

## CHAPTER II: MINISTRY OF HUMAN RESOURCE DEVELOPMENT

### Department of Elementary Education and Literacy

#### Non-Formal Education Programme

*The Scheme has had limited success. Ineffective implementation of the Scheme, coupled with large-scale mismanagement of resources and absence of monitoring standards have robbed the Scheme of its potential. In the absence of benchmark survey of the potential out-of-school children who could benefit from the Scheme, a series of half-hearted measures, without community support and the strength of network, were the principal reasons for the dismal performance of the scheme. Other deficiencies noticed in audit related to states' failure to integrate the scheme into the main fabric of Universal Elementary Education. Voluntary Agencies have proved largely unaccountable in forging partnerships with the State machinery for developing grassroot level synergies. In essence, Audit review of the Programme revealed wide divergences between policies and practices and failures in creation of infrastructure.*

#### **Highlights**

Funding of the Scheme revealed a pattern of high initial provisioning and subsequent reduction. Further compounded by non-release of Central share, non-application of States' shares, lack of coordinated resource planning and unauthorized retention of central funds by State Governments.

The Scheme envisaged running of 3.50 lakh NFE Centres per year by the end of VIII Five Year Plan. Up to 1999-2000, grants were provided for 2,92,934 centres in the state sector and the voluntary sector. Of 2,34,146 centres sanctioned in state sector, 2,16,036 were opened. In most of them study material was either not procured or provided only at the end of the session.

Grants totalling Rs.24.74 crore released to eight States for opening night centres was unwarranted since the centres in these States were running during daytime.

100 per cent central grant was provided to NGOs for running NFE Centres in voluntary sector. However, NGOs continued to receive grants without opening the NFE Centres and thus misutilised the funds.

Most State Governments did not provide any induction or in service training to the inspectors and supervisors.

The Scheme adopted the strategy of condensed course of five-year duration – two years for Class I to V and three years for Class VI to VIII to cover the syllabi of eight years (Class I to VIII) with the help of specially designed educational curriculum. But in most States/UTs, this strategy was not

implemented. Eight States/UTs followed the system of formal education and completed the lower primary course in five years instead of the condensed course of two years. Non-adoption of condensed course not only resulted in excess release of grant of Rs.150.95 crore, but also deprived 42.45 lakh children of benefits of the Scheme. In ten States, though the two years condensed course was followed, the learners of NFE Centres were actually taught using textbooks of formal education, thus defeating the purpose of the non-formal curriculum.

Non-enrolment of children in NFE Centres as per norms of the Scheme deprived 43.59 lakh children of its benefits during 1995-96 to 1999-2000.

The ultimate goal of the Scheme viz entry of NFE learners into the mainstream of formal education after testing and certification remained unfulfilled. The system of issuing certificates was not implemented in three States. The pass percentage of NFE learners in five States was below 17 *per cent*. No record of lateral entry of NFE learners into the mainstream of formal education was available in most States.

The idea of exclusive girls' centres remained unimplemented, although grants for the purpose were released. In four states, co-educational centres were actually run, while grants were meant for girls' centres alone.

Payment of consolidated honorarium to NFE staff was stipulated in the Scheme. Despite this, four States paid salaries on regular scales to the NFE Staff resulting in extra payment and excess release of grant amounting to Rs.8.54 crore.

Supervision, monitoring and evaluation, both at State and Central levels were virtually absent. The entire responsibility was cast on the district authorities who took no corresponding initiative. The implementation of the scheme in voluntary sector was required to be monitored through quarterly progress reports. This proved a failure because no mechanism to verify the authenticity of facts given in such progress reports existed. The Village Education Committees were not constituted as required.

## **1. Introduction**

Free and compulsory education to all children up to the age of 14 years is one of the Directive Principles of State Policy enshrined in the Constitution of India. Despite continued efforts and considerable expansion of formal education, the achievement of universalisation of elementary education has remained a distant goal, as large groups of children in school going age still remain outside the formal system of education. In order to reach this large segment of marginalized children, a Centrally Sponsored Scheme of Non-Formal Education (NFE) was launched in 1979-80. It was upgraded in 1987 and revised in 1993 as an integral component of the strategy adopted under the National Policy on Education 1986. It envisaged an organisational network, involving both Government and voluntary agencies, flexibility in regard to

admission requirements, duration and timing, relevant curriculum and instructional methods, and diversity in learning material to suit the needs of non-formal learners.

Although the focus of the scheme was on the educationally backward states, viz **Andhra Pradesh, Arunachal Pradesh, Assam, Bihar, Jammu & Kashmir, Madhya Pradesh, Orissa, Rajasthan, Uttar Pradesh and West Bengal**, it also covered urban slums, hilly, tribal, and desert areas and projects for education of working children in other States/UTs as well.

## **2. Objectives of the Scheme**

The specific objectives of the scheme are as follows:

- (a) to develop the programme of non-formal education for meeting the educational needs of out-of-school children;
- (b) to establish a partnership between the Government on the one hand and voluntary agencies, public trusts, non-profit organisations, social activist groups, etc. on the other, in the task of providing educational opportunities for children who cannot enrol themselves in whole-day schools;
- (c) to identify young persons from the local community and train them as organizers of NFE centres and as community workers;
- (d) to give special attention to the training of women, non-formal education organizers for furtherance of the objectives of women's development as envisaged in the National Policy of Education; and
- (e) to evolve curricula, learning materials, instructional methods, evaluation techniques, etc. relevant to the needs, environment and working life of the non-formal learners.

## **3. Strategies**

The strategies of the scheme include:

- Releasing instructional methods from the bounds of a fixed curriculum and to make these adaptable enough to fulfil the unstructured educational needs of out-of-school children.
- Giving greater weightage to the growth of local synergies so that the local managerial and instructional needs are fulfilled locally.
- Achieving greater confluence of interests between the State and the voluntary agencies, so as to encourage local leadership, partnership and initiative.

## **4. Scope of Review**

This review, which covers the period from 1995-96 to 1999-2000, summarizes the significant findings of audit in regard to the implementation of the Scheme

in respect of 20 States and 2 Union Territories (UTs). The broad objective of the audit review was to look into the implementation of the scheme in States/UTs and Non Government Organisations (NGOs) and ascertain how efficiently the programme was implemented in accordance with the guidelines of the scheme and the degree of success that was achieved in regard to the major objectives of the Scheme, specially enrolment of children at NFE Centres and their entry into the mainstream of formal education. The review also aims at specifically ascertaining the achievement of a cluster of other parameters leading to the fulfilment of the Scheme objective viz:

- (i) whether central financial assistance made available to States/UTs and NGOs as per norms of programme was utilised properly and whether there were any mismatches in the flow of funds, particularly with reference to the sharing arrangement;
- (ii) whether the special curriculum and the specially designed teaching and learning materials, as well as the pedagogic methods suited to special learning objectives were employed;
- (iii) whether the learners in NFE Centres were tested and certified at the end of their course for enabling their entry into the formal system of education;
- (iv) whether the trainers (supervisors and instructors) could acquire the techniques and skills required for imparting specialised teaching in a non-formal environment;
- (v) whether the extent of community participation at village level in regard to the identification of potential instructors, readiness of parents to send their children to NFE Centres was satisfactory.

The review is based on the sample check of records relating to the period 1995-96 to 1999-2000 maintained at the Union Ministry of Human Resource Development and concerned State Government Departments Details of sample size are given in **Annex - I**.

