

CHAPTER 3

IMPLEMENTATION OF SCHEMES

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Panchayati 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 implemented these during the year 2009-10 in pursuance of the guidelines of these schemes. ₹ 2,532.46 crore was spent on NREGS and ₹ 779.61 crore was spent on IAY in 2010-11. However, audit of accounts for the year 2009-10 revealed that PRIs failed to provide 100 days of guaranteed employment in a financial year, payment of wages was delayed, social audit was not conducted, there were irregularities in selection of IAY beneficiaries, 60 per cent IAY assistance was not given to SC/ST beneficiaries and construction of sanitary latrines and smokeless chullahs was not monitored

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. The Central Government bears 100 per cent wage cost of unskilled manual labour and 75 per cent of the material cost and the wages of skilled and semi skilled workers.

3.1.2 Financial Management

3.1.2.1 Receipt and expenditure of funds in 18 districts

The total available fund and expenditure under the scheme in 18 districts of the State during 2008-11 are as follows:

Table 3.1

(₹ in crore)

Year	Opening balance	Receipt				Expenditure	Closing balance
		Central Share	State Share	Misc.	Total		
2008-09	314.71	874.29	70.02	20.16	1,279.18	940.38	338.80
2009-10	377.22	1780	155.38	12.58	2,325.08	2,108.98	216.10
2010-11	263.39	2156	324.89	25.16	2,769.44	2,532.46	236.98

(source: www.nrega.nic.in)

During audit of 3,197 GPs, it was revealed that ₹ 1,828.90 crore was expended during 2009-10 under West Bengal Rural Employment Guarantee Scheme (WBREGS). Eight GPs¹⁵ had total available fund of ₹ 13.45 lakh but could not utilise any amount during 2009-10. Had these GPs been utilised 60 per cent of the funds (as stipulated in the guidelines) for employment generation, 10,760¹⁶ unskilled mandays would have been generated under the scheme.

3.1.3 Execution of scheme

3.1.3.1 One hundred days' employment not provided

Para 3(1) of West Bengal Rural Employment Guarantee Scheme (WBREGS), 2006 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 3,139 GPs could not provide one hundred days of employment to the members of any households in the financial year 2009-10 (**Appendix-XIV**).

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.

¹⁵ Ashuti-II (₹ 2.63 lakh), Gobindapur- Kalicharanpur (₹ 0.31 lakh), Joka-II (₹ 2.18 lakh), Khagramuri (₹ 3.00 lakh), Nahazari (₹ 1.06 lakh), Paschim Bishnupur (₹ 1.24 lakh), Ramkrishnapur-Borhanpur (₹ 2.57 lakh) and Chhayghara (₹ 0.46 lakh).

¹⁶ Calculated on the basis of minimum rate of unskilled labour wages during 2009-10 of ₹ 75 per day per head and prescribed percentage of 60 to be spent for wages out of total funds available (₹ 13.45 lakh x 60 per cent / ₹ 75 = **10,760** mandays).

3.1.3.2 Failure to create durable asset

Creation of durable asset and strengthening the livelihood resource base of the rural people are one of the important objectives of WBREGS. It was observed that 1,011 GPs (**Appendix-XIV**) expended ₹ 561.17 crore under WBREGS but failed to create durable assets during 2009-10.

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

3.1.3.3 Excavation or re-excavation of private pond without making any agreement with the owner

Para 7(1)(e) of WBREGS guidelines stipulates that if a Gram Panchayat (GP) requires to carry out any work of excavation / re-excavation of a private pond, an agreement should be entered into with the owner of the pond to the effect that the water of the private pond so excavated or re-excavated could be utilised by the local people.

In violation of the said guidelines, 26¹⁷ GPs spent ₹ 5.28 crore towards excavation or re-excavation of private ponds under the scheme during 2009-10 without formalizing any agreement with the owners of those ponds.

Thus, the GPs incurred an irregular expenditure of ₹ 5.28 crore in violation of the guidelines. Besides, absence of agreement between the GPs and the owners of the pond, exclusive benefit to pond owners could not be ruled out.

3.1.3.4 Irregularities regarding Job Cards

Para 9(1) of WBREGS guideline specified that, the gram panchayat should issue job cards to the registered households after making such enquiry as it deemed fit and should issue a job card within a week after such enquiry was complete.

Scrutiny revealed that 561 GPs did not issue job cards to 1,33,005 registered families though applied for the same (**Appendix-XV**).

