

Chapter-6 Economic Services

Various schemes viz. Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) Accelerated Irrigation Benefit Programme (AIBP), Indira Awas Yojana (IAY), Pradhan Mantri Grameen Sadak Yojana (PMGSY), Rajeev Gandhi Grameen Vidyutikaran Yojana (RGGVY), National Afforestation Programme (NAP), Jawaharlal Nehru National Urban Renewal Mission (JnNURM) *etc.* were implemented in the district. Out of these, three schemes namely MGNREGS, AIBP and NAP were selected for detailed scrutiny and the results thereof are discussed in this chapter.

Employment generation

6.1 Mahatma Gandhi National Rural Employment Guarantee Scheme

The National Rural Employment Guarantee Act, 2005 (NREGA) guarantees 100 days employment in a financial year to every registered household on demand. In Nainital, Government of India (GOI) launched the scheme from 1st April 2008. District Programme Coordinator (DPC) at district level, Programme officer (PO) at block level and Gram Rozgar Sahayak (GRS) at Gram Panchayat (GP) level are responsible for its implementation.

Under MGNREGS, the wages of skilled and semi-skilled workers and cost of material is shared in the ratio of 75:25 between GOI and the State Government. In addition, the State Government bears the cost of unemployment allowance and the administrative expenses of State Employment Guarantee Council.

6.1.1 Ensuring livelihood security in rural areas

The year wise position of employment provided under the scheme during the period 2008-09 to 2011-12 is indicated in **Table 6.1** below:

Table 6.1: Employment generation

Year	Number of		Number of household provided		Person days of employment per rural household	Share of women in employment (in %)
	Household registered	Job cards issued	Employment	100 days employment		
2008-09	31,210	31,210	4,980	1 (0%)	52.71	8.57
2009-10	35,951	35,951	9,657	14 (0.1%)	58.83	15.71
2010-11	38,674	38,674	21,898	816 (3.7%)	36.06	19.84
2011-12	40,499	40,499	15,266	500 (3.3%)	47.37	16.95

Source: DPC, Nainital

(i) During the period 2008-12, employment provided to households ranged between 36 to 59 person days per rural households, while households that were provided 100 days of employment ranged from 0 to 3.7 *per cent.* Thus, targets of employment as outlined in the Act could not be achieved in the district.

(ii) Participation of women in employment ranged from 8.57 per cent to 19.84 per cent against the required norm of 33 per cent. Thus, target of share of women in employment specified under the Act could not be achieved in the district.

(iii) It was observed that the format of application for seeking employment under the scheme did not contain a column for 'Date from which the employment was sought'. Thus, delay in providing employment to beneficiaries could not be ascertained in audit. During beneficiary survey, all the 480 surveyed beneficiaries responded that application for demanding work was taken from them only after availability of works at GPs level.

6.1.2 Planning

Nainital received (November 2007) ₹ 10 lakh for the preparation of District Perspective Plan (DPP) for the period 2008-09 to 2011-12. Audit found that the DPP was prepared (November 2009) by an NGO⁵¹ and was forwarded (November 2009) to the State Employment Guarantee Council (SEGC) for approval. The same had not been approved by the SEGC till the date of audit (August 2012). Moreover, as per the MOU executed (June 2008) with the NGO, the final payment, against the total agreed cost of ₹ 7.60 lakh, was to be made only after approval of the plan. However, the District Planning Committee (DPC) made (February 2012) full payment to the NGO without the Plan being approved by the SEGC. The DPC stated (August 2012) that entire payment was made to the firm in anticipation of approval of DPP. The reply was not acceptable as payment was made in contravention of the provisions of the MOU.

6.1.2.1 Preparation of Annual Development Plans

Each Gram Panchayat was required to prepare an Annual Development Plan that would include assessment of labour demand, estimated cost of works and wages and identification of works to meet the estimated labour demand. The following deficiencies were noticed in the preparation of Annual Development Plans:

- (i) There was no assessment of labour demand, estimated cost of works and wages, and proper identification of works in the plan. Test checked GPs stated that same could not be worked out due to lack of technical expertise at GP level.
- (ii) A time frame (October 02 to January 31 each year) existed for the planning process in respect of preparation of shelf of projects and projection of labour budget on it with clearly demarcated timelines for GPs, Blocks, District and finally the State Government.

Although, the test checked blocks and GPs furnished the details regarding dates of preparation, approval and submission of plan; yet no supporting documents in this regard were furnished to audit. The dates of submission of plans by GPs were cross-checked with the dates of receiving of GP plans at block level and the same did not match. In view of the above facts, audit could not ascertain the delay, if any, in submission of plans. Further, it was found that DPC was submitting the block wise shelf of projects and labour budget to Zila Panchayat in the months of

⁵¹ Society for Uttaranchal Development & Himalayan Action (SUDHA).

May to July during the period 2008-12; whereas, the same should have been sent by December 15 of the year preceding the year for which the shelf of project was being formulated.

6.1.2.2 Nominal Role of District Panchayat in implementation of scheme

MGNREGS Operational Guidelines clearly stated that the block wise shelf of projects and labour budget based on it were to be submitted to the District Panchayat by the DPC for approval and modification, if necessary. Further, the District Panchayat was to monitor all aspects of implementation, especially timely issue of Job Cards, provision of employment, social audits, fund flow, progress and quality of works.

During the test-check of records, it was found that District Panchayat was only according the approval of Annual Work Plan, leaving out the monitoring of scheme.

6.1.3 Financial Management

As per the financial statement provided to audit, an amount of ₹ 41.78 crore⁵², including opening balance of ₹ 0.31 crore of Sampoorna Gramin Rozgar Yojna (SGRY), were available during 2007-08 to 2011-12, against which an expenditure of ₹ 40.93 crore was incurred in the district; leaving an unspent balance of ₹ 0.85 crore at the end of March 2012. Receipt, expenditure and utilization of funds could not be verified either at DPC or Blocks or GPs as the records were neither completed nor maintained properly. Further, financial statement for the period 2009-12 provided to audit did not match either with the Monthly Progress Report (MPR) or Management Information System (MIS) data.

