

Chapter-3

Implementation of Schemes

Panchayat Raj Bodies are the implementing agencies of different Central schemes viz, Indira Awas Yojana (IAY), National Rural Employment Guarantee Scheme (NREGS), National Social Assistance Programme (NSAP) and Backward Region Grant Fund (BRGF). Gram Panchayats were implementing these during the year 2007-08 in pursuance of the guidelines issued on behalf of these schemes. ` 968.81 crore was spent on NREGS and ` 274.97 crore was spent on IAY in 2007-08. Observations on NREGS and IAY like absence of Annual Action Plan, failure to provide 100 days of guaranteed employment in a financial year, delayed payment of wages, failure to conduct social audit, irregular selection of beneficiaries, failure to monitor construction of sanitary latrines and smokeless chullahs in respect of 3,214 GPs have been discussed in the subsequent paragraphs.

3.1 National Rural Employment Guarantee Scheme

3.1.1 Introduction

The GOI enacted in September 2005 the National Rural Employment Guarantee Act (NREGA) to enhance the livelihood security of the rural people by providing at least one hundred days of guaranteed wage employment in every financial year to every household whose adult members volunteer to do unskilled manual work. Subsequently, the West Bengal Rural Employment Guarantee Scheme (WBREGS), 2006 was notified on February 2006. Initially the scheme was launched in 10 districts of the State. Subsequently, the scheme was extended to eight more districts by merging Sampoorna Grameen Rojgar Yojana (SGRY) and National Food For Work Programme (NFFWP). The scheme was to be implemented in the State as a Centrally Sponsored Scheme with sharing of funds in the ratio of 75:25 between the Central and State Governments.

3.1.2 Financial Management

3.1.2.1 Release and utilisation of funds in 18 districts

The total available fund and utilisation under the scheme in 18 districts of the State during 2006-09 are as follows:

(Rupees in crore)

Year	Opening balance	Receipt			Utilisation	Closing balance
		Central Share	State Share	Total		
2006-07	222.47	358.58	37.62	396.20	396.18	222.49
2007-08	222.77	881.35	132.70	1,014.05	968.81	268.01
2008-09	337.69	932.75	64.08	996.83	940.38	394.14

(Source : Panchayat and Rural Development Department)

The Administrative Report of the Panchayat and Rural Development Department shows that the closing balance and the opening balance do not tally with each other.

It is evident from the above table that the State Government could utilise 78 and 70 *per cent* of the available funds during 2007-08 and 2008-09 respectively.

During audit of 3,214 GPs, it was revealed that 3,055 GPs¹, excluding those in Howrah and Darjeeling districts, received ` 910 crore under NREGS and expended ` 776 crore during 2007-08.

3.1.2.2 Nil utilisation of funds

Nine GPs² received ` 36.08 lakh but could not utilise any amount during 2007-08. If these GPs had utilised 60 *per cent* of the funds (as stipulated in the guidelines) for employment generation, 30,926³ unskilled mandays employment would have been generated for the rural people under the scheme.

3.1.3 Execution of scheme

3.1.3.1 Annual Plan not prepared

Operational guidelines of NREGS stipulated that every GP should prepare an Annual Action Plan from the consolidated proposals of all the Gram Sansads clearly prioritising the works to be taken up in a year. Annual Action Plan should be prepared by 15 March with due approval of ZP. It was observed that 126 GPs incurred an expenditure of ` 35.81 crore during 2007-08 without preparing any Annual Action Plan (**Appendix-XVI**).

Further, 385 GPs expended ` 93.91 crore on 11,577 works which were not identified and selected by Gram Sansads in contravention of scheme guidelines (**Appendix-XVII**).

Thus, the objective of the scheme of involving the village population in planning and identifying the works to be taken up under the scheme was not achieved.

3.1.3.2 Employment not provided to job seekers and unemployment allowance was not paid

The Act stipulated that every applicant should be provided unskilled manual work within 15 days of receipt of application seeking employment or from the date on which employment was sought in case of advance application, whichever was later. The Act also specified that the applicant was entitled to a daily unemployment allowance if employment was not provided. It was noticed that 7,622 applicants in 27 GPs (**Appendix-XVIII**) sought

¹ No. of GPs audited 3,214 *minus* 157 GPs of Howrah *minus* 2 GPs (Lakshisagar GP of Bankura and Supudi GP of Purulia, which did not receive any fund under NREGS) = **3,055 GPs**.

² Sijakampur (` 10.30 lakh); Chandrahati-II (` 0.30 lakh); Jadupur-I (` 2.52 lakh); Sultannagar (` 8.93 lakh); Rajnagar (` 0.21 lakh); Dafarpur (` 0.25 lakh); Koniara-II (` 5.00 lakh); Ichhapur-II (` 5.44 lakh) and Gopalnagar (` 3.13 lakh).