## **5. Organisational set-up**

At the Central Government level, the Department of Elementary Education and Literacy, Ministry of Human Resource Development is responsible for overall budgetary control and for formulating long term and annual plans in consultation with National and State level resource institutions. The States/UTs are responsible for planning, supervision and evaluation of the implementation process. The organisational set-up in the States is a complex interface among the State Government functionaries, voluntary agencies and the local community. At district level, the district authorities, and at project level, the project officer provides technical and academic support to the NFE Scheme. The key organisation is at village level called NFE centre and hence the Village Education Committees (VECs) constitute the last link responsible for selecting suitable locations for NFE Centres, identifying potential instructors, persuading the parents to send their children to NFE Centres,

deciding on the timings of centres and ensuring their effective functioning. Structurally, it is this last link in the network that is entrusted with the most crucial functional responsibilities. The strategies of the scheme rest critically on the initiative and resourcefulness of the Village Education Committees. Unlike other organisational structures, which are built upon the existing voluntary or governmental structures, Village Education Committees are required to be created through the mobilization of local initiative to energize the grass root level so that they assume the role visualised for them.

For the purpose of supervision and control by the State Government, the Centre provides financial assistance for the deployment of supervisory staff viz. Joint Director and his staff at State level, Assistant Director and his staff at district level and Project Officer and his staff at the project level comprising 100 NFE Centres. For every 10 NFE Centres, there is a supervisor. A NFE Centre could be opened with 20-25 children, at a place convenient to the children under the charge of locally selected instructors. The instructors of NFE Centres are given training by district resource units in District Institute of Education and Training.

The scheme is also implemented on project basis through NGOs who are provided cent *per cent* grant by the Central Government with the broad aim of involving voluntary agencies, public trusts, non profit organizations and social activist groups.

## 6. Results of Review

### 6.1 Funding of the Scheme

The Scheme aimed at opening 3.50 lakh NFE centres per year in State and voluntary sectors by the end of the VIII plan.. To achieve this, the Ministry provided financial assistance to States/UTs and to NGOs. During the years 1995-96 to 1999-00, the budget allocation and grants released by the Ministry were as under:

*(Rs in lakh)*

Year	Budget estimate		Revised estimate		Actual expenditure	
	State Sector	Voluntary Sector	State Sector	Voluntary Sector	State Sector	Voluntary Sector
1995-96	13345	2500	12845	2500	12851.69	2489.26
1996-97	12820	3000	12820	3000	12830.20	2984.65
1997-98	24870	7500	14766	3524	14766.00	3525.47
1998-99	23371	7500	11950	4000	11957.32	3992.05
1999-2000	26450	8500	11950	4000	11338.10	3999.98
<b>Total</b>	<b>100856</b>	<b>29000</b>	<b>64331</b>	<b>17024</b>	<b>63743.31</b>	<b>16991.41</b>

*Details of expenditure are given in Annex II and Annex III.*

**Weakened budgetary support and persistent debilities in implementation led to a weak infrastructure .**

The huge gap between the budget estimates and the revised estimates particularly in the last three years is a pointer to the fact that while bold policy pronouncements supporting the programme were made, corresponding financial inputs could not be used to a large extent apparently due to weaknesses in the implementation. The Ministry stated in August 2001 that the funds provided for revised NFE Scheme in budget estimates during 1997-

2000 were reduced in revised estimates as the revised scheme could not get the approval of the Cabinet. During the five years under review, Rs 1008.56 crore was the initial budgetary commitment for the State sector. This was scaled down to Rs. 643.31 crore, an overall drop of almost 36 *per cent*. Similarly, the initial budgetary commitment of Rs 290 crore for the voluntary sector was declined to Rs 170 crore in the revised estimates, a drop of around 41 *per cent*. Between the state sector and the voluntary sector, it is the voluntary sector which registered a higher capacity utilisation as it has increased from around Rs 25 crore in 1995-96 to around Rs 40 crore in 1999-2000. But this cannot be taken as an indication of a policy shift towards a larger role for the voluntary sector as the volume of resource transfer to the voluntary sector still remains low and more importantly, largely non-accountable. Persistent debilities in the implementation of the Scheme in the state sector, despite policy exhortations for greater attention towards the under privileged and the marginalized in the programme of Universalisation of Elementary Education, was on account of a combination of factors as brought out in succeeding paragraphs of the Review. Overall, it can be concluded that the nodal Ministry at Centre and the States failed to direct and supervise the course of the Scheme.

### 6.1.1 Funding support

Short releases and absence of complementary State support leading to weakened resource base.

The programme was being implemented through the State Governments with the expenditure being shared between the Central and State governments in the ratio of 60:40 for co-educational centres (including administrative resource support) and 90:10 for exclusive girls centres under state sector. Financial assistance was provided by the Ministry to the State Governments on the basis of number of NFE Centres sanctioned. In the 13 states listed below there was a shortfall of Rs. 264.22 crore (Central share Rs. 168.49 crore and state share Rs. 95.73 crore) in releasing funds for implementation of the programme during 1995-96 to 1999-2000 as detailed below:

(Rs in lakh)

State/UT	Central share short released	State share short provided	Total
1. Andhra Pradesh	7002	1100	8102
2. Arunachal Pradesh	8	3	11
3. Assam	806	1187	1993
4. Bihar	517	2583	3100
5. Gujarat	13	7	20
6. Jammu & Kashmir	372	Nil	372
7. Manipur	29	220	249
8. Meghalaya	28	Nil	28
9. Mizoram	34	14	48
10. Orissa	2650	600	3250
11. Rajasthan	333	NA	333
12. Tamil Nadu	193	-	193
13. Uttar Pradesh	4864	3859	8723
	<b>16849</b>	<b>9573</b>	<b>26422</b>

Ministry stated in August 2001 that the short releases of Central share was due to adjustment of unspent balances and non-release of second instalments for want of accounts of the earlier grants. The impact of this non-release of funds was that it either held back the opening of atleast 296045 NFE centres (59209 centres in each year during 1995-96 to 1999-2000) or starved the existing centres. The State's share being proportionately much lower, the volume of unreleased funds indicates a greater degree of neglect of the scheme by the State Governments.

## 6.2 Programme execution

### 6.2.1 Non-opening of required NFE centres by States and Voluntary Agencies

**Target of opening 3.5 lakh NFE centres by VIII plan remained unattained**

A NFE Centre, the basic component of the Scheme, was to be opened for out of school children of 6-14 age group at a place and time convenient to them under the charge of a locally selected instructor to impart primary level education equal to the quality of corresponding formal education. Though no specific target for opening NFE Centres were fixed, the scheme envisaged running of 3.50 lakh NFE Centres per year upto the end of VIII Five Year Plan. No additional target were fixed/envisaged for subsequent years. The Ministry released grants for setting up of only 278595 centres in 1995-96, 279799 in 1996-97, 290422 in 1997-98, 297044 in 1998-99 and 292934 in 1999-2000 under State and Voluntary Sectors. However, despite release of grants for opening targeted number of NFE Centres, there was substantial shortfall in the opening of NFE centres by the States/UTs in the State Sector every year as detailed below:

Year	Centres in State Sector for which grant released	Centres actually opened in State Sector	Shortfall in opening of Centres	Percentage of shortfall
1995-96	240787	201339	39448	16.38
1996-97	240899	203712	37187	15.43
1997-98	241399	211612	29787	12.34
1998-99	238256	196755	41501	17.41
1999-00	234146	216036	18110	7.73

Against the overall target of 3.5 lakh NFE centres per year the highest number that could be achieved was 2.41 lakh during 1997-98. Thereafter, the number has been declining. The State-wise position showing the number of Centres not opened vis-à-vis those sanctioned is given below:

*Report No. 3 of 2002 (Civil)*

State	NFE Centres not opened									
	1995-96		1996-97		1997-98		1998-99		1999-2000	
	Number	Percentage to Centres sanctioned	Number	Percentage to Centres sanctioned	Number	Percentage to Centres sanctioned	Number	Percentage to Centres sanctioned	Number	Percentage to Centres sanctioned
1. Andhra Pradesh	11128	31	7569	21	7443	21	4776	13	4591	12
2. Arunachal Pradesh	100	100	100	100	100	100	31	31	100	100
3. Bihar	11946	24	5185	10	3406	7	29436	59	6476	14
4. Jammu & Kashmir	583	21	566	20	550	20	-	-	29	1
5. Madhya Pradesh	3426	10	2080	6	4288	13	4290	13	4544	13
6. Mizoram	-	-	-	-	-	-	60	23	-	-
7. Orissa	8000	34	8000	34	8000	34	-	-	-	-
8. Rajasthan	2772	16	1588	9	2137	12	1783	10	2011	11
9. Uttar Pradesh	1493	3	12098	20	3863	6	1110	2	351	1
10. Chandigarh	-	-	-	-	-	-	15	13	8	7
Total	39448		37186		29787		41501		18110	

The shortfall was the highest in Arunachal Pradesh, which did not open any NFE centre during 1995-98 and 1999-2000.

