

## Chapter 9 Monitoring and Evaluation

### 9.1 Monitoring at the Central Level

As per the scheme guidelines, the MoUD and MoHUPA were to periodically monitor their respective components through designated officers of the Ministry for each State/UT.

In the MoUD, there was a mission directorate set up exclusively for JNNURM. The directorate had three directors as on October 2010, who were responsible for all the States/UTs where JNNURM was being implemented. In respect of their assigned States/UTs, the directors were assigned, inter-alia, examination of CDPs, scrutiny of DPRs for consideration of CSMC, examining the reports of the appraisal agencies, review of reforms, monitoring the implementation of projects etc.

#### 9.1.1 Inadequate monitoring by the Ministries due to paucity of staff

At the time of setting up the JNNURM directorate, no additional staff was created (as the staffing pattern was not worked out) and the staff in the directorate had been posted by way of internal adjustment in the Ministry. The Ministry felt that the augmentation of the staff had not kept pace with the increase of workload of the directorate. It was also observed from the records of the MoUD that they had put up proposals in 2008 to the Administration Wing of the MoUD and few staff were posted thereafter. It may be noted that the proposal for additional staff was made in 2008, while the scheme was launched in 2005.

Thus the Ministry was not equipped to oversee and monitor a project of this nature and it is surprising that the Mission Directorate was not strengthened earlier at the initial stage of the Mission. Only as recently as April 2011, 18 posts on temporary basis upto March 2012 had been created which included two Directors / Deputy Secretary.

In MoHUPA, against the proposal for creation of one post of Mission Director, two posts of Director / Deputy Secretary (DS), one post of Deputy Director (DD) and two posts of Under Secretaries (US), one post of each was created. Till August 2007, one DS / Director had been holding the additional charge of JNNURM in addition to other work in the MoHUPA. For implementation of IHSDP, it was decided that the existing officers and staff dealing with the National Slum Development Programme (NSDP) and Valmiki Ambedkar Awas Yojana (VAMBAY) would be utilized, as these two schemes were subsumed in IHSDP. However, NSDP staff was not deployed and four staff members from VAMBAY one each in the grade of Section Officer, Assistant, LDC and Peon were deputed.

Audit feels that the Ministry might have anticipated its role well in advance to handle a scheme of such a magnitude and spread across the country. This could have ensured effective monitoring and completion of the projects.

MoUD in their reply (May 2012) noted the observation made.

#### 9.1.2 Delays in furnishing quarterly progress reports by States

The scheme envisaged that the SLNAs would send Quarterly Progress Reports (QPRs) to MoUD and MoHUPA.

QPRs were intended as an input at the time of the subsequent release for projects. Audit observed that there were delays in receipt of the QPRs. In some cases QPRs were not received at all also.

MoUD replied (April 2012) that QPRs were received regularly from most of the States, however, some states were irregular in sending the QPRs due to lack of staff and staff capacity and that continuous follow up was conducted by the Ministry.

### **9.1.3 Completion reports of projects not sought timely**

For monitoring progress of projects sanctioned, it was stipulated that upon completion of the project, nodal agency through the State Government would submit completion report in this regard. However, during audit scrutiny, it was gathered that the same was not being sent to the Ministry. As per Ministry's record 105 projects under UIG had been completed upto March 2011 whereas status of completion from three states /UT (Delhi, Maharashtra and Madhya Pradesh) for only 10 projects were received in the Ministry (May 2010). It was also observed that MoUD did not take up the matter of wanting completion report with the states and only on 1 November 2011, States have been reminded (those states and for those projects for which all four installments had been released) to send Financial Closure Certificate / Completion Certificate or the current status of the project as the case may be. As such MoUD did not use scrutiny of 'Completion Report' as a tool for monitoring.

MoUD replied (May 2012) that a formal completion certificate is usually issued after successful trial run of the project and only a few of the completed projects had successful trial runs.

The reply is not acceptable in audit as MoUD should have pursued with states for necessary trial runs and prompt furnishing of completion reports.

### **9.1.4 Non achievement of the objective of constitution of Technical Advisory Group**

At the national level, an Advisory Group headed by a Technical Advisor drawn from civil society with proven experience in mobilizing collective action for reforms in urban governance, was to be constituted. The Technical Advisory Group (TAG) for UIG was constituted on 27 February 2006 and it was stipulated that 'National Technical Advisor (NTA)' who was Chairperson of TAG, would be a special invitee to CSMC.

TAG was required to meet at least once in a month i.e. 12 meetings in a year. However, against 60 meetings required to be held during March 2006 to March 2011, only 37 meetings were held by TAG.

