

# **Chapter 5**

## **Economic Services**

# CHAPTER 5

## Economic Services

### 5.1 Infrastructure

Good infrastructure will go a long way in enhancing the growth potential of the district and bridging the gap between urban and rural areas. It also brings the remote and backward areas closer to the district headquarters and ensures equity and inclusive growth of the economy. Infrastructure includes provision of all weather roads, adequate electricity for households, industrial and irrigation needs, railway and air links and reliable communication facilities.

#### 5.1.1 Roads

As regards road connectivity, audit attempted a study on the Pradhan Mantri Gram Sadak Yojana (PMGSY), a central scheme aimed at providing road connectivity to all rural habitations by 2007. Out of total 2119 habitations in the District, 70 were connected through roads with total road length of 98.72 kms as of March 2007.

Audit observations on implementation of PMGSY in the District are discussed in the succeeding paragraphs.

##### 5.1.1.1 Pradhan Mantri Gram Sadak Yojana (PMGSY)

Pradhan Mantri Gram Sadak Yojana (PMGSY), a 100 per cent centrally sponsored scheme, launched in December 2000, aims to provide all-weather roads to the unconnected habitation in rural areas with a population of 1000 persons and above in three years (2000-03) and all unconnected habitations with a population 500 persons and above by the end of the Tenth Plan Period (2007). The State level agency responsible for implementation is West Bengal State Rural Development Agency (WBSRDA), which has a Programme Implementation Unit (PIU) in each district for executing the programme.

Out of the total 2119 habitations in the District, the number of habitations connected through roads increased from 70 as of March 2007 to 435 (21 per cent of the habitations) as of March 2012 registering an increase of 521 per cent. Correspondingly, road length increased from 98.72 kms in April 2007 to 412.03 kms in March 2012 registering an increase of 317 per cent.

This achievement notwithstanding, 79 per cent (1684<sup>1</sup>) of the habitations remained unconnected as of March 2012. During 2007-12, out of available funds of ₹ 105.08 crore, ₹ 95.44 crore (91 per cent) were spent for connecting these habitations.

#### (a) Implementation issues

**Planning :** PMGSY guidelines mandate preparation of a District Rural Road Plan (DRRP), which is to indicate entire existing road network system with identification of the proposed roads for providing connectivity to the unconnected habitations. The guidelines also envisaged preparation of a Core Network (CN), that identifies the

<sup>1</sup> 1264 habitations each with population above 1000; 392 habitations each with population between 501 and 1000; 28 habitations each with population less than 500.

road required to assure eligible habitations with basic access to essential economic and social services. These are prepared at the block level and then approved by the ZP. No road works would be proposed under the PMGSY unless it formed part of the CN. The district and blocks are also required to prepare a Block and District level Comprehensive New connectivity Priority Lists (CNCPL) prioritising habitations to be connected<sup>2</sup>. Further, the list of road works to be taken up is to be finalised each year (Annual Work Plan) by ZP according to fund availability through consultative process involving lower tier PRIs.

*Participatory planning process as envisaged in the guidelines was absent.*

Approved DRRP, CN, CNCPL and Annual Work Plan (AWP) were not available either in Malda ZP or in PIU. Further, it was observed that none of the five blocks and 16 GPs test checked was involved in preparing these documents. The road works were being executed in the District with a CNCPL which was hosted on the website; however, records showing the basis of the CNCPL were not available. The PIU stated, it was entrusted only with the preparation of Detailed Project Reports (DPR) of the Road works included in AWP finalised at WBSRDA. Moreover, test check revealed cases where 53 road works of lower priority had been selected ignoring habitations of higher priority without any recorded reason.

Thus, participatory planning process as envisaged in the guidelines was not documented to show rationale behind prioritisation of habitations.

**Execution :** Five road works (*Appendix-5.1*) measuring 33.54 kms. sanctioned between 2005-06 and 2007-08 could not be taken up as of March 2012 due to non-finalisation of tender procedures.

PMGSY guidelines stipulate that works should be completed within 12 months from the date of the work order. Out of 67 road works (estimated cost of ₹ 124.62 crore) awarded during 2007-12, 66 road works were started while remaining work viz, WB-11-64/A have not yet been taken up as the same work had already been done under Malda ZP. This indicated absence of co-ordination between PIU and ZP in preparation of annual work plan and DPR resulting in loss of Central assistance of ₹ 90.73 lakh.

