

**CHAPTER-III  
PERFORMANCE REVIEWS**

**PANCHAYATI RAJ DEPARTMENT**

**3.1 Sampoorna Grameen Rozgar Yojana**

**Highlights**

*Review of implementation of Sampoorna Grameen Rozgar Yojana (SGRY) in the State during the period 2001-06 showed serious deficiencies in implementation of the programme. The Government failed in adhering to the scheme guidelines for efficient financial and food grains management leading to loss of central assistance, misutilisation of scheme funds, shortage and pilferage of food grains. Contractors were extensively used in the guise of Village Labour Leaders (VLL) and prohibited works/non-durable assets/idle assets were created. Man days generation was hypothetically arrived at without linking to the actual generation as per the Muster rolls. Serious irregularities existed in payment of wages. There was no dedicated monitoring mechanism at the State level to review and evaluate the implementation of the scheme.*

- **There was delay in release of State share, carry over of balances beyond the permissible limit and less expenditure on SC/ST individual beneficiary scheme resulting in curtailment of central assistance of Rs 4.62 crore.**

**(Paragraph 3.1.2.1)**

- **Scheme funds of Rs 2.40 crore irregularly spent on transportation and handling cost of food grains and Rs 2.07 crore were diverted to other programmes / schemes. Utilisation Certificates for Rs 4.54 crore were submitted in excess of actual utilisation.**

**(Paragraphs 3.1.2.3 and 3.1.2.4)**

- **There were deficiencies in planning process as the annual action plans did not have the approval of the general bodies of PRIs. In most of the cases, the approval of the plans got delayed leading to execution of works without approval and delayed execution.**

**(Paragraph 3.1.3)**

- **In seven Irrigation Divisions, distribution of rice by contractors involving subsidy of Rs 29.21 crore to labourers was doubtful. 94.86 MT of food grains valued at Rs 10.72 lakh was misutilised on purchase of cement, road metal etc and there was shortage and misappropriation of 576.12 MT of food grains worth Rs 65.10 lakh.**

**(Paragraphs 3.1.4.1, 3.1.4.3 and 3.1.4.4)**

- **5530 MT of food grains worth Rs 3.12 crore released under SGRY Special Component (Flood 2003) were utilised in areas not affected by calamity or were misutilised on non-labour intensive works.**

**(Paragraph 3.1.4.5)**

\* Abbreviations used in this performance review have been expanded in Glossary of abbreviations at pages 228-234.

- **Large number of works (4318) worth Rs 40.08 crore were executed by employing contractors under the guise of Village Labour Leaders (VLL).**

**(Paragraph 3.1.5.1)**

- **A sum of Rs 14.70 crore was spent on execution of works not permissible under the scheme, creation of non-durable assets, execution of works with higher specifications not commensurate with relevant provisions and excess payment to contractors. Besides, Rs 1.42 crore incurred on incomplete projects was rendered unfruitful.**

**(Paragraph 3.1.5.2)**

- **Rupees 10.77 crore were irregularly spent on inadmissible items under individual beneficiary oriented programme for SCs and STs living below the poverty line.**

**(Paragraph 3.1.5.3)**

### **3.1.1.1 Introduction**

Government of India (GOI) launched (25 September 2001) the Sampoorna Grameen Rozgar Yojana (SGRY), a centrally sponsored scheme, by merging the two erstwhile wage employment programmes viz: Jawahar Gram Samridhi Yojana (JGSY) and Employment Assurance Scheme (EAS) to provide greater thrust to additional wage employment, infrastructural development for sustainable employment and food security in the rural areas. The scheme was implemented in two streams i.e. (i) Stream-I for Zilla Parishad (ZP) / Panchayat Samiti (PS) and (ii) Stream-II for Gram Panchayat (GP) up to 31 March 2004 and were merged to form Unified SGRY thereafter. The scheme was discontinued (February 2006) in 19 districts of the State on introduction of National Rural Employment Guarantee Scheme (NREGS). The unspent resources under SGRY were merged with NREGS in these districts from February 2006. The programme was still in operation in remaining 11 districts of the State. Under the scheme (SGRY), food grains were provided by the GOI free of cost and cash component was shared between the Center and States in the ratio of 75:25. The transportation cost, other handling charges, sales tax, octroi, local taxes etc. were to be borne by the State Government from their own resources. The scheme was implemented under 30 ZP/District Rural Development Agencies (DRDAs), 314 PS and 6234 GPs.

The scheme, among others, envisaged distribution of 50 *per cent* of allocation to GPs, 30 *per cent* to PS and 20 *per cent* to ZPs. Engagement of contractors and use of labour-displacing machines were prohibited under the scheme. Earmarking of 22.50 *per cent* of allocation at ZP and PS level for 'Individual / group beneficiary schemes for SC and STs living below the poverty line', execution of works departmentally, utilisation of 50 *per cent* of allocation of GPs on infrastructure development in SC / ST habitations, payment of wages partly in food grains (minimum five kilo-grams per day up to 31 October 2005 and three kilo-grams thereafter), ensuring payment of minimum 25 *per cent* of wage in cash, taking up labour intensive works and providing 30 *per cent* of the employment opportunities to women were the other features of the scheme.

### 3.1.1.2 Organisational set up

Ministry of Rural Development, GOI was the overall controlling authority at central level and provided allocation of central assistance of funds and food grains to the State for implementing the scheme at State level. In turn, the Panchayati Raj Department of the State Government was responsible for monitoring the implementation of the scheme through the Panchayati Raj Institutions (PRIs).

### 3.1.1.3 Audit Objectives

The audit objective was to assess whether:

- the funds management was efficient to secure optimum utilisation;
- planning for implementation of various components of the programme was proper and adequate;
- the employment generation was commensurate with the resources utilised and the extent of availability of man days per annum per BPL<sup>1</sup> household ;
- food grains were optimally and efficiently used in the pursuit of the scheme objectives;
- the programme/works were managed efficiently, economically and effectively with due regard to quality/technical specifications and in accordance with the scheme objectives;
- the monitoring system as envisaged in the scheme was effective.

### 3.1.1.4 Audit Criteria

The following Audit criteria were used for the performance audit:

- utilisation of resources in respect of funds and food grains vis-a-vis annual action plans;
- guidelines on planning of each of the components of the scheme;
- Employment Registers maintained by the department;
- Scheme guidelines on utilisation of food grains;
- prescribed norm for utilisation of funds and food grains under individual beneficiary scheme for SC/STs and employment of women workers;
- monitoring mechanism instituted by the Government.

### 3.1.1.5 Scope of Audit and Audit Methodology

The performance audit was conducted during April to July 2006 through test check of records of the Principal Secretary to Government, Panchayati Raj Department, Project Directors of eight District Rural Development Agencies (DRDAs)<sup>2</sup> (25 per cent), 30 PS<sup>3</sup> (10 per cent), 60 GPs (one per cent i.e. two GPs of each selected PS) and five Executing Agencies (EA)<sup>4</sup> for the period 2001-06. Selection of districts was based on stratified random sampling

<sup>1</sup> Below the Poverty Line.

<sup>2</sup> Mayurbhanj, Sundargarh, Nabarangpur, Kandhamal, Dhenkanal, Cuttack, Khurda and Nayagarh.

<sup>3</sup> Badasahi, Baripada, Bangiriposi, Betnoti, Joshipur, Kaptipada, Morada, Thakurmunda of Mayurbhanj district, Baragaon, Kutra, Lathikata, Sundargarh, Rajgangpur of Sundargarh district, Nabarangpur, Papadahandi, Umerkote of Nabarangpur district, Daringibadi, Baliguda, Khajuripada, Phiringia of Kandhamal district, Baliana, Khurda, Tangi of Khurda district, Cuttack Sadar, Nischintakoili, Salepur of Cuttack district, Dhenkanal Sadar, Gondia of Dhenkanal district, Khandapada and Nuagaon of Nayagarh district.

<sup>4</sup> Assistant Soil Conservation Officers, Nabarangpur and Baripada, Executive Engineers, Minor Irrigation Division, Baripada and Irrigation Division, Baripada, Assistant Director, Sericulture, Baripada.

method. Selection of PS and GPs of these eight districts were made on the basis of funds flow. In addition, information on implementation of the programme was also collected from the Executive Officers of 197 GPs of the 13 test checked PS<sup>5</sup> through 'Questionnaires'. Assets created under the scheme were also physically verified at random in the test checked PS and beneficiary interviews conducted in two villages (10 beneficiaries in each village) of each of the 30 selected PS.

The audit objectives, performance indicators/criteria were discussed in the entry conference with the Commissioner-cum-Secretary, Panchayati Raj Department in June 2006. The department agreed with the performance indicators.

## **Audit findings**

### **3.1.2 Funds management**

Efficient funds management is the key to successful implementation of the programme. It was, however, noticed that there were instances of delay in release of funds by the State Government and the DRDAs to the implementing agencies, diversion of funds, misutilisation and non accounting of interest, irregular parking of funds in PL account, utilisation of scheme funds for payment of transportation charges (TC) of food grains and sales tax, misutilisation of sale proceeds of empty gunny bags, loss of central assistance etc as detailed below.

#### **3.1.2.1 Receipt and utilisation of funds**

During 2001-06, total funds available to the State was Rs 1750.59 crore and the expenditure incurred therefrom was Rs 1748.16 crore as detailed below:

Year	Receipt			Other Receipt	Total funds available	Expenditure	Closing Balance	Mandays generated in lakh
	Opening balance	Central share	State share					
2001-02	42.46	237.12	75.68	0.33	355.59	312.26	43.33	480.96
2002-03	43.33	274.07	51.34	- 0.38	368.36	329.47	38.89	599.03
2003-04	38.89	247.44	117.12	0.42	403.87	386.08	17.79	618.57
2004-05	17.79	261.02	99.88	1.03	379.72	362.91	16.81	553.94
2005-06	16.81	323.32	110.06	-90.32*	359.87	357.44	2.43	556.02
<b>Total</b>	<b>42.46</b>	<b>1342.97</b>	<b>454.08</b>	<b>-88.92</b>	<b>1750.59</b>	<b>1748.16</b>	<b>2.43</b>	<b>2808.52</b>

\* Other receipts Rs 1.19 crore less Rs 91.51 crore transferred to NREGS in 19 districts.

**Central assistance for Rs 4.62 crore was deducted due to non-release of State share in time etc**

During 2003-06, in six districts<sup>6</sup> central share to the extent of Rs 4.62 crore was deducted by the GOI from the subsequent instalment on the ground of non-release of State share in time, excess closing balance and shortfall of expenditure on SC / ST individual beneficiary scheme.

The State directed (January 2006) all the PRIs of 19 districts (where NREGS was implemented from 2 February 2006), to transfer all the unspent balances under SGRY to NREGS. The Government reported<sup>7</sup> the closing balances under SGRY in these districts as 'Nil' as on 31 March 2006. But, test check

<sup>5</sup> PS Nabarangpur (11), Umerkote (16), Papadahandi (19), Barasahi (28), Morada (18), Bangiriposi (16), Thakurmunda (14), Daringibadi (22), Phiringia (18), Nuagaon (12), Khandapada (11), Nayagarh (5) and Sundargarh (7).

<sup>6</sup> Mayurbhanj, Dhenkanal, Khurda, Sundargarh, Nayagarh and Kandhamal.

<sup>7</sup> Report on 'Financial and physical achievements under Anti Poverty programmes 2005-06' of Panchayati Raj Department.

revealed that in six PS<sup>8</sup>, of these districts, Rs 2.75 crore were lying unspent under the scheme without transfer to NREGS (March 2006).

It was also noticed that in Kandhamal district, one GP (Hatimunda of Daringibadi block) transferred (9 March 2006) the unspent balance of Rs 4.91 lakh to Gram funds while another GP (Sonapur of Daringibadi block) irregularly advanced Rs 2.84 lakh in cash to the Sarpanch and Executive Officer on 2 February 2006. These unspent scheme funds (SGRY) need immediate transfer to NREGS.

### 3.1.2.2 Release of funds at the fag end of the year

In six DRDAs<sup>9</sup>, Central share (Rs 23.72 crore) and State share (Rs 13.37 crore) for 2001-06 were released by the Governments in the last month of the respective years leaving little time for execution of the programme during those years. Further, State share of Rs 10.19 crore were released in the subsequent years. In five DRDAs<sup>10</sup>, there were delay ranging between 35 to 280 days in distribution of funds (Rs 1.25 crore to Rs 8.11 crore) by DRDAs to PS and GPs.

### 3.1.2.3 Diversion of funds

The scheme prohibited diversion of scheme funds to any other scheme / purpose. Assistant Soil Conservation Officer, Nabarangpur, two DRDAs<sup>11</sup>, 20 PS and 108 GPs in eight districts test-checked irregularly utilised the cash component of the scheme funds of Rs 2.40 crore during 2001-05 on meeting transportation and handling charges of the food grains lifted under the scheme over and above the amount released by the State Government to the PS / DRDAs for the purpose.

The scheme prohibited utilisation of SGRY funds for payment of sales tax and the same was to be borne by the concerned States. But two DRDAs<sup>12</sup> spent Rs 23.56 lakh out of cash component of the scheme on payment of Orissa Sales Tax (OST) to Food Corporation of India on rice lifted up to Mach 2003. Such payment was made despite the clarification (6 March 2003) of the Finance Department that no OST was payable on food grains lifted under the scheme.

Further, two DRDAs (Sundargarh and Nabarangpur), 10 PS and six GPs diverted Rs 2.07 crore to other schemes<sup>13</sup> during 2002-06 and the same had not been recouped (June 2006).

### 3.1.2.4 Submission of incorrect Utilisation Certificates (UC)

The DRDAs are required to submit UCs to the GOI at the time of submission of proposals for release of subsequent instalments with a certificate that advance to implementing agencies(PS/GPs/EAs) were not treated as final expenditure. Unspent balances lying with implementing agencies at the end of preceding year were also to be reported. For excess carry over of unspent

**Scheme funds of Rs 2.40 crore was irregularly spent on transportation and handling charges of food grains**

**Irregular utilisation of scheme funds of Rs 23.56 lakh on payment of sales tax**

**Rs 2.07 crore were diverted to other programmes**

**UCs for Rs 4.54 crore were submitted in excess of actual expenditure**

<sup>8</sup> Badasahi (Rs 65.60 lakh), Morada (Rs 14.94 lakh), Bangiriposi (Rs 55.23 lakh), Thakurmunda (Rs 24.18 lakh), Daringibadi (Rs 63.26 lakh) and Umerkote (Rs 52.10 lakh).

<sup>9</sup> Khurda, Sundargarh, Mayurbhanj, Dhenkanal, Nayagarh, Kandhamal.

<sup>10</sup> Mayurbhanj, Cuttack, Sundargarh, Nabarangpur, Khurda.

<sup>11</sup> Kandhamal, Dhenkanal.

<sup>12</sup> Nabarangpur and Khurda.

<sup>13</sup> Old Age Pension, Old Destitute Pension, National Old Age Pension, Food for Works Programme, Members of Legislative Assembly/Members of Parliament Local Area Development, Mid Day Meal Programme.

balance with implementing agencies beyond 15 per cent of the funds available, central assistance was to be proportionately deducted. Comparison of the actual unspent balance lying with the implementing agencies as on 31 March 2005 with that reported by DRDAs to the GOI during 2005-06 showed that in one EA<sup>14</sup> and 10 PS<sup>15</sup> against the actual unspent balance of Rs 5.09 crore, DRDAs reported the same to be Rs 55.03 lakh. Thus, Rs 4.54 crore were treated as final expenditure without actual utilisation.

### **3.1.2.5 Mis-utilisation and non-accountal of interest**

**Interest of Rs 47.17 lakh were irregularly spent on contingency and other inadmissible works and interest of Rs 12.30 lakh was not accounted for**

The interest accrued on deposits of unspent scheme funds was to be treated as additional resources under the scheme and should be utilised as a part of scheme funds. One DRDA (Mayurbhanj), 12 PS and 126 GPs irregularly spent Rs 47.17 lakh out of the interest money on miscellaneous contingencies, repair and other works instead of utilizing the same on admissible items of work. Further, six PS<sup>16</sup> did not account for interests of Rs 12.30 lakh credited by the banks in their respective accounts up to March 2006. This indicated system deficiency in accounting of the interest money.

### **3.1.2.6 Parking of scheme funds in PL account**

**Interest money of Rs 35 lakh were lost due to parking of scheme funds in PL account**

The scheme stipulated keeping both State and Central share of the funds in interest bearing saving accounts. Contrary to this provision, in five ZPs<sup>17</sup> and five PS<sup>18</sup>, the State share of scheme funds were kept in non-interest bearing Personal Ledger (PL) account during 2001-06 at the instance of the State Government. The period of retention ranged from 12 to 330 days and amount retained ranged from Rs 3.02 lakh to Rs 5.56 crore. This resulted in loss of interest of Rs 35 lakh (at savings bank rate) to the scheme funds on the minimum balance.

### **3.1.2.7 Convergence / dovetailing with other programmes**

The scheme funds should not be used as a substitute to departmental plan funds of different departments and agencies. Funds from other programmes for the works permissible under the scheme could be dovetailed with the scheme funds and not vice versa. But, departure from the above provision was noticed as under:

- In six PS<sup>19</sup> in 120 cases, scheme funds of Rs 69.02 lakh were dovetailed for completion of school buildings under Operation Black Board (OBB).
- 18 Minor Irrigation Projects (Minor Irrigation Division, Baripada) were completed by providing scheme funds of Rs 51.47 lakh dovetailing with funds of Water Resources Department.
- Assistant Director, Sericulture, Baripada spent Rs 23.68 lakh during 2002-06 towards wage component of the Madal Eco-rest Conservation Project out of the scheme funds of Rs 26.74 lakh provided by PD, DRDA, Mayurbhanj. Assistant Director, Sericulture, Baripada stated that as per decision of Government, wage component was provided from SGRY for

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<sup>14</sup> Divisional Forest Officer, Nayagarh.

<sup>15</sup> Bangiriposi, Barasahi, Daringibadi, Dhenkanal, Khandapada, Morada, Papadahandi, Phiringia, Thakurmunda and Umerkote.

<sup>16</sup> Morada, Thakurmunda, Kaptipada, Joshipur, Lathikata and Cuttack.

<sup>17</sup> Mayurbhanj, Kandhamal, Khurda, Nayagarh and Cuttack.

<sup>18</sup> Phiringia, Daringibadi, Nabarangpur, Umerkote and Papadahandi.

<sup>19</sup> Thakurmunda, Betnoti, Baripada, Kaptipada, Salepur and Joshipur.

completion of project work. The reply was not convincing as the scheme funds were not to be used as a substitute to other departmental plan activities.

### 3.1.2.8 Contingent expenditure beyond the permissible limit

The GPs were permitted to spend up to a maximum of 7.5 *per cent* of annual allocation or Rs 7500 (which ever was less) and PS/ZP up to two *per cent* of the allocation on administrative contingencies and technical consultancy. During 2001-06, three DRDAs, one PS and 40 GPs spent Rs 25.37 lakh in excess of the permissible limit on contingent expenditure and DRDA, Mayurbhanj spent Rs 12.46 lakh out of contingency on inadmissible items of work (upgradation of conference hall, completion of incomplete Inspection Bungalow etc).

Rs 37.83 lakh were irregularly spent on contingencies beyond the permissible limit and on inadmissible works

### 3.1.2.9 Misutilisation of sale proceeds of empty gunny bags

The sale proceeds of empty gunny bags were to be utilised for payment of transportation, handling and storage charges of food grains under the programme. But 7 PS of three districts and 58 GPs there under, irregularly utilised Rs 23.91 lakh on contingencies out of Rs 26.70 lakh realised up to March 2006 towards the sale proceeds of empty gunnies.

Sale proceeds of empty gunny bags of Rs 23.91 lakh were irregularly spent on contingent expenditure

## 3.1.3 Programme implementation

### 3.1.3.1 Preparation of Annual Action Plans (AAP)

The scheme required each DRDA/ZP, PS and GP to independently prepare and approve, before the beginning of each financial year, an AAP equivalent in value of about 125 *per cent* of its share of funds allocated in the preceding financial year. The exercise was to be completed by the end of February of the preceding financial year and no work should be taken up unless it formed part of the AAP. The scheme also required that the works included in the AAP should be need based, properly prioritised and be completed within one year (two years in exceptional cases). The expenditure under GP share must be approved by the concerned Gram Sabha and ZP/PS share by the General Bodies of the concerned ZP / PS.

Audit scrutiny revealed that:

- All eight DRDAs and 30 PS test-checked did not prepare AAPs in advance and the delay ranged from 2 to 11 months leading to execution of works without approval and delayed execution. The Annual Action Plans (2002-06) of three ZP<sup>20</sup> and PS, Morada were not approved by the concerned General Bodies. The projects were also not indicated in the AAP in order of priority. AAP of DRDA, Nayagarh and 9 PS<sup>21</sup> for 2002-06 did not reflect percentage of funds allotted for individual/group beneficiary scheme for SC/STs and maintenance of assets. Consolidated AAP for 2004-06 of all the three levels of Panchayats were not prepared by four DRDAs<sup>22</sup> as required under the scheme.
- Despite provision for treating forest villages as village Panchayats for executing developmental works under the scheme, in 22 forest villages of Mayurbhanj district with population of 4176, only Rs 6.44 lakh were spent

<sup>20</sup> Mayurbhanj: 2002-03 to 2004-05, Kandhamal: 2003-04 and Nabarangpur: 2004-05 and 2005-06.

<sup>21</sup> Thakurmunda, Baripada, Umerkote, Daringibadi, Betnoti, Kutra, Lathikata, Khurda and Tangi.

<sup>22</sup> Nabarangpur, Mayurbhanj, Nayagarh, Dhenkanal.

during 2001-06 averaging Rs 154 per unit of population against the State average of Rs 641. Besides, in 14 forest villages of Kandhamal district having a population of 1073, no amount was spent under SGRY during 2001-06.

- In two ZPs<sup>23</sup>, seven PS<sup>24</sup> and one GP<sup>25</sup>, 93 works for Rs 1.67 crore were executed without inclusion in the AAP
- Two ZP (Mayurbhanj and Nayagarh) made routine division of resources amongst the zones of ZP during 2001-06 while preparing the AAP, instead of giving priority and fair treatment to the areas suffering from labour exodus/distress pockets.

Thus, the significance of AAP was virtually reduced to a casual office document instead of being a plan of action for programme implementation.

### **3.1.4 Management of food grains**

The scheme prescribed that food grains supplied by the GOI under the Programme free of cost were to be distributed only as part of wages. The GOI issued release orders to DRDAs for the food grains allotted to the districts with a copy to Food Corporation of India (FCI) and the same were lifted by the designated officers of DRDA/PS and were retained in godowns at PS and GP level. The same were issued by the godown in-charge to the executants as per the issue slips issued by the concerned Block Development Officers (BDOs) for distribution to workers as part of wages. Further, the State Government was to ensure that effective safeguard were in place to avoid leakage and pilferage of food grains. The Panchayati Raj Department directed (September 2005) all the Collectors and PD, DRDAs to ensure periodical inspection of storage godowns by drawing annual inspection schedules to avoid instances of loss / shortage. During the period 2001-06, against 13 lakh MT of food grains available under the scheme, 12.80 lakh MT were utilised, 0.19 lakh MT of food grains was diverted to NREGS during February 2006 in 19 districts leaving unutilised balance of 0.01 lakh MT as on 31 March 2006.

The irregularities noticed in grains management are discussed in succeeding paragraphs.

#### **3.1.4.1 Misutilisation of food grains**

Though the scheme prohibited utilisation of food grains for non-wage purposes, yet there was misutilisation of 94.86 MT of food grains (valued at Rs 10.72 lakh) due to utilisation of food grains on non-wage purpose like purchase of cement, road metal, moorum, chips, sand etc by two line Departments<sup>26</sup> rendering the transactions not only irregular but doubtful as well, since the suppliers of above items would hardly receive food grains against supply of commodities. Executive Engineer, Mayurbhanj MI Division, Baripada stated (June 2006) that the food grains were utilised on payment of transportation and handling charges of food grains. The reply was not tenable as the food grains were recorded as issued to the suppliers towards the cost of above materials in the stock registers.

**94.86 MT of food grains worth Rs 10.72 lakh was misutilised on purchase of cement, road metal etc.**

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<sup>23</sup> Nabarangpur and Kandhamal.

<sup>24</sup> Sundargarh, Tangi, Badasahi, Betnoti, Baripada, Salepur and Rajgangpur.

<sup>25</sup> Kuchilakhunta of Barasahi PS of Mayurbhanj district-AAP for 2003-05.

<sup>26</sup> Executive Engineers, MI Division, Baripada: 60.4125 MT and Irrigation Division, Baripada: 34.45 MT.



### 3.1.4.2 Doubtful utilisation of food grains

In following cases, utilisation of 588.36 MT of food grains valued at Rs 53.20 lakh was doubtful:

**Utilisation of 588.36 MT of food grains valued at Rs 53.20 lakh was doubtful**

- In 27 cases involving five PS<sup>27</sup>, 124.07 MT of food grains valued at Rs 7.01 lakh ( at BPL rate) were shown as distributed to 3794 labourers for 22762 man days in excess of requirement as per PWD analysis of rates.
- In 42 cases in 2 PS<sup>28</sup>, documentary evidence/muster rolls in support of utilisation of 353.29 MT (valued at Rs 39.92 lakh at cost price) of food grains were not submitted by officials departmentally executing the works.
- In 21 cases in three districts (Sundargarh, Khurda and Kandhamal), 111 MT of food grains valued at Rs 6.27 lakh (at BPL rate) were issued to the concerned executants much after completion of these works (3 to 97 days after check measurement).