6.1.3.1 Blockade of funds

Government of Uttarakhand released (October 2009) ₹ 3.82 lakh to the DPC for setting up rolling fund at Post Office so that payments to workers could be made on time. It was observed that this fund was not utilised by the DPC and remained blocked for three years. However, the rolling fund at Post Office was set up (November 2012) at the instance of audit.

6.1.3.2 Unrealistic labour budget

District was to formulate labour budget on the basis of labour demand, identification of works to meet this demand and estimated cost of works and wages in the GP development plan giving due consideration to the actual achievement trends of previous years in terms of households' demands, days of employment demanded and expenditure incurred. Audit observed (November 2012) that the DPC estimated creating 67.42 lakh man days in labour budget during 2008-12 against which only 23.45 lakh man days could be generated. Thus, the average projected man days were 187 *per cent* higher than the actual man days generated. In 2009-10, the projection stood at 813 *per cent* higher than the actual achievement trend of employment generation of previous years. District Development Officer attributed variation to the actual demand raised by rural households and delay in release of funds by the centre. The reply was

⁵² Central share:-₹ 37.14 crore, State share:-₹ 3.93 crore and Miscellaneous Receipt:-₹ 0.40 crore.

not justifiable as the actual achievement trend of employment generation of previous years should have been taken into account prior to formulation of labour budget.

6.1.3.3 Delay in payment of wages

As per guidelines, payment of wages was to be made on weekly basis and in no case, later than 15 days of such payment becoming due. In case of any delay, labourers were entitled to compensation. During the test-check of 101 works of 24 Gram Panchayats in four blocks, it was noticed that there was an average delay of 48 days in 51 works with a maximum delay of 347 days in making payment to the beneficiaries. No amount was found to have been paid as compensation to any worker in 24 test-checked GPs.

The DPC admitted (December 2012) the above facts and attributed the reason for delay in payment of wages to non-availability of funds at GPs level.

6.1.4 Inadequate staff

Audit scrutiny of records of test-checked Blocks and GPs revealed (September, 2012) that there was acute shortage of staff at both the levels as detailed below:

- Full time dedicated Programme Officers were not posted in the four test checked Blocks. Instead BDOs were entrusted the work of MGNREGS in addition to their regular duties.
- Paragraph 3.1.1 of MGNREGS operational guidelines states that there should be one GRS in each GP to maintain the records and to ensure that Gram Sabha meetings are held regularly. In contravention of the guidelines, the State Government notified (July 2009) that there would be one GRS for four GPs in hills and six GPs in plains. It was found that only four GRSs were posted in Nainital District against the requirement of a minimum of 115 GRSs. Due to non availability of adequate number of GRSs at GP level, VDOs/GPAs were entrusted MGNREGS works in addition to their original duties.
- One VDO on an average is looking after the work of more than four GPs⁵³.
- In the district, only 13 Junior Engineers (JEs) (30 *per cent*) have been posted against the Sanctioned Strength (SS) of 44 while in test-checked four blocks only four JEs (17 *per cent*) were posted against the SS of 24. Thus, one JE on an average was looking after the works of 35 GPs⁵⁴ as against the norm of 11 GPs⁵⁵.

6.1.5 Maintenance of records

6.1.5.1 Non-maintenance of records

Scrutiny of records of test checked 24 GPs, four POs and DPC revealed the following:

⁵³ 460 GPs/98 VDOs=4.69GPs.

⁵⁴ 460 GPs /13JEs=35GPs.

⁵⁵ 460 GPs/ 44 SS of JEs in Nyay Panchayat=11GPs.

- **Job Card registers** were not maintained at *Bhavanipur khulbe* and *Nathupur* Gram Panchayats of Ramnagar Block.
- **Muster Roll Receipt Registers** had not been maintained in nine out of 24 GPs. In the absence of same audit failed to reconcile Muster Roll account.
- **Complaint Registers** were to be maintained at DPC and POs levels for receiving and disposing of complaints within 15 days from the date of receipts. Although, the DPC and four POs provided the details of complaints received and disposed off the complaint registers were not provided to audit. In the absence of complaint registers, audit could not ascertain the delay in disposal of complaints.
- **Cash book at the GP level** were not being maintained properly and closing of the cash books was not being done on daily/monthly basis. Receipts were being shown on payment side and vice versa in some of the GPs. Cash book of *Chiyori* GP showed negative balance of ₹ 1,177, which was due to drawal of cheques in spite of non availability of funds in the bank.
- **Cash book at the DPC and blocks level** are not being maintained in the prescribed form. Cash book of Haldwani Block only showed entries in respect of payments through cheques, leaving out entries of receipts and payments in cash while some entries of receipts and payments were not entered in the cash book of Ramnagar Block.
- During the scrutiny of 712 Muster Rolls (MRs) used in 101 works, cuttings were found in 28, erasing in 24 and over writing in four MRs.
- During the scrutiny of job card registers, involving 1,743 Households of 24 test checked GPs, it was noticed that photos of 172 beneficiaries (10 *per cent*) had not been pasted, signatures of 361 beneficiaries (21 *per cent*), signatures of VDOs in respect of 206 beneficiaries (12 *per cent*) and Bank/ Post Office Account number had not been recorded in 608 (35 *per cent*) cases.

6.1.5.2 *Non-Issue of wage slips to the workers*

For every payment due to the workers, a wage slip in prescribed format (Annexure B-3 (i) of the guidelines) was required to be issued by the implementing agency to the workers stating the amount and the period for which the work was done. Test-check of the records of 24 GPs revealed (September 2012) that none of the GPs had issued wage slips.