³ Calculated on the basis of prevalent rate of unskilled wages of ` 70 per day per head and prescribed percentage of 60 to be spent for wages out of total funds available (` 36.08 lakh x 60 *per cent* / ` 70 = **30,926 mandays**).

employment but they were not provided any employment during 2007-08. No reason was found on record. No unemployment allowance was also paid to those applicants in contravention of the provisions of the Act.

3.1.3.3 One hundred days employment not provided

NREGS guidelines stipulated that every household in the rural area should be provided not less than one hundred days of guaranteed employment in a financial year. Scrutiny revealed that 2,972 GPs could not provide at least one hundred days of employment to the members of any households in the financial year 2007-08 (**Appendix-XIX**).

Thus, the basic objective of the scheme of enhancing livelihood security of the rural households by providing at least one hundred days of guaranteed wage employment in every financial year was frustrated.

3.1.3.4 Job Cards issued without affixing photographs

Photographs of the adult members of the households were to be affixed on the job cards. But photographs were not affixed on any of the job cards in 2,579 GPs (**Appendix-XIX**).

In absence of photographs in the job cards, audit could not ascertain that more than one job card was not issued to any person for getting employment under the scheme. Failure to affix photographs indicates lack of transparency in the administrative and financial affairs of PRIs.

3.1.3.5 Delay in payment of wages

In terms of the Act, daily wages were to be paid to the labourers on a weekly basis or in any case not later than a fortnight after the date on which the work was done. But late disbursement of wages was noticed in 409 GPs (**Appendix-XIX**).

Thus, the labourers were deprived of their timely earnings and were not compensated for delay in payment.

3.1.3.6 Failure to create durable asset

Creation of durable asset and strengthening the livelihood resource base of the rural people was one of the important objectives of NREGS. It was observed that 306 GPs (**Appendix-XX**) incurred an amount of ` 50.32 crore under NREGS but failed to create durable assets during 2007-08.

As a result, the basic objective of strengthening rural infrastructure was not achieved.

3.1.3.7 Absence of Social audit and project monitoring

NREGS guidelines stipulated that the Gram Sabha should conduct regular social audits of all the projects under the scheme taken up within the Gram Panchayat. The Gram Panchayat should facilitate providing of all relevant documents to the Gram Sabha for the purpose of conducting the social audit. Scrutiny revealed that no social audit was conducted in 2,043 GPs (**Appendix-XX**) during 2007-08.

According to the provisions of the Act, the Programme Officer (P.O.) was to monitor the projects taken up by Gram Panchayats within the block. Scrutiny revealed that in 749 GPs, schemes were not monitored by the P.O. of 190 blocks (**Appendix-XXI**).

In absence of social audit and monitoring, proper selection of beneficiaries, extending 100 days of employment opportunity to each and every household, prompt and correct payment of wages, payment of unemployment allowance to eligible job card holders and disposal of complaints within specified dates could not be effectively scrutinised and ensured. Thus, the rural people remained unaware of their rights and the scheme objective of people's participation was frustrated.

3.1.3.8 Unutilised foodgrains of Sampoorna Grameen Rojgar Yojana (SGRY) and National Food For Work Programme (NFFWP) not transferred to NREGS

Ministry of Rural Development, GOI intimated (10.01.2006) the State Government that the NFFWP would get merged into NREGA once the Act came into force and the funds available under the programme would also be taken as the funds under the Act with effect from the financial year 2005-06. Further, the Panchayat and Rural Development Department (P&RDD) issued instructions (November 2007) that the balance amount of both fund and foodgrains of SGRY were to be transferred to NREGS account.

Scrutiny of foodgrains registers of SGRY and NFFWP of Jhalda-I (1,431.55 qtl.), Jhalda-II (895.06 qtl.), Arsha (7,205.56 qtl.) and Bongaon (3,302.20 qtl.) PSs for the years 2005-08 revealed that 12,834.37 qtl. of unutilised foodgrains were not transferred to NREGS (March 2009) despite standing instructions of the P&RDD.

This resulted in non-utilisation of foodgrains for NREGS works. The possibility of foodgrains getting spoilt due to prolonged storage also cannot be ruled out.

3.2 Indira Awas Yojana

3.2.1 Introduction

Indira Awas Yojana (IAY) aims at providing a lumpsum financial assistance for construction/upgradation of dwelling units of members of Scheduled Castes (SCs), Scheduled Tribes (STs), freed bonded labourers and non-SC/ST Below Poverty Line (BPL) persons in the rural areas. Funds available under the scheme in a district are earmarked for various categories as under:

- (i) At least 60 *per cent* of the total IAY allocation during a financial year should be utilised for construction/upgradation of dwelling units for SC/ST BPL households.
- (ii) A maximum 40 *per cent* for non SC/ST BPL rural households.
- (iii) Three *per cent* of the above categories for physically and mentally challenged persons.