TAG was required to help the Mission to create City Voluntary Technical Corps (CVTC), to take peoples' participation forward, in each Mission City. However, out of 65 mission cities, CVTC have come up only in 14 mission cities, as of August 2011.

The NTA constituted by MoUD was to be a special invitee to CSMC meetings of MoHUPA. However, the MoHUPA intimated (July 2011) that NTA had not been invited in the CSMC /CSC meetings of BSUP and IHSDP.

The Ministry may review the functioning of the TAG to see the extent to which it fulfilled the objectives and also assess whether the expenditure incurred on them is commensurate with their contribution to the JNNURM scheme.

MoUD replied (April 2012) that TAG met as often as was possible and TAG participated in CSMC meeting as per their availability. It stated that TAG made major efforts to promote the CVTC

formation. Reply is not acceptable in audit in view of the fact that CVTC came up in only 14 mission cities.

## 9.2 Monitoring at the state level

### 9.2.1 Independent Review and Monitoring Agency and Third Party Inspection and Monitoring Agency

To review and monitoring process in the Mission cities and to keep track of the physical and financial progress of the projects throughout the project development life cycle (pre-construction, construction, commissioning and trial run and post construction), MoUD evolved a State level mechanism for third party monitoring and review of the project sanctioned under the JNNURM Sub Mission-I (UIG) by an Independent Review and Monitoring Agencies (IRMA) to be appointed by SLNA. Similarly, MoHUPA had also evolved such mechanism to appoint Third Party Inspection and Monitoring Agencies (TPIMA) for review and monitoring in respect of BSUP and IHSDP projects. It was necessary that each project is covered by an IRMA/TPIMA and ground level feedback is provided over the entire project development life cycle to all concerned stakeholders at the City, State and Central level.

During audit in MoUD it was ascertained that only 27 States / UTs had appointed IRMA for third party monitoring of the projects under UIG and UIDSSMT. It was not appointed in Bihar, Dadra and Nagar Haveli, Daman and Diu, Delhi, Himachal Pradesh, Nagaland. There was no project approved under UIG and UIDSSMT in Andaman Nicobar Islands and Lakshadweep. MoUD checked only compliance of guidelines regarding 'appointment of IRMA' at the time of appraising the proposal for the selection of IRMA and did not ensure compliance of other guidelines like cross-verification with information provided by SLNA/DEA to identify issues/constraints in project implementation and thereby enabling corrective action by periodical review of the reports.

Out of 94 projects selected for detailed scrutiny, MoUD could provide two IRMA reports in respect of Ajmer-Pushkar and one report in respect of Indore project. The services of the IRMA are required to be rendered over the entire life cycle of the project development. The IRMA's work starts from the date of project sanctioned by JNNURM. However, audit scrutiny revealed that though project had been sanctioned long time back, the IRMA was approved for appointment with delay upto four years. The instances where the delay was 3 years or more from the date of sanction of first project in the State are detailed below:

**Table No. 9.1: Delay in appointment of IRMA**

S. No.	Name of the State	Name of the Project	Date of approval of the first project by CSMC	Date of approval for appointment of IRMA	Time gap between 'approval of the first project' and 'approval of IRMA'
1.	Assam	Solid Waste Management Projects for Guwahati	22.01.2007	29.09.2010	3 years 8 months
2.	Chandigarh	Conservation of drinking water by harvesting of the tertiary treated sewage for irrigation of green spaces in Chandigarh	25.08.2006	30.10.2009	3 years 2 months

3.	Chhattisgarh	Augmentation of Water Supply Scheme including extended area of RMC	08.09.2006	30.10.2009	3 years 1 month
4.	Haryana	Revamping of Sewerage System and Sewerage Treatment works in Faridabad	22.01.2007	17.02.2011	4 years
5.	Punjab	Water Supply, Sewerage and Sewage treatment for Amritsar	19.09.2006	30.10.2009	3 years 1 month

Source: Information furnished by MoUD

The mechanism of IRMA, to be utilized for better project quality; time and cost control; value for money procurement; improved budgeting planning and funds flow in the project; and measurement of project outputs and impact; was not used by MoUD in an effective manner.

TPIMA had been appointed by 21 States/UTs as of January 2012, and the same had not been appointed in Arunachal Pradesh, Bihar, Dadra & Nagar Haveli, Daman & Diu, Jharkhand, Meghalaya, Punjab and Sikkim. It was observed that eight out of 58 BSUP projects and three out of 30 test checked IHSDP projects in MoHUPA had not been covered by State appointed TPIMA. There was a delay of more than three years in appointment of TPIMA from the date of approval of TPIMA e.g. the project – “Housing for Urban Poor at Bawana, Narela and Bhorganh, in Delhi. The project was approved on 13 June 2007 whereas TPIMA was appointed on 31 January 2011.

