRD accorded the revised sanction as a medium project in July 2006. The project was neither examined nor cleared through CWC and Planning Commission as required under Para 2.026 (ii) Medium Projects of Works Manual. Eighty *per cent* dam work was reported completed on which Rs. 34.99 crore was spent as of March 2008. The canal work has not yet started.

3.4.3.4 Minor Irrigation Projects

432 minor irrigation projects were sanctioned between 2002-03 and 2007-08 at an estimated cost of Rs. 856.97 crore to create additional irrigation potential of 0.99 lakh ha. 108 projects were reported complete at a cost of Rs. 181.83 crore, 220 projects were still in pipeline on which Rs.307.77 crore was spent as of March 2008. The work of 104 projects was not started.

3.4.3.5 Expenditure in excess of sanctioned cost

Rs.35.27 crore were spent in excess over sanctioned cost of 46 projects.

46 projects were sanctioned between 2002-03 and 2007-08 at an estimated cost of Rs.110.22 crore. Revised estimates of Rs.158.61 crore of these projects were submitted in 2006-08 but approval was still awaited (November 2008).

⁵⁰ under grant no. 45/4702

The increase in cost of Rs.48.39 crore⁵¹ was due to delay in completion, unrealistic estimation of land compensation, inaccurate or inadequate estimation and execution of unapproved items. An amount of Rs.145.49 crore was spent (March 2008) on these projects, still in progress resulting in excess expenditure of Rs.35.27 crore as compared to their sanctioned cost (Rs.110.22 crore).

The GOMP, WRD had prescribed ceiling cost of Rupees one lakh per ha. Thus the cost of construction in above cases would exceed the prescribed ceiling limit thereby disturbing the BC ratio⁵² and ERR⁵³ of the projects. Moreover, while according administrative approval by the GOMP, WRD no time schedule was prescribed for completion of the projects, which had resulted in denial of irrigation facilities to the cultivators.

3.4.3.6 Projects with lapsed sanction

As per Para 2.124 of M P Works Department Manual, if the construction work does not commence within three years of its being sanctioned then fresh administrative approval and technical sanction requires to be obtained. Four minor projects⁵⁴ sanctioned between March and June 2003 at an outlay of Rs.3.48 crore to create additional irrigation potential of 554 ha. were taken up for execution between October 2006 and April 2007 under AIBP although the sanctions had lapsed.

3.4.3.7 Blockade of investment

21 minor projects⁵⁵ were taken up with NABARD loan during 2003-08. One of the conditions of loan was that nalla closure works should be taken up only after completion of 75 per cent of canal components. However, in violation of that, the department had completed nalla closure work first before taking up canal construction. Therefore, progress of the canal construction suffered and also resulted in blockage of interest bearing loan of Rs.39.95 crore. The CE admitted (May 2008) that the dam and canal work could not be completed simultaneously and stated that progress of canal suffered due to delay in land acquisition.

Rs. 39.95 crore spent remained blocked due to non completion of canal component of 21 projects.

⁵¹ Revised estimates for Rs.158.61 crore (-) original cost Rs.110.22 crore = 48.39 crore.

⁵² Benefit cost ratio i.e. annual benefits from agriculture production and annual cost of project.

⁵³ Economic rate of return i.e. increase in agriculture production as a result of irrigation as compared to investment on construction of irrigation project.

⁵⁴ Kadwal tank (Rs.99.20 lakh)- Jhabua, Chagola tank (Rs.65.70 lakh)- Jhabua, Dharia Tank Rs.99.20 lakh), Bamjhar tank Rs.84.85 lakh)- Khandwa

⁵⁵ Jhabua-01, Khargone-05, Badwani-02, Mandsaur-06, Shajapur-01, Indore-02, Burhanpur- 01, Alirajpur-01, Dhar-02

3.4.3.8 Unfruitful Expenditure

Rs.32.11 crore spent on 53 projects was unfruitful due to non transfer of forestland.

