

HUNDRED AND SEVENTY-FIFTH REPORT

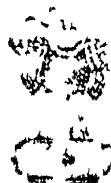
PUBLIC ACCOUNTS COMMITTEE (1983-84)

(SEVENTH LOK SABHA)

DROUGHT PRONE AREA PROGRAMME

MINISTRY OF RURAL DEVELOPMENT

[Para 11 of the Report of C&AG of India for the
year 1980-81 (Civil)]



Presented in Lok Sabha on _____

Laid in Rajya Sabha on _____

**LOK SABHA SECRETARIAT
NEW DELHI**

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Minutes of the sittings of Public Accounts Committee dated

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(1983-84)

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INTRODUCTION

1. I, the Chairman of the Public Accounts Committee, as authorised by the Committee, do present on their behalf this Hundred and Seventy-Fifth Report on para 11 of the Advance Report of the C&A.G. of India for the year 1980-81, Union Government (Civil) relating to Drought Prone Area Programme.

2. The Advance Report of the Comptroller and Auditor General of India for the year 1980-81, Union Government (Civil) was laid on the Table of the House on 21 April, 1982. The Committee (1982-83) examined the above paragraph (reproduced at Appendix I) at their sitting held on 8 February 1983 (FN). The Public Accounts Committee considered and finalised this Report at their sitting held on 6 December, 1983. Minutes of the sittings form Part II of the Report.*

3. The drought affected areas cover 19 per cent of our country's total area and 12 per cent of its population. In order to reduce the severity of droughts and provide employment opportunities to the drought affected people, the rural works programme was started as a Centrally-sponsored scheme in 1970-71. After mid-term appraisal of the Fourth Five Year Plan, it was redesignated as Drought Prone Area Programme. Till 1981-82, an expenditure of Rs. 565.24 crores had been incurred on the programme. The Committee's examination has, however, revealed a number of shortcomings in the programme. In many States, separate agencies to chalk out the programme and monitor its implementation have not been set up and in some States though these agencies have been set up adequate financial and administrative powers have not been delegated to them. The work of the programme is being carried on by the officers who have already been entrusted with multifarious duties with the result that these officers have not been able to devote adequate attention to the programme. In some States, subject matter departments have tended to look at their work in isolation, not keeping in view the basic objectives of the programme as a whole. Schemes under the Programme have in some cases been formulated without adequate survey and examining the suitability of the areas for these schemes.

4. The Committee have expressed concern over the heavy shortfalls in achieving physical targets under the programme. The achievement in regard to surface irrigation works was only 29.5 per cent of the target during 1979-80 and 24.14 per cent in 1980-81. There have also been heavy shortfalls in the field of ground water development, cattle and dairy development and establishments of poultry units,

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All these clearly show that the progress of the programme particularly in the vital sectors has been far from satisfactory. The Report also points out that inordinate delays in the completion of works and in a number of cases, even after completion, the benefits of the scheme have not accrued to the intended beneficiaries. As the factors responsible for slow progress of work have since been identified, the Committee have expressed hope that concrete measures will not be taken by the Ministry of Rural Development to ensure that the executive agencies take timely action to avoid such shortfalls in achievements of targets in future.

5. The Committee have also pointed out that there has been no proper monitoring of the programme. The Committee have emphasised that monitoring and evaluation of a programme of multi-disciplinary nature like DPAP on a continuing basis is essential in order to find out not only how far the objectives of the programmes in different areas have actually been achieved but also to identify the lacunae/weaknesses in different areas with a view to initiating corrective action at the earliest. To this end, the Committee have recommended that the project evaluation organisation of the Planning Commission might be persuaded to evaluate the programme at an early date and, if necessary, the programme suitably reoriented in the light of the results of the evaluation.

6. For reference facility and convenience, the observations and recommendations of the Committee have been printed in thick type in the body of the Report, and have also been reproduced in a consolidated form in Appendix II to the Report.

7. The Committee place on record their appreciation of the commendable work done by the Public Accounts Committee (1982-83) in taking evidence and obtaining information for this Report.

8. The Committee also place on record their appreciation of the assistance rendered to them in the matter by the office of the Comptroller and Auditor General of India.

9. The Committee would also like to express their thanks to the Officers of the Ministry of Rural Development for the cooperation extended by them in giving information to the Committee.

NEW DELHI;
December 19, 1983

Agrahayana 28, 1905 (Saka)

SUNIL MAITRA,
Chairman,
Public Accounts Committee.

REPORT

[Para 11 of the Report of C & A.G. of India for the year 1980-81 (Civil) on which the Report is based appears as Appendix I.]*

INTRODUCTORY

1.1 The drought-affected regions account for 19 per cent of the country's area and 12 per cent of its population. These areas are considered as a major factor responsible for the regional imbalances and a continuous source of strain on the nation's financial resources. It was in order to mitigate the sufferings of these areas that the rural works programme was started as a Centrally Sponsored Scheme in 1970-71 to reduce the severity of drought wherever it occurred and to provide employment in the drought-affected areas. After mid-term appraisal of the Fourth Five Year Plan, the programme was re-designated as Drought Prone Area Programme and was carried on in 54 drought prone areas spread over 74 districts in 13 States. Since 1982-83, the programme is in operation in 510 blocks of 69 districts in 13 States. Against the approved outlay of Rs. 111.41 crores, an expenditure of Rs. 92.27 crores was incurred in the Fourth Plan period (upto 1973-74).

1.2 In October 1971, the Planning Commission appointed a Task Force on Integrated Rural Development in drought prone areas. In its report (June 1973), the Task Force suggested that the drought prone areas identified in the Fourth Plan might continue to be categorised as such during the Fifth Plan and that the main thrust of efforts under the programme should be in the direction of restoration of proper ecological balance in these areas. It recommended 50:50 ratio of share of the cost between the Central and State Governments.

1.3 During the Fifth Plan period, the focus of the programme was on integrated area development in agriculture and allied sectors of economy. The programme continued to operate in 74 districts in 13 States (covering 557 blocks).

The main objectives of the programme are:

- (a) promoting a more productive dry-land agriculture;
- (b) developing and conserving water resources of the area;
- (c) soil and moisture conservation through appropriate technology like water shed management and the land use practices;

* Appendix I.

- (d) afforestation including farm forestry; and
- (e) livestock development programme in the drought prone areas as a supplementary income generating activity for improving the condition of the people in these areas.

1.4 Till 1981-82, an expenditure of Rs. *565.24 crores had been incurred. The expenditure is being shared on 50:50 basis between the Central and State Governments.

1.5 Elucidating the objectives of the programme, Secretary, Ministry of Rural Development stated before the Committee:—

“The drought prone areas programme has a long-term objective and it is different from the drought relief programme in the sense that under this programme actual investments are required to be made in restoring ecological balance in the drought prone areas as identified. And also develop such conditions as would facilitate maximum retention of moisture in the soil so that trees can grow, pasture land can develop. Along with it complementary agro-activities like dry-land farming, rearing of livestock which can survive under conditions can also be developed to provide much needed income-generating support to the population.”

Organisation

1.6 The apex organisation is the Drought Prone Area Programme Division in the Ministry of Rural Development which was to oversee programme planning and implementation throughout the country. Planning, monitoring and evaluation cells have been set up at the State level and separate agencies registered under the Societies Registration Act were established in most of the regions. The Collector of the district is normally the Chairman and all the district level officers of the implementing departments and some non-officials members of the agency. The responsibility for planning, coordination and implementation of the project under the programme is that of the agency whereas in the field, the schemes are to be implemented by the existing State Government Departments. In this context, the Committee desired to know as to how it was ensured that the various responsibilities entrusted to the implementing agencies were being adequately discharged by them. In reply, the Ministry of Rural Development have stated in a note:—

“The Drought Prone Areas Programme is a multi-disciplinary programme with components similar to those of the

*Not Vetted in audit.

State Plans. Different departments of the State Governments have a well-established field organisation for planning and execution of the programme. Instead of a parallel organisation to implement the DPAP, it has been considered appropriate to make maximum use of the existing organisation where necessary by strengthening it suitably. The district level officers have been associated with the formulation and implementation of the schemes. They, thus, provide technical support to the agency both in planning and execution of the programme. The schemes formulated by different district level departments are coordinated by the agency.

The main responsibility for the implementation of the programme rested with the State Governments. Centrally sponsored schemes envisaged transfer of funds to States and the Ministry was to ensure adherence to the guidelines. Since 50 per cent of the required funds was to be Central assistance and the programme was expected to be implemented within a certain uniform framework for the whole country, necessary guidelines for the implementation of the programme were issued by the Ministry. State Governments were advised to undertake monitoring of the programme in accordance with the instructions issued. In addition, the progress of the DPAP was reviewed at the time of the Annual Plan discussions with the Planning Commission. Ministry of Rural Development reviewed the programme periodically and also at the time of release of Central assistance."

1.7 When asked as to how the programme was being implemented at the grass-root level and if competent and adequate staff had been provided by the States to undertake the schemes, the Ministry have stated in a note:—

"Individual items of work are formulated by the district level units of the subject matter departments based on their assessment of local needs and potentialities. These different items of plan are devetailed together by the District Rural Development Agency and sent to the State Government for further processing. Once schemes are sanctioned, the subject matter agencies at the district level implement them on the general supervision and guidance of the senior officers of their line departments, and the DRDA headed by the District Collector.

The local units of the subject matter departments are, by and large, competent and have an adequate local knowledge. Since, however, they also implement many other items of work undertaken by the State Government as part of

the State Plan as well as under the other Centrally-sponsored schemes, the attention of the staff gets divided. Where there has been preponderance of similar activities, the attention given by the staff to the DPAP have been the major activity, they have generally received adequate attention of the staff.”

1.8 The Committee enquired if efforts were made to associate non-official agencies/voluntary organisations with the work relating to planning, implementation and monitoring of the programme. In reply, the Ministry of Rural Development, have stated in a note:—

“Non-officials are represented in the planning and review of implementation of the programme, as the constitution of the DPAP agency provides for the inclusion of two members from farmers in the area, the Chairman of the Zila Parishad, Chairman/President of the Land Development Bank and the Central Cooperative Bank. Their involvement has been helpful in identifying the felt needs of the area and its people, in finalising a suitable strategy for development, besides securing better acceptance the programme by the people. The State Governments have also been advised to involve specialist agencies in formulation of plans where such agencies are available and are expected to render useful services.”

1.9 The Committee desired to know the steps taken by State Governments to constitute teams of experienced personnel of the relative disciplines to formulate schemes for different project areas and to spell out the details of implementation as suggested by the Task Force. In reply, the Ministry has stated:—

“This recommendation of the Task Force alongwith others has been sent to the State Governments for action. However, the total pool of expertise at the State level being what it is, it is not practicable to send teams of experienced personnel of different disciplines to the project areas. They will also lack the knowledge of local conditions. However, in respect of special problem areas or schemes that may require special technical inputs, The state level experts do go and assist the project authorities. From time to time officials of the Central Government are also invited to take part in the project formulation.”

1.10 The Committee enquired if any Central agency has been set up to plan projects according to the needs of area in various districts. The Ministry, in a note, have stated:—

“There is no central agency for planning projects in various districts. It is not feasible for a central agency to un-

dertake micro-level planning, particularly for a programme which necessitates intimate knowledge of the area, the factors contributing to the severity of droughts and the feasible solutions suitable for the area. Micro-level planning of the kind followed for this programme often requires knowledge of each geographical or natural feature-big and small of the area. For items like soil conservation, it is necessary to examine the lie of the land; for development of pasture, breeding of improved cattle, intimate knowledge of the village is required. No central agency can do justice to such planning."

1.11 The Task Force appointed by Government headed by Shri M. S. Swaminathan in its Report submitted in January, 1982 had pointed out that the planning of the programme content had been left to the project staff or to individual departments who did not have the expertise to formulate schemes of long range development of a multi-disciplinary character and subject matter departments were primarily concerned with obtaining funds for the schemes they had in view. In this context, the Committee asked to what extent the programme had suffered on account of the above deficiencies and what remedial measures were taken by the Ministry of Rural Development in this regard. The Ministry have stated in reply:

"While Government appreciates the observations of the Task Force, one is apt to over-estimate the question of expertise. In the first place, as already observed, what is required is a blend of sound technical knowledge of basic issues and local conditions. In the second place, it is important to note that a programme of the size and expense such as the DPAP has, must necessarily fall back upon the local resources, including technical expertise and managerial talents. The search for the ideally best will necessarily narrow down the scope of the programme drastically.

As per the guidelines issued by the Government of India, the responsibility for designing, executing and evaluating the programme rests with each district project authority. They are required to promote and develop various schemes suitable for the area within framework of guidelines issued by the Government of India for project formulation, monitoring and evaluation. The district level officers of different sectoral activities, who are members of the authority, are all subject matter specialists. They are best placed to provide the requisite expertise with their knowledge of the local conditions. Most of the schemes are such as require the input of knowledge of

local conditions more than highly modern technical knowledge. Further, the schemes formulated by the District-level experts have to conform to the economic and technical norms laid down by departments. This by and large ensures availability of the best possible technical input at the command of the State Government."

1.12 It has further been stated by the Ministry of Rural Development in their note:—

"In some cases, the possibility of lack of proper and effective coordination in the implementation of projects cannot be ruled out. Subject matter specialists have often tended to look at their item of work in isolation and without appreciation of its place in the scheme of things on which many other activities belonging to many other disciplines were intended to coverage and promote realization of the basic objectives. The technical functionaries were burdened with responsibilities more than they could efficiently discharge. Even though availability of technical and managerial expertise was not lacking, they could not always be put to the maximum use. Delayed posting of officers in crucial roles in the project and their frequent transfers often made it difficult for them to put in their best in the programme. The district level subject matter specialists have not only to deal with this programme, they also have to deal with similar programmes under the State Plan. Besides, similar activities under other Centrally sponsored schemes like the NREP—often far larger than these programmes—compete for their attention and have inevitably affected the implementation of this programme."

1.13 The Committee enquired if prior to the approval of schemes, the same were referred to some technical people at the centre to check up if these schemes were feasible. In reply, Secretary, Ministry of Rural Development stated before the Committee:—

"I must admit that I do not have in my Ministry any engineering cell which can examine a particular irrigation project nor I have got a Chief Conservator of Forests in the Ministry of Rural Development who can advise on the technical clearance of a social forestry project. Similarly, in regard to various agricultural programmes like dry land farming, we do not have any expert. We expect the expertise for these projects to be provided by the State technical departments while formulating the projects, in accordance with the guidelines issued by the Centre."

1.14 The witness further stated:—

“By any means, it would not be possible for the Central Government to approve each and every technical project spread over in more than 500 blocks in the country. We do not have either the staff or the set up.”

1.15 The Committee enquired if it was not considered necessary by the Ministry to ensure that the projects undertaken under the programme were viable, feasible and were beneficial to the people in the area. The representative of the Ministry of Rural Development stated:—

“This is a suggestion which we may like to explore on a sample basis because the total coverage for the entire country may not be possible. But a random study is possible. Some kind of a study could be undertaken by us also.”

1.16 The drought affected areas/cover 19% of the country's total area and 12% of its population. In order to reduce the severity of drought and create employment opportunities to the drought affected people, the rural works programme was started as a Centrally-Sponsored Scheme in 1970-71. After mid-term appraisal of the Fourth Plan, the programme was re-designated as Drought Prone Area Programme and the programme is at present in operation in 510 blocks of 69 districts in 13 States. The expenditure on the programme is being shared on 50:50 basis between the Centre and State Governments. Till 1981-82, an expenditure of Rs. 565.24 crores had been incurred on the programme.

1.17 The Committee's examination of the programme, has revealed many a shortcoming. In many States separate agencies to chalk out the programmes and monitor its implementation have not been set up. In some States, though these agencies have been set up, adequate financial and administrative powers have not been delegated to them. The work of the programme is being carried on by the officers who have already been entrusted with multifarious duties with the result that these officers have not been able to devote adequate attention to the programme. In many cases subject matter departments have tended to look at their work in isolation, not keeping in view the basic objectives of the programme as a whole. Schemes under the Programme have in some cases been formulated without adequate survey and examining the suitability of the area for these schemes. Moreover, there have been inordinate delays in the completion of works and in a number of cases, even after completion, the benefits of the schemes have not accrued to the intended beneficiaries. It is, therefore, no surprise that there have been heavy shortfalls in the achievement of targets in such vital sectors like minor irrigation, command area development, cattle and dairy development, establishment of poultry units, etc.

1.18 The Committee cannot but express their unhappiness at this state of affairs. Though implemented by State Governments, the Programme being Centrally Sponsored, it is equally the responsibility of the Centre to ensure that the objectives are fully realised. The programme has a vital bearing on the economic amelioration of the economically backward and hitherto neglected sections of society. The Committee would therefore like the Ministry of Rural Development to do more vigorous monitoring of the programme, take initiative in identifying the weaknesses therein and ensure effective remedial measures. There should be frequent meetings with State Governments both at an all India as well as regional level to have a continuous tab on the progress of the programme.

1.19 The Committee note that non-officials have been associated at the agency level in the planning and review of implementation of the programme and their association has proved to be useful in identifying the felt needs of the area and its people, in finalising suitable strategy for development and securing better acceptance of the programme by the people. The Committee has been informed that concerned State Governments have been advised to associate specialised agencies also wherever available in formulation of schemes under the programme. It would go a long way to fill in the expertise gap noticed by the Task Force and be of help to States in formulating schemes, particularly those involving multi-disciplinary approach to long term development. The Committee would therefore like this proposal to be pursued vigorously with State Governments.

Utilisation of funds released for the Programme

1.20 According to the Audit para, during the years 1974-75 to 1980-81, total amount released by the Central and State Governments on the basis of matching contribution had been Rs. 445.80 crores against which the actual expenditure incurred was Rs. 377.01 crores and the percentage utilisation of funds was 84.57. According to the figures furnished by the Ministry of Rural Development, while the total outlay sanctioned for various DPAP Projects during the year 1980-81 was Rs. 94.41 crores, the total expenditure for this period was of the order of Rs. 73.14 crores which means that only about 78 per cent of the funds allotted were actually utilised. The Committee enquired about the organisational deficiencies which were responsible for the under-utilisation of funds. In reply, the Ministry of Rural Development stated in a note:

“The marginal under-utilisation of funds released for the programme was due to various factors. In a number of cases procurement of materials and inputs, posting of staff took more time than initially expected. Field staff of the State Government departments who were to execute the State Plan schemes could not fully utilise the

funds under this programme as they had to concentrate in many places more on utilisation of funds released under the normal State Plan. Frequent changes of the staff also adversely affected the follow-up action and implementation of the programme.”

1.21 The Committee desired to know the remedial measures taken or proposed to be taken to overcome these deficiencies. The Ministry in a note have stated as follows:

“The Ministry regularly receives the periodic progress reports from the project authorities. Officers made field visits and their tour reports suggested corrective actions, where necessary. Regional meetings and seminars were organised to facilitate in-depth discussion with the representatives of the State Governments and the projects. The bottlenecks in the execution of the programme were thus identified and steps were suggested to deal with them. Certain sectors where the machinery for execution of the programme was not adequate, the State Governments were requested to suitably strengthen them. The Project Directors were advised to review more closely the implementation of the programme and regulate the release of funds according to the progress of implementation in different sectors. In the beginning, certain State Governments used to allocate funds for different sectors to the executing departments of the Government for transmission to the field level officers in actual charge of implementation. From time to time some of the departments failed to release this money to the concerned field level officials. This, in some cases, affected the timely implementation of certain schemes, particularly those of a seasonal nature. In order to remove this gap, the State Governments were requested directly to release funds to the agency concerned, who were in turn advised to release the funds to the functional departments”.

1.22 The Committee are concerned to note that there have been substantial shortfalls in the utilisation of funds meant for drought prone area programme. During 1974-75 to 1980-81, while the Central and State Governments released Rs. 445.80 crores for the programme, the actual expenditure incurred was only Rs. 377.01 crores (84.57%). During the year 1980-81, against the outlay of Rs. 94.41 crores sanctioned, the total expenditure was only Rs. 73.14 crores. Thus only about 78% of the funds allotted were actually utilised. The factors which contributed to the shortfall in utilisation are stated to be delay in procurement of material and inputs, delay in posting of staff, greater attention given by the field staff of State

Governments to utilisation of funds released under the normal State Plans and frequent changes in staff. The Committee are surprised that while the Ministry of Rural Development are aware of these shortcomings and it has been claimed by the Ministry that necessary remedial measures have been suggested, the position has not shown any improvement. It is indeed a matter of concern that while on the one hand there is a constant complaint of inadequate allocation of funds for welfare schemes on the other, even the funds allotted have not been fully utilised. The Committee would like the Ministry of Rural Development to take concrete measures to ensure that the funds allotted for the programme are fully utilised and the bottlenecks responsible for their non-utilisation removed at the earliest.