**Grant of Rs 4.56 crore were misutilised by NGOs as NFE centres were not opened**

Further, the test-check of records of 30 voluntary agencies of **Haryana, Karnataka, Madhya Pradesh** and **West Bengal** revealed that these agencies misutilised Rs 4.56 crore as they had received the grant but had not used it for opening the NFE Centres as detailed below:-

*(Rs. in lakh)*

Sl. No.	State	No. of Voluntary Agencies	Year	Number of Centres	Amount of grant
1.	Haryana	2	1999-01	100 (50 each)	12.76
2.	Karnataka	1	1995-2000	N.A.	30.31
3.	Madhya Pradesh	26	NA	1875	379.00
4.	West Bengal	1	1995-2000	100	34.07
	Total	30			456.14

### 6.2.2 Enrolment of children

The NFE programme in State Sector was implemented by 16 States/UTs of **Andhra Pradesh, Arunachal Pradesh, Assam, Bihar, Gujarat, Jammu and Kashmir, Madhya Pradesh, Manipur, Meghalaya, Mizoram, Orissa, Rajasthan, Tamil Nadu, Uttar Pradesh, Chandigarh** and **Dadra & Nagar Haveli**. The year-wise details of enrolment of children in those States where shortfall in enrolment was noticed during the period 1995-96 to 1999-2000 is given below:



Year	NFE Centres		Number of Children			Percentage of shortfall
	States/UTs where shortfall noticed	Sanctioned where shortfall observed	To be enrolled as per norms	Enrolled	Shortfall	
1995-96	11	1,91,674	47,91,850	3942265	849585	18
1996-97	8	1,70,874	42,71,850	3747243	524607	12
1997-98	10	1,88,674	47,16,850	3741609	975241	21
1998-99	9	1,95,134	48,78,350	3726026	1152324	24
1999-00	12	2,12,436	53,10,900	4453797	857103	16
<b>Total</b>		<b>9,58,792</b>	<b>2,39,69,800</b>	<b>19610940</b>	<b>4358860</b>	<b>18</b>

**43.59 lakh children were deprived of benefits of NFE Programme due to lesser enrolment during five years**

It can be seen from the above table that there was an overall shortfall of 18 *per cent* in enrolment of children which meant depriving 43.59 lakh children of the benefits of NFE Programme under State Sector during the years 1995-96 to 1999-2000. The percentage shortfall in enrolment of children ranged between 12 and 24 during 1995-96 to 1999-2000, the position being more serious in 1998-99.

The State-wise and year-wise percentage of shortfall in enrolment of children in NFE Centres under State Sector during the years 1995-96 to 1999-2000 are given below:-

State	Percentage shortfall during the years				
	1995-96	1996-97	1997-98	1998-99	1999-2000
Arunachal Pradesh	NFE Centres opened in 98-99			64	64
Bihar	28	14	9	60	21
Jammu & Kashmir	39	35	37	22	32
Madhya Pradesh	7	3	12	11	29
Manipur	30	-	-		21
Mizoram	40	57	50	59	49
Orissa	43	34	34	29	23
Tamil Nadu	12	12	12	-	13
Uttar Pradesh	8	6	35	5	7
Dadra & Nagar Haveli	2	17	16	9	15

From the data given in the above table, it can be seen that there was heavy shortfall in enrolment of children in some educationally backward States - viz. 9 to 60 *per cent* in **Bihar**, 22 to 39 *per cent* in **Jammu & Kashmir**, 40 to 59 *per cent* in **Mizoram**, 23 to 43 *per cent* in **Orissa**, 5 to 35 *per cent* in **Uttar Pradesh** during the years 1995-96 to 1999-2000.

### 6.2.3 Adoption of condensed course

The first step in the implementation of NFE programme is the adoption of a condensed course of two years for covering the syllabi of primary level class I to V and three years for class VI to VIII with the help of a specially designed educational curriculum. The basic idea of this course is to provide education

upto class VIII to the socially marginalized children within the shortest time period. Audit findings revealed that several States and NGOs did not adopt the condensed course syllabus. Despite this, the Ministry released grants to them as discussed in paragraph 9.3.

### **6.3 Development and distribution of specially designed curriculum**

The NFE Scheme envisaged development of specially designed curriculum to cover primary level course of five years within the condensed course of two years duration and to distribute it among the learners of NFE centres. Out of 23 states/UTs implementing the programme, only Bihar and Tamil Nadu had developed this curriculum.

**In 9 States/UT formal education system of five years was adopted and in 10 States/UT text books of formal education were taught in two years**

In the nine states/UT of **Arunachal Pradesh, Jammu and Kashmir, Madhya Pradesh, Manipur, Meghalaya, Mizoram, Orissa, Rajasthan and Chandigarh**, instead of developing specially designed curriculum, text books prescribed for formal education system were provided to students. This resulted in extension of duration of the condensed course from two years to five years. In ten states/UT of **Andhra Pradesh, Assam, Gujarat, Himachal Pradesh, Karnataka, Tripura, Uttar Pradesh, West Bengal, Delhi and Dadra & Nagar Haveli**, though the course period was limited to two years, the learners of NFE centres were taught from text books of formal education. Resultantly the quality of non-formal education imparted to students was not equal to that of formal education as a period of two years of formal teaching was not enough to cover the formal primary level course of five years.

A few other observations are as follows:

In **Bihar**, test check of five districts (Chapra, Hazaribagh, Deoghar, Vaishali and Madhubani) revealed that the specially designed curriculum was provided to only 35 to 57 *per cent* of the NFE learners during the period 1995-2000.

In **Tamil Nadu**, guidelines issued in 1989 by State Resource Centres for Non-Formal Education prescribed a separate curriculum for each subject for each level under NFE. For the first two levels, the specially designed books, curriculum was to be supplied by SRC. Against this, it was observed in April 1999, that the Centre for Social Education and Development, Madurai supplied to the learners of level-I, those books which were prescribed for first and second classes under Formal Education on the plea of non-availability of books designed by SRC. Test check by audit of four voluntary agencies revealed that the specially designed books were distributed to learners of NFE Centres late by 1 month to 11 months depriving learners of the facility in time.

In **Uttar Pradesh**, during the period 1995-96 to 1998-99, the percentage shortfall in supply of prescribed textbooks ranged between 47 (1998-99) to 100 (1996-97). Besides short supply, 9.85 lakh NFE learners were not provided any book at all during 1995-96 to 1999-2000.

Similarly in **Uttaranchal**, during 1995-96 to 1998-99, 28620 NFE students were not provided any textbooks.