Out of 65 road works started, 41 were completed at the cost of ₹ 67.95 crore with delays ranging from one month to 28 months. Of the remaining 24 works in progress, 17 were incomplete as of March 2012 even after lapse of one to 15 months from the stipulated date of completion.

Besides, road work between Sarjanghutu and Alinagar under Gazole Block vide package no. WB-11/53 sanctioned on 2008-09 awarded to a contractor at a cost of ₹ 4.72 crore had not yet started after a lapse of three years. DPIU did not take any action against the contractor for non-commencement of work.

Despite guidelines stipulating organisation of 'Transect Walk'<sup>3</sup> while preparing the DPR to sort out alignment and land availability issues, the same was not resorted to, which eventually led to delay in completion of works on the ground of land availability. Audit also noted three cases, where deficient DPRs resulted in non-commencement of works as indicated in the following table.

<sup>2</sup> Habitations with 1000+ population will be the first priority, habitations with population of 500-999 the second and with population of 250-499 the least.

<sup>3</sup> A consultation mechanism involving the local community through GP and other stake holders to determine alignment and to sort out issues of land availability, environmental impact, etc.

**Table No 5.1 : Table indicating deficiencies in DPR**

Block	Package/year	Road	Deficiency in DPR	Present status
Kaliachak-I	WB 11 14/2004-05	Alinagar to Dewanjee Bathan	Work could not be started due to, non-availability of earth for embankment work	Earthwork was underway through MNREGS at an estimated cost of 123.77 lakh (69.28 lakh and 54.49 lakh).
English Bazar	WB11 ADB 08/2006-07	Mominpara to Joteprithi		
Bamongola	Wb 11 ADB 06/2005-06	Asrampur Hat to Songhat	Work could not be started due to non-provision for construction of 60M bridge in DPR	Construction of bridge was being undertaken by ZP at 2.45 crore under Rural Infrastructure Development Fund.

Source: Progress report prepared by PIU

Thus, deficient planning and preparation of DPR deviating from the guidelines led to 88 eligible habitations with 1.37 lakh population being deprived of the benefit of all-weather road connectivity as planned.

#### 5.1.1.2 Conclusion

Though the programme was in operation for last ten years, 79 per cent of the habitations were not connected as of March 2012 through all-weather roads. Deficiencies in planning and preparation of DPR resulted in non-completion/non-commencement of works.

#### 5.1.1.3 Recommendations

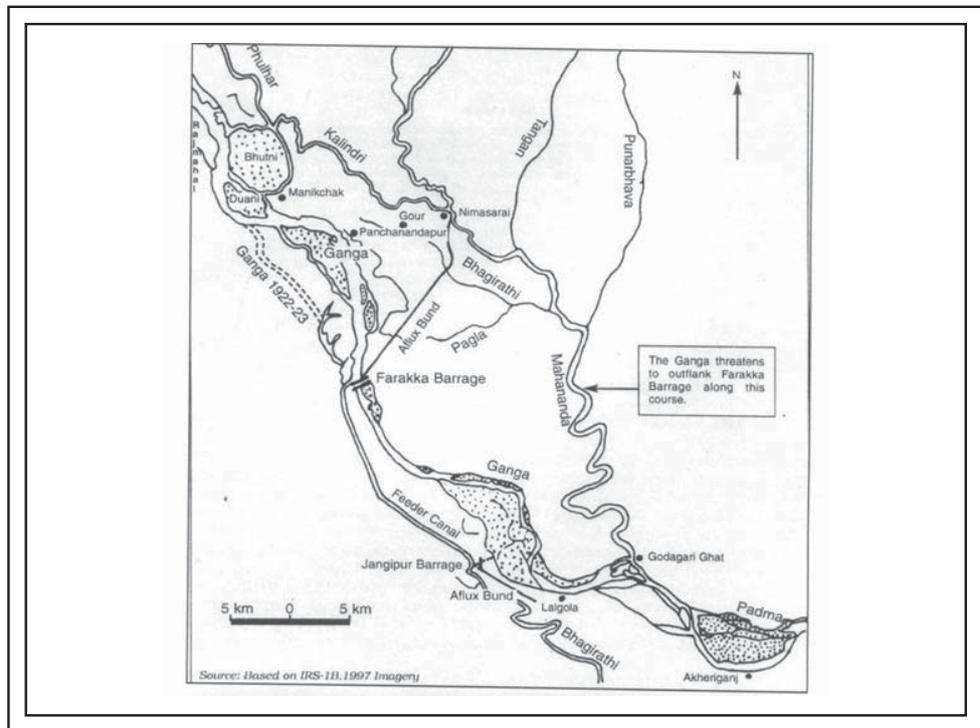
- *Participative planning process involving PRIs as stipulated in guidelines should be adopted*
- *Transect Walk should be conducted while preparing DPR to avoid land and alignment issues delaying the project.*