The Forest Conservation Act, 1980 lays down that prior permission for transfer of forest land coming under any project should be obtained before taking up work. It was however observed that 53 projects⁵⁶ with an outlay of Rs.172.22 crore were sanctioned by the GOMP, WRD between May 1980 and May 2007 without obtaining permission for transfer of forestland. The projects could not be materialised due to non transfer of 837.531 ha forestland. Besides denial of irrigation facility, the cost of the projects increased to Rs.213.35 crore due to time and cost over run and high cost of compensation for forestland. This included 11 projects taken up with interest bearing NABARD loan and four projects under AIBP. The expenditure of Rs.32.11 crore incurred as of March 2008, therefore proved unfruitful till clearance of forest land.

3.4.3.9 Unrealistic expectations from small cultivators

44 projects constructed at a cost of Rs.23.42 crore without canal component did not meet the objectives of the project.

GOMP, WRD decided (March 2000) not to construct canals in minor irrigation schemes (CCA from 40 ha to 200 ha) with the expectations that the cultivators should make their own arrangement for lifting the water from the reservoir to their fields and also should pay the water tax. Though willingness of cultivators was obtained but no legal action can be initiated against them in case of refusal in future. Rupees 23.42 crore were spent (March 2008) on 44 projects⁵⁷ still in progress as against the sanctioned outlay of Rs.29.09 crore with no provision of canals. Most of these projects are located in the backward districts of MP thickly populated by tribal inhabitants. Moreover, with a view to increase the utilization of irrigation potential already created, NABARD and Government of India insisted on constructing field channels along with the minor canals to facilitate the carrying of water to the fields of cultivators from the reservoir for irrigation under National Rural Employment Guarantee Programme (NREGP). The Engineer-in-Chief apprehended (February 2008) that poor and small cultivators would be the worst to get affected by this arrangement.

3.4.3.10 Substandard work

Execution of sub standard work of Rudaheda project and Chambleshwar tank did not yield projected benefits. Sanctions of Rs.1.32 crore for remedial measures were awaited.

Rudaheda project in Ujjain, which was sanctioned with NABARD loan (2002-03) at an outlay of Rs.4.10 crore to irrigate 482 ha breached between RD 370 M and 455 M during heavy rains on 10/11 August 2006. The CE in his inspection note (01 September 2006) attributed the breach of dam due to execution of sub-standard nalla closure work in June 2005. However, the contractor was never informed about execution of sub-standard work.

⁵⁶ Jhabua -05, Khargone -12, Badwani- 05, Mandsaur-04, Shajapur-01, Indore-03, Burhanpur-01, Dhar-09, Khandwa-01, Neemuch-08, Ratlam-03, Dewas-01

⁵⁷ Ujjain-13, Indore-9, Neemuch-9, Jhabua-4, Alirajpur-3, Dewas, Dhar and Khargone 2 projects each.

Similarly, Chambleshwar tank in Neemuch was reported as completed in June 2003 at a cost of Rs.16.51 crore with NABARD loan. The leakage of water from canal structures and syphon joints due to execution of sub-standard work was noticed while starting irrigation for the first time during 2005-06. Consequently 900 ha area could only be irrigated against created potential of 1567 ha.

An estimate of Rs.1.32 crore (Rudaheda tank Rs.75.32 lakh in September 2007 and Chambleshwar tank Rs. 56.32 lakh in December 2007) was sent to E-in-C for remedial measure of both the projects. However, the required approvals were awaited (May 2008).

3.4.3.11 Wasteful expenditure

Ninety lift irrigation schemes (LIS) were completed at an investment of Rs.27.98 crore to irrigate 18740 ha between 1973 and 2006. Dismal performance of LIS due to high cost of maintenance and non availability of pool of water was mentioned in Para 3.4 of C&AG Report for the period ending March 2006. As a sequel to it GOMP, WRD decided (August 2007) to make all the LIS functional. As per E-in-C only 11 LIS were made functional in NT Basin. The CE proposed (October 2007) 46 LIS for revival, 18 LIS for abandonment as their revival was not possible due to non-availability of pool of water and cultivators were not willing to bear high cost of maintenance. The fate of remaining 15 LIS was not decided (October 2008). Rupees 3.28 crore were spent against allotment of Rs 4.23 crore provided for repair of LIS between 2003-04 and 2007-08. The expenditure on LIS thus proved to be nugatory as no impact or extent of irrigation generated was available from LIS record.