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 886 GPs (**Appendix-XV**). In absence of photographs in the job cards, audit could

¹⁷ **Burdwan ZP**- Baidyapur (₹ 32.21 lakh), Badla (₹ 12.01 lakh), Baghason (₹ 44.41 lakh), Bamunpara (₹ 19.63 lakh), Mamudpur-I (₹ 34.85 lakh), Baradhamas (₹ 32.40 lakh), Kusumgram (₹ 14.38 lakh) and Majergram (₹ 41.78 lakh).

Murshidabad ZP-Mahalandi-II (₹ 23.53 lakh), Gokarna-II (₹ 35.30 lakh), Dafarpur (₹ 1.25 lakh), Indrani (₹ 55.70 lakh), Padamkandi (₹ 11.26 lakh), Jhilli (₹ 7.61 lakh), Margram (₹ 11.00 lakh), Sadal (₹ 2.91 lakh), Jashohari Anukha-I (₹ 33.77 lakh) and Parulia (₹ 14.99 lakh).

Purba Medinipur ZP-Amalhandia (₹ 9.33 lakh), Boyal-I (₹ 4.49 lakh) and Brajalalchak (₹ 4.19 lakh).

Paschim Medinipur ZP- Haripur (₹ 1.70 lakh), Kendugari (₹ 2.89 lakh), Duan-II (₹ 6.19 lakh) and Sauri Kotbar (₹ 1.29 lakh).

Birbhum ZP-Kalitha (₹ 68.59 lakh).

not ascertain whether more than one job card was issued to any household for getting employment under the scheme.

3.1.3.5 Employment not provided to job seeking families and unemployment allowance not paid

Para 11(1) of WBREGS guideline 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 is later. Para 11(3) of the guideline also specified that the applicant was entitled to a daily unemployment allowance equal to not less than one-fourth of the wage rate for the first thirty days during the financial year and not less than one-half of the wage rate for the remaining period of the financial year, if employment was not provided and it would be the liability of the State Government.

Audit noticed that 1,30,072 job seeking families were not provided any employment during 2009-10 in 147 GPs (**Appendix-XV**). No unemployment allowance was paid to those applicants in contravention of the provisions of the scheme guideline.

3.1.3.6 Annual Action Plan not prepared

Para 12(3) of WBREGS guidelines stipulates 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 every year with due approval of ZP. It was observed that 385 GPs expended ₹ 229.02 crore towards excavation of ponds, land leveling, drought proofing, minor irrigation etc. during 2009-10 without preparing any Annual Action Plan (**Appendix-XVI**).

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

3.1.3.7 Failure to achieve estimated mandays

Para 12(4) of WBREGS guideline stipulated that while preparing the annual action plan, every GP should estimate mandays in such a way so as to provide maximum employment to the rural households.

Scrutiny revealed that 2,731 GPs had generated only 11,63,44,589 mandays which is only 11.27 *per cent* of the estimated 103,18,94,103 mandays, though they had unutilised amount of ₹ 123.24 crore at the end of March 2010 under

the scheme (**Appendix-XVII**). This indicates that GPs had failed to estimate realistic demand and also to generate mandays with available funds due to lack of proper planning and initiative for achieving the target of providing employment to rural people.

3.1.3.8 Delay in payment of wages

According to para 22(1) of the WBREGS guideline, daily wages should 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 869¹⁸ GPs. The labourers thus, deprived of their dues, were not compensated as per the provisions of the Payment of Wages Act, 1936 for delay in payment.

3.1.3.9 Absence of Social audit

As stated in para 37 of WBREGS guidelines, Gram Sabhas 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 social audit forums were not formed in 355 GPs and in 462 GPs social audit was not conducted (**Appendix-XVIII**) during 2009-10. Further, though social audit was conducted in 400 GPs, the objections raised during audit were not settled.

3.2 Indira Awas Yojana

3.2.1 Introduction

Indira Awas Yojana (IAY) aims at providing a lump sum financial assistance to all BPL families of rural areas. From the year 2007-08, the concept of Permanent Wait list was introduced for selection of IAY beneficiaries. The list is prepared from the existing BPL list considering the nature of household as per the parameters mentioned in Rural Household Survey (RHS). Persons who are homeless or dependent on others for accommodation are identified as P₂=1.

¹⁸ZP: Bankura 56 GPs; Birbhum 34 GPs; Burdwan 60 GPs; Cooch Behar 20 GPs; Dakshin Dinajpur 15 GPs; Hooghly 70 GPs; Howrah 13 GPs; Jalpaiguri 46 GPs; Malda 30 GPs; Murshidabad 71 GPs; Nadia 61 GPs; North 24 Parganas 81 GPs; Paschim Medinipur 95 GPs; Purba Medinipur 106 GPs; Purulia 25 GPs; South 24 Parganas 83 GPs and Uttar Dinajpur 3 GPs.