International aid

1.23 The audit para states that Federal Republic of Germany provided assistance of Rs. 19.5 million generated from commodity assistance for financing the DPAP in Bankura district of West Bengal. No records showing utilisation of assistance nor any appraisal report of the project was made available to Audit. The Committee enquired why the records showing utilisation of assistance given by the Federal Republic of Germany were not made available to Audit and whether any appraisal report of the DPAP in Bankura district has since been prepared. In reply, the Ministry of Rural Development in a note* stated:

“The Federal Republic of Germany (FRG) agreed to provide Rs. 19.5 million, which were initially entered in the Budget of Government of India as revenue, as their share to finance an on-going 5th Five Year Plan in Bankura district of West Bengal. The total cost of the project was Rs. 34.5 million, out of which the Federal Republic of Germany agreed to pay Rs. 19.5 millions for following schemes:

(Rs. in million)

Scheme	FRG contribution
1. Irrigation	13.4
2. Soil, Moisture Conservation	1.0
3. Afforestation	3.8
4. Livestock Development	1.3
	19.5

*Not vetted in Audit.

Rest of the expenditure on the project was to be borne by the Government of India. When the FRG agreed to finance this project, an expenditure of Rs. 4.5 million had already been incurred on irrigation, afforestation and livestock development. This expenditure was also agreed to be financed by the F.R.G. out of their assistance of Rs. 19.5 millions. As per the agreement for this project, the progress reports were to be submitted to the Government of Federal Republic of Germany annually. The progress reports for 1977-78 and the Plan for 1978-79 were sent to them *vide* this Ministry's letter No. 23(2)'77-DPAP dated 20-6-1978.

The entire expenditure on the project could not be utilised upto 1978-79 but by 1979-80 the entire assistance was fully utilised. Total expenditure incurred on the project was more than Rs. 38.2 million. The expenditure on sectors assisted by the Federal Republic of Germany was Rs. 34.10 million, as against Rs. 19.5 million provided by the F.R.G.

The project authorities submitted monthly and quarterly progress reports for this project as no special monitoring reports were prescribed by the Government of India. These progress reports are available with the Ministry of Rural Development and can be shown to Audit as and when desired.

The Government of West Bengal has been asked to have the project appraised. Further progress in the matter will be intimated to the Public Accounts Committee on receipt of the appraisal report from the Government of West Bengal."

1.24 The Committee have been informed by Audit that records of utilisation of assistance of Rs. 19.5 millions provided by the Federal Republic of Germany for financing the drought prone area programme in Bankura district of West Bengal were not made available to audit nor an appraisal report of this project has been prepared so far. However, the Ministry of Rural Development have stated that monthly and quarterly progress reports for this project are available with the Ministry and can be shown to Audit as and when desired. The Committee are at a loss to understand why records of utilisation should not have been shown to Audit earlier when the same are stated to be available with the Ministry of Rural Development. The Committee would like this matter to be sorted out with Audit. As regards the appraisal of the project, the Committee have been informed that the Government of West Bengal have been asked to have the project appraised. The Committee would like to be informed of the progress made in this regard.

Accounting procedure|control over expenditure

1.25 Audit have pointed out a number of lacunae short-comings in the maintenance of accounts relating to the Programme. It has been stated in the audit para that the conditions stipulated by the Ministry for the grants sanctioned provided inter-alia that the State Governments should send to the Ministry within 9 months of the close of the financial year an audited statement of accounts duly certified by the concerned Accountant General. In their letter of 27 December 1977, the Ministry further decided that the audited statement of accounts would be issued by Chartered Accountants in respect of societies for the period 1976-77 and onwards. However, audited statements of accounts had not been received in the Ministry for the Fourth Plan period and also for the period 1974-75 to 1980-81. When asked about the reasons for not finalising the accounting procedure earlier, the Ministry of Rural Development have, in a note, stated:

“The guidelines issued in March, 1974 for the establishment of Drought Prone Areas Development Authority clearly stated that the authority shall be empowered to frame its own rules of business, procedure including financial, budgetary and accounting. The rules so framed shall be submitted to the State Government for its approval and publication in the State Gazette’. Further, any body registered under the Societies Registration Act is required to have Articles of Association, Memoranda and Bye-laws for regulating its functioning. In pursuance of the earlier guidelines, a model financial procedure as finalised by the Government of Andhra Pradesh was forwarded in July, 1975 to the State Governments for reference. Since no accounting procedure was prescribed by the Central Government, and according to the guidelines, the State Governments were to approve the accounting procedure, the question of getting approval from the Ministry of Finance and Comptroller & Auditor General of India did not arise.

In accordance with the instructions initially issued by this Ministry, some of the State Governments registered the DPAP agencies under the Societies Registration Act, 1860 while the others chose to set up DPAP authorities under the Chairmanship of the District Collector/Commissioner and followed the normal Government accounting procedures. In pursuance of the above instructions the authorities/agencies were empowered to frame their own rules of business, procedure, including financial, budgetary and accounting. These were, however, to be approved by the State Governments and published in the State Gazette. The audit of such registered societies

is ipso facto conducted by the A.G. under the provision of Section 14 of C&AG(DP&C) Act, 1971. Audit by Chartered Accountants was proposed by Government of India on 27-12-77 in addition to that by the State Accountants General (for agencies set up under the Societies Registration Act & as Corporation). The idea of a unified accounting procedure in the light of the Andhra Pradesh model was mooted with a view to standardising and streamlining the system of maintenance of accounts throughout the country under the DPAP.

Since the setting up of the DRDAs, and the merger/amalgamation of the existing DPAP agencies with these bodies, the accounting procedure to be followed by the DRDAs normally should apply to the DPAP. But this matter is being examined in consultation with the Comptroller & Auditor General.”

1.26 The Committee desired to know the reasons for not-receipt of audited statement of accounts by the Ministry from State Governments. In reply, the Ministry have stated as follows:

“Wherever no bodies under the Societies Registration Act or the Companies Act were set up, the audit would have been conducted by the State Accountants General of the various implementing departments executing the programme. In case of agencies set up under the Societies Registration Act, the audit of such bodies by Chartered Accountants was suggested on the analogy of a similar provision existing in respect of the Small Farmers' Development Agency issued with concurrence of the Ministry of Finance and the Comptroller and Auditor General of India. These orders were issued with the approval of the Integrated Finance Division of the Ministry. The audit by Chartered Accountants was proposed in addition to the audit by the respective Accountants General. In quite a few districts, the DPAP agencies were set up only from the year 1976-77. States like Maharashtra and Karnataka did not set up agencies registered under the Societies Registration Act. They merely set up authorities under the charge of a senior officer at the district level with the various district departmental heads as members, who were entrusted with the implementation of the programme.

The guidelines issued for the establishment of Drought Prone Areas Development Authority had clearly suggested the setting up of a coordinating authority for implementing the DPAP. It had further been decided to leave it to the

discretion of the State Governments to decide whether the authorities as per the guidelines or an agency on the SFDA pattern should be set up for implementing the programme during the 5th Plan keeping in view the State's administrative structure. Agencies registered under the Societies Registration Act are required to have their annual accounts audited by Chartered Accountants. Information of such audit has been received from most of the Societies. Besides, the accounts have also been inspected by the respective State Accountants General according to the prescriptions of the law. Audited statements of accounts have been received by the Ministry and are available on record. There are a few cases where these have not come. The matter has been taken up on priority with these agencies and they are getting the audit done. In one district, Dharmapuri (Tamil Nadu) part of the work is done by a Corporation set up under the Companies Act."

1.27 It has been further pointed out in the audit para that in Madhya Pradesh, the DPAP agencies created in 1975 were not (till May 1979) delegated with any administrative or financial powers nor were they given powers to operate bank accounts. Rules for the working of agencies were not framed; nor were the agencies provided with any personnel except some clerical staff. Asked about the reasons for the same, the Ministry have stated in a note:

"The Government of Madhya Pradesh did not consider it appropriate to delegate the administrative and financial powers to the agencies and frame rules for the working of these agencies because the programme was being implemented only in a few blocks of a few districts. This arrangement for implementation had already been going on before the agencies came to be registered. Funds for the programme were released to the Collectors who are the Chairmen of the agencies. These funds were allotted by the Collectors to different implementing departments on the basis of approved schemes. Administrative, financial and technical powers were/are exercised by the concerned officers in respect of approved schemes. After the merger of these agencies with District Rural Development Agencies, the State Government is considering delegating the administrative and financial powers for DPAP also to the DRDAs."

1.28 According to the Audit para, in Bihar, the amounts shown as spent in the utilisation certificates were found in some cases to be different from those exhibited in the annual accounts of the agencies. The Committee desired to know the circumstances in which the utili-

sation certificates were given for amounts in excess of the expenditure figures reported in the accounts of the agencies. In reply, the Ministry of Rural Development have stated:

“The difference in the figures shown in the utilisation certificates and those exhibited in the annual accounts during the year 1976-77 was due to the fact that the advances made by agencies (DPAP) to the different programme implementing organs of the State Government at the field level were included in the accounts of expenditure incurred and exhibited as such in the utilisation certificates. As a matter of fact, these advances should not have been shown as expenditure. The agencies have been directed to include only the actual expenditure in the utilisation certificates. According to the State Government, this practice is being strictly followed by the agencies since 1979-80.”

1.29 The Audit have stated that in J&K, the DPAP agencies, set up in November 1977 and registered under the Societies Registration Act in 1979 had not started functioning (July 1981). Asked why the DPAP agencies in J&K could not start functioning till July, 1981 when these were set up as early as in 1977 and registered in early 1979 and how were the programmes being executed, the Ministry in a note have stated:

“The Government of Jammu & Kashmir considered it appropriate to place funds for the programme with the respective heads of departments for the implementation of the programme even after the setting up of the DPAP agencies. The agencies were set up for formulation, implementation, monitoring and evaluation of the programme. Agencies formulated the plans and submitted them to the State Government. The Deputy Commissioners of the concerned districts functioned as the Chairmen of these agencies. As the funds were placed with the heads of the departments implementing the programme, the agencies had little or no role in the administration of finances. The plans were considered by the State Level Sanctioning Committee where the Chairman, Project Officers concerned and the departmental heads are represented.

However, the working of this system was recently reviewed by the State Government under the advice of this Ministry and funds for the programme are now being released directly to the agencies. The agencies now formulate the programme in consultation with the heads of the im-

plementing departments according to the guidelines of the Government of India and submit them to the State Level Sanctioning Committee.”

1.30 In Orissa, out of Rs. 1333.42 lakhs drawn as grants-in-aid upto 1980-81, utilisation certificates for Rs. 403.22 lakhs pertaining to 1976-77 to 1980-81 were awaited (July 1981). The Committee desired to know the progress made in the receipt of utilisation certificates for Rs. 403.22 lakhs. In reply, the Ministry have stated as under:

“Government of Orissa has reported that out of a total of Rs. 1308.05 lakhs grants-in-aid released to the agencies upto 1980-81, utilisation certificates have been submitted for Rs. 1208.77 lakhs upto end of October, 1982. Utilisation certificates for the balance amount of Rs. 99.28 lakhs only are still awaited. Further position in this behalf will be intimated to the Public Accounts Committee on receipt from the State Government.”

1.31 The conditions stipulated by the Ministry of Rural Development for sanctioning grants provided inter-alia that the State Governments should send to the Ministry within 9 months of the close of the financial year an audited statement of accounts duly certified by the concerned Accountant General. In December, 1977 it was further decided that the audited statement of accounts would be issued by Chartered Accountants in respect of societies for the period 1976-77 and onwards. The Committee are disturbed to find that these audited statements have not been received in the Ministry even for the Fourth Plan period and also for the period 1974-75 to 1980-81.

1.32 The Committee further note that the Ministry of Rural Development did not insist on the adoption of uniform pattern by the States and left it to State Governments to evolve their own procedures while some of the States set up the agencies under the Societies Registration Act others set up authorities under the charge of a senior officer at the district level. In J&K, the State Government placed funds meant for DPAP with the respective heads of departments for the implementation of the programme even after setting up the DPAP agencies. As the funds were placed with the heads of the departments, the agencies had little or no role in the administration of finances. The DPAP agencies in Madhya Pradesh were not delegated with any administrative or financial powers; the rules for the working of agencies were not framed, nor were the agencies provided with any personnel except some clerical staff. In Bihar the advances made by the agencies (DPAP) to different programme implementing organs of the State Government were regarded as expenditure and included as such in the accounts and utilisation certificates. How the

advances made to the agencies without their actual utilisation could be treated as expenditure under the programme is beyond comprehension of the Committee.

1.33 It would be obvious from the facts narrated in the foregoing paragraphs that the Programme has not been organised and implemented in a manner that would ensure monitoring on a uniform basis and obtaining reliable accounts in time. The Committee would like the Ministry to have a detailed review of the programme for appropriate remedial action. Further the form of accounts to be rendered by the States should be laid down on a uniform basis in consultation with the C.&A.G. of India. The Committee would like to know the progress in regard to the rendering of past accounts.

Physical Achievements

1.34 The physical targets, physical achievement and percentage of achievement to target for the years 1979-80 and 1980-81 are given below :

Programme unit sector	Target		Achievement		Percentage of achievement to target	
	1979-80	1980-81*	1979-80	1980-81*	1979-80	1980-81
	1	2	3	4	5	6
I. Agriculture						
A. Soil and Water Conservation						
1. Soil survey and mapping (00 hectares)	9507	14700	10026	9844	105.5	66.96
2. Area treated under soil conservation (00 hectares)	2011	1778	1717	1596	85.4	89.76
B. Crop-Husbandry						
1. Area covered under improved farm practices (00 hectares)						
(a) Irrigated	10964	7766	13437	7331	122.6	94.40
(b) Dry	19097	18212	15480	16341	81.1	93.02
2. Inputs						
(a) Fertilizers (tonnes)	167928	55429	128050	194740	76.3	351.33
(b) Seeds (tonnes)	32385	11998	91182	15113	28.2	125.96
(c) Pesticides (tonnes)	99122	17716	4448	27948	4.5	157.75
(d) Implements (nos.)	19307	10047	13670	6717	70.8	66.85
II. Irrigation						
A. Surface irrigation Works—irrigation potential (hectares)	103129	85735	30454	20698	29.5	24.14

B. Ground Water Development—irrigation potential (hectares)	30854	29583	19615	17884	63·6	60·45
C. Command area Development—area benefited (hectares)	84282	9069	43982	6646	52·2	73·28
III. Forestry and Pasture						
1. Afforestation—area covered (hectares)	71566	69097	67827	60554	94·8	87·63
2. Social Forestry (hectares)	108058	19803	107886	4589	99·8	23·17
3. Pasture area Development (hectares)	124778	25261	124956	21823	100·1	86·39
IV. Animal Husbandry						
A. Cattle dairy development						
1. Milch Animal distributed (nos.)	29582	25720	17403	10901	58·8	42·38
2. Calves born through artificial insemination (nos.)	12407	19512	14727	26922	118·7	137·97
3. Milk societies established (nos.)	1200	719	2768	495	230·7	68·84
4. Fodder development area covered (hectares)	3801	10111	2785	6953	73·3	68·76
B. Sheep Development						
1. Cross breed rams distributed from ram multiplication farms (nos.)	2911	7471	1197	1459	41·1	19·49
2. Progeny born with farmers (nos.)	34190	19039	142793	119727	415·1	244·19
3. Sheep cooperatives societies established (nos.)	104	1775	113	387	103·6	21·80
C. Poultry Units established (nos.)	907	3335	1306	574	144·0	17·21
D. Piggery units established (nos.)	269	1245	286	1004	107·4	80·64

1	2	3	4			
V. Horticulture						
1. Fruit trees planted :						
(a) No. of trees (in lakhs)	12.84	14.07	11.63	11.61	90.6	82.51
(b) Areas (hectares)	3708	893	14499	3124	391.0	80.24
2. Area under vegetables (hectares)	31760	34382	38545	36765	121.4	106.93
VI. Fisheries						
1. Area developed (hectares)	6920	9810	4547	37108	65.7	378.26
2. Nurseries developed (hectares)	20	42	10	32	50.0	76.19
3. Catch (tonnes)	307	173	439	370	143.0	243.87
VII. Sericulture						
Area under mulberry cultivation (hectares)	4599	11682	7443	6454	161.8	55.24

Authority : Review of physical achievements for the year 1979-80 and 1980-81.

*Figures for 1980-81 have not been vetted in Audit.

1.35 The above mentioned figures showed that there had been heavy shortfalls in achievements as compared to the targets set for 1980-81 in such vital sectors like soil and water conservation, irrigation, social forestry, cattle and dairy development, milk societies establishment, fodder development, sheep development, poultry unit establishment, and sericulture etc. Asked if the reasons for shortfall in targets had been analysed, the Ministry of Rural Development have in a note stated that slow progress during 1980-81 had been mainly due to the following factors:

- (i) drought conditions in South India, particularly in Andhra Pradesh, and insufficient rainfall in some regions in North India had generally affected crop husbandry, sericulture, horticulture, fisheries, animal husbandry, fodder development, etc.;
- (ii) difficulties in getting suitable contractors to do specific jobs, shortage of cement and labourers, unseasonal rainfall, slow process in the acquisition of land and sharp escalation in the cost of inputs and wages, all affected various items of construction;
- (iii) non-availability of suitable agency for carrying out canal construction and inadequate facilities of transport of construction materials also slowed down the progress of irrigation works;
- (iv) difficulties in meeting credit requirements from the financial institutions.

1.36 Noticing that under-utilisation of funds under the programme was *inter alia* due to delay in the procurement of materials and inputs. The Committee enquired if it was not the responsibility of Central Government to ensure timely availability of inputs for the implementation of the programme. The Secretary, Ministry of Rural Development replied in evidence:

“It could be. But for things like cement or steel now the State Governments have their own allocation of cement and steel. The State allocation depends on the quantity of cement and steel required for the execution of a project. The agencies are free to obtain their requirements from the State allocation”.

He further added:

“In practice, it is well-nigh impossible to give this kind of assurance that we will ensure everything what the States would require for the implementation of the scheme”.

1.37 Asked if the Ministry is content with merely ensuring funds only and no raw material, the witness stated:

“Well, I accept that position.”

1.38 During evidence, the Committee enquired about the corrective action taken by the Ministry of Rural Development in view of short-fall in achievements of targets. The Secretary, Rural Development replied:—

“...in such cases, the action should be not in the nature of non-release of funds for the programme altogether but calling and discussing with the State Governments, how this particular thing has happened and discuss the reasons for such failures and see that such deficiencies are removed.”

1.39 The Committee enquired if the issue regarding these shortfalls in achievements were discussed in the last Conference of Ministers—Incharge of Rural Development. The Ministry have stated in a note:—

“No. However, the progress in the implementation of the programme was reviewed at the Conference of State Secretaries in-charge of the concerned nodal departments of the State Governments held at New Delhi on the 8th and 9th November, 1982.”

1.40 The Committee are concerned to note that there have been heavy shortfalls in achieving physical targets of the drought prone area programme during 1979-80 and 1980-81. Though provision of irrigation facilities is the first pre-requisite for the development of any drought prone area, the achievement in regard to surface irrigation works was only 29.50 per cent and 24.14 per cent of the target during 1979-80 and 1980-81. Similarly, in the field of ground water development, the achievement was only 63.6 per cent and 60.45 per cent respectively. Another sector where substantial shortfalls have occurred is cattle and dairy development. The distribution of milch animal was only 58.8 per cent and 42.38 per cent of the targets during 1979-80 and 1980-81. Only 17.2 per cent of the target was achieved in the field of establishment of poultry units during 1980-81. All these clearly show that the progress of the programme particularly in the vital sectors has been far from satisfactory. This is a matter of serious concern.

1.41 The Committee find that some of the factors responsible for slow progress of work, e.g., shortage of cement and labourers, slow progress in the acquisition of land, non-availability of suitable agency for carrying canal construction and lack of adequate facilities for

transport of construction materials are such as could have been foreseen and provided for by better planning and concerted efforts on the part of the executing agencies. The Committee hope that concrete measures will now be taken by the Ministry of Rural Development to ensure that the executing agencies take timely action to avoid such shortfalls in achievement of targets in future.

1.42 Another reason given for slow progress of work under the programme is "difficulties in meeting credit requirements from the financial institutions". The Committee would like the Ministry of Rural Development to take up the matter with the Ministry of Finance (Banking Division) and financial institutions and find out ways to ensure that the programme does not suffer from shortage of credit.

1.43 The Ministry of Rural Development have not ensured timely availability of inputs like cement and steel for the implementation of the programme. The programme in many areas has suffered heavily because of shortage of these inputs. The Committee would like the Ministry of Rural Development to take up the question of supply of inputs for the programme with the concerned Ministries and make every effort to ensure that the implementation of programme does not suffer for want of these vital inputs.

1.44. *DPAP versus normal development programme*—While according to administrative approval to the annual programme, the Government of India had laid down a condition that the work taken up under DPAP should not result in the substitution or slowing down of normal development programmes. In Madhya Pradesh, it was observed that while expenditure on soil conservation on works taken up under DPAP was on the increase from 1975-76, the expenditure on such works executed under the normal development programmes showed a marked downward trend as indicated below:

Year	Normal development Programme	DPAP	Total
Rupees in Lakhs			
1974-75	28.83	..	28.83
1975-76	15.36	4.93	20.29
1976-77	0.44	17.99	18.43
1977-78	0.71	26.14	26.88

1.45 In Purulia district of West Bengal, 159 tank improvement works were completed under the normal programme against 432 under DPAP since 1970-71 onwards.

