

CHAPTER XV : MINISTRY OF RURAL AREA AND EMPLOYMENT

Department of Land Resources

15 Grants-in-aid against its own guidelines

Ministry provided grants of Rs 4.40 crore to two organisations for wasteland development against its own guidelines on the eligibility of the registered societies, sharing of usufructs with participation of the beneficiaries. This led to sub-optimal achievement of objectives besides unrefunded balance amount of Rs 48.85 lakh.

Pre-sanction checks were lax. AFEC had no past experience and AFF was not directly involved in wasteland development

Sample check of records of the National Wasteland Development Board under the Ministry of Rural Areas and Employment revealed that in violation of its own guidelines formulated for assistance for wasteland development, the Ministry sanctioned Rs 4.09 crore to AFF¹, Nasik and Rs 1.68 crore to AFEC² New Delhi for development of wasteland between March 1993 and October 1994 respectively. Out of Rs 4.09 crore disbursed to AFF, Nasik, it had spent Rs 3.66 crore and an unspent balance of Rs 43.47 lakh was lying with them as of March 1999. In the case of AFEC, New Delhi, out of the sanctioned project cost of Rs 1.68 crore, Ministry released only Rs 30.69 lakh out of which Rs 5.38 lakh was lying unspent with AFEC as of March 1999.

These sanctions were in disregard of the guidelines and did not fulfill the objectives as under:

Pre-sanction checks, essential for project approval were lax. The AFEC was registered as a society only in February 1994 and had no past experience in wasteland development. Despite this, the Ministry sanctioned a project costing Rs 1.68 crore to them and released the first installment of Rs 30.69 lakh in October 1994 just after eight months of its registration. Similarly, AFF, Nasik was only an Apex Federation of Tree Growers' Cooperatives in Maharashtra and was not directly involved in wasteland development. The Federation executed the project through another cooperative and acted only as an intermediary. Even the certificate of registration with the Registrar of Cooperative Societies in respect of AFF, Nasik was not furnished.

¹ Agro Forestry Federation

² Army Foundation for Environment Conservation

Pre-conditions of involvement of local community and sharing of usufructs by local people were negated due to planting on the Army land.

The overall survival rate of plantation was poor in the project of AFF and survival rate in project implementation by AFEC varied from five to 15 percent.

In both of these projects, planting was taken up on the exclusive property of army land, where access to public and village community was prohibited. In respect of AFF, Nasik, the planting was undertaken within the restricted area of firing ranges. This negated two significant pre-conditions for grants-in-aid for wasteland development, which sought to involve the local community and deprived the local people sharing of usufructs from plantation. The benefits of usufructs from AFF project were only to flow to School of Artillery, Deolali, Nasik.

Impact assessment carried out by the Agricultural Finance Corporation Limited, Mumbai underlined the absence of people's participation, non-sharing of usufructs and dismal performance of the AFF project in June 1998. Besides, the physical achievement of the projects were also insignificant. In respect of AFF, Nasik the overall survival rate of plantation was reported to be poor. For AFEC project, the survival percentage of plantation varied between 5 *per cent* and 15 *per cent* only. This reflected poorly on the decision to deviate from the basic approach of integrated wasteland development project, which purported to cover panchayats and government land in rural areas.

In response to the draft Audit Paragraph, Ministry defended its decision to provide grants-in-aid to these organisations on the following grounds:

- (i) There was no pre-condition that a society should be registered for longer time to be eligible for grant.
- (ii) The AFF and Maharashtra Sahakari Vriksha Utpadan Sangh are the same.
- (iii) There was no restriction on development of Army wastelands.
- (iv) There is no such statutory requirement to ensure benefits of usufructs to the local population.

The reply of the Ministry is not acceptable since none of the grounds advanced by it justifying its action to provide grants-in-aid were valid as under:

- (i) The intention of guidelines and the relevant provisions in General Financial Rules regarding past performance and audited accounts are clear that the organisation should have standing of a few years before grants can be given.
- (ii) Intermediary organisation cannot substitute for another registered organisation.
- (iii) While there was no restriction on development of army land, the scheme guidelines provided that the land selected for development should be such that benefits by way of usufructs should be available to the community, especially to the weaker section.