

CHAPTER – 3

PLANNING



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3.1 *Planning*

Planning is critical to the successful implementation of the MGNREGS. The key indicator of success is the timely generation of employment within 15 days of receipt of application for work while ensuring the design and selection of works are such that good quality assets are created. The need to act within a time limit necessitates advance planning. The basic aim of the planning process is to ensure that the district is prepared well in advance to offer productive employment on demand.

As per Paragraph 4.4 of the Operational Guidelines, 2008 the Panchayats at district, intermediate and village levels are the principal authorities for planning. The process of planning as laid down under Section 13 to 16 of MGNREG Act gives the power to make recommendations on the works to be taken up under MGNREGS to the Gram Sabha. The Gram Panchayat (GP) is required to prepare a development plan which is an annual work plan, comprising a Shelf of Projects (SoP) on the basis of the recommendations of the Gram Sabha. The GP has to forward the development plan indicating the priorities to the PO by 15 October each year. The PO will consolidate the plan into a block level plan and forward it to the DPC by 30 November. The District Panchayat has to approve the block-wise SoP and labour budget by 31 December. Further, a five year District Perspective Plan (DPP) was required to be prepared at the district level. The Annual Development Plan would be the working plan that would identify the activities to be taken up in a year while the Perspective Plan would provide the framework for facilitating this identification (paragraph 4.5.5 of the Operational Guidelines, 2008).

3.1.1 *District Perspective Plan*

As per paragraph 4.5 of the Operational Guidelines, 2008, a five year District Perspective Plan (DPP) is intended to facilitate advance planning and to provide a development perspective for the district. The aim is to identify types of MGNREGS works that should be encouraged in the district and the potential linkages between these works with long-term employment generation for sustained development. The five year plan will have the advantage of facilitating the annual labour budgets as a framework for long term planning besides, providing flexibility to respond to new emerging needs of any area.

We noticed that the DPP was not prepared in any of the six test checked districts during the period 2007-12. In Ranchi district, the preparation of DPP was outsourced to two agencies viz. Xavier Institute of Social Service (XISS), Ranchi and Gramin Vikash Trust, Ranchi (March 2006). XISS, Ranchi did not take up the work as no advance was paid to it while Gramin Vikash Trust, Ranchi, after getting initial payment of ₹ 4.70 lakh (December 2006), stopped the work due to payment dispute with DRDA. Thus, the expenditure of ₹ 4.70 lakh incurred for preparation of the Perspective Plan was rendered wasteful.

DPP was not prepared in any of the six test checked districts

During the exit conference the Principal Secretary accepted the audit observation (July 2012) and stated that in case of Ranchi district the payment made would be recovered from the concerned agency.

Non-preparation of DPP adversely affected the continuity of the planning process at the district level.

3.1.2 Development Plans/ Annual Action Plans

3.1.2.1 Improper preparation of development plan

Section 16 (3 and 4) of the Act stipulates that every Gram Panchayat shall prepare a development plan on the basis of the recommendations of the Gram Sabha and maintain a shelf of possible works and forward it to the Programme Officer for scrutiny and preliminary approval prior to the commencement of the year in which these works are proposed to be executed. As per paragraph 4.2 of the Operational Guidelines, 2008, the development plan is an Annual Work Plan that should comprise a shelf of projects for each village with administrative and technical approvals so that works can be started as soon as there is demand for work. The development plan should have the following components viz. assessment of labour demand, identification of works to meet the estimated labour demand, estimated cost of works and wages and benefits expected in terms of employment generated and asset creation.

In contravention to the above, we noticed the following deficiencies in preparation of the Development Plan:

Development plans prepared in the six test checked districts did not include necessary details

- In 167 test checked GPs in the six test checked districts annual plans were either not prepared or were prepared in an incomplete manner.
- The development plans prepared in the six test checked districts did not include order of priority of works, details of person days to be generated, enduring outcomes to be derived, use of seasonal crop pattern, assessment of labour demand etc. Further, administrative approvals to works were not accorded by DPCs while approving the development plans.

The DPCs accepted the observations (July 2012) and stated that administrative approval were accorded as and when works were selected for execution.

3.1.2.2 Delay in approval of development plans

As per paragraph 4.4.5 to 4.4.8 of Operational Guidelines, 2008, all the Gram Panchayat development plans must reach the PO by October 15th. Once all the Gram Panchayat plans have been received, the PO after scrutiny will consolidate all the GP proposals into a block plan and submit it to the DPC by 30th November, after getting approval of Intermediate Panchayat. The DPC will submit the block wise shelf of projects and the labour budget based on it to the district panchayat by 15 December. The district panchayat will approve the block wise shelf of projects and the labour budget by 31 December.