1.46 The Committee asked about the reasons for the downward trend of normal development programme in Madhya Pradesh and Purulia district of West Bengal. In reply, the Ministry of Rural Development have stated as follows in a note:

“The Government of India have repeatedly impressed on State Governments that allocations under the DPAP should be additive to and not in lieu of, allocations under the normal development programme. In view of this, a number of schemes/items of expenditure suggested by State Governments under the DPAP have been disallowed from time to time with the observation that these should be met from the normal budget of the State Government's departments concerned. It has, however, not always been possible to ensure this. The States' resources being limited are subject to severe pressures from other areas where the cushion of a special programme is not available. Moreover, in a project area, the capacity for productively absorbing investment is limited and may not large enough to absorb both the normal development expenditure and the funds available under the DPAP. A too rigid insistence on the normal development expenditure being incurred will thus result in denial of the States' funds to other deserving areas while funds under the DPAP may have to be surrendered. In the circumstances, the policy of bringing up the investment absorption capacity of the project area appears expedient. This, as pointed out above, is being done through the Union Government's insistence that development activities/items of expenditure that are normally funded by the subject matter departments in other districts should not be charged to project funds in the districts where DPAP is being implemented.

It may also be noted that till the end of the Fourth Plan ending in 1973-74, the entire expenditure for DPAP used to be borne by the Central Government. From the inception of the Fifth Plan (1974-75), the Centre and the States have been sharing the expenditure equally. This has naturally reduced the States' own resources that could be deployed for normal developmental activities of a similar nature undertaken by the States.

The Government of Madhya Pradesh have informed that before the commencement of the 5th Plan, 10 soil conservation sub-divisions were engaged in general soil conservation

works. No separate set-up for soil conservation was sanctioned for DPAP. These sub-divisions continued to implement normal programmes of the State Government till September, 1976. After this, these sub-divisions took up soil conservation work under DPAP and also continued the work in old incomplete projects under the States' normal programme. In DPAP, subsidy to the extent of 25 per cent of the total expenditure was available to the land owners whereas for normal schemes subsidy was not available in non-scheduled areas. This also drew land-owners away from normal schemes to DPAP."

1.47 Clarifying the position further, the secretary, Ministry of Rural Development stated during evidence:

"The drought relief expenditure incurred by the State Government when a particular State is declared as drought affected area, is a part of the responsibility of the Ministry of Agriculture. In addition to the drought relief programme of the State Governments, DPAP programme is a separate programme. There could be a large number of Plan Programmes also over and above the DPAP programme operating in the State. Those programmes are a part of the State Plan and they are expected to be implemented as additional programmes over and above the DPAP."

1.48 The Committee asked if the Drought Prone Area Programme has actually substituted the other normal development programmes in various States. The witness replied.

"I cannot say that in many cases it has happened, but the possibility of such a kind of overlapping cannot be overruled. From time to time, we have been pressing the State Governments that allocations under DPAP should be additive and not in lieu of the normal allocations."

He added:—

"In most of the cases what is being implemented by the State Governments is their Plan Schemes. In such a comprehensive projects, it is wellnigh impossible to verify clearly what is a Plan Scheme and what is being done under DPAP. However, the Central Governments policy directive clearly envisages that it has to be additive to the normal development expenditure. But wherever such lapses are there we will check up with the State Governments and again advise them in the matter. It also depends on the States' capacity to absorb those funds."

1.49 While according administrative approval to the annual programme, it is envisaged by the Ministry of Rural Development that

the works taken up under DPAP should not result in the substitution or slowing down of normal development programmes. In spite of it, the Committee find that in some of the States, expenditure on normal development programme showed a marked downward trend during the period 1974-75 to 1977-78. In Madhya Pradesh before the commencement of 5th Five Year Plan, 10 soil conservation sub-divisions were engaged in general soil conservation works till 1976 and no soil conservation work under DPAP was sanctioned. Thereafter, these sub-divisions took up soil conservation work under DPAP and no fresh works under State Plan for soil conservation was taken up. Thus, while the expenditure under the normal development programme came down from Rs. 28.83 lakhs in 1974-75 to a mere trickle of Rs. 0.74 lakh in 1977-78, the expenditure under the DPAP shot up from Rs. 4.93 lakhs in 1975-76 to Rs. 26.14 lakhs in 1977-78.

1.50 It has been urged before the Committee in extenuation that the State's resources being limited and subject to pressure from other areas and also the capacity for productively absorbing investment being limited in a project area, a rigid insistence on the continuance of normal development expenditure in that area may not be possible. The Committee are unable to accept this plea. They need hardly point out that the very objective of the DPAP is to supplement the efforts made by State Governments for the development of drought-prone areas with the aim of making the areas drought-proof and to supplant the efforts already being made by State Governments. The Committee would therefore like the Ministry of Rural Development to re-emphasise on State Governments that works undertaken under DPAP should not result in the substitution or slowing down of normal development programmes in drought-prone areas.

Maintenance of assets

1.51 It has been stated in the audit para that the District Development Authorities (DDA) in Andhra Pradesh did not obtain any inventory of assets of the completed works (cost 442.90 lakhs) created out of DPAP funds (Rs. 626.27 lakhs) given as grants during 1975-76 to 1980-81 to Andhra Pradesh Dairy Development Corporation. On the other hand, the State Government instructed the Corporation to treat the grant-in-aid provided under the DPAP as share capital. The Committee enquired if the State Government have maintained proper records of the durable assets created under the Programme. The Ministry have stated in a note:

“The accounting procedure prescribed for the programme provides for maintenance of a register of assets created under this programme. The project authorities and the local units of the technical departments are responsible for maintaining these records of assets. A number of State Governments and agencies have reported that such records are being maintained by them. Agencies which

were not maintaining them have been directed by the concerned State Governments to prepare proper records immediately and maintain them."

1.52 The Committee desired to know how it was ensured that the State Governments were maintaining durable assets created under the programme properly. The Ministry have replied as under:

"The system of maintenance of assets varies from scheme to scheme. Assets created in terms of afforestation, nurseries, livestock farms, etc., are maintained under the programme until these are treated as non-plan schemes. Assets created on community land, such as soil conservation works, were in the past maintained under the Food for Works Programme in some States. Assets created on the individual farmer's field are to be maintained by them.

Assets credited to the State's account are to be maintained, after their transfer from the plan to the non-plan sector, from the budgetary provision of the concerned department of the State meant for the purpose of maintenance and upkeep of such assets. It has, however, been observed that the budgetary provisions for maintenance are generally inadequate. As a result, newly created assets often suffer from inadequate or no maintenance expenditure. Though regrettable, this is a common problem with regard to maintenance of assets created under various schemes and is not peculiar to the D.P.A.P."

1.53 In view of the inadequate or non-maintenance of assets at all created under various schemes because of financial constraints on the part of State Governments and huge investments having been made over the years on creation of such assets, the Committee enquired if it would not be desirable if the assets created at least under DPAP are maintained and repaired under the programme and not out of the State Governments funds. The Secretary, Rural Development replied during evidence:

"We very much welcome this valuable suggestion. We will take up with the Planning Commission and try to persuade them about this particular approach.

1.54 Assets created under the programme are to be maintained after their transfer from the Plan to the non-Plan sector from the budgetary provisions of the concerned Departments of the State. It has, however, been observed that because of financial constraints on the part of State Governments, adequate provision is not being made for the maintenance of the assets with the result that these assets are deteriorating over the years and the benefits of the assets are not being fully realised. As huge investments have been made over the years on the creation of such assets, it is imperative that these assets should be maintained properly and full benefits thereof should accrue to the

intended beneficiaries. The Committee feel that it would be desirable that the assets created under the DPAP are maintained and repaired from out of the funds provided for the DPAP so that these assets do not deteriorate merely on account of financial constraints of State Governments. The Committee would like the Ministry of Rural Development to take up the matter with the Planning Commission and take an early decision in the matter.

Inadequate control over expenditure

1.55 The audit para states that according to the procedure prescribed by the Ministry (July 1975), the agencies were to act as a central payment office i.e. checking of bills submitted by the departmental officers. As no machinery/procedure was prescribed/evolved by the Ministries/agencies, the control over utilisation of Government assistance was not adequate. The agencies were also not receiving paid vouchers and were acting merely as bodies for advancing funds received from Government. A number of such cases of lack of control over expenditure noticed in test check in audit in Uttar Pradesh, Bihar, Madhya Pradesh, Andhra Pradesh, Jammu & Kashmir, West Bengal and Rajasthan have been pointed out in the Audit paragraph. The Committee enquired if the agencies were allowed to treat the lump-sum advances made to the Departments as utilised on the basis of periodical progress reports without day verification and control over actual execution of work and expenditure. In reply, the Ministry of Rural Development have stated in a note:

“The DPAP agencies advance funds to the various Government and semi-Government organisations entrusted with the execution of sectoral programmes and necessary funds are placed at their disposal. In regard to these funds the departments concerned follow the accounting procedure prescribed by the State Government. Paid vouchers according to this procedure have to be retained by the executing departments and are subject to check by audit. Since these funds and their expenditure would be subject to audit in the same manner as funds in the departmental budget, adequate safeguards seem to exist. The executing departments submit utilisation certificates to the agencies. Except in a few cases, the agencies cannot take up detailed verification of works. The works are taken up by the departments of the State Government according to the approved programme. The progress of the works is discussed and checked through monthly meetings and by the officers on their tours. Further, the departments concerned submit monthly expenditure reports and periodic reports on the progress of schemes. The question of evolving an appropriate procedure for accounting to be followed by the agencies is under examination.”

1.56 Asked about the recovery of Rs. 9.46 lakhs lying blocked with the Prayag Chitrakoot Krishi Evam Godhan Vikash Nigam, the Ministry have stated that the DPAP agency, Allahabad had placed Rs. 9.90 lakhs at the disposal of the Nigam. Out of this, an amount of Rs. 6.00 lakhs was provided as share capital contribution and Rs. 3.90 lakhs as advance payment for meeting the cost of inseminations and subsidy for feed, etc. The Managing Director of the Nigam has reported that Rs. 6.35 lakhs are payable to the BAIF for A.I. charges as against the amount of Rs. 3.90 lakhs provided to the Nigam. As regards the utilisation of the share capital of Rs. 6.00 lakhs, the Nigam has reported that an amount of Rs. 3.23 lakhs towards the expenditure of the Nigam may be treated as utilised. The balance amount of Rs. 2.77 lakhs could be adjusted against the expenditure of the Nigam in future. The State Government has been requested to confirm the veracity of the statement of the Managing Director and examine the propriety of the use of share capital funds for other purposes.

1.57 In Madhya Pradesh, six agencies released funds of Rs. 155.42 lakhs in March 1978 against the requirement of Rs. 78.65 lakhs for the first year to Madhya Pradesh Dairy Development Corporation for setting up milk schemes. Only Rs. 10.06 lakhs had been utilised till August 1978. The Committee asked about the reason for release of Rs. 155.42 lakhs against the estimated requirements of Rs. 78.65 lakhs and the present position of the unutilised amount of Rs. 145.36 lakhs. In reply the Ministry have stated:

"The State Government has reported that the Dairy Development Corporation proposed a programme covering three financial years i.e. 1977-78, 1978-79 and 1979-80 at a total outlay of Rs. 246.50 lakhs. The State Government considered this an important programme and decided that it should be implemented on the Amul pattern by the State Dairy Development Corporation with immediate effect. An amount of Rs. 78.65 lakhs for the year 1977-78 and Rs. 79.31 lakhs for the second year 1978-79 were sanctioned in advance and ordered to be placed at the disposal of the M.P. State Dairy Development Corporation from the concerned Agencies during 1977-78. A total amount of Rs. 108.51 lakhs has been expended upto May, 1982. The balance amount of Rs. 46.906 lakhs is to be utilised during 1982-83. The programme originally proposed is under revision."

1.58 In Andhra Pradesh, agencies advanced Rs. 780.90 lakhs to departmental officers for execution of related schemes during 1975-76 to 1980-81 and the accounts of such advances had not been rendered till June 1981. Asked to explain the position in this regard, the Ministry have in a note stated that the 'total amount adjusted so far, is

Rs. 729.43 lakhs and an amount of Rs. 50.40 lakhs is pending settlement for which action has been initiated.'

1.59 In Rajasthan Rs. 23.28 lakhs were advanced to Uttari Rajasthan Milk Union Limited, Bikaner for setting up a milk chilling Centre at Rajgarh. No expenditure could be incurred due to controversial survey reports regarding prospects of availability of milk. The Committee asked why exact prospects of availability of milk were not ascertained before advancing Rs. 23.28 lakhs and desired to know the present position regarding the recovery of this amount. The Ministry of Rural Development stated in reply that the State Government sanctioned a project during 1977-78 for setting up a milk chilling plant with initial handling capacity of 20,000 litres expandable to 30,000 litres per day at Rajgarh on the basis of a project report. This project report was based on the survey undertaken by RCDF who acquired the land and prepared the site plan etc. . . . Later on some local legislators held that the supply of milk in Rajgarh was insufficient and the location of the centre needed to be changed. In view of this suggestion a fresh survey was undertaken to find out the real potentiality in the milk shed of Rajgarh area. The survey too did not yield any fruitful result. As intimated by the Rajasthan Co-operative Dairy Federation Ltd., the Board of Directors of the Churu Milk Dugdha Utpadak Sahakari Sangh Ltd. has decided to conduct a survey in Doongergarh, and Ratangarh Tehsils of Churu district. Accordingly, the Project Officer, Churu Zila Dugdha Utpadak Sahakari Sangh Ltd., Churu, has been advised to conduct the survey in the area of above mentioned Tehsils. On receipt of the survey report, action to utilise the unspent balance will be taken.

1.60 The Committee enquired why the project was sanctioned by the Ministry when milk was not available. The Secretary, Ministry of Rural Development replied in evidence:

"In a matter like this, we have to rely on the recommendations of the State Government. I must admit that I do not have any independent means of verifying the veracity of the facts stated by the State Government in regard to these projects. State Governments are State Governments and if they have formulated a project and given certain data in support of the project, it would be well-high impossible for us, for the programme as such, to scrutinise each and every project except in a very broad way."

He further added:

"These are Centrally-sponsored schemes and they have to be formulated and implemented as such. Based on this prevailing arrangement, most of the Centrally-sponsored Schemes are subjected to control by the Centre with the

help of guidelines, periodical reviews, field visits, evaluation, appraisal and things like that. But the main responsibility for lapses in the implementation of the Project is with the State Government because the basic data based on which those projects are recommended is furnished by the State Government and their agencies."

1.61 According to the procedure prescribed by the Central Government in July 1975, the DPAP agencies were to act as a central payment office. However, the Committee find that the control over utilisation of Government assistance was not adequate.

1.62 In many cases paid vouchers have not been received by the concerned agencies and verification of works executed under the DPAP have not been done and the lump-sum advances made to the departments were treated as utilised. The audit para brings out a number of instances of financial irregularities. In Uttar Pradesh Rs. 9.90 lakhs advanced by an agency have been lying blocked with Prayag Chitrakoot Krishi Evam Godhan Vikas Nigam while in Madhya Pradesh funds amounting to Rs. 155.42 lakhs were released to the Dairy Development Corporation in advance in March 1978 against the requirement of Rs. 78.65 lakhs for the first year for a dairy scheme. A total of Rs. 108.51 lakhs had been expended upto May 1982 and the original programme is under revision. In Andhra Pradesh an amount of Rs. 50.40 lakhs is pending settlement out of Rs. 780.90 lakhs advanced to departmental officers for execution of schemes upto 1980-81.

1.63 In Rajasthan, Rs. 23.28 lakhs had been advanced for setting up a milk chilling centre and the project could not take off due to defective survey reports with regard to prospects of availability of milk. The Committee are surprised how the programme for setting up Milk Chilling centre was taken up without fully ensuring availability of milk. This is a clear instance of the casual and indifferent manner in which the programme is actually being implemented. The Committee are not happy with this position.

1.64 They would like the Ministry of Rural Development to devise ways and means for exercising effective financial control over the programme. The Committee expect that the irregularities pointed out by the Audit would be looked into and responsibility fixed for lapses. They would also like the Ministry of Rural Development to evolve an appropriate accounting procedure for agencies in consultation with the C&AG of India at an early date.

Spill-over works

1.65 According to the guidelines issued by the Government of India on October, 1974, all spill-over works from the Fourth Plan were required to be completed during the first two years of the Fifth Plan. Besides, new works were required to be commenced well in ad-

vance during the Fifth Plan period so as to ensure that no spill-over works were carried over beyond March, 1979. However, according to the Audit Para, in Uttar Pradesh and Andhra Pradesh out of 32 incomplete works of the Fourth Plan, only 9 were completed in the Fifth Plan period; of the remaining 23 works, 16 were completed in March 1980 and 7 were incomplete even after spending Rs. 49.34 lakhs. In Uttar Pradesh 46 new works were taken up in spite of Government of India's directives to defer all the new works till completion of spill-over work of Fourth Plan. The Committee desired to know the reasons for not completing the spill-over works and taking up new works during the first two years of the Fifth Plan. In reply, the Ministry have stated in a note:

"The intention of the Central Government in suggesting to the State Governments to complete all spill-over works of the Fourth Plan during the first two years of the Fifth Plan was to ensure early flow of benefits of various schemes on hand. It has been observed, particularly in the irrigation sector, that schemes started for quick execution have tended to take much longer period for implementation. As a result the benefits of these schemes have not accrued in time and the actual cost of these schemes has gone up. Implementation of schemes was delayed due to delay in land acquisition, procurement of equipments, and material, posting of staff, etc. Though old works were not completed, the project authorities started new works so that they could usefully utilise the available funds and ensure early completion of these schemes."

1.66 Noticing that the scheme started for quick execution particularly in irrigation sector had tended to take much longer period for implementation and as a result, the benefits of these schemes had not accrued in time and the actual cost of these schemes had also gone up, the Committee desired to know the corrective measures taken to ensure timely implementation of the schemes. The Ministry have in a subsequent note stated:

"Some of the most important factors causing delay in the execution of surface irrigation projects have been protracted legal proceedings for the acquisition of land and difficulties in acquiring forest lands. Often projects have been started on the basis of preliminary survey of the potentialities of a scheme and the available resources. Detailed survey conducted subsequently for the finalisation of estimates, etc., has from time to time necessitated thorough revision in the designs of schemes and the cost calculations. This has meant delay in obtaining technical and administrative sanctions. For reaping the full benefit of an irrigation scheme, action on the part of

the individual farmers is also needed by way of construction of field channels and formulation of on-farm development works. It has not been possible to synchronize these different activities in order to ensure immediate full utilization of the potentialities so created. Information collected in respect of specific schemes is being analysed with a view to finding out the most common factors causing delay and necessary guidelines will be issued to the States in the light of this analysis."

1.67 The guidelines issued by the Government of India in October 1974 envisaged completion of all spill-over works of Fourth Five Year Plan during the first two years of Fifth Plan and new works were required to be commenced well in advance during the Fifth Plan period so as to ensure that no spill-over works were carried out beyond March, 1979. The Committee however find that in Uttar Pradesh and Andhra Pradesh out of 32 incomplete works of the Fourth Plan only 9 were completed in the Fifth Plan period. Of the remaining 23 works 16 were—completed in March, 1980 only. In Uttar Pradesh 46 new works were also taken up. The Committee need hardly point out that the delay in the implementation of projects not only leads to escalation in cost but also deprives the people in the area of the benefits of the programme.

1.68 The Committee have been informed by the Ministry that the information collected in respect of specific spill-over schemes is being analysed with a view to finding out the most common factors causing delay and necessary guidelines will be issued to the States in the light of its analysis. The Committee desire that this exercise taken up belatedly should be carried out expeditiously. The Committee would await the results of the analysis and the action taken on the basis thereof.

Faulty designs and sub-standard works

1.69 The Audit have reported 19 instances in six States namely, Madhya Pradesh, Uttar Pradesh, Karnataka, Andhra Pradesh, West Bengal and Rajasthan where due to faulty designs and sub-standard works the intended benefit to the beneficiaries could not accrue even after incurring an expenditure of Rs. 368.11 lakhs. In Rajasthan construction of a tank with expected average annual irrigation of 554 hectares of land was taken up in March 1973. An expenditure of Rs. 13.02 lakhs was incurred upto March 1977. It was still lying incomplete due to non-finalisation of a land compensation case. Rs. 142 lakhs spent upto March 1981 on 3 rural water supply schemes remained unproductive as water was not available. The Com-

mittee desired to know the reasons thereof. In reply, the Ministry of Rural Development have in a note stated as under:

“A detailed survey was conducted to assess the availability of water before taking up execution of the 3 rural water schemes in Churu district. As no local source of water was available, Sahawa, where a source is being created from the Rajasthan Canal was selected. Water sources at various points are being created by laying trunk main from the Rajasthan Canal at Ganghali|Lakhuwali. The work of Ganghali-Sahawa water supply scheme is in progress and is expected to be completed by the end of this current financial year. All the three water supply schemes of Churu district will be commissioned as and when water is made available at Sahawa. The execution of works is reported as per Plan.”

1.70 The Committee enquired how the Central Government approved the schemes when the designs were faulty, the Secretary, Ministry of Rural Development stated in evidence:

“... The nature of the programme is such that under DPAP when a particular agency is operating it is quite possible that in many cases, there could be this type of shortcomings.