Persons having one room mud-built house are identified as P₂=2. Persons identified as P₂=1 should be placed at the top of the list of eligible beneficiaries.

The scheme is funded on a cost sharing basis of 75:25 between the Centre and the State. Since 1999-2000, up to 20 *per cent* of the total funds can be utilised for upgradation of existing *kutchra* houses and towards 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 2008-11 are summarised below:

Table 3.2

(₹ in crore)

Year	Total available fund	Utilisation	Percentage of utilised fund	New construction (No.)		Upgradation (No.)	
				Target	Achievement	Target	Achievement
2008-09	861.51	453.39	53	1,53,697	1,17,541	–	4,516
2009-10	1,294.82	895.50	69	2,97,564	2,29,999	1,12,090	128
2010-11	1,178.73	779.61	66	1,03,209	1,69,795	1,03,209	0

(Source: Panchayat and Rural Development Department and rural.nic.in)

Audit of implementation of IAY revealed the following deficiencies:

3.2.2 Permanent Wait (PW) list not prepared

It was mandatory under the scheme to select beneficiaries from PW list prepared from the Rural Household Survey for giving financial assistance. It was observed that out of 3,197 GPs audited during 2009-10, 72 GPs did not prepared PW list but they expended ₹ 2.53 crore (**Appendix-XIX**).

Thus, in absence of Permanent Wait (PW) list, irregular selection of beneficiaries by these GPs could not be ruled out.

3.2.3 Assistance given outside priority list, enlisted 1/ 2 index during 2009-10

The P & RDD made it mandatory under the scheme that beneficiaries should be selected from the list of beneficiaries from the P₂=1 list of RHS. They should be given priority and persons identified as P₂=2 will be considered thereafter. But, it is observed in 65 GPs that ₹ 2.06 crore allotted to 872

beneficiaries who are neither identified as $P_2=1$ nor as $P_2=2$ (**Appendix - XX**).

The irregular selection of beneficiaries outside $P_2=1$ or 2 list, thus, frustrated the objective of providing IAY assistance for construction of homes to actual needy rural people.

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 30,442 cases were observed in 2,223 GPs, where ₹ 73.15 crore was allotted solely to the male members of the family during 2009-10, in violation of the scheme guidelines (**Appendix-XXI**).

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

3.2.5 Failure to provide 60 per cent IAY assistance to SC/ST beneficiaries

The IAY guidelines stipulate that at least 60 per cent of the total IAY funds and physical targets should be utilised for construction/ upgradation of dwelling units for SC/ ST BPL households.

In 1,861 GPs, ₹ 233.33 crore were to be allotted to 66,666 SC/ST beneficiaries (60 per cent of total allotted funds of ₹ 388.89 crore) under the scheme. Instead, the GPs had allotted ₹ 105.54 crore IAY funds to 30,155 SC/ST beneficiaries. Thus, GPs had disbursed funds of ₹ 127.79 crore to 36,511 other beneficiaries depriving same numbers of SC/ST beneficiaries (**Appendix - XXII**).

Thus, one of the objectives of the scheme of developing the social status of SC/ST population could not be achieved.

3.2.6 Land ownership of beneficiaries not ensured before construction/up gradation of huts

The IAY guidelines stipulate that dwelling units should normally be built on individual plots. However, 260 GPs in 17 districts disbursed IAY assistance amounting to ₹ 13.37 crore to 5,094 households during 2009-10 for construction/up gradation of huts which were either not built on individual plots or for which supporting documents were not found on records (**Appendix-XXIII**).

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

3.2.7 Construction of sanitary latrines and smokeless chullahs not monitored

The scheme guidelines stipulated that sanitary latrine and smokeless chullah would be provided with every house constructed or upgraded using IAY grants. To ensure this, GPs obtain a confirmation from the beneficiaries regarding construction of sanitary latrines and smokeless chullahs along with the certificate of utilisation of first installment of IAY grant. Scrutiny revealed that no such certificate of utilisation of 1st installment was obtained by 1,549¹⁹ GPs in 17 districts before release of 2nd installment of IAY assistance. In absence of that certificate, audit could not ascertain whether GPs could ensure clean environment in their areas through sanitary latrines and smokeless chullahs.

Thus, the GPs merely transferred the grants to the beneficiaries and did not monitor proper utilisation of IAY grants by the beneficiaries.

