

Performance audit report on Tsunami Relief and Rehabilitation

Highlights

- **The Ministry of Environment and Forests did not enforce the Coastal Regulation Zone notification effectively resulting in extensive destruction in coastal areas due to industrial expansion.**
(Paragraph 5.1.1)
- **The States/UTs did not prepare coastal zone management plans.**
(Paragraph 5.1.2)
- **The States/UTs did not review/amend zoning regulations and building byelaws after Tsunami.**
(Paragraphs 5.1.6, 5.1.6.1 and 5.1.7)
- **Against the financial assistance of Rs.5690.81 crore recommended by the central team, the Ministry sanctioned Rs.3644.05 crore (64 per cent) and after transferring an amount of Rs.1607.01 crore to the Planning Commission for long-term reconstruction programme, released only Rs.1759.05 crore to the affected State Governments. Utilisation of funds in Andhra Pradesh, Tamil Nadu and ANI was poor and 56 per cent, 27 per cent and 61 per cent respectively of the funds released remained unutilised.**
(Paragraph 5.2.1.3)
- **A significant initiative of September 2003 seeking the introduction of a pre-contract system for emergency procurement did not take off in the affected States/UTs.**
(Paragraph 5.1.4)
- **In Tamil Nadu irregular payment of Rs. 2.72 crore was made from the Calamity Relief Fund.**
(Paragraph 5.2.3)
- **Rs.44.88 crore relating to tsunami relief was diverted for other purposes such as administrative expenditure, committed liabilities etc.**
(Paragraph 5.2.4)
- **There was excess expenditure of Rs. 4.95 crore due to wrong application of rates, payment of enhanced compensation, non-adherence to codal provisions etc.**
(Paragraph 5.2.5)
- **There was avoidable expenditure of Rs. 5.32 crore due to delay in construction of permanent houses.**
(Paragraph 5.2.6)
- **State Governments of Andhra Pradesh and Tamil Nadu failed to utilise Rs. 17.31 crore. This had an adverse impact on the delivery of relief to victims.**
(Paragraph 5.2.7.1)

- **Different departments of the Andaman and Nicobar Islands administration surrendered Rs. 83.89 crore. Two departments incorrectly showed high utilisation by merely placing the funds with other departments. Advances drawn were lying unadjusted for long periods in contravention of rules.**
(Paragraphs 5.2.8.1)
- **The process of beneficiary identification and verification of claims was not foolproof. There were cases of improper verification, non-achievement of targets, provision of relief to unaffected and ineligible persons etc.**
(Paragraph 5.3)
- **There were delays in the construction of permanent houses due to delay in acquisition of land, delay in approval of plans, failure of Government of India to release funds etc.**
(Paragraph 5.4.2)
- **There were delays in the construction and repair of basic infrastructure such as roads and highways, schools, bridges, water supply etc.**
(Paragraph 5.4.3)
- **While providing assistance to the fishing sector, there was inadequate and improper assessment of damage to fishing vessels, delay in restoration of harbour and jetty works, failure in claiming insurance benefits for deceased fishermen, excess compensation for boats etc.**
(Paragraph 5.4.5)

Summary of important recommendations

The Ministry (MHA) may:

- **coordinate closely with Ministry of Environment and Forests (MoEF) and the State Governments and ensure the enforcement of the Coastal Regulation Zone notification so that indiscriminate commercial and industrial expansion is not permitted.**
- **monitor the implementation of important initiatives for achieving increased levels of transparency and speed in providing relief to the affected persons by periodically calling for the status of progress or action taken by State Governments so that the initiatives yield the intended benefits.**
- **consider introducing a computerised tracking system for monitoring the utilisation of financial assistance released, in consultation with State Governments.**
- **in consultation with the State Governments and the Ministry of Finance (MoF) put in place a generally acceptable system/mechanism of assessment of the damage and determine at least the general criteria based on which the quantum of assistance would be determined in natural**

calamities so as to bring in transparency and institute a good management practice

- **critically review the status of utilisation of funds by calling for periodic reports regularly and communicating the results of such review at a sufficiently high level in the respective State Governments for ensuring improvement.**
- **consider introducing a system of rewards/incentives to such States which show good compliance with the reporting requirements and display financial discipline so as to encourage good practices and transparency in providing relief to affected people.**
- **may in consultation with State Governments or based on the accumulated experience of handling natural disasters so far, lay down clear guidelines on the methodology of identification of beneficiaries to be generally followed by the affected States.**