#### 6.4 Provision of Teaching Learning Material

The Ministry provided grants for supply of teaching learning material (TLM: maps, charts, books, game material, etc.) at the rate of Rs. 850 per annum for each NFE Centre. Audit findings revealed various discrepancies in the supply of TLM like non supply/inadequate supply/late supply of TLM, diversion of funds meant for TLM, unauthorised purchase of TLM, etc. All these discrepancies adversely affected the learning process of the students in NFE centres. State-wise comments are given below:

**In Andhra Pradesh, Rs 4.59 crore sanctioned against Rs 28.28 crore required for TLM**

In **Andhra Pradesh**, out of Rs. 2293.00 lakh sanctioned for purchase of TLM for supply to 25400 NFE Centres during the period 1995-2000, Rs. 363 lakh was deposited in Personal Deposit Account and the remaining amount of Rs. 1931 lakh was not drawn by the State Government. The Commissioner and Director of School Education released an amount of Rs. 265 lakh for purchase of TLM out of the grants of Rs. 459 lakh sanctioned during 1992-94, against the actual requirement of TLM funds amounting to Rs. 2828 lakh. Besides, an amount of Rs. 1999 lakh sanctioned for purchase of TLM, and equipment (boxes, petromax lamp, black boards, etc.) for running 25400 centres during 1995-2001 remained unspent as of March 2001.

**In Assam Rs 6.67 crore remained unspent**

In **Assam**, against the requirement of TLM worth Rs. 1305 lakh, an amount of only Rs. 638 lakh was incurred and the remaining Rs. 667 lakh was lying unspent as of March 2000.

In **Bihar**, test check in five districts revealed that out of requirement of 10.85 lakh books, only 4.67 lakh books (43%) were supplied in State sector. In voluntary sector, the percentage shortfall in supply of books was 77 per cent.

In **Madhya Pradesh**, in six districts (Gwalior, Indore, Jhabua, Mandla, Raj Nand Gaon and Seoni), TLM was not purchased for periods ranging up to 5 years. An amount of Rs. 12.23 lakh sanctioned in 1995-96 for purchase of TLM in Zila Panchayat, Tikamgarh was utilised during 1999-2000. Purchases of TLM for the year 1999-2000 in four districts of Guna, Indore, Jhabua and Shivpuri were made at the end of the session.

In **Mizoram**, test check of 46 NFE centres revealed irregular supply of text books in 35 centres during 1995-2000, with delays ranging from 3 months to 3 years. Other TLM (maps, charts, books, games material) for which an amount of Rs. 850 per annum *per centre* was provided, which could not be purchased and distributed during 1995-2000.

In **Orissa**, the Deputy Inspectors of 19 schools failed to provide TLM to 2.51 lakh learners during 1995-2000. In 11 schools, the Deputy Inspector did not supply TLM to learners for 2 to 28 months during 1995-2000 due to late purchase of TLM. Further, in the voluntary sector, five NGOs did not purchase TLM for 2 to 5 years, thus depriving 31581 learners of the material.

In **Rajasthan**, the percentage of shortfall in supply of books to students studying in class II to V in NFE centres of voluntary sector, ranged between 71 to 100 during 1995-2000. Besides, 1.87 lakh exercise books received in 20 projects were found defective.

**In 7 districts of Uttar Pradesh there was irregularity in purchase of TLM costing Rs 5.34 crore.**

In **Uttar Pradesh**, funds were provided by Ministry/State Government and the district level officers to procure materials against the rate contract of the Director of Industries by following Store Purchase Rules, if the materials were not available against rate contracts. It was, however, noticed that large number of irregularities were committed by the District Non-Formal Education Officers (DNFEOs) Allahabad, Bahraich, Deoria, Jaunpur, Meerut, Rae Bareli and Sultanpur during 1995-96 to 1998-99 in the procurement of materials costing Rs.5.34 crore. Relevant records were not made available to audit as departmental enquiries in all procurement cases were reportedly under progress.

However, test-check (November 2000) of the records of the DNFE0, Allahabad disclosed that Rs.5.25 lakh were reportedly spent during 1998-99 (January 1999) for procurement of items like plastic buckets, brooms, carbon dot pens etc. without approval of the competent purchase committee for distribution to 2100 NFE Centres run in the district. The amount was charged to the contingent expenditure of the NFE Centres. These items were entered in stock register of DNFE0 but neither were entries of issue of these items to project officers for distribution to centres made nor were these items carried forward in the stock registers of the subsequent years. Besides, these items had also not been certified to be physically available in the stock. Evidently the transactions were either fictitious or the materials had been misappropriated. The DNFE0, Allahabad stated that no file concerning the above purchase was available in the office and that it was not possible to intimate the exact position in the matter.

**No record for distribution of TLM costing Rs 20.93 lakh was kept by DNFE0 Deoria**

In yet another case, as per entries in the Cash Book of PLA, teaching/learning materials worth Rs.20.93 lakh were purchased by the DNFE0, Deoria during February and March 1996 for distribution to NFE Centres through Project Officers. There was no record to indicate receipt or distribution of materials to centres during 1995-96 or even in the subsequent years.

## **6.5 Testing and Certification**

The impact of the NFE Programme on the beneficiaries is measured by testing students through an examination. The candidates who pass this examination are issued certificates which enable them to enter the formal stream of education. The testing and certification method was to be adopted in NFE centres in State sector and voluntary sector. Audit findings in various states revealed that in some states, records of successful candidates and issue of their certificates were not maintained and the pass percentage of students was much below 50 *per cent* in test checked states. The entry of passed students into mainstream formal education remained uncertain in the absence of any follow-up action on this part by states.

In five states of **Andhra Pradesh, Manipur, Orissa, Uttar Pradesh** and **Tamil Nadu**, the nodal Department had not maintained any record of the number of candidates who appeared and passed in the examination and who were issued certificates. Test check of records of passed candidates in the following nine states during 1995-96 to 1999-2000 revealed the following position:

Sl. No.	State	Percentage of passed candidates to total candidates enrolled during the years				
		1995-96	1996-97	1997-98	1998-99	1999-2000
1.	Gujarat	80	77	81	N.A.	N.A.
2.	Jammu & Kashmir	72	84	88	85	94
3.	Madhya Pradesh	5	5	04	03	03
4.	Meghalaya*	N.A.	N.A.	05	06	08
5.	Mizoram**	11	15	17	17	01
6.	Rajasthan	05	06	05	04	04
7.	Tamil Nadu	N.A.	16	65	N.A.	46
8.	Uttar Pradesh	53	51	59	43	50
9.	Chandigarh	02	01	01	02	04

\* information for five districts only.

\*\* information for 34 centres only.

**In five States, no record of passed students were kept. In another five States/UT pass percentage was 1 to 17%. In three States system of testing and examination was not adopted**

It would be seen from the above table that in five states/UT of **Madhya Pradesh, Meghalaya, Mizoram, Rajasthan** and **Chandigarh**, the percentage of passed candidates with reference to total enrolled candidates was abysmally low as it ranged between 1 to 17. In **Tamil Nadu & Mizoram**, the decline in the percentage of passed candidates over the years was more pronounced. Some other state wise comments are given below:

In **Arunachal Pradesh**, the programme was implemented in 1998-99 and out of total of 905 learners, 378 (42%) appeared in the examination and qualified for entering the mainstream of formal education. In **Assam**, NFE learners were taught in two batches for periods of two years of December 1995 to January 1997 and June 1998 to May 2000. The pass percentage of learners in both batches was 31. Similarly, in **Bihar**, the children enrolled in NFE were imparted primary level education in two batches. In first batch of 1994-98, 34% of the total enrolled children passed and in II batch of 1995-97 to 1999-2000 this percentage was 46. In **Manipur**, as per reports of Project Officers submitted in June 2000, of the 55 NFE projects, in 34 projects having 1915 centres, 19536 learners (48.71%) out of 40102 passed the examination. Year wise number of learners, appeared and passed was not available. In **Orissa**, test-check in 33 out of 158 projects revealed that only 4.4% learners (00.49 lakh out of 11.11 lakh) passed in qualifying examination during 1995-2000. In **Uttar Pradesh**, system for assessing knowledge acquired by learners during their stay in NFE classes was not evolved and passing Class V was taken as the main criterion. In three states of **Jammu & Kashmir, Manipur** and **Tamil Nadu** system of issuing certificate to the passed students was not adopted.

