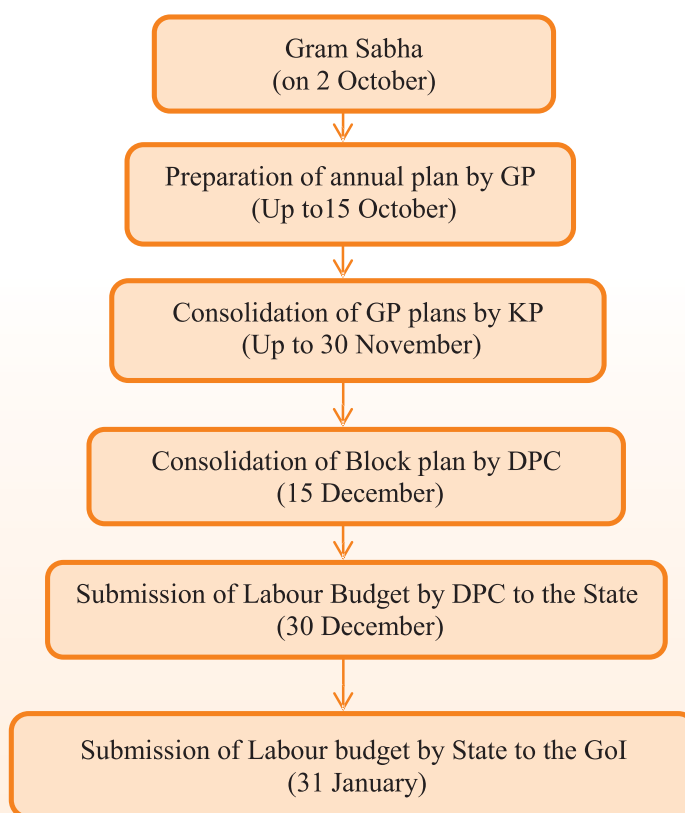


Planning is critical to successful implementation of MGNREGS. A key indicator of success is the timely generation of employment and at the same time ensuring that the design and selection of works are such that good quality assets are created. The need to perform within a time-frame necessitates advance planning.

### 3.1 Absence of planning process at block and village levels

Programme Officer were responsible for ensuring that responsive and participative *Gram Sabhas* are held on 2 October each year for identification and recommendations of works for preparation of development plan<sup>1</sup> of the year duly indicating priority of projects. Every *Gram Panchayat* was to prepare a development plan and a shelf of possible works/projects to be undertaken as and when demand for work arose. The Plan was to include assessment of labour demand, works to meet the assessed demand and estimated cost of works and wages. Benefits to the community as a result of undertaking these projects were also to be mentioned in the Plan. A flow diagram depicting the due dates for the stages in the planning process is given below:



<sup>1</sup> It is an annual plan of the village in which works recommended by the Gram Sabha and priority of their execution are indicated.

However, we during Audit noticed that:

- *Gram Sabhas* in 439 *Gram Panchayats* of 18 test checked districts were not held on the aforesaid scheduled date. The meetings of *Gram Sabha* in 49 *Gram Panchayats* of Gonda (19), Rampur (10) and Jalaun (20) districts were not responsive and participative.
- Three hundred thirty-nine *Gram Panchayats* of 14 districts<sup>2</sup> did not prepare shelf of projects and 60 *Gram Panchayats* of Kushinagar and Moradabad districts did not prepare development plans. The development plans of 38 *Gram Panchayats* in Kushinagar and Moradabad districts did not assess demand of labour as neither the works were identified nor were the cost of works and wages estimated to meet the labour demand.
- Benefits to the community were not mentioned in the plans by the *Gram Panchayats* of any of the 18 test checked districts, wherever the development plans were prepared.
- The development plans were not submitted by any of the test checked 460 *Gram Panchayats* of 18 districts by 15 October to the Programme Officer as prescribed. As a result, the consolidated plans of the blocks were not submitted to DPC by prescribed date of 30 November.

Thus, the planning process was not adhered to by the key functionaries at the various levels. The State Government attributed (January 2013) the aforesaid deficiencies to the *Panchayat* Secretary holding charge of more than one *Gram Panchayats*.

The reply is a simplistic reasoning for a host of structural inadequacies resulting in the audit observations stated above.

### 3.2 Inadequate planning at district level

To facilitate advance planning, preparation of a District Perspective Plan (DPPs) was essential by identifying the nature of works to be taken up under MGNREGS for generating employment and sustained development. For this, a District Planning Committee was to be constituted to approve and sanction the plans. Further, a representative of the MoRD, GoI was also to remain present in the meetings of SEGC for approving the plans. The approved plans were to be uploaded on the State Website. Audit, however, noticed various irregularities in the preparation of DPPs as detailed in the paragraphs below:

- i. The work of preparation of Plans of all 22 districts under first phase of MGNREGS were assigned to six public/ private agencies. These agencies prepared the District Plans except the plan for Unnao district and the plans were approved by SEGC in its meeting held in August

<sup>2</sup>Allahabad, Azamgarh, Balarampur, Banda, Bareilly, Bulandshahar, Chitrakoot, Ghaziabad, Gonda, Jalaun, Rampur, Sitapur, Sultanpur and Varanasi.