Further, Ahukhana LIS sanctioned (January 1987) at an outlay of Rs.24.87 lakh remained incomplete (September 1994) even after spending Rs.1.01 crore. The cost has been revised from Rs.24.87 lakh to Rs.1.39 crore (December 1992) due to time and cost over run, addition of new items as well. The revised sanction was awaited (May 2008). Meanwhile the steel foot bridge got washed away (September 1994) and pumps & accessories costing Rs.12.26 lakh were reported stolen (February 2004). The work has not been restored (June 2008) thereby rendering an expenditure of Rs.1.01 crore infructuous.

3.4.4 Contract Management

3.4.4.1 Extra cost

The E-in-C has specifically directed (May 2002) that for minor irrigation projects the work of dam and canal should be awarded under the same agreement. Scrutiny in audit revealed that department had awarded separate tenders for dam and canal works of 6 projects due to delay in land acquisition for canal and delay in approval of canal alignment. Thus due to acceptance of

Performance of 90 LIS was dismal due to no pool of water and high cost of maintenance. 46 LIS only were proposed for revival. Rs.3.28 crore spent on repair did not yield and fruits.

separate tenders at higher rates, between 2005-06 and 2007-08, the department had incurred an extra cost of Rs.75.88⁵⁸ lakh

3.4.4.2 Arbitrary allotment and expenditure on annual repair of projects

As per Works department Manual, allotment for annual repair was to be provided projects wise and sub head wise as per norms depending upon the utilization of irrigation potential created and potential that remained unutilized.

The maintenance of projects was not satisfying due to insufficient allotment and huge expenditure on wages as well.

Scrutiny revealed that during 2002-08 the department has spent Rs.93.33 crore on annual repair of irrigation projects. Out of which Rs.63.06 crore (67 per cent) was spent on wages, Rs.8.87 crore (9.5 per cent) was paid to Water User Associations (WUAs) and only an amount of Rs.21.4 crore (23.5 per cent) was utilized for annual repairs. The precious work of maintenance of all the components of the projects was not attended. Consequently canals, canal structures, project and colony roads and colony buildings have been deteriorating day by day. The roads have lost their crust & camber and require strengthening and repairs.

Moreover, sufficient allotment for annual repair was not included/provided for. CE admitted (May 2008) that with the meagre maintenance allowance, no planning was possible. The huge expenditure on payment of wages could not be avoided. The E-in-C also intimated that norms of maintenance were under revision.

3.4.4.3 Under utilization of created irrigation potential

According to reply (March 2002) to Assembly Question No. 179 furnished (March 2008) by CE, the NSA and the irrigation potential created was steeply reduced from 43.77 lakh ha (during 2002-06) to 40.42 lakh ha and from 2.83 lakh ha to 2.05 lakh ha respectively. With a view to make the project financially viable and keep the cost of construction within the prescribed ceiling cost per hectare the projection of benefits were made on higher side and found to be unrealistic. Though there was no demand of irrigation for kharif crop and cultivators have not adopted new cropping pattern and new techniques of cultivation even than it continued to be projected while getting the sanctions from GOMP, WRD. Thus the wide gap between the potential created and utilized persisted. The E-in-C however attributed short utilisation to various constraints like scanty rainfall, conventional cropping pattern, water kept reserved for drinking purpose and deteriorating conditions of dams and canals.