6.1.6 **Mismatch between Management Information System and Monthly Progress Report data**

Reliability of data uploaded in the website (<http://www.nrega.nic.in>) pertaining to selected four blocks, was cross checked with the data available in the MPRs for the years 2009-10 to 2011-12 and it was found that there was marked mismatch between data uploaded in MIS with that of the MPR. The details are given in the **Table 6.2** below:

Table 6 2: Mismatch between MIS and MPR data (As on September 2012)

Block		Ramgarh			Bhimtal			Haldwani			Ramnagar		
		2009-10	2010-11	2011-12	2009-10	2010-11	2011-12	2009-10	2010-11	2011-12	2009-10	2010-11	2011-12
No of HH issued job card	MIS	4,428	4,503	4,605	5,412	5,576	5,611	4,308	4,626	4,901	3,770	4,019	4,236
	MPR	3,860	5,243	5,251	4,942	4,977	4,977	3,880	4,348	4,884	3,348	3,770	4,180
	Diff (%)	12.82	16.32	14.02	8.68	10.74	11.29	9.93	6.00	.34	11.19	6.19	1.3
Cumulative No of HH demanded employment	MIS	1,008	2,767	2,263	694	2,242	1,974	372	1,278	1,594	341	2,178	2,381
	MPR	2,000	920	1,612	1,700	1,800	1,750	800	1,210	1,434	377	967	1,398
	Diff (%)	98.41	66.75	28.76	144.95	19.71	11.34	115.05	5.32	10.03	10.05	55.08	42.40
Cumulative No of HH provided employment	MIS	1,008	2,750	2,260	673	2,240	1,971	338	1,277	1,592	300	2,116	2,318
	MPR	2,000	920	1,612	1,700	1,800	1,750	800	1,210	1,434	377	967	1,398
	Diff (%)	98.41	66.54	28.67	152.60	19.64	11.21	136.68	5.24	9.92	25.66	54.30	18.11
Man days generated	MIS	16,957	95,714	84,941	18,674	78,756	77,077	6,923	46,101	73,729	5,134	76,904	87,194
	MPR	97,470	77,445	81,965	71,090	69,418	71,400	41,639	56,232	74,500	56,807	73,560	95,845
	Diff (%)	474.43	19.07	3.50	280.68	11.85	7.36	501.45	21.97	1.04	1,006.64	4.34	9.92

Source: Scheme website and DPC Nainital

It is evident from the above table that there was a difference, ranging from 0.34 *per cent* to 1,006 *per cent* between MIS & MPR data. The DPC accepted (November 2012) the facts and replied that due to shortage of staff and resources at block level, the data could not be uploaded timely.

6.1.7 Social Audit

The Act provided for Social Audit to be conducted in each Gram Panchayat twice in a year with an objective to ensure transparency and public accountability in the implementation of the scheme. Besides, Social audit meetings were to be chaired by a person who is not part of Panchayat or any other implementing agencies.

Scrutiny of records of test-checked 24 GPs revealed that Social Audit had been conducted only once in a year in 12 GPs; while, in eight GPs number of Social Audits conducted could not be ascertained due to non-maintenance of records in this regard. Besides, contrary to the provision of the Act, the meetings were chaired by Gram Pradhans.

6.1.8 Worksite facilities

Beneficiary survey of 480 beneficiaries of 24 test-checked GPs revealed that the facilities of Shed, Drinking Water and Crèche were not provided to 480, 339 and 480 beneficiaries respectively. Thus, worksite facilities were not provided to a majority of beneficiaries.

6.1.9 Lack of supervision of works and monitoring

The details of inspections carried out in District and sampled Blocks are shown in **Table 6.3** below:

Table 6.3: Inspection of MGNREGS works

Year	Total works	District			Sampled block		
		Norms (10 % of total works)	Inspected	Shortfall (%)	Norms (100% of total works)	Inspected	Shortfall (%)
2008-09	639	63	62	1.58	639	269	57.90
2009-10	1,632	163	56	65.64	1,632	861	47.24
2010-11	2,289	229	168	26.63	2,289	1,340	41.45
2011-12	2,381	238	602	--	2,381	1,646	30.86

Source: DPC, Nainital

It is evident from the table above, that shortfall in number of works inspected ranged from 1.58 per cent to 65.64 per cent at District level; while it ranged from 30.86 per cent to 57.90 per cent at block level. The DPC stated (November 2012) that shortfall in supervision and monitoring occurred due to shortage of staff and non appointment of separate staff for MGNREGS.

6.1.10 Non-formation of Technical Resource System

As per MGNREGS guidelines, Technical Resource System (TRS) comprising agencies and institutions was to be set up at district level for simplifying the process of estimate preparation to enable Panchayats and non technical persons to prepare estimates for works and assess requirement of labour and materials. The Secretaries of Panchayats and members of PRIs were to be trained by TRS for estimation, quality control and monitoring. Scrutiny of records of DPC revealed (August 2012) that no TRS was formed in the district.

6.1.11 Maintenance of Assets

During joint physical verification of 101 works executed by GPs during 2008-09 to 2011-12, it was found that 51 works on land development, *Sampark marg*, water conservation *etc.* costing ₹ 40.55 lakh were damaged for which no reasons were on records. Besides, in 76 cases, worksite sign boards costing ₹ 1000 each were also not found in place. There was no provision of funds for maintenance of created assets.