### 3.1.4.3 Irregular issue of subsidised rice to contractors

Test check of records of seven irrigation divisions<sup>29</sup> under Water Resources Department revealed the following:

- The EEs issued 47502 MT of rice to the contractors long after completion of works executed through 9152 agreements between 2002-03 and 2003-04. The delay in issue of rice ranged from one month to 21 months after the completion of work.
- Although the EEs prepared muster rolls under thumb impression of labourers for distribution of rice, veracity of actual distribution of rice to labourers was not beyond doubt since the labourers would not have waited at the sites for one month to 21 months after the works had been completed.
- The EEs could not show any record to prove that local representatives were present at the time of distribution of the rice to the labourers as stipulated under the scheme.

Thus, the chances of reaching the benefits of the subsidy of Rs 29.21 crore provided by GOI to intended beneficiaries are very remote due to issue of rice long after completion of work and absence of any representative at the time of distribution. Since the amount is large, the matter needs further investigation.

Government accepting the delay in issue of rice stated (July 2006) that the objective was however, achieved since the rice was issued to the labourers through muster rolls. This was not convincing as the labourers were not expected to wait at he site for months to receive the rice.

### 3.1.4.4 Shortage and misappropriation/non-accountal of food grains

In nine cases detailed in *Appendix-3.1*, misappropriation/short accountal/less carry over of balance of 105.88 MT of food grains (cost Rs 11.96 lakh at FCI rate) were detected in Audit. Non-execution of work despite receipt of 26.50

**Improper management of food grains led to shortage/ misappropriation of 576.12 MT of food grains worth Rs 65.10 lakh**

<sup>27</sup> Thakurmunda, Morada, Badasahi , Nabarangpur and Daringibadi.

<sup>28</sup> Phiringia and Daringibadi.

<sup>29</sup> Drainage Division, Bhubaneswar, Drainage Division, Chandikhole, Chikiti Irrigation Divisioin, Puri Irrigation Division, Boudh Irrigation Division, Sambalpur Irrigation Division, Jaraka Irrigation Division.

MT of food grains (worth Rs 3 lakh) since May 2004 was also noticed in Audit.

Further, in 19 cases detailed in **Appendix-3.2**, 443.74 MT of food grains were found short on physical verification of stock by the department/Vigilance during 2002-06. Except filing of FIR with the Police in one case, no further action was taken by the three DRDAs<sup>30</sup>, for recovery of the cost (Rs 50.14 lakh at Rs 11300 per MT paid to FCI) as of July 2006.

### **3.1.4.5 Misutilisation of food grains released under SGRY (Special Component)**

Food grains released under Special Component of the scheme were to be utilised in rural areas hit by natural calamity as notified by the State Government to ensure food security through additional wage employment. The sanction order stipulated maintaining labour and material ratio of 70:30 in the work component.

- To provide employment to the rural poor of 16 villages under eight GPs of four PS<sup>31</sup> of Nabarangpur district affected by flood (September 2003), 2292 MT of rice was provided under Special Component of the scheme during October 2003 in favour of DRDA, Nabarangpur. However, only 200 MT were utilised in these eight flood-affected GPs<sup>32</sup>. The remaining 2092 MT of rice was utilised in other GPs of the district not affected by natural calamity on construction of cement concrete (CC) roads and other works (not labour intensive). The norm of 70:30 in labour to material component was also not met. Besides, food security to calamity affected rural poor was also not ensured. This led to diversion of food grains (valued Rs 1.18 crore) released under special component of the scheme.
- Further, food grains (3438 MT) worth Rs 1.94 crore was allocated (October 2003) for utilisation in 112 flood affected notified villages of six PS<sup>33</sup> of Mayurbhanj district. The entire food grains were utilised on construction of CC roads which were not labour intensive and the labour component ranged from 17 to 38 *per cent* against the minimum requirement of 70 *per cent*.
- Out of 8428 MT of rice released for Kandhamal district under Special Component (Flood 2003), 2800 MT (worth Rs 1.58 crore) were released to an NGO named CARE INDIA; the status and manner of utilisation of which was not available.

### **3.1.5 Execution of SGRY works**

#### **3.1.5.1 Irregular engagement of contractors**

The scheme prohibited engagement of contractors for execution of works and stipulated that these would be executed departmentally only. The scheme permitted utilisation of one person from amongst the labourers working on the project as labour leader/ animator / facilitator for preparation of muster rolls,

**2092 MT of food grains worth Rs 1.18 crore released under 'Special component' were utilised in non-calamity affected areas**

**3438 MT of food grains worth Rs 1.94 crore meant for utilisation for 'Special component' were utilised on non-labour intensive works**

**Irregular execution of 4318 works at Rs 40.08 crore through contractors**

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<sup>30</sup> Mayurbhanj, Sundargarh and Nayagarh.

<sup>31</sup> Nabarangpur, Nandahandi, Tentulikhunti and Kesagumuda.

<sup>32</sup> Badamosigam, Pujariguda, Sindhiguda, B. Maliguda, Monchagam, Ukiapalli, Binjili and K. Samala.

<sup>33</sup> Samakhunta, Rasagovindpur, Betonati, Udala, G.B.Nagar and Badasahi.

payment of wages and ensuring quality of works. The leader was entitled to wages at the rate applicable to a skilled worker.

Though the State Government repeatedly reiterated these provisions yet instructed (January 1999/September 2004) for issue of work orders on the VLLs with copy to the Supervising officers.

Contrary to the Guidelines, contractors were engaged in 15 PS<sup>34</sup> in the guise of VLL for execution of 3191 works at Rs 29.46 crore (including cost of food grains) during 2001-06. These contractors in the name of VLL executed agreements, procured materials/road metal and paid cash component of wages out of their own resources and were paid work bills on item wise estimated rates. In 62 cases the VLLs were not found to be the beneficiaries working in the projects as per the muster rolls but it was noticed that they had executed works at a cost of Rs 1.11 crore.

The scheme provided that all the works under the programme were to be executed departmentally. The procedure for departmental execution of work as outlined in OPWD<sup>35</sup> Code provided for maintenance of site stock accounts, timely submission of vouchers and muster rolls in support of purchase/ utilisation of materials and payment of wages.

In four PS<sup>36</sup>, 1127 works were shown as executed departmentally during 2001-06 at Rs 10.62 crore through block officials. No advance was availed by these officials for purchase of materials and payment of cash component of wages. Vouchers in support of purchase of materials were neither submitted nor site stock accounts maintained. Final payments were released to them through account payee cheques on item-wise estimated rates. In 44 cases in two PS<sup>37</sup>, even muster rolls were not submitted. It was also noticed that work orders were issued on the VLLs. The concerned Block Development Officers also admitted that materials were purchased and cash component of wages were paid by the VLL out of their own source. Beneficiary interview also confirmed execution of these works by VLLs. Thus, those works were also executed through contractors in the name of departmental execution.

### 3.1.5.2 Other Irregularities in execution of works under the programme

Besides the above, inadmissible expenditure on repair and maintenance of assets beyond the permissible limit (Rs 5.78 crore), irregular utilisation of GP share in construction of GP Building/ meeting hall/godowns instead of meeting the same from PS/ZP share (Rs 4.06 crore), irregular execution of prohibited works (Rs 1.70 crore), unfruitful expenditure on projects lying incomplete for period ranging between one to four years (Rs 1.42 crore), extra expenditure on construction of cement concrete roads with higher specifications (Rs 98.74 lakh), inadmissible expenditure on free distribution of seedlings (Rs 88.55 lakh), payment of honorarium to cooks and helpers of Mid Day Meals



Prohibited work-Arch gate of mini stadium of Badabharandi GP, Umerkote PS

**Rs 14.70 crore were spent on works not permissible under the scheme etc. and there was unfruitful expenditure of Rs 1.42 crore on incomplete projects**

<sup>34</sup> Papadahandi, Badasahi, Morada, Bangiriposi, Thakurmunda, Daringibadi, Phiringia, Khurda, Tangi, Rajgangpur, Sundargarh, Lathikata, Kutra, Khandapada and Nuagaon.

<sup>35</sup> Orissa Public Works Department Code (Appendix-XXXIII of Volume-II).

<sup>36</sup> Nabarangpur, Umerkote, Daringibadi and Phiringia.

<sup>37</sup> Phiringia and Daringibadi.

programme and Jalachhatra (Rs 42.75 lakh), creation of non-durable assets (Rs 27.99 lakh), irregular payment towards cost of cement whose utilisation was doubtful (Rs 36.94 lakh), issue of cement after completion of masonry work, doubtful execution and excess payment to VLL/contractors (Rs 13.85 lakh), and creation of an asset lasting for few months (Rs 6.99 lakh) were also noticed, details of which are furnished at *Appendix-3.3*.

### **3.1.5.3 Inadmissible expenditure under individual beneficiary oriented programme for SCs and STs**

The scheme provided that 22.5 per cent of the annual allocation of ZP / DRDA and PS share was to be spent on individual beneficiary schemes for SCs and STs below the poverty line. Diversion of such funds to other works was not permissible. This earmarked funds was to be exclusively utilised on creation of economic assets for individual beneficiaries for their sustainable employment and income generation. Review of utilisation of this earmarked funds and creation of assets revealed irregular expenditure of Rs 7.37 crore on construction of market sheds without identification/involvement of beneficiaries leading to unfruitful expenditure of Rs 1.61 crore on 403 idle market sheds, misutilisation of funds earmarked for individual/group beneficiary programme for SC/STs (Rs 2.50 crore) and irregular distribution of scheme funds on inadmissible items (Rs 89.64 lakh) as detailed in *Appendix-3.4*.



**An idle market complex at Saraguda of Dabugaon PS, Nabarangpur district**

**Rs 10.77 crore was irregularly spent on inadmissible items and idle market sheds etc**

### **3.1.5.4 Absence of transparency**

- In seven PS<sup>38</sup>, Works Registers did not indicate the estimated cost, expenditure incurred, food grains utilised, dates of commencement and completion, man days generated.
- Asset Register was not maintained by any of the test checked eight DRDAs and 30 PS (excepting Papadahandi) as required under the scheme. Neither the Employment Register was maintained in these offices.
- In none of the works executed both at PS and GP level, photographic records before start, during execution and after completion, were maintained by 30 PS test checked (except Nabarangpur PS).

Thus, transparency in execution of the works under the programme could not be ensured.

### **3.1.5.5 Training**

Though the scheme permitted earmarking of rupees one lakh per year per DRDA for imparting training to official and non-officials of GPs but four DRDAs<sup>39</sup> did neither make any such allocation of funds for training nor imparted any training on SGRY to officials and non-officials of GPs during 2001-06.

<sup>38</sup> Barasahi, Bangiriposi, Kutra, Sundargarh, Rajgangpur, Lathikata and Bargaon.

<sup>39</sup> Cuttack, Kandhamal, Mayurbhanj and Nabarangpur.

### 3.1.5.6 Deviation from primary objectives / basic parameters of the scheme-approach shift “BAZAR, SADAK, PANI”

The Government made an approach shift in implementation of the programme under “BAZAR, SADAK, PANI” and instructed (April / November 2003) all Panchyati Raj Institutions (PRIs) for construction of cement concrete roads, market complexes at district, PS and GP level utilising 40 *per cent* of scheme funds towards construction of all weather quality roads including concrete roads, 15 *per cent* on market complexes and 10 *per cent* on construction of water bodies. Utilisation of balance 35 *per cent* was left to the discretion of the PRIs. During 2003-06, Rs 548.43 crore were spent on construction / improvement of roads (5674 Km) and market complexes in the State. All test checked 30 PS, following the above directions, constructed cement concrete / metal roads and market complexes utilising 80 to 90 percent of SGRY funds (except funds earmarked for Individual beneficiary programme for SC/STs). It was noticed that the labour component of these works as per PWD analysis of rates ranged from 17 to 25 *per cent* and as per muster rolls from 18 to 37 *per cent*. Since the works under taken were not labour intensive and 63 to 82 *per cent* of scheme funds were spent on material component, generation of additional wage employment in rural areas was severely affected and the employment generation did not commensurate the resources employed under the scheme. Thus, there was serious departure from the basic objective of the scheme.

### 3.1.6 Irregularities in maintenance of Muster Rolls and payment of wages

**3.1.6.1** The scheme Guidelines emphasised on proper maintenance of Nominal Muster Rolls (NMR) recording name, address of SC / ST/ Women and others who have been provided with employment, the duration of employment, wages paid and dates of disbursement of wages / food grains and these were regarded as the basic records in support of payment of wages to the labourers. The provisions of OPWD Code regarding maintenance of muster rolls were also to be followed. The scheme further provided for payment of wages partly in food grains (minimum 5 kgs per day up to October 2005 and 3 kgs there after) and partly in cash (minimum 25 *per cent* of wages).

Test check, however, revealed that the NMRs did not record duration of engagement, dates of disbursement of wages, gender and category of workers (ST / SC) employed. Delay in payment of wages ranged from 22 days to 8 months in 119 cases. Doubtful muster rolls were also noticed due to payment of wages without obtaining acknowledgement of labourers or non-attestation of thumb impressions of labourers. In 175 cases payment of wages was made entirely in cash, in 99 cases entirely in food grains and in 120 cases, cash component paid were below 25 *per cent* of the payable amount etc. in deviation of the scheme guidelines. Payment of wages in these cases worked out to Rs 4.67 crore. Details of these irregularities are illustrated in *Appendix-3.5*. In addition, there was under payment of wages of Rs 0.56 lakh in 36 cases to 3627 labourers for 21992 man days.

**Irregular maintenance of muster rolls in support of payment of wages for Rs 4.67crore by the test checked PS**

### **3.1.6.2 Doubtful muster rolls**

In four cases in two PS (Dhenkanal and Gondia), same 85 labourers were shown engaged for 780 man days in the same works twice during the same period and the payment of wages (Rs 0.46 lakh) through these muster rolls was thus fictitious. In one case (Kohi GP under Morada PS), 41 labourers for 287 man days were shown as engaged beyond the date of completion / check measurement of the works and so the entire NMR (Rs 0.14 lakh) was doubtful. In 74 cases in seven PS<sup>40</sup>, no muster rolls were maintained despite issue of 409.10 MT of food grains and payment of Rs 76.23 lakh to the executants. In three cases, wages disbursed to 198 labourers for 1186 man days were not indicated in the muster rolls despite obtaining LTIs / acknowledgement which indicated obtaining of signature / acknowledgement on blank NMR forms. In three cases, Rs 7.45 lakh and 37.50 MT of rice were shown as disbursed to 1298 labourers without indicating the dates of attendance, name and address despite obtaining acknowledgements. In 41 cases, the ASCO, Nabarangpur paid Rs 0.92 lakh and 5.85 MT of food grains to team leaders.

These deficiencies occurred due to lack of proper supervision. The National Human Rights Commission reported (2005) cases of gender discrimination and under payment of wages to the labourers. Interview of 600 beneficiaries (labourers) by audit revealed that 54 of them were paid wages at lower than the minimum wage fixed by the State Government. Delayed payment of wages and under payment of wages were confirmed by the District Labour Officer, Nabarangpur, Mayurbhanj and irregularities in maintenance of NMR were also highlighted in the Survey reports (Public Expenditure Tracking Survey) of the World Bank (April 2006).

### **3.1.7 Reporting of employment generation**

The information furnished by the State Government revealed that 2808.52 lakh man days were generated under the scheme during the period 2001-06 incurring an expenditure of Rs 2562.23 crore (inclusive of cost of 12.80 lakh MT of food grains).

Test check of Monthly and Annual Progress Report submitted by three DRDAs (Mayurbhanj, Sundargarh and Kandhamal) revealed that the man days generation was worked out arithmetically<sup>41</sup> on the basis of expenditure alone. The man days generation reported by PS and GPs were not based on any recorded evidence as employment register was not maintained in any of the test-checked PS/DRDA and even the copies of monthly progress reports submitted to DRDAs were not available in the PS / GPs. Thus, the figures on man days generation reported by DRDAs did not represent the actual generation of employment based on the actual records in the field.

### **3.1.8 Monitoring**

The GOI instructed (November 2004) that meeting of the Vigilance and Monitoring Committee (VMC) at State and district level were to be conducted at least once in every quarter. It was noticed that during 2001-06 the District

**Man days generated were arithmetically calculated based on expenditure incurred and the same were not reliable as Employment Registers were not maintained**

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<sup>40</sup> Kaptipada, Morada, Thakurmunda, Tangi, Baliana, Phiringia and Daringibadi.

<sup>41</sup> 60 per cent of (Total expenditure incurred and cost of food grains utilised during the year)/ minimum wage of unskilled worker.

VMC of three districts<sup>42</sup> met three to seven times against the minimum requirement of 20 such meetings. Vigilance and Monitoring Committees at the village level were not formed at all in respect of works executed during 2004-06 despite stipulation in the scheme.

The scheme required preparation of schedule of inspections for State/ district level and PS officers for monitoring the execution of projects and overall implementation of the scheme through visits to work sites. The position regarding preparation of schedule of inspections and visit of work sites by State level officers was not made available to audit. The BDOs of the test checked PS also failed to prepare the required schedule of inspections.

Consequently, interim corrective measures which ought to have been taken on deficient implementation of the scheme/execution of various projects remained unnoticed by the senior management indicating a serious failure in functioning of internal control and monitoring mechanism.

### **3.1.8.1 E-monitoring**

To achieve better governance and monitoring of all activities of Panchayati Raj Institutions (PRIs), two e-Governance projects viz: 'Priasoft' for monitoring of accounts of the three tier PRIs and 'Rural Soft' for citizen centric information of projects for monitoring of projects of the poverty alleviation programmes were introduced by the Government in November 2003. A comprehensive citizen service portal-PR Online was also hosted by the State.

Test check of e-monitoring of Kandhamal district and records of two PS (Daringibadi and Phiringia) revealed that data input validation check were absent for which mandays generation in respect of 29 completed projects were indicated as zero. Date of completion was not indicated in 15 cases and in 8 cases man days differed from the figures appearing in Muster Rolls. In Daringibadi PS, man days generated were indicated as zero in nine works under progress despite spending Rs 19.99 lakh. Works completed during May 2004 to February 2006 either not included or shown as under progress (July 2006).

Thus, the data available in the website were either incorrect or not updated and therefore the purpose of achieving better monitoring and governance as well as transparency through e-Governance was defeated.

### **3.1.9 Follow up of error signals**

Irregularities like diversion of funds, meeting transportation cost of food grains out of scheme funds, parking of funds in PL account, misutilisation of funds earmarked for SC/STs individual beneficiary programme, improper management of food grains, execution of inadmissible works etc were pointed out in audit (2003-04 to 2005-06) through Inspection Reports but the irregularities still persisted. Public Expenditure Tracking Survey (PETS) of the scheme conducted by the World Bank also highlighted (April 2006) the irregularities of extensive engagement of contractors, non-preparation of AAP in time, non-maintenance of Employment Register, Muster Rolls with ghost

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<sup>42</sup> Nabarangpur (3), Mayurbhanj (3) and Kandhamal (7).

workers and ghost days etc. The Government did not yet initiate follow up action on those error signals.

### ***3.1.10 Conclusion***

Government did not adhere to scheme guidelines prescribed for financial and food grains management leading to curtailment of central assistance, misutilisation of scheme funds, shortage and pilferage of food grains. There was deficiency in planning due to exclusion of forest villages, non-preparation of AAPs in time and non-inclusion of works in AAP in order of priority. Execution of inadmissible works and engagement of contractors in the name of VLLs were widespread. Non maintenance of the assets register and employment register was a regular feature with all the implementing agencies. Serious lapses persisted in maintenance of muster rolls. As basic records, they hardly provided any assurance on transparency and reliability as the information revealed inaccuracies and tampering. Due to execution of a large number of material intensive works instead of labour intensive ones, generation of additional wage employment in rural areas was severely affected and employment generation was not commensurate with the resources employed.

### ***Recommendations***

- Approval of AAPs in General Bodies of ZP/PS should be ensured before the beginning of the financial year.
- Engagement of contractors in the name of VLLs and diversion of funds to other programmes should be avoided to ensure that scheme funds are used for employment generation.
- Muster rolls may be treated as cash vouchers instead of treating them as a formal record for issue of food grains and suitable mechanism may be devised for their proper maintenance;
- Only income generating assets for sustainable employment generation may be created under the scheme.
- Streamline the accounting of receipt, issue and utilisation of food grains and responsibility may be fixed wherever there is any shortage, pilferages etc;
- Ensure regular and timely updating of database in Rural soft / Priasoft.
- While implementing NREGS, effective measures to overcome deficiencies pointed out in implementation of the scheme may be ensured.

During discussion, the Commissioner-cum-Secretary assured (September 2006) that suitable follow up action on the audit observations would be taken to rectify the deficiencies.



## WOMEN AND CHILD DEVELOPMENT DEPARTMENT

### 3.2 Integrated Child Development Services Scheme

#### *Highlights*

*The “Integrated Child Development Services (ICDS) Scheme” is a Central Plan scheme meant for delivery of health services, nutrition and education to children in the age group of 0-6 years and expectant and lactating mothers. The implementation of the scheme in the State for the period 2001-06 suffered from several deficiencies such as inadequate planning, loss of central assistance due to low spending, non-operation of required number of Anganwadi Centres (AWCs), large scale vacancies in the posts of ICDS functionaries, lack of proper accommodation and basic amenities in AWCs. Besides, nutritional support could not be provided to all eligible beneficiaries due to inadequate budget provision. The prevalence of severe malnourishment among children persisted at around five per cent throughout the period during 2001-06 despite intervention through different packages of the scheme.*

❖ **Against the budget provision of Rs 607.03 crore for the period 2001-06 under the Central Plan, savings amounted to Rs 132.16 crore. Failure in utilising these GOI funds led to loss of central assistance of Rs 35.48 crore during the period.**

**(Paragraph 3.2.7.1)**

❖ **Out of the budget provision of Rs 337.23 crore for the Supplementary Nutrition Programme (SNP) under State Plan during 2001-06, the savings amounted to Rs 90.57 crore. The annual savings ranged from one to 43 per cent.**

**(Paragraph 3.2.7.5)**

❖ **Against the requirement of 40297 AWCs, 37480 AWCs were sanctioned for the State. However, only 34201 AWCs were actually functioning and of these drinking water facilities were not available in 21847 AWCs (64 per cent) and toilet facilities were almost non-existent in any of the AWCs**

**(Paragraphs 3.2.8 and 3.2.8.1)**

❖ **Out of an annual average of 33.12 lakh beneficiaries required to be covered under the supplementary nutrition programme, the coverage ranged between 13.60 lakh and 29.06 lakh during 2001-06.**

**(Paragraph 3.2.11.1)**

❖ **The Infant Mortality Rate (IMR) of the State was 77 as of December 2004 which was much higher than the all India average of 58 and the percentage of severely malnourished children remained around five per cent throughout 2001-06.**

**(Paragraphs 3.2.12.1 and 3.2.13.3)**

❖ **The State level Coordination Committee required for monitoring and evaluation of the implementation of the scheme was not constituted. Two out of eight districts test checked did not have any District Level Co-ordination Committees to monitor the ICDS activities.**

**(Paragraph 3.2.17)**

\* Abbreviations used in the performance review have been expanded in Glossary of abbreviations at pages 228-234.

### **3.2.1 Introduction**

The “Integrated Child Development Services (ICDS) Scheme” is a Central Plan scheme meant for delivery of services through six packages comprising supplementary nutrition, immunisation, health check-up, referral services, nutrition and health education and non-formal pre-school education of children. The scheme is intended for children of 0-6 years, expectant and lactating mothers of 15-45 years of age and adolescent girls of 11-18 years all belonging to the families of agricultural labourers, marginal farmers and other weaker sections of the society living below poverty line.

The primary objectives of the scheme were to reduce the incidence of mortality, morbidity, malnutrition and school dropout among children; improve the nutritional and health status of children in the age group 0-6 years; and enhance the capability of the mother to look after the normal health and nutritional needs of the child through proper nutritional and health education.

### **3.2.2 Organisational set up**

The implementation of the scheme was the responsibility of the Women and Child Development Department. At the Department level there was a State Project Management Unit (PMU) headed by the Project Co-coordinator-cum-Joint Secretary, assisted by one Deputy Director-cum-Deputy Secretary and four Assistant Directors-cum-Under Secretaries with other ministerial staff. At the district level, there was district ICDS Cell with a Programme Officer under the supervision of District Social Welfare Officer (DSWO) and at the block level the ICDS Projects were supervised by Child Development Project Officers (CDPOs) with the help of supervisors. The ICDS Package services were delivered through Anganwadi Centres (AWCs) by engaging Anganwadi workers and Anganwadi Helpers on honorarium basis.

### **3.2.3 Audit Objectives**

The performance audit of the implementation of the ICDS scheme was conducted with the following audit objective to assess whether:

- proper planning preceded implementation of the scheme.
- allocation and use of fund were efficient in the context of the scheme objectives.
- required infrastructure were created for the projects for efficient and smooth delivery of quality services;
- staff deployment and skill upgradation was made in consonance with the scheme objectives;
- implementation of various packages of the scheme within the projects was efficient.
- the system of monitoring and evaluation of the programme was in place and effective.

### 3.2.4 Audit criteria

The implementation of various components and progress made under ICDS scheme was evaluated with reference to the following audit criteria:

- ◆ Budgetary and expenditure control system maintained at Department, district and project levels.
- ◆ Guidelines and instructions issued by Government of India for selection of beneficiaries, opening of AWCs, prescription of norms for SNP and delivery of different packages of services
- ◆ Instructions issued by Government of Orissa pertaining to procurement, quality control, distribution and maintenance of records for supply of nutritious food.
- ◆ Prescribed norms for staffing and skill upgradation.
- ◆ Standards fixed by the National Institute of Public Co-operation and Child Development (NIPCCD) for infrastructure of ICDS Projects and training programmes.
- ◆ Monitoring mechanism instituted by the Government.