In addition two agencies had been appointed as Central TPIMA to inspect 126 projects on sample basis from various States /UTs. Subsequently Central TPIMA had been extended to cover 4 North-Eastern States namely Arunachal Pradesh, Tripura, Meghalaya and Sikkim. Central TPIMA also covered the UT of Chandigarh completely. Jharkhand, Goa, Andaman & Nicobar Island, Dadra & Nagar Haveli and Daman & Diu were still uncovered by any TPIMA. MoHUPA in its reply (January 2012) stated that it had been pursuing with States to appoint TPIMA for all projects.

Scrutiny further revealed that out of 58 test-checked BSUP projects and 30 IHSDP projects TPIMA reports had not been received in respect of 29 projects and 19 projects respectively.

MoUD replied (April 2012) that the agencies were to be appointed by the State Government for third party monitoring. It stated that there were various reasons for delay in appointment such as non responding by the agencies to the advertisements by the states and proposals submitted by the states for approval in MoUD not being in order.

Regarding Delhi, MoUD replied (May 2012) that the proposal of GNCTD, in January 2010, suggesting separate agency as IRMA for projects of separate agencies was not agreed to by MoUD. However, subsequently MoUD agreed to appoint separate IRMA for each project. Even then in MoUD, the proposals received from GNCTD were not found in conformity with the guidelines.

During field audit in the States / UTs, it was observed that in some cases, IRMA and TPIMA were formed with delay. In some cases, the IRMA and TPIMA concerned did not carry out adequate site visits and submit their reports. Further, there were also cases, where their recommendations were not acted upon.

These cases are as follows:

- i. In **Andhra Pradesh** TPIMAs/ IRMAs for monitoring the implementation of some of the test-checked projects were appointed in August 2009 and August 2008 respectively

much after the projects were sanctioned (March 2006 and February 2007). Consequently, their role could not cover the pre-construction stages of the projects concerned.

- ii. In **Arunachal Pradesh**, IRMA was appointed as late as in October 2009, from the list of agencies shortlisted by MoUD, whereas the project relating to water supply was sanctioned as early as in 2006-07. As such IRMA did not remain involved during pre construction stage for review of DPR documents, detailed design drawing, design and construction specification, tender document etc. IRMA team visited some project sites in April 2011. It was also not clear whether IRMA had inspected the other projects as the concerned PEA/SLNA had not produced relevant records.
- iii. In **Bihar**, order regarding constitution of IRMA was issued on 6 June 2011 but no report was available with Department.
- iv. In **Chandigarh** IRMA conducted review of “Conservation of drinking water by harvesting of the tertiary treated sewage for irrigation of green spaces” and submitted review report during December, 2011. The IRMA evaluated DPR documents, detailed design drawings, design and construction specifications, tender documents etc. but did not review physical/financial progress, performance of quality assurance system, commercial performance and compliance with statutory requirements as no periodic reports were submitted by IRMA. Further, review and monitoring of another project “Up- gradation of water supply infrastructure for proper monitoring and automation with remote computerized surveillance system” was not conducted by IRMA. Thus, the ULBs/SLNA and Mission Directorate could not be benefited by inputs from IRMA. TPIMA was appointed during February 2010 to monitor BSUP and IHSDP projects.
- v. In **Haryana**, it was noticed that IRMA/TPIMA was appointed as late as in June 2009 in respect of UIG, UDDISMT and BSUP projects. Similarly, to monitor the IHSDP projects the TPIMA was appointed in October 2010 whereas the projects under IHSDP, UIDSSMT, BSUP and UIG components were sanctioned by CSMC between August 2006 and January 2009.
- vi. In **Himachal Pradesh**, it was noticed that appointment of IRMA was not done upto June 2011. However, TPIMA was appointed as late as in March 2011. Reasons for non appointment/delay in appointment of third party monitoring agencies were not furnished to audit by SLNA.
- vii. In **Jammu and Kashmir**, IRMA had been appointed for monitoring of projects under UIG and UIDSSMT in February 2011. TPIMA had not been established as of September 2011.
- viii. In **Jharkhand**, the CSMC in its 78<sup>th</sup> meeting (October 2009) approved the appointment of National Consultancy for Planning and Engineering (NCPE), Hyderabad as IRMA. However, the agreement between GRDA and NCPE was executed on 20 May 2011. Thus, IRMA finally came into existence in Jharkhand after a lapse of 19 months of its approval

by the CSMC due to delay in approval of the Contract agreement by the State Government.

Representative of NCPE, Hyderabad conducted visits to GRDA and ULBs in July 2011 for obtaining the approved DPRs, technical sanction, tender documents, project agreements, and letters of funds released etc., for a Desk review.