## 6.6 Lateral entry of NFE learners into formal stream

### (A) State Sector

In 11 states/UT, record of lateral entry of successful learners into the formal education system was not maintained

One of the main criteria to measure the impact of NFE Programme is lateral entry of successful learners into the stream of the formal education system. It was observed that 11 States/UT- **Andhra Pradesh, Arunachal Pradesh, Assam, Bihar, Gujarat, Jammu & Kashmir, Manipur, Meghalaya, Mizoram, Orissa and Dadra & Nagar Haveli** had either no information or had not maintained any record to ascertain the number of NFE learners of State-Sector who entered the mainstream of formal education. **Tamil Nadu** and **Jammu & Kashmir** had not issued any certificates to NFE learners. The position of lateral entry in respect of NFE learners who were admitted into formal education in the State of **Uttar Pradesh, Rajasthan and Chandigarh** is given below: -

Sl. No.	State	Number of candidates				Percentage of Col. 6 to 5	Percentage of Col. 6 to 3
		Enrolled	Appeared	Passed	Entered the formal stream		
1	2	3	4	5	6	7	8
<b>1995-96</b>							
1.	Uttar Pradesh	8,76,000	4,95,000	4,62,000	87,000	19	10
2.	Rajasthan	4,29,213	28,871	22,760	10,598	47	2
<b>1996-97</b>							
1.	Uttar Pradesh	5,12,000	2,79,000	2,59,000	94,000	36	18
2.	Rajasthan	4,62,013	33,059	25,880	9,606	37	2
3.	Chandigarh	3,000	35	28			
<b>1997-98</b>							
1.	Uttar Pradesh	6,05,000	3,95,000	3,56,000	1,05,000	30	17
2.	Rajasthan	4,33,910	25,247	20,556	9,444	46	2
3.	Chandigarh	2,708	50	35			
<b>1998-99</b>							
1.	Uttar Pradesh	4,99,000	2,33,000	2,14,000	66,000	31	13
2.	Rajasthan	4,40,160	22,320	18,701	8,812	47	2
3.	Chandigarh	2,914	80	65			
<b>1999-2000</b>							
1.	Uttar Pradesh	8,19,000	4,61,000	4,05,000	69,000	17	8
2.	Rajasthan	4,15,152	20,753	16,821	8,000	48	2
3.	Chandigarh	3,247	117	97			

8 to 18 *per cent* of learners in **Uttar Pradesh**, 2 *per cent* in **Rajasthan** had entered the formal education system, during years 1995-96 to 1999-2000. In **Chandigarh**, 225 out of 11869 NFE learners entered the formal education stream during the above period. The entry of passed candidates into mainstream formal education was also low.

**(B) Voluntary Sector**

In voluntary sector, the information regarding lateral entry of learner was available only in respect of following five States during 1995-96 to 1999-2000 as depicted below:-

Sl. No.	State	Enrolled	Appeared	Passed	Lateral entry	% of Col. 6 to 5	% of Col. 6 to 3	Period
1	2	3	4	5	6	7	8	9
1.	Haryana	78,229	5,899	4,787	2,185	46	3	1995-00
2.	West Bengal	NA	NA	45,550	4,447	10	NA	NA
3.	Uttar Pradesh (II year)	13,625	12,524	10,426	2,406	23	18	NA
4.	Tripura	4,144	NA	NA	660	NA	16	1998-2000
5.	Orissa	NA	NA	20,367	13,732	67	NA	NA

The obvious conclusion is that NFE programme was unable to make the desired impact in terms of lateral entry of children into the mainstream of formal education.

**6.7 Training of Instructors and Supervisors**

The NFE Programme envisaged the induction and in-service training of instructors and supervisors for imparting Non-Formal Education to the children equal to quality of formal education and for effective functioning of NFE Centres. Each instructor was to be imparted 30 days of induction training at the time of his appointment in addition to 20 days in-service training every year. Some of the shortcomings noticed are detailed in succeeding sub-paragraphs.

**6.7.1 Shortfall in imparting training to instructors/supervisors**

**There was 14 to 100% shortfall in training of instructors in 10 States /UT**

Shortfall in imparting training to instructors ranged from 14 to 100%: **Assam** (85% and 99%), **Andhra Pradesh** (74%), **Bihar** (75%), **Jammu & Kashmir** (73%), **Gujarat** (72%), **Madhya Pradesh** (14%), **Manipur** (100%), **Mizoram** (45%), **Rajasthan** (25%), **Chandigarh** (83%).

Similarly, every year, each supervisor was to be imparted 20 days induction-training and 10 days in-service training. It was observed that there was a shortfall in imparting training to supervisors, as detailed below:

*Report No. 3 of 2002 (Civil)*

Sl. No.	State	Staff to be trained	Trained	Shortfall	Percentage	Period/Remarks
1.	Assam	a. 1,126 b. 908	332 Nil	794 908	71 100	1995-98 1998-2001
2.	Andhra Pradesh	280	100	180	64	For 10 days only during 1997-98
3.	Jammu & Kashmir	439	156	283	64	
4.	Manipur	a. 300 b. 311	Nil Nil	300 311	100 100	Up to 1996-97 1997-98 to 1999-2000
5.	Orissa	1,267	608	659	52	1995-2000 Orientation training in 33 Projects
6.	Rajasthan	5,975	3,575	2,400	40	1995-2000 26 to 55 per cent
7.	Chandigarh	28	7	21	75	1996-97 to 1999-2000

**There was 40 to 100% shortfall in training of supervisors in 7 States/ UT**

Thus, there was shortfall in training of supervisors ranging from 40 to 100 *per cent*. Non-imparting of training affected the quality of the programme as non-formal education called for intensive exposure to the use of specialized teaching materials and teaching methodologies.

### **6.7.2 Deficiencies in training imparted**

Test check of records of various States revealed various deficiencies, as detailed below:

**There was heavy shortfall in training of instructors and supervisors**

In **Andhra Pradesh**, the Government sanctioned Rs 12.84 crore during 1995-2001 for imparting training to Instructors and Supervisors of 25,400 NFE Centres under State Sector and Rs 1.31 crore for Centres run by ZSS during 1995-2000. It did not release the amount to the implementing agencies. During 1996-97, the State Govt. released Rs. 1.61 crore to all DEO's and Principals of DIETs for conducting training programme. The Commissioner, however, did not have any information about the numbers of Instructors and Supervisors actually trained. In **Arunachal Pradesh**, instructors were provided only 3 days training during 1998-99. In **Bihar**, no training was imparted to 6,089 instructors. In **Madhya Pradesh**, against the target of 15,000 personnel to be trained by SCERT, the shortfall in training ranged between 15 to 28 *per cent* during 1995-2000. The position of instructors and supervisors trained was not on record. Though 355 to 400 training programmes were proposed every year, achievement there against was not on record. In **Meghalaya**, no fund was allotted for training of instructors and supervisors. In **Orissa**, test check of 28 projects revealed that 1,32,600 days of training could be provided to 15,418 instructors against the requirement of 3,08,360 days training resulting in shortfall of 1,75,760 days (57 % of requirement). In **Uttar Pradesh**, supervisors were not appointed and their work was entrusted to VECs.