### 3.2.5 Scope of Audit and audit methodology

The implementation of the Integrated Child Development Services (ICDS) Scheme for the period 2001-06 was reviewed (April-July 2006) through test check of records of the Women and Child Development Department of the Government, eight selected DSWOs<sup>1</sup>, 33 CDPOs<sup>2</sup>, 318 Anganwadis and three training centres<sup>3</sup>. The selection of eight DSWOs was made by adopting stratified random sampling method based on population criteria and 33 projects and 318 AWCs functioning under the selected districts were selected on simple random sampling and systematic sampling basis respectively including the projects at district headquarters and the project at Subdega (Sundergarh district) being the first project in the State

Besides scrutiny of records of the selected offices and collection of data, evidences were gathered by conducting interviews with the beneficiaries, physical verification of AWCs and taking photographs etc.

The audit objectives, the audit criteria and the performance indicators were discussed with the Commissioner-cum-Secretary of the Department at the entry level conference held in May 2006. Audit findings and recommendations were also discussed in an exit conference held in August 2006.

<sup>1</sup> Cuttack, Jagatsinghpur, Jharsuguda, Kalahandi, Kandhamal, Puri, Rayagada and Sundergarh.

<sup>2</sup> (i) Cuttack: Tangi- Choudwar, Tigiria, Cuttack Sadar, Kantapada (ii) Jagatsinghpur : Jagatsinghpur, Biridi, Tirtol, (iii) Jharsuguda : Laikera, Jharsuguda (urban), Jharsuguda (Hq), (iv) Kalahandi : Kesinga, Dharamgarh, M Rampur, Bhawanipatna, Bhawanipatna (urban), (v) Kandhamal: Daringibadi, Khjuripada, Tumudibandha, Phulbani, (vi) Puri: Kakatpur, Gop, Brahmagiri, Puri sadar, (vii) Rayagada : Padampur, Bissamcuttack, Muniguda, Rayagada and (viii) Sundargarh : Lathikota, Bargaon, Nuagaon, Hemagiri, Sundergarh Sadar, Subdega.

<sup>3</sup> Anganwadi Training centres (ATC): (i) ATC, Unit II, Baripada, (ii) Home Economic Training Centre, Barpalli, and (iii) Kasturba Gandhi National Memorial Trust, Satyabhamapur, Cuttack.

**Audit Findings**

**3.2.6 Planning**

**The planning lacked strategy for addressing the core issues of the scheme affecting its implementation**

The State Government was responsible for implementation of different packages and providing supplementary nutrition under the ICDS scheme to poor people living in tribal and backward areas and urban slums. Statistical information on low birth weight (LBW), maternity mortality rate (MMR) and institutional delivery and enrolment of children in regular schools after pre-school education were not available with the department. Even the data on infant mortality rate (IMR) of children maintained by the department for last five years ending March 2006 was understated in comparison to the GOI data. Thus, the basic data having a bearing on the planning of the scheme were not available with the Government. Although provision was made in the budget for all the sanctioned posts, planning for filling up large number of vacant posts was not considered. Thus, the planning lacked strategy to address the core issues of the scheme thereby affecting the implementation of the scheme.

**3.2.7 Management of funds**

While the funding for the supplementary nutrition programme (SNP) was the responsibility of the State Government, the other services were funded out of Government of India (GOI) assistance. Scrutiny of records relating to budget and expenditure control showed large scale savings, curtailment of central assistance etc as discussed below.

**3.2.7.1 Budget provision, funds released and expenditure**

The budget provision, funds received from the GOI vis-à-vis expenditure incurred towards operational cost of ICDS projects during 2001-06 were as below:

(Rupees in crore)

Year	Budget provision	GOI Assistance received	Expenditure	Savings with reference to Budget Provision (Percentage)
2001-02	97.11	86.76*	69.93	27.18 (28)
2002-03	97.31	86.76	71.01	26.30 (27)
2003-04	148.50	103.87	123.36	25.14 (17)
2004-05	130.33	99.68	108.26	22.07 (17)
2005-06	133.78	106.01	102.31	31.47 (24)
<b>Total</b>	<b>607.03</b>	<b>483.08</b>	<b>474.87</b>	<b>132.16 (22)</b>

\*Includes opening balance of Rs 17.94 crore.

It may be seen that there was a saving of Rs 132.16 crore (22 per cent) under central plan scheme which was mainly due to vacancies in 8180 posts of different cadres of ICDS functionaries for which budget provision was made and non-functioning of 3279 AWCs in the State. Besides, GOI assistance of Rs 8.21 crore remained unspent as of March 2006.

**Failure in utilizing the GOI funds within the years of receipt led to loss of central assistance of Rs 35.48 crore during 2001-06**

As per the norm fixed by the GOI (April 2002), the State Government was eligible for annual assistance of Rs 30.75 lakh per operational ICDS project and an additional Rs 1.10 lakh per project where Kishori Shakti Yojana (KSY) was under implementation. Accordingly, the State Government was eligible for GOI assistance of Rs 500.62 crore for operating 308 to 326 ICDS projects and 112 KSY projects during 2001-06. However, GOI released Rs 465.14 crore during the above period as the State Government failed to utilise the entire GOI assistance received during the years of receipt resulting in curtailment of central assistance of Rs 35.48 crore. During discussion, the Commissioner-cum-Secretary accepted (August 2006) the above audit observations.

### 3.2.7.2 Retention of unspent funds outside Government account

In 22 out of the 33 test checked ICDS Projects, Rs 20.22 lakh on 11 components pertaining to the period 1991-2006 had remained unspent and mostly kept in savings bank accounts. The major unspent funds related to referral services (Rs 8.96 lakh), Anganwadi contingencies (Rs 4.50 lakh), training of adolescent girls (Rs 1.61 lakh), IMR (Rs 0.37 lakh), Malnutrition (Rs 1.30 lakh) and information, education and communication (Rs 1.15 lakh).

### 3.2.7.3 Parking of funds under Civil Deposit

Further, it was seen that Rs 4.41 crore meant for monitoring and evaluation mechanism (MEM), pre-school education kits, Kishori Shakti Yojna and information education and communication (IEC) of ICDS scheme was kept by the Directorate under Civil Deposit during 2001-03 till July 2006.

### 3.2.7.4 Component-wise of expenditure of the GOI funds

The component-wise expenditure of GOI funds during 2001-06 was as below:  
(Rupees in lakh)

Unit of expenditure	2001-02	2002-03	2003-04	2004-05	2005-06	Total (Per cent to total Expenditure)
Salary	27.69	27.43	28.49	28.82	31.38	143.81 (30)
Establishment expenditure	3.01	2.83	4.62	3.68	2.44	16.58 (3)
Honorarium of AWC	30.21	31.37	86.40	66.16	65.37	279.51 (59)
Anganwadi contingencies	3.05	1.92	2.04	2.05	2.05	11.11 (2)
MEM	0.63	0.67	0.38	0.68	0.00	2.36 (1)
IEC	0.77	0.81	0.36	0.81	0.01	2.76 (1)
Office contingencies	1.07	0.99	1.07	1.07	1.06	5.26 (1)
Kishori shakti yojana	0.00	1.23	0.00	1.23	0.00	2.46 (1)
Medicine kits	1.91	2.05	0.00	2.05	0.00	6.01 (1)
Pre- school education kits	1.59	1.71	0.00	1.71	0.00	5.01 (1)
<b>Total</b>	<b>69.93</b>	<b>71.01</b>	<b>123.36</b>	<b>108.26</b>	<b>102.31</b>	<b>474.87 (100)</b>

**Against the required expenditure of Rs 18.54 crore, only Rs 11.02 crore was spent on pre-school education and medicine kits**

Out of the total expenditure of Rs 474.87 crore, benefits of only Rs 11.02 crore (two per cent) spent on pre-school education and medicine kits reached the beneficiaries as direct benefits. However, as per the prescribed norms<sup>4</sup>, the Government should have achieved an expenditure of Rs 18.54 crore. Thus, the scheme failed to create necessary impact by restricting the coverage.

<sup>4</sup> Pre-school education kits and medicine kits at the rate of Rs 500 and Rs 600 respectively per Anganwadi per annum.

### **3.2.7.5 Provision of funds and expenditure under Supplementary Nutrition Programme**

As stated above, the State Government was responsible for providing supplementary nutrition out of its own resources under minimum needs programme. During 2001-06, the budget provision made by the Government for SNP and expenditure incurred thereof were as under:

Year	Budget provision	Expenditure	Savings (percentage)
2001-02	34.01	19.41	14.60 (43)
2002-03	59.32	34.68	24.64 (42)
2003-04	57.25	48.69	8.56 (15)
2004-05	64.87	64.78	0.09 (1)
2005-06	121.78	79.10	42.68 (35)
<b>Total</b>	<b>337.23</b>	<b>246.66</b>	<b>90.57 (27)</b>

The savings ranging from 35 per cent in 2005-06 to 43 per cent in 2001-02 were due to supply of food stuff to AWCs far below the prescribed norm of 300 feeding days a year. It was noticed that although the State Government was to provide SNP out of its own resources, the expenditure of Rs 246.66 crore under the programme included Rs 190.32 crore out of other GOI funds<sup>5</sup>.

### **3.2.8 Inadequacy of infrastructure**

The scheme envisaged establishment of one Anganwadi Centre (AWC) for 1000 population in a rural/urban project whereas one AWC should be opened with 700 population in a tribal project. The requirement of AWCs on the basis of 2001 census in rural and tribal projects was 34780 against which 36472 AWCs were sanctioned while in urban projects, against the requirement of 5517 AWCs only 1008 were sanctioned. Thus, there was a shortfall of 4509 AWCs (82 per cent) under the urban sector restricting the benefit to the urban population under ICDS scheme. Scrutiny revealed that out of 105 ULBs in the State, only 12 ULBs comprising 23.72 lakh population were being covered by 1008 AWCs, thus overcrowding the AWCs by more than 100 per cent. The remaining 93 ULBs comprising 26.63 lakh populations remained uncovered. Besides, as of March 2006, 3279 AWCs remained non-functional owing to non-posting of required staff.

The Under Secretary to Government stated (August 2006) that proposals for opening of 6880 additional AWCs were sent (January 2005 and March 2006) to the GOI approval of which was yet to be received.

#### **3.2.8.1 Inadequate infrastructure facilities at Anganwadi Centres**

In order to maintain efficient and smooth delivery of quality services, the Anganwadi Centres, should fulfill minimum requirement of (i) adequate space for services with no health hazard to children (ii) space for storage, cooking and washing facilities (iii) adequate ventilation, drainage and availability of toilet and drinking water facilities.

**Out of 37480 sanctioned AWCs against the requirement of 40297, only 34201 AWCs were actually functioning and 3279 AWCs remained non operational**

<sup>5</sup> Prime Ministers Gramodaya Yojana : Rs 104.31 crore, Revised Long Term Action Plan for KBK districts : Rs.49.31 crore and Centrally Sponsored Plan for SNP : Rs.36.70 crore.

**21487 (62 per cent) AWCs were functioning in places other than the departmental buildings and in rented houses**

From the data furnished by the Government on availability of infrastructure with the AWCs, it was noticed that out of 34201 operational AWCs, 18307 (53 per cent) AWCs were functioning in places other than the departmental buildings and 3180 (nine per cent) were functioning in rented houses. Drinking water facilities were available only in 12354 AWCs (36 per cent) and toilets functioned only in 357 AWCs (one per cent of the operational AWCs).

Test check of records in 33 ICDS projects revealed that 1201 (37 per cent) out of 3208 AWCs were functioning in schools, club houses and other places. Even 29 AWCs of the above were operating in verandahs of private houses while 10 AWCs were functioning in open places. It was also noticed that five AWCs in two ICDS projects were functioning in dilapidated and unsafe buildings. One AWC (Jamudarah AWC) under Nuagaon project (Sundargarh district) had been left incomplete since 2000.



**Photograph showing unsafe Anaganwadi Centre at Tunapahad**



**Photograph showing Anaganwadi Centre at Jamudarah lying incomplete since 2000**

### 3.2.8.2 Construction of buildings and installation of hand pumps for AWCs

Under the World Bank Assisted ICDS Project-III Scheme in operation during October 2002 to March 2006, the GOI released Rs 24.30 crore (2003-05) for construction of 1798 AWC buildings and installation of 1863 hand pumps. Of the above, the State Government placed Rs 21.62 crore with DRDAs for construction of AWCs buildings (Rs 16.29 crore) and installation of hand pumps (Rs 5.33 crore). The remaining Rs 2.68 crore remained unspent with the State Government though the project period was over by March 2006.

The State Government reported (April 2006) to the GOI that Rs 21.62 crore were utilised and the construction of AWCs and installation of hand pumps were completed. However, check of records in five test checked districts showed that installations of 273 hand pumps out of 361<sup>6</sup> sanctioned and all the 453 sanctioned AWC buildings<sup>7</sup> on which expenditure of Rs 5.33 crore<sup>8</sup> had been incurred from GOI assistance were not completed and handed over for use as of July 2006. More over, as per the scheme, 75 per cent of the unit cost

<sup>6</sup> Cuttack: 125 (completed: 78), Jagatsinghpur: 130, Jharsuguda: 15 (completed: 10), Puri: 86 and Sundargarh: 5.

<sup>7</sup> Cuttack: 160, Jagatsinghpur: 136, Jharsuguda: 35, Puri: 93 and Sundargarh: 29.

<sup>8</sup> Cost of 273 hand pumps at the rate of Rs 40000 each and 453 AWC buildings at the rate of Rs 93750 each.

(Rs 1.25 lakh) of the building was to be met from the GOI assistance and the remaining 25 per cent was to be borne by the State Government; but information on release of 25 per cent of state share though called for was not received (September 2006).

### 3.2.9 Staff deployment

The sanctioned strength and staff in position under the scheme as of March 2006 was as below:

Sl. No.	Category of post	Number of posts sanctioned	Staff in position	Vacancy	Percentage of vacancy
1.	CDPOs	326	231	95	29.14
2.	Supervisors	1742	1055	687	39.44
3.	Anganwadi Workers	37480	33554	3926*	10.47
4.	Anganwadi Helpers	37480	34008	3472*	9.26

\* Includes newly sanctioned posts

**Large scale vacancies in different cadres affected the efficient management of ICDS activities**

Thus, the large scale vacancies in different cadres affected the efficient management of ICDS activities. Although the vacancy at grass root level was around 10 per cent, larger vacancies in the middle level functionaries such as Supervisors (687) and CDPOs (95) led to lack of direction in and supervision of delivery of services.

Test check of 33 projects revealed that four<sup>9</sup> projects were running without CDPOs for two to five years as of June 2006. One ICDS project (Gop) was functioning without any supervisor against total strength of six for the project.

The Under Secretary to Government attributed non-filling up of vacant posts to issue of a stay order by the Orissa High Court in May 2001 which was vacated recently and the vacancies would be filled up shortly.

### 3.2.10 Training of the core functionaries

UDISHA meaning 'the first rays of the new dawn', is the World Bank Assisted National Training Programme for quality improvement in the training of ICDS functionaries as the 'care givers'. Under the scheme, all the core functionaries were to be imparted training in job courses and refresher courses in 26 Anganwadi Training Centres (AWTCs) and two middle level training centres (MLTC) in the State. Test check revealed shortfall in training of ICDS functionaries and non-utilisation of optimum capacity of training centres as discussed in succeeding paragraphs.

#### 3.2.10.1 Shortfall in training of ICDS functionaries

The position regarding the staff in different cadres required to be trained vis-à-vis persons actually trained under UDISHA Training Programme from the inception of the scheme (April 1999 to March 2006) was as below:

Name of the cadre	Persons to be trained	Training in job course			Training in refresher course		
		Completed	Shortfall in training	Percentage of shortfall	Completed	Shortfall in training	Percentage of shortfall
CDPOs	275	47	228	83	19	256	93
Supervisors	1028	129	899	87	489	539	52
Anganwadi Workers	33527	14091	19436	58	18299	15228	45

<sup>9</sup> (1) .Puri since 2004-05 (two years), (2) Padampur since 2001-02 (four years), (3) Hemgiri since 2002-03 (three years) and (4).Tumudibandha since 2001-02 (two years).



It may be seen that training in job courses and refresher courses could not be imparted to 228 and 256 CDPOs respectively. Similarly, out of 1028 Supervisors in position, job course training to 899 and refresher course training to 539 could not be imparted. Anganwadi workers numbering 19436 (58 per cent) were not trained under basic job course training meant for them.

**The capacities of four test checked Government-run Home Economic Training Centres at Barpalli were under-utilised by 57 to 75 per cent of the training days during 2001-06**

The capacity of four test checked Government run Home Economic Training Centres (HETC)<sup>10</sup> at Barpalli were not utilised optimally. Assuming that 1400 training days were available during 2001-06 at the rate of 280 days annually, the utilisation of capacity of these HETCs during 2001-06 was between 343 (25 per cent) to 599 days (43 per cent). Further, it was seen that out of 4250 trainees nominated during the above period for job course and refreshers course, 1300 (31 per cent) trainees did not turn up for training as they were not relieved for the purpose by the CDPOs.

Another training centre (Anganwadi Training Centre-II, Baripada) did not conduct any training programme for 11 months during the period March 2003 to August 2005 since no training programme was sponsored by the Government. During this period, a sum of Rs 2.15 lakh was spent towards honorarium of teaching staff of the centre.

The shortfall in training was due to Government's failure to prepare annual training calendar setting out the target for training requirements and utilisation of infrastructure for the training centres. Thus, lack of proper planning led to non-utilisation of the optimum capacity of the training centres.

### **3.2.11 Implementation of Supplementary Nutrition Programme**

The Supplementary Nutrition Programme (SNP) is a food based intervention under the ICDS scheme aimed at improving the health and nutritional status of children in the age group of 0 to 6 years and expectant and lactating mothers. Food is to be provided to the beneficiaries in the AWCs to supplement the nutritional intake for 300 days in a year.

#### **3.2.11.1 Shortfall in coverage of beneficiaries under SNP**

On a conservative estimate based on the census 2001<sup>11</sup> and data available from HFW Department, there were 53.59 lakh children in the age group of 0-6 years and on an average 15.77 lakh expectant and nursing mothers in the State, who were to be identified annually during 2001-06 under different packages of the scheme. According to the norms of the scheme, 40 per cent of the identified beneficiaries from rural and urban projects and 75 per cent from tribal projects were required to be covered under the SNP. As such, on an average, 33.12 lakh beneficiaries (children: 25.59 lakh and expectant/nursing mothers: 7.53 lakh) were to be covered annually under the programme. However, only 13.60 lakh (2002-03) to 29.06 lakh (2005-06) beneficiaries were covered annually during 2001-06. The aggregate of beneficiaries covered was 108.62 lakh<sup>12</sup> as against 165.60 beneficiaries required to be covered

<sup>10</sup> HETC, Unit-I: 599 days, Unit II: 463 days, Unit III: 394 days and Unit IV: 343 days.

<sup>11</sup> The total population of the State as per 2001 census was 368.04 lakh out of which tribal population consisted 81.45 lakh (22.13 per cent). Applying the above ratio, the tribal children works out to 11.86 lakh and urban/rural children to 41.73 lakh aggregating to 53.59 lakh children. Similarly, applying the same ratio, the expectant and lactating mothers (tribal) works out to 3.49 lakh and rural/urban to 12.28 lakh aggregating to 15.77 lakh.

<sup>12</sup> 2001-02: 15.64 lakh, 2002-03: 13.60 lakh, 2003-04: 22.56 lakh, 2004-05: 27.76 lakh and 2005-06: 29.06 lakh.

during the period resulting in shortfall of 56.98 lakh (34 per cent). Non-coverage of beneficiaries were mainly due to non-sanction of projects in 93 Urban Local Bodies (ULBs) and non-operation of required number of AWCs including 3279 AWCs sanctioned in August 2005 in tribal and rural projects.

During discussion (August 2006), the Commissioner-cum-Secretary of the WCD Department stated that the coverage of beneficiaries under SNP as per the ICDS norms had been geared up (August 2004) on the directives (April 2004) of the Supreme Court of India

### **3.2.11.2 Non-adherence to norms in coverage of beneficiaries in Anganwadi Centres**

Test check of records of 1383 AWCs of 14 tribal projects and 1619 AWCs of 17 rural projects revealed that there was shortfall in coverage of 0.59 lakh beneficiaries (average 9 per cent) in tribal AWCs whereas there was excess coverage of 1.81 lakh (average 33 per cent) beneficiaries under rural AWCs during 2001-06 as below:

(Numbers in lakh)

Year	Total number of identified beneficiaries		Total number of beneficiaries required to be covered		Number of beneficiaries actually covered		Shortfall(-)/ Excess (+) in coverage (percentage in bracket)	
	Tribal	Rural	Tribal	Rural	Tribal	Rural	Tribal	Rural
2001-02	1.68	2.64	1.26	1.06	1.18	1.33	(-) 0.08 (6)	(+) 0.27 (26)
2002-03	1.66	2.79	1.24	1.12	0.91	1.65	(-) 0.33 (27)	(+) 0.53 (48)
2003-04	1.66	2.80	1.24	1.12	1.13	1.45	(-) 0.11 (9)	(+) 0.33 (29)
2004-05	1.70	2.73	1.27	1.09	1.18	1.43	(-) 0.09 (7)	(+)0.34 (31)
2005-06	1.67	2.71	1.26	1.09	1.28	1.43	(+) 0.02	(+)0.34 (32)
<b>Total</b>	<b>8.37</b>	<b>13.67</b>	<b>6.27</b>	<b>5.48</b>	<b>5.68</b>	<b>7.29</b>	<b>(-) 0.59 (9)</b>	<b>(+) 1.81 (33)</b>

It may be seen that the tribal areas were covered less. This was due to fixing of district-wise targets for coverage of beneficiaries without adherence to the population norms.

### **3.2.11.3 Coverage of urban projects under the programme**

Out of the 12 urban projects in operation in the State, the SNP being an important component of ICDS scheme was not introduced (June 2006) in seven<sup>13</sup> urban projects since their operation during 1994-96. Besides, 26.63 lakh urban population remained out of nutrition programme due to non-sanction of projects in 93 ULBs.

### **3.2.11.4 Feeding days**

According to the scheme, the supplementary nutrition was to be provided to the beneficiaries in AWCs for 300 days in a year. The Supreme Court also directed the State Governments during 2004 to ensure 300 days feeding to the targeted beneficiaries under the scheme. Test check of records of 3105 AWCs under 31 projects showed that an average of 1239 AWCs (40 per cent) could not be provided feeding up to 200 days in a year during 2001-06 as would be

<sup>13</sup> Bargarh, Bhawanipatna, Biramitrapur, Brajarajnagar, Jharsuguda, Joda and Sunabeda.

seen from the table below:

Year	Total number of AWCs	Number of AWCs provided feeding for		
		0-100 days	101-200 days	201-300 days
2001-02	3105	378 (12)	1148 (37)	1579 (51)
2002-03	3105	47 (01)	1765 (57)	1293 (42)
2003-04	3105	256 (08)	1680 (54)	1169 (38)
2004-05	3072	10 (0)	450 (15)	2612 (85)
2005-06	3099	1 (0)	463 (15)	2635 (85)
<b>Average AWCs providing feeding days</b>	<b>3097</b>	<b>138 (04)</b>	<b>1101 (36)</b>	<b>1858 (60)</b>

Note: Figures in parenthesis indicate percentage of AWCs

The concerned AWCs and CDPOs attributed the shortfall to inadequate supply of food stuff.

### 3.2.11.5 Short procurement of food stuff in Anganwadi Centres

The requirement of food stuff as assessed by the eight test checked DSWOs and quantity procured fell short by 24 to 64 per cent during 2001-06 was as below:

Particulars of food stuff	Quantity of food stuff required	Quantity procured	Shortfall	Percentage of shortfall
	In lakh quintal			
CSB	2.04	1.47	0.57	28
Rice	1.09	0.83	0.26	24
Wheat	5.90	3.74	2.16	37
Dal	1.26	0.78	0.48	39
Jaggery	1.31	0.48	0.83	64
<b>Total</b>	<b>11.60</b>	<b>7.30</b>	<b>4.30</b>	

The shortfall in procurement was attributed by the DSWOs to non-availability of funds with them. The shortfall in procurement, however affected the nutritional status of the beneficiaries.

### 3.2.11.6 Delivery of food stuff with reduced nutritional value

The State Government prescribed (November 2001) the ration component of wheat 80 gram, dal 14 gram and jaggery 20 gram containing nutritional value of 400 calories for a single ration under Wheat based SNP programme implemented mostly in 19 non-KBK districts of the State. As per the above norms, 93495 quintals of jaggery was to be supplied against the supply of 373980 quintals of wheat during the period 2001-05. However, only 47682 quintals (51 per cent) of jaggery was supplied resulting in short supply of 45813 quintals (49 per cent). According to the prescribed norm<sup>14</sup> 20 grams of jaggery contains 77 calories. Due to less supply of jaggery, the beneficiaries were provided with 362 calories instead of the prescribed 400 calories.

### 3.2.11.7 Testing of the food materials

The State Government issued (September 2000) guidelines to all the Collectors for carrying out quality check of food materials particularly in respect of Mung dal and Jaggery. In addition to visual inspection/examination, the testing should be made with hydrochloric acid to ascertain the artificial colour content in dal and washing soda in jaggery. However, testing standards were not prescribed for other food material. Test check of records of the 8 DSWOs revealed that 47682 quintals of jaggery and 77711 quintals of dal

<sup>14</sup> 100 grams jaggery contain 383 kilo calories according to the nutritional value of Indian foods published by the National Institute of Nutrition of Hyderabad.

were supplied to the AWCs without hydrochloric acid test during 2001-06. Similarly, no quality testing in respect of other food materials was also carried out before supply of the same to the AWCs. Thus, the quality of the food materials consumed by the beneficiaries was not ensured.

### **3.2.12 Immunisation**

As per the ICDS guidelines, all children below six years in the project areas were to be immunized against diphtheria, tetanus, whooping cough, tuberculosis, polio and measles. All expectant mothers were also to be immunised against tetanus twice during their pregnancy.