We observed that in Kanke block of Ranchi district, the development plan for the period 2007-12¹ was submitted to DPC after a delay of five to more than

¹ Except for the year 2009-10 there was no information in respect of submission of development plan.

12 months. Delay in submission in the test checked 167 GPs could not be ascertained as related records / dates of submission of annual plans to blocks as maintenance of records at GPs level were inadequate (referred to in paragraph 1.6).

There were delays in approval of the development plans by Prabandh Parishad

We further observed that in Palamu district there were delays ranging between 18 days and nine months during 2008-12 in approval of the development plans by *Prabandh Parishad*². Similarly in Ranchi district the delay in approval of development plans ranged between 19 days and 25 months during 2008-10. No information in respect of the remaining districts was made available to audit though called for (*Appendix 3*).

The DPCs accepted (July 2012) the observation and assured to maintain the time schedule in future.

3.1.2.3 Works taken up without unique identity number

As per paragraph 4.3(v) of the Operational Guidelines, 2008, each work taken up with a unique identity number has to be recorded in the Works register to be maintained at GP level to enable verification and prevent duplication. Further, paragraph 6.2.1 of the Operational Guidelines also stipulates that to avoid duplication, a unique identity number should be given to each work.

Development plans prepared in the six test checked districts did not include unique identity number except in Ranchi district

During scrutiny of the development plans in six test checked districts we observed that except in Ranchi district, the development plans prepared in the five test checked districts did not include the unique identity number. Further, in West Singhbhum district (Chakradharpur block and Zila Parishad) we noticed that schemes were taken up without giving unique identity number which had resulted in cancellation of 43 schemes during the period 2007-12 due to overlapping and duplication.

During the exit conference the Principal Secretary accepted (July 2012) the audit observation and stated that unique work code is being provided at the time of administrative approval of works by the DPCs as fund allotment was not assured for implementation of all projects.

The fact remains that had the unique code been allotted to the aforesaid works at the time of sanction/ preparation of the development plan, duplication and cancellation of the schemes could have been prevented.

3.1.2.4 Works taken up without recommendation of Gram Sabha

As per sections 16 (3) and 17 (2) of the NREG Act, Gram Sabha was responsible for recommending works to be taken up.

During audit we noticed that in five³ out of six test checked districts, 323 schemes amounting to ₹ 27.25 crore were executed during the period 2007-12 without prior recommendation/ approval of Gram Sabha though these schemes were sanctioned by the DPC as detailed in **Table 1**:

² Due to non holding of PRIs election and non existence of district Panchayats, the Annual Action Plans for the year 2007-12 were approved by the *Prabandh Parishad* which is a governing body of DRDAs headed by the DCs.

³ Dumka, Gumla, Palamu, Ranchi and West Singhbhum.

Table 1: Works executed without approval of Gram Sabha

Works were executed without approval of Gram Sabha

Sl. No.	Name of District	Name of Block/ Implementing agency	Year	No. of Schemes executed without approval of Gram Sabha	Amount involved (₹ in lakh)
1.	Gumla	Forest Division/ NGO	2007-12	24	1979.72
		Sisai block	2009-11	4	14.50
2.	Ranchi	District board	2007-08	9	188.36
3.	Palamu	Lesliganj block	2007-11	7	41.10
		Chainpur block	2009-11	4	3.90
4.	Dumka	Jama block	2007-11	10	16.66
5.	West Singhbhum	Minor Irrigation	2007-10	264	404.38
		DFO Saranda Forest division	2008-11	1	76.00
Total				323	2724.62

Execution of work without the approval of the Gram Sabha was indicative of a deficient planning process.

DDC, Gumla stated (June 2012) that certain irregularities have come to light for which FIRs have been lodged against the concerned parties besides filing certificate cases of recovery of Government money whereas Executive Engineer (EE), Minor Irrigation Division, West Singhbhum stated (August 2012) that responsibility for approval of works from Gram Sabha rests with the Programme Officer. The reply of the EE is not acceptable since approval of works by the Gram Sabha prior to their execution was required as stipulated in MGNREGS Guidelines.

Thus, due to non-preparation of District Perspective Plans and preparation of deficient Development Plans, total person days to be generated and funds required thereof for annual labour budget could not be assessed correctly, which resulted in preparation of unrealistic labour budget as discussed in Chapter 4 of this Report.

3.2 Conclusion

In absence of DPP and improper preparation and delay in approval of Development Plan/Annual Action Plan the districts lacked a framework for implementation of the scheme properly. Further, execution of work without approval of Gram Sabha indicated systemic weaknesses in the planning process.

3.3 Recommendations

- Preparation of Perspective Plan should be ensured; and
- Development plans should be prepared timely after ensuring a bottom up approach.