However, as reported by the Director, NCPE (July 2011), requisite cooperation was not extended during the visit and the above documents were not made available.

- ix. In **Manipur**, reports of IRMA and TPIMA were forwarded to the ministries by the State Government in March 2011 though project under UIG and IHSDP had been approved in May 2007 and March 2008.
- x. In **Meghalaya**, for BSUP, WAPCOS and HUDCO have been instituted as TPIMA, inspection have been undertaken by WAPCOS in October, 2010 and by HUDCO in January, 2011. Their reports are awaited. For UIG, Tetra Tech was appointed by Gol on 23 November 2009 with a delay of 17 months from the date of sanction of first project in June 2008.
- xi. In **Nagaland** the department appointed M/s Tetra Tech as IRMA for monitoring and evaluation for UIG during 2010-11. However, the IRMA did not visit any of the site and did not prepare/ submit any reports till September 2011. Water and Power Consultancy Services (India) Limited (WAPCOS) was appointed as TPIMA in January 2010 for BSUP and IHSDP projects. TPIMA made four visits to the state to review the projects. However, only two reports (second and third report) were available with the department. It was stated that report for the first and fourth visits were not submitted to the department.

### **9.2.2 Programme Management Units and Project Implementation Units**

The scheme envisaged creation of Programme Management Unit (PMU) to assist the SLNAs in discharging their roles and responsibilities of appraisal of projects, monitoring physical and financial progress of projects, monitoring implementation of reforms, to enhance capacity of SLNA by extending technical and advisory support etc.

Similarly Project Implementation Units (PIUs) were to be created as operational units to supplement and enhance the skill mix of the ULBs. The PMUs and PIUs were intended to strengthen the capacity of the SLNA and the ULBs. However, we observed that in certain states these specialized units had not even been set up. Even in the States/UTs where they were established, their role remained limited.

### **9.2.3 Programme Monitoring and Evaluation System (PMES)**

The Mission Directorate, MoUD implemented a web enabled Programme Monitoring and Evaluation System (PMES) for JNNURM. The PMES was stated to be designed to capture the physical and financial progress aspects of JNNURM projects, both as reported by the PEA and the IRMA. PMES consisted of different modules such as CDP, DPR, appraisal etc. and these modules were stated to be interlinked. By the time PMES was made operational in 2008, more than 300 projects had already

been approved under JNNURM (UIG). The audit in selected States /UTs indicated that the States/UTs hardly used the PMES.

MoUD in its reply (April 2012) confirmed the audit observations and intimated that PMES had been closed with effect from 31 March 2012. MoUD replied that the deficiencies in PMES will be taken care of in Project Monitoring and Information System (PMIS).

#### **9.2.4 Monitoring by State Level Steering Committee (UIG & BSUP)/State Level Co-ordination Committee (IHSDP)/ State Level Sanctioning Committee (UIDSSMT)**

The primary role of the State Level Steering Committee (SLSC) for UIG and BSUP was to decide and prioritize the projects under JNNURM. It also had a role in monitoring the implementation of the projects and review the progress of urban reforms in the States/UTs. As per UIDSSMT guidelines, the State Level Sanctioning Committee shall meet as often as required but at least thrice in a year without fail and review the progress of ongoing projects and sanction new projects. As per IHSDP guidelines, the State Level Coordination Committee (SLCC) shall meet as often as required but at least once in a quarter to review the progress of ongoing projects and for sanction of new projects.

During the audit of selected States/UTs, it was observed that sufficient number of meetings of the State Level Sanctioning Committee /SLCC were not organised for monitoring the implementation of the projects and review the progress of urban reforms in the States. In Haryana, only four meetings of State Level Sanctioning Committee and one meeting of State Level Steering Committee were held during 2007-11. No system of state level monitoring of the projects existed in Delhi. In Delhi, it was seen that there was no mechanism to monitor the reforms at State/ULB level. Only two meetings of SLSC were held in respect of UIG & BSUP during 2007-11 in Madhya Pradesh. No meeting of SLSC was conducted in Puducherry after 2009-10. Discussions were held, in Assam, on appraisal of progress of the project works but action taken/suggested for speeding up the project works were not found on record or documented. Similarly in Daman and Diu though various meetings at the State Level were conducted under the chairmanship of UT Administrator during the period from 2008-09 to 2010-11, the project is yet to take off.

MoUD replied (May 2012) that it is the responsibility of the State Government to hold SLSC meetings and they had been continuously advised to hold meeting for review and monitoring of implementation of projects as well as urban sector reforms.

#### ***Recommendation No. 9:***

*Government may identify the deficiencies in the monitoring of the scheme both at Gol level as well at the State/UT level and address the same during the next two years.*