In the test checked 318 AWCs, it was noticed that the shortfall in different doses of immunization to the children ranged from 9 to 18 *per cent* as below:

- Out of 30759 children of 1.5 to 3.5 months, 27856 (91 *per cent*) were given DPT, 27955 (91 *per cent*) polio and 25649 (83 *per cent*) were administered BCG injection.
- Out of 25669 children (9-12 months), 23747 (93 *per cent*) were given measles vaccination.
- Out of 25304 children (18-24 months), 21706 (86 *per cent*) were given DPT booster and 20677 (82 *per cent*) were given polio vaccination.

Thus, all the children were not covered under immunisation.

#### **3.2.12.1 Infant mortality rate (IMR)**

The average Infant Mortality Rate (IMR) per thousand births of the State was 86 during 2000-04 which was much higher than the averages of National and neighboring States as given in the table below:

Year	Orissa	All India average	West Bengal	Jharkhand	Andhra Pradesh	Chhatisgarh
2000	95	68	51	70	65	79
2001	90	66	51	62	66	76
2002	87	63	49	51	62	73
2003	83	60	46	51	59	70
2004	77	58	40	49	59	60
<b>Average</b>	<b>86</b>	<b>63</b>	<b>47</b>	<b>57</b>	<b>62</b>	<b>72</b>

Source:- Sample Registration System (SRS bulletin) of the Registrar General of India under Ministry of Health and Family Welfare.

One of the objectives of the IMR mission was to encourage institutional delivery by providing financial assistance in the form of transportation charges (varying between Rs 150 to Rs 200), medicine cost (varying between Rs 200 and 1500). However, the data collected from Director of Family Welfare (DFW), Orissa revealed that only 917576 (33 *per cent*) of institutional deliveries took place against the total delivery of 2783017 registered in the State during 2001-06. Thus, the implementation of the provisions of the Mission was on a low key in the State. Since institutional delivery was considered as primary factor in reduction of IMR, low incidence of institutional delivery was responsible for abatement in infant mortality.

### **3.2.13 Health check-up**

Health check up includes ante-natal care of expectant mothers, post-natal care of nursing mothers and children under six years of age. Records of ante-natal care were to be kept in Ante-natal card. Post-natal visits to the homes of the

mothers were to be made twice within 10 days after delivery. Test check of records of the AWCs revealed poor ante-natal care of the beneficiaries, inadequate and neglected health check up programme etc as discussed in succeeding paragraphs.

#### **3.2.13.1 Poor Ante-natal care**

In 178 AWCs under 28 Projects it was noticed that out of 27229 expectant mothers, health check up was not done in case of 3710 at home (14 *per cent*) and 11317 at the ante-natal clinics (42 *per cent*) by the health functionaries of Health and Family Welfare (HFW) Department. The poor performance of ante-natal care of the expectant mothers was mainly due to lack of cooperation of the HFW department.

#### **3.2.13.2 Health check up programme**

In 32 ICDS Projects it was noticed from the data furnished to audit for 2001-06 that 2.41 lakh (62 *per cent*) out of 3.87 lakh children, 1.39 lakh (78 *per cent*) out of 1.78 lakh expectant mothers and 1.38 lakh (73 *per cent*) out of 1.88 lakh nursing mothers were covered under health check-up although the scheme envisaged coverage of all beneficiaries. The genuineness of the aforesaid data could not, however, be ascertained in audit since the essential records like ante-natal cards, post-natal cards and Childrens' Health Cards were not maintained at Anganwadi Centres. Similarly, home visits of health workers were also not verifiable due to non-maintenance of such records. Only immunization activities were recorded at AWCs.

From the information made available by 291 AWCs under 31 test checked projects, it was noticed that (i) institutional deliveries were made in 10976 cases (39 *per cent*) out of 28103 delivery cases during 2001-06, (ii) 15263 (54 *per cent*) lactating mothers were not examined by the health functionaries in their home after delivery and (iii) The Medical Officer, Lady Health Visitors and Auxiliary Nursing Midwives (ANM) did not visit 59, 49 and 73 *per cent* of the AWCs respectively during 2001-06.

Information furnished by the Department revealed that on an average, only 8.36 lakh (17 *per cent*) out of 49.59 lakh selected beneficiaries were covered under health check up during 2001-06. Thus, the health check up under the scheme was grossly neglected due to large number of vacancies in the posts of field functionaries and lack of coordination with the health functionaries.

#### **3.2.13.3 Poor improvement in case of malnourished children**

The children in the age group of 0-6 years were to be weighed by the AWWs every month to watch the growth of the children and assess the nutritional status grading them under normal, Grade-I (mild), Grade-II (moderate), Grade-III and IV (severely malnourished). Relevant reports incorporating the above information were sent to the higher authority every month.

Data available from the nodal department showed that 58 to 62 *per cent* of children in age group 0-6 years covered under this scheme were mildly malnourished whereas 0.77 to 1.07 *per cent* were severely malnourished during 2001-06. According to the sample survey (2000-01) of the National

Institute of Nutrition, Indian Council of Medical Research, Hyderabad, 4.6 per cent of children (up to 5 years) were found to be severely malnourished. Sample nutritional audit conducted (2005-06) by the department also revealed that there were on an average of 4.5 per cent severely malnourished children. Similarly, the sample survey reports of the State Nutrition Division of HFW Department for the period 2001-06 revealed that there were 201 (5.59 per cent) out of 3594 children were severely malnourished in 18 districts. This indicated that the prevalence of severe malnourishment among children did not decline despite interventions through different packages of the scheme

The failure to check malnutrition among children was attributed by the CDPOs to non-supply of supplementary nutrition for required days and inadequacy in health check up system.

#### ***3.2.13.4 Failure to procure medicine kits timely through HFW Department***

As an essential input under health check-up programme, each AWC was to be provided every year with a medicine kit costing Rs 600 consisting of easy to use and dispensable medicines for common ailments of children. Test check of records in selected projects and AWCs revealed that such medicine kits were supplied to AWCs only twice during 2001-06. Thus, the Anganwadi workers were not equipped with required medicines regularly for use at the time of need.

#### ***3.2.13.5 Purchase and supply of Not of Standard Quality (NSQ) medicine in the medicine kits***

The department purchased 31855 medicine kits through the HFW department and supplied (July 2002) the same to the AWCs. The kits among others included "Sulphacitamide Eye Drops (10%)" vials worth Rs 4.33 lakh which were subsequently declared as "Not of Standard Quality (NSQ)". The department instructed (December 2002/February 2003) all the Collectors to return all the unused medicine to the Deputy Director, State Drug Management Unit, Bhubaneswar. In Cuttack, Jagatsinghpur and Puri districts, it was seen that such NSQ medicine was partly used by the time the instructions were received and the unused medicines were returned. This indicated that the medicine kits were supplied without ensuring the quality of the medicines.

#### ***3.2.14 Poor referral services***

The scheme provides for expectant mothers and children (0-6 years) requiring specialized treatment to be referred to the upgraded PHCs / Sub-Divisional / District Headquarters Hospitals. The Medical Officer of PHC would refer such cases with referral slip prescribed for the purpose. After completion of treatment, the said hospital would refer back the mother/child to the PHC with a note of treatment given and further follow up treatment. From the data supplied by the department it was noticed that 21.59 lakh beneficiaries were referred for specialised treatment in hospitals by the AWWs during 2001-2006.

The position of referral services availed during 2001-06 by the patients in the test checked 33 projects was as below:

Number of beneficiaries identified for specialized treatment	Number of beneficiaries referred (out of col.1)	Number of beneficiaries availed referral service (out of col.2)	Number of beneficiaries advised for further treatment (out of col.3)	Number of beneficiaries not availed further treatment (out of col.4)
(1)	(2)	(3)	(4)	(5)
69061	52359 (76 per cent)	35657 (68 per cent)	4479 (13 per cent)	1887 (42 per cent)

It may be seen from the above that 35657 (52 per cent) out of 69061 identified patients were only covered under referral service and 42 per cent of the referred patients advised for further treatment discontinued the referral service without going for treatment. However, 1403 women beneficiaries (89 per cent) out of 1720 interviewed by audit in 318 AWCs stated that no referral services were extended to them when needed. The poor performance in referral service was due to reluctance of the beneficiaries to go to PHCs / CHCs as the hospitals were not providing medicines to the referred patients for want of funds. In one project (CDPO, Tumudibandha), four children aged two to four months who were referred (January 2006) to the Sub-Divisional Hospital at Baliguda were not supplied with medicines by the hospital. Thus, due to non-provision of funds by the department under the programme, the service intended for specialized treatment to the beneficiaries was ineffective.

### 3.2.15 Nutrition and Health Education programme

The objective of Nutrition and Health Education Programme was to make all women particularly nursing and expectant mothers in the age group of 15-45 years aware of the crucial role of nutrition in preventing diseases and maintaining health status of themselves and their children.

Scrutiny of records of 33 test checked projects revealed that the target of holding at least one meeting of mothers in a month and one exhibition/demonstration of cooking and feeding in a year in each Anganwadi Centre (AWC) could not be achieved in most of the AWCs. The shortfall in holding of mothers meeting ranged from 22 to 32 per cent during 2001-06. Similarly, the shortfall in arranging exhibition and demonstration ranged from 88 to 91 per cent during the period. Attendance of mothers in the said meeting was very poor. This indicated that the AWWs failed in generating motivation and awareness about health and nutrition among the women. Further, short course training on health and nutrition education for about 30 women in a village as stipulated in the scheme was not organized by AWCs in the 33 selected projects during 2001-06.

Thus, the objective behind the nutrition and health education programme was not achieved due to inadequate number of mothers' meetings, exhibition and demonstration and non-organisation of short course training on health and nutrition education.

### 3.2.16 Non-formal Pre-school Education

Children between three and six years of age were to be imparted non-formal pre-school education in AWCs so as to develop learning attitudes, values for emotional and mental preparation before primary education is imparted to them in regular schools.

As per the data maintained by the Department, 51.84 lakh children in the age group of 3 to 6 years were enrolled during 2001-2006 in AWCs for pre-school education of which only 44.99 lakh attended the pre-school during the said period. Thus, 6.86 lakh children (13 *per cent* of enrolment) remained out of pre-school education. In 318 AWCs under the 33 test checked projects, 4387 (23 *per cent*) children could not continue study in regular schools out of 17068 children who completed pre-school education during the period.

As per the scheme, educational play kits worth Rs 500 per Anganwadi are to be provided to all the AWCs every year. However, such kits were provided only twice to the AWCs during 2001-03. As stated by the Government, Rs 1.71 crore was spent for the purpose during 2004-05. However, no play kits were supplied to the AWCs till June 2006.

### **3.2.17 Monitoring and evaluation**

As per scheme, the State Government should form a Coordination Committee at State level to facilitate planning, monitoring and evaluation of the projects at the State level. Similarly, the District and Block Level Co-ordination Committee were required to be formed to monitor the implementation of the scheme at their respective levels.

However, the State Level Coordination Committee had not been constituted. The monitoring and evaluation cell at the Government level was not effectively functioning except consolidating reports and returns received from DSWOs/CDPOs of the State. Out of eight districts test checked, two districts (Sundergarh and Cuttack) did not have any District Level Co-ordination Committees. At the project level, it was stated that monthly co-ordination committee meetings were held in some cases and important points discussed but relevant records could not be made available to audit to verify the stated position.

#### **3.2.17.1 Inadequate visits to AWCs by CDPOs**

As per the duty chart prescribed by the GOI, each CDPO was to visit Anganwadi centres for at least 18 days in a month. In 33 CDPOs revealed that no records of such visits were maintained in the Projects. From the information furnished by 27 CDPOs, it was seen that 15 CDPOs visited the AWCs for less than 100 days which ranged from 3 to 91 days in a year against the annual target of 216 days. In 10 projects, 414 (41 *per cent*) to 489 (48 *per cent*) AWCs out of 1012 AWCs were not visited by the CDPOs at all during 2001-06. Thus, due to shortfall in visit of AWCs by the CDPOs, adequate supervision of their activities could not be ensured and maintenance of required records relating to ante-natal/post-natal care, children's health check up cards, shortfall in organizing health and nutrition education training to women etc was not noticed.

#### **3.2.17.2 Impact of additional duties entrusted to the Anganwadi workers**

The AWC workers and helpers of the State were originally entrusted with the duties under ICDS scheme only. However, information made available by the test checked CDPOs revealed that the District Collectors very often assigned some additional duties not related to ICDS scheme such as general census, literacy programme, identification of disabled children, survey of tuberculosis, leprosy, AIDs and Malaria patients, revision of electoral rolls and photo



identity cards, survey works of PHCs and formation of self help groups etc. under Mission Shakti. As a result, the focus on core activities of the ICDS scheme was diffused and the quality of service delivery was affected.

### **3.2.18 Conclusion**

The ICDS scheme being implemented in the State failed to achieve the objectives of providing basic services in critical areas like nutrition, health check up and education to pre-school children and expectant and lactating mothers. The planning for implementation of the programme was grossly inadequate. Low spending by the Department led to less receipt of central assistance, which affected the delivery of services on a regular basis. Number of Anganwadi centres in operation fell short in terms of population criteria. Minimum amenities like proper accommodation and basic facilities of safe drinking water, toilets etc. were not available in AWCs. There were large scale vacancies at all levels of the scheme functionaries. Utilisation of capacity of the training centres was poor. Supply of supplementary nutrition was not up to the prescribed standard. Severe malnourishment among children persisted at around five *per cent* throughout the period during 2001-06. The average infant mortality rate per thousand child births of the State during 2000 to 2004 was 86 as against the all India average of 63. Coordination between the WCD and Health and Family Welfare Department was quite conspicuous by its absence and it resulted in ineffective health check up and referral services.

### **3.2.19 Recommendations**

- Government should assess the actual requirement of funds to prepare budgets realistically to avoid savings.
- There is an urgent need to reassess and establish ICDS projects commensurate with the demographic composition of the State from time to time.
- The AWCs should function in proper coordination with the local units of the primary health centres to strengthen the immunisation, health check up and referral services. Funds should be provided for meeting referral services.
- Coverage of beneficiaries under the supplementary nutrition programme should be enhanced and the quality of food should be ensured. Concerted efforts are necessary to enhance coverage in urban areas.
- More efforts are needed in making available pre-school, education kits and medicine kits directly to beneficiaries to increase their motivation and participation.
- The monitoring at Government, district and block levels should be strengthened to cover all aspects of the scheme.

During discussion, the Commissioner-cum-Secretary assured (August 2006) to take suitable remedial measures on audit observations after verifying the facts from the field functionaries of the Department. The reply was, however, not received from the Government (September 2006).

## SCHOOL AND MASS EDUCATION DEPARTMENT

### 3.3 Sarva Shiksha Abhiyan

#### *Highlights*

The Sarva Shiksha Abhiyan (SSA), a Centrally Sponsored Plan Scheme was launched in 2001-02 in the State for providing elementary education to all the children in the age group of 6 to 14 years by 2010. Absence of micro planning at cluster, block and district level rendered the planning process ineffective. The expenditure incurred under the scheme was only 34 per cent of the approved annual work plan budgets during 2001-05. The system failed in bringing all the children to school by 2005, as 6.03 lakh children remained out of school (October 2005). Certain key areas like construction of school buildings, provision of basic amenities like toilets, drinking water etc. remained grossly deficient. The coverage of special focus groups (Girls and SC/ST children) was inadequate. Urban children did not receive the benefits under the scheme as no programmes in this regard have been taken up so far.

❖ Funds released to the SIS by the Government of India (GOI) and the State Government was only Rs 537.65 crore against the approved annual work plan budget (AWPB) outlay of Rs 1320.84 crore during 2001-05. The expenditure incurred by the SIS under the scheme was Rs 453.94 crore (34 per cent) of the approved AWPBs

(Paragraph 3.3.6.1)

❖ The child census conducted (October 2005) by the SIS revealed 6.03 lakh children (6-14 years) remained out of school, though the programme envisaged to bring such children to the schools by 2005.

(Paragraph 3.3.8.1)

❖ The SIS failed to maintain the norm of 40:1 pupil teacher ratio (PTR) which was 43:1 due to shortage of 7648 teachers.

(Paragraph 3.3.8.2)

❖ Habitations numbering 12829 remained without primary schools or EGS centres and 16645 habitations remained without any UP Schools out of 73148 habitations.

(Paragraph 3.3.8.4)

❖ There was shortfall of 640 UP schools as the SIS failed to adhere to the prescribed norm of one UP school for every two primary schools. Against a target of 2868, only 1596 special model schools for girls were opened in 2004-05.

(Paragraphs 3.3.8.5 and 3.3.9.1)

❖ Out of 1.34 lakh children with special needs (CWSN), 16220 children remained out of school leading to failure in achieving the objective of zero rejection policy adopted for CWSN under the programme.

(Paragraph 3.3.9.7)

\* Abbreviations used in this performance review have been expanded in the Glossary of abbreviations at pages 228-234.

❖ Only 9896 children out of the estimated 2.5 lakh out of school children of migrant labourers were provided education through residential bridge course centres and seasonal hostels.

(Paragraph 3.3.9.9)

❖ Due to tardy implementation of the civil work programme, only 3883 out of 11909 civil works taken up during 2003-05 were completed as of September 2005 despite availability of funds. Many of the schools do not have the basic amenities of drinking water, electricity and toilet facilities. Data maintained with SIS was not correct.

(Paragraphs 3.3.10.1 and 3.3.10.2)

### 3.3.1 Introduction

Sarva Shiksha Abhiyan (SSA) was a national programme to achieve the goals of Universal Elementary Education (UEE). The objective of the programme was to (i) have all children in schools, Education Guarantee Scheme (EGS) centres, alternate schools, back to school camps by 2005, (ii) ensure that all children complete five years of primary schooling by 2007 and eight years of elementary schooling by 2010, (iii) focus on elementary education of satisfactory quality, (iv) bridge all gender and social gaps at primary and elementary level and ensure universal retention in schools by 2010. A new programme 'National Programme for Education of Girls at Elementary Level (NPEGEL)' was included in the scheme from 2003-04 with the aim to cover out of school girls, drop out girls, over-aged girls, girls from the marginalised social group with low attendance and low level of achievements.

### 3.3.2 Organisational set up

In the State, the Orissa Primary Education Programme Authority (OPEPA) headed by a Project Director is the State Implementing Society (SIS). At the district level, the SIS is assisted by a District Project Co-ordinator (DPC) to oversee the implementation of the scheme. At the block level, the scheme is executed by the Block Resource Centre Co-ordinators (BRCCs) while the Cluster Resource Centre Co-ordinators (CRCCs) are responsible for execution at the Panchayat level. The scheme covered 30 DPCs, 681 BRCCs, 4033 CRCCs, 19009 EGS centres and 48490 schools in the State. Though at the national level elementary education is covered from Class-I to VIII (6-14 years), yet in the state it covers Class-I to VII (5-13 years) and Class-VIII is covered under Secondary Education.

### 3.3.3 Audit Objectives

The objectives of performance audit were to examine and assess whether:

- release of funds was adequate and utilisation thereof was as per the approved annual work plans.
- the planning for implementation of various components of the programme was adequate, proper and major interventions were carried out as per norms.
- all the targeted children were enrolled in schools, Education Guarantee Centres, back to school camps, alternate schools by 2005.

- the outreach of education for girls, Scheduled Caste (SC) and Scheduled Tribe (ST) children expanded and infrastructure provided was optimum.
- role of Teacher Education and State Council of Educational Research and Training (TESCERT), District Institute of Education and Training (DIET) and other State Institutes contributed in the improvement and quality of educational standards.
- meaningful research activities have been taken up at the State, district and block levels for the purpose of necessary evaluation.
- the planning for implementation of various programmes through NGOs was proper and effective.

### **3.3.4 Audit Criteria**

The audit criteria used for the performance audit covered following aspects of the scheme:

- receipt and utilisation of funds as per approved annual work plan;
- the guidelines issued by GOI in regard to preparation of habitation / district level plans;
- the different programmes and policies designed to meet the educational needs of children of the age group of 6-14 years;
- enrolment and drop out of girls and SC/ST children and retention of these children in the schools;
- the standards of education, comprising curricula, teaching and learning material, teachers training and teaching-learning process were in place as envisaged in the scheme;
- facilities provided to Children with Special Needs (CWSN) resulting in adoption of zero rejection policy;
- utilisation of results of research activities in implementation of the scheme; and
- utilisation of funds provided to NGOs and role of NGOs in research, evaluation and monitoring activities as envisaged under the scheme.

### **3.3.5 Audit coverage and methodology**

Performance audit on implementation of different activities under the programme in the State covering the period 2001-05 was carried out during July to October 2005 through test check of records of the SIS, seven<sup>1</sup> selected DPCs including 21 BRCCs, 40 CRCCs, 21 EGS Centres and 124 Schools. Besides, the records of Nabakrushna Choudhury (NKC) Centre for Development Studies, Bhubaneswar and three NGOs were checked.

Sample selection of districts included one capital district and 20 *per cent* of the remaining districts of the State on the basis of probability proportional to size with replacement, one urban block selected at random and two rural blocks selected on the basis of simple random sampling without replacement (SRSWOR) in the selected districts. Two primary schools, two middle schools and two high schools having middle levels were selected in each of

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<sup>1</sup> Bhadrak, Bolangir, Jagatsinghpur, Jharsuguda, Keonjhar, Khurda and Puri.

the above blocks on the basis of SRSWOR. Audit methodology included holding of entry and exit conferences, collection of data from the SIS and test checked units relating to survey, monitoring and evaluation reports, database maintained by SIS, physical verification of assets and other records. The Social and Rural Research Institute (SRI), a specialist unit of Indian Market Research Bureau (IMRB) International was engaged by Audit for assessing the impact of the SSA from the perspective of the beneficiaries and their parents. The survey covered 263 rural villages and 113 urban blocks. Children from approximately 7500 households in the State spread over 376 sample villages/blocks were covered. The findings of survey have been referred to at the appropriate places in this performance audit review. The summary of finding of the survey is also given in the *Appendix-3.6*.

### Audit Findings

#### 3.3.6 Financial management

Assistance under the programme by the Government of India (GOI) and State Governments was on sharing basis of 85:15 (Ninth Plan), 75:25 (Tenth Plan) and 50:50 thereafter. The scheme envisaged that the GOI would release its share directly to the SIS in two instalments once in April and September in a year. The second instalment would be released to the SIS only after the State Government had transferred its matching share within 30 days of the release of first instalment of GOI share and the SIS incurred expenditure of at least 50 *per cent* of the funds (GOI and State). Any amount remaining unspent at the end of the financial year was to be carried forward to the next year for utilisation with approval of the GOI. However, the GOI released its share of first instalment for the year 2001-02 in March 2002 to the State Government. Financial management was found to be deficient due to delay in release of funds by GOI and the State Government, pending advances and non-submission of utilisation certificates as discussed in the succeeding paragraphs.

##### 3.3.6.1 Receipt of funds and expenditure incurred

The year-wise funds approved and released by the GOI and the State Government for implementation of the scheme and expenditure incurred by the SIS during 2001-05 was as below:

Year	Amount approved in the AWPB			Amount released			Expenditure incurred by the SIS (percentage of total amount released)
	GOI	State	Total	GOI	State	Total	
2001-02	63.53	11.22	74.75	31.77	5.61	37.38	Nil
2002-03	93.92*	40.16	134.08*	22.14	7.38	29.52	25.31 (86)
2003-04	353.98	117.99	471.97	141.82***	43.65	185.47	157.93 (85)
2004-05	480.22	159.82	640.04	218.07	67.21	285.28	270.70 (95)
<b>Total</b>	<b>991.65</b>	<b>329.19</b>	<b>1320.84</b>	<b>413.80</b>	<b>123.85</b>	<b>537.65***</b>	<b>453.94** (84)</b>

\* Excludes amount of Rs 29 crore relating to left over activities of 2001-02 as per information furnished by the SIS.

\*\* Provisional expenditure reported to GOI was Rs 465.15 crore. \*\*\* Included Rs 7.29 crore received for EGS and Alternate and Innovative Education

**The expenditure of Rs 453.94 crore during 2001-05 constituted only 34 per cent of approved annual work plan and budgets**

It could be seen from the table above that the expenditure of Rs 453.94 crore incurred by the SIS was only 34 *per cent* of the approved annual work plans and budgets (AWPB) while Rs 83.71 crore remained unspent as of March 2005.

### 3.3.6.2 *Curtailment of central assistance*

**Delay in release of State and GOI shares by the State Government led to loss of central assistance of Rs 88.56 crore**

During the above period, the GOI released only the first instalment of its annual share as approved in the AWPBs between September and March in all the above years. The State Government, instead of releasing its share within the stipulated 30 days of receipt of GOI share released the same with delays ranging from five to 18 months during the period. The delay in release of State share (2001-04) and GOI's share (2001-02) by the State Government to the SIS had resulted in low expenditure and accumulation of unspent balances with the SIS during the years, leading to curtailment of GOI assistance of Rs 88.56 crore. Consequently, the GOI did not release its share of second instalment in all the above years during 2001-05.

### 3.3.6.3 *Delay in payment of funds to the districts by the SIS*

Similarly, due to delay in release of its share by the State Government in 2001-02 and 2002-03, there was corresponding delay in release of funds by the SIS to the districts during the same period which adversely affected the implementation of the programme. The receipt of grants by the SIS, release of funds to the districts, utilisation of funds, submission of utilisation certificates (UCs) and UCs pending for the period 2001-05 are detailed below:

(Rupees in crore)				
Year	Funds received by SIS	Funds disbursed to field units and DPCs	Funds utilised by DPCs and UCs furnished	UCs pending for submission by DPCs to the SIS (cumulative)
2002-03	56.96	35.61	25.26	10.35
2003-04	159.26	176.57	157.60	18.97
2004-05	321.43	276.60	269.59	7.01
<b>Total</b>	<b>537.65<sup>2</sup></b>	<b>488.78</b>	<b>452.45</b>	<b>36.33</b>

Out of Rs 37.38 crore sanctioned in 2001-02, no amount was received by the SIS and the programme could not take off during that year. During 2002-05, Rs 488.78 crore were released to the field units and DPCs of which, Rs 452.45 crore were utilised by them and UCs received by the SIS as of March 2005. UCs for the remaining Rs 36.33 crore were pending for submission by the field units (2004-05).