## 5.2 Anti-Erosion

Malda is a flood prone district. Out of 15 blocks in the District, five<sup>4</sup> blocks are more vulnerable to flood. Major rivers in the District are Ganga, Mahananda, Fulahar, Punarbhava, Tangon and Kalindri. All rivers in the District are meandering in nature and cause huge damage to lives and property by inundating at unprotected (non-embankment) areas. The Ganga meanders eroding bank on the concave side and depositing silt on the bank of the convex side of the bend due to low velocity and flat stream slope of the river basin. Other three rivers have more or less the same

<sup>4</sup> Harischandrapur - I, Ratua -I, Manikchak, Kaliachak-II and Kaliachak-III

characteristics and cause severe erosion on their vulnerable reaches. A river map of the District is shown below:



### **5.2.1 History of floods in the District**

Major rivers in the District had created havoc in the past. Twenty one schemes were executed earlier between 1990 and 2003, at a cost of ₹ 87.89 crore to control flood (comprising of construction of three new spurs<sup>5</sup>, four retired<sup>6</sup> embankments and two bed bars<sup>7</sup> at a cost of ₹ 48.65 crore, strengthening / restoration of seven spurs at a cost of ₹ 17.50 crore, protection works of four banks at ₹ 16.12 crore and remodelling of one marginal embankment<sup>8</sup> at ₹ 5.52 crore). However, all were damaged or engulfed by either Ganga or Fulahar. This indicates vulnerability of the areas exposed to flood.

### **5.2.2 Audit scope and coverage**

Two Divisions namely Malda Irrigation Division (MID) and Mahananda Embankment Division (MED) under Irrigation & Waterways Department (I&WD) have been assigned with the task of implementation of Anti-Erosion schemes in the District. Jurisdiction of both the divisions cover all the river stretches falling within the boundary of the District except 40 km bank stretch of the river Ganga upstream from the Farakka Barrage upto the Rajmahal, which was transferred to the FBP in March

<sup>5</sup> Spurs are constructed transverse to the river flow extending from the bank into the river to reduce the concentration of flow at the vulnerable point and protecting the bank by keeping the flow away from it.

<sup>6</sup> Short embankment constructed to protect entering of flood water in the country side through breached portion of the original embankment.

<sup>7</sup> Bed bars are deflecting structures which deflect the constrict flow of water away from the affected bank or embankment.

<sup>8</sup> These are earthen embankments, also known as levees, which are constructed in the flood plains of a river and run parallel to the river bank along its length.

2007. A review of Anti-Erosion schemes in the District was undertaken during June-July 2011 and May 2012 by covering both the divisions along with one <sup>9</sup> Circle office to assess the impact of the schemes on the lives of the people of Malda. The audit findings are discussed in the succeeding paragraphs:

### **5.2.3 Absence of advance planning and non-implementation of the recommendations of the Committees**

Effective management of flood protection calls for two stages of anti-erosion measures - long term measures and priority based palliative works. National Disaster Management (NDM) Guidelines (January 2008) lay down the important milestones required to be achieved for flood preparedness and post flood emergency response. Guidelines stipulated that an assessment of the area suffering from erosion was to be made by the Department by June 2008, as also inspection and monitoring of present structural measures to be conducted twice every year before monsoon (April-May) and after monsoon (November-December). Flood Management (FM) plan was also to be prepared by the Department by December 2008.

After studying the problems of flood and severe erosion of the river Ganga in the District, different expert committees <sup>10</sup> recommended for preparation of master plan for implementation of long term permanent measures and prioritisation of the reaches where anti-erosion measures were inescapable. The Government admitted in 2001 that unless long spur was constructed and dredging was done at mid-stream of river Ganga, flood control and anti-erosion work would not be fruitful.

- Records revealed that none of the permanent measures stipulated in the NDM guidelines were implemented. Records further revealed that during 2007-12, neither Malda Irrigation Division (MID) nor Mahananda Embankment Division (MED) prepared any Action Plan;
- During 2007-12, only 24 bank protection works of palliative nature were taken up on piecemeal basis by the Government.