1.71 Asked if in the absence of guidelines, the agencies have violated the norms and procedure, the witness replied:

“The guidelines issued are to be treated as broad recommendations which the State Governments are required to observe in the implementation of the scheme.”

1.72 Replying to another query about the faulty designs of schemes, the witness stated:

“When we say that the project comes to the Central Government for approval, it is not that every individual project would come for technical clearance. Here, the DPAP is treated as a total project for the development of drought prone areas. We see what are the approximate area that would be brought under irrigation etc. But the responsibility of designing a dam and what should be its size, whether technically feasible or not is that of the State Government.”

1.73 Drawing attention to the specific case of faulty planning in Karnataka where 5.11 lakh seedlings were distributed at a cost of Rs. 17.39 lakhs and only 1.88 lakhs seedlings survived out of

4.52 lakh seedlings distributed due to their distribution at the wrong time, the Committee enquired about the reasons for this lapse. In reply, the Secretary, Ministry of Rural Development stated before the Committee:

“...we have ascertained the facts from the State Government. They have reported that the climatic condition in Bijapur district being very severe, the rate of survival of fresh plants distributed under DPAP could not be very high.”

1.74 When asked why wrong place had been selected by the State Government, the witness replied:

“I would not make any conjecture on this. I will like to go by what the State Government has reported. They have said later on that this place was not found suitable. They should undertake a survey of the area before it is actually implemented.”

1.75 Asked if any other case of this nature has come to the notice of the Ministry, the Secretary replied:

“If you take up a programme of this magnitude covering drought prone areas all over the country, and large number of individual small programmes that are being taking up in drought prone areas, I would not rule out the possibilities of some of these lapses. Where some individuals are responsible, undoubtedly the State Governments would have to take them to task and also make necessary enquiries about the failures and all other aspects. But on a total basis, the impact of the programme as such has to be judged. After all, it is a programme of national importance. I would not rule out the possibility of some lapses here and there due to the fault of the implementing agency and certain other factors responsible for the slow progress.”

1.76 The Committee desired to know the action taken in such cases of faulty designing and formulation of projects. The witness replied:

“It is taken up with the State Governments because ultimately it is the State Governments which are to be cautioned about such failures. The State Governments are re-

quired to take necessary action. We bring these to their notice."

1.77 He further added:

"In respect of the Centrally sponsored schemes, the responsibility of the Central Government, so far has been about the formulation of guidelines to enable State agencies to formulate projects in accordance with these guidelines. These guidelines are technical and administrative in nature. As regards the actual implementation of the scheme as to which particular area the programme should be taken up, what will be the nature of the programme, etc., these are decided by the DPAP agencies which are functioning under the State Governments."

1.78 Replying to another query from the Committee in this regard, the witness added:

"The Central Government's role, so far has been to sanction broadly the general outline of the schemes in a DPAP area. But the detailed project formulations at the micro-level, the technical feasibility, etc. are all dealt with by the technical departments of the State Governments."

1.79 The witness further stated:—

"The guidelines issued by the Central Government are essentially the pace-setter on the basis of which the State technical departments are supposed to formulate the projects with such variations as are permissible to take into account the local conditions, etc. By any means, it would not be possible for the Central Government to approve each and every technical project spread over in more than 500 blocks in the country. We do not have either the staff or the set-up."

1.80 Asked about the role of the Ministry of Rural Development in the formulation and implementation schemes, the witness stated in evidence:

"The DPAP has a very large technical component and these technical projects are required to be formulated in which a certain amount of cost benefit analysis is involved.

These projects also should be such as are likely to provide a certain amount of drought-proofing in the drought-prone area.

The formulation of the project should be such as to be capable of being achieved within a certain time-frame. Once the scheme for a district is formulated, we take it that it has been formulated in accordance with these guidelines given in the published volume of instructions where all the technical details have been spelled out as to how to prepare the scheme.

When the scheme is received by the Central Government, we see to it that these Schemes are subjected to a quick cost benefit analysis taking into account the total expenditure incurred and whether the relevant area to be brought under irrigation would be justified or not, and certain checks are also applied.

In some cases, where the Schemes are found to be inconsistent with the guidelines, questions are put to the State Governments for clarification.

Having broadly approved the outline of the Schemes, these are sent back to the State Government for implementation.

At the implementation stage, if the State Governments have found the Schemes not operational and feasible for certain reasons, it is mainly due to lack of proper formulation of the Project at the level of State Government and not at the Ministry level.

I do not have any kind of a technical organisation which can give quickly a total technical clearance to these large number of projects, which are formulated at the level of DPAP districts."

1.81 Another disquieting feature of the planning and execution of Drought-Prone Area Programme has been faulty designs and sub-standard quality of works in many States. The Committee observe that due to these benefits of 19 projects could not accrue to the intended beneficiaries even after spending a huge sum of Rs. 368.11 lakhs. In Karnataka out of 4.52 lakh fruit seedlings distributed at a cost of Rs. 17.39 lakhs, only 1.88 lakh seedlings survived due to their distribution at a wrong time and in an area climatically unsuitable. In another case in Rajasthan, an expenditure of Rs. 13.02 lakhs has been incurred on the construction of a tank but irrigation benefits thereof have not yet accrued. The Secretary, Ministry of Rural Development pleaded in extenuation that in a programme of this magnitude covering drought prone area all over the country and large number of programmes the possibility of such types of cases cannot be ruled out. He further pointed out that the Ministry of Rural Development do not have any expertise to examine the various

projects before technical clearance. While granting that it may not be possible for the Ministry of Rural Development to technically scrutinise each and every scheme, the Committee would like the Ministry to immediately take up with the concerned State Governments all such cases of faulty designs and sub-standard works and ensure that necessary corrective steps are initiated at the earliest.

Diversion of DPAP funds to unapproved schemes

1.82 Assistance under the programme was intended to be utilised for works under the programme. During a test-check in audit, it was noticed that, in 9 States, funds to the extent of Rs. 1304.78 lakhs were utilised for execution of 21 unapproved works/schemes as shown below:

	No. of schemes	Amount (Rs. in lakhs)
(i) Haryana	4	30.50
(ii) Andhra Pradesh	2	97.99
(iii) Maharashtra	1	839.44
(iv) Karnataka	2	169.65
(v) Bihar	1	0.18
(vi) Uttar Pradesh	1	32.52
(vii) Orissa	7	81.33
(viii) West Bengal	2	13.37
(ix) Rajasthan	1	39.80
	21	1,304.78

1.83 The Committee desired to know the action taken to get the unauthorised expenditure regularised and to stop such diversion of funds for unapproved schemes in future. The Committee further enquired if other cases of the nature had come to their notice. In reply, the Ministry have stated in a note:—

“The expenditure incurred on many of these schemes has since been regularised, but the State Governments have been advised not to incur such expenditure without prior approval of the competent authority. The authority for delegation of sanction for annual plans of DPAP to

the State Level Sanctioning Committees is contingent upon prior approval of the Sixth Plan project report by the Central Sanctioning Committee. State Governments have also been directed to send all annual plans for different DPAP districts to the Central Government for their comments before these are considered by the State Level Sanctioning Committees. In a number of cases, schemes approved by the State Level Sanctioning Committee without appropriate scrutiny and adequate time given to the Central Government have been disallowed by the Central Government.

Some cases of similar nature have come to the notice of the Ministry. The Ministry has advised the concerned State Governments to give either full justification for such schemes or refund the amount failing which such amount will be deducted from future releases of funds for the concerned district of the State."

1.84 Clarifying the point further during evidence, the Secretary, Ministry of Rural Development stated:

"We cannot just stop the flow of funds to State Governments. But we have asked them for reasons, why certain lapses have taken place, and based on their explanations, we have taken action. Where the deviation was justified, it has been condoned and where the deviations are not justified, we have adjusted the amounts against their future grants."

Infructuous expenditure due to discontinuance abandonment of Projects

1.85 In 8 States, 15 projects taken up for execution were either discontinued or abandoned resulting in infructuous expenditure of Rs. 285.02 lakhs. The Committee enquired if the Ministry have ascertained the reasons for abandonment of projects and were satisfied with the explanations given by the respective state Governments. In reply, the Secretary, Rural Development stated in evidence:

"With some of the replies received we are satisfied but in some cases we will have to take them up with the State Governments, because it would be a deviation from the guidelines.

In regard to Haryana, the 16 mm. film projector has been put to use by other staff who have been acquainted with the operation of the projector till the regular operator has been appointed. These are some of the lapses which are

reported and essentially of an operational nature, where we have to condone. But in regard to some of the other matters we will have to take them up with the State Governments and obtain satisfactory explanation and based on the explanation we will take appropriate steps."

1.86 The Committee find that in 9 States funds to the tune of Rs. 13.00 crores were utilised for execution of 21 unapproved works. Some other cases of similar nature have also come to the notice of the Ministry of Rural Development. The States have been asked to justify these schemes. Further, 15 projects taken up for execution were either discontinued or abandoned resulting in infructuous expenditure of Rs. 285 lakhs. The Committee desire that all these cases should be looked into and appropriate action taken. The Committee would like to be apprised of in due course of the action taken in these cases. They would also like the Ministry of Rural Development to devise appropriate mechanism so that instances of such nature where large sums have been expended without prior approval and works are discontinued or abandoned after incurring substantial expenditure do not recur.

Slow progress of works

1.87 A test-check in audit revealed that the progress of work on various schemes in irrigation, agriculture, Animal Husbandry, soil conservation etc. had been very slow with the result that full benefits of the schemes could not be derived. A few instances of slow progress of works are details below:

Irrigation

1.88 There had been shortfalls in the creation of irrigation potential and development of command areas in practically all States under the scheme. The Committee asked if the Government had conducted any study to find out reasons for the same. The Ministry in a note have stated:

"No separate study has been conducted as yet to find out the reasons for shortfalls in the creation of irrigation potentials and development of command areas. However, the evaluation studies sponsored by this Ministry on the performance of specified projects mentioned earlier have identified same reasons, which have already been detailed. Most of the irrigation schemes taken up during the Fifth Plan in different States have almost been completed. A number of schemes earlier included in the programme in different states had been initiated in anticipation of technical clearance, but some of them had to be revised subsequently. This too delayed their execution. The increase in cost of materials and wages needing further procedural

formalities, also had their share in the delay. States have been cautioned against taking up implementation of schemes before they receive technical sanction."

1.89 In four States, viz., Andhra Pradesh, Madhya Pradesh, Maharashtra and Uttar Pradesh, the irrigation potential created under the programme during the period 1974-75 to 1980-81 could not be utilised adequately due to non-development of the Command area and hence the benefits of the system could not be availed of by the people. The Committee enquired about the steps taken by Government to ensure the development of Command area simultaneously with the creation of irrigation potential. The Ministry have stated in reply:

"There is a qualitative difference between the generality of irrigation schemes constructed under the DPAP and the major and medium irrigation schemes. The former depends mainly on storing of rain water. Therefore, erratic rainfall often renders infructuous expenditure on such an irrigation scheme at the time of its completion. The farmer who expects to benefit from storing rain water loses his enthusiasm for investment in on-farm development works in such conditions. The paradox in the situation is perplexing but unavoidable. While rain water is available, the farmer probably feels the need for stored rain water from service, percolation tanks and wells, etc. When rain water is not available, these irrigation schemes lose much of their immediate relevance.

Another disincentive for the farmer in taking up on-farm development works has been lack of adequate institutional credit facilities. This lack is often the product of the same paradox mentioned above. If rain water is not available, the banks do not consider the farmers' on-farm development works worthwhile. When rain water is available, the farmer either does not care much for credit or is unable to obtain it. The fact of the matter is that the usefulness of such work and full exploitation of their capacities take a longer period than is generally expected of them while the schemes are drawn up. The farmer's confidence in taking up on-farm development works, often very expensive by his standards, can be built up only through a process of trial and error spread over several seasons."

1.90. In another note the Ministry of Rural Development have stated:—

"The main distribution system is constructed under the DPAP. But the excavation of field channels and on-farm works

are expected to be taken up by the farmers with institutional support. In many of the areas where such distribution system had been constructed during the period under reference unusual drought conditions caused scarcity of water. There was, therefore, little or no benefits available from the constructed works which was visible and therefore could induce the farmers to take up immediately construction of field channels and other on-farm works. The conditions of scarcity also depleted the farmers of resources making him less capable than before to undertake any investment. This was compounded by lack of sufficient institutional support. It has also been seen that generally there is a time lag between the creation of potentialities for irrigation and the willingness and ability on the part of the individual farmers to take the risk of investment for tapping these potentialities. It may be difficult to synchronise the activities of the DPAP and individual farmers without making allowance for a time lag."

1.91 The Committee find that irrigation potential created under the programme at an enormous cost during the period 1974-75 to 1980-81 could not be utilised adequately due to non-development of the command area in Andhra Pradesh, Madhya Pradesh, Maharashtra and Uttar Pradesh. The result was that the benefits of the schemes could not be made available to the people. This causes concern to the Committee. They would stress that the monitoring mechanism of the Ministry of Rural Development and the review for follow up should be such as would ensure coordinated and well synchronised implementation of Projects and establishment of connected facilities to derive optimum benefits in time.

Monitoring and Evaluation

1.92 The Task Force appointed by the Central Government in July, 1982 have pointed out that monitoring and evaluation of the programme suffered considerable neglect with the result that expenditure is incurred largely routinely and activities that hold considerable promise for an area are seldom identified. In view of these observations of the Task Force, the Committee desired to know the arrangements made to monitor and evaluate the programme. In reply the Secretary, Ministry of Rural Development stated in evidence:

"The programme is spread over in more than 500 blocks right from the beginning. In fact, as it has developed, it has spread to 13 States, in 510 blocks. The Ministry has been constantly reviewing the progress. For this purpose we

have developed a monitoring system right from the beginning of the scheme. In accordance with the monitoring system on the basis of Reports every year, the financial expenditure incurred under the DPAP and the corresponding physical achievement expected is being analysed and reviewed. We get two reports prepared every year for the DPAP. The latest one is for 1980-81. One is a review of the physical achievements and the other is a review of the financial aspects of the programme."

1.93 The Committee asked about the shortfalls and weaknesses pointed out in the evaluation studies and the corrective action taken. The witness replied:

The progress under the programme has been uneven. In some States, it has done well and in some other States, the progress has been slow. On the basis of review conducted, the following factors have been identified as being the reasons for slow progress. First is the drought positions in South India, particularly in Andhra Pradesh and insufficient rainfall in some regions in north. It had affected the crops like horticulture, sericulture etc. In many places inadequate facilities for collection and marketing of milk has slowed down the progress of livestock development programme. Then pest disease had affected the livestock programme in Andhra Pradesh. The prolonged strike of officers in Bihar also hindered the animal husbandary programme in that State. Shortage of cement, labour and unseasonal rainfall had also affected the irrigation programme. Inadequate facilities for transportation and shortage of construction material had slowed down the progress. There was also delay in the approval of plan schemes by some of the concerned departments. Under the existing system, obtaining technical persons from a competent authority was delayed in many cases. Recently, we had a meeting of the State Secretaries, where we emphasised the urgency of rectifying these mistakes. We propose to carry out a further review in consultation with the State Governments and see that these difficulties are removed to the extent possible.

1.94 The Committee enquired if Planning Commission had made any evaluation study of the programme. In reply, the witness stated:—

"Every year, at the time of the annual plan discussion, the programme is subjected to a critical appraisal by the Planning Commission in consultation with the State Governments and my Ministry, as far as the total programme is concerned. Since this is a very old programme and being continued from 1971, while formulating the Sixth Plan, the Planning Commission had taken into account

the total performance of the programme in the country. The Planning Commission had also suggested the appointment of the task force to make certain recommendations regarding avoiding overlapping etc. and/or modification in the programme, if necessary and on the basis of the recommendations of the task force, certain changes in the programme have been brought about by the Ministry. As far as this programme is concerned, the programme has been approved by the Planning Commission. There has been assessment by them."

1.95 Evaluation studies conducted by the Ministry revealed a number of defects and deficiencies in successful implementation of the programme. These were sent to the State Governments for necessary action, but no further monitoring of the remedial action taken by the State Government was done. The Committee desired to know specified remedial measures that have been taken or proposed to be taken to prevent recurrence of such lapses and asked why evaluation studies could not be conducted in all the DPAP projects. The Ministry of Rural Development have stated in a note:—

"The major deficiencies pointed out in the Reports of evaluation of DPAP related to problems of inter sectoral co-ordination, lack of watershed approach of development, concurrent and post evaluation of the programme, proper maintenance of assets created etc. These deficiencies in planning and implementation of the programme were reviewed by a Task Force on DPAP and DDP recently. The Task Force has recommended certain solutions for preventing recurrence of these difficulties. These have been recommended to the States. Further, in the light of the specific deficiencies revealed in the report of the CAG, detailed guidelines are also being framed. These will be sent to the State Governments and the Project authorities shortly.

A number of studies have been conducted on different aspects of the DPAP. Some of these relate to evaluation of the programme. Ideally annual evaluation of each component of each programme may be desirable. But it may not be practicable. However, this does not place any insurmountable difficulty in the way of our objective evaluation of the programme. Institutions which are expected to undertake evaluation have limited expertise and the quality of evaluation done by them in the past was found wanting in many cases. In view of the urgency of evaluation of the programme, the Ministry re-

requested the Programme Evaluation Organisation of the Planning Commission to take up evaluation of the programme in about 15 to 20 districts. The PEO has however, not yet positively reacted to the proposal, presumably because of its pre-occupation with other studies in hand. Since the State Governments are primarily responsible for the actual implementation of the projects, the Ministry has stressed the need for concurrent and post evaluation of the programme by the agency and the State Governments themselves. Efforts are also being made to develop expertise at the State level to independently undertake this task."

1.96 The Operations Evaluation Department of the World Bank had submitted on 29th March, 1982 a project performance Audit Report on the drought prone areas project for which credit was provided by the World Bank. In that Report, it has been pointed out "due to a lack of adequate monitoring and evaluation, the magnitude of the project's programmes and the impacts of these programmes are partially impressionistic or conjectural. The Central DPAP unit worked out detailed guidelines for impact evaluation during the early years of the project. It commissioned 32 studies to be done by its own personnel or by state authorities. However, little comprehensive information on the ultimate impact of the project has been obtained."

1.97 In August, 1977, the Central Government suggested to the State Governments to conduct a quick evaluation study of the DPAP projects. However, no such studies have been undertaken in Madhya Pradesh, Orissa, Bihar, Haryana, Karnataka and Rajasthan. Asked about the reasons for these States not undertaking these evaluation studies, the Ministry of Rural Development have replied as under:—

"Haryana and Orissa undertook such studies. However, these were completed late. The Government of Rajasthan have stated that since the concerned subject matter departments continuously evaluate the general programme in association with the project authorities, they did not feel any urgency for making a quick assessment of the programme as suggested in the Government of India's letter. The Government of Karnataka took up the evaluation of the programme in the district of Bijapur. The report has now been received by this Ministry. Information from Bihar and Madhya Pradesh is yet to be received.

The response of the States to the idea of quick evaluation has either been poor or delayed for a variety of reasons. The State directorates/bureaus of economics and statistics have not been able to respond everywhere readily. Se-

condly, the introduction of the concept of rolling plan shortly after the issue of the letter by the Government of India, seemed to have been taken by many States as having rendered unnecessary such an exercise. The State Governments appeared to be more intent on draining upon their findings from the general evaluation of the programme for the preparation of the annual plan."

1.98 The Committee are surprised to find that there has been no proper monitoring and evaluation of the Drought Prone Area Programme as a whole. The Task Force in their report submitted in July, 1982, have inter-alia, pointed out that monitoring and evaluation of the Drought Prone Area Programme suffered considerable neglect with the result that expenditure is incurred rather routinely and activities that hold considerable promise for an area are seldom identified. The Operations Evaluation Department of the World Bank in their project programmes Audit Report on the projects for which credit was provided by the World Bank submitted in March, 1982 has also pointed out that there was lack of adequate monitoring and evaluation with the result that the magnitude of the project's programme and the impacts of these programmes are partially impressionistic or conjectural. It has also been pointed out in their report that although Central DPAP Unit commissioned 32 studies to be done by its own personnel or by state authorities, little comprehensive information on the ultimate impact of the project has been obtained.

1.99 The Committee have been informed that some evaluation studies on planning and implementation of Drought Prone Area Programmes in certain areas have been carried out by some institutions. But, according to the Ministry's own admission, "institutions which are expected to undertake evaluation have limited expertise and the quality of evaluation done by them in the past was found wanting in many cases". In view of this, the evaluation made by these institutions is necessarily of limited value. The Committee need hardly emphasise that monitoring and evaluation of a programme of multi-disciplinary nature like DPAP on a continuing basis is essential in order to find out not only how far the objectives of the programme in different areas have actually been achieved but also to identify the lacunae/weaknesses in different areas with a view to initiating corrective action at the earliest. In view of the fact that the progress of the programme in different States has been uneven, it is all the more necessary that such monitoring and evaluation should be done on a priority basis in the case of those States whose performance has not been found encouraging.