In the Jagatsinghpur district, advances of Rs 93 lakh was outstanding for adjustment as of March 2005 out of which Rs 48 lakh shown as paid during January to October 2003 for which payees receipt in support of payment of advances was not available with the DPC. In reply it was stated that the matter was under investigation.

Besides, the SIS advanced (March 2004) Rs 3.11 crore to the Director, Teachers Education and State Council of Educational Research and Training for implementation of computer aided education which was received back (September 2004) after six months without utilisation. This indicated that the advance was given only to avoid the lapse of grant.

<sup>2</sup> (i) 2003-04: Rs 7.29 crore for EGS and AIE and (ii) 2001-05: Rs 505.59 crore for SSA and Rs 24.77 crore under NPEGEL.

### 3.3.7 Programme implementation

#### 3.3.7.1 Pre-project activities

The State Government received (March 2001) Rs 2.46 crore from the GOI for pre-project activities<sup>3</sup> in 14 non-DPEP districts<sup>4</sup> and paid (2001-02) Rs 1.50 crore<sup>5</sup> to the SIS for the purpose and the remaining Rs 96 lakh was parked in Civil Deposit without utilisation (November 2005). Out of the Rs 1.50 crore, the SIS utilised Rs 65 lakh for conducting house-hold survey of children (Rs 12 lakh), management information services (Rs 47 lakh) and training of staff etc (Rs.6 lakh). Further, advances Rs 22 lakh paid to the staff etc. during 2001-03 were yet to be adjusted (November 2005). It was seen that in the seven test checked districts, though survey was stated to have been conducted in 2001-02 for identifying child population of age group 5-13 years, no reports to that effect were available with the DPCs. Although the GOI assistance included Rs 63 lakh for community mobilisation, no such activity was carried out leading to absence of community participation in decision making process. Besides, the SIS had to take up child census again in October 2005 as the earlier survey conducted as a pre-project activity was not successful.

#### 3.3.7.2 Absence of micro-planning

The SSA programme provided micro-planning exercises at block and district level for successful implementation of the programme. Accordingly, a core planning team was to be constituted at habitation level. In the test-checked districts, it was observed that till 2004-05, there was no community participation at cluster, block and district level planning. However, as decided (February 2004) by the State Government, district level SSA Committees were constituted between August and October 2004. The discussion and approval of the Annual Work Plan and Budget (AWPB) by the SSA committees commenced from 2005-06. In the seven test checked districts, no core committee at block level was constituted (August 2005). As a result, the AWPB upto 2004-05 approved by the SIS was without community participation.

#### 3.3.7.3 Implementation of various components of the programme

The intervention-wise annual work plan and budgets approved by the GOI and expenditure incurred there against by the SIS during 2001-05 were as under:

(Rupees in crore)

Sl. No	Name of the intervention	Total	
		Approved Annual work plan	Expenditure (percentage to total expenditure)
1.	CRCC / BRCC contingencies / Salary etc.	83.18	2.54 (0.6)
2.	Various interventions for out of school children	159.95	39.48 (8.70)
3.	Free text books	90.84	33.82 (7.45)
4	Innovative activities	46.57	7.10 (1.55)
5	For disabled children	40.03	4.98 (1.10)
6	School maintenance grant	70.82	53.42 (11.77)
7	Management and MIS	48.74	10.17 (2.24)

<sup>3</sup> (i) Community mobilisation: Rs 63 lakh, (ii) Survey: Rs 51.55 lakh, (iii) Preparation of Plans: Rs 5.02 lakh, (iv) Strengthening of Office: Rs 56 lakh, (v) Base line studies: Rs 7.00 lakh.

<sup>4</sup> Angul, Balasore, Bhadrak, Cuttack, Deogarh, Ganjam, Jagatsinghpur, Jajpur, Jharsuguda, Kendrapara, Khurda, Nayagarh, Puri and Sundargarh.

<sup>5</sup> November 2001: Rs 50 lakh and March 2002: Rs 1.00 crore.

There was no community participation at cluster, block and district level due to non-formation of core committees at the habitation level

Sl. No	Name of the intervention	Total	
		Approved Annual work plan	Expenditure (percentage to total expenditure)
8	School improvement grant	29.48	18.17 (4)
9	Teaching and learning equipment	36.32	6.83 (1.50)
10	Teachers training	50.70	5.47 (1.20)
11	Teachers salary	91.21	67.31 (14.82)
12	Civil Works	471.06	164.51 (36.24)
13	NPEGEL	83.17	18.80 (4.14)
14	BRCC, Research and evaluation, teachers grant, community training, SIEMAT	47.77	21.34 (4.70)
	<b>TOTAL</b>	<b>1349.84</b>	<b>453.94</b>

The shortfall in expenditure despite inclusion in the AWPB affected the implementation of the scheme during 2001-05 in the State as below:

- Vacancies in the posts of BRCCs and the CRCCs affected the regular supervision activity at the block and cluster level.
- Strategies meant for out of school children such as full time community schools for small and unserved habitations, mainstreaming of children through bridge courses, specific interventions meant for special group children (street children, adolescent girls, girls belonging to certain communities, children of migrating parents, innovative programmes in the areas of pedagogic practices etc.) were not implemented due to non-release of funds as per AWPB.
- Tardy execution of civil works.

Deficiencies in implementation are discussed in the succeeding paragraphs.

### **3.3.8 Quality of Education**

One of the objectives of the programme was to have all the children in school, EGS centres, alternate schools and back to school camps by 2005 and to ensure that all children should complete five years of primary schooling by 2007. Test check of records revealed deficiencies in implementation of the scheme such as large number children remaining out of school, non-maintenance of teacher pupil ratio, habitations remaining unserved etc. details of which are discussed in the succeeding paragraphs.

#### **3.3.8.1 Out of School Children**

As per District Information System for Education (DISE) data, 12.56 lakh children remained out of school at the end of 2001-02 and it came down to 2.14 lakh (boys: 1.13 lakh, girls : 1.01 lakh) at the end of 2004-05. However, the Appraisal Team of GOI observed (April 2005) that the comparison of net enrollment ratio (NER) with child population at the primary and upper primary level disclosed more out of school children in the age group 5-13 years than the State's estimate of 2.14 lakh. Besides, the house to house survey conducted in 2001-03 to ascertain the number of children enrolled, never enrolled and drop out with different caste/gender/age was not successful due to non-maintenance of village education register at school level. This led the SIS to take up child census (October 2005) which revealed that out of 60.89 lakh children of 6-14 years age, 54.86 lakh children attended school and the remaining 6.03 lakh children were out of school. Of these, 2.92 lakh were boys and 3.11 lakh girls, who would not complete five years of primary education by 2007 and elementary education by 2010, the target set out in the SSA Programme.

**Despite various interventions of the programm, 6.03 lakh children of the age group 6-14 years remained out of school as of October 2005**



Thus, around 99 children per thousand were out of school. The proportion of out of school children was higher among girls (106 per thousand) as compared to boys (92 per thousand). In the age group of 6-10 years, 78 per thousand were out of school, whereas in the age group of 11-14 years, 166 children per thousand were out of school. Among SCs, 98 per thousand and among STs, 167 per thousand were out of school. The beneficiary survey revealed the following reasons for the children not being enrolled in the schools as detailed below.

Children not enrolled in the school (in percentage)			
Sl.No.	Reasons	Male	Female
1.	Can not afford school	49.30	47.00
2.	Don't like to go to school	17.30	17.40
3.	Child is disabled	8.00	2.60
4.	Look after house work	6.70	10.40
5.	Have to go to work	4.00	3.50
6.	Too young to go to school	2.70	1.70
7.	Other reasons	12.00	17.40

### 3.3.8.2 Pupil-Teacher ratio

Against the norm of one teacher for every 40-pupil set by the GOI, the pupil-teacher ratio (PTR) was 43:1 in the State for the year 2004-05. In 17 out of 30 districts, the pupil-teacher ratio at primary level was more than the prescribed norm of 40:1. In the Bhadrak and Balasore districts the ratio was 55:1 and 60:1 respectively. Keeping the above ratio in view in these 17 districts, the primary schools were running with shortage of 12589 teachers as detailed in *Appendix-3.7*. In the remaining 13 districts, the pupil teacher ratio was below 40:1 and there were 41138 teachers against the requirement of 36197 at primary level, resulting in engagement of 4941 excess teachers in these districts (*Appendix-3.8*). The SIS admitted the fact and stated (November 2005) that basing on the PTR ratio 40:1, district-wise deployment of surplus teachers and the shortage of teachers were to be rationalised. While the ratio was above the norm of 40:1 in four test checked districts (Bhadrak - 55:1, Puri - 43:1, Khurda-51:1 and Keonjhar-42:1), it was below 40:1 in the remaining three districts test checked (Bolangir-39:1, Jagatsinghpur-38:1 and Jharsuguda-39:1).

At the upper primary (UP) level, the pupil teacher ratio was below the prescribed norm of 40:1 in all the districts except the districts of Ganjam and Sonapur.

In the 13 districts (*Appendix-3.8*) although the PTR ratio was below the norm of 40:1 at primary and upper primary levels and there were excess teachers against the requirement at the primary level, yet there were 3217 primary schools and 133 upper primary schools functioning with single teacher in these districts.

### 3.3.8.3 Schools running with single teachers

Under the programme, there should be at least two teachers for a school at both the primary and UP levels. Out of 32753 primary schools existing in the State in 2004-05, there were 6723 single teacher primary schools in the State (*Appendix-3.9*). Similarly, 299 out of 15737 UP schools in the State were having single teachers indicating that due attention was not paid to provide required number of teachers, even after three years of implementation of the programme. In the test checked districts, 1219 primary and 34 UP schools

**Due to vacancies in the posts of 7648 teachers, the prescribed norm of PTR 40:1 was not maintained**

**7022 Schools were functioning with single teacher**

located in rural areas were running with single teachers. The Appraisal team of GOI observed (June 2004) that in view of adverse PTR particularly at primary stage, and also the fact that there were still 4535 single teacher schools, the State Government should quickly complete the teacher rationalisation process. Despite adverse comments of the Appraisal Team, the number of single teacher schools had increased from 4535 in 2003-04 to 7022 (primary: 6723 and Upper primary: 299) in 2004-05. The SIS stated that decision had been taken to recruit more teachers to address the issue of single teacher schools.

#### **3.3.8.4 Un-served habitations**

**12714 out of 52874 villages did not have schools**

As per the work plan prepared by the SIS for 2004-05, out of 73148 habitations in the State as on April 2004, 12829 habitations remained unserved i.e., without primary schools or EGS centres within one kilometer of each habitation. Similarly, 16645 habitations remained without UP Schools within three kilometers. However, the SIS did not have the position as of March 2005. Further, in the presentation made to the Second Joint Review Mission of SSA in July 2005, the unserved habitations/villages were identified as one of the areas of concern. The Child census conducted (October 2005) by the SIS revealed that out of 52874 villages, 12714 villages did not have a school. However, the number of children without primary education in these villages were not available with the SIS.

The SIS stated that necessary steps would be taken for opening of schools in the unserved habitations of the State after compilation of child census 2005.

As per survey, covering 376 Primary Sampling Units (PSUs) both urban and rural PSUs, about 1.5 *per cent* of the villages and 0.9 *per cent* of the urban blocks were not covered by schools.

#### **3.3.8.5 Shortfall in functioning of UP schools**

**Shortage of 640 UP schools**

Under SSA norm, there should be one UP school for every two primary schools. However, it was seen that against the requirement of 16377 UP schools for the existing 32753 primary schools, there were 15737 UP schools, resulting in shortfall of 640 UP Schools (*Appendix-3.10*) as of November 2005 affecting the implementation of the scheme.

#### **3.3.8.6 Early Childhood Care and Education (ECCE)/pre-school centres**

**Against a target of 1165 pre-school centres in the test checked districts, only 118 centres were set up**

Realising the crucial importance of rapid physical and mental growth during early childhood, emphasis has been given to a child-centred approach, play way, and activity-based learning in place of formal methods of teaching through integrated child development scheme and ECCE/Pre-school centres under SSA. Against a target of 1165 pre-school centres in the test checked districts, only 118 centres<sup>6</sup> were set up. Despite availability of funds, achievement under this component was only 10 *per cent*.

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<sup>6</sup> District-wise target/actual achievement of pre-school centres: Bhadrak: 80/42, Bolangir: 262/nil, Jagatsinghpur: 90/nil, Jharsuguda: 69/nil, Khurda: 176/35, Keonjhar: 360/nil, Puri: 128/41.

As regards satisfaction level, the survey team observed that above 42.8 per cent of the parents expressed their satisfaction and about 2.1 per cent of the parents expressed their dissatisfaction with the quality of school education

### 3.3.8.7 Posting of BRCCs and CRCCs

According to the programme, there should be a block resource centre headed by a Block Resource Centre Coordinator (BRCC) assisted by a Cluster Resource Centre Coordinator (CRCC) to oversee academic supervision and on-site support to the field level functionaries, capacity building and monitoring the actual implementation of various interventions at the grass root level. In the test checked districts, against requirement of 201 BRCCs and 721 CRCCs, there were 143 BRCCs and 614 CRCCs in position and the remaining 58 posts of BRCC (29 per cent) and 107 posts of CRCC (15 per cent) were vacant, which affected the process of monitoring and interventions at the grass root level (August 2005).

### 3.3.8.8 Provision of Teaching Learning Equipment

A total of Rs 6.89 crore<sup>7</sup> was spent towards payment of teaching learning equipment (TLE) to the DPCs. However, in three test checked districts, utilisation certificates for Rs 51.90 lakh<sup>8</sup> paid towards TLE were not received by the concerned DPCs from the schools.

The survey revealed that about 3.7 per cent of primary schools, 1.2 per cent of UP Schools and 33.3 per cent of high schools with UP sections reported that no teaching learning material (TLM) had been provided to them.

### 3.3.9 Coverage of special focus groups

Education of girls, educational development of SC and ST children, ensuring education for every child with special needs irrespective of kind, category and degree of disability in an appropriate environment adopting zero rejection policy so that all the children are brought to the education systems are the special focus areas under the SSA. The findings are discussed below.

#### 3.3.9.1 Girls' education

The position in respect of girl child population, enrollment and out of school girl children during 2003-05 were as under:

Year	Girl population		Girls enrolled		Girls remained out of school		
	5-10 years	11-13 years	5-10 years	11-13 years	5-10 years	11-13 years	Total
2003-04	2422455	1001297	2401482	875688	20973	125609	146582
2004-05	2387461	1047941	2369888	964825	17573	83116	100689

As against the above position, the child census (October 2005) revealed that 3.11 lakh<sup>9</sup> girls of age group of 6-14 years (6-11 years: 1.89 lakh and 11-13 years: 1.22 lakh) were out of school indicating substantial increase of out of school children among the girls during 2005-06. Besides it was seen that, against a target of opening of 2868 special model schools for girls, the SIS opened only 1596 schools in 2004-05, resulting in shortfall of 1272 such schools. No reasons for shortfall in opening of special model schools for girls

In the test checked districts, 58 and 107 posts of BRCCs and CRCCs respectively remained vacant affecting the process of monitoring the implementation of the programme

3.11 lakh Girls were out of school as of October 2005

<sup>7</sup> 2003-04-Rs 75 lakh, 2004-05-Rs 6.14 crore.

<sup>8</sup> Jagatsinghpur (23 schools): Rs 11.50 lakh, Bhadrak (20 schools): Rs 9.90 lakh, Khurda (61 schools): Rs 30.50 lakh.

<sup>9</sup> Total girls population (6-14 years age group): 29.19 lakh - Girls enrolled 26.08 lakh.

were furnished (October 2005). In six out of seven test checked districts, no special model school for girls were opened for encouraging enrollment of girls. One such school was opened in Puri in 2004-05. However, no special teaching support like remedial and coaching classes, bridge courses and special camps were organised for the needy children.

### **3.3.9.2 Retention of girls in schools**

The SSA recognised the need for special efforts to bring the out of school girls specially from the disadvantaged section to school. In five test checked districts (except Khurda and Jharsuguda) the position of enrollment and drop out of girls for the year 2003-05 are detailed below:

**(In numbers)**

District	2003-04		2004-05	
	Girls enrolled	Girls drop out	Girls enrolled	Girls drop out
1. Bhadrak	143283	3003	143234	1897
2. Bolangir	113947	5933	118963	3435
3. Jagatsinghpur	95575	3583	98425	1501
4. Keonjhar	124410	42942	126417	41389
5. Puri	120745	4481	120229	1962
<b>Total</b>	<b>597960</b>	<b>59942</b>	<b>607268</b>	<b>50184</b>

It may be seen that the drop out of girls in the five districts decreased from 10 *per cent* in 2003-04 to 8 *per cent* in 2004-05. However, Keonjhar district alone accounted for 70 to 80 *per cent* of the total drop out for 2003-04 and 2004-05 respectively indicating measures taken for retention of tribal girls in the schools was inadequate.

The survey revealed that 47.9 *per cent* of the parents expressed their inability to afford enrollment of children in schools. Other reasons cited were that children did not like school (17.4 *per cent*) and that the children had to look after household chores (9 *per cent*). Across the gender divide, the main reason for not enrolling girl children and male children was inability to afford schooling (given by 47.0 *per cent* and 49.3 *per cent* of parents respectively). Further, it was noticed that 13.8 *per cent* of children helped their parents in their work or business and about 0.8 *per cent* of children worked outside to supplement their family income.

### **3.3.9.3 Implementation of NPEGEL**

The GOI introduced (2003-04) the National Programme for Education of Girls at Elementary Level (NPEGEL) as an additional component of the SSA for education of girls at the elementary level as against the approved project outlay of Rs 83.17 crore for 2003-05, the SIS received only Rs 31.44 crore<sup>10</sup> (GOI: Rs 23.58 crore and State 7.86 crore). On the basis of criteria fixed by the GOI, 112 Educationally Backward Blocks (EBB) as per 1991 census, 19 SC/ST blocks and 23 urban slums in 28 districts (excluding Bhadrak and Nayagargh) were selected for implementation of the programme. Out of the total Rs 31.44 crore received, the SIS released Rs 24.57 crore to 28 DPCs during 2004-05. The DPCs however utilised only Rs 18.80 crore under different activities (March 2005). It was seen that nine out of the 28 DPCs failed to utilise 50 *per cent* of the allotment. Following deficiencies were noticed in implementation of the programme.

<sup>10</sup> (i) GOI share -2003-04: Rs 3.58 crore and 2004-05: Rs 20 crore (February 2005). (ii) State share - 2004-05: Rs 1.19 crore and April 2006: Rs 6.67 crore.

Despite incurring expenditure of Rs 8.03 crore, construction of buildings for only 34 out of 506 model cluster schools meant for girls could be completed

- Expenditure of only Rs 45.83 lakh was incurred in 12 districts and no expenditure was incurred in other 16 districts for community mobilisation thereby indicating lack of success in community mobilisation.
- Model Cluster Schools (MCS) for girls at cluster level consisting of 5-10 villages were to be opened with teaching learning equipment, books, etc. in all selected districts/blocks under the programme. As against the GOI's approval of opening of 506 MCS, buildings for only 34 MCS were completed although expenditure of Rs 8.03 crore was incurred on construction of all the buildings by the DPCs as against the release of Rs 11.81 crore by the SIS as of November 2005.
- Under teachers training programme, a provision of Rs 4000 per annum for each cluster was made to provide gender sensitisation training to at least 20 teachers. Except in Sonapur and Boudh districts, no other districts conducted the training programme.
- The programme provided Rs 20000 per annum/cluster for student evaluation, remedial teaching, bridge courses and alternative schools, back to schools for out-of-school girl children in villages. But from the proceedings of the review meeting of the SIS (June 2005), it was noticed that no such activity was taken up in any districts except in Nawarangpur district where expenditure of Rs 24 lakh was incurred for opening of two AIE centres.

#### 3.3.9.4 Kasturba Gandhi Balika Vidyalaya (KGBV) programme

The GOI introduced (2004-05) a new programme 'Kasturba Gandhi Balika Vidyalaya' (KGBV) with the objectives of ensuring access and quality education for the girls from disadvantaged groups (SC/ST, OBC and Minorities) of society at elementary level by setting up residential schools with boarding facilities in difficult areas. The Scheme was required to be coordinated with the existing schemes like SSA, NPEGEL, Mahila Samakhya. Accordingly, the GOI sanctioned (July 2005) for opening of a KGBV school in each of the 49 selected EBBs in the existing UP schools with 100 seats in each of them. It was noticed that, only 2254 out of the required 4900 girls were enrolled in these schools as of November 2005. Besides, the State Government was yet to release its 25 per cent share of Rs 2.95 crore (November 2005) despite release of GOI share amounting to Rs 8.84 crore (February 2005).

#### 3.3.9.5 Education of Scheduled Caste and Scheduled Tribe Children

Under the SSA programme, educational development of children belonging to the Scheduled Castes (SCs) and Scheduled Tribes (STs) was to receive special focus. The child census conducted (October 2005) by the SIS revealed that altogether 3.74 lakh out of a total of 27.28 lakh children belonging to the above groups remained out of school, the details of which are given below:

(In lakh numbers)

Name of the group	Child population			Children enrolled			Children remained out of school		
	6-11 years	11-14 years	Total	6-11 years	11-14 years	Total	6-11 years	11-14 years	Total
SCs	8.96	2.75	11.71	8.32	2.25	10.57	0.64	0.50	1.14
STs	12.37	3.20	15.57	10.62	2.35	12.97	1.75	0.85	2.60
<b>Total</b>	<b>21.33</b>	<b>5.95</b>	<b>27.28</b>	<b>18.94</b>	<b>4.60</b>	<b>23.54</b>	<b>2.39</b>	<b>1.35</b>	<b>3.74</b>

**3.74 lakh Children belonging to SC/ST communities were out of school**

The out of school SC/ST children (3.74 lakh) constituted 14 *per cent* of total SC/ST children population. Of these, 1.97 lakh (53 *per cent*) were girls, which was 63 *per cent* of the total girls (3.11 lakh) remained out of school. Thus, the objective of bringing all the children to school by 2005 could not be achieved even by October 2005 after four years of the implementation of the programme.

### **3.3.9.6 Urban deprived children**

**No programme had been undertaken by the SIS for elementary education of the urban deprived children**

The programme provided diverse approaches to cover rag pickers and street children living in urban slums and working in industries, households, at teashops etc. No programme has however been undertaken by the SIS for elementary education of the urban children during the period 2001-05.

### **3.3.9.7 Children with Special Needs**

**6227 Children with special needs were not provided aids and appliances**

The programme envisaged that every child with special needs (CWSN), irrespective of the kind, category and degree of disability, be provided education in an appropriate environment with aids and appliances, support services etc adopting zero rejection policy so that no such child is left out of the education system. It was seen that 1.34 lakh children<sup>11</sup> in the age group of 5-13 years were identified as disabled in the year 2000-01. Of these, 1.18 lakh were enrolled in schools. Besides, 13424 out of 19651 children requiring aids and appliances were provided with the same and the remaining 6227 children (32 *per cent*) were left without any aids and appliances. Expenditure of Rs 4.98 crore<sup>12</sup> was incurred for different activities undertaken for the 1.18 lakh children with special needs. The expenditure per child worked out to only Rs 424 against the norm of Rs 1200 per disabled child in a financial year. No information on number of children enrolled in formal schools and children enrolled in special schools, were available with the SIS.

In the sampled districts, out of 31054 children with special needs, only 23583 children were enrolled in regular and special schools, leaving 7471 (24 *per cent*) children out of school. Further, out of 5599 children identified requiring assistive devices, only 1626 children were provided with the same.

Beneficiary survey disclosed that 133 per thousand disabled children were out of school. It further revealed that only 3.7 *per cent* of primary schools, 4.3 *per cent* of upper primary schools and none of the high schools with upper primary sections received grants for the disabled children.

### **3.3.9.8 Coverage of out of school children through mainstreaming camps**

**Out of 1.59 lakh children targeted for coverage in 3511 mainstreaming camps, only 39276 children (25 per cent) were covered in 1442 camps**

As of March 2005, out of 1.59 lakh children targeted for coverage in 3511 mainstreaming camps, only 39276 children (25 *per cent*) were covered in 1442 camps. The SIS attributed (September 2005) the shortfall in holding targeted number of camps to the presence of large number of scattered habitations in KBK districts and the tribal pockets in other districts. This indicated that the

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<sup>11</sup> Visually impaired (20011), hearing impaired (29160), orthopaedically impaired (28719), learning disability (31417), mentally retarded children (19428), multiple disability (2845) and others (2168).

<sup>12</sup> 2003-04: Rs 2.18 crore and 2004-05: Rs 2.80 crore.

eight under-developed districts in KBK region and other tribal areas were not prioritised in the implementation of the programme.

### 3.3.9.9 Education for children of migrant labourers

During the period under review, 3976 children of labourers who migrated to other States were provided education by the SIS in 82 non-residential bridge course centres operated outside the State (Andhra Pradesh and Chattisgarh). While these centres in Andhra Pradesh were run in collaboration with the SIS and an NGO of that State, in Chhattisgarh the centres were being run by the SIS. Besides, in two districts (Bolangir and Nuapada) 5920 children of migrant labourers were imparted education in residential care centres. In April 2005, the Appraisal Team of GOI, by referring to a survey conducted by NGOs observed that there were approximately 2.5 lakh out of school children, who belong to families of labourers migrated to other States.