The EE, MID replied (May 2012) that erosion of river could not be predicted before hand and the anti-erosion schemes were taken up generally on the basis of magnitude of erosion and experience of the supervisory authority. The reply was not tenable in view of the fact that palliative measures undertaken to protect the bank proved to be futile and the division was required to undertake the work in a planned manner after detailed studies, as envisaged under NDM guidelines and recommendations of Expert Committees and acknowledged by the Government.

Planning was also absent in the tendering process. Majority of the works were split into several reaches, each being awarded to more than one contractor, on the plea of getting the work completed within a short period of time. Works were, however, not completed timely. Moreover, time spent in processing and documentation of huge volume of tenders compounded the delay in commencement of work. As a result, erosion could not be controlled effectively despite substantial investment, as brought out in the subsequent paragraphs.

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<sup>9</sup> North Central Irrigation circle -II

<sup>10</sup> Pritam Singh Committee in 1978; G. N. Murthy Committee in 1987 and Keskar Committee in 1996

#### **5.2.4 Status of Anti-Erosion schemes**

Altogether 24 Anti-Erosion Schemes were taken up during 2007-08 to 2011-12 in the District, of which 20 schemes were completed as of March 2012 and four were in progress. Expenditure incurred for implementation of 24 schemes was ₹ 76.77 crore till April 2012. Scheduled dates and actual dates of completion were available in respect of 22 schemes. Of these 22 schemes, 18 were targeted for completion before monsoon. Records revealed that

- seven schemes were completed within scheduled time;
- seven schemes, though scheduled for completion prior to the monsoon, were completed with a delay ranging from two to 11 months;
- All four schemes remaining incomplete as of April 2012, were targeted for completion before monsoon 2011.

Non completion of five on-going schemes can be attributed to delays in tendering process, site problem, delay in commencement of work, disruption caused by floods and lack of monitoring over the implementation of the schemes.

#### **5.2.5 Financial management under anti erosion activities**

Malda Irrigation Division and Mahananda Embankment Division received ₹ 81.95 crore (Central fund: ₹ 54.99 crore and State fund: ₹ 26.96 crore) during 2007-12 for anti-erosion works, of which ₹ 81.40 crore (₹ 54.58 crore Central fund and ₹ 26.82 crore State fund) were spent. In the initial two years (2007-09), there was no allocation of Central Government funds for Anti-erosion schemes as the major stretch of bank protection work on the river Ganga was entrusted to FBP authority with effect from March 2007. State allocation (₹ 26.96 crore) also proved inadequate in comparison to the enormity of the flood problems in the District. Out of ₹ 81.40 crore spent on the anti-erosion activities, ₹ 76.77 crore were incurred on 24 schemes (mainly covering bank protection works), while remaining ₹ 4.63 crore was spent on emergent palliative/restoration works. This indicated that no permanent measures (construction of long spur, dredging of river basin at mid-stream) as recommended by the various committees and accepted by the Government in 2001, were taken up.

#### **5.2.6 Non-coverage of priority areas**

MID and MED divisions were responsible for maintenance of total 367 km (260 km and 107 km respectively) long stretch of bank line of nine rivers flowing through the District. Certain river stretches were more prone to floods viz. 40 km of river bank of Fulahar, 48 km of Mahananda and 20 km of Ganga. Instances showed that during rainy season, flood waters from the rivers repeatedly eroded these stretches. Consequent upon handing over of major portion of vulnerable zone of river Ganga to FBP in March 2007, 20 km bank line of the River Ganga from Jangalitala to Manichak outfall remained under the jurisdiction of MID. In respect of Fulahar river, seven localities (Miahat, Khidirpur, Debipur, Nandanpurand, Kahala, Hatichapa and Bhaluka Bazaar) spreading across two blocks Harischandrapur-II and Ratua -I were vulnerable and in respect of River Mahananda, five localities (Galimpur,

*Out of ten works identified to be taken up before Monsoon 2011 in priority areas, only one was taken up as of April 2012*

Balarampur, Harirampur, Jadupur and Islampur) covering two blocks (Chanchal -I and II) were in vulnerable zones. Status of the 10 schemes identified as important by the EEs for execution prior to arrival of Monsoon 2011, as of April 2012 is discussed below:

- Mahananda Embankment Division (MED) was required to complete seven Anti-Erosion schemes before the onset of monsoon 2011. Out of seven schemes, only one <sup>11</sup> scheme of temporary and palliative nature was taken up as of June 2011 at an estimated cost of ₹ 1.05 crore. Work of remaining six schemes, although approved in Chief Engineer's Committee in March 2011, was yet to be started due to various reasons like revision of estimates, paucity of funds, funds not being sanctioned for higher authority etc.
- Malda Irrigation Division proposed to take up three schemes as per Action Plan 2006-07 at a cost of ₹ 24.15 crore including construction of 9th Retired Embankment at the stretch of River Ganga near Panchanandpur. Status Report of the schemes revealed that none of the schemes was taken up as of March 2012. EE did not furnish any reason for the same though asked by Audit (May 2012).