1.100 The Committee find that the Central Government had suggested to the State Governments to conduct quick evaluation study of the DPAP projects. However, it has been stated by the Ministry that the response of the States to the idea of quick evaluation have "either been poor or delayed for a variety of reasons". In view of this it becomes all the more necessary that such an exercise in regard to the different projects should be conducted by a Central agency.

1.101 The Committee have been informed that the Ministry of Rural Development have taken up with the project Evaluation Organisation of Planning Commission the question of evaluation of the programme. The Committee note that the Project Evaluation Organisation of Planning Commission has in the past evaluated a number of important programmes, such as the Food for work Programme, Employment Guarantee Schemes and the Rural Water Supply Scheme, and has made very useful suggestions. In view of this the Committee feel that an evaluation of the Programme on an all India basis by this organisation would prove of great value to the country. The Committee, therefore, recommend that the Project Evaluation Organisation might be persuaded to evaluate this programme at an early date and the programme suitably reoriented in the light of the results of the evaluation. This by its very nature could only be a one time exercise though very useful. The Committee would like to add that the Ministry of Rural Development should evolve a scientific monitoring mechanism of its own for a periodic appreciation of the position on a regular basis.

1.102 The Committee find that the evaluation studies so far made on Planning and execution of the programme have highlighted a number of deficiencies, e.g., lack of inter-sectoral coordination, lack of watershed approach of development, inadequate facilities for marketing of milk, lack of proper maintenance of assets, etc. The Committee need hardly stress that urgent remedial measures should be taken to remove the deficiencies which have been pointed out in these evaluation studies.

Audit Reports

1.103 The Committee pointed out that the Comptroller and Auditor General of India through Audit Offices in States has conducted audit of Drought Prone Area Programme in 1980-81 in the 13 States and submitted their reports to respective State Legislatures highlighting the deficiencies/lapses noticed in the formulation/implementation of the programme. The Committee enquired if the Ministry of Rural Development have taken note of these audit reports and if so whether

any remedial action has been taken. The Secretary, Rural Development replied in evidence.

"According to the information given to me, no such reports have been received by us so far.....In any case, I will make an endeavour to get a copy of the reports and find out what are the findings of the State Legislatures on this issue."

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He further added:

"I admit my fault in this regard that I am not aware of it. But since you have brought it to my notice, I will make an endeavour to go through these reports and see what are the findings and to the extent it is necessary, for us to have discussions with the State Governments in regard to the various audit reports received by the State Governments. I can give you this assurance."

1.104. The implementation of the Drought Prone Area Programme is the joint responsibility of Central and State Governments. The C & AG of India has conducted an evaluation audit of the Programme in all the 13 concerned States where the Programme is being implemented and submitted his reports to the concerned State Legislatures also. These Reports for the year 1980-81 relating to 13 States have pointed out various deficiencies in the implementation of the programme. The Committee are surprised to learn that the Ministry of Rural Development were not even aware of these Reports. The Secretary, Ministry of Rural Development assured the Committee that he would have discussions with the State Governments on these audit reports. The Committee would like to be apprised of the action taken in this regard.

DRDP Programme

1.105 With the extension of IRDP to all blocks, the Ministry of Rural Development had suggested that wherever a DPAP Authority existed, it should be merged in the District Rural Development Agency which would provide the administrative infrastructure for the DPAP as well. In the light of this fact, the Committee asked what safeguards, had been devised to ensure that the programme does not suffer any set-back due to greater emphasis on other schemes undertaken DRDAs. In a written reply, the Ministry stated as under:—

"As a result of the merger of the DPAP authority with the DRDA, some transitional problems are being faced, no doubt. The staff earlier dealing only with DPAP has now to attend to other schemes under the charge of the DRDA. The DRDA utilises the staff according to prio-

rities determined by it from time to time. As a result of the strengthening of the DRDA by additional staff under the IRD Programme, etc., the staff is expected to be able to devote more time to the DPAP.

In the light of the experience gained from this dispensation, the State Governments are considering the recommendations of the Task Force that there can either be a separate agency for the DPAP or an autonomous cell headed by an additional project director within the framework of the DRDA Strengthening of the project authority by a few subject matter specialists in disciplines like water management, dryland farming, social forestry, etc., is also under consideration of several State Governments. Suitable strengthening of the State Cell by advisers in different disciplines at the State level is expected to provide guidance and assistance in planning and implementation of this programme. In project areas where the requisite strengthening of the agency has not been effected, some set-back to the quality and speed of implementation may not be ruled out."

1.106 With the extension of Integrated Rural Development Programme to all the blocks in the country, the DPAP authority has been merged with the DRDA. Consequently some transitional problems have surfaced viz. the staff earlier dealing with only DPAP has now to attend to other schemes also under the charge of the DRDA resulting in inadequate attention being paid to schemes under DPAP. The Committee have been informed that the State Governments are already seized of the recommendations of the Task Force that there can be a separate agency for the DPAP or autonomous of the DRDA Strengthening of the director within the framework of the DRDA Strengthening of the project authority by a few subject matter specialists in disciplines like water management, dry-land farming, social forestry etc. are also under active consideration. The Committee would like an early decision to be taken in this regard. In any case, it must be ensured that programmes undertaken for the development of drought prone areas are not allowed to suffer because of this new arrangement.

NEW DELHI
December, 1983
Agrahayana 28, 1905 (S)

SUNIL MAITRA,
Chairman,
Public Accounts Committee.

APPENDIX I

vide para 2 of Introduction

Audit Paragraph

1. *Introductory.*—The Drought Prone Areas Programme (DPRP), formerly known as Rural Works programme was started as a centrally sponsored scheme in the second year (1970-71) of the Fourth Five Year Plan primarily with a view to mitigating the severity of drought conditions in the areas covered by the programme through labour-intensive and production-oriented works like medium and minor irrigation soil conservation, afforestation, road building and drinking water projects. Fifty-four drought prone areas spread over 74 districts were identified in 13 States. Against the approved outlay of Rs. 111.41 crores, an expenditure of Rs. 92.27 crores was incurred in the Fourth Plan period (up to 1973-74). The implementation of the programme during the Fourth Plan period was commented upon in the Supplementary Audit Report (Civil) for 1973-74 (Part I) on "Relief of distress caused by natural calamities".

In October 1971, the Planning Commission appointed a Task Force on Integrated Rural Development in drought prone areas. In its report (June 1973), the Task Force suggested that the drought prone areas identified in the Fourth Plan might continue to be categorised as such during the Fifth Plan and that the main thrust of efforts under the programme should be in the direction of restoration of proper ecological balance in these areas. It recommended 50 : 50 ratio of share of the cost between Central and the State Governments.

During the Fifth Plan period, the focus of the programme was on integrated area development in agriculture and allied sectors of rural economy. The main objectives of the programme were:—

- reducing the severity of the impact of drought;
- stabilising the income of the people, particularly, weaker sections of the society; and
- restoration of the ecological balance.

The programme continued to operate in 74 districts in 13 States (covering 557 blocks) and it included, *inter alia*, development and management of irrigation resources, dry-land agriculture, live-stock development afforestation, pasture development and the development of horticulture, fisheries and seri-culture.

2. *Organisation.*—The apex organisation is the DPAP Division in the Ministry of Rural Reconstruction, which was to oversee pro-

gramme-planning and implementation throughout the country. Planning, monitoring and evaluation cells had been set up the State level and separate agencies, registered under the Societies Registration Act, were established in most of the regions. The Collector of the district was normally the Chairman and all the district level officers of the implementing departments and some non-officials were members of the agency. The responsibility for planning, coordination and implementation of the project under the programme was that of the agency whereas in the field, the schemes were to be implemented by the existing State Government departments. The nucleus staff provided for the agency consisted of a Project Director supported by a Project Economist, a Credit Planning Officer and an Accounts Officer together with their supporting staff.

3. Financial assistance

3.1 The financial assistance during the Fifth Plan (1974-79) was on the basis of matching contributions by the Central and State Governments. Central funds were indicated to different districts on the basis of the area covered under the programme. From 1979-80, funds were allotted on the basis of the number of blocks covered in each district, each block getting an allocation of Rs. 7.5 lakhs and an equal amount being contributed by the State Government concerned. The release and utilisation of funds under the programme during 1974-75 to 1980-81 were as under :—

Year	Amount released by the Central Government	Total amount released by Central and State Governments	Actual expenditure	Percentage utilisation of fund
(Rupees in crores)				
1974-75	16.94	33.88	26.85	79.3
1975-76	24.13	48.26	34.42	71.3
1976-77	29.74	59.48	56.18	94.5
1977-78	37.60	75.20	60.04	79.8
1978-79	50.89	101.78	78.79	77.4
1979-80	29.41	58.82	70.75	120.3
1980-81	34.19	68.38	49.98**	73.0
	222.90	445.80	377.01	84.57

**Expenditure up to January 1981 as per monthly progress report for February 1981.

3.2 *International aid.*—The programme also evoked considerable interest among international financial agencies. The World Bank extended a loan of US \$ 35 million (Rs. 28 crores) for six projects, viz. Anantpur (Andhra Pradesh), Bijapur (Karnataka), Ahmednagar and Sholapur (Maharashtra), Jodhpur and Nagaur (Rajasthan) for the period ending June 1981. The assistance by the World Bank was governed by an agreement with the International Development Association (IDA) which stipulated allocations separately for civil works, machinery and equipment and operating expenses. The entire amount of the credit was stated (October 1981) to have been utilised up to May, 1981.

3.3 The Federal Republic of Germany signed an agreement (December 1975) for utilisation of counterpart funds of Rs. 19.5 million generated from the commodity assistance of 26,000 tonnes of wheat for financing the DPAP in the Bankura district of West Bengal. Wheat (25,988 tonnes) was received in January, 1976 and its sale proceeds amounting to Rs. 324.85 lakhs were deposited with Government by the Food Corporation of India in July, 1976. No records showing utilisation of assistance, nor any appraisal report of the project was made available to Audit (September 1981).

3.4 The European Economic Community came forward with an assistance of US \$ 7.5 million (Rs. 6 crores) for funding the development of irrigation, afforestation and soil conservation schemes in 3 districts of Uttar Pradesh (Jalaun, Hamirpur and Mirzapur) during the period 1st January, 1977 to 31st March, 1979. The assistance was in the nature of grants and the entire amount had been utilised up to 1980-81. The EEC further extended its assistance of about Rs. 7 crores under the 1979 agreement for the period 1979-80 to 1982-83, out of the counterpart funds generated from the sale of fertilisers through the Minerals and Metals Trading Corporation (MMTC). Information about its utilisation was awaited (October 1981).

4. *Accounting procedure/control over expenditure.*—Of the 54 drought prone areas, the accounts of 38 area agencies were test-checked in audit. The points noticed in the test-check are mentioned in the succeeding sub-paragraphs.

4.1 The conditions stipulated by the Ministry for the grants sanctioned provided, *inter alia*, that the State Governments should send to the Ministry within 9 months of the close of the financial year an audited statement of accounts duly certified by the concerned Accountant Général. In their letter of 27th December 1977, the Ministry further decided that the audited statement of accounts would be issued by the Chartered Accountants in respect of accounts of the societies for the period 1976-77 and onwards. Nevertheless, audited statements of ac-

counts had not been received in the Ministry for the Fourth Plan period as also for the period 1974-75 to 1980-81.

The accounting procedure prescribed by the Ministry of Rural Reconstruction was also not got approved by the Ministry of Finance and the Comptroller and Auditor General of India. The figures of receipt and expenditure as reported by the State Governments were accepted by the Ministry without asking for the audited statement of accounts.

Some other points noticed in regard to DPAP agencies are given below:

- (i) In Madhya Pradesh, the DPAP agencies, created in 4 districts in 1975, were not (May 1979) delegated with any administrative or financial powers, nor were they given powers to operate bank accounts. Rules for the working of agencies were not framed, nor were the agencies provided with any personnel except some clerical staff.
- (ii) In Bihar, the amounts shown as spent in the utilisation certificates were found in some cases to be different from those exhibited in the annual accounts of the agencies. In 2 agencies, the utilisation certificates showed expenditure of Rs. 2.54 lakhs and Rs. 3.28 lakhs in 1976-77, although the expenditure exhibited in the audited annual accounts was Rs. 1.13 lakhs and Rs. 1.56 lakhs respectively.
- (iii) In Jammu and Kashmir, the DPAP agencies, set up in November 1977 and registered under the Societies Registration Act in early 1979, had not started functioning (July 1981); the programme continued to be executed by Government departments concerned.
- (iv) In Orissa, the expenditure reported to the Government of India during 1979-80 under Fisheries was Rs. 1.72 lakhs while the actual expenditure, as per records of the District Fisheries Officer, was Rs. 1.21 lakhs. Similarly, expenditure reported during 1979-80 in Animal Husbandry was Rs. 19.86 lakhs against the actual expenditure of Rs. 12.57 lakhs. Detailed contingent bills for Rs. 35.89 lakhs were awaited (July 1981). Out of Rs. 1,333.42 lakhs drawn on grants-in-aid bills up to 1980-81, utilisation certificates for Rs. 403.22 lakhs pertaining to 1976-77 to 1980-81 were awaited (July 1981).

4.2 Physical achievements.—The physical targets and achievements during the Fifth Plan period and during 1979-80 for certain key sectors are given in Annexures I and II. The achievements in

some vital sectors of the Fifth Plan fell short of targets by 4.6 to 31.9 per cent as may seen from the following table :—

Programme unit sector	Target for 1974-79	Achievement for 1974-79	Percentage of achievement	Percentage of shortfall
1. Creation of irrigation potential (thousand hectares)	300	286.3	95.4	4.6
2. Forestry and pasture (thousand hectares)	500	340.3	68.1	31.9
3. Organisation of milk producers cooperative societies (thousand nos.)	5	3.75	75	25

During 1979-80, achievements in the under noted sectors also fell short of targets by 23.7 to 95.5 per cent.

Sectors	Targets during 1979-80	Achievement during 1979-80	Percentage of achievement	Percentage of shortfall
1. Crop husbandry (Inputs)				
(a) Fertiliser (tonnes)	1,67,928	1,28,050	76.3	23.7
(b) Seeds (tonnes)	3,23,385	91,182	28.2	71.8
(c) Pesticides (tonnes)	99,122	4,448	4.5	95.5
(d) Implements (nos.)	19,307	13,670	70.8	29.2
2. Surface Irrigation Works (hectares)	1,03,129	30,454	29.5	70.5
3. Ground Water Development Irrigation (hectares)	30,854	19,615	63.6	36.4
4. Command area development (hectares)	84,282	43,982	52.2	47.8
5. Milch animal distributed (nos.)	29,582	17,403	58.8	41.2
6. Fodder Development area covered (hectares)	3,801	2,785	73.3	26.7
7. Sheep Development—cross breed ram distributed (nos.)	2,911	1,197	41.1	58.9
8. Fisheries (area developed) (hectares)	6,920	4,547	65.7	34.3
9. Fisheries (Nurseries developed) (hectares)	20	10	50.0	50.0

4.3 DPAP versus normal development programme.—While according administrative approval to the annual programmes, the Government of India had laid down a condition that the works taken up under DPAP

should not result in the substitution or showing down of normal development programmes. In Madhya Pradesh, it was observed that while expenditure on soil conservation works taken up under DPAP was on the increase from 1975-76, the expenditure on such works executed under the normal development programmes showed a marked downward trend as indicated below :

Year	Normal development programme	DPAP	Total
(Rupees in lakhs)			
1974-75	28.83	--	28.83
1975-76	15.36	4.93	20.29
1976-77	0.44	17.99	18.43
1977-78	0.74	26.14	26.88

In one district of West Bengal, 159 tank improvement works were completed under the normal programme against 432 under DPAP since 1970-71 onwards.

4.4 *Excess expenditure on establishment*—According to the guidelines issued by the Central Government (October 1974), the cost of establishment should not exceed 12 per cent of programme cost. In the following cases, expenditure on establishment had exceeded the prescribed ceiling :—

- (i) In Jammu and Kashmir, the establishment expenditure in some sectors of the programme ranged up to 70 per cent resulting in excess expenditure of Rs. 49.19 lakhs.
- (ii) In Andhra Pradesh, there was excess expenditure of Rs. 87.82 lakhs up to March 1979 and of Rs. 134.01 lakhs during two annual Plan periods (1979—81) in 3 and 6 districts respectively (ranging from 15 to 22 per cent).

4.5 *Maintenance of assets created out of the programme funds*—The District Development authorities (DDA) in Andhra Pradesh did not obtain any inventory of assets of the completed works (cost : Rs. 442.90 lakhs) created out of DPAP funds (Rs. 626.27 lakhs) given as grants during 1975-76 to 1980-81 to Andhra Pradesh Dairy Development Corporation. On the other hand, the State Government instructed the Corporation to treat the grant-in-aid provided under the DPAP as share capital (November 1977).

4.6 According to the procedure prescribed (July 1975) by Government, the agencies were to act as a central payment office. Bills prepared and submitted by the departmental officers, were to be paid by

the agencies after scrutiny including physical verification and the correlation of the physical and financial progress of works with reference to the approved project reports. As no machinery was prescribed by Government or evolved by the agencies for checking and verifying the bills, the control exercised by the agencies over utilisation of assistance was not adequate. Some instance of lack of control, noticed in a test-check in audit are mentioned below :

(i) In Uttar Pradesh, 6 agencies paid lump sum advances (Rs. 3,993.40 lakhs up to 1980-81) to the departments, which made payments directly to the parties concerned. The advances were treated as utilised by the agencies on the basis of periodical progress reports submitted by the departments concerned without any verification and control over actual execution of work and expenditure. The agencies were also not receiving paid vouchers from the departments and were acting merely as bodies for advancing funds received from Government.

Out of Rs. 529.89 lakhs advanced by one agency to various departments during 4 years ending March 1981 and shown as spent on works in the accounts of the agency, the departments held with them unutilised balance of Rs. 10.92 lakhs as on 30th September 1981.

Another agency paid to a Nigam Rs. 6 lakhs (in 1975-76) as investment in its share capital and Rs. 3.90 lakhs during 1977-78 to 1979-80 for subsidising 2,000 inseminations at 5 specified centres and for other subsidies of feed and fodder till March 1980. The Nigam paid Rs. 0.44 lakh for insemination (296 cases only) and the remaining Rs. 9.46 lakhs were lying blocked with the Nigam (September 1981).

(ii) In Bihar, 3 agencies had received grants/funds amounting to Rs. 1,247.13 lakhs during 5 years from 1976-77 to 1980-81, out of which only Rs. 1,010.57 lakhs were spent, leaving a balance of Rs. 236.56 lakhs on 31st March 1981. Out of Rs. 582.49 lakhs advanced to various executing agencies up to the end of 1980-81 by the 3 agencies, only Rs. 452.51 lakhs were reported as spent by them in March 1981.

(iii) In Madhya Pradesh, funds for setting up milk dairy schemes were released by 6 agencies to the Madhya Pradesh Dairy Development Corporation in advance of requirements. Against the estimated requirement of Rs. 78.65 lakhs for the first year (1978-79) of execution of the schemes, Rs. 155.42 lakhs were released in March 1978, of which only Rs. 10.06 lakhs had been utilised till August 1978.

(iv) The agencies in Andhra Pradesh advanced funds from time to time, to the departmental officers for execution of the related schemes. The accounts for such advances (Rs. 713.03 lakhs) made during 1975-76 to 1980-81 had not been rendered (June 1981). In one district, Rs. 116.59 lakhs were advanced to the banks for construction of

4040 wells during 1976-77 to 1978-79, out of which Rs. 16.89 lakhs were refunded by 4 banks during 1977-78 as unutilised and utilisation certificates were furnished for Rs. 59.48 lakhs; utilisation certificates for Rs. 40.22 lakhs were awaited (June 1981).

In other three districts, Rs. 16.80 lakhs were released to the financing banks in advance as subsidy element of price of the animals, out of which utilisation certificates for Rs. 3.68 lakhs were received after December 1979 and Rs. 0.50 lakh were refunded in January 1980; utilisation certificates for Rs. 12.62 lakhs were awaited (June 1981).

(v) In Jammu and Kashmir, an amount of Rs. 50.89 lakhs out of the Government of India share of Rs. 77.75 lakhs for the years 1978-79 and 1979-80 was (under the orders of the State Government) transferred to one DPAP agency (December 1980). The amount was lying in its bank account (July 1981).

(vi) Vouchers for Rs. 95.80 lakhs were not submitted to one agency by the executing authorities in West Bengal, although the amount was reported to have been spent. Against the provision of Rs. 50 lakhs, the expenditure incurred by another agency under afforestation was Rs. 55 lakhs. The excess expenditure of Rs. 5 lakhs on the programme, instead of being financed from the normal budget of the State Government, was met from the DPAP funds.

(vii) In Rajasthan, Rs. 23.28 lakhs were advanced to Uttari Rajasthan Milk Union Limited (URMUL), Bikaner in March—December 1978 for setting up a chilling centre at Rajgarh. No expenditure had been incurred due to controversial survey reports regarding the prospects of availability of milk for the chilling centre (June 1981).

The funds released by the various DDAs to the Paschimi Rajasthan Dugdh Utpadak Sangh Limited, Jodhpur from 1974-75 to 1979-80 were further remitted by it to National Dairy Development Board (NDDB), Anand, for which interest of Rs. 6.65 lakhs was allowed to the Sangh. As interest was earned on DPAP funds, the amount should have been credited by the Sangh to the concerned DDAs instead of being retained by the Sangh.