Only 9896 out of estimated 2.5 lakh children of migrant labourers were provided with education

### 3.3.10 Civil works

The Project Appraisal Board (PAB) of GOI approved 27374 civil works under different category for the period 2001-05. In accordance with the AWPB approved by GOI and actual availability of funds, the district-wise annual targets in respect of each activity of civil works for 2003-05 were fixed by the SIS. Test check of records revealed functioning of schools without buildings and other basic amenities as the progress in civil works and providing basic amenities turned out to be very slow as detailed below:

#### 3.3.10.1 Schools without basic amenities

The data furnished by the SIS revealed that out of 48490 schools including 15737 UP schools in the State, there were no facilities of drinking water (2668 schools), toilets (31131 schools), electricity (41205 schools) and boundary wall (20831 schools) despite the inclusion of civil construction in the programme as a major component. It was seen in six out of the seven test checked districts (except Khurda) there was no drinking water facilities in 7165 schools, no toilet for girls in 8790 schools and no boundary wall in 8745 schools. Thus, the data maintained by the SIS in respect of the number of schools without drinking water facility was not correct. The SIS stated that steps were being taken to provide the above basic amenities during 2005-06.

The survey disclosed availability/construction of the following facilities:

Sl No	Facility available	(In percentage)	
		Primary school	Upper Primary school
1.	Additional class room	24.3	2.9
2.	Separate room for headmaster	3.5	3.6
3.	construction of compound wall	4.5	4.3
4.	construction of toilet	12.1	9.8
5.	Construction of separate toilet for girls	5.6	3.6
6.	Installation of water supply system	10.9	5.8
7.	Installation electricity connection	3.5	2.8

#### 3.3.10.2 Tardy progress in execution of civil works

Scrutiny of records revealed that in 29 districts 14749 works (*Appendix-3.11*) estimated to cost Rs 227.29 crore (except Dhenkanal and Gajapati districts, the estimated cost of which was not available) were proposed to be taken up during 2003-05, against which Rs 164.67 crore (72 per cent of estimated cost)

Only 3883 out of 11909 civil works taken up were completed

was received by the concerned districts. However out of the above, 11909 works were taken up during 2003-05 for which expenditure of Rs 149.38 crore was incurred. Of these, 3883 works were stated to have been completed and the remaining 8026 works were at different stages of execution (September 2005). However, only 501 out of 3883 completed works were handed (September 2005) over to the concerned district SSA committees which was just four *per cent* of the total number of works taken up. The remaining 2840 works were not taken up due to non availability of land, legal complications, lack of interest on the part of VECs /Headmasters and non-execution of agreements between DPC and the executants. This included 1819 schools, which did not have buildings of their own and of these, only 12 buildings were, however, stated to have been completed and handed over as of September 2005. Despite incurring expenditure of 90 *per cent* of the funds (Rs 149.38 crore), construction of only 33 *per cent* of the buildings had been completed.

The SIS stated that necessary steps would be taken to take over the completed works from the concerned VECs.

As per the survey report, about 3.9 *per cent* of Primary Schools and 2.7 *per cent* of Upper Primary Schools were operating in Kuchha structures, which are basically not stable and unsuitable for running a school. Further, the survey report revealed that about 1.4 *per cent* of Primary Schools and 0.08 *per cent* of Upper Primary Schools did not have any building at all.

#### **3.3.10.3 Non-involvement of community leaders in civil works**

As per frame work, the participation of community in all civil works activities is mandatory in order to ensure a sense of ownership. In respect of construction of BRCC building, the same would be carried out through community or through state agency such as PWD. However in contravention of the above provision, in the test checked districts, seven BRCC buildings were constructed at a cost of Rs 42 lakh departmentally through technical consultants and BRCCs of the districts.

#### **3.3.10.4 Payment of repair and maintenance grant and school improvement grant**

The DPCs in seven test checked districts paid Rs 12.74 crore towards repairs and maintenance grants to schools during the period 2002-05 without receiving either community contribution or specific proposals from the respective VECs and without ascertaining whether the schools had their own buildings as required under the scheme. Besides, the DPCs did not ensure utilisation of the funds paid to the VECs.

The DPCs in seven test checked districts paid annual school improvement grant of Rs 4.48 crore to schools during 2002-05 for replacement of non-functional school equipment at the rate of Rs 2000 per school per annum. The schools, however, diverted the funds for white washing and painting of school walls.

#### **3.3.11 Research and training**

The programme provided improvement in standard of education through development of curricula, teachers training, teaching learning process etc.



Test check revealed non-adoption of curricula developed by research organisations, shortfall in training of teachers as discussed below

### 3.3.11.1 Training of teachers

**Against the requirement of imparting training for 20 days, training for only two to 7 days was provided to the in-service teachers**

As per norms, 20 days for all the in-service teachers each year, 30 days training in orientation course for freshly trained recruits and 60 days refresher course training for untrained teachers for skill up-gradation of teachers was to be given. The SIS placed Rs 12.84 crore<sup>13</sup> with the DPCs of 30 districts in 2003-05 for conducting these training programmes, out of which expenditure of only Rs 5.47 crore (41 per cent) was incurred during the period and Rs 7.37 crore remained unutilised (March 2005). As regards physical achievement, 73849 out of 124894 teachers<sup>14</sup> in position in 2003-04 and 99403<sup>15</sup> out of 129616 teachers<sup>16</sup> in position in 2004-05 were imparted training for only two to seven days instead of the required 20 days a year. Thus, in terms of physical achievement, there was shortfall of 41 per cent in 2003-04 and 23 per cent in 2004-05. Similarly, out of 25154 Swecha Sebi Shiksha Sahayak (SSS) only 890 in 2003-04 and out of 34133 SSS, 15515 in 2004-05 were imparted 30 days training. Thus, there was shortfall of 96 per cent in 2003-04 and 55 per cent in 2004-05 in the training of SSS, that too imparting the training in shorter duration. In six test checked districts while training of teachers was provided for only seven days, in Bolangir district, no training programme was organised. Further, no refresher course training was imparted to the un-trained teachers in all the test checked districts.

The SIS attributed the shortfall in training to functioning of only 13 DIETs for the 30 districts in the State, some of which were also not fully functional. Besides, he added that absence of BRCs and CRCs who were to sponsor the names of teachers and availability of single teachers in some schools affected the training programme. Thus, due to deficiencies in management of schools, the required training schedules were not adhered to affecting the professional development of teachers and quality of teaching in the schools despite availability of funds.

In Jagatsinghpur district, out of Rs 37 lakh received (March 2004) from the DPC towards payment of honorarium to the additional teachers (SSS) recruited in 2003-04, the Zilla Parishad, Jagatsinghpur diverted (June 2004) Rs 19 lakh for payment of honorarium to 210 para teachers recruited. This payment of honorarium from SSA funds to the para teachers recruited during 2001 prior to the implementation of SSA programme was irregular. The amount of diversion had not been recouped so far despite Zilla Parishad's request made to the Director, Elementary Education in February 2005.

### 3.3.11.2 Training of community leaders

**Against the target of 9.07 lakh, 2.54 lakh community leaders were trained during the period 2002-05 at an expenditure of Rs 1.53 crore**

As per the scheme, at least four community leaders per village plus two persons per school in a year were to be provided two days' training per year at the rate of Rs 30 per day per person. However, it was noticed that against a target of 9.07 lakh, 2.54 lakh community leaders were trained during the period 2002-05 at an expenditure of Rs 1.53 crore. The difficulties in

<sup>13</sup> 2003-04: Rs 6.66 crore and 2004-05: Rs 6.18 crore.

<sup>14</sup> Primary school teachers: 88448 and UP School teachers: 36446.

<sup>15</sup> Primary school teachers: 58264 and UP school teachers: 41139.

<sup>16</sup> PS teachers: 85814 and UP School teachers: 43802.

providing training to the targeted number of community leaders were attributed by the SIS to the delay in constituting the Village Education Committees (VECs) and preparing the module for training, forming District Resource Group and State Resource Group for training. Thus, training of community leaders to create community awareness, a requirement for effective implementation of the programme, was not ensured.

### **3.3.11.3 Development and research activities**

For undertaking research and evaluation, the SIS incurred (2002-05) expenditure of Rs 8.32 crore<sup>17</sup> on issues of formation of school committee and its functioning, utilisation of school improvement grant and repair and maintenance grant, use of aids and appliances and case study of good EGS centres through faculty members of DIET. These studies were conducted on a small scale basis. The State Level Research Advisory Committee was constituted in 2003 and only one meeting was held in August 2003. On the basis of the recommendation of the said committee, one-day seminar was held (November 2003) to discuss priority areas. No further meeting of the committee was held (October 2005). The SIS stated (October 2005) that initiative was being taken to form a group so that they would select the priority areas of taking up research studies at the district level.

### **3.3.12 Role of Non Government Organisations**

It was seen that two non-government organisations<sup>18</sup> (NGOs) received funds of Rs 24.94 lakh (GOI: Rs18.70 lakh and the SIS Rs 6.24 lakh) during 2000-05 for opening of EGS centres (29) and AIE centres (70) in Gajapati district. It was noticed that no meetings of village education committees (VEC), parent-teacher association (PTA), mother-teacher association (MTA) and school management committee (SMC) in respect of EGS and AIE centres run by the NGOs were organised during the period. The two NGOs opened 70 AIE centres during 1999-2002. However, these centres were closed between June 2002 and January 2003 due to non-receipt of further funds from the GOI. Twenty AIE centres run under one of these NGOs had 384 students before their closure. No such information was available in respect of the remaining 79 centres. The information on enrolment of children in the regular schools after closure of the centres was also not available. Besides, it was noticed from the reports and returns of the NGOs that no official from the SIS had ever inspected the NGO to assess the effectiveness of implementation of the programme.

### **3.3.13 Monitoring and evaluation**

The scheme provided formation of core committees at the block level comprising BRCCs, CRCCs, representatives of teachers' union and women's group, retired and serving national/ State award winning teachers for monitoring the implementation of the programme at village / school level. Out of the 21 blocks test checked, in 18 blocks no such committees were formed. In absence of such committees monitoring of the programme at the village/school level in these blocks was not made. In the remaining three

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<sup>17</sup> 2002-03: Rs 42.45 lakh, 2003-04: Rs 4.29 crore and 2004-05: Rs 3.61 crore.

<sup>18</sup> (i) The Society for the Welfare of the Weaker Section (SWWS), Paralakhemundi: (GOI : Rs 14.49 lakh and SIS: Rs 6.24 lakh) and (ii) Gajapati Samaja Kalyan Samiti, Paralakhemundi: (from GOI) :Rs 4.21 lakh.

blocks (Anandapur, Gop and Telkoi), though core committees were formed, they visited (2004-05) only 203 (40 *per cent*) out of 502 schools. This was largely due to vacancy in the posts of BRCCs (58) and CRCCs (107) in the test checked districts.

Besides, the GOI entrusted the monitoring the implementation of the scheme in the State to two institutions namely Naba Krishna Choudhury (NKC) Centre for Development Studies, Bhubaneswar and Dr. P.M. Institute of Advanced Study in Education, Sambalpur. The NKC centre had received grant of Rs 1.99 lakh from the GOI in 2003-04. The monitoring agency covered 12 districts<sup>19</sup> in 2003-05 and observed that the micro planning was neglected and non convergence of SSA interventions with the activities of other department at the district/ State levels, non-verification of the correctness of five *per cent* of DISE data through a third party, deficient updating of village education register by the schools.

However, for an effective monitoring the agency expressed its opinion before the first JRM of the GOI about the need for a monitoring policy, frame work and a plan of action to be made jointly with the SIS with a common format.

#### **3.3.14 Follow up of error signals**

While reviewing the implementation of the programme in the State, the first Joint Review Mission of the GOI pointed (January 2005) out the following deficiencies:

- Preparation of research agenda to be derived from the planning process. In reality, however, there was very little correlation between planning process and research agenda undertaken,
- Unit tests for the students were being conducted in a majority of the schools. However, the recording of students' performance was not being utilised to focus on those who consistently performed poorly since the teachers had no specific plans to address these students or those whose performance had suddenly fallen.
- Research studies undertaken by the SIS did not cover important aspects such as ways of using active learning in multi-grade or multi-lingual contexts.
- The BRCCs and CRCCs had very limited role in academic development as most of their time was spent on information and management related aspects. Besides, their capacity to bring about quality improvement was not developed, as most of them were not aware of the exact steps needed to enable a school to improve.
- The SIS was yet to address the above aspects (November 2005).

#### **3.3.15 Conclusion**

There were under utilisation of funds due to non-release and delay in release of funds to the SIS. The expenditure incurred was only 34 *per cent* of the approved annual work plan budgets during 2001-05. There was no community participation at cluster, block and district level planning. The objective of the SSA to bring back all the children in schools remained largely unachieved as

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<sup>19</sup> Angul, Balasore, Bhadrak, Cuttack, Dhenkanal, Jagatsinghpur, Jajpur, Kendrapara, Keonjhar, Mayurbhanj, Nayagarh and Puri.

even after four years of the implementation of the scheme, 6.03 lakh children in the 6-14 years age group remained out of school. Vacancy in the posts of the teachers, inadequate training to the existing teachers and schools functioning with single teachers affected the quality of education. As many as 12829 habitations remained unserved i.e. without primary schools or EGS centres within one kilometre. The strategy taken for coverage of special focus groups (girls and SC/ST/urban deprived children) was not adequate, as a result of which a large number of girls and SC/ST children remained out of school. There was no strategy to provide education to the estimated 2.5 lakh out of school children of the migrant labourers. Though funds was not a constraint, the implementation of the civil works programme was very slow, resulting in majority of the schools running without basic infrastructure. Core committees comprising BRCCs, CRCCs and others were not constituted at the block level for monitoring the implementation of the scheme at the school and village level.

### **3.3.16 Recommendations**

- The State Government should ensure timely release of its share of funds for effective utilisation under the programme so that the GOI assistance is received as per the annual work plan budgets.
- Community awareness development and need based training of community leaders require special attention.
- Necessary steps should be taken to bring 6.03 lakh out of school children, under the programme.
- Review the requirement of teachers and take steps to bring teacher-student ratio closer to the stipulated norm as useful education is dependent on adequate availability of teachers. The SIS may take effective steps to impart required training to all the teachers as per the SSA norm.
- Steps should be taken for identification of urban deprived children and providing them with proper education.
- Children with special needs should be identified and provided with necessary aids and appliances to enable them to overcome their handicaps.
- A comprehensive infrastructure development plan should be undertaken to provide required infrastructure and basic amenities.
- Appointment of BRCCs and CRCCs in adequate numbers and further enabling through requisite training may be considered as a priority.
- A reliable monitoring system should be put in place at the district and the State level for effective implementation of the programme.

During discussion, the State Project Director, OPEPA stated (September 2006) that suitable follow up action would be taken to rectify the deficiencies pointed out in audit.

## RURAL DEVELOPMENT DEPARTMENT

### 3.4 RURAL WATER SUPPLY SCHEMES

#### *Highlights*

*The Chief Engineer, Rural Water Supply and Sanitation (CE) is entrusted with installation, improvement and maintenance of rural water supply schemes. The objective of providing the minimum quantity of potable water in the rural area remained unfulfilled due to failure of the department to identify the problem habitations and non-observance of priority in installation of drinking water sources. Execution of piped water supply (PWS) schemes, without adequate pre-construction survey, led to midway abandonment due to failure of sources. Several PWS schemes remained incomplete due to non-finalisation of source and non-energisation of the pump houses. Sixteen completed and commissioned PWS Schemes remained inoperative for want of operating staff, theft of conductors/other electrical installations and failure of installed sources. Quality of water supplied in 0.95 lakh habitations (67 per cent) had never been tested and in 0.28 lakh habitations out of 0.46 lakh covered under water quality test, the water was unsafe for drinking due to excess iron/chloride/fluoride contents. Monitoring mechanism instituted by the Government was ineffective.*

❖ **Capital expenditure during 2001-06 constituted merely 19 per cent of the total expenditure of Rs 804.20 crore indicating low priority for installation of new water sources.**

**(Paragraph 3.4.6)**

❖ **Identification of problem habitations was found to be unreliable. As of March 2006, 11.07 lakh population in 0.09 lakh rural habitations were not having access to drinking water at all; while 63.34 lakh population in 0.12 lakh habitations were partially covered under the schemes.**

**(Paragraph 3.4.14)**

❖ **27316 tube wells installed at a cost of Rs 133.85 crore were found to be unsuitable for drinking water due to excess chemical contaminations while 110 PWS schemes taken up between 1992 and March 2004 remained incomplete after incurring expenditure of Rs 27.77 crore.**

**(Paragraphs 3.4.15, 3.4.16.1 and 3.4.16.2)**

❖ **56 PWS Schemes completed between 1997 and 2005 at a cost of Rs 12.72 crore were either not commissioned or remained non-functional due to non-energisation of the pump houses, theft of conductors or for want of operating staff, depriving 2.14 lakh people of safe drinking water.**

**(Paragraphs 3.4.16.3 and 3.4.16.4)**

❖ **Four PWS Schemes installed at a cost of Rs 11.60 crore in areas of acute water quality problems failed to provide safe drinking water to the intended beneficiaries (0.96 lakh) due to failure of sources and theft of distribution pipe line.**

**(Paragraphs 3.4.16.5, 3.4.16.6 and 3.4.16.7)**

\* Abbreviations used in this performance review have been expanded in the Glossary of abbreviations at pages 228-234.

❖ **Despite commitment for financial assistance of Rs 34.62 crore from MCL and NALCO the PWS Schemes could not be executed/commissioned in Angul district due to lack of proper planning and co-ordination.**

**(Paragraphs 3.4.16.8 and 3.4.16.9)**

❖ **The department failed to build up requisite infrastructure for testing drinking water. Due to non-supply of safe drinking water in the rural areas, 5.80 lakh rural population were victims of water borne diseases during 2002-2005 causing 2103 deaths.**

**(Paragraph 3.4.18)**

### **3.4.1 Introduction**

Drinking water is the most important requirement for human beings next only to oxygen. As per 2001 census the rural population (3.13 crore) constituted 85 *per cent* of total population of Orissa (3.68 crore). The need for supplying potable water to all rural habitations was accorded due importance with the launching of the Accelerated Rural Water Supply Scheme (ARWSP) by Government of India (GOI) in 1972-73. As of March 2003, out of the total 1.41 lakh rural habitations of the State, 0.40 lakh habitations with 1.05 crore population were not provided with the minimum quantity of potable water while 0.28 lakh habitations with 24.65 lakh population did not have access to potable water and 0.12 lakh habitations with 80.29 lakh population were partially covered.

Rural Water Supply Schemes were implemented and maintained by the Rural Development Department (RDD) with financial assistance from the GOI/Government of Orissa (GoO) under different schemes, viz. ARWSP, Pradhan Mantri Gramodaya Yojana (PMGY), Minimum Needs Programme (MNP), Revised Long Term Action Plan (RLTAP) for Kalahandi, Bolangir and Koraput (KBK) Districts, schemes under implementation by Western Orissa Development Council (WODC) etc. The focus of these schemes was on covering the “Not covered” (NC<sup>1</sup>) habitations followed by partially covered (PC<sup>2</sup>) habitations and the quality affected habitations.

There were 1.98 lakh functional spot sources in rural Orissa as of April 2001, which increased to 2.71 lakh as of April 2006 (Piped Water Supply: 0.01 lakh, Tube Wells: 2.60 lakh Sanitary well: 0.10 lakh).

### **3.4.2 Organisational set up**

The Commissioner-cum-Secretary to GoO, RDD was in overall charge of the Rural Water Supply Schemes. The CE was the head of the Department who was assisted by six Superintending Engineers (SE) and 24 Executive Engineers (EE) in the field.

### **3.4.3 Audit Objectives**

The Performance Audit of Rural Water Supply Scheme was conducted with the following objectives:

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<sup>1</sup> Habitation with water supply of less than 10 litres *per capita* per day.

<sup>2</sup> Habitation with water supply of more than 10 LPCD but less than 40 LPCD.

- The extent of achievement of financial targets and whether appropriate financial controls were exercised to ensure utilisation of funds with economy and efficiency;
- The extent of achievement of physical targets and whether execution was managed economically, efficiently and effectively;
- To examine the mechanism, if any, to ensure supply of safe drinking water to rural habitations; and
- Whether the monitoring system was adequate and effective to ensure achievement of the desired objective.

#### 3.4.4 *Audit criteria*

Audit criteria used for the performance audit were as follows:

- Budget and Accounts documents, financial targets vis-à-vis achievements and rules and procedure governing the financial management;
- Physical target and achievement for execution of various schemes as well as stipulations laid down in the guidelines of these schemes;
- Norms prescribed for testing the quality of water supplied to rural population; and
- The monitoring mechanism instituted by the Government.

#### 3.4.5 *Audit coverage and methodology*

The Performance Audit of Rural Water Supply Schemes was carried out for the period from 2001-02 to 2005-06 for the State of Orissa except the KBK<sup>3</sup> districts through test check of records in the Administrative Department and offices of the CE and eight<sup>4</sup> out of 24 RWSS Divisions. Discussions were held with the CE and EEs during entry and exit conferences in arriving at the conclusions and assessing the impact of the schemes. Audit also physically inspected some of the sites and held discussions with the local beneficiaries.

### Audit Findings

#### *Financial Management*

#### 3.4.6 *Budget provision and expenditure*

The budget provisions vis-à-vis expenditure on implementation of Rural Water Supply Schemes during the period were as under.

Year	Budget provision		Surrender		Expenditure		Excess(+) Saving(-)	
	Capital	Revenue	Capital	Revenue	Capital	Revenue	Capital	Revenue
2001-02	62.23	102.85	0.84	9.17	58.48	92.77	(-) 2.90	(-) 0.91
2002-03	62.93	133.88	30.46	17.85	32.56	113.58	(+) 0.09	(-) 2.45
2003-04	38.84	139.14	13.51	16.26	25.26	122.18	(-) 0.06	(-) 0.70

<sup>3</sup> Koraput, Bolangir and Kalahandi Districts.

<sup>4</sup> Rural Water Supply and Sanitation Division, Balasore, Mayurbhanj, Keonjhar, Bhubaneswar, Dhenkanal, Cuttack-I, Cuttack-II and R.W.S.S (Mechanical) Division, Sambalpur.

Year	Budget provision		Surrender		Expenditure		Excess(+) Saving(-)	
	Capital	Revenue	Capital	Revenue	Capital	Revenue	Capital	Revenue
2004-05	36.66	136.03	17.05	14.42	17.96	118.61	(-) 1.65	(-) 3.00
2005-06	59.74	241.14	36.45	38.67	23.46	199.34	(+) 0.17	(-) 3.12
	<b>260.40</b>	<b>753.04</b>	<b>98.31</b>	<b>96.36</b>	<b>157.72</b>	<b>646.48</b>	<b>(-) 4.35</b>	<b>(-) 10.18</b>

Capital expenditure constituted only 19 per cent of the total expenditure and 38 per cent of the capital grant was surrendered which restricted the scope for installation of new water supply sources

It may be seen from the table that the Capital expenditure constituted only 19 per cent of the total expenditure during the period and 38 per cent of the Capital grant was surrendered. This showed low priority for installation of new water supply sources.

### **3.4.7 Expenditure in excess of final grants**

As per codal provisions expenditure should be limited to the final grants received for the purpose. The CE, however, incurred expenditure of Rs 100.05 crore against the final grant of Rs 94.79 crore under Non-Plan during 2001-05, resulting in an excess expenditure of Rs 5.26 crore over the budget provisions which remained unregularised (May 2006). The CE did not explain to the Government for the excess so far.

### **3.4.8 Diversion of funds**

In three out of eight RWS&S Divisions test-checked, the EEs incurred expenditure of Rs 2.25 crore on maintenance and repair works in excess over the allotment received during 2001-06 and met the excess expenditure from the funds provided for Plan Schemes for installation of new sources.

### **3.4.9 Diversion of Letter of Credit (LoC)**

GoO introduced the system of LoC to ensure incurring expenditure in accordance with the financial authorisation and the EEs were required to utilise the LoC for the purpose for which authorised. In two<sup>5</sup> of the RWS&S Divisions, EEs diverted LoC of Rs 2.65 crore during 2004-06 for other purposes. The EEs accepted the factual position and stated that the diversions had been made in view of urgency although they were not competent to undertake other works without expressed approval of the CE/Government.

### **3.4.10 Irregular expenditure without sanction of estimates**

Expenditure of Rs 19.86 crore was incurred on operation and maintenance of water supply schemes without sanction of estimate

As per provisions of the code, annual estimates were required to be prepared and got sanctioned by the competent authority for operation and maintenance of the water supply schemes. In seven out of eight RWS&S Divisions test checked, the EEs spent Rs 19.86 crore towards operation and maintenance of rural water supply schemes during 2001-06 without sanction of estimates. The EEs stated that action would be taken to regularise the expenditure by obtaining post-facto sanction to the estimates from the competent authority.

### **3.4.11 Excess expenditure on establishment over the prescribed norms**

Establishment expenditure exceeded the prescribed norms by Rs 58.55 crore

As per extant norms, the expenditure on establishment was to be limited to 10.5 per cent of the total expenditure on works. Against the total works expenditure of Rs 804.20 crore during 2001-02 to 2005-06, establishment expenditure amounted to Rs 143.00 crore, which worked out to 18 per cent.

<sup>5</sup> Keonjhar (Rs 1.61 crore) and Mayurbhanj (Rs 1.04 crore).



There was, thus, expenditure of Rs 58.55 crore on establishment in excess over the prescribed norm.

#### **3.4.12 Inadmissible payment to Self Employed Mechanics (SEMs)**

As per guidelines issued by GOI, SEMs were to be engaged by the Gram Panchayat for maintenance and up-keep of tube wells. Government was required to bear 50 *per cent* of the remuneration of the SEMs for the first three years of their engagement. The balance 50 *per cent* of their remuneration for the first three years and the full remuneration beyond the third year were to be borne by the GPs. The GPs in turn were to collect contributions from the user communities as fee for the services rendered. In seven RWS&S Divisions test checked, the EEs made full payment of the remuneration for all the SEMs engaged without regard to their period of engagement. This resulted in an inadmissible payment of Rs 1.40 crore by the EEs towards remuneration of the SEMs.

#### **3.4.13 Outstanding water tax**

Rules required that water tax due from consumers should be realised promptly within the year. Rs 0.19 crore (17.75 *per cent*) was realised against the total demand of Rs 1.07 crore in eight divisions up to 2005-06. Year-wise break-up of the arrears was, however, not available with the EEs.