Recommendations

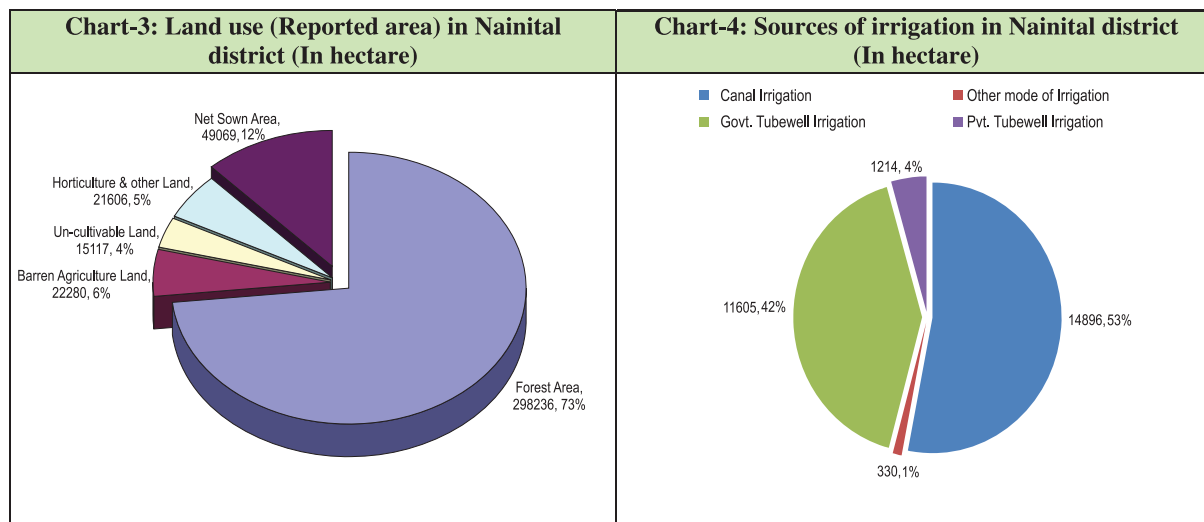
The State Government/ District Administration may consider to ensure:

- Deployment of adequate human resources for effective implementation of scheme.
- Increasing the awareness about the scheme in rural population so that every registered household is aware about employment on demand within 15 days, unemployment allowance in case of non-employment in scheduled time frame, compensation in case of delayed payment *etc.*
- Paying special attention to check the existing mismatch between MPR and MIS data.

Irrigation

6.2 Accelerated Irrigation Benefit Programme

In the Nainital district, net sown area was only 12 per cent (49,069 hectare) against the total area of 406,308 hectare, of which 57 per cent (28045 hectare) of sown area was irrigated through various irrigation sources as shown in the **Pie Charts 3 and 4** below:



Source: Chief Agriculture Officer, Nainital

Nainital district had a net irrigated area of 28,326 hectare in 2007-08 which decreased to 27,695 hectare⁵⁶ in 2009-10 and again increased to 28,045 hectare in 2010-11.

Accelerated Irrigation Benefit Programme (AIBP) was launched (1996-97) by GOI to accelerate creation of Irrigation Potential (IP) by providing financial assistance to State Governments. Surface Minor Irrigation Schemes (both new and ongoing) were included for grant of assistance under AIBP from the year 2001-02. Projects which were already being funded from external/ domestic agencies such as NABARD *etc.* were not eligible under AIBP. Projects under the programme were to be routed and approved by the State Technical Advisory Committee (TAC) before its submission to GOI.

Surface Minor Irrigation (MI) schemes were to be funded under AIBP, provided that the proposed schemes met the following pre-conditions:

- The project cost of these schemes per hectare should not exceed ₹ 1.50 lakh; and
- Individual schemes should benefit at least 20 hectare (ha) and group of schemes (within a radius of 5 kms) should benefit at least 50 ha.

Projects for Extension, Renovation and Modernization (ERM) were also included under the programme from December 2006.

⁵⁶ As per Statistical Diary, 2011.

AIBP schemes were implemented by two different departments in the district i.e. Minor Irrigation Department (MID) and Irrigation Department (ID). In Nainital, there were one Minor Irrigation division and three Irrigation divisions, headed by Executive Engineers (EEs). These divisions executed 162 schemes at the sanctioned cost of ₹ 106.92 crore with a view to create/regenerate Irrigation Potential (IP) for 12,790 hectare under AIBP during 2007-12 in the district. The division wise break-up is given in **Table 6.4** below:

Table 6.4: Division wise break-up of AIBP schemes

Name of Division	No. of schemes	No. of sub-schemes	Sanctioned cost (₹ in crore)	IP to be created/ regenerated (in hectare)
Tarai Irrigation Division (TID), Nainital	09	115	34.03	3,521
Kosi Construction Division-2 (KCD-2), Ramnagar	06	20	19.69	1,733
Irrigation Division, Haldwani (IDH)	01	6	1.04	70
Minor Irrigation Division (MI Division), Bhimtal	146	737 ⁵⁷	52.16	7,466
Total	162	878	106.92	12,790

Source: Department figures

During the year 2007-12, 162 schemes were sanctioned under AIBP, out of which, five schemes of Irrigation Divisions falling within four selected⁵⁸ blocks and 41 sub schemes of MI Division out of 737 sub schemes falling within 24 test-checked Gram Panchayats (GPs) of these blocks were selected for detailed scrutiny. Audit findings pertaining to these AIBP schemes are discussed in succeeding paragraphs.

6.2.1 Planning

6.2.1.1 Submission of proposals

As per State Government instructions (March 2005), proposals for construction of irrigation schemes should be passed in the Gram Sabha (GS) meeting before preparation of Detailed Project Report (DPR).

Scrutiny of the selected schemes/ sub-schemes revealed (June 2012) that MI Division and Irrigation Divisions prepared DPRs of the schemes/ sub-schemes on the basis of proposals submitted by individual beneficiaries, Gram Pradhans, public representatives and by the departments on their own accord. The divisions stated (June 2012) that the proposals of the schemes were received through Gram Sabha/ Gram Panchayat (GS/GP) but they failed to produce any records confirming the same.