In one district, managerial subsidy of Rs. 3.88 lakhs was paid to Pali Central Cooperative Bank Ltd, as against Rs. 1.41 lakhs admissible for the years 1978-79 and 1979-80. The excess payment of subsidy of Rs. 2.47 lakhs was not recovered from the bank (June 1981).

5. *Spill-over works*

5.1 According to the guidelines issued in October 1974, all spill-over works from the Fourth Plan were required to be completed during the first 2 years of the Fifth Plan. In 2 States (Uttar Pradesh and Andhra Pradesh), out of 32 incomplete irrigation works of the

Fourth Plan, only 9 were completed in the Fifth Plan period, 16 completed by March 1980; the remaining 7 were incomplete after incurring an expenditure of Rs. 49.34 lakhs.

(i) In Andhra Pradesh out of 6 works remaining incomplete at the end of 1980-81, one was dropped and another abandoned (February 1978) after spending Rs. 1.39 lakhs. On the remaining 4 works, Rs. 32.89 lakhs were spent (up to March 1981), against the original estimate of Rs. 5.39 lakhs.

(ii) In Uttar Pradesh, 46 new works were taken up despite Government of India's directions to defer all new works till completion of the spill-over works of Fourth Plan up to March 1976. Out of 26 spill-over works, only 9 were completed (cost : Rs. 155.04 lakhs) in the Fifth Plan period, 16 completed (cost : Rs. 72.53 lakhs) during 1979-80 and one remained incomplete after spending Rs. 15.06 lakhs (March 1981).

5.2 During the Fifth Plan period, new works were required to be commenced well in advance so as to ensure that no spill-over work was carried over beyond March 1979. Out of 279 new works taken up in the Fifth Plan in three States (Andhra Pradesh, Orissa and Madhya Pradesh), 86 works were incomplete after spending Rs. 6.24 crores as shown below :

State	No. of new works	No. of works incomplete
Andhra Pradesh	162	16 (Rs. 165.42 lakhs (March 1981))
Orissa	24	17 (Rs. 223.38 lakhs (March 1979))
Madhya Pradesh	93	53 (Rs. 234.72 lakhs (June 1978))
TOTAL	279	86 (Rs. 623.52 lakhs)

In Orissa, 3 such works were abandoned (after spending Rs. 1.93 lakhs) and 8 were completed during 1979-80 and 1980-81 at a cost of Rs. 98.28 lakhs.

6. *Non-utilisation of completed works.*—In 4 States, viz., Andhra Pradesh, Madhya Pradesh, Maharashtra and Uttar Pradesh, the irrigation potential, created under the programme during the period

1974-75 to 1980-81, could not be utilised adequately due to non-development of the command area and hence the benefits of the scheme could not be availed of by the people.

(i) In 3 districts of Andhra Pradesh, the area irrigated (1031 hectares) was about 35 *per cent* of the potential created (2902 hectares) by 30 completed works (cost : Rs. 104.67 lakhs) due to non-development of the ayacut by the ryots and non-completion of supply channels.

(ii) In Uttar Pradesh, no irrigation could be provided till 1979-80 from the bundi work (cost : Rs. 2.17 lakhs) as permission to use the forest land lying between the work and the area to be irrigated had not been obtained from the Forest Department (July 1981).

(iii) In Madhya Pradesh, 26.9 *per cent* of the potential created (area : 38,253 hectares) was utilised in 1977-78. The low utilisation was attributed to inadequate flow in nallahs, lack of land shaping, non-development of water courses, unwillingness of cultivators to draw water and non-installation of pumps to lift water.

(iv) According to the Impact Study Team of the Government of Maharashtra (April-May 1978), no benefit accrued from the 134 completed ponds (cost : Rs. 5.84 lakhs) and research work was being carried out in Dry Land Farming Institute, Sholapur for perfecting the technology.

7. *Faulty designs and sub-standard works.*—Due to faulty designs and deficiencies in the irrigation, soil conservation, agriculture, horticulture, dairy development, fisheries and godown works in 6 States (in 9 cases), the intended benefit could not accrue to the intended beneficiaries even though an expenditure of Rs. 368.11 lakhs was incurred (Madhya Pradesh : Rs. 34.50 lakhs; Uttar Pradesh : Rs. 47.59 lakhs; Karnataka : Rs. 96.35 lakhs; Andhra Pradesh : Rs. 22.67 lakhs; West Bengal : Rs. 11.98 lakhs and Rajasthan : Rs. 155.02 lakhs). Brief State-wise details are given below :

(i) In Madhya Pradesh, on tank project (cost : Rs. 5.16 lakhs) provided irrigation to 5 acres and 16 acres of land during 1976-77 and 1977-78 respectively against its potential of 270 acres. There was loss of Rs. 2.67 lakhs in the construction of a lift irrigation scheme due to sub-standard materials used seventeen tanks (cost : Rs. 26.67 lakhs) were also found leaking ; the reasons therefor were stated to be under investigation (July 1978).

(ii) In Uttar Pradesh, 87 water harvesting bundi works (cost : Rs. 20.59 lakhs) were considered by the Soil Conservation Unit, Varanasi (July 1979) to be structurally unsound as their width was less than the norm fixed by the Soil Conservation Department. One soil conservation work could not be completed due to non-finalisation

of design by March 1980, even after incurring an expenditure of Rs. 2.30 lakhs. The construction of a canal, stipulated to be completed in 1976-77, had been completed only in March 1981 after spending Rs. 24.70 lakhs as the design of pump house was subsequently changed. Thus, the benefits envisaged did not accrue to the people in time.

(iii) In Karnataka 5.11 lakh seedlings were distributed to the end of March 1980 (expenditure : Rs. 17.39 lakhs). The number of plants which survived was only 1.88 lakhs (41.63 *per cent*) out of 4.52 lakh seedlings distributed up to March 1979 due to their distribution at the wrong time.

Against the anticipated provision of 980 cross-bred rams up to 1980-81 in the approved programme of a ram multiplication centre established in March 1976, only 77 rams were distributed, reportedly due to lack of amenities in the centre (expenditure incurred :Rs. 8.32 lakhs).

One fish farm (cost : Rs. 71.76 lakhs) was not operated during 1978-79 and 1980-81 in the absence of perennial water supply. An alternative jackwell in the river bed was taken up (March 1981) at an additional cost of Rs. 7.44 lakhs; the work was in progress (June 1981).

(iv) In Andhra Pradesh, a tank completed at a cost of Rs. 2.32 lakhs in January 1976 could not store water; the defect was rectified in November 1977 at a cost of Rs. 0.08 lakh. Another tank completed in August 1976 (cost : Rs. 2.75 lakhs) breached three times and could not be commissioned owing to non-rectification of the defects (June 1981).

Although the water was saline and unsuitable for cultivation, a tank was constructed at a cost of Rs. 7.07 lakhs (July 1976). It had remained unused (June 1981) due to refusal of the Panchayat to take it over.

Another tank was completed in August 1977 (cost : Rs. 2.59 lakhs), as ayacutdars were not able to finance the development, no action was taken to develop the ayacut (June 1981). Due to difference in the bed level of the vagu (stream) and the supply channel, a tank completed in 1977 (cost : Rs. 2.15 lakhs) did not receive water from the stream ; proposals for construction of an ayacut across the vagu were reported to be under consideration (June 1981).

Equipment and bulls were purchased during 1976-77 and 1977-78 for establishing a semen collection centre (cost : Rs. 5.79 lakhs), but it was decided later (February 1978) that there was no necessity for it. State Government's approval to transfer the equipment to another centre outside DPAP was awaited (June 1981).

(v) Two river lift irrigation schemes, executed in one district of West Bengal during 5th Plan period, remedial inoperative after spending Rs. 4.87 lakhs, pending completion of water lifting arrangements from Kangsabati reservoir and shifting pin-pointed location close to the source. A second veterinary hospital was constructed in December 1980 in the vicinity of a veterinary hospital and dispensary (cost: Rs. 7.11 lakhs). While the entire district was a drought prone area, the rationale for construction of a second hospital in the close vicinity of another such institution could not be explained.

(vi) Construction of one tank with expected average annual irrigation of 554 hectares of land was taken up in Rajasthan in March 1973 and an expenditure of Rs. 13.02 lakhs was incurred up to March 1977. It was lying incomplete due to non-finalisation of a land compensation case.

Rs. 142 lakhs spent (up to March 1981) on 3 rural water supply schemes remained unproductive as water was not available.

8. *Diversion of DPAP funds to unapproved schemes.*—Assistance under the programme was intended to be utilised for works under the programme. During a test-check in audit, it was noticed that, in 9 States, funds to the extent of Rs. 1304.78 lakhs were utilised for execution of 21 unapproved works/schemes as shown below:

	No. of schemes	Amount (Rs. in lakhs)
(i) Haryana	4	30.50
(ii) Andhra Pradesh	2	97.99
(iii) Maharashtra	1	839.44
(iv) Karnataka	2	169.65
(v) Bihar	1	0.18
(vi) Uttar Pradesh	1	32.52
(vii) Orissa	7	81.33
(viii) West Bengal	2	13.37
(ix) Rajasthan	1	39.80
	21	1304.78

The details of some of the projects are given below:

(i) In Haryana, 940 water courses were constructed (cost: Rs. 25.74 lakhs) up to 1977-78 against the Annual Plan target of 565 Kachha

water courses (cost: Rs. 15.65 lakhs); thus, 375 water courses (cost: Rs. 10.09 lakhs) were constructed without approval.

Further, Rs. 3.43 lakhs and Rs. 15.49 lakhs were spent on other unapproved items during 1975-76 and 1976-77 respectively; Rs. 1.49 lakhs were spent (1977-78) on the construction of office-cum-store building on the land owned by the Forest Department for which approval of the Government of India was not obtained (June 1981).

(ii) In Andhra Pradesh, 92 works (estimated cost: Rs. 72.72 lakhs) were undertaken for repairs and restoration of existing tanks in contravention of the project guidelines. Besides, in 4 districts, the entire cost of 362 completed wells was paid as subsidy instead of at 50 per cent, resulting in an overpayment of Rs. 25.27 lakhs.

(iii) In Maharashtra, out of 93 minor irrigation works (estimated cost: Rs. 1619.27 lakhs) taken up during 1974-75 to 1979-80 under the programme, 51 works (cost: Rs. 839.44 lakhs) were outside the selected water sheds.

(iv) In Karnataka, Rs. 81.62 lakhs were diverted from the DPAP Fund for the establishment of Huli-Dharwar Milk Powder Plant Project; the re-imbusement claimed for it had been turned down by the IDA. The matter was stated to be under correspondence with the Government of India (June 1981). Besides, forestry and pasture development projects were implemented during 1974-75 to 1976-77 (expenditure: Rs. 88.03 lakhs) by the Forest Department in anticipation of administrative approval, which was still awaited (June 1981).

(v) In Bihar, against the grant of Rs. 0.50 lakh for payment to cooperative societies and central cooperative bank to set up a risk fund for the loans granted by them to small and marginal farmers, one agency had spent Rs. 0.18 lakh during 1977-78 and 1978-79 for printing identity cards, pass-books and list of farmers.

(vi) In Uttar Pradesh, one agency advanced Rs. 32.52 lakhs to the Allahabad Sahakari Milk Board during 1976-77 to September 1981 for setting up a chilling plant which did not fall in the programme area of the agency. It was not ready till September 1981.

(vii) The programme did not envisage assistance for construction of office or residential buildings. However, Rs. 3.35 lakhs were spent (up to June 1981) on construction of staff quarters and Project Director's quarters out of grants provided under the programme in Orissa.

Likewise, Rs. 4.72 lakhs were spent on construction of 33 livestock aid centres (November 1978) though there was no provision for this purpose in the programme and the approval of the Government of India was awaited (August 1981). Rupees one lakh were spent (during 1977-78 and 1978-79) on installation of a water pump and for laying

pipelines to the fish farm in one district although no provision for the work was made in the Annual Plan (1977-78).

One DPAP agency released Rs. 3 lakhs for construction of godowns to the Regulated Marketing Committee of one district during January to March 1978. The expenditure was not approved by the Government of India (September 1978); the Committee refunded Rs. 2.50 lakhs only in March 1979. Recovery of the balance amount of Rs. 0.50 lakh was awaited (July 1981).

In terms of the arrangements made with the Orissa Lift Irrigation Corporation, 50 per cent of the cost of execution was to be met by the Corporation. Out of total expenditure of Rs. 121.91 lakhs incurred up to end of March 1981; Rs. 60.96 lakhs were recoverable from the Corporation (July 1981).

According to the pattern of assistance approved by the Government of India, cooperative institutions were eligible to 25 per cent of the cost of construction of godowns as subsidy when the work reached the roof level. One agency released Rs. 9.09 lakhs to end of March 1979 in favour of cooperative institutions and Block Development Officers towards cent per cent cost of 35 godowns. Out of the 35 godowns, only 22 godowns were stated to have been completed by June 1981.

Grants amounting to Rs. 5.52 lakhs utilised on field demonstrations (2926) conducted over a total area of 808.80 hectares during 1977-78 and 1978-79 by one agency were in excess of the prescribed ceiling limit (Rs. 500 per hectare) by Rs. 1.48 lakhs. No action was taken to regularise the excess expenditure (July 1981).

(viii) An agency in West Bengal spent Rs. 2.44 lakhs on veterinary health cover scheme during the years 1976-77 to 1980-81 without obtaining the approval of the Government of India.

One agency released Rs. 10.93 lakhs in 1979-80 for purchase and installation of diesel pump sets for which approval of Government was awaited (July 1981).

(ix) Construction of Dunglawani Irrigation Project (estimated cost: Rs. 15.16 lakhs) with expected average annual irrigation of 163.90 hectares was taken up in Rajasthan during 1970-71. The work was administratively approved by Government in March 1973, but technical sanction was awaited (June 1981). The expenditure incurred on the work up to March 1981 was Rs. 39.80 lakhs, but it was not completed (June 1981).

9. Infructuous expenditure due to discontinuance/abandonment of projects.—In 8 States, 15 projects taken up for execution were either

discontinued or abandoned resulting in infructuous expenditure of Rs. 285.02 lakhs as mentioned below:

	Number of projects	Infructuous expenditure (Rupees in lakhs)
Uttar Pradesh	3	30.14
Jammu and Kashmir	3	18.96
Haryana	1	0.52
Andhra Pradesh	1	27.03
Karnataka	3	169.15
Orissa	2	6.07
West Bengal	1	31.61
Gujarat	1	1.54
	15	285.02

A few details concerning the respective States are given below:

(i) In Uttar Pradesh, one agency advanced Rs. 8.64 lakhs during 1975-76 to 1979-80 to the District Horticulture Officer to propagate the development of fruit orchard and back-yard vegetable cultivation among small and marginal farmers. In 4 years up to March 1979, Rs. 1.42 lakhs were spent on pay and allowances of the farm incharge, gardeners and labourers. The District Horticulture Officer reported (June 1980) that due to drought and lack of irrigation facilities, the small and marginal farmers could not take up the programme.

An expenditure of Rs. 27.64 lakhs incurred by the Forest Department on plantation of bamboo, fodder and other species proved infructuous as bamboo was not considered drought-resistant and its plantation was discontinued.

One agency approved (1977-78) a scheme for providing deep frozen semen to the artificial insemination centre. The Government of India did not approve the scheme and it was abandoned in spite of the fact that Rs. 1.08 lakhs had already been spent up to March 1980.

(ii) Construction of one khul was taken up in Jammu and Kashmir in 1976-77. The Executive Engineer, Irrigation Division stated (June 1980) that the work had suffered considerable damage due to factors

beyond control as the site was located at a high altitude and the alignment passed through precipitous reaches and jungles. Despite Rs. 3.48 lakhs having been spent up to March 1981, the damages were not restored. Further, Rs. 2.68 lakhs had been spent up to March 1981 on construction of another khul which had to pass through a slip-over area and was not, therefore, serving the purpose of irrigation. Similarly, Rs. 12.80 lakhs were spent upto March 1981 on the construction of a third khul, the original site of which was not suitable and the contractor had also left the work half way.

(iii) In Haryana, one 16 mm projector and 13 feature/documentary films purchased in July 1976 and April 1977 (cost: Rs. 0.52 lakh) were not put to use, as no operator had been appointed (June 1981).

(iv) In one district of Andhra Pradesh, a drought-resistant and exotic variety of grass was sown during 1975-76 to 1978-79 over an area of 11,200 hectares at a cost of Rs. 35.10 lakhs including the cost of fencing (Rs. 12.12 lakhs) which could be used. But it could not adapt itself to the prolonged dry spells and withered away, even after resowing in 1977-78 and 1978-79 (expenditure on resowing: Rs. 4.05 lakhs). The expenditure of Rs. 27.03 lakhs, thus, was not fruitful.

(v) Expenditure incurred on soil conservation on private land ceased to qualify for reimbursement by the Government of India from 1st October 1979. In Karnataka, such expenditure incurred subsequent to October 1979 till the end of June 1980 was Rs. 100.42 lakhs.

Against the target area of 15,000 hectares proposed for pasture development, the area developed was reported to be only 5,447 hectares and the expenditure on it up to March 1981 was Rs. 43.11 lakhs. Pasture development programme for sowing with exotic grass proved a failure with the result that the entire expenditure of Rs. 43.11 lakhs remained unproductive. The operation cost of cooperative societies established for dairy and sheep development, which were to be met by the societies themselves according to the project report, were actually met by State Government (Rs. 18.95 lakhs for dairy cooperatives and Rs. 6.67 lakhs for sheep growers' cooperative societies) as the societies were not economically viable.

(vi) In Orissa, 4 minor irrigation projects were abandoned after incurring preliminary expenditure of Rs. 3.19 lakhs. Three projects were abandoned on the ground that their revised estimated cost exceeded the ceiling limit of Rs. 30 lakhs fixed by Government for minor irrigation projects under the DPAP.

In two districts, the entire coffee plantations of 252 acres raised at a cost of Rs. 2.88 lakhs were reported to have perished for want of maintenance. The State Government stated (September 1977) that the seedlings did not survive because of non-maintenance due to non-provision of funds.

(vii) In West Bengal, two irrigation schemes with a target irrigation potential of 400 and 2,400 hectares of land had been stopped in 1978-79 after spending Rs. 5.36 lakhs and Rs. 26.25 lakhs respectively, on administrative and technical reasons.

(viii) One agency in Gujarat spent Rs. 1.54 lakhs on setting up a bull rearing centre up to 1978-79. As the scheme was dropped thereafter, the expenditure became unfruitful.

10. *Slow progress of works.*—A test-check in audit (in 12 States) revealed that the progress of work on various schemes had been very slow with the result that for one shortcoming or the other, full benefits of the scheme could not be derived, as detailed below:

A. *Irrigation schemes*

(i) In Bihar, during 1974-75 to 1976-77, Rs. 5.53 lakhs were advanced by one agency to 6 blocks for construction of 90 wells by the end of 1976-77, whereas only 60 wells were completed up to March 1981.

Besides, out of 75 tubewells dug up to 1980-81, 57 could be energised; pucca channels were constructed only for 17 tubewells. Against an estimated crop area of 12,875 acres to be irrigated from 1st April 1977, only 4,000 acres were covered up to 1980-81.

(ii) In Jammu and Kashmir, 37 works (cost: Rs. 322.72 lakhs) taken up during 1972-73 to 1980-81 were yet to be completed at the end of March 1981. Out of irrigation potential of 4,415 acres created by 25 completed works, only 2,484 acres were actually utilised. In 13 other works continuing beyond 1980-81 (irrigation potential: 2,150 acres), 819 acres were actually irrigated. The project cost of one canal taken up during 1977-78 was revised from Rs. 76.56 lakhs to Rs. 187.26 lakhs consequent upon the non-completion of the project in 1980 as envisaged in the original project report due to higher tendered rate, revision of basic parameters of the design, increase in the cost of material, etc. The canal was expected to be completed by 1983.

(iii) In Haryana, Rs. 12.45 lakhs were paid by one agency to the State Minor Irrigation (Tubewell) Corporation towards 50 per cent of cost of 25 deep tubewells. The remaining 50 per cent cost was to be borne by the Corporation. Against this, 10 tubewells were drilled up to 1980-81, out of which 8 were energised. Actual expenditure incurred was not known to the agency. The Corporation reported (February 1978) that the project would not cost Rs. 47.44 lakhs and asked the agency to pay Rs. 11.27 lakhs more. The State Government declined to pay the additional amount and asked (February 1978) the Corporation to install as many tubewells as possible within the amount already available. Further developments were awaited (June 1981).

(iv) In Maharashtra, in 16 irrigation works, there was delay ranging from 6 months to 2½ years in issuing technical sanctions after the works were sanctioned. In 18 works there was delay ranging from 7 months to 27 months in starting the works after technical sanction. In 22 works (13 completed works—estimated cost: Rs. 175.45 lakhs; 9 works nearing completion—estimated cost: Rs. 149.70 lakhs); the time actually taken for their completion ranged from 4½ years to 9 years.