2009. The meeting was held without the mandatory representative from MoRD;
- ii. Scrutiny of records in test check revealed that GoI provided first installment of funds ₹ 4.27 crore to 42 districts for the preparation of the plans. Out of these, 21 districts prepared the plans (expenditure: ₹ 1.29 crore). Three districts viz. Bareilly, Ghaziabad and Rampur districts expended ₹ 6.52 lakh but did not prepare DPPs. Balance funds amounting to ₹ 2.98 crore remained unutilised;
  - iii. Of the 18 districts test checked in audit, in eight districts<sup>3</sup> the DPPs were prepared and in remaining 10 districts<sup>4</sup> (56 per cent) the DPPs were not prepared even though six<sup>5</sup> of them were sanctioned ₹ 10 lakh each for preparation of the DPPs. It was noticed that though District Sitapur was taken under the Scheme in first phase itself, yet funds for the preparation of DPP were not provided to the District. It however, prepared a DPP and paid rupees four lakh out of its labour budget; and
  - iv. The plans prepared were also not uploaded on the State website.

The DPPs in the remaining districts of the State were not prepared. Further even where DPP were prepared they were not considered while the annual plans by the districts were prepared thereby rendering the expenditure infructuous. It was also noticed that the DPC did not consolidate the block plan into a district plan.

The Government stated (January 2013) that plans were approved by the district planning committees before approval by SEGC. The State Government also stated (January 2013) that the Government of India emphasized upon preparation of the Annual Plans only after 2008-09.

The replies were not convincing as the development plans lacked integrated planning from the initial stage itself.

Thus, planning at the district level was inadequate leading to non-identification of the works to be taken up under MGNREGS for generating employment and ensuring sustained development.

### 3.3 Inadequate planning at State level

Section 23 (3) of the Act empowered the State Government to determine the arrangements for proper execution of the Scheme and as such it required the Government to prepare manual/resource documents so as to enable *Panchayati Raj Institutions* to plan effectively and efficiently.

<sup>3</sup> Allahabad, Azamgarh, Banda, , Chitrakoot, Jalaun, Kushinagar, Sitapur and Varanasi.

<sup>4</sup> Balrampur, Bulandshahar, Bareilly Ghaziabad, Gonda, Lucknow, Moradabad, Rampur, Sultanpur and Unnao.

<sup>5</sup> Bulandshahar, Ghaziabad, Lucknow, Moradabad, Rampur and Sultanpur.

However, we in Audit observed that the requisite manual/resource document were not prepared (up to 2011) even after five years of operationalisation of the Act in the State. As such, the scheme in the State continued to be implemented through the Government Orders issued from time to time. Apart from this, the *GPs* remained unaware about the Government Orders due to their limited circulation. Belatedly in 2011, the Rural Development Department published '*Rojgar Pustika*' covering different aspects of the scheme such as taking up of works, payment of unemployment allowances etc. As a result of non-preparation of the requisite manual/ resource document, shelves of projects were not prepared; there were delays in approval of the annual plans etc.

The labour budget based on district plans, duly approved by the *ZP*, was to be forwarded by 31 January each year to the MoRD, GoI. Its objective was to ensure timely release of Central share. However, we during Audit noticed delayed submission of the labour budget. The delays ranged from 23 days (2010-11) to 74 days (2011-12) mainly due to delayed preparation / approval of the annual plans during 2008-12, as is evident from the Table given below, thereby indicating inadequate planning.

**Table 3.1: Details of delays in submission of labour budget**

Year	Due date of submission of labour budget to GoI	Actual date of submission of labour budget to GoI	Delay in submission
2008-09	31 January 2008	15 Mar 2008	44 days
2009-10	31 January 2009	17 Mar 2009	46 days
2010-11	31 January 2010	23 Feb 2010	23 days
2011-12	31 January 2011	15 Apr 2011	74 days

(Source: Information provided by MGNREGS Cell)

As a result of delayed submission of the labour budget to GoI, not only was the Central share released in five to twenty five tranches, the corresponding State share was also released in two to ten tranches.

Thus, due to inadequate planning for preparation of annual plans/district plans, the requisite labour budgets were not submitted by the prescribed date during 2008-12 which eventually led to delayed release of Central and State Shares during the same periods.

The State Government stated (January 2013) that various Government Orders have already been uploaded on the website from time to time for public use. The State Government also stated (January 2013) that the delayed submission of the plan did not affect the sanction of the labour budget by the GoI.

The reply was not convincing as the execution of the scheme lacked manual/ resource documents so as to enable *Panchayati Raj Institutions* to plan effectively and efficiently and the table above indicated the status of delay otherwise.

### 3.4 Conclusion

The Act has clearly defined the priority to be given to the planning process right from the grass-root at the *Gram Panchayats* level up to the State level. The detailed planning process was not adopted in the implementation of the scheme. The demands for funds were forwarded to the GoI with considerable delays leading to delayed release of Central and State shares. Besides, the integrated planning at the district, block and village level was lax. Moreover, responsive and participative meetings of the *Gram Sabhas* were also not held.

### 3.5 Recommendations

- To ensure sustainable development in the district, the preparation of district perspective plan by all the districts and its consideration while preparing the annual plan should be ensured.
- Planning activities should be initiated on 2 October each year and completed by 30 November so that availability of the plan with DPC while preparing labour budget and timely submission of labour budget to the GoI could be ensured.