Thus, it is evident that bank protection work was not prioritized according to the gravity of the situation.

### 5.2.7 Miscellaneous issues on implementation

Instances of splitting of major works into small reaches, delayed execution of works, non-availability of material in time, additional financial burden on the state exchequer, overlapping of works etc. were observed in the District as discussed in the following paragraphs.

#### (i) Splitting of major works into small reaches and delayed execution of works:

Four <sup>12</sup> Bank Protection works (total stretch: 4000 m) on the right bank of river Punarbhava were administratively approved by I &WD in January 2011 for ₹ 44.41 crore with a target for completion by April-May 2011. Records revealed that till May 2012, physical progress stood at 80 per cent. It was noticed that EE, MID split the four works (total stretches: 4000 m) into 22 small reaches (length of each reach ranging from 100 m to 250 m) and awarded all the works to 27 contractors<sup>13</sup>. As per NIT, all the tender formalities were to be completed by August 2010; but due to issue of 11 corrigenda, tender process was completed in November 2010. EE stated (June 2011) that the work had been divided for expeditious completion and work site being located in international border, consultation with Border Security Force (BSF) and Bangladesh Rifle (BDR) was necessary. The reply is not convincing as all the formalities for ensuring a clear site should have been covered in advance. Moreover, even after splitting, the work remained incomplete as of May 2012.

*Execution was often delayed due to splitting up of works, prolonged tender formalities, lack of proper preparedness and planning etc.*

<sup>11</sup> Urgent restoration to subsidence of Left Fulahar Embankment in ch 29.80 km to 30.75 km/ breached portion in block-Ratua -II.

<sup>12</sup> BP work on the R/B of Rv Punarbhava at village Taltali (1200m), Nadindaha (800 m), Battali (1000 m) and Khutadaha (1000 m).

<sup>13</sup> Engaging 10 contractors on five reaches /50 per cent to each one of them and single contractor on remaining 17 reaches.

**(ii) Splitting of works and non-availability of materials in time leading to delay in execution:**

To protect the Indo-Bangladesh border areas from erosion, three bank protection works<sup>14</sup> covering aggregate 6000 m stretch on river Mahananda were split into 13 reaches and awarded to 27 contractors for completion by May 2009. The EE, MID stated (June 2011) that the work had been split for better quality control and expeditious completion. The work was completed between September 2009 and June 2010. Records showed that progress of works were hampered due to delay in supply of cement by WBECSC (West Bengal Essential Commodities Supply Corporation) and non-availability of Geo-jute and delayed approval for use of Geo-synthetic instead of Geo-jute by I&WD. This indicated failure of EE in proper preparedness and planning.

**(iii) Additional financial burden on the state exchequer :**

The Mahananda Embankment division had obtained NABARD loan of ₹ 8.66 crore in March 2010 for execution of an Anti-Erosion Scheme at Bhaluka Bazar, situated on the left bank of river Fulahar near Bhaluka Bazar (Harishchandrapur-II), which was identified as one of the most vulnerable areas for bank erosion considering recurring erosion every monsoon. Despite this fact, the division failed to evolve a suitable master plan and include the scheme under Flood Management Programme (FMP), under which it was possible to avail of Central Assistances up to 90 per cent of the cost of the scheme. The Central assistance was, however, to be released on the condition that the same would only be provided for restoration of damaged works to complete them before next monsoon season, provided such works were earlier not covered under Calamity Relief Fund (CRF)/ National Calamity Control Fund (NCCF). The division, instead of focusing on preparation of master plan in comprehensive manner to cover the entire vulnerable flood prone area and seeking assistance under FMP, sought an amount of ₹ 1.72 crore from Calamity Relief Fund (CRF), for undertaking palliative restoration work due to recurrence of flood in August 2009. In this way, the State lost the opportunity of receiving Central Assistance under FMP for formulating an effective Anti-Erosion scheme to save Bhaluka Bazar and its adjoining areas from flood.