6.2.1.2 Formulation and approval of schemes

AIBP guidelines envisaged that the DPRs of the schemes should be prepared after a detailed survey on water requirements with an assessment on hydrological, meteorological,

⁵⁷ Includes 77 sub schemes costing ₹ 3.10 crore executed against 66 dropped sub-schemes having money value of ₹ 2.69 crore .

⁵⁸ Ramnagar, Ramgarh, Bhimtal and Haldwani Blocks.

environmental and ecological aspects of the project and should reflect the detailed cost estimates and other economic parameters such as Culturable Command Area (CCA), annual irrigation, intensity of irrigation *etc.*

Test-check of DPRs of the schemes/ sub schemes pertaining to sampled blocks and GPs revealed (June 2012) that although the divisions had incorporated the aforementioned requirements, yet the data included in the DPRs were not supported by relevant documents⁵⁹. Audit scrutiny revealed following further shortcomings in the process of formulation and approval of schemes:

- A.** Keeping in view priorities given in 11th Five Year Plan, Government of Uttarakhand issued (August 2007) instructions to Department for preparation of shelf of projects to cover such areas where enhancing of Irrigation Potential (IP) was essential. Scrutiny of the records revealed that no shelf of projects was prepared by the Irrigation Division during the review period. Divisions replied (June 2012) that no action was required at the division level in this regard. The reply was not acceptable as the State Government had clearly instructed that shelf of projects was to be prepared at the division and circle levels.
- B.** The State Government accorded (October 2007) administrative approval and financial sanction for 419 sub-schemes of 89 schemes of MI Division costing ₹ 23.86 crore for implementation in the block year 2007-09. Out of these, 66 sub-schemes costing ₹ 2.69 crore were dropped (March 2011) by the Department due to reasons like non-availability of water at source, *guls* constructed by other departments and disputes among the villagers.
- C.** Four schemes costing ₹ 82.83 lakh of MI division for the block year 2007-09 were sanctioned (October 2007) with combined CCA of 123.70 hectare against the required norms of 170 hectare⁶⁰. Thus, at the formulation stage, the CCA of proposed schemes were neither checked at the division level nor at the levels of Chief Engineer (regional level) and Technical Advisory Committee (TAC) while sanctioning the schemes.
- D.** Irrigation Division, KCD-2 Ramnagar, submitted (September 2007) two DPRs⁶¹ to SE for executing two schemes (IP of 155 hectare) amounting to ₹ 1.5 crore for approval of the State Government. The administrative approval and financial sanction⁶² of ₹ 1.31 crore for the same was accorded (September 2009) by the State Government. Audit scrutiny revealed (June 2012) that the Executive Engineer (EE), KCD-2 Ramnagar reduced the scope of work by 44 and 46 *per cent* respectively due to revision of schedule of rates. Consequently, the IP of these schemes was reduced to 87 hectare from the originally planned IP of 155 hectare without the approval of higher authorities.

⁵⁹ Detailed survey report, seasonal discharge of water and demarcated area (*Khasra*) *etc.*

⁶⁰ CCA of one single scheme = 1x20 hectare and CCA of three group of schemes = 3x50 ha.[20hectare + 150hectare=170 hectare].

⁶¹ Lining of *guls* in Mansa devi and Beljudi canals ₹95.78 lakh and lining of *guls* in Jassa Ganja and Satgaon canals ₹ 53.91 lakh.

⁶² Lining of *guls* in Mansa devi and Beljudi canals ₹82.52 lakh and lining of *guls* in Jassa Ganja and Satgaon canals ₹ 48.97 lakh.

E. AIBP guidelines envisaged that eligible schemes covered under the programme during previous years would get preference over new schemes proposed for inclusion during the current year. Further, schemes should be completed in two financial years. Despite the fact that 150 out of 419 sub-schemes of MI Division, Bhimtal, was sanctioned in biennium 2007-09 and remained incomplete as of March 2010, the MI Division took up 307 new sub-schemes for implementation in the biennium 2010-12.

6.2.2 Financial Management

Total available funds under the schemes during 2007-12 were ₹ 78.44 crore against the sanctioned cost of ₹ 106.92 crore and the same were fully utilized by the four divisions. Shortcomings in financial management of these funds are discussed below:

6.2.2.1 Under utilization of funds

The MI Division, Bhimtal formulated 89 MI schemes for the block period 2007-09 for which ₹ 23.86 crore were sanctioned. Funds were to be released quarterly, based on the actual expenditure incurred by the Division. Audit scrutiny revealed (June 2012) that the division could only utilize funds amounting to ₹ 16.41 crore in the block period 2007-09.

The Executive Engineer stated (June 2012) that basic preparations like constitution of Water User Associations (WUAs), procurement of stocks and stores and disputes among the villagers affected timely utilisation of funds.

6.2.2.2 Updation of Stock Account

Audit scrutiny revealed that (June 2012) MI division, Nainital had not updated stock accounts since March 2008. Consequently, actual utilization of ₹ 17.51 lakh booked against material pertaining to 13 sub-schemes of the block year 2007-09 which were later declared dropped in the year 2010-11, could not be verified in audit.

6.2.3 Execution of schemes

6.2.3.1 Delay in completion of schemes

As per the guidelines, the AIBP schemes were to be completed in two financial years. Scrutiny of records revealed (June 2012) that a total of 156 schemes⁶³ were sanctioned during the period 2007-11. Status of the completion of schemes/ sub-schemes is given in the **Table 6.5** below:

⁶³ 146 schemes for MI Division and 10 schemes for Irrigation Divisions.