#### **Identification of problem habitations**

##### **3.4.14 Survey report on problem habitations**

Government of India as well as Government of Orissa emphasized the need for provision of minimum 40 litres of safe drinking water per capita per day (LPCD) to all the rural habitations and provided funds under different programmes/schemes viz ARWSP, PMGY, MNP, ACA, SCA. The primary requirement for meeting the objective was to identify the problem habitations. The problem habitations meant not only the habitations where water availability was less than 40 LPCD but also habitations where quality of water was below the safety norms

Based on the survey validated during 1995-96, the Comprehensive Action Plan (CAP) 1999 identified 1978 'Not Covered' (NC) and 4660 'Partially Covered' (PC) habitations and envisaged their coverage. The department did not conduct any further survey to identify the problem areas, but had reported (September 2002) to the GOI that all identified NC and PC habitations had been covered with supply of minimum quantity of potable water by March 2002. The Status Survey Report submitted (September 2004) by the CE to the GOI, however, disclosed that out of the total 1.41 lakh rural habitations of the State, 0.28 lakh habitations with 24.65 lakh population were not covered and 0.12 lakh habitations with 80.29 lakh population were partially covered as of April 2003. As of April 2006, 11.07 lakh population in 0.09 lakh rural habitations remained without access to safe drinking water and 63.34 lakh population in 0.12 lakh habitations were partially covered. Thus, the report submitted to GOI in September 2002 that all the NC and PC habitations were covered, was not correct.

**Identification of problem habitations was not reliable**

The EEs were required to submit Annual Statistical Returns (ASRs) at the close of each financial year indicating status of the rural habitations in regard to water supply vis-à-vis the existing spot sources based on which the CE was to compile his report for finalisation of Action Plan. It was noticed that 13 out of the 20 RWS&S Divisions had not furnished the ASRs for 2004-05; four of them had not submitted the same even for the year 2003-04 to the CE as of April 2006. Thus, the identification of problem habitations was not reliable, as the information on functioning of existing spot sources was not based on the ASRs.

### **Execution of Water Supply Schemes**

#### **3.4.15 Physical targets and achievements**

The targets fixed by the Government for installation of drinking water sources and achievements as reported by the CE for the years 2001-02 to 2005-06 were as follows:

Year	Construction of Wells							Piped Water Supply Schemes		
	Targets			Achievements			Short-fall in percentage	Targets	Achievements	Shortfall in percentage
	TW	SW	Total	TW	SW	Total				
2001-02	8407	167	8574	8183	105	8288	03	97	64	34
2002-03	13996	470	14466	13547	470	14017	03	210	105	50
2003-04	15065	400	15465	13928	348	14276	22	222	128	43
2004-05	9886	400	10286	9242	487	9729	05	209	94	55
2005-06	24389	850	25239	18218	1152	19370	23	186	134	28
<b>Total</b>	<b>71743</b>	<b>2287</b>	<b>74021</b>	<b>63118</b>	<b>2562</b>	<b>65680</b>	<b>11</b>	<b>924</b>	<b>525</b>	<b>43</b>

Note: TW: Tube well, SW: Sunk well

**There was shortfall of 43 per cent in completion of PWS scheme and 42 in installation of tube wells**

It would thus be observed that the shortfall in completion of piped water supply schemes was as high as 43 per cent due to inadequate pre-construction survey, non-finalisation of water sources, delay in energisation of pump houses and non-sanction of revised estimates as discussed in subsequent paragraphs. Further, the reported achievement of 89 per cent under the wells did not reflect the true picture since analytical tests conducted during April 2001 to June 2005 revealed that water discharge from 27316 tube wells installed at a cost of Rs 133.85 crore were unsafe for drinking due to chemical contamination exceeding the permissible limits. These tube wells were not sealed. This brought down the actual achievement to only 38364 wells i.e. 58 per cent.

#### **3.4.16 Piped Water Supply Schemes**

As of March 2001, there were 464 completed PWS schemes and 416 PWS schemes were under execution; 503 more schemes were sanctioned during April 2001 to March 2006. As of April 2006, 1061 PWS schemes were commissioned and the remaining 322 were either under execution (222) or had not been taken up (100). Scrutiny of Reports and Returns and other information furnished by the EEs to the CE revealed the following deficiencies:

**Non-finalisation of source/alternative source for 18 PWS schemes led to an unfruitful expenditure of Rs 3.68 crore**

### 3.4.16.1 Non-finalisation of sources/alternative source

As per extant instructions of the Government, dependability and reliability of the selected source should be ensured through pre-construction survey and investigation before taking up the PWS Schemes. In eight RWS&S Divisions, 18 PWS Schemes taken up between 1992 and 2002 for completion within one year of commencement, were left incomplete after incurring expenditure of Rs 3.68 crore (May 2006). The reason was either non-finalisation of sources (10) or the alternative sources (eight) had failed. This rendered the expenditure unfruitful depriving 1.36 lakh people of safe drinking water.

**92 PWS schemes were left incomplete after incurring expenditure of Rs 24.04 crore**

### 3.4.16.2 Non-completion of Schemes

In 16 RWS&S Divisions 92 PWS Schemes estimated at Rs 33.30 crore taken up between 1994-95 and 2003-04 for completion within one year of commencement, remained incomplete at different stages as of March 2006 after incurring expenditure of Rs 24.04 crore as per details given below:

Extent of delay from the scheduled date of completion	Number of projects	Expenditure incurred (Rupees in crore)
Up to one year	16	1.04
More than one year up to three years	35	6.11
More than three years up to five years	30	14.59
More than five years	11	2.30
<b>Total</b>	<b>92</b>	<b>24.04</b>

Non-accordance of Administrative Approvals, unauthorised deviation during execution, non-sanction of revised estimates, and inadequate release of funds were the main reasons for non-completion of the schemes.

Due to non-completion of the schemes, the intended benefit of safe drinking water could not be provided to 5.97 lakh rural people and the entire expenditure of Rs 24.04 crore remained unfruitful.

**43 PWS schemes completed at a cost of Rs 8.82 crore between April 1997 and September 2005 were not commissioned due to non-energisation of pump houses**

### 3.4.16.3 Non-commissioning of completed schemes

In 12 RWS&S Divisions, 43 PWS schemes completed between April 1997 and September 2005 at a cost of Rs 8.82 crore were not commissioned as of April 2006 due to non-energisation of the pump houses, depriving 1.48 lakh people of safe drinking water. The completed schemes remained un-energised for periods ranging between six months and eight years (up to one year: 8, one to three years: 26, three to five years: 8 and eight years:1).

**13 PWS schemes completed at a cost of Rs 3.90 crore remained non-functional for want of staff and electrical problems**

### 3.4.16.4 Non-functioning of completed schemes

In three out of eight RWS&S Divisions test checked, 10 PWS schemes completed and commissioned between December 2002 and March 2005 at a cost of Rs 3.08 crore remained non-functional for want of operating staff. Three other PWS schemes completed during March 2002 to March 2003 at a cost of Rs 0.82 crore also remained non-functional since commissioning due to theft of electrical conductor and other electrical problems. The EEs did not take any effective action to operationalise the schemes. Due to non-

functioning of these schemes, 0.66 lakh people were deprived of safe drinking water.

#### **3.4.16.5 Change of water source resulting failure of a scheme**

**Unwarranted change of water source resulted in failure of a PWS scheme installed at a cost of Rs 4.50 crore**

With a view to providing safe drinking water to 0.31 lakh population affected by water quality problem in Nayagarh District, GOI accorded (2000) technical clearance for PWS to Fategarh and 25 adjoining villages for Rs 4.50 crore under Sub-Mission Project, stipulating completion by 2002. The scheme provided river Mahanadi as the source on the consideration that the river was perennial. Subsequently, on the ground of high turbidity, current and scouring depth in river Mahanadi, the EE changed the source to two other sources, i.e. (i) an Intake-cum-Infiltration well at Padmavati and (ii) a production well at Bhapur. The revised scheme was not sanctioned as yet. Since the original scheme had a provision for a treatment plant for treating turbid water, the change of the source on the ground of turbidity of the water was unwarranted. Full estimated cost of Rs 4.50 crore provided to the EE was spent on the scheme between 2000 and 2003 and the project was reported as commissioned in February 2004. Physical verification of the site by audit along with the Engineers in charge of the project, however, revealed (May 2006) that the main source (i.e. the Intake-cum-Infiltration well at Padmavati) did not yield any water and the pump house with four pump-sets along with the intermediate sump of 2.75 lakh litre capacity constructed at Bijipur remained non-functional.

Site inspection of three villages (Bijipur, Malibarini and Sasan) covered under the scheme showed (May 2006) that no piped water had been supplied to two villages (Bijipur and Malibarini) since commissioning (February 2004). The Assistant Engineer (AE) in charge of the scheme who was present during inspection, stated that due to inadequacy of the source, part supply was being made only to 12 villages with a population of 0.17 lakh from different sources. On spot enquiry to local people of the largest populated village, 'Sasan', claimed by AE to have been provided with piped water supply, it was noticed that against the provision of 17 stand posts for the village with a population of 4130, eight stand posts had been constructed and part supply of water for about one and half hours per day was being made only in three out of these eight stand posts. The water supply was, thus, scanty and irregular.

The Government/CE did not initiate any action to fix responsibility for the unauthorised change of the water source, which led to failure of the scheme. EE accepted the factual position and stated (May 2006) that the intake well was constructed with verbal approval of the then CE.

#### **3.4.16.6 Infructuous expenditure on abandoned schemes**

**Installation of PWS schemes without testing the quality of water and failure to finalise alternative sources resulted in a wasteful expenditure of Rs 47.15 lakh**

With a view to providing safe drinking water to 0.08 lakh rural population, two PWS Schemes for Sagargaon and Jaripada in Khurda were completed and commissioned in March/April 1998 at a cost of Rs 47.15 lakh. The quality of water of these sources was not tested before finalising the water sources. After commissioning of the schemes, analytical tests conducted by the Regional Research Laboratory, Bhubaneswar (April 2000) revealed that the water of these sources was not safe for drinking due to excess fluoride contents. The sources were finally sealed in August 2002 and September 2003. This resulted

in an infructuous expenditure of Rs 47.15 lakh and deprived 8000 rural people of safe drinking water. No action was taken to fix responsibility for the lapses, which led to the infructuous expenditure.

#### **3.4.16.7 Schemes for the fluoride affected villages**

**Failure to commission the laid pipe lines resulted in theft of pipes worth Rs 0.48 crore and deprived 0.09 lakh people of safe drinking water**

The fluoride released by the Smelter Plant of NALCO aggravated the water of existing tube wells and sanitary wells in the fluoride endemic area near the Aluminum Smelter Plant. A tripartite agreement among NALCO, GoO (RWS&S) and Orissa Environment Programme (OEP) was drawn (January 1998) for execution of a PWS scheme at a cost of Rs 6.68 crore to supply water free from fluoride to 0.27 lakh people in eleven villages. The scheme was completed (April 2001) at a cost of Rs 6.63 crore and commissioned (May 2001) supplying water to eight villages only. Non-supply of water to the remaining three villages was attributed to non-testing of pipeline to Badibahal and Barsinga. Meanwhile, out of the total distribution network of 0.52 lakh metres, 0.09 lakh metres of pipe valuing Rs 0.48 crore was stolen by miscreants between February 2003 and May 2005. As a result, five of 11 beneficiary villages were not getting water from the project as of April 2006. Thus, failure to commission the laid pipelines not only resulted in theft of pipes but also deprived the targeted population of the benefit.

#### **3.4.16.8 Schemes for the peripheral villages of Talcher Coal Fields**

Due to operation of industrial units like Mahanadi Coal Fields Limited (MCL), National Aluminum Company Limited (NALCO), National Thermal Power Corporation (NTPC) etc. the pollution level in the water increased in the peripheral villages of Talcher Coal Fields. It was therefore decided to implement three PWS schemes to provide safe water to 19 peripheral villages. The cost of the schemes (Rs 20.66 crore) was to be borne by the MCL. They proposed (May 2004) to deposit Rs 6.20 crore initially and release the balance amounts according to the progress of work. The relevant tripartite agreement among GoO, District Water and Sanitation Mission, Angul (DWSM) and MCL was, however, signed in January 2006 after a lapse of 20 months. The work was yet to commence (April 2006) and the inhabitants of the peripheral villages remained exposed to polluted water.

#### **3.4.16.9 Schemes for ash pond affected villages**

Due to breach of ash pond of NALCO (December 2000), the water sources of the nearby villages and the villages situated in the down stream of river Nandira were severely polluted. To overcome the problem, two PWS schemes were proposed (January 2001) by the EE, RWS&S Division, Dhenkanal for implementation at a cost of Rs 13.96 crore with the financial assistance from NALCO. NALCO provided rupees one crore for the first scheme and agreed (June 2001) to extend financial assistance for implementation of the second scheme also. Neither of the schemes was implemented due to land and water source problem for one scheme and non-initiation of any action for the other scheme. As late as in June 2004, only an MoU between NALCO and GoO for execution of one scheme at a cost of Rs 5.30 crore was executed. NALCO released (June 2004) the second instalment of Rs 2.43 crore against which

**Despite commitment for financial assistance of Rs 34.62 crore from MCL and NALCO, PWS Schemes could not be executed due to lack of planning and coordination**

work valuing Rs 2.94 crore was executed and the scheme remained incomplete as of May 2006.

Thus, despite commitment of financial assistance of Rs 34.62 crore from MCL and NALCO way back in 2001 and 2003, the PWS Schemes could not be made operational due to lack of proper planning and coordination between the Government and MCL/NALCO, and the rural people continued to remain vulnerable to water borne diseases.

### **3.4.17 Execution of Tube wells and Sanitary wells**

Selection of sites for installation of tube wells/sanitary wells was to be approved by EE in consultation with the local representatives and the inhabitants considering technical viability. GOI guidelines also stipulated periodical reassessment on a scientific basis of ground water potential taking into consideration the quality of water available and economic viability.

#### **3.4.17.1 Installation of tube wells without trial boring**

**27316 tube wells installed at a cost of Rs 133.85 crore failed to provide safe drinking water**

As per extant Government instructions, sites for installation of tube wells should be selected after testing the quality of water obtained through trial bores to ensure its suitability. Scrutiny of records in CE's office revealed that tube wells were installed without testing the quality of water. Out of 63118 tube wells installed during 2001-06 at a cost of Rs 319.15 crore water from 27316 tube wells was found to be unsuitable for drinking due to excess iron content (26660), excess fluoride content (116) and excess chloride contents (540) over the permissible limit. Installation of tube wells without ascertaining the quality of water of these sources resulted in a wasteful expenditure of Rs 133.85 crore.

#### **3.4.17.2 Non-construction of platforms**

Construction of platforms for tube wells and cover slabs for sanitary wells was essential to avoid contamination of the drinking water sources. It was noticed that 5006 tube wells and 339 sanitary wells were without platforms/cover slabs as of April 2006. As a result, these tube wells/sanitary wells installed at a cost of Rs 26.19 crore failed to ensure safe drinking water to the rural people.

#### **3.4.17.3 Retrieval of useful materials from defunct tube wells**

**Useful materials worth Rs 11.14 crore were not retrieved from 0.15 lakh defunct tube wells**

As per extant instructions, the useful materials of the defunct tube wells were required to be retrieved for re-use in other on going schemes or maintenance and repair works. The materials like hand pump sets, riser pipes and connecting rods valued at Rs 11.14 crore were not salvaged by the EEs of seven RWS&S Divisions from 0.15 lakh defunct tube wells. The EEs stated that the public did not allow retrieving the materials due to non-provision of substitute sources.

#### **3.4.17.4 Utilisation of Rigs**

Although the department had rigs in the two Mechanical Divisions under its control during 2001-06, no advance planning was made to optimally utilise these rigs and associated manpower. At RWS&S Mechanical Division, Sambalpur, despite engagement of adequate operating staff with expenditure

of Rs 3.21 crore towards their wages, the rigs were utilised for 0.03 lakh rig days against 0.17 lakh rig days available during 2001-06; the utilisation worked out to 18 *per cent*. The EE stated that paucity of funds and non-entrustment of adequate works by the Civil Divisions led to the under utilisation.

### **3.4.18 Inadequate testing facilities**

Periodic testing and monitoring of water quality was essential for providing safe drinking water to the rural people on a sustained basis. For this purpose, there were 30 laboratories in the state of which only 15 were functional. These too were being managed by one Junior Laboratory Assistant each against the requirement of 13 staff for each laboratory as per norms. Despite instructions issued by the GOI from time to time to ensure testing and monitoring of water quality, the position was that out of 2.44 lakh sources in 1.41 lakh habitations, only 1.28 lakh sources in 0.46 lakh habitations had been tested that too only once and the quality of water of 0.40 lakh water sources in 0.28 lakh habitations was found unsafe due to excess iron/fluoride content and other multiple quality problems. No alternative source of safe drinking water was, however, provided as of April 2006.

As per report of State Disease Surveillance Cell, Directorate of Health Services, Orissa, 5.80 lakh rural population of the State were victims of water borne diseases like severe diarrhea (5.53 lakh) and acute jaundice (0.27 lakh) between 2002 and 2005. This indicated non-availability of safe drinking water in the rural area. The number of deaths caused by these diseases was 2103 during January 2002 to December 2005.

### **Monitoring and evaluation**

#### **3.4.19.1 Functioning of monitoring mechanism**

Two monitoring cells headed by EEs were functioning in the CE's Office for planning and monitoring the progress of the execution of rural water supply schemes and ensuring their maintenance including water quality test. However, the EEs (Monitoring Cell) did not look into the reasons for non-completion/non-commissioning of the PWS Schemes for years together. None of the EEs submitted to the CE, Progress Report on water quality tests after June 2005. Prior to June 2005, though such reports were submitted by the EEs to the CE, no corrective action was ever taken/advised to ensure adequate coverage of water quality tests.

Monthly review meetings were held at the Government/CEs level to monitor the progress of works. However, here too, opportunity was not availed to analyse reasons and to find solutions for non-completion/non-commissioning of the PWS schemes, which were stuck up for years together. No action was taken at Government level to provide minimum manpower and amenities to make district level testing laboratories functional to ensure the quality of water.

### **3.4.19.2 Lessons learnt and sensitivity to error signals**

Observations were made vide paragraph 4.1 of the Audit Report (Civil) for the year ended 31 March 2001 regarding (i) non-functioning of district level testing laboratories, (ii) drilling of tube wells without investigation resulting in wasteful expenditure, (iii) non-retrieval of useful materials from the defunct tube wells, (iv) execution of PWS schemes without AA and (v) non-provision of alternative drinking water sources in the habitations affected by water quality problem. No corrective action had been taken in these regards.

### **3.4.20 Conclusion**

The objective of the department to provide safe drinking water to all rural habitations of the State remained unfulfilled. Capital expenditure during 2001-06 constituted merely 19 *per cent* of total expenditure indicating low priority for installation of new water sources. Identification of problem habitations was not reliable as it was not based on returns received from field functionaries nor there was any survey after 1995-96. Out of 74020 wells targeted during the period 2001-06, 65680 wells were constructed. Of these, 27316 tube wells (42 *per cent*) were found to be discharging water with high iron/fluoride/chloride contents rendering them unfit for drinking. Several Piped Water Supply Schemes remained incomplete for one to 14 years due to failure of water sources, deviations during execution, constraints of funds etc. There was a general disregard to the Government's instructions regarding testing the quality of water through trial bores before installation of tube wells. Periodical testing and monitoring of water quality was non-existent. Water quality of 0.40 lakh sources in 0.28 lakh habitations was found unsafe for drinking. Around six lakh people were affected by water borne diseases during 2002-05. There was no evidence of effective monitoring mechanism in the department.

### **Recommendations**

- Utilisation of funds provided under Capital account should be optimised to prioritise provision of potable water in NC and PC habitations.
- Immediate action should be taken to resolve the problems faced by the incomplete schemes in order to make these functional.
- Alternative sources of drinking water should be provided on priority basis in the area where the existing sources are affected by water quality problems.
- Testing of quality of water should be ensured before installation of sources so that further expenditure in case of unacceptable quality can be avoided.
- Water sources should be regularly monitored for quality by making the testing laboratories functional with adequate infrastructure.

The matter was demi-officially referred (July 2006) to Government; reply had not been received (September 2006).



## AGRICULTURE DEPARTMENT

### 3.5 Oil seeds production programme

#### 3.5.1 Introduction

Oilseeds Production Programme (OPP) started in 1990-91 as a Centrally Sponsored Programme (CSP) with funding pattern of 75:25 between Government of India (GOI) and the Government of Orissa. The objective of the programme was to achieve self-reliance in production of oilseeds through increased productivity; the major activity being development and distribution of quality oilseeds among farmers. Further, to provide flexibility to the States in implementation of the development programmes on Oilseed, Pulses, Oil-palm and Maize all the related schemes were merged and the Integrated Scheme of Oilseeds, Pulses, Oil Palm and Maize (ISOPOM) came into operation with effect from 2004-05. The overall responsibility for planning, implementation and monitoring of OPP/ ISOPOM was with the Agriculture Department and the Director of Agriculture and Food Production (DAFP) Orissa, Bhubaneswar assisted by an Assistant Project Officer (APO), Oilseeds, Deputy Directors, and District Agriculture Officers at field level. The Orissa Seeds Supply Corporation (OSSC) was responsible for multiplication of oilseeds and organising Seed Village Scheme for supply of quality seeds to the farmers.

The implementation of the programme for the period 2001-06 was reviewed (April-July 2006) through test check of records of Agriculture Department DAFP and APO (Oil Seeds), Bhubaneswar, OSSC, three Deputy Directors of Agriculture (DDAs)<sup>1</sup> and six District Agriculture Officers (DAOs)<sup>2</sup>.

#### 3.5.2 Budget provisions and expenditure

The budget provision and expenditure incurred during 2001-06 were as below:

Year	Amount approved in the Annual Action Plan			GOI's share received	Budget provision	Amount released by the State Government (percentage of col 6)	Expenditure
	GOI Share	State's Share	Total				
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
2001-02	3.45	1.15	4.60	1.31	4.29	2.57 (60)	2.55
2002-03	2.40	0.80	3.20	0.25	6.40	5.50 (86)	5.49
2003-04	1.65	0.55	2.20	2.05	6.00	1.93 (32)	1.88
2004-05	5.49	1.83	7.32	3.25*	5.49	5.22 (95)	5.19
2005-06	3.75	1.25	5.00	3.75	6.87	4.99 (73)	4.68
<b>Total</b>	<b>16.74</b>	<b>5.58</b>	<b>22.32</b>	<b>10.61</b>	<b>29.05</b>	<b>20.21 (70)</b>	<b>19.79</b>

\* The GOI restricted the release of central share to Rs 3.25 crore against the approved annual action plan for OPP for Rs 5.49 crore during 2004-05 due to non-availability of funds.

<sup>0</sup> Abbreviations used in this paragraph have been expanded in the Glossary of abbreviations at pages 228-234.

<sup>1</sup> DDAs: Cuttack, Puri and Koraput.

<sup>2</sup> DAOs: Cuttack, Kendrapara, Puri, Khurda, Koraput and Jeypore.

**Low spending of GOI funds led to loss of Central assistance of Rs 4.29 crore during 2001-03**

It may be seen from above that the GOI share received was Rs 10.61 crore as against approval of Rs 16.74 crore. As against the budget provision of Rs 29.05 crore during 2001-06, the expenditure was Rs 19.79 crore<sup>3</sup>. Further, during 2001-03, the GOI was to release Rs 5.85 crore<sup>4</sup> as per the approved annual action plans. However, the GOI released only Rs 1.56 crore<sup>5</sup> during the period as there was spill over GOI funds at the beginning of the years (2001-02: Rs 4.45 crore and 2002-03: Rs 3.88 crore) with the State Government. Thus, due to low utilisation of funds, the State Government was deprived of central assistance of Rs 4.29 crore. During discussion, the DAFP stated (August 2006) that the release of funds and expenditure had been streamlined from 2003-04 onwards.

Of the total amount of Rs 19.79 crore spent, Rs 11.98 crore was given as subsidy to OSSC which was 61 *per cent* of the total expenditure.

**3.5.3 Integrated management of production and distribution of seeds**

The OPP/ISOPOM scheme and the National Seed Plan 2002 envisaged integrated management of production of quality seeds to meet the requirement of farmers and distribution of the same at affordable price to them. The Integrated Management included achievement of seed multiplication ratio (SMR), seed replacement rates (SRR), organisation of seed village programme (SVP), distribution of seed minikits to farmers and other non-seed components and provision for infrastructure. It was noticed that there was low achievement in seed multiplication and replacement rate, non-production of required quantity of certified seeds and low priority to seed village programme in the State as discussed in succeeding paragraphs.

**3.5.4 Target and achievement for distribution of certified seeds**

The National Seed Plan 2002 of the GOI laid thrust on popularisation of newly developed seeds and making them available to the farmers at affordable prices. The OPP/ ISOPOM schemes also contained measures for distribution of new and hybrid varieties of quality oilseeds to the farmers. Accordingly, subsidy of 30 *per cent* and 25 *per cent* of the cost of seeds limited to Rs 800 and Rs 600 per quintal was made available for supply of all certified and truthfully labeled (TL<sup>6</sup>) oil seeds respectively to the farmers with effect from 2004-05. Prior to that, subsidy was available only for groundnut and soybean seeds.

Year	Target for distribution to the farmers	Quantity of seeds supplied by the State Government to the DDAs for supply to the farmers			Quantity sold to the farmers on subsidy			Quantity sold to the farmers without subsidy
	Certified	Certified	TL	Total	Certified	TL	Total	
	( In q u i n t a l s )							
2001-02	7500	6217	44680	50897	3463	43951	47414	1988
2002-03	57748	5140	37948	43088	3643	37676	41319	1247
2003-04	56882	3806	54105	57911	2664	53393	56057	1037
2004-05	43893	2937	19086	22023	3031	18960	21991	--
2005-06	64285	6326	50922	57248	5179	23873	29052	--
<b>Total</b>	<b>230308</b>	<b>24426</b>	<b>206741</b>	<b>231167</b>	<b>17980</b>	<b>177853*</b>	<b>195833</b>	<b>4272</b>

\* Includes 311 quintals of new variety of TL seeds (Smruti).