**(iv) Abnormal delay leading to additional works :**

The EE, MED circulated NIT in January 2010 for execution of bank protection work on the left bank of river Fulahar (ch 20.650 km to 22.650 km) near Bhaluka Bazaar in PS- Ratua and Harischandrapur through *bonafide* contractors. Though DM, Malda had cautioned (March 2010) the division to take up the work in the first week of April, work order was issued in May 2010 due to change in estimate etc. The work was declared completed in August 2011. Records revealed that due to slow progress, the work could not be fully completed even after 11 months. The EE attributed (June 2011 and May 2012) such delays to early arrival of monsoon in 2010, presence of high water level in the site till November 2010 and non-supply of boulders due to strike and labour/local/siltation problem after the flood.

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<sup>14</sup> BP work on L/B of Mahananda at BOP Muchia- Adampur, BP work at BOP Sukhnagar, Baruipara and BP work at BOP Sukhnagar-Krishnagar, Char Rishipur

While the above work was in progress, the flood water from river Fulahar started (July 2010) inundating over the partially completed embankment and caused damage to the boulder pitching, bed bars and apron of the new embankment. To save the ongoing work, the emergent works (dumping nylon carte with filled poly bags etc. on vulnerable reaches) were taken up by EE in between ch 20.70 km to ch 22.60 km on the same site by engaging six contractors and completed at a cost of ₹ 53.08 lakh in July 2010. Had the bank protection work been complete in time, expenditure of ₹ 53.08 lakh on emergent restorative works could have been avoided.

**(v) Diversion of funds :**

Three<sup>15</sup> bank protection schemes on river Mahananda were sanctioned under Additional Central Assistance (ACA) at a cost of ₹ 10 crore during 2005-06. The schemes were scheduled to be completed by March 2006. However, only survey work could be taken up by September, 2005, i.e. almost at the fag end of monsoon. The Schemes were not implemented out of the fund received under ACA. Evidences gathered revealed that out of sanctioned amount of ₹ 10 crore, ₹ 2 crore was spent on three other bank protection works<sup>16</sup>.

In reply, EE, MID stated (June 2011) that the said works were taken up after obtaining technical sanction from the Chief Engineer. The reply is not tenable since there was no administrative approval for execution of the above three works from the sanctioning authority.

### 5.2.8 Quality control and monitoring of works

As per terms of contract, periodical quality control tests were required to be done on geo-jute textile/geo-synthetic filters before its use in the bank protection works executed by the Divisions. Records revealed that the testing of geo-synthetic filters was not got done by MID through laboratories before its laying; instead suppliers themselves furnished the test certificates from private laboratories. Utilisation of materials of proven quality in the bank protection work could not be ensured in audit. In case of bank protection works executed under MED, no test report in respect of cement concrete blocks and geo-jute textile/geo-synthetic filters was available in the records. EE replied (June 2011) that the same would be furnished during the final bill. The reply is not acceptable as quality of material was required to be checked prior to its consumption and hence test report must be available before laying of filters and cubes. Further, monitoring and supervision of the schemes could not be ascertained because details of inspection carried out by the supervisory officers (viz. SE/CE), were not maintained.

### 5.2.9 Conclusion

In the absence of long term Master plan coupled with prioritisation on temporary/short term protective measures instead of permanent measures recommended by the expert

<sup>15</sup> 1. Bank protection work on the L/B of River Mahananda at Nemuaghat under Muchia-Adampur B.O.P. in P.S. Old Malda, Dist. Malda 2. Bank protection work on the L/B of River Mahananda under Sukhnagar B.O.P. in P.S. Habibpur, Dist. Malda 3. Bank protection work on the L/B of River Mahananda at Chat Rishipur under Krishnanagar B.O.P. in P.S. Habibpur, Dist. Malda

<sup>16</sup> 1. BP work on the L/B of river Punarbhaba near BOP No.242/28R in AOC of Battali under 172Bn.BSF, Malda, 2.R/S spill checking embankment including provision of inspection path on L/B of river Ganga d/s of Farakka Barrage from 0.00Km. to 5.00Km. in PS-Kaliachak; Malda 3.R/S of Bhutni-Diara circuit embankment on L/B of river Ganga from ch 20.90 Km.to25.40 Km in P.S.-Manikchak, Malda..

committees, anti-erosion schemes did not yield the desired results. The same was compounded by delays in commencement of many schemes on the vulnerable zones even after their approval, which was often due to inefficient management of tender formalities. Adequate monitoring mechanism to exercise proper checks on timely completion of the schemes as well as on quality of materials being utilized during execution of schemes was not in place.