Table 6.5: Delay in completion of schemes

Year	No. of sanctioned Schemes		Number of schemes completed							
			Within scheduled time		After scheduled time with delays					
					Upto one year		Between one and two years		More than two years	
S	Ss	S	Ss	S	Ss	S	Ss	S	Ss	
2007-08	93 ⁶⁴	475	37 ⁶⁵	225	25	89	8	42	23	119
2008-09	2	32	2	32	--	--	--	--	--	--
2009-10	4	28	3	19	1	9	--	--	--	--
2010-11	57	307	17*	200*	--	--	--	--	--	--
Total	156	842	59	476	26	98	8	42	23	119

Source: Departmental figures. S for Scheme and Ss for Sub-schemes.

*rest of the schemes and sub-schemes are in progress as of March 2012.

It is evident from the above table that 57 schemes⁶⁶ (37 per cent) were completed with delays ranging from one to more than two years.

The Executive Engineer, MI Division accepted (June 2012) the facts and attributed the delay in completion of schemes to disputes among the villagers. However, audit noticed that apart from dispute among villagers, the other reasons such as faulty preparation of DPRs, delay in approval of schemes and under-utilisation of funds also contributed to these delays as discussed in the paragraphs 6.2.1.2 & 6.2.2.1.

6.2.3.2 Non-achievement of Irrigation Potential

AIBP guidelines envisaged that 10 per cent irrigation potential (IP) will be achieved in first year and 100 per cent in second year of implementation of a scheme.

Sixteen schemes costing ₹ 54.76 crore were sanctioned for the Irrigation divisions during the period 2007-12 for regeneration of additional IP of 5,324 hectare. Against this, the divisions reported regeneration of 3,438 hectare (up to March 2012) with an expenditure of ₹ 34.63 crore. Despite regeneration of additional IP, actual irrigated area decreased by 395 hectare during the period 2007-08 to 2011-12 as shown in the **Table 6.6** below:

Table 6.6: Decline in irrigated area

Name of Division	Irrigated area (In hectare)						Difference in total irrigation
	In 2007-08			In 2011-12			
	Kharif	Rabi	Total	Kharif	Rabi	Total	
TID, Nainital*	1,329	1,837	3,166	1,020	1,595	2,615	(-) 551
KCD-2, Ramnagar	8,814	6,995	15,809	8,896	7,067	15,963	(+) 154
ID, Haldwani*	690	865	1,555	701	856	1,557	(+) 2
Total	10,833	9,697	20,530	10,617	9,518	20,135	(-) 395

Source: Department figures.

* Details of actual irrigation except Bhawar canals pertaining to Kham area where actual irrigated area is not recorded.

⁶⁴ 89 (MI Division)+4 (Irrigation Divisions)=93.

⁶⁵ 33 (MI Division)+4(Irrigation Divisions)=37.

⁶⁶ 56 schemes for MI Division and one scheme for Irrigation Divisions.

Five selected schemes (having 36 sub-schemes) were undertaken by the Irrigation divisions during the period 2007-10 for regeneration of additional IP of 497 hectare. Audit observed that the actual irrigated area decreased by 125 hectare during the period 2007-12. Thus, there was an overall shortfall of 622 hectare⁶⁷ in achievement of IP. The following shortcomings in implementation of selected schemes were noticed (June 2012) during audit:

- A. Two field *guls* were constructed (2007-10) in 20 hectare (CCA) of selected *Gethiya* canal to regenerate 28 hectare additional IP and the same were completed during the aforesaid period despite damaged state of canal prior to formation of field *guls*. Records of the division revealed that canal was irrigating only four hectare since 2010-11 against the target of 28 hectare.
- B. Field *guls* costing ₹ 27.25 lakh were constructed (2007-10) under three sub schemes in three canals⁶⁸ to regenerate 28.40 Ha despite scarcity of water at the source of canals resulting in decline of irrigation potential. This was corroborated during physical verification of the two canals as can be seen in the **photographs** below:



Non-functional Alchauna Canal



Non-functional Sarna Canal

- C. Scrutiny of the DPRs revealed that the additional IP of one sub scheme formulated (2007-08) in *Kulgad* canal was calculated on the basis of assumption factor⁶⁹ to regenerate the IP of 12.24 hectare while the CCA of the canal was only three hectare. The IP of canal could have been increased to a maximum of six hectare, taking into consideration the two crop seasons (*Kharif* and *Rabi*). Audit analysis revealed that the calculation of additional IP to be regenerated was independent of the CCA of the canal/*gul*.

⁶⁷ Short fall of 622 hectare= actual Irrigated area in 2007-08(12093 hectare)+Under taken for regeneration of additional IP (497 hectare)- Irrigated area in 2011-12(11968 hectare)

⁶⁸ Nalena (₹ 4.37 lakh, 5 Ha), Alchauna (₹ 17.06 lakh, 20.40 Ha) & Sarana canals(₹ 5.82 lakh, 3 Ha).

⁶⁹ In the factor, it was assumed that loss of water in construction of Kuccha gul and pucca gul of 1 Km will be 0.45 cusec and 0.15 cusec respectively. Thus after converting one km. kuchha into pucca gul it will save 0.30 cusec. It was further assumed that one cusec will irrigate 14 Ha in Kharif and 20 Ha in Rabi season. Thus, saved 0.30 cusec water will regenerate 4.20 (14x0.30) Ha and 6.0 (20x0.30) Ha additional IP in Kharif and Rabi seasons respectively. on the above basis divisions finally assumed that after converting one km. kuchha into pucca gul they will regenerate 10.20 Ha (4.20 + 6.0) additional IP in both seasons.

D. In Ramnagar, 11 sub-schemes for regeneration of 302.90 hectare was formulated (2007-10) in 11 canals which were already irrigating more area than the Proposed Potential Area (PPA) as well as CCA as shown in **Appendix- 6.1**.



In exit conference, the EEs, while accepting the facts, attributed the non-achievement of irrigation potential (IP) to crop rotation, migration and less discharge of water at source. As these facts were not taken into consideration before preparation of estimates, it indicates poor planning of the department.