UTTAR DINAJPUR, DAKSHIN DINAJPUR AND COOCH BEHAR ZILLA PARISHADS

3.3 Loss of Indira Awas Yojana (IAY) assistance of ₹ 5.92 crore

Uttar and Dakshin Dinajpur ZPs and the State Government did not adhere to prescribed IAY guideline while utilising and releasing IAY grants. As a result, the Central Government deducted ₹ 5.20 crore from the ZPs entitlement during 2009-10. Consequently, the State Government also deducted ₹ 0.72 crore from the State share. Earnest initiative of the ZPs and the State Government could provide 2,142 IAY houses to rural poor

(a) Indira Awas Yojana (IAY) is a centrally sponsored scheme funded by Government of India (GOI) and the State Government in the ratio of 75:25. The guidelines stipulate that the opening balance of the district should not exceed 10 *per cent* of the funds available during the previous year. In case,

¹⁹ **ZP: Bankura** 98 GPs; **Birbhum** 76 GPs; **Bardhaman** 146 GPs; **Cooch Behar** 70 GPs; **Dakshin Dinajpur** 23 GPs; **Hooghly** 112 GPs; **Howrah** 78 GPs; **Jalpaiguri** 60 GPs; **Malda** 77 GPs; **Murshidabad** 114 GPs; **Nadia** 93 GPs; **North 24 Parganas** 82 GPs; **Paschim Medinipur** 162 GPs; **Purba Medinipur** 107 GPs; **Purulia** 74 GPs; **South 24 Parganas** 134 GPs and **Uttar Dinajpur** 43 GPs.

the opening balance exceeds the permissible limit, the central share of the excess amount would be deducted proportionately at the time of release of second instalment.

Scrutiny of records of Uttar Dinajpur and Dakshin Dinajpur ZPs revealed that the ZPs received (April and August 2009) ₹ 17.50 crore, i.e., 50 *per cent* of central allocation of ₹ 35.00 crore as first instalment of central assistance from Ministry of Rural Development, GOI. While releasing the second instalment in January and February 2010, GOI released ₹ 15.34 crore and deducted ₹ 2.16 crore due to excess carry over of funds. Consequently, the State Government also deducted ₹ 0.72 crore (Uttar Dinajpur: ₹ 0.28 crore and Dakshin Dinajpur ZP: ₹ 0.44 crore) from the state share. Thus, the ZPs suffered loss of IAY assistance of ₹ 2.88 crore due to non-adherence to above scheme guideline.

(b) The guidelines also stipulate that the State Government should release its share within a month of the date of release of the central assistance. The State Government should have released all its contribution (including that of the previous years) due upto the date of the application for the second instalment. In the event of shortfall in State share, corresponding amount of Central share (i.e. three times the shortfall of state share) would be deducted from the amount of Central share of the second instalment of the current year.

The contribution of the State Government for against first instalment of central release of ₹ 15.20 crore in favour of Cooch Behar ZP was ₹ 5.06 crore. However, the State Government released (August 2009) ₹ 4.05 crore. The balance amount of first instalment of ₹ 1.02 crore was released in November 2009 i.e., delay of three months of release central share and also after sending the proposal of the second instalment. As a result, GOI curtailed ₹ 3.04 crore from the second instalment (₹ 12.16 crore) due to short release of state share within prescribed time frame.

The ZPs admitted the fact (September 2010, December 2010 and March 2011).

Thus, utter negligence and non-adherence to prescribed procedures of IAY guidelines by the ZPs while utilising the IAY funds as well as by the State

Government while releasing its share in time led to loss of IAY assistance of ₹ 5.92 crore. Had the ZPs and the State Government strictly followed the IAY guidelines, 1,353 rural poor could have been benefited by construction of new houses and 789 rural families²⁰ by up-gradation of their houses under IAY scheme.

3.4 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, failure to achieve the estimated mandays, absence of photographs on job cards, failure to create durable assets and also to conduct social audit indicated significant deviations from the guidelines. Thereby, the objectives of the MNREGS were frustrated to a considerable extent.

In the case of implementation of IAY, absence of Permanent Wait list, irregular selection of beneficiaries and failure to provide 60 *per cent* IAY assistance to SC/ST beneficiaries deprived them of the intended benefits.

Recommendations

- Annual Action Plan should be prepared involving rural people 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 and
- Close monitoring over the projects is required to ensure proper delivery of benefits to the target population.

²⁰ 80 *per cent* of total allocation may be utilised for new construction. ₹ 5.92 crore x 80 *per cent*/₹ 35,000 (cost fixed per house) =**1,353**.

20 *per cent* of total allocation may be utilised for upgradation. ₹ 5.92 crore x 20 *per cent*/₹ 15,000 (cost fixed per house) =**789**.