Out of 93 minor irrigation works (estimated cost: Rs. 1,619.27 lakhs) undertaken during 1974-75 to 1979-80, 30 works (estimated cost: Rs. 523.45 lakhs; expenditure: Rs. 527.74 lakhs) with irrigation potential of 8,769 hectares were completed till March 1980. Of this potential, only 454 hectares (5 per cent) were actually irrigated. In 31 incomplete works, irrigation potential of 5,482 hectares was claimed to have been created (March 1980) of which only 645 hectares were actually irrigated. According to the State Department (July 1980) under-utilisation of irrigation potential was due to non-replenishment of tanks during the initial stage after their completion or non-completion of command area development works. The Impact Study Team attributed the shortfall with reference to utilisation of potential created to lack of coordination among the various executing departments of the State Government.

(v) As per guidelines for the Fifth Plan, the irrigation potential created should not be less than 4 times the area submerged. In 7 cases in Andhra Pradesh (cost: Rs. 39.44 lakhs), the irrigation potential created was either just equal to the area submerged (3 cases) or twice that area (4 cases). Seventy-five out of 82 works, (estimated cost: Rs. 479.87 lakhs; irrigation potential: 16,397 acres and expenditure up to 1980-81: Rs. 256.43 lakhs) taken up during two Annual Plans 1979-80 and 1980-81 were not completed (June 1981).

Against 7,081 community and individual irrigation wells proposed to be constructed on subsidy basis during 1979-80 and 1980-81 (Rs. 291.54 lakhs placed at the disposal of Block Development Officer and Commercial Bank), only 971 community wells (expenditure: Rs. 44.64 lakhs) and 3,559 individual wells (expenditure: Rs. 74.23 lakhs) had been completed. The details of utilisation of balance amount of Rs. 172.67 lakhs and area irrigated by the completed works were awaited (June 1981).

(vi) The undernoted 3 minor irrigation schemes had been started in February 1970 by the Government of West Bengal.

Minor irrigation scheme	Original estimated cost	Proposed command area	Revised estimate	Actual area covered
	(Rupees in lakhs)	(in acres)	(Rupees in lakhs)	(in acres)
Shyamtaranji	8.54	3,216	20.12	2,070
Patbunth	2.34	500	5.87	488
Torkey	6.05	1,800	12.48	1,350
	16.93	5,516	38.47	3,908

The schemes were completed at a cost of Rs. 38.47 lakhs against the original estimate of Rs. 16.93 lakhs, whereas the area covered was 3,908 acres against the proposed area of 5,516 acres.

(vii) The Mota Gaon Lift Irrigation Scheme undertaken in Rajasthan at a cost of Rs. 12.81 lakhs during 1976-77 to 1977-78 provided irrigation only to 30 per cent of the expected average irrigation of 708 acres annually.

(viii) In Gujarat, 18 irrigation schemes (estimated cost: Rs. 38.29 lakhs) were taken up during 1974-75 to 1978-79; 10 of these irrigation potential: 562 hectares) were completed to end of 1980-81 (cost Rs. 11.41 lakhs). The potential utilised during 1979-80 was 25 hectares.

Investment of Rs. 55.59 lakhs on 7 irrigation tanks (completed between 1974-75 and 1976-77) with irrigation potential of 1,170 hectares was largely unproductive as the benefit of irrigation was almost negligible. Out of 2 other minor irrigation tanks (irrigation potential: 340 hectares) taken up in 1974-75 (estimated cost : Rs. 5.95 lakhs), 1 was completed in 1975-76 (expenditure: Rs. 1.03 lakhs) and the other was left incomplete (expenditure : Rs. 2.93 lakhs). The completed work provided negligible irrigation facilities. The expenditure of Rs. 3.96 lakhs was, thus, unfruitful

B. Soil Conservation

(i) In Madhya Pradesh, against the proposed outlay of Rs. 208.10 lakhs during the Fifth Plan for soil conservation works, only Rs. 70 lakhs were spent on such works. Against Rs. 12.25 lakhs provided for the construction of 49 water harvesting tanks, not a single tank was taken up for execution : reasons for which were not on record.

(ii) In Maharashtra, contour bunding works were to be undertaken by the Soil Conservation Department at the instance of the beneficiaries who were to bear 75 per cent of the cost, 25 per cent being treated as subsidy. Only 57 per cent of the targets were achieved as detailed below :

Physical performance			Financial performance		
Target	Achievement	Percentage of achievement	Budget provision	Expenditure	Percentage of expenditure
(In hectares)			(Rupees in lakhs)		
1,10,536	63,558	57	238.30	126.61	53

According to the Soil Conservation Officers, the targets could not be achieved as the beneficiaries were reluctant to meet 75 per cent of the cost of work.

C. Agriculture

(i) Considerable importance was given in the Fifth Plan to dry land farming since large areas were dependent on rainfall or sub-soil moisture. However, no dry land scheme was taken up under the programme in Madhya Pradesh and the total provision of Rs. 18.90 lakhs remained unutilised.

(ii) The scheme envisaged laying of demonstration plots in the fields of ryots and their management departmentally with a view to encourage adoption of high yielding varieties and better management practices. In two districts of Andhra Pradesh, against the targets of 1,570 plots (estimate: Rs. 2.28 lakhs) and 2,305 plots (estimate : Rs. 4.34 lakhs), respectively fixed for 1976-77 to 1978-79, only 667 plots (expenditure : Rs. 1.02 lakhs) and 1,124 plots (expenditure : Rs. 1.69 lakhs) could be set up. Similarly, 9,133 demonstration plots were laid during two Annual Plans 1979-80 and 1980-81 (expenditure : Rs. 17.66 lakhs). No evaluation was done to assess the benefits accruing from them.

D. Animal Husbandry

One agency in Uttar Pradesh advanced Rs. 24.59 lakhs till March 1979 to the Pradeshik Cooperative Dairy Federation for setting up a milk chilling centre by March 1979 (estimated cost: Rs. 24 lakhs). Till March 1980, the Federation had spent only Rs. 10.87 lakhs and the agency was not aware of the progress of work (May 1980). The evaluation committee of the agency had reported (June 1979) that the progress was very unsatisfactory and workmanship poor. Another agency advanced Rs. 8.30 lakhs to the Federation for purchase of pasteurising machines and Rs. 4.20 lakhs to the Rajkiya Nirmal Nigam for remodelling the building of the existing centre and providing it with a tubewell. Till April 1980, the building had been remodelled, but no machines had been supplied, nor was the tubewell installed.

(ii) In Madhya Pradesh, the programme envisaged that 10,434 milch animals would be provided (financial provision : Rs. 62.22 lakhs) during the Fifth Plan (1974—79) in six districts. Rupees 15.99 lakhs were drawn up to June 1978 for providing 1,302 animals, but only 379 animals (cost: Rs. 2.60 lakhs) were provided up to July-August 1978. The shortfall was attributed to delays in financing loans by banks and non-availability of required number of animals in time.

(iii) In Orissa, a programme of cross breeding of indigenous cows in two districts was approved by the State Agriculture Department at a cost of Rs. 11.42 lakhs from out of DPAP grants for implementation through the Orissa Agro Industries Corporation in collaboration

with Bharatiya Agro Industries Foundation. The target was to achieve 8,000 successful insemination cases during a period of 3 years commencing from 1977-78. The agencies released Rs. 6.50 lakhs during 1977-78. An account for Rs. 5.87 lakhs was received, out of which Rs. 3 lakhs were provided for the establishment of two chilling centres; one centre was not established (July 1981). The information about the establishment of the other centre was not available. Despite non-commencement of the operation, a further sum of Rs. 15.60 lakhs was released during 1978-79. Against the target of 8,000 inseminations, only 306 inseminations were conducted up to September 1979, out of which 143 inseminations related to villages not selected under the programme.

(iv) During the Fifth Plan, against a target of 170 milk producers cooperative societies, only 125 societies were set up in Gujarat. Out of these, only 86 to 88 societies were functioning. The expenditure incurred by the agency (up to 1980-81) was Rs. 107.44 lakhs.

E. Other schemes .

(i) The programme contemplated participation of commercial banks in advancing loans to fishermen's cooperatives for purchase of boats and nets. In Karnataka, as against the project requirement of Rs. 16.75 lakhs, Rs. 0.65 lakh only had been advanced by the bank to the end of March 1981. The project Director stated (June 1981) that the poor credit flow was due to the Agricultural Refinance and Development Corporation not taking a decision in refinancing the scheme. Commercial banks were also expected to advance loans to cultivators towards investment costs of mixed orchards. As against the requirement of Rs. 15 lakhs for the project period, only Rs. 0.26 lakh (1.73 per cent) were advanced to end of March 1979.

(ii) Rupees 3.34 lakhs were spent by the Fisheries Department in one district of Jammu and Kashmir on laying of infrastructure like construction of Sarkot fish farm, extension of Shalimar hatchery, ova house|trout farm. The production of seed and stocking of streams and ponds was yet to begin (July 1981). There had been delay in construction of 36 godowns, for which subsidy of Rs. 4.93 lakhs had been paid in one district, out of 21 godowns, 14 were still at different stages of completion; while in another district, construction of all the 15 proposed godowns was held up pending receipt of share from National Cooperative Development Corporation.

(iii) In Uttar Pradesh, Rs. 39 lakhs were paid by 6 agencies for establishment of 13 mandies for assured and organised markets as well as storage facilities to the producers. As on 31st March 1980, only 2 mandies were functioning. Thus, the reorientation of agricultural production through assured and organised markets could not be achieved in 11 out of 13 mandies.

11. *Monitoring and evaluation of the projects*

11.1 To identify and remove the constraints in successful and speedy implementation of the programme, the Central Government had suggested (August 1977) to the State Governments to take up a quick evaluation study of the DPAP projects. The Ministry stated (July 1981) that several studies had been completed on different aspects of the programme ranging from project planning, management and evaluation. In 30 cases, research studies on different aspects of the programme during 1977—81 had been got conducted by the Ministry. A review of evaluation reports in respect of 19 research studies revealed the following:—

(i) The Fifth Five Year Plan of the DPAP was prepared in the absence of a comprehensive survey and as such, the total needs of the area for creating the desired ecological balance could not be correctly estimated. Even the benchmark survey, which should have been carried out at the preliminary stages in order to locate the necessity of development at various places, was not done.

(ii) The schemes incorporated in the programme did not include the total requirements for optimum development *vis-a-vis* the existing facilities, the facilities likely to be extended under normal plan schemes and the additional infrastructure to be built out of DPAP funds.

(iii) The DPAP was based not on the requirements of the area, but on the outlay available. The departments accordingly chose to utilise the allocations under DPAP by preparing isolated schemes and projects which could be fitted into the overall allocations made for their respective sectors. Due to this flaw in planning, as also in the implementation, the objectives of the programme could not be achieved.

(iv) There had been a considerable gap between the planning and implementation of various projects. The overall analysis of various sectoral projects showed that the inaccurate planning of schemes had resulted in heavy enhancement of expenditure.

(v) The concept of non-lapsability of funds with the agencies which was thought to be strength of DPAP financing had actually led to a degree of financial indiscipline in the successful implementation of the entire programme.

(vi) The involvement of local community development blocks, village panchayats, and village level workers was lacking in the programme. People in the area were not at all involved in identification of problems, planning and implementation of the programme and maintenance of the assets created. They were only passive beneficiaries of the programme.

(vii) Barring a few exceptions, inter-sectoral coordination was totally lacking in the project area. Even there were gaps in inter-sectoral coordination.

(vii) There was no systematic monitoring of the programme.

(ix) The heads of departments involved in the planning and implementation of projects regarded the programme as another source of funding.

The deficiencies in the implementation of the programme as above which were detected as a result of research studies conducted by experts on the subject, were embodied in the evaluation reports. The copies of these reports as and when published were sent by the Ministry to the respective State Governments for necessary action. It was not known whether any corrective steps or remedial actions were taken by the State Governments to remove the deficiencies since the matter was not pursued by the Ministry after the despatch of the evaluation reports.

11.2 *Monitoring and appraisal of the progress of the scheme by the State Governments*

(a) The evaluation study of the programme had been taken only in June 1981 and the work was in progress in Jammu and Kashmir. An amount of Rs. 10,000 was remitted to the State Evaluation and Statistics Department in February-March 1980.

(b) In Andhra Pradesh, an evaluation study was taken up in one district only (June 1981).

(c) In Uttar Pradesh, evaluation work had been taken up in only 1 agency out of 6.

(d) In Maharashtra, impact study of the programme was conducted (April-May 1978). The following were the findings:—

- No significant change in cropping pattern was noticed due to soil and water conservation.
- No increase in production due to adoption of dry land farming technology alone had been reported by any farmer.
- The command area development in respect of minor irrigation tanks had not been taken up in most of the cases, thus, affecting the utilisation of the potential created.

(e) An evaluation study of the programme was made in 2 districts in West Bengal, but the appraisal report was not received. In respect of most of the schemes, no evaluation reports were prepared by the agencies.

(f) In Gujarat, Rs. 0.18 lakh were paid (1978-79) by 3 agencies to Bureau of Economics and Statistics of the Government of Gujarat, but no report had so far been received (July 1981).

(g) No evaluation of the implementation of the programme had been undertaken in Madhya Pradesh, Orissa, Karnataka, Rajasthan, Bihar and Haryana so far (June-July 1981).

12. Summing up.—The following are the main points that emerge as a result of a test-check in audit of 38 area agencies out of 54 drought prone areas :—

- 54 drought prone areas (74 districts) in 13 States identified in the Fourth Plan (expenditure incurred : Rs. 92.27 crores) continued to be categorised as such during the Fifth Plan. Actual expenditure incurred during 1974-75 to 1980-81 was Rs. 377.01 crores. Central and State Governments were to contribute equally for implementation of the programme; the amount released by the Central Government was Rs. 222.90 crores. International financial agencies also released aid to some projects to the extent of Rs. 44.25 crores.
- Although as per conditions of the grants by the Central Government, the State Governments were to send audited statement of accounts within 9 months of the close of the financial year, no such statements were received by the Ministry.
- According to the procedure prescribed by the Ministry (July 1975), the agencies were to act as a central payment office i.e. checking of bills submitted by the departmental officers. As no machinery/procedure was prescribed/evolved by the Ministry/agencies, the control over utilisation of Government assistance was not adequate. The agencies were also not receiving paid vouchers and were acting merely as bodies for advancing funds received from Government. In Uttar Pradesh, Rs. 10.92 lakhs remained unutilised with the departments on 30th September 1981. At the end of March 1981, Rs. 129.98 lakhs remained with the executing agencies in Bihar. In Madhya Pradesh, against the estimated requirement of Rs. 78.65 lakhs, Rs. 155.42 lakhs were released, of which Rs. 10.06 lakhs were utilised up to August 1978. In Andhra Pradesh, accounts for Rs. 713.03 lakhs advanced to the departmental officers were not furnished by them.
- In Andhra Pradesh and Uttar Pradesh, out of 32 incomplete works of the Fourth Plan, 9 only were completed in the Fifth Plan period; out of the remaining 23, 16 were completed in March 1980; the remaining 7 were incomplete after spending Rs. 49.34 lakhs. In Uttar Pradesh, 46 new works were taken up inspite of Government of India's directives to defer all the new works till completion of spill-over work of Fourth Plan.

In Andhra Pradesh, Orissa and Madhya Pradesh, out of 279 new irrigation works taken up in Fifth Plan, 86 works remained incomplete (amount spent : Rs. 623.52 lakhs).

- In 4 States (Andhra Pradesh, Uttar Pradesh, Madhya Pradesh and Maharashtra), the irrigation potentials created during 1974-75 to 1980-81 could not be utilised adequately due to non-development of the command area.
- Due to faulty designs and sub-standard works in 6 States (Madhya Pradesh, Uttar Pradesh, Karnataka, Andhra Pradesh, West Bengal and Rajasthan) the intended benefits to the beneficiaries could not accrue from 19 works even after incurring an expenditure of Rs. 368.11 lakhs.
- In Haryana, Andhra Pradesh, Maharashtra, Karnataka, Bihar, Uttar Pradesh, Orissa, West Bengal and Rajasthan, DPAP funds to the tune of Rs. 1,304.78 lakhs were diverted for the execution of 21 unapproved schemes/works.
- 15 Projects were discontinued/abandoned in the States of Uttar Pradesh, Jammu and Kashmir, Haryana, Andhra Pradesh, Karnataka, Orissa, West Bengal and Gujarat resulting in infructuous expenditure of Rs. 285.02 lakhs.
- The achievements in some vital sectors, viz. irrigation, forestry and pastures, etc. of the Fifth Plan fell short of targets by 4.6 per cent to 31.9 per cent. During 1979-80 also the achievements in some sectors fell short of targets by 23.7 to 95.5 per cent.
- Evaluation studies (in 30 cases) conducted by the Ministry revealed a number of defects and deficiencies in successful implementation of the programme. These were sent to the State Governments for necessary action, but no further monitoring of the remedial action taken by the State Governments was done.
- In August 1977, the Central Government suggested to the State Governments to conduct a quick evaluation study of the DPAP projects. In Andhra Pradesh, Maharashtra, Uttar Pradesh and West Bengal, such studies in one or two districts/agencies in each State had been carried out. In Jammu and Kashmir, it was taken up in June 1981. No such studies had been undertaken in Madhya Pradesh, Orissa, Bihar, Haryana, Gujarat, Karnataka and Rajasthan.

ANNEXURE I

Statement of physical targets and achievements during the Fifth Five Year Plan (1974—1979)

Programme unit sector		Target	Achievement	Percentage
1	2	3	4	5
1.	Soil and moisture conservation (in lakh hectares)	12	13.75	114.6
2.	Creation of irrigation potential (in thousand hectares)	300	286.30	95.4
3.	Forestry and pasture (in thousand hectares)	500	340.30	68.1
4.	Distribution of milch animals (in thousand numbers)	50	62.40	124.8
5.	Organisation of milk producers co-operative societies (in thousand numbers).	5	3.75	75.0
6.	Organisation of sheep cooperative societies (in numbers)	650	875	134.6

(Authority : Performance Budgets for the years 1979-80 and 1980-8).

ANNEXURE I

Summary statement of physical targets, physical achievement and percentage of achievement to target for the year 1979-80

Programme unit sector	Target during 1979-80	Achievement during 1979-80	Percentage of achievement to target
1	2	3	4
I. Agriculture			
A. Soil and Water Conservation			
1. Soil survey and mapping (00 hectares)	9507	10026	105.5
2. Area treated under soil conservation (00 hectares)	2011	1717	85.4
B. Crop-husbandry			
1. Area covered under improved farm practices (00 hectares)			
(a) Irrigated	10964	13437	122.6
(b) Dry	19997	15480	77.4
2. Inputs			
(a) Fertilizers (tonnes)	167928	128050	76.3
(b) Seeds (tonnes)	323385	91132	28.2
(c) Pesticides (tonnes)	99122	4448	4.5
(d) Implements (nos.)	19307	13670	70.8
II. Irrigation			
A. Surface irrigation works—irrigation potential (hectares)	103129	30454	29.5
B. Ground water development—Irrigation potential (hectares)	30854	19615	63.6
C. Command area development—area benefited (hectares)	84282	43982	52.2

1	2	3	4
III. Forestry and pasture			
1. Afforestation-- area covered (hectares)	71566	67827	94.8
2. Social forestry (hectares)	108058	107886	99.8
3. Pasture area Development (hectares)	124	12490	100.1
IV. Animal-Husbandry			
A. Cattle and dairy development			
1. Milk animal distributed (nos.)	20582	17400	58.8
2. Calves born through artificial insemination (nos.)	12407	14727	118.7
3. Milk societies established (nos.)	1200	2768	230.7
4. Fodder Development area covered (hectares)	3601	2705	73.3
B. Sheep development			
1. Cross breed rams distributed from ram multiplication farms (nos.)	2911	1197	41.1
2. Progeny born with farmers (nos.)	34460	142703	415.1
3. Sheep cooperative societies established (nos.)	103	113	108.6
C. Poultry units established (nos.)			
D. Piggery units established (nos.)			
	907	1306	144.0
	209	286	107.4
V. Horticulture			
1. Fruit trees planted :			
<i>a</i>) No. of trees (in lakhs)	12.84	11.63	90.6
<i>b</i>) Areas (hectares)	3708	14499	391.0
2. Area under vegetables (hectares)	31760	38545	121.4
VI. Fisheries			
1. Area developed (hectares)	6920	4547	65.7
2. Nurseries Developed (hectares)	20	10	50.0
3. Catch (tonnes)	307	439	143.0
VII. Sericulture			
Area under mulberry cultivation (hectares)	4599	7443	161.8

(Authority : Review of physical achievements for the year 1979-80).