6.2.4 Operation and Maintenance

The guidelines envisaged that the State Government should provide sufficient Operation and Maintenance (O&M) funds for completed AIBP schemes. Accordingly, State Government issued instructions (March 2005) under which it was provided that three *per cent* provision of labour component for O&M was to be collected from the members of the Water User Association before completion of the scheme which was to be deposited in a joint bank account of the Gram Pradhan and Junior Engineer of the concerned division.

Audit scrutiny revealed that the MI Division could collect only ₹ 1.84 lakh against the required amount of ₹ 38.11 lakh⁷⁰ as O&M fund of the schemes implemented in 2007-09 biennium. Further, it was found that no provision was made for O&M in 307 sub-schemes of 2010-12 biennium and 77 new sub-schemes of 2007-09 awarded to the contractor on tendering basis.

Moreover, during physical verification of 14 out of 30⁷¹ completed sub-schemes of the selected GPs, it was found that six sub-schemes were non-functional due to damaged *guls/ pipelines etc.* as depicted in the following photographs.

 <p style="text-align: center;">Debris over the Pichaltana kulu gul</p>	 <p style="text-align: center;">Hauз at Sakuna-I without connecting pipeline</p>
<p><i>Pichaltana Kulu gul</i>, constructed (October 2011) at a cost of ₹ 5.13 lakh to create 4.50 hectare CCA, was non-functional due to damages caused by landslide.</p>	<p><i>Sakuna-I hauз and pipeline</i>, constructed (January 2011) at a cost of ₹ 2.09 lakh to create 2.40 hectare CCA was non-functional as the pipes were not connected to the <i>hauз</i>.</p>

Recommendations

The State Government/ District Administration may consider to ensure:

- *Putting in place monitoring mechanisms for proper operation and maintenance of completed schemes.*
- *Preparing revenue village wise data base of canals and guls for better planning.*

⁷⁰ Required amount= ₹2117.41 lakh x 60 % x 3% = ₹38.11 lakh.

⁷¹ Out of 41 sub-schemes of selected GPs, 30 sub-schemes were completed upto March 2012.

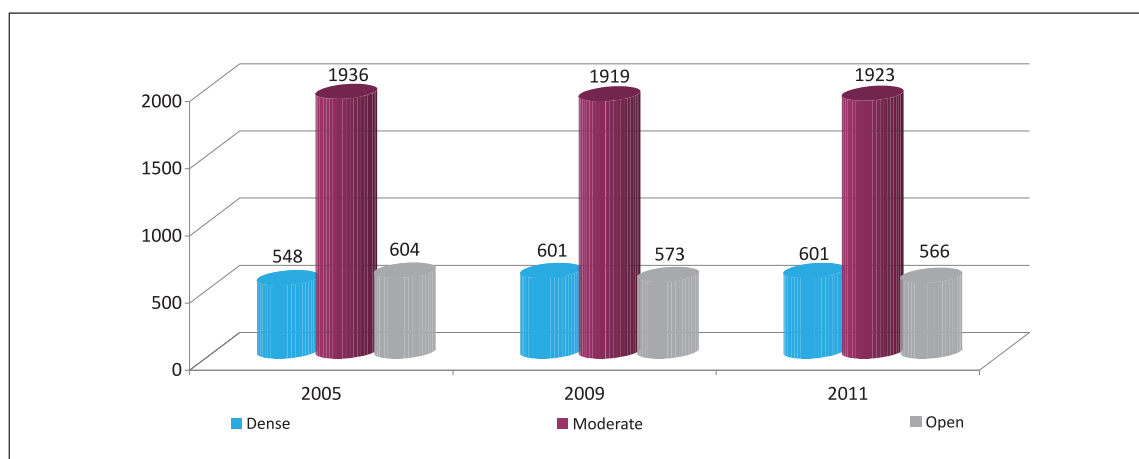
Forestry

6.3 National Afforestation Programme

Total geographical area of the Nainital District is 4,251 sq. km, out of which 2,982.36 sq. km (70 per cent) is recorded under forests. Out of the total forest area, 2,574.45 sq. km (86 per cent) is managed by the Forest Department, while 111.89 sq. km. (3.75 per cent), 280.68 sq. km. (9.41 per cent) is controlled and managed by Revenue Department (Civil & Soyam) and Van Panchayats (a locally existing statutory institution of the State) and under private/other agencies 15.34 sq. km (0.51 per cent). In the district, there are 495 Van Panchayats falling within the territorial area of six forest divisions⁷².

As per “State of Forest Report 2011”, the forest cover of the district has slightly increased as compared to 2005. The trend of forest cover of the district since 2005 to 2011 is shown in the **Chart 6.1** below:

Chart 6 1: Trends of forest covers (in sq Km)



National Afforestation Programme (NAP) is a Central Sector Scheme. The main purpose of NAP programme is rehabilitation of degraded forests and other areas by institutionalizing decentralized/ participatory forest management and supplementing livelihood improvement processes with a goal to increase and/ or improve the forest and tree cover and alongwith sustainable development and management of forest resources.

6.3.1 Programme Implementation

As per the programme guidelines, NAP was to be implemented by the Forest Development Agency (FDA) through Joint Forest Management Committees (JFMC) at village level. The constituted FDAs were to be registered societies while the JFMCs/ Eco Development

⁷² DFO, Nainital Division-285, DFO, Soil Conservation Division, Nainital -105, DFO, Haldwani Division-10, DFO Ramnagar Division-37, DFO Champawat Division-30 & DFO Almora Division-28.

Committees were to be registered with the Conservator of Forests. It was noticed that six⁷³ out of total seven FDAs in the district were functioning with expired registrations.

A total of ₹ 7.18 crore was available with seven FDAs during the coverage period against which ₹ 6.41 crore⁷⁴ were utilized by them *Appendix-6.2*. However, only three FDAs⁷⁵ had running projects during the period 2007-12.

