

PRESS RELEASE

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CAG's Performance Audit Report on 'Swadesh Darshan Scheme'

The Performance Audit Report No. 17 of 2023 of the Comptroller and Auditor General of India on 'Swadesh Darshan Scheme' was presented in the Parliament here today.

The Swadesh Darshan Scheme, launched in January 2015 with an initial outlay of ₹500 crore, is a Central Sector flagship scheme of the Ministry of Tourism for the development of tourism infrastructure in the country. The Ministry identified 15 tourist circuits for development under the Scheme, namely Himalayan circuit, North East circuit, Krishna circuit, Buddhist circuit, Coastal circuit, Desert circuit, Tribal circuit, Eco circuit, Wildlife circuit, Rural circuit, Spiritual circuit, Ramayana circuit, Heritage circuit, Tirthankar circuit and Sufi circuit. The Ministry sanctioned a total of 76 projects (15 circuits) during the period from 2014-15 to 2018-19 at a sanctioned cost of ₹5,455.69 crore.

The Performance Audit, covering the period from the Scheme's inception in January 2015 to March 2022, was conducted to derive an assurance that the tourist circuits were identified, prioritised and planned as per the Scheme design and objectives; the identified projects in the tourist circuits were executed in an efficient, effective and coordinated manner; and there was proper monitoring and impact assessment of the Scheme. A sample of 14 projects (related to 10 tourist circuits) from 13 States out of a total of 76 projects (15 circuits) was selected for detailed examination during the Performance Audit.

The main audit findings are as under:

Formulation of the Scheme

The Ministry launched the Scheme despite objection of the Planning Commission/Ministry of Finance and did not act upon the recommendation of the Standing Finance Committee to formulate an Umbrella scheme by merging the schemes having overlapping objectives. As a result, there was overlapping of scope across various schemes implemented by the Ministry. Most of these schemes were still ongoing in 2021-22. Thus, the objective of the Government to contain the proliferation and rationalisation of schemes was not achieved.

(Para 2.1)

After launching the Scheme with an initial outlay of ₹500 crore, the Ministry continued to sanction projects and the amount sanctioned had exceeded ₹4,000 crore by 2016-17. The Ministry sanctioned funds without obtaining approval of the Cabinet, which was necessary for sanctioning projects costing above ₹1,000 crore.

(Para 2.3)

There was lack of proper planning on the part of the Ministry as it did not ensure preparation of National or State level Plan before launching the Scheme. After the launch of the Scheme also, it did not ensure preparation of Detailed Perspective Plans (DPP) for 14 out of 15 tourist circuits/themes, which were to form the basis of selection of projects and preparation of Detailed Project Reports. Thus, the Ministry did not have any long-term vision/policy for implementing the Scheme. Further, frequent changes were made in the modalities of the Scheme and a total of 15 revisions were made till August 2020, thus impacting effective implementation by the State Governments/Implementing Agencies.

(Paras 2.4 and 2.5)

The Ministry did not pay adequate attention to the development of the Rural circuit. As on 31 March 2022, the total expenditure incurred under Rural circuit was only ₹30.84 crore, which constituted only 0.73 *per cent* of the total expenditure incurred under the Scheme.

(Para 2.6)

The Ministry did not play an active role in the identification of projects and relied on the State Governments for identification of projects and preparation of Detailed Project Reports. However, many project proposals were submitted by the State Governments without any proper identification criteria or prioritisation. Instances were noticed where the projects did not meet the criteria of a tourist circuit.

(Paras 2.7 and 2.8)

A large number of sites and components had been chosen for the implementation of the Scheme. There were 910 sites and 6,898 components in 243 districts under 76 projects sanctioned under the Scheme, despite dropping of a large number of components. As a result, the Ministry/State Governments could not pay adequate attention to all the sites, resulting in delay in obtaining timely clearances and award of works, lack of adequate monitoring, site inspection and change/dropping of components etc.

(Para 2.9)

The Ministry did not develop a formal mechanism for evaluation and approval of projects. While 18 months to 36 months had been given to the State Governments/UTs to complete the projects, the Ministry itself kept the project proposals pending for up to six years in few cases without any action as it did not have a defined timeline for approval or rejection of project proposals.

(Para 2.11)

Financial Management

The Ministry dropped/merged components where the work had not been commenced or the clearances were pending. As a result, costs in many projects were revised, which led to excess amounts with the State Governments/Implementing agencies. The excess amount was required to be refunded by State Governments. However, the Ministry did not make concerted efforts for recovery of excess amount from the States.

(Para 3.2)

The Ministry did not issue instructions to the States for opening of separate bank accounts for more than five and half years since the launch of the Scheme. As a result, many State Governments did not open interest-bearing accounts, thus causing loss of interest to the exchequer. Further, 10 out of the 13 selected States did not remit the interest of ₹50.06 crore earned on the Scheme funds to the Ministry. Also, there was delay/non-submission of Utilisation Certificates by the State Governments in 47 out of total 76 projects.

(Paras 3.3 and 3.4)

There was undue benefit to contractors amounting to ₹19.73 crore on account of irregular payment to contractors and grant of mobilisation advance. Further, the State Governments incurred wasteful/excess/unfruitful/inadmissible expenditure of ₹51.56 crore from the Scheme funds.