### 5.2.10 Recommendations

- *A Comprehensive Master Plan/Annual Plan should be prepared on priority basis in affected areas;*
- *Tender formalities should be managed more efficiently for timely commencement of works;*
- *Monitoring mechanism should be strengthened to ensure timely completion, preferably before onset of monsoon with due adherence to quality standards.*

## 5.3 Employment Generation

### 5.3.1 Swarnajayanti Gram Swarozgar Yojana (SGSY)

The objective of the SGSY (a centrally sponsored scheme with funds sharing between GoI and State on 75:25 basis) was to facilitate poor families climb above the poverty line. The scheme envisaged ensuring sustained and appreciable level of income for the beneficiaries through formation of self- help groups (SHGs) as well as by the process of social mobilisation, training and capacity building and provision of income generating assets through a mix of bank credit and subsidy.

Each District Rural Development Cell headed by Project Director (PD) could utilise the scheme funds for provision of revolving funds to SHGs, training, infrastructure development and subsidy. Providing infrastructure support under SGSY aims primarily to bridge the gaps in available infrastructure. Further, the progress/performance of the SHG/individual in management of assets for generation of incremental income was to be continuously followed up, monitored and evaluated. The programme was implemented by Panchayat & Rural Development Department in the State and by the DRDC in the District. The follow up on the projects undertaken by the Swarozgaris was to be done by DRDC/Block officials and bankers to assess the capability to generate the projected income.

The position of receipt and expenditure of funds during 2007-12 under SGSY is indicated in the table below:

**Table No 5.2 : Table indicating funds received and expenditure incurred in respect of SGSY (Rupees in lakh)**

Year	Central allocation	Opening Balance	Central Funds received	State Funds received	Other receipts	Total Funds* available	Expenditure (percentage)	Closing Balance
2007-08	586.61	35.02	586.61	195.53	57.47	874.63	452.04(52)	422.59
2008-09	693.49	422.59	693.49	115.57	29.86	1261.51	635.09(50)	626.42
2009-10	725.16	626.42	463.55	257.00	47.17	1394.14	1357.83(97)	36.31
2010-11	836.40	36.31	820.53	152.49	129.54	1138.87	699.27(61)	439.60
2011-12	764.10	439.60	425.23	275.85	124.41	1265.09	461.63(36)	803.46
<b>Total</b>	<b>3605.76</b>		<b>2989.41</b>	<b>996.44</b>	<b>388.45</b>	<b>4409.32*</b>	<b>3605.86</b>	

Source: Records of DRDC, Malda and figures taken from annual report

\* Overall availability of funds has been arrived at considering opening balance of 2007-08 and total receipts during 2007-12

It can be seen from the above table that out of total allocation of funds of ₹ 3605.76 lakh, GoI released only ₹ 2989.41 lakh during the period 2007-12. Out of five years audited, except for 2009-10, percentage of utilisation of available funds was on the lower side and ranged between 36 and 61 *per cent*.

Due to poor utilisation of funds the District was deprived of central assistance of ₹ 616.35 lakh during 2007-12. PD, DRDC attributed poor utilisation to delay in receipt of funds from GoI and to Assembly Election 2011.

The audit findings emerging from test check of records of Project Director, DRDC, five PSs<sup>17</sup> and 17 Gram Panchayats<sup>18</sup> and from interview<sup>19</sup> of 86 SHGs are discussed in the succeeding paragraphs:

### 5.3.1.1 Planning

During the course of audit, it was noticed that though the district authority prepared (October 2007) the 11th Five year Plan (FYP) of SGSY (2007-12), the Annual Plans (AP) were not drawn based on the FYP except during the year 2007-08 and the same were not approved by the District SGSY committee. Further, community participation for planning was not ensured. Besides, APs were also not approved by the District SGSY committee.

### 5.3.1.2 Status of SHGs

Before credit linking, SHGs have to undergo two stages of evaluation to ensure that they have developed credit discipline and financial management skills. SHGs are evaluated six months after their formation for assessment of their eligibility to be benchmarked as Grade I, i.e. eligible for receipt of first instalment of Revolving Fund (RF). Grade I SHGs are further evaluated six months after the receipt of RF and successful groups enter Grade II stage for credit linkage to start income generating activities. The year-wise position of target and achievement in upgradation of SHGs during 2007-12 is indicated below:

**Table No 5.3 : Status of SHGs**

Year	Target for SHG	SHG formed	SHG passed	SHG passed	SHG started Economic Activities
2007-08	2929	2015	2590	1457	2
2008-09	7245	1107	1116	516	30
2009-10	7969	1346	3060	4608	32
2010-11	3230	1341	188	227	9
2011-12	1868	1134	982	944	6
<b>Total</b>	<b>23241</b>	<b>6943</b>	<b>7936</b>	<b>7752</b>	<b>79</b>

