

OVERVIEW

The Government of India launched the **Pradhan Mantri Gram Sadak Yojana (PMGSY)** in December 2000 as a 100 percent centrally sponsored scheme with the objective of providing road connectivity to all unconnected habitations with population of 1000 persons (500 persons for hilly areas) and above by 2003 and those with population of 500 persons and above (250 persons for hilly areas) by the end of the tenth plan (March 2007). The programme was to provide connectivity to 1.41 lakh unconnected habitations and also upgrade the existing roads. An amount of Rs. 58,200 crore was estimated to be the funding requirement for the period ending March 2007. However, upto March 2005, only Rs. 11,871.32 crore was released to the States against which the expenditure reported was Rs. 9,421.39 crore.

A performance audit of the programme was conducted between January and June 2005 covering the period 2000-2005 which included test check of Rs.1,594.98 crore or 16.92 per cent of the total reported expenditure and also involved technical inspection of 51 roads in four States carried out through the Central Road Research Institute (CRRI), New Delhi. The audit revealed the following:

- Though five out of seven years of the life of the programme were completed, only 33,875 or 24 per cent of the initially targeted 1.41 lakh habitations (revised to 1.73 lakh in March 2005) were provided connectivity upto March 2005.
- The funds mobilized between 2000 and 2005 were Rs. 12,293 crore, which was only around 30 per cent of the proportionate estimated requirement of Rs 41,571 crore up to March 2005, going by the initial estimate of Rs 58,200 crore for seven years.
- Programme funds amounting to Rs. 312.34 crore or 19.58 per cent of the test checked expenditure were diverted or parked in unauthorised deposits or spent on unapproved or inadmissible items of works or used in making undue payments to contractors.
- Works were executed by the States without conforming to the standard design and specifications prescribed in the Rural Roads Manual. This involved additional expenditure of Rs. 167.66 crore. 143 works were abandoned midway or remained incomplete after incurring expenditure of Rs. 43.85

crore as the land required was not made available by the States. Seven per cent or 1653 completed works took more than the stipulated time of nine months with delays ranging up to a maximum of thirty nine months.

- The three tier quality control mechanism was not adequately operationalised which led to the roads constructed deviating from the prescribed specifications. The findings of the technical inspection of the roads by CRRI in four States corroborated the flaws in the quality assurance system.
- An Online Management and Monitoring System (OMMS) introduced in November 2002 on which Rs. 20.67 crore was spent till March 2005 was beset with deficiencies and problems of software, absence of validation checks, defective data entry, weak security features and lack of utilisation of the accounting module.
- The programme was taken up without assessing the magnitude of the work involved and without any realistic assessment of the funds that could be mobilised. The guidelines had to be revised more than once till November 2004 and the Ministry did not have clear targets to monitor the progress and achievements.

Audit examination revealed that the performance of the programme could have improved if

- the magnitude of the programme and the capacity of the States were assessed realistically, funds of the required magnitude were provided and frequent revision of guidelines and the data on unconnected eligible habitations to be covered under the programme were avoided;
- the District Rural Road Plans (DRRP) and the Core Network (CNW) were complete and based on reliable data;
- OMMS was introduced promptly along with the programme after ensuring and obtaining satisfactory proof of the reliability of all the features and facilities in the software including validation checks and after imparting effective training to the users; and
- it was ensured through focused monitoring that there were no deviations from sanctioned specifications to prevent sub standard quality of work.