

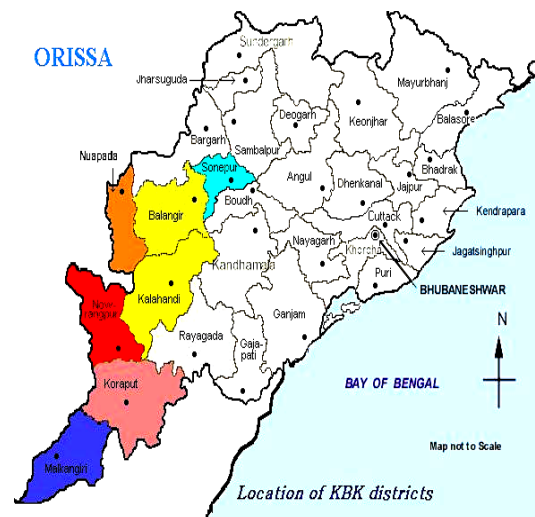
## Chapter 1: Revised Long Term Action Plan

### 1.1 Introduction

The KBK refers to the erstwhile undivided districts of Koraput, Bolangir and Kalahandi comprising of 80 blocks and 1,437 gram panchayats. Based on the National Sample Survey data (1999-2000), 87.14 *per cent* of the population in the region involving nearly 12 lakh families were living below poverty line with sad history of deforestation, land degradation and recurring droughts. Abysmally low return on agriculture led to migration of labour. Incidence of malnutrition as well as malaria was high among the people of all ages. The area lacked basic infrastructure like road connectivity and drinking water. The KBK districts<sup>1</sup> accounted for about 20 *per cent* population covering over 30 *per cent* geographical area of the State. According to the 2001 census around 38 and 16 *per cent* of the total population of the KBK region constitute tribal and scheduled caste communities respectively and 90 *per cent* of the people live in villages.

Some interventions by the State Government through short-term strategies in some of the blocks in the past for providing employment to the rural poor yielded only negligible results. A determined effort was made, with the intervention of Government

of India (GOI) to address the major issues of backwardness through a long term action plan (1995-96). This was revised in 1998 in consultation with the GOI and a Revised Long Term Action Plan (RLTAP) was prepared by the State Government in a sub-plan mode to address the problems of this chronically poor region during the period 1998-2007.



### 1.2 Salient features of RLTAP

The objectives of RLTAP were:

- Drought proofing through increase in irrigation potential and conservation of natural resources like forest, soil and water through watershed development, irrigation projects, pani panchayats etc.
- Poverty alleviation through wage employment and income generation on sustainable basis, providing shelter to the rural poor, mobilising local inhabitants on participatory development approach and improvement of infrastructure in rural areas.

<sup>1</sup> Koraput, Malkangiri, Nowrangpur, Rayagada, Bolangir, Sonepur, Kalahandi and Nuapara.

- Improved quality of life and strengthening social security systems through building rural infrastructure like rural connectivity, rural health care and food security by means of emergency feeding programme to old, infirm and indigent people.

The RLTA was conceived with a total outlay of Rs 5527.41 crore consisting of central plan (CP) / centrally sponsored plan schemes (CSP) and Additional Central Assistance (ACA) from the GOI and State Government funds. The funding under ACA was to be in the form of grants (30 *per cent*) and loan (70 *per cent*) to bridge the resource gap between the RLTA outlay and the availability of funds under different CP and CSP schemes. However, funding under ACA was continued up to 2001-02 and thereafter the State Government received special central assistance (SCA) in the form of hundred *per cent* grant from the Government of India (GOI).

Nine departments of the State Government were involved in the development projects in 11 identified sectors<sup>2</sup>. The State Government created budget provisions and the Planning and Coordination Department (PCD) allocated funds to different departments at the State Government level. The departments concerned released funds to the district level offices. The funds were then distributed among respective field functionaries. However, for the year 2006-07, PCD allocated funds to district collectors under “district window” and administrative departments under “state window”. Ten more sectors<sup>3</sup> with outlay of Rs 240.84 crore were added to the RLTA in the subsequent years covering 13 more departments. As of March 2007, RLTA covers 52 different schemes being implemented by 22 Departments.

### **1.3 Audit objectives**

Audit objectives were to examine whether the:

- Different sector plans and programmes designed under RLTA were adequate to address the needs of the people and structural backwardness of the region;
- Receipt and utilisation of resources were in accordance with the annual action plans and expenditure conformed to both economy and efficiency;
- Schemes were implemented as per the guidelines and met the targets set under each scheme;
- Implementation of schemes improved the general quality of life of the targeted population in the KBK region;
- Monitoring and evaluation mechanism was in place and was effective.