(Paras 3.6 and 3.7)

Implementation of the Scheme

Out of 76 projects sanctioned by the Ministry, no project was completed within the stipulated time frame. In selected 14 projects, it was noticed that eight projects were completed with delays ranging from 22 months to 47 months and six projects were yet to be completed, despite considerable delay.

(Para 4.1)

The Ministry sanctioned projects and released funds to the concerned State Governments based on an undertaking given by them in the Detailed Project Reports to provide encumbrance-free land. However, actual availability of land was not ensured before release of funds. As a result, in 13 of the 14 selected projects, the Ministry had to drop 149 components (15.07 *per cent*) after 35 months to 69 months from the date of sanction.

(Para 4.2)

There were delays ranging from 11 months to 58 months in the award of works by the State Governments in the selected 14 projects. Further, there were irregularities in award of works by the State Governments, such as award of work without relevant sanctions, award of work without tendering, or on nomination basis. Deviation/extra items and change in scope of work from the approved Detailed Project Report were found in six out of selected 14 projects.

(Paras 4.3, 4.4, 4.5 and 4.6)

The Ministry did not take necessary steps to ensure that the State Governments carried out proper operation and maintenance of created assets in a sustainable manner. Site inspection revealed that no arrangements for effective upkeep and maintenance of assets were made. There were instances of created facilities not being put into operation, deterioration of infrastructure due to lack of proper maintenance and other irregularities.

(Para 4.7)

Monitoring and Impact Assessment

The Scheme guidelines provided for overall monitoring through the National Steering Committee (headed by Minister, Tourism), Central Sanctioning and Monitoring Committee (headed by Secretary, Tourism) and Mission Directorate (headed by Joint Secretary/Additional Director General, Tourism). However, only six meetings of the National Steering Committee were held since inception (January 2015) of the Scheme till March 2022 as against 29 meetings required to be held. Thus, the Ministry did not effectively utilise the apex forum of the National Steering Committee, as envisaged during the formulation of the Scheme, for its effective implementation and monitoring. As there were bottlenecks during the project implementation phase due to non-receipt of timely clearances from various authorities, National Steering Committee could have played an important role in resolving these issues.

(Para 5.1.1)

There was a significant time gap between the meetings of Central Sanctioning and Monitoring Committee and the Mission Directorate. No meeting of the Central Sanctioning and Monitoring Committee and the Mission Directorate was held after November 2018 and October 2019 respectively. Effective monitoring of the progress of the projects at a higher level got necessitated after 2018-19 as all the projects were delayed. However, non-convening of meetings of the Central Sanctioning and Monitoring Committee and the Mission Directorate during this period made the monitoring ineffective at these levels. Further, the Zonal Officers (Joint Secretary level) appointed by the Ministry for monitoring did not play any role in monitoring of the projects.

(Paras 5.1.2 and 5.1.3)

The appointment and extensions of M/s Ernst & Young as the Programme Management Consultant (PMC) for the Scheme were irregular. The Ministry incurred an avoidable expenditure of ₹2.39 crore due to not following the process of open tendering for selection of PMC. More importantly, the PMC did not perform the duties defined in the guidelines/scope of the work i.e., preparation of Detailed Perspective Plan, DPRs, creation of shelf of projects, assistance in financial closure of projects, assistance to Mission Directorate in capacity building and Information, Education and Communication initiatives. The Ministry had to incur additional expenditure for preparing DPRs through the State Governments as the PMC did not prepare the same.

(Para 5.2)

There was delay in the formation of the State Level Monitoring Committees, and its meetings were also not being held by the States at regular intervals. This impacted the timely completion of the projects, besides poor monitoring of projects at the State level. Thus, the mechanism of State Level Monitoring Committee did not fulfil its intended purpose.

(Para 5.3)

There was no mechanism in the Ministry to ensure the correctness of project data submitted by the State Governments/Implementing Agencies. Audit noticed instances of incorrect/inflated Utilisation Certificates, wrong progress shown in the monthly progress reports and wrong depiction of facilities created under the Scheme. Further, the Scheme dashboard did not have critical data related to employment generation, tourist traffic data, revenue generation, private investment etc., as envisaged in the Scheme. Thus, the objective of the Ministry to have an online presence of the Scheme could not be fully achieved.

(Paras 5.6 and 5.7)

The evaluation of the Scheme by the National Productivity Council was not comprehensive due to selection of a limited sample and a lack of baseline data. As a result, even after two evaluations by National Productivity Council, detailed impact assessment of the Scheme could not be conducted and the National Productivity Council did not evaluate tourist footfall, employment generation and income generation for the local population, which were the major focus areas of the Scheme. Thus, the Ministry did not exercise due diligence for evaluation/impact assessment of the Scheme.

(Para 5.9)

The Ministry did not act upon the recommendations of the Department-Related Parliamentary Standing Committee on Transport, Tourism and Culture made from time to time relating to the Scheme. Further, the Ministry agreed upon the recommendations of Expenditure Finance Committee on the Scheme but did not comply with the same. As a result, the issues raised by the Committees persisted.

(Para 5.10)