<sup>3</sup> Subsidy: (seeds: Rs 11.98 crore, gypsum: Rs 2.82 crore, seed village scheme: Rs 1.14 crore), farmers training: Rs 0.22 crore and other components: Rs 3.63 crore.

<sup>4</sup> 2001-02: Rs 3.45 crore and 2002-03: Rs 2.40 crore.

<sup>5</sup> 2001-02: Rs 1.31 crore and 2002-03: Rs 0.25 crore.

<sup>6</sup> TL (Truthfully labeled): Truthfully labeled means that the quality of seed is guaranteed by the seller for the prescribed minimum standards but the purity and quality of such seeds are not certified by any seed certification agency under the provisions of the Seed Act 1966.

**Out of 1.96 lakh quintals of oilseeds sold to the farmers, 1.78 lakh quintals were TL seeds the purity and quality of which was not ensured**

It may be seen that out of 2.31 lakh quintals of seeds supplied to the DDAs, only 0.24 lakh quintals (10 per cent) were certified seeds and the remaining 2.07 lakh quintals were TL seeds. The above supply included sale of 1.78 lakh quintals of groundnut TL seeds on subsidised prices, the purity and quality of which were not certified by any seed certification agency under the Seed Act 1966.

Further, it was noticed that the groundnut seeds of 1.78 lakh quintals (TL) sold to the farmers were not only uncertified but also of old traditional varieties<sup>7</sup> which did not even figure in the list of new varieties of notified seeds under the GOI's OPP guidelines 2000-01 for sale to the farmers. The Government paid subsidy of Rs 10.65 crore<sup>8</sup> to the OSSC for supply of such old varieties of TL seeds. Thus, the objective of distribution of new and hybrid varieties for popularisation did not receive requisite attention in the State under the programme.

The APO, Oilseeds stated that the farmers of the State were not interested in using the new varieties, which gave fewer yield in comparison to old varieties due to erratic climatic condition in the State. The plea of erratic climate in the State was, however, applicable only to the khariff cultivation when the farmers in the State grow the oilseed crop marginally. However, bulk of the supply of these seeds was made for cultivation during Rabi season having normal climatic condition. Besides, as stated by the Director, Orissa State Seed Certification Agency, the new variety of groundnut seed (*Smruti*) which was supplied in very low quantity recorded a higher yield of 1982 (Khariff) and 3620 (Rabi) kilogram per hectare whereas the traditional old varieties of AK-12-24 and TMV-2 had a low yield of 1250 and 1025 kilogram per hectare respectively in each season.

### 3.5.5 *Low achievement in seed multiplication ratio*

According to the schemes, genetically superior seeds are obtained through a four-stage process as below:

- Stage-1:* Development of nucleus seeds by Indian Council of Agricultural Research (ICAR),
- Stage-2:* Multiplication of nucleus seeds to breeder seeds by ICAR/State Agriculture University (SAU),
- Stage-3:* Multiplication of breeder seeds to foundation seeds by seed developing agency (OSSC), and
- Stage-4:* Multiplication of foundation seeds to certified seeds by OSSC through the farmers' field.

**The achievement in seed multiplication rate in case of groundnut being the major oilseed crop in the State was only 1:3 against the prescribed norm of 1:6**

The GOI's National Seed Plan 2002 prescribed the seed multiplication ratio (SMR) for the State in respect of the two major crops cultivated in the State at 1:6 (Groundnut) and 1:100 (Mustard) at both the stages i.e. from breeder to foundation seeds and foundation to certified seeds. The achievement in seed multiplication from foundation to certified seeds by the OSSC was 1:3<sup>9</sup> against

<sup>7</sup> AK-12-24: 76364 quintals (Notified in February 1976), TMV-2: 114151 quintals (Notified in February 1976) JL-24: 1837 quintals, GG-24, TAG-24: 524 quintals (Notified in November 1992), TG-3, etc.

<sup>8</sup> Subsidy at the rate of Rs 600 per quintal on 177542 quintals (177853-311 quintals) of old varieties of groundnut TL seeds.

<sup>9</sup> With the multiplication of 4811 quintals of foundation seeds of groundnut, the production achieved was 0.22 lakh quintals of which certified seed constituted only 0.17 lakh quintals.

the prescribed norm of 1:6. Similarly, multiplication of 97 quintals of foundation seeds of mustard yielded only 0.04 lakh quintals at a ratio of 1:42 as against the norm of 1:100. The details of achievement in seed multiplication are given in the *Appendix-3.12*. The low SMR was due to constraint of technical staff, insufficient technical guidance on cultural management of seed production and inability of poor farmers to maintain the fields for healthy growth of the crops.

### **3.5.6 Distribution of Seed mini-kits**

The seed mini kits are meant for introduction and popularisation of the latest varieties notified in the last 10 years among the farmers. These mini-kits were to be supplied directly to the States by Technology Mission on Oilseed Programme (TMOP) of the GOI through National Seed Corporation (NSC) / State Farms Corporation of India (SFCI) and the cost was to be borne by the TMOP. The State was to ensure distribution of these mini-kits. As against 6.43 lakh mini kits targeted for distribution during 2001-06, only 3.14 lakh (49 *per cent*) mini-kits were supplied in the State. Thus, there was shortfall in distribution of seed minikits. It was seen that a new variety of groundnut seed (TAG-24) was supplied by the GOI through minikits for popularisation. However, the State Government's general thrust was on sale of subsidised traditional varieties of groundnut TL seeds (AK-1224 and TMV-2) during 2001-06 which constituted 92 *per cent* of total supply of groundnut seeds<sup>10</sup> during the period. As reported (March 2006) by the DAFP to the TMOP, the average yield of these old varieties during 2001-04 was 941 kilograms per hectare while the same in respect of the new variety (TAG-24) was 1377 kilograms per hectare. Thus, use of traditional old varieties in lieu of the improved seeds adversely affected the production in the State.

### **3.5.7 Low coverage under Seed Village Programme**

According to the guidelines of OPP / ISOPOM, seed villages should be organised in the fields of progressive farmers for production of certified seeds based on demand in each district to reduce the handling cost and ensure timely availability of certified seeds to farmers at affordable prices. Subsidy was provided to the farmers at the rate of Rs 375 per quintal of certified seed produced by them and Rs 125 is placed at the disposal of OSSC for procurement, handling and testing etc. It was observed that the OSSC organised the programme in all the districts except in one agricultural district (Phulbani) at a very low scale. Besides, the Government also organised the programme during 2005-06 Khariff departmentally in the State except in 11 agricultural districts<sup>11</sup>. It was seen that a provision of Rs 1.48 crore was made for the purpose which was sufficient to meet the subsidy cost for production of only 0.29 lakh quintals of oilseeds. Out of this, expenditure of Rs 1.14 crore was incurred covering about 4100 hectares for a meager production of 0.26 lakh quintal seeds of which the certified seeds was only 0.22 lakh quintal.

**Against the targeted supply of 2.30 lakh quintals of oilseeds, the production of certified oilseeds under SVS during 2001-06 was only 0.22 lakh quintals due to low coverage**

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<sup>10</sup> Out of total 1.94 lakh quintals of groundnut seeds supplied during 2001-06, 1.78 lakh quintals were of old varieties of TL seeds.

<sup>11</sup> DAOs: (i) Balasore, (ii) Bhadrak, (iii) Chatrapur, (iv) Berhampur, (v) Aska, (vi) Parlakhemundi, (vii) Keonjhar, (viii) Anandpur, (ix) Champua, (x) Phulbani and (xi) Boudh.

### 3.5.8 Low achievement in Seed Replacement Rate

According to the National Seed Plan, as the area under oil seed cultivation is unlikely to increase significantly, the thrust should be on raising productivity by replacing with quality seed at the seed replacement rate (SRR) of 25 *per cent* of the total programmed areas. The Tenth Five-year Plan also emphasized enhancement of seed replacement rate (SRR) with quality seeds i.e. certified seeds. As per the data maintained by the Director of Agriculture, the SRR of the major oil seed crops in the State during 2001-06 was much less than the scientifically desirable level of 25 *per cent* prescribed by GOI except in case of mustard for the year 2002-03 and 2004-05 as detailed below:

Sl.No.	Name of the Oilseed	Percentage of SRR				
		2001-02	2002-03	2003-04	2004-05	2005-06*
1.	Groundnut	14.59	15.96	16.45	6.18	16.58
2.	Mustard	18.46	28.74	19.01	27.86	9.51
3.	Castor	1.68	0.70	1.13	1.67	1.50
4.	Sesamum	0.15	0.66	0.36	Not available	0.36
5.	Niger	0.64	0.47	0.04	0.34	0.78

\*Provisional

The low achievement in SRR obviously resulted in low yield to the farmers.

### 3.5.9 Non Seed Component

Non-seed components such as infrastructure development, block demonstration and farmer's training also serve as important inputs in providing essential help and guidance to farmers to improve productivity. There were shortfalls ranging from 18 to 91 *per cent* in achievement of the physical targets set under the non-seed components as discussed in the succeeding paragraphs.

#### 3.5.9.1 Infrastructure development

Under the scheme, the State Government was to create appropriate need based infrastructure facilities like construction of bore-well and tube wells for providing irrigation to the farms and construction of de-humidified seed storage godowns for storage of seeds. For this, assistance was available to seed farms of the State Government, Oil Federations (OILFED), State Seed Corporation and also for compact areas taken up under the Seed Village Scheme (SVS). It was noticed that the State Level Sanctioning Committee (SLSC) did not include this component in the annual action plans during 2002-05. Provision of Rs 1.15 crore was made in the annual action plans and the budget during 2001-02 (Rs 40 lakh for construction of threshing floors in the departmental farms) and 2005-06 (Rs 75 lakh for construction of three seed storage godowns). However, only Rs 10 lakh (9 *per cent*) was spent by five DDAs<sup>12</sup> out of the budget provision of 2001-02 for construction of threshing floor for seed farms. Government did not release the remaining provision of Rs 1.05 crore. Thus, the planned infrastructure development was grossly neglected at the implementation stage.

**Out of the total provision of Rs 1.15 crore made during 2001-02 and 2005-06 for providing infrastructure, only Rs 10 lakh (9 *per cent*) had been spent**

<sup>12</sup> (i) DDA, Bolangir: Rs 1.50 lakh, (ii) DDA, Koraput: Rs 2.10 lakh, (iii) DDA, Dhenkanal: Rs 3 lakh, (iv) DDA, Puri: Rs 1.40 lakh and (v) DDA, Mayurbhanj: Rs 3 lakh.

### **3.5.9.2 Non-organisation of Block demonstration programme**

The OPP/ISOPOM guidelines provided organising block demonstration programmes in farmers' field for testing of new / hybrid varieties of oilseeds by using improved crop production technology with judicious use of inputs. It was, however, noticed that no block demonstration programme was approved by the SLSC during 2002-05. Although block demonstrations of groundnut crop were organised in 2452 out of 3000 hectares targeted (82 *per cent*) during 2001-02 and 2005-06, only traditional varieties of seeds were used instead of new varieties/hybrids. As a result, the farmers were not made aware of the adoption the new / hybrid varieties of seeds with improved crop production technology to boost the oilseeds production and the objective of introducing improved seeds not only suffered a set back, the efforts behind organising the programme rendered futile.

### **3.5.9.3 Non use of Polythene Mulch in Groundnut (PMG)**

According to ISOPOM, use of bio-degradable polythene sheets as mulch in groundnut gives better yield due to retention of soil moisture with reduced weed intensity and increased efficiency of soil micro-organism. A sum of rupees seven lakh only was sanctioned during 2005-06 to conduct demonstration of the polythene sheets in 100 hectares in three agricultural ranges (DDAs: Cuttack, Puri and Balasore) and two agricultural districts (DAOs: Bargarh and Deogarh). However, the APO (Oil seeds) surrendered (March 2006) the same due to late receipt of fund and non-availability of polythene mulch sheets. Thus, the new technology was yet to be implemented in the State (March 2006).

### **3.5.9.4 Inadequate supply of Gypsum**

Gypsum/Pyrites are the cheapest source of sulphur and an important secondary nutrient. Its application is known to increase both production and oil contents in oilseeds. Subsidy of 50 *per cent* cost of the material together with transportation cost limited to Rs 500 per hectare was available to meet such expenditure. As against total area of 5.87 lakh to 8.49 lakh hectares under oil seeds cultivation in the State during 2001-06, only 0.71 lakh hectares were targeted for application of gypsum and the achievement was 0.91 lakh hectare which was only two *per cent* of the total area under cultivation during the period.

### **3.5.9.5 Shortfall in organising Farmer's training programmes**

The OPP / ISOPOM schemes, provided training of farmers linking with the block demonstration and SVS for speedy transfer of technology to the farmers. The District Agriculture Officers were to select the farmers and organise the training programmes. However, it was seen that the State Government made no provision for farmers' training during 2003-05 in the State's annual action plan. Against the targeted 430 batches of farmers' training programme approved by SLSC only 230 training programmes (53 *per cent*) were organised during 2001-03 and 2005-06 due to inadequate provision of funds. Besides, the training programmes were not linked with the implementation of

**230 out of 430  
batches targeted for  
farmers' training  
programme were not  
conducted, as  
required funds were  
not sanctioned**

SVS as provided under the scheme and were organised as a matter of routine due to lack of coordination between OSSC which implemented SVS and DAOs who organised the training programmes.

### 3.5.10 *Impact of implementation of scheme*

The guidelines envisaged that the State should assess the total potential for progressive expansion of area under OPP / ISOPOM. The year wise production target fixed and achievement made thereof, area covered and deficit of marketable oil production as per the data maintained by the DAFP were as below:

Year	Area covered	Production target fixed	Achievement made	Productivity	Deficit of oil production
	(In lakh hectares)	(In lakh tonnes)		In lakh tonne / hectare	(In lakh tonnes)
2001-02	8.49	5.60	5.40	0.64	13.12
2002-03	5.87	6.40	3.23	0.55	15.59
2003-04	7.96	4.92	4.98	0.62	14.15
2004-05	8.41	6.42	5.22	0.62	14.16
2005-06*	8.27	7.90	5.64	0.68	14.11
<b>Total</b>	<b>39</b>	<b>31.24</b>	<b>24.45</b>	<b>0.63</b>	

\*Provisional

It may be seen that the progressive expansion of area from year to year was not achieved and varied from 8.49 lakh hectares in 2001-02 to 5.87 lakh hectares in 2002-03. Due to non-fixing of target for area expansion and productivity, the targeted increase in production could not be achieved. Production ranged from 5.64 lakh tonnes (2005-06) to 3.23 lakh tonnes (2002-03) and the productivity hovered around 0.63 lakh tonne per hectare. The shortfall in marketable oil production varied from 15.59 lakh tonnes (2002-03) to 13.12 lakh tonnes (2001-02) Thus, the State was far from attaining self-sufficiency in oilseeds production.

### 3.5.11 *Monitoring and evaluation*

The State Level Sanctioning Committee (SLSC) was required to meet twice in a year each at the onset of Khariff and Rabi season to ensure result oriented evaluation and effective implementation of the programme. The above committee, however, used to have annual meetings only. The required monthly progress reports were not sent to the GOI regularly up to June 2005. Scrutiny of the reports revealed that only the data with regard to coverage and production prospects, supply of various inputs and support service etc. were included. Reports did not highlight the reason for shortfall with measures / suggestion to improve performance highlighting exploitation of significant factors for better performance in future.

### 3.5.12 *Conclusion*

The implementation of OPP/ISOPOM suffered from several deficiencies. Low spending of GOI assistance led to loss of central assistance of Rs 4.29 crore. The supply of certified seeds to the farmers was a meager 10 *per cent* of the target as the production through implementation of seed village scheme (SVS) was on a low key. The seed replacement with quality seeds in the State was far below the norms prescribed by the GOI. The planned infrastructure

development was grossly neglected at the implementation stage. The oilseed production was much less than the targets fixed for sale by the State Government due to low achievement in seed multiplication ratio and negligible coverage of area under SVS for production of certified oil seeds. The State could not accelerate self-sufficiency in oil seeds production and there was deficit of marketable oil production. The scheme had little impact on the overall production of oil seeds in the State.

***Recommendations***

- Government should plan the production and supply of certified oil seeds to the farmers before the sowing seasons specially in the Rabi season for ensuring productivity and increase in production;
- Production and distribution of new and improved varieties of quality oil seeds should be promoted among farmers through seed village scheme, block demonstration, and effective communication and education to sensitise the farmers;
- Appropriate need based infrastructure facilities should be created as provided in the approved annual action plans;
- New technology of using polythene-mulch may be tried; and
- Functioning of the seed developing agencies should be strengthened to ensure effective technical guidance to achieve growth of high yielding varieties of seeds and better seed replacement.

The matter was referred (August 2006) to the Government; reply had not been received (September 2006).



## FOREST AND ENVIRONMENT DEPARTMENT

### 3.6 Project Tiger

#### 3.6.1 Introduction

Project Tiger a wildlife conservation project was launched in India in 1973 as a Centrally Sponsored Scheme (CSS) to ensure maintenance of a viable population of tigers in India for scientific, economic, aesthetic, cultural and ecological values, and to preserve for all times, areas of biological importance as a national heritage for the benefit, education and amusement of the people. In Orissa, the Project Tiger was implemented in the Similipal Tiger Reserve (STR).

The project was executed by a Conservator of Forests as the Field Director of the tiger reserve, assisted by a Deputy Director and three Assistant Conservators of Forests. In addition, there were five Forest Divisions and 19 Ranges within Protected Area of STR.

Test check of records maintained in the Department of the Forest and Environment, offices of the PCCF and Chief Wild Life Warden, Orissa, Field Director and 19 Forest Range offices was conducted between January and March 2006 covering the period 2000-01 to 2004-05. The important findings are given in the following paragraphs.

#### 3.6.2 Project planning

Management plan drawn as a long-term action plan was to be framed in two phases for ten years. The Annual Plan of Operations (APO) were to be in accordance with the proposals included in the management plan. The management plan for the period from 2001-02 to 2010-11 was prepared and submitted to GOI for approval. No information was available on approval of the management plan.

The amount provided in the APOs vis-à-vis the amount sanctioned/released by the Government of India and expenditure incurred during 2001-05 were as under:

(Rupees in crore)								
Year	Provisions as per APOs	Amount sanctioned by GOI	Amount released by GOI	Amount released by Government of Orissa (GOO)	Amount less released by GOI	Total fund available including revalidation <sup>1</sup>	Expenditure	Percentage of unspent balance
2000-01	3.24	2.46	1.75	1.77	0.71	1.77	1.24	29.94
2001-02	4.00	2.78	1.96	1.49	0.82	1.49	1.34	10.07
2002-03	2.37	1.25	1.06	1.20	0.19	1.20	1.18	--
2003-04	7.64	1.46	0.65	0.80	0.81	0.79	0.79	--
2004-05	3.32	2.95	2.08	2.10	0.87	2.10	1.73	17.62
<b>Total</b>	<b>20.57</b>	<b>10.90</b>	<b>7.50</b>	<b>7.36</b>	<b>3.40</b>	<b>7.35</b>	<b>6.28</b>	

<sup>1</sup> Abbreviations used in this performance review have been expanded in the Glossary of abbreviations at pages 228-234.

<sup>1</sup> Revalidation amounts are Rs 53.11 lakh, Rs 77.82 lakh, Rs 73.37 lakh, Rs 5.5 lakh and Rs 91.91 lakh for the year 2000-01, 2001-02, 2002-03, 2003-04 and 2004-05 respectively.

It would be seen from the table that the STR had not been able to utilise the funds available during any particular financial year. In spite of this the APOs had proposed higher financial outlays for the subsequent years. For instance, the proposed outlay in APO for 2003-04 alone was Rs 7.64 crore whereas only Rs 6.28 crore out of available funds of Rs 7.35 crore could be utilised during 2000-05. This indicated that the project lacked proper planning and the APOs were prepared as per periodical requirements but not as part of a long term plan.

### **3.6.3      *Loss of central assistance***

GOI released funds based on utilisation of funds and provisions of matching share by the State Government. It may be seen from the table above, the unspent balance ranged between 10.07 and 29.94 *per cent* for the period under review except during 2002-03 and 2003-04. Besides, out of the total amount of Rs 3.32 crore released by the GOI on the recurring head, the State Government could provide an amount of Rs 2.30 crore only during the period. This indicated a slow pace of utilisation of funds in case of fully centrally sponsored scheme and non provision of matching share by the State Government in the items of expenditure shared on 50:50 basis. Consequently, GOI released Rs 7.50 crore against Rs 10.90 crore sanctioned resulting in loss of central assistance of Rs 3.40 crore during 2000-05.

### **3.6.4      *Low budget provision for wildlife conservation***

As per the National Wildlife Action Plan 2002-2016, a minimum of 15 *per cent* of total forest budget should be allocated for conservation of wildlife. It was, however, noticed that the budget provision for conservation of wildlife ranged between 1.75 *per cent* and 5.65 *per cent* for the preceding four years and during the year 2004-05 it was a meagre 0.40 *per cent*.

### **3.6.5      *Creation of development fund***

As per Wildlife Conservation Strategy 2002, a development fund out of revenue generated was to be created for use in augmentation of available resources for conservation. However Government of Orissa/PCCF, wildlife did not issue any circular/instructions for creation of such fund. A sum of Rs 49.03 lakh realised as entry fees from the tourists during the period from 2000-01 to 2004-05 was deposited in treasury as forest revenue without creating a development fund. However, Government of Orissa revised the rule in April 2005 and kept such amounts in a separate account for reuse.

### **3.6.6      *Relocation of families from the core area***

The long term survival of tiger depended upon the availability of secure and inviolate areas free from human impact. A time bound programme for relocation of families living in core area was necessary. It was noticed that out of 180 families living in the core area, only 72 families could be relocated as of June 2006. Out of Rs 1.30 crore paid for the purpose to the Collector, Mayurbhanj up to 31 March 2005, an amount of Rs 66.10 lakh remained unutilised as of June 2006.

### 3.6.7 Forest offence cases

The essential requirement of a tiger project was the protection of its forest wealth vulnerable to illegal felling of trees in the reserve areas. The total number of offence cases booked between 2000-01 and 2004-05 were as follows.

Year	Number of forest offence cases	Volume of timber involved (in cft)	Estimated cost of timber (Rupees in lakh)
2000-01	4800	16229.19	39.40
2001-02	4440	13532.86	31.75
2002-03	4657	17990.01	44.93
2003-04	3920	13731.22	31.72
2004-05	3173	12794.04	23.86
<b>TOTAL</b>	<b>20990</b>	<b>74277.32</b>	<b>171.66</b>

It may thus be seen that a total number of 20990 number of cases involving in seizure of 74277.32 cft of timber were reported during the period of last five years. Though there was a decline in the offences reported over the years especially after the deployment of Sabuja Bahini, a strike force consisting of ex-military persons in 2004-05 it has not been significant enough to protect the tree population of the reserve.

However, it was noticed that though GOI sanctioned Rs 91.61 lakh during 2001-02 for filling up of the post of beat guards, the same had not been released as of July 2006.

### 3.6.8. Tourism

About 20000 wildlife tourists visited the sanctuary every year. Though wildlife tourism was a resource generation activity, it was to be regulated to the extent that it did not affect the movement of wildlife and created sound pollution. It was, however, noticed that the guidelines issued by the Government in April 2003 were not followed up. No tourism management plan was prepared neither the tourist carrying capacity of the reserve was decided. There was no control system to check the speed of vehicles. The rest houses existing in the core zone continued to function.

### 3.6.9 Tiger/leopard estimation

The Government of India instructions issued in November 2001 stipulated that the estimation of tigers/leopards was to be conducted annually and the compliance reported to the Ministry by 30 June of the next financial year.

The census of two species conducted by pugmark method yielded the following result.

Tiger Population				
Year	Male	Female	Cub	Total
2001-02 (2002)	29	43	27	99
2003-04 (2004)	28	41	32	101
Leopard Population				
2001-02	44	62	20	126
2003-04	44	64	19	127

The enumeration of tiger/leopard population was not done annually. Further, decrease in population of adult tigers in absence of any report of death or poaching raises doubt on the reliability and accuracy of method of estimation.

### **3.6.10 Manpower management**

The following table shows the sanctioned strength, number of vacancies of key posts in the Project Tiger as of March 2006.

<b>Cadre</b>	<b>Sanctioned strength</b>	<b>Vacancies</b>	<b>Percentage of vacancy</b>
Forest Rangers	13	9	69
Forester	37	12	32
Beat Guards	108	54	50

Efforts taken by the STR to fill up the vacancies called for are awaited (March 2006). Vacancies in the cadre of forest rangers and beat guards who are the key functionaries at the field level, also adversely affected the wildlife management.

### **3.6.11 Conclusion**

The annual plan of operations was prepared on ad-hoc basis. Low budgetary provision and low spending of GOI assistance led to curtailment of GOI assistance. Relocation of families from core areas was way behind the target. Illegal trades and offences had gone unabated. The method of tiger estimation was not reliable. The guidelines issued by the Government for regulating the tourism activities were not followed up. Thus, the main objective of the Project Tiger to protect the wild life and mitigate deleterious human impacts was not achieved.

### **Recommendations**

- Adequate budget provisions should be made to conserve the wild life and funds made available by Government of India should be effectively utilised;
- Constant persuasions should be made by the appropriate authorities for expeditious relocation of families living in core areas;
- Guidelines issued by the Government for regulating tourism activities should be strictly enforced; and
- Patrolling should to be strengthened to stop illegal trade and offence.

The matter was demi-officially referred (July 2006) to Government; reply had not been received (September 2006).