Audit findings pertaining to the implementation of the programme are discussed in the following paragraphs.

6.3.1.1 FDA, Ramnagar

FDA, Ramnagar Division had proposed (2006-07) a project costing ₹ 1.65 crore to treat degraded forest land of 740 hectare for a period of five years (March 2011) through 10 JFMCs. An amount of ₹ 95.89 lakh⁷⁶ was released by GOI during 2006-07 & 2007-08 for the purpose. Audit scrutiny revealed the following:

- Against the target of 740 hectare, plantation work in only 656 hectare could be taken up as one JFMC could not take up the work due to internal disputes. It was noticed that the maintenance of the project was not taken up after 2008-09 due to non-release of funds by GOI/ State Government for the said purpose.
- FDAs were required to take necessary steps to ensure at least 60 *per cent* survival of plants by the end of first to third year, 55 *per cent* by the end of fourth year and 50 *per cent* by the end of 5th year. However, as per assessment of the project carried out by Amity University, Noida in 2008-09, the survival rate of plantation was only 43 *per cent*.
- Out of total unspent balance of ₹ 23 lakh (including interest) lying with the FDA and defunct JFMCs, the FDA obtained (September 2012) a bank draft of ₹ 14.99 lakh to surrender the amount to Pramukh Van Sanrakshak Van Panchayat Uttarakhand after a lapse of three years from the close of the project; while, funds amounting to ₹ 7.55 lakh were still lying with the defunct JFMCs. The FDA, Ramnagar stated (September 2012) that funds for maintenance were not released by GOI and recovery of the blocked funds from the defunct JFMC was being initiated.

6.3.1.2 FDA, Nainital

The GOI approved (2006-07) plantation work in 700 hectare⁷⁷ costing ₹1.63 crore, to be implemented through 35 JFMCs, for FDA, Nainital division. The project was to be completed by 2012. An amount of ₹ 1.25 crore was released for the project by the GOI up to 2009-10. Audit scrutiny revealed (September 2012) the following:

⁷³ FDA-Tarai West Division, Tarai East Division, Tarai Central Division, Haldwani Division, Nainital Division & Soil Conservation Division, Nainital.

⁷⁴ Includes amount of ₹ 0.46 crore to the project not covered during 2007-12, the details of which have been discussed in para 7.3.1.4.

⁷⁵ FDA Soil Conservation Division, Nainital; FDA, Nainital Division and FDA, Ramnagar Division.

⁷⁶ Includes excess release of ₹10 lakh by GOI.

⁷⁷ Project approved for 950 hectare. and was revised to 700 hectare.

- Plantation of 700 hectare were carried out through 35 JFMCs during 2007-08 to 2008-09, but no records to show that survival rate was monitored annually at division level were made available to audit.
- UCs amounting to ₹ 9.84 lakh were pending with the 35 JFMCs since 2009-10.

6.3.1.3 FDA, Soil Conservation Division, Nainital

The GOI approved (2006-07) plantation work in 1,200 hectare for implementation through 74 JFMCs. The plantation work was carried out in 2007-08. As per the project plan, maintenance work was to be carried out in 2008-09, 2009-10 & 2010-11. Audit scrutiny revealed (September 2012) that only ₹ 0.32 crore were released (March 2011) by the GOI as against the requirement of ₹ 0.57 crore⁷⁸ at the closing of project period (March 2011). No records to show the yearly survival rate of the plantation carried under the project was available with the division. The FDA stated that periodical checks are carried out by Range Officers and instructions have been issued to them to furnish information on survival rate of the plantation.

6.3.1.4 FDA, Tarai West Division, Ramnagar

Government of India (GOI) had approved a project in 2004-05 costing ₹ 1.73 crore for treating a total area of 1,274 hectare of degraded forest area through 21 JFMCs. As per the sanction order, the interest accrued on the released funds should form part of FDA's additional resources and was to be adjusted towards further installment of the grant. The project was initially approved for three years *i.e.* up to March 2007. An amount of ₹1.09 crore was released during 2004-05 and 2005-06 and the project was closed (March 2007) after spending ₹ 0.63 crore⁷⁹. In the implementation of the project, Audit noticed the following:

- Against the target of 1,274 hectare, plantation work was taken up in only 804 hectare. The plantation was subsequently declared unsuccessful by the FDA due to very low survival rate (30 *per cent*) of plants in the first year because of failures in plant protection work by JFMCs and lack of interest shown by them for its improvement.
- Against a provision of ₹9.88 lakh for monitoring & evaluation, fencing, awareness raising *etc.*, the FDA could utilize only ₹ 3.21 lakh during the period 2004-07.
- Out of total unspent balance of ₹ 55.12 lakh (including interest), the FDA surrendered (May 2011) ₹ 45.60 lakh after the close (March 2007) of the project. The interest of ₹ 9.52 lakh earned on the unspent grant amount was retained by the FDA in violation of the Sanction Order and was lying in their bank accounts (September 2012).
- UCs for ₹ 0.42 lakh were also not obtained (September 2012) from the JFMCs.

Thus, in the implementation of the project, ₹ 35.90 lakh spent on forestry in 804 hectare was rendered wasteful while no afforestation could take place in 470 hectare. Besides, ₹ 10 lakh (*i.e.* ₹ 9.52 lakh as bank balance and pending UCs of ₹ 0.42 lakh) are still blocked with the FDA, Tarai West Division (August 2012).

⁷⁸ Calculated on the basis of sanction.

⁷⁹ Afforestation, Entry Point Activities, Monitoring & Micro Planning, overhead expenses *etc.*

Recommendations

The State Government/ District Administration may consider to ensure:

- *Timely release of funds for maintenance, watch and ward of the raised plantation as per norms.*
- *Maintaining and monitoring the yearly survival rate of plantations by the FDAs.*