However, the State Government continued to receive the grant. 8316 instructors were imparted 10 days training during 1995-96. Further, no induction training for 30 days was conducted during 1995-2000. In **Dadra & Nagar Haveli**, instructors/supervisors were trained for 7 days only in 1996-97 as against 20 days in service training each year. In **Tamil Nadu**, the shortfall in relation to the duration of imparting training to instructors and supervisors during the two years of 1995-96 and 1996-97 (covering the period up to 1998-99), was 83 *per cent* and 50 *per cent* and 75 *per cent* and 10 *per cent* respectively. In **Haryana**, test check of records of 6 Voluntary Agencies revealed that the agencies imparted training for 5 to 25 days in a year to the instructors and supervisors at their own level instead of arranging it through DIET. In **Himachal Pradesh**, no training was imparted by a Voluntary Agency to the functionaries of the scheme.

#### 7. Village Education Committee

Village Education Committees not formed.

The programme envisaged formation of Village Education Committees at village level and assigned the VECs the most crucial responsibilities for selecting suitable location for NFE centres, identifying potential instructors, persuading parents to send their children to NFE centres, deciding on the timings of centres and ensuring their effective functioning. Audit scrutiny revealed that the Village Education Committees were formed only in seven States- **Andhra Pradesh, Madhya Pradesh, Meghalaya, Orissa, Tripura, Uttar Pradesh** and **West Bengal**. In rest of the 16 States/UTs, no Village Education Committees were formed. In **Uttar Pradesh**, where the post of supervisor was abolished, and work of supervision of NFE centres was to be conducted only by the Village Education Committees, it could not be ascertained whether VECs ever functioned. In **Meghalaya**, no survey was conducted by VECs which were formed by 22 out of 25 test-checked voluntary agencies. Thus it could not be ascertained in audit as to how the NFE Scheme was implemented effectively in the absence of VECs in these States/UTs.

#### 8. Monitoring and Evaluation

The programme envisaged supervision, monitoring and evaluation both at state and central levels through quarterly progress reports to be submitted by the State Governments and voluntary agencies and Joint Evaluation Teams setup for the purpose. The District Authorities were also responsible for supervision and control of NFE Centres running in their jurisdiction. At grass root level, Village Education Committees were also to be constituted to supervise effective functioning of NFE centres.

**Besides lack of control of State over NGOs, no mechanism was devised to ascertain the facts given in quarterly progress report submitted to them**

Audit findings at state level revealed that State/UTs took no serious steps to monitor the scheme and left it to the district authorities who also did not take initiative to monitor the scheme. Although monitoring at central level was done through progress reports received from state/voluntary agencies no mechanism was devised by the Ministry to verify the facts given in the report and to take any follow up action on these reports.

No study was conducted by the Ministry to evaluate the impact of the programme. At the instance of the Planning Commission, the Programme Evaluation Organization (PEO) undertook an evaluation of the Scheme in 1998 and concluded as follows:

**Planning Commission highlighted many deficiencies in the scheme. No appropriate evaluation done at the State level.**

- (a) The financial needs of NFE centres were not being met, as both the Centre and States were not releasing their shares of allocation for NFE fully. Inadequate financial resources and their untimely release had affected the performance of the centres adversely.
- (b) In addition to inadequate resources, the performance of NFE centres was affected by non-availability of TLMS, unqualified instructors and inadequate supervision and monitoring.
- (c) The NFE system has not made any significant contribution to the realization of the goal of UEE. Only a small fraction of the out-of-school children have been benefited by it.

The evaluation emphatically concluded that NFE cannot be a major instrument for achieving UEE.

At the state level also very little effort was made to form the Joint Evaluation Team except in **Bihar** and **Gujarat** where Teams were constituted but no evaluation study was conducted. However evaluation of the scheme conducted in **Madhya Pradesh** in 1996 and 1998 by a voluntary agency and the Planning Commission respectively, revealed that the NFE scheme had not made any significant contribution to the realization of the goal of UEE. The Principal Secretary of the Education Department stated in October 1999 that the implementation of the NFE scheme had resulted in enormous wastage of resources besides acquiring the dubious name of non-functioning education centres, as 86 *per cent* of NFE centres had become redundant.

## **9 Other topics of interest**

### **9.1 Mismatches in grants released**

The details of number of NFE centres sanctioned and grants released to States/UTs in State Sector during 1995-96 to 1999-2000 were as under:

(Rs in lakh)

State	1995-96		1996-97		1997-98		1998-99		1999-2000	
	No. of NFE Centres	Grant released	No. of NFE Centres	Grant released	No. of NFE Centres	Grant released	No. of NFE Centres	Grant released	No. of NFE Centres	Grant released
1. Andhra Pradesh	35,400	419.24	35,400	-	35,400	2483.45	35,400	991.00	35,400	2001.36
2. Assam	13,508	734.85	13,508	975.05	13,508	490.31	10,890	756.19	10,890	515.10
3. Bihar	50,000	2978.31	50,000	2541.67	50,000	3534.24	50,000	1249.07	45890	1513.82
4. Gujarat	200	1.82	200	2.78	200	6.07	200	7.48	200	1.49
5. Jammu & Kashmir	2,746	97.29	2,746	19.45	2,746	62.32	2,146	151.91	2,146	30.38
6. Madhya Pradesh	34,080	2414.78	34,080	2645.76	34,080	2325.79	34,080	2869.85	34,080	2578.35
7. Manipur	3000	158.43	3,112	228.50	3,112	268.01	3,112	141.94	3,112	152.70
8. Meghalaya	-	-	-	-	500	17.35	500	7.70	500	6.45
9. Mizoram	200	9.03	200	8.70	200	8.70	260	8.29	260	8.76
10. Orissa	23,448	1251.90	23,448	1178.64	23,448	235.72	23,448	489.84	23,448	1267.03
11. Rajasthan	17,600	1037.42	17,600	1284.40	17,600	1394.96	17,600	1554.47	17,600	1219.51
12. Tamil Nadu	700	13.39	700	43.30	700	47.33	700	25.63	700	314.19
13. Uttar Pradesh	59,600	3720.70	59,600	3891.75	59,600	3891.75	59,600	3695.62	59,600	1720.04
14. Chandigarh	105	3.52	105	5.65	105	00.14	120	3.02	120	3.61
15. Dadra & Nagar Haveli	100	3.17	100	4.55	100	5.06	100	5.31	100	5.31
<b>Total</b>	<b>240687</b>	<b>12843.85</b>	<b>240799</b>	<b>12830.20</b>	<b>241,299</b>	<b>14771.2</b>	<b>238,156</b>	<b>11957.32</b>	<b>234,046</b>	<b>11338.10</b>

**Grants released was unrelated to the number of NFE centres**

In 4 States/UT (**Andhra Pradesh, Madhya Pradesh, Tamil Nadu and Dadra & Nagar Haveli**) though the number of NFE centres remained static, the grant released increased disproportionately although there was no change in the funding pattern. Similarly, in 4 States (**Gujarat, Meghalaya, Orissa and Uttar Pradesh**) though the number of NFE centres remained static, the allocated amount decreased sharply which adversely affected the implementation of the programme in the existing centres.

## 9.2 Diversion of Central grant

Seven State Governments kept Rs 79.22 crore in PD Accounts and one State Government utilised Rs 41.99 crore for purposes other than the NFE Scheme.

