

Chapter 2: Allocation and utilisation of resources

2.1 Apportionment among various sectors

The sector-wise details of outlay under RLTA, funds available and utilisation thereof for the period from 1998-99 to 2006-2007 as furnished by the P&C Department was as below:

Name of the sector	Projected outlay (Rupees in crore)	Funds available during (Rupees in crore)							Utilisation of funds during (Rupees in crore)			
		1998-2002			2002-2007				Grand total	1998-2002	2002-07	Total
		CP / CSP	ACA / SCA	Total	CP /CSP	ACA /SCA	Total					
1. Agriculture	84.94	1037.36	98.77	8.20	106.97	198.49	111.06	309.55	416.52	42.96	283.44	326.40
2. Horticulture	74.14											
3. Watershed	878.28											
4. Afforestation	376.05		11.11	55.61	66.72	26.57	96.27	122.84	189.56	61.30	122.75	184.05
5. Rural Employment	2070.16		640.40	0.00	640.40	1592.78	0.00	1592.78	2233.18	568.43	1414.39	1982.82
6. Irrigation	812.11		183.13	37.90	221.03	1059.96	113.75	1173.71	1394.74	265.07	1072.08	1337.15
7. Health	150.94		5.52	14.70	20.22	43.45	46.94	90.39	110.61	17.99	87.19	105.18
8. Emergency feeding	88.50		0.00	40.19	40.19	0.00	84.29	84.29	124.48	32.01	89.16	121.17
9. Drinking water supply	135.47		37.17	25.00	62.17	136.84	98.30	235.14	297.31	58.81	227.64	286.45
10. Rural connectivity	599.70		79.37	10.61	89.98	902.75	337.31	1240.06	1330.04	3.33	1167.42	1170.75
11. Welfare of SC/ST	257.12		3.72	45.71	49.43	230.97	77.27	308.24	357.67	28.78	319.70	348.48
12. Other sectors*	0		0.00	6.03	6.03	1155.22	234.81	1390.03	1396.06	0.00	1382.51	1382.51
Total	5527.41		1059.19	243.95	1303.14	5347.03	1200.00	6547.03	7850.17	1078.68	6166.28	7244.96

*Other Sectors: Cooperation, Fisheries and animal resources, Handicrafts and handlooms, energy, sports and youth services etc

NB: - In absence of compilation of reported expenditure on account of CP and CSP for the year 2006-07, the funds available has been taken as expenditure incurred provisionally.

Only 31 per cent of the outlay was spent under agriculture, horticulture and soil conservation sectors

It could be seen from the table above that though the outlay for Agriculture, horticulture and soil conservation (watershed) was Rs 1037.36 crore, only Rs 416.52 crore were released and expenditure incurred was only Rs 326.40 crore (31 per cent) during 1998-2007 indicating inadequate release and poor utilization of funds. Under the rural connectivity, against the outlay of Rs 599.70 crore, Rs 1330.04 crore were made available and Rs 1170.75 crore were spent. The pooling of more resources under this sector was due to augmentation by the Prime Ministers Gram Sadak Yojana (PMGSY) since 2001-02. Similarly, there was excess expenditure over and above the projected outlay under drinking water supply due to implementation of a CSP scheme viz. Accelerated Rural Water Supply scheme. However, there was wide discrepancy between the figures of P&C Department and the figures furnished by the field functionaries to audit as discussed in the succeeding paragraph. The figures were not reconciled by the department (November 2007).

2.2 Scheme-wise allocation covering major activities

As per the information collected from the departments concerned of the State Government, the details of allocation of funds and reported utilisation under the nine major schemes covered in audit during 2002-07 was as below:

Name of the scheme	Implementing department	Source of funding (CP/CSP/ACA / SCA)	Funds available during 2002-07 including opening balance	Reported expenditure by the implementing departments / agencies	Closing Balance
			(Rupees in crore)		
1 Watershed	Agriculture	CSP/ACA/SCA	287.86	263.35	24.51
2 BKVY	Water Resources	ACA/SCA	93.99	77.07	16.92
3 Afforestation	Forest and Environment	CP/CSP/ACA/ SCA	100.61	97.47	3.14
4 Rural employment	Panchayati Raj	CP/CSP	1220.39	1140.49	79.90
5 IAY					
6 Rural connectivity	Works and Rural Development	CP/CSP/ACA/ SCA	887.61	805.75	81.86
7 Rural drinking water supply	Rural Development	CP/CSP/ACA/ SCA	58.13	57.39	0.74
8 Mobile health units	Health and Family Welfare	ACA/SCA	23.49	21.09	2.40
9 Emergency feeding	Women and Child Development	ACA/SCA	91.40	79.11	12.29
Total			2763.48	2541.72	221.76

Out of Rs 2763.48 crore available during 2002-07, Rs 221.76 crore remained unspent and the reported expenditure was inflated by Rs 182.39 crore

Thus, out of Rs 2763.48 crore available during 2002-07 for utilisation under the nine schemes, Rs 221.76 crore remained unspent with the implementing agencies by March 2007. Expenditure of Rs 805.75 crore shown against rural connectivity, however, included an advance of Rs 110.25 crore (2005-07) to Special Area Rural Connectivity Authority (SARCA), a society registered under Societies Registration Act, 1960, for preparation of detailed project report, which had not been prepared and submitted by SARCA till March 2007. Reason for the delay was not stated by the Department. Besides, an amount of Rs 72.14 crore was lying under civil deposit without expenditure (November 2007). The reported expenditure under the scheme was, thus, inflated by Rs 182.39 crore.

2.3 Injudicious allocation of RLTA funds

Allocation of funds, for the various schemes, linked with the development of BPL population of a district, was to be made according to the size of population of the BPL families in that district. The table below, however, showed that allocation of funds to the eight districts was made in such a way that the districts with more number of BPL families received less funds than the districts with relatively less BPL households.

Name of the districts	Population 2001 census (in lakh.)	Number of BPL families (1997)	BPL status	Funds allocated. (Rs in crore)	Funds per lakh people (Rs in crore)	Ranking in allocation of funds
Bolangir	13.37	201310	2	368.31	27.54	8
Kalahandi	13.35	193054	3	535.03	40.08	3
Koraput	11.81	221846	1	425.90	36.07	5
Malkangiri	5.04	89138	7	231.98	45.85	1
Nawarangpur	10.26	158684	4	327.62	31.93	7
Nuapara	5.31	99465	6	217.75	41.01	2
Raygada	8.31	135785	5	319.00	38.39	4
Sonepur	5.42	80396	8	185.31	34.25	6
Total	72.40	1179678		2610.90	36.06	

Source:- Economic Survey (Orissa) 2005-06 in respect of population, and status of BPL families

Audit findings on implementation of the schemes are discussed in the succeeding chapters.