APPENDIX II
Statements of conclusions and recommendation

S. No.	Para No.	Ministry/Deptt. Concerned.	Recommendation and Observations
1	2	3	4
1	1-16 & 1-17	Rural Development	<p>The drought affected areas cover 19 per cent of the country's total area and 12 per cent of its population. In order to reduce the severity of drought and create employment opportunities to the drought affected people, the rural works programme was started as a Centrally-Sponsored Scheme in 1970-71. After mid-term appraisal of the Fourth Plan, the programme was re-designated as Drought Prone Area Programme and the programme is at present in operation in 510 blocks of 69 districts in 13 States. The expenditure on the programme is being shared on 50:50 basis between the Centre and State Governments. Till 1981-82, an expenditure of Rs. 565.24 crores had been incurred on the programme.</p> <p>The Committee's examination of the programme, has revealed many a shortcoming. In many States separate agencies to chalk out the programmes and monitor its implementation have not been set up. In some States, though these agencies have been set up, adequate financial and administrative powers have not been delegated to them. The work of the programme is being carried on by the</p>

officers who have already been entrusted with multi-farious duties with the result that these officers have not been able to devote adequate attention to the programme. In many cases subject matter departments have tended to look at their work in isolation, not keeping in view the basic objectives of the programme as a whole. Schemes under the Programme have in some cases been formulated without adequate survey and examining the suitability of the area for these schemes. Moreover, there have been inordinate delays in the completion of works and in a number of cases, even after completion, the benefits of the schemes have not accrued to the intended beneficiaries. It is, therefore, no surprise that there have been heavy shortfalls in the achievement of targets in such vital sectors like minor irrigation, command area development, cattle and dairy development, establishment of poultry units, etc.

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The Committee cannot but express their unhappiness at this state of affairs. Though implemented by State Governments, the Programme being Centrally Sponsored, it is equally the responsibility of the Centre to ensure that the objectives are fully realised. The programme has a vital bearing on the economic amelioration of the economically backward and hitherto neglected sections of society. The Committee would therefore like the Ministry of Rural Development to do more vigorous monitoring of the programme, take initiative in identifying the weaknesses therein and ensure effective remedial measures. There should be frequent meetings with State Governments both at an all India as well as regional level to have a continuous tab on the progress of the programme.

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Rural Development

1.19 The Committee note that non-officials have been associated at the agency level in the planning and review of implementation of the programme and their association has proved to be useful in identifying the felt needs of the area and its people, in finalising suitable strategy for development and securing better acceptance of the programme by the people. The Committee has been informed that concerned State Governments have been advised to associate specialised agencies also wherever available in formulation of schemes under the programme. It would go a long way to fill in the expertise gap noticed by the Task Force and be of help to States in formulating schemes, particularly those involving multi-disciplinary approach to long term development. The Committee would therefore like this proposal to be pursued vigorously with State Governments.

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The Committee are concerned to note that there have been substantial shortfalls in the utilisation of funds meant for drought prone area programme. During 1974-75 to 1980-81, while the Central and State Governments released Rs. 445.80 crores for the programme, the actual expenditure incurred was only Rs. 373.08 crores (84.57 per cent). During the year 1980-81, against the outlay of Rs. 94.41 crores sanctioned, the total expenditure was only Rs. 73.14 crores. Thus only about 78 per cent of the funds allotted were actually utilised. The factors which contributed to the shortfall in utilisation are stated to be delay in procurement of material and

inputs, delay in posting of staff, greater attention given by the field staff of State Governments to utilisation of funds released under the normal State Plans and frequent changes in staff. The Committee are surprised that while the Ministry of Rural Development are aware of these short-comings and it has been claimed by the Ministry that necessary remedial measures have been suggested, the position has not shown any improvement. It is indeed a matter of concern that while on the one hand there is a constant complaint of inadequate allocation of funds for welfare schemes on the other, even the funds allotted have not been fully utilised. The Committee would like the Ministry of Rural Development to take concrete measures to ensure that the funds allotted for the programme are fully utilised and the bottlenecks responsible for their non-utilisation removed at the earliest.

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The Committee have been informed by Audit that records of utilisation of assistance of Rs. 19.5 millions provided by the Federal Republic of Germany for financing the drought prone area programme in Bankura district of West Bengal were not made available to audit nor any appraisal report of this project has been prepared so far. However, the Ministry of Rural Development have stated that monthly and quarterly progress reports for this project are available with the Ministry and can be shown to Audit as and when desired. The Committee are at a loss to understand why records of utilisation should not have been shown to Audit earlier when the same are stated to be available with the Ministry of

1	2	3	4
6	1·31	Rural Development	<p>Rural Development. The Committee would like this matter to be sorted out with Audit. As regards the appraisal of the project, the Committee have been informed that the Government of West Bengal have been asked to have the project appraised. The Committee would like to be informed of the progress made in this regard.</p> <p>The conditions stipulated by the Ministry of Rural Development for sanctioning grants provided <i>inter alia</i> that the State Governments should send to the Ministry within 9 months of the close of the financial year an audited statement of accounts duly certified by the concerned Accountant General. In December, 1977 it was further decided that the audited statement of accounts would be issued by Chartered Accountants in respect of societies for the period 1976-77 and onwards. The Committee are disturbed to find that these audited statements have not been received in the Ministry even for the Fourth Plan period and also for the period 1974-75 to 1980-81.</p>
7	1·32	Do.	<p>The Committee further note that the Ministry of Rural Development did not insist on the adoption of uniform pattern by the States and left it to State Governments to evolve their own procedures while some of the States set up the agencies under the Societies Registration Act others set up authorities under the charge of a senior officer at the district level. In J & K, the State Government placed funds meant for DPAP with the respective heads of departments for the implementation of the programme even after set-</p>

ting up the DPAP agencies. As the funds were placed with the heads of the departments, the agencies had little or no role in the administration of finances. The DPAP agencies in Madhya Pradesh were not delegated with any administrative or financial powers; the rules for the working of agencies were not framed, nor were the agencies provided with any personnel except some clerical staff. In Bihar the advances made by the agencies (DPAP) to different programme implementing organs of the State Government were regarded as expenditure and included as such in the accounts and utilisation certificates. How the advances made to the agencies without their actual utilisation could be treated as expenditure under the programme is beyond comprehension of the Committee.

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It would be obvious from the facts narrated in the foregoing paragraphs that the Programme has not been organised and implemented in a manner that would ensure monitoring on a uniform basis and obtaining reliable accounts in time. The Committee would like the Ministry to have a detailed review of the programme for appropriate remedial action. Further the form of accounts to be rendered by the States should be laid down on a uniform basis in consultation with the C. & A.G. of India. The Committee would like to know the progress in regard to the rendering of past accounts.

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1.40

Do.

The Committee are concerned to note that there have been heavy shortfalls in achieving physical targets of the drought prone area programme during 1979-80 and 1980-81. Though provision of irrigation facilities is the first prerequisite for the development of any drought prone area, the achievement in regard to surface irrigation

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works was only 29.50 per cent and 24.14 per cent of the target during 1979-80 and 1980-81. Similarly, in the field of ground water development, the achievement was only 63.6 per cent and 60.45 per cent respectively. Another sector where substantial shortfalls have occurred is cattle and dairy development. The distribution of milch animal was only 58.8 per cent and 42.38 per cent of the targets during 1979-80 and 1980-81. Only 17.2 per cent of the target was achieved in the field of establishment of poultry units during 1980-81. All these clearly show that the progress of the programme particularly in the vital sectors has been far from satisfactory. This is a matter of serious concern.

10 1.41 Rural Development

The Committee find that some of the factors responsible for slow progress of work, e.g., shortage of cement and labourers, slow progress in the acquisition of land, non-availability of suitable agency for carrying canal construction and lack of adequate facilities for transport of construction materials are such as could have been foreseen and provided for by better planning and concerted efforts on the part of the executing agencies. The Committee hope that concrete measures will now be taken by the Ministry of Rural Development to ensure that the executing agencies take timely action to avoid such shortfalls in achievement of targets in future.

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11 1.42 Do.

Another reason given for slow progress of work under the programme is "difficulties in meeting credit requirements from the financial institutions". The Committee would like the Ministry of

Rural Development to take up the matter with the Ministry of Finance (Banking Division) and financial institutions and find out ways to ensure that the programme does not suffer from shortage of credit.

12 1.43 Rural development

The Ministry of Rural Development have not ensured timely availability of inputs like cement and steel for the implementation of the programme. The programme in many areas has suffered heavily because of shortage of these inputs. The Committee would like the Ministry of Rural Development to take up the question of supply of inputs for the programme with the concerned Ministries and make every effort to ensure that the implementation of programme does not suffer for want of these vital inputs.

13 1.49 Do

While according administrative approval to the annual programme, it is envisaged by the Ministry of Rural Development that the works taken up under DPAP should not result in the substitution or slowing down of normal development programmes. In spite of it, the Committee find that in some of the States, expenditure on normal development programme showed a marked downward trend during the period 1974-75 to 1977-78. In Madhya Pradesh before the commencement of 5th Five Year Plan, 10 soil conservation sub-divisions were engaged in general soil conservation works till 1976 and no soil conservation work under DPAP was sanctioned. Thereafter, these sub-divisions took up soil conservation work under DPAP and no fresh works under State Plan for soil conservation was taken up. Thus, while the expenditure under the normal development programme came down from Rs. 28.83

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			lakhs in 1974-75 to a mere trickle of Rs. 0.74 lakh in 1977-78, the expenditure under the DPAP shut up from Rs. 4.93 lakhs in 1975-76 to Rs. 26.14 lakhs in 1977-78.
14	1.50	Rural Development	It has been urged before the Committee in extenuation that the State's resources being limited and subject to pressure from other areas and also the capacity for productively absorbing investment being limited in a project area, a rigid insistence on the continuance of normal development expenditure in that area may not be possible. The Committee are unable to accept this plea. They need hardly point out that the very objective of the DPAP is to supplement the efforts made by State Governments for the development of drought-prone areas with the aim of making the areas drought-proof and not to supplant the efforts already being made by State Governments. The Committee would therefore like the Ministry of Rural Development to re-emphasise on State Governments that works undertaken under DPAP should not result in the substitution or slowing down of normal development programmes in drought-prone areas.
15	1.54	Do.	Assets created under the programme are to be maintained after their transfer from the Plan to the non-Plan sector from the budgetary provisions of the concerned Departments of the State. It has, however, been observed that because of financial constraints on the part of State Governments, adequate provision is not being made for the maintenance of the assets with the result that these

assets are deteriorating over the years and the benefits of the assets are not being fully realised. As huge investments have been made over the years on the creation of such assets, it is imperative that these assets should be maintained properly and full benefits thereof should accrue to the intended beneficiaries. The Committee feel that it would be desirable that the assets created under the DPAP are maintained and repaired from out of the funds provided for the DPAP so that these assets do not deteriorate merely on account of financial constraints of State Governments. The Committee would like the Ministry of Rural Development to take up the matter with the Planning Commission and take an early decision in the matter.

16 1·61 Do.

According to the procedure prescribed by the Central Government in July 1975, the DPAP agencies were to act as a central payment office. However, the Committee find that the control over utilisation of Government assistance was not adequate.

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17 1·62 Do.

In many cases paid vouchers have not been received by the concerned agencies and verification of the works executed under the DPAP have not been done and the lump-sum advances made to the departments were treated as utilised. The audit para brings out a number of instances of financial irregularities. In Uttar Pradesh Rs. 9.90 lakhs advanced by an agency have been lying blocked with Prayag Chittrakoot Krishi Evam Godhan Vikas Nigam while in Madhya Pradesh funds amounting to Rs. 155.42 lakhs were released to the Dairy Development Corporation in advance in March

1978 against the requirement of Rs. 78.65 lakhs for the first year for a dairy scheme. A total of Rs. 108.51 lakhs had been expended upto May 1982 and the original programme is under revision. In Andhra Pradesh an amount of Rs. 50.40 lakhs is pending settlement out of Rs. 780.90 lakhs advanced to departmental officers for execution of schemes upto 1980-81.

In Rajasthan, Rs. 23.28 lakhs had been advanced for setting up a milk chilling centre and the project could not take off due to defective survey reports with regard to prospects of availability of milk. The Committee are surprised how the programme for setting up Milk Chilling centre was taken up without fully ensuring availability of milk. This is a clear instance of the casual and indifferent manner in which the programme is actually being implemented. The Committee are not happy with this position .

They would like the Ministry of Rural Development to devise ways and means for exercising effective financial control over the programme. The Committee expect that the irregularities pointed out by the Audit would be looked into and responsibility fixed for lapses. They would also like the Ministry of Rural Development to evolve an appropriate accounting procedure for agencies in consultation with the C & AG of India at an early date.

19 1-67 Do.

The guidelines issued by the Government of India in October 1974 envisaged completion of all spill-over works of Fourth Five Year Plan during the first two years of Fifth Plan and new works were required to be commenced well in advance during the Fifth Plan period so as to ensure that no spill-over works were carried out beyond March, 1979. The Committee however find that in Uttar Pradesh and Andhra Pradesh out of 32 incomplete works of the Fourth Plan only 9 were completed in the Fifth Plan period. Of the remaining 23 works, 16 were completed in March, 1980 only. 46 new works were also taken up. The Committee need hardly point out that the delay in the implementation of projects not only leads to escalation in cost but also deprives the people in the area of the benefits of the programme.

20 1-68 Do.

The Committee have been informed by the Ministry that the information collected in respect of specific spill-over schemes is being analysed with a view to finding out the most common factors causing delay and necessary guidelines will be issued to the States in the light of its analysis. The Committee desires that this exercise taken up belatedly should be carried out expeditiously. The Committee would await the results of the analysis and the action taken on the basis thereof.

21 1-81 Do

Another disquieting feature of the planning and execution of Drought-Prone Area Programme has been faulty designs and sub-standard quality of works in many States. The Committee observe that due to these benefits of 19 projects could not accrue to the in-

tended beneficiaries even after spending a huge sum of Rs. 368.11 lakhs. In Karnataka out of 4.52 lakh fruit seedlings distributed at a cost of Rs. 17.39 lakhs, only 1.88 lakh seedlings survived due to their distribution at a wrong time and in an area climatically unsuitable. In another case in Rajasthan, an expenditure of Rs. 13.02 lakhs has been incurred on the construction of a tank but irrigation benefits thereof have not yet accrued. The Secretary, Ministry of Rural Development pleaded in extenuation that in a programme of this magnitude covering drought prone areas all over the country and large number of programmes the possibility of such types of cases cannot be ruled out. He further pointed out that the Ministry of Rural Development do not have any expertise to examine the various projects before technical clearance. While granting that it may not be possible for the Ministry of Rural Development to technically scrutinise each and every scheme, the Committee would like the Ministry to immediately take up with the concerned State Governments all such cases of faulty designs and sub-standard works and ensure that necessary corrective steps are initiated at the earliest.

The Committee find that in 9 States funds to the tune of Rs. 13.00 crores were utilised for execution of 21 unapproved works. Some other cases of similar nature have also come to the notice of the Ministry of Rural Development. The States have been asked to justify these schemes. Further, 15 projects taken up for execution

were either discontinued or abandoned resulting in infructuous expenditure of Rs. 285 lakhs. The Committee desire that all these cases should be looked into and appropriate action taken. The Committee would like to be apprised of in due course of the action taken in these cases. They would also like the Ministry of Rural Development to devise appropriate mechanism so that instances of such nature where large sums have been expended without prior approval and works are discontinued or abandoned after incurring substantial expenditure do not recur.

23 1991 Do.

The Committee find that irrigation potential created under the programme at an enormous cost during the period 1974-75 to 1980-81 could not be utilised adequately due to non-development of the command area in Andhra Pradesh, Madhya Pradesh, Maharashtra and Uttar Pradesh. The result was that the benefits of the schemes could not be made available to the people. This causes concern to the Committee. They would stress that the monitoring mechanism of the Ministry of Rural Development and the review for follow up should be such as would ensure coordinated and well synchronised implementation of Projects and establishment of connected facilities to derive optimum benefits in time.

24 1998 Do.

The Committee are surprised to find that there has been no proper monitoring and evaluation of the Drought Prone Area Programme as a whole. The Task Force in their report submitted in July, 1982 have, *inter alia*, pointed out that monitoring and evaluation of the Drought Prone Area Programme suffered considerable

neglect with the result that expenditure is incurred rather routinely and activities that hold considerable promise for an area are seldom identified. The Operations Evaluations Department of the World Bank in their project programmes Audit Report on the projects for which credit was provided by the World Bank submitted in March, 1982 has also pointed out that there was lack of adequate monitoring and evaluation with the result that the magnitude of the project's programme and the impacts of these programmes are partially impressionistic or conjectural. It has also been pointed out in their report that although Central DPAP Unit commissioned 32 studies to be done by its own personnel or by state authorities, little comprehensive information on the ultimate impact of the project has been obtained.

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[Rural Development

The Committee have been informed that some evaluation studies on planning and implementation of Drought Prone Area Programmes in certain areas have been carried out by some institutions. But, according to the Ministry's own admission, "institutions which are expected to undertake evaluation have limited expertise and the quality of evaluation done by them in the past was found wanting in many cases". In view of this, the evaluation made by these institutions is necessarily of limited value. The Committee need hardly emphasise that monitoring and evaluation of a programme of multi-disciplinary nature like DPAP on a continuing basis is essential in order to find out not only how far the objectives of the programme

in different areas have actually been achieved but also to identify the lacunae/weaknesses in different areas with a view to initiating corrective action at the earliest. In view of the fact that the progress of the programme in different States has been uneven, it is all the more necessary that such monitoring and evaluation should be done on a priority basis in the case of those States whose performance has not been found encouraging.

26 I-100 Do.

The Committee find that the Central Government had suggested to the State Governments to conduct quick evaluation study of the DPAP projects. However, it has been stated by the Ministry that the response of the States to the idea of quick evaluation have "either been poor or delayed for a variety of reasons". In view of this it becomes all the more necessary that such an exercise in regard to the different projects should be conducted by a Central agency.

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27 I-101 Do.

The Committee have been informed that the Ministry of Rural Development have taken up with the project Evaluation Organisation of Planning Commission the question of evaluation of the programme. The Committee note that the Project Evaluation Organisation of Planning Commission has in the past evaluated a number of important programmes, such as the Food for Work Programme, Employment Guarantee Schemes and the Rural Water Supply Scheme, and has made very useful suggestions. In view of this the Committee feel that an evaluation of the Programme on an all India basis by this organisation would prove of great value to the country. The Committee, therefore, recommend that the Project Evaluation

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Organisation might be persuaded to evaluate this programme at an early date and the programme suitably reoriented in the light of the results of the evaluation. This by its very nature could only be a one time exercise though very useful. The Committee would like to add that the Ministry of Rural Development should evolve a scientific monitoring mechanism of its own for a periodic appreciation of the position on a regular basis.

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Rural Development

The Committee find that the evaluation studies so far made on Planning and execution of the programme have highlighted a number of deficiencies, e.g., lack of inter-sectoral coordination, lack of water shed approach of development, inadequate facilities for marketing of milk, lack of proper maintenance of assets, etc. The Committee need hardly stress that urgent remedial measures should be taken to remove the deficiencies which have been pointed out in these evaluation studies.

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Do.

The implementation of the Drought Prone Area Programme is the joint responsibility of Central and State Governments. The C&AG of India has conducted an evaluation audit of the Programme in all the 13 concerned States where the Programme is being implemented and submitted his reports to the concerned State Legislatures also. These Reports for the year 1980-81 relating to 13 States have pointed out various deficiencies in the implementation of the programme. The Committee are surprised to learn that the Ministry

of Rural Development were not even aware of these Reports. The Secretary, Ministry of Rural Development assured the Committee that he would have discussions with the State Governments on these audit reports. The Committee would like to be apprised of the action taken in this regard.

With the extension of Integrated Rural Development Programme to all the blocks in the country, the DPAP authority has been merged with the D.R.D.A. Consequently some transitional problems have surfaced viz. the staff earlier dealing with only D.P.A.P. has now to attend to other schemes also under the charge of the D.R.D.A. resulting in inadequate attention being paid to schemes under DPAP. The Committee have been informed that the State Governments are already seized of the recommendations of the Task Force that there can be a separate agency for the D.P.A.P. or autonomous cell headed by an additional project director within the framework of the D.R.D.A. Strengthening of the project authority by a few subject matter specialists in disciplines like water management, dry-land farming, social forestry etc. are also under active consideration. The Committee would like an early decision to be taken in this regard. In any case, it must be ensured that programmes undertaken for the development of drought prone areas are not allowed to suffer because of this new arrangement.

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6.	The Current Book House, Maruti Lane, Raghunath Dadaji Street, Bombay-1.	15.	Oxford Book & Stationery Co., Scindia House, Connaught Place, New Delhi-1.
7.	M/s. Usha Book Depot, Law Book Seller and Publishers' Agents Govt. Publications, 585, Chira Bazar, Khan House, Bombay-2.	16.	Bookwell 4, Sant Nirankari Colony, Kingsway Camp, Delhi-9.
8.	M&J Services, Publishers, Representative Accounts & Law Book Seller, Mohan Kunj, Ground Floor, 68, Jyotiba Fuele Road, Nalgaum-Dadar, Bombay-14.	17.	The Central News Agency, 23/90, Connaught Place, New Delhi.
9.	Subscribers Subscription Services India. 21. Raghunath Dadaji St., 2nd Floor, Bombay-1.	18.	M/s. Rajendra Book Agency, IV-D 59 IV-D 50. Lajpat Nagar, Old Double Storey. Delhi-110024.
		19.	M/s. Ashoka Book Agency, BH-82, Poorvi Shalimar Bagh, Delhi-110033.
		20.	Venus Enterprises, B-2 85, Phase-II, Ashok Vihar, Delhi.

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