Contrary to the guidelines, the Central funds of Rs 121.21 crore provided to eight States<sup>1</sup> was kept by them in Personal Deposit (PD) Accounts and utilised for purposes other than the NFE Scheme. As a result of retention of Central grant by the above states in PD Accounts and diversion of funds for other purposes to the tune of Rs 121.21 crore, the scheme suffered as 1.36 lakh NFE Centres in these states could not be opened in the State Sector, depriving 34 lakh children of the benefits of the scheme during 1995-96 to 1999-2000. Bihar utilised Rs.41.99 crore for purposes other than the NFE Scheme

## 9.3 Release of grants without ascertaining adoption of condensed course

Non-adoption of condensed course had not only resulted in excess release of grant of Rs.150.95 crore but also deprived 42.45 lakh children of benefits of NFE programme

The NFE programme stipulated that grants would be released for running NFE Centres only after ascertaining they had adopted the condensed course. However, contrary to this condition, the Ministry released grants to the following states for running NFE centres in state sector and voluntary sector even though the state/NGOs had not adopted condensed course and classes of primary level were held on annual basis: five years with traditional curriculum applicable to formal education. A table depicting the excess grant paid to states during 1997-98 to 1999-2000 is given below:

(Rs in lakh)

Sl. No.	State	No. of NFE centres during 1997-98 to 1999-2000			Grant released to NFE centres during 1997-98 to 1999-2000		
		State sector	Voluntary sector	Total	State sector	Voluntary sector	Total
1.	Jammu & Kashmir	7038	525	7563	244.61	27.12	271.73
2.	Bihar	Nil	13050	13050	Nil	761.19	761.19
3.	Madhya Pradesh	102240	9780	112020	7773.99	687.05	8461.04
4.	Manipur	9336	2900	12236	552.65	186.14	738.79
5.	Mizoram	720	Nil	720	26.36	Nil	26.36
6.	Orissa	72504	36208	108712	1992.59	2617.59	4610.18
7.	Chandigarh	345	Nil	345	15.77	Nil	15.77
8.	Haryana	Nil	2445	2445	Nil	209.51	209.51
<b>Total</b>				<b>257091</b>			<b>15094.57</b>

It can be seen from the above table that excess grant of Rs. 15094.57 lakh was released for the same children who had enrolled in 1995-96 in 257091 centres. During the years 1997-98 and 1999-2000, 63690 and 63166 centres respectively existed in above six states under state sector. Under voluntary

<sup>1</sup> Andhra Pradesh (7.45 crore), Assam (Rs 20.6 crore), Bihar (Rs 41.99 crore), Madhya Pradesh (Rs 2.95 crore), Manipur (Rs 0.91 crore), Orissa (Rs 2.49 crore), Rajasthan (Rs 12.16 crore) and Uttar Pradesh (Rs 32.66 crore)

sector, 20746 and 22216 centres existed during these years. Had the above states followed the condensed course for two years, two more batches of students could have been enrolled during ensuing two years. Thus 42.45 lakh children in 169818 centres of State and Voluntary Sector of these States, taking an average of 25 children per centre, were deprived of the benefits of NFE Scheme these States.

#### 9.4 Excess claim for co-education centres –Rs. 24.69 crore

**Grant of Rs 24.69 crore claimed by four States for girls centres while centres for which grant was received were co-educational.**

The expenditure on running of NFE Centres in the scheme was to be shared in the ratio of 60:40 for co-education centres (including administrative resource support) and 90:10 for exclusive girls' centre under state sector. However it was noticed that in 4 States although the programme was run in co-education centres, the grant paid to them was for girls' centres. This resulted in excess release of grant to the tune of Rs 24.69 crore, as per details given below:

*(Rs. in lakh)*

Sl. No.	State	Number of co-ed centres shown as girls centres	Excess grant received
1.	Andhra Pradesh (3 test checked districts)	6202	49.43
2.	Bihar	59207	1461.00
3.	Mizoram	29	3.80
4.	Rajasthan	39753	954.32
<b>Total</b>			<b>2468.55</b>

#### 9.5 Excess/overpayment

**Excess expenditure of Rs.3.47 crore was incurred due to payment of running scale instead of consolidated salary to staff**

As per norms of the Scheme instructors and supervisors at Central level and the staff employed at State level, district level, project level, were to be paid fixed consolidated salary and honorarium. Audit found that in 4 States- Assam, Jammu and Kashmir, Orissa and Tamil Nadu- the staff employed at state level, district level were paid running scale. Resultantly, an excess payment of Rs 3.47 crore was made to them as per details given below:-

*(Rs in lakh)*

State	Description of staff	Amount due as per norms	Amount paid	Excess amount paid
1. Assam	(a) State level staff	8.73	72.41	63.68
	(b) Directorate level staff	213.00	321.00	108.00
2. Jammu & Kashmir	District level staff	26.00	119.63	93.63
3. Tamil Nadu	State level	10.34	31.50	21.16
4. Orissa	District level staff	200.48	260.91	60.43
<b>Total</b>		<b>458.55</b>	<b>805.45</b>	<b>346.90</b>

In addition to excess payment, cases of over payment of Rs. 5.07 crore to the staff, was also noticed during test check of records of 9 states as detailed below:

**Rs.5.07 crore was paid in excess of norms towards payment of honorarium to instructors and supervisors**

Name of State	Amount paid excess (Rs in lakh)	Remarks
1. Assam	7.84	Employment of drivers not permissible in scheme
2. Arunachal Pradesh	00.97	Excess payment of honorarium TA&DA to instructors & supervisors
3. Bihar	95.06	Employment of 43375 instructors against 39414 NFE Centres during 1999-2000
4. Manipur	114.81	Excess salary to staff
5. Meghalaya	7.85	Excess payment of honorarium to instructors Rs 250/- in place of Rs 200/- p.m.
6. Uttar Pradesh	254.16	Employment of 58092 instructors against 47502 centres run during 1996-97
7. Tamil Nadu	9.73	Excess payment of honorarium and bonus to instructors.
8. Haryana	2.81	Excess payment of honorarium to instructors
9. Gujarat	1.27	Payment of salary to project staff after closure of NFE Centres
	12.19	Honorarium of Rs 5.56 lakh to instructors and Rs 6.63 lakh to supervisors for attending centres in excess of prescribed norms.
<b>Total</b>	<b>506.69</b>	

### **9.6 Lighting and fuel charges for day schools**

**Grant of Rs 24.74 crore was provided for light and fuel charges when centres were running in day time**

The scheme, in visualizing the time constraints imposed on working children, promoted the opening of night-schools by providing Rs 100 per centre per month to take care of the expenses on account of lighting and fuel. Rs 24.74 crore was released by the Government of India for eight states and voluntary agencies operating there, even though the centres were running in the day-time. Evidently, funds received for lighting and fuel charges were not put to intended use. Out of Rs 24.74 crore, Rs 14.07 crore was received by Orissa. Such incorrect releases took place because the Central or State Governments did not have any monitoring mechanism in place. It was seen that in Rajasthan, the money received for night-school arrangement was actually passed on to the instructors as remuneration. Further, local families refused to send their daughters to the night-school. This was one of the reasons for closing down a number of night schools.