The scheme is funded on a cost sharing basis of 75:25 between the Centre and the State. Since 1999-2000, upto 20 *per cent* of the total funds can be utilised

for upgradation of existing *kutch* houses and toward subsidy for construction of houses with credit from Banks/Financial Institutions. Balance 80 per cent can be utilised for new construction. The scale of assistance for construction/upgradation varies from time to time and also between hilly and plain areas.

The financial and physical performances under IAY in the State during 2006-09 are summarised below:

(Rupees in crore)

Year	Total available fund	Utilisation	Per cent of utilised fund	New construction (No.)		Upgradation (No.)	
				Target	Achievement	Target	Achievement
2006-07	367.28	280.51	76	88,501	85,200	22,166	43,638
2007-08	429.36	270.92	63	1,22,357	96,115	30,589	21,449
2008-09	861.51	453.39	53	1,53,697	1,17,541	-	4,516

(Source: Panchayat and Rural Development Department)

Audit of implementation of IAY revealed the following deficiencies:

3.2.2 Annual Action Plan not prepared

It was mandatory under the scheme of IAY that an Annual Action Plan (AAP) should have been approved by ZP or governing body of DRDA before the beginning of a financial year.

It was seen that 358 GPs out of 3,214 audited did not prepare such AAP for the year 2007-08 for selection of beneficiaries. The mode of selection was not available on records. These GPs spent ` 24.75 crore on IAY without preparing AAP, in violation of the scheme guidelines (**Appendix-XXII**).

In the absence of AAP, the mode of selection of beneficiaries and their eligibility for getting IAY assistance could not be ascertained in audit. Further, the selection of ineligible beneficiaries could not be ruled out.

3.2.3 Irregular selection of beneficiaries

The scheme envisaged selection of beneficiaries under IAY from the BPL list and priority was to be given to freed bonded labourers, SC/ST households who are victims of atrocity, SC/ST households headed by widows and unmarried women, SC/ST households affected by natural and other calamities like riots and to physically and mentally challenged persons.

Scrutiny revealed that 650 GPs provided IAY assistance to non-BPL beneficiaries for construction/upgradation of huts amounting to ` 20.27 crore during 2007-08 (**Appendix-XXIII**).

Thus, these GPs irregularly selected beneficiaries outside the BPL list depriving the genuine BPL households from their rightful benefits.

3.2.4 Allotment of huts to male members of a family

Allotment of huts constructed/upgraded with the scheme assistance would be conferred on the wife or alternatively on both the wife and the husband as per scheme guidelines. But 22,941 cases were observed in 2,207 GPs, where ` 38.78 crore was allotted solely to the male members of the family during 2007-08, in violation of the scheme guidelines (**Appendix-XXIV**).

Thus, the objective of the scheme of increasing the empowerment of women was not achieved.

3.2.5 Land ownership for the beneficiaries not ensured before construction/upgradation of huts

The IAY guidelines stipulate that dwelling units should normally be built on individual plots. However, 205 GPs disbursed IAY assistance amounting to ₹ 8.87 crore to 5,067 households during 2007-08 for construction/upgradation of huts which were either not built on individual plots or for which supporting documents were not found on records (**Appendix-XXV**).

In the absence of proper land records, the beneficiaries provided shelter under IAY scheme may become shelterless later if they are later dislodged by the actual owners of the land.

3.2.6 Construction of sanitary latrine and smokeless chullah not ascertained

The scheme guidelines stipulated that sanitary latrine and smokeless chullah would be provided with every house constructed or upgraded from IAY grants. It was observed during audit of GPs that GP authority usually obtained a certificate of utilisation of first instalment of IAY grant from the beneficiaries, where confirmation regarding construction of sanitary latrine and smokeless chullah was incorporated. Scrutiny revealed that no such certificate of utilisation of 1st instalment was obtained by 2,171 GPs before release of 2nd instalment of IAY assistance. In absence of that certificate, audit could not ascertain whether sanitary latrine and smokeless chullah were constructed in the 2,171 GPs or not (**Appendix-XXVI**).

Thus, provision of proper sanitation and clean environment was not ensured by those GPs for improvement of quality of life and human development index.

3.3 Conclusion and Recommendations

Conclusion

Absence of annual action plan, failure to provide at least 100 days of guaranteed employment in a financial year, delayed payment of wages, absence of photographs on job cards, failure to create durable assets and also to conduct social audit reflected significant deviation from the basic tenets of the NREG Act, 2005. Thereby, the objectives of the Act were frustrated to a large extent. In case of implementation of IAY, absence of annual action plan, irregular selection of beneficiaries and failure to monitor construction of sanitary latrines and smokeless chullahs came in the way of delivering the intended benefits to the targeted population.

Recommendations

- Annual Action Plan should be prepared involving the rural people in planning and identifying the works to be taken up under the scheme.
- Compliance with scheme guidelines should be ensured.
- Social audit should be conducted by the Gram Sabha to make people aware of their rights and also procedures for exercising those rights.
- Close monitoring of the projects is required to ensure proper delivery of benefits to the target population.