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<sup>2</sup> Agriculture, Horticulture, Watershed Development, Afforestation, Emergency Feeding, Mobile Health Units, Drinking Water, Rural Connectivity, Women SHGs, Rural Employment and welfare of SC & ST.

<sup>3</sup> 2001-02: (i) Biju Krushak Vikas Yojna (BKVY), (ii) Co-operation, (iii) Agro-business.-2002-03: (iv) Fisheries Animal Resources Development (v) Handicrafts and Hand looms-2003-04: (vi) Energy, (vii) Gramsat Development, (viii) Special Connectivity-2005-06: (ix) Sports and Youth Services, (x) Sports in Tribal schools.

#### 1.4 Audit criteria

Implementation of the schemes was evaluated with reference to the following criteria:

- GOI guidelines, policy decisions and executive instructions of the State Government for implementation of RLTAAP and annual action plans in accordance with the objectives of RLTAAP;
- Prescribed norms for allocation and utilisation of financial resources;
- Target set for increasing the area of cultivation through land and water conservation measures and improved productivity;
- Target for income generation through creation of employment opportunities, self help groups (SHGs) and providing dwelling units to the rural poor;
- Monitoring and evaluation mechanism as envisaged under RLTAAP.

#### 1.5 Audit coverage

Performance audit of implementation of the following nine major schemes was conducted for the period from April 2002 to March 2006 under the following three major themes:

##### **Drought proofing**

- (i) Watershed Development
- (ii) Biju Krushak Vikas Yojana (BKVY)

##### **Poverty alleviation**

- (iii) Rural employment and
- (iv) Afforestation

##### **Improvement in quality of life**

- (v) Rural connectivity
- (vi) Mobile Health Units
- (vii) Rural drinking water supply
- (viii) Emergency feeding programme
- (ix) Indira Awas Yojana

The statistical information on financial and physical target vis-à-vis achievement were updated to March 2007.

The above schemes were selected due to their financial materiality (expenditure under these schemes constituted 72 per cent of expenditure incurred under RLTAAP during the period covered in audit). The audit was conducted through test check of records of the PCD and other eight departments of the State Government, 10 heads of the departments, 102 implementing agencies and 320 field units vide **Appendix-I** during July to December 2005, June to August 2006 and August 2007.

## **1.6 Audit methodology**

Twenty Blocks out of 80 KBK Blocks (25 per cent) were selected by adopting stratified random sampling without replacement (SRSWR) including each of the eight district headquarter blocks and remaining 12 blocks on the basis of population of the districts. In each Block, four units of watershed committees, Pani-Panchayats (PPs), and Vana Samrakhaan Samities (VSS) in case of Watershed, BKVY and Afforestation schemes respectively and four villages having population over 1000 in case of other schemes were also selected on the basis of SRSWR method. Besides, 10 beneficiaries in each of such committee and selected villages etc. were also selected for beneficiary survey for eliciting their response by issuing a questionnaire to assess the impact of the schemes. Interactions were also made with the heads of the departments for finalization of the audit criteria in an entry conference held in April 2005. Performance indicators were also identified through a workshop (June 2005) with participation by State Government representatives and Non-Government Organisations (NGOs) working in the field. Audit observations were made using field data from official records and responses to preliminary observation memos issued to auditees. Status of the assets was also physically verified conjointly with State Government officials and some photographs of the assets have also been used as evidence. The results of the performance audit were discussed with the senior officials of the Planning and Coordination Department, Government of Orissa in an exit conference held in December 2007.

Impact assessment of RLTA on the targeted population was made by using services of the Xavier Institute of Management, Bhubaneswar (XIMB). An extract of the findings of the XIMB is given at **Appendix-V**. The findings of the XIMB have also been mentioned at appropriate places in the report.

## **1.7 Monitoring by Chief Administrator**

The State Government constituted (March 2000) a Special Area Development Project (SADP) at Koraput headed by a Chief Administrator (CA) fixing his Headquarters at Bhubaneswar. He was assisted by a Deputy Chief Administrator (DCA) along with a suitable staff to function as Principal Field Officer at the project level for supervision and monitoring the implementation of all programmes in KBK districts. While the CA was appointed in February 2001 the Revenue Divisional Commissioner, (Southern Division) was appointed as the DCA in addition to his regular duties from September 2002. However in June 2002, the functions of the CA were entrusted as an additional duty to the Director General, Gopabandhu Academy of Administration, Bhubaneswar. It was noticed that the implementing departments and their field formations ignored to intimate the details of funds placement and utilisation there of by endorsing copy of sanction orders and submission of periodical returns to him. Besides, there were instances of the P&C department taking decisions in matters relating to KBK districts without the knowledge of the CA. Thus, the project level monitoring at SADP, Koraput was virtually ineffective.