### **9.7 Mismanagement of centres**

Information about running of NFE centres was available for state sector, whereas for NFE centres in voluntary sector, this information was available only in two states. In rest of the states, records of NFE Centres were not provided by the NGOs. There was total absence of control and supervision over the implementation of NFE programme in voluntary sector. A few instances of mismanagement are given below:

942 centres were not opened by NGOs in Andhra Pradesh

In **Andhra Pradesh**, 4424 centres were found running out of a total of 5366 NFE centres sanctioned, resulting in shortfall of 942 centres. In Visakhapatnam, 21 NGOs were allowed to run 500 centres sanctioned to Zila Saksharta Samiti (ZSS). Out of these 500 centres, 255 centres were taken over by ZSS and shifted to new locations, which resulted in discontinuation of studies of 12500 children, besides causing infructuous expenditure of Rs.126 lakh on them during 1996-98. In **Assam**, NFE centres of 13 districts in hilly areas were not found running. In two districts of **Gujarat**, NFE centres were stopped from March 1997 and June 1998 in Rajkot and Surat Municipal Corporations respectively. Despite closure of these centres, unspent balance of Rs.6.29 lakh was not refunded to Government (January 2000). In **Jammu & Kashmir**, in three districts of Jammu province, NFE centres were run in daytime (10 A.M. to 12 A.M.), which resulted in non-admission of working children in these centres. In Kathua and Jammu districts, not a single girls' centre was opened. In **Madhya Pradesh**, an amount of Rs.82.21 lakh was provided by the Ministry to nine voluntary agencies for running 400 NFE centres in five districts. During test check by Audit, the Collectors/District Education Officers of these districts intimated that no NFE centre was being run in their districts. Thus grant of Rs 82.21 lakh has been misappropriated by these nine voluntary agencies. The number of NFE centres run in another eight districts came down from 5700 in 1995-96 to 4256 in 1999-2000. In **Orissa**, out of 5049 centres sanctioned for four districts, only 3930 centres were found running. Though the Ministry provided funds for opening 8000 girls' centres in 1995-96, no such centre was opened till March 1998. 299 centres in seven districts were not functioning since June 1997 due to non-filling up of posts of instructors. Overlapping in opening of 62 NFE centres by State sector in areas in which NGOs were already running their own centres, was noticed, which resulted in avoidable expenditure of Rs.16.92 lakh.

In Madhya Pradesh, 400 NFE centres for which grant of Rs 82.21 lakh was provided to NGOs were not opened

### 9.8 Non-recovery of motorcycle advance Rs 95.80 lakh

Rs.95.80 lakh paid towards loan for purchasing motorcycle remained unrecovered

According to Government of India's funding pattern the Project Management Cost *inter-alia* included an allocation of Rs 25,000/- on loan basis, for purchase of motorcycle for the purpose of supervision of NFE Centres. This facility was also extended to voluntary agencies in the first year of the project period on the operation of 100 NFE Centres. This part of grant was recoverable/adjustable against the grant of subsequent years. It was observed in audit that Rs 95.80 lakh was spent on purchase of motor-cycle in four States, Andhra Pradesh Rs 1.25 lakh in voluntary sector, Gujarat Rs 0.82 lakh in state sector and voluntary sector, Uttar Pradesh Rs 89.40 lakh in state sector, Tamil Nadu Rs 4.33 lakh in voluntary sector by 8 NGOs, but no evidence either of its recovery or adjustment was found in audit. Thus expenditure of Rs 95.80 lakh was incurred in deviation of funding pattern of the NFE Programme, which should be recovered.

The matter was referred to the Ministry in November 2001; their reply was awaited as of January 2002.

**Annex-I**  
(Refers to Paragraph 4)

**No. of Districts in State Sector and No, of in Voluntary Sector test checked in audit:**

Name of State	State Sector	Voluntary Sector
	No. of Districts	No. of NGOs
Andhra Pradesh	3	35
Arunachal Pradesh	3	Nil
Assam	5	6
Bihar	6	27
Gujarat	2	12
Haryana	Nil	9.
Himachal Pradesh	Nil	3
Jammu & Kashmir	4	1
Karnataka	-	2
Madhya Pradesh	9	5
Manipur	5	Nil
Meghalaya	3	Nil
Mizoram	3	Nil
Orissa	11	26
Rajasthan	6	4
Tamil Nadu	3	11
Tripura	Nil	3
Uttar Pradesh	24	NA
West Bengal	Nil	7
Chandigarh	1	Nil
Delhi	Nil	5
Dadar & Nagar Haveli	1	Nil
<b>Total</b>	<b>89</b>	<b>156</b>



**Annex-II**  
(Refers to Paragraph 6.1 )

**Grant released by Ministry to States/UTs**

*(Rs. in lakh)*

States/UTs	1995-96	1996-97	1997-98	1998-99	1999-2000	Total
1. AndhraPradesh	419.24	Nil	2483.45	991.00	2001.36	5895.05
2. Arunachal Pradesh	7.84	Nil	Nil	Nil	Nil	7.84
3. Assam	734.85	975.05	490.31	756.19	515.10	3471.5
4. Bihar	2978.31	2541.67	3534.24	1249.07	1513.82	11817.11
5. Gujarat	1.82	2.78	6.07	7.48	1.49	19.64
6. Jammu & Kashmir	97.29	19.45	62.32	151.91	30.38	361.35
7. Madhya Pradesh	2414.78	2645.76	2325.79	2869.85	2578.35	12834.53
8. Manipur	158.43	228.50	268.01	141.94	152.70	949.58
9. Meghalaya	Nil	Nil	17.35	7.70	6.45	31.50
10. Mizoram	9.03	8.70	8.70	8.29	8.76	43.48
11. Orissa	1251.90	1178.64	235.72	489.84	1267.03	4423.13
12. Rajasthan	1037.42	1284.40	1394.96	1554.47	1219.51	6490.76
13. Tamil Nadu	13.39	43.30	47.33	25.63	314.19	443.84
14. Uttar Pradesh	3720.70	3891.75	3891.75	3695.62	1720.04	16919.86
15. Chandigarh	3.52	5.65	00.14*	3.02	3.61	15.80
16. Dadar & Nagar Haveli	3.17	4.55	5.06*	5.31	5.31	18.34
<b>Total</b>	<b>12851.69</b>	<b>12830.20</b>	<b>14766.00</b>	<b>11,957.32</b>	<b>11,338.10</b>	<b>63,743.31</b>

\* Under VA Budget

**Annex-III**

(Refers to Paragraph 6.1 )

**Grant released by the Ministry to Voluntary Agencies**

(Rs in lakh)

State/UT	1995-96	1996-97	1997-98	1998-99	1999-2000	Total
1. Andhra Pradesh	469.68	546.25	645.51	613.96	726.48	3001.88
2. Assam	43.86	37.10	38.22	68.40	90.85	278.43
3 Bihar	176.48	249.07	259.00	294.90	207.29	1186.74
4. Gujarat	98.45	81.06	59.97	124.00	65.57	429.05
5 Haryana	49.83	48.01	54.69	87.04	67.78	307.35
6. Himachal Pradesh	16.17	12.00	22.16	17.10	7.38	74.81
7. Jammu & Kashmir	2.57	2.54	13.03	13.13	00.96	32.23
8. Kamataka	19.53	33.76	46.43	57.08	57.16	213.96
9. Madhya Pradesh	92.21	173.52	228.42	209.06	249.57	952.78
10. Mahrastra	128.05	153.84	163.38	160.60	196.41	802.28
11. Manipur	24.91	66.59	43.25	53.61	89.28	277.64
12. Nagaland	Nil	Nil	Nil	10.36	10.37	20.73
13. Punjab	Nil	Nil	Nil	Nil	5.31	5.30
14. Orissa	648.41	734.20	969.76	790.32	857.51	4000.20
15- Rajasthan	115.57	139.07	149.05	511.04	491.26	1405.99
16. Tamil Nadu	175.94	169.19	207.61	254.28	190.69	997.71
17. Tripura	Nil	Nil	13.49	5.07	22.39	40.95
18. Uttar Pradesh	318.75	411.71	360.75	527.64	476.35	2095.20
19. West Bengal	59.64	103.36	140.46	138.44	131.37	573.27
20. Delhi	49.21	23.38	105.09	56.02	57.00	290.70
Total	2489.26	2984.65	3525.47 *	3992.05	3999.98	16991.41

\* Grants Rs 3520.27 lakh + 2 UTs in state sector paid under VA Budget Rs 5.20 lakh.