⁵⁸ Parsali tank, (Rs.56.90 lakh), Tungi tank (Rs.3.68 lakh), Paroniya tank (Rs.3.15 lakh), Ralayta tank (Rs.3.36 lakh) and Gajakhedi tank (Rs. 2.38 lakh) in Mandsaur and Kharbardi tank in Manawar (Rs.6.41 lakh)

3.4.4.4 Work against invalid contract

Kiradiya tank, Manawar (sanctioned in August 2003) was taken up with NABARD loan (December 2003) at a cost of Rs.2.27 crore. Tender was accepted (27th May 2004) by the CE in favour of a contractor at his tendered cost of Rs.1.54 crore. The tenderer 'A' failed to sign the agreement and furnish the performance security of Rs.6.75 lakh within a fortnight of receipt of communication of acceptance of his tender. Instead of cancelling the tender and forfeiting the earnest money, the agreement was signed after a gap of nearly 5 months and work order was issued to the same contractor on 30th November 2004. The matter was referred (November 2004 and October 2005) to GOMP, WRD by the CE for condonation of the irregularity but there was no response. Thus it was irregular to get the work executed against invalid contract. The CE had justified it to possibility of higher rates and delay on re-tender. The reply was not in consonance with the conditions of the tender.

The contractor was allowed to sign the agreement and execute the work against invalid contract.

3.4.4.5 Irregular utilization of NREGP fund

National Rural Employment Guarantee Programme (NREGP) aimed to provide employment and create new assets. Scrutiny in audit however revealed that 50 works of regular maintenance of canals in Manawar were executed during 2007-08 under NREGP at a cost of Rs.1.86 crore against the guidelines of NREGP. The works were to be executed out of annual maintenance grant.

3.4.5 Unauthorized retention of workman welfare cess under civil deposits

According to the Madhya Pradesh Building and Other Construction Labour Welfare Act, one *per cent* Cess was to be deducted from the payments made to contractors for construction work. The amount of cess realised was to be remitted to the Secretary, Building and Other Construction Labour Welfare Board, Bhopal through demand draft by the end of the month.

Test check of monthly accounts and Deposit Register revealed that welfare cess of Rs.1.08 crore realised during 2006-07 and 2007-08 was kept under civil deposit instead of remitting it to the Welfare Board.

The Executive Engineers admitted (April 2008) that due to non-entry of amount lying under Civil Deposits in the Central Server in District treasuries the amount of cess could not be remitted.

3.4.6 Irregular purchase

According to Central Public Works Account Code and Works Manual the cost of purchase of ordinary tools and plant (T & P) against sanctioned estimate and allotment is charged to the minor head T & P. Scrutiny revealed that purchase of survey instruments for Rs.71.45 lakh and GI corrugated sheets for Rs.6.36

lakh was irregularly made by debiting the amount to works under NABARD and AIBP instead of minor head T & P as there was no provision in the sanctioned estimates of the works under NABARD/AIBP.

3.4.7 Unadjusted Suspense Account

Rupees 1.48 crore under Cash Settlement Suspense Account (originating items Rs.46.19 lakh and responding items Rs.1.02 crore) and Rs.98.28 lakh under Material Purchase Suspense Account was lying unadjusted since 1970.

The matter was reported to the Government (June 2008); and the reply is awaited (July 2008).

3.4.8 Conclusion and recommendation

The irrigation projects undertaken in the NT basin during 2003-08 could create 21.56 *per cent* of the targeted irrigation potential due to non-completion of 75 *per cent* of the projects. Moreover, utilization of irrigation potential created was 27.5 *per cent*. Rs.35.27 crore was spent in excess over sanctioned cost of 46 projects. Rs.39.95 crore spent remained blocked due to non completion of canals of 21 projects. Rs.32.11 crore spent on 53 projects was unfruitful due to non transfer of forestland. 44 projects constructed at a cost of Rs.23.42 crore without canal infrastructure did not meet the objectives of the project. Annual maintenance and repair works were not attended properly due to inadequate allotment of fund on maintenance.

In view of above, audit recommends that:

- The department may focus on increasing utilization of irrigation potential created.
- The department may take necessary steps to revise allotment on annual repairs in order to cover maintenance of all components of the projects.