Source: Records of DRDC, Malda

<sup>17</sup> Englishbazar, Gazole, Kaliachak- III, Chanchal- I, Harishchandrapur- II

<sup>18</sup> Englishbazar- Jadupur- 1, Kotwali, Milki, Sovanagar; Gazole- Bairgachi- II, Gazole- I, Karkach, Pandua; Kaliachak- III- Beemagar- I, Charianantapur, Krishnapur, Lakshmipur; Chanchal- I- Kaligram, Makdumpur; Harishchandrapur- II- Sadlichak, Bhaluka, Malior- I

<sup>19</sup> 27 SHGs in Kaliachak-III, 9 SHGs in Chanchal-I, 18 SHGs in English Bazar, 20 SHGs in Gazole and 12 SHGs in Harishchandrapur-II.

*Though substantial number of SHGs were provided with Revolving Fund, negligible number of groups could start income generating activities*

Out of 23241 SHGs targeted to be formed during 2007-12, only 6943 SHGs (30 per cent) were formed. Out of total 19235 SHGs formed since inception of the scheme (April 1999), 16993 (88 per cent) became eligible for Revolving Fund (RF) and 16754 (99 per cent of those becoming eligible for RF) were released RF amounting ₹ 26.54 crore. However, mere 111 (0.6 per cent) could be credit linked for income generation activities. Since inception of the programme, only 14 BPL families had crossed the poverty line up to 2007-08 and none crossed the poverty line in the last three years.

Further, only 4483 groups (31 per cent) were formed out of 14280 groups targeted from Backward Villages.

*Interview with SHGs disclosed that proper departmental guidance was not forthcoming for preparation of projects*

Interviews of 86 SHGs indicated improvement in financial status of 84 (98 per cent) mainly due to availability of cash credit loan from banks thereby reducing dependence on private bodies for loans at higher rate of interest. Though 23 SHGs (27 per cent) progressed to Grade-II stage, 21 SHGs could not submit the project to the banks for loan. All of them stated that authority should help them in preparation of project. PD, DRDC in response stated (July 2011) that they are co-ordinating with the line Departments for preparation of model projects on different activities.

Thus, substantial shortfalls were noticed not only in formation of the SHGs, but also in guiding the SHGs to become capable of generating income. In this context the following further observations were made:

- Guidelines stipulated that for income generation activities each block should concentrate on a few selected activities considering the local resource, aptitude as well as the skill of SHGs and saleability of the products and services. These key activities should preferably be taken up in clusters, with one cluster in each GP. Out of 146 GPs, 39 had no cluster posted as of March 2012. Audit observed that none of the PSs sent a list of key activities to the District for short listing while only 107 clusters catering for 3828 SHGs were formed for 107 GPs (out of 146) in the District as of March 2012.

### **5.3.1.3 Training**

SGSY guidelines envisaged two types of training viz. capacity building / basic orientation programme and minimum skill requirement training. As per norms, training needs of SHGs were to be ascertained with reference to minimum skill requirement (MSR). The assessment regarding technical skills was to be made by the line Departments and managerial skills by the banks. Those who possess MSR are put through a Basic Orientation Programme (BOP), while others are to undergo skill development training. Audit observed that MSR and the type of training to be imparted were not assessed either by the line Departments or by the banks. As a result, the effectiveness of BOP and skill training conducted by DRDC during 2007-12 involving 174263 *swarozgaris* and expending ₹ 6.74 crore remained doubtful.

### **5.3.1.4 Infrastructure**

The scheme provides to bridge missing critical links in infrastructure for production, processing, quality testing, storage or marketing so as to enable the *swarozgaris* to derive the maximum advantage from their investments. The project report for each

key activity should clearly identify the existing infrastructure and the additional infrastructure to be created. The proposals for infrastructure development should be drawn up by DRDC in consultation with Bankers and form part of the Annual Plan of the Block and the District. Scrutiny disclosed that the above were not followed in the District.

*Instances of newly created infrastructures remaining unused due to deficient planning were noticed*

Infrastructure was created for 362 SHGs till March 2012. Instances of completed infrastructure remaining unutilized or being utilized for other purposes were, however, noticed in Audit. Audit test-checked expenditure amounting to ₹ 6.14 crore incurred during 2007-12 for construction of 79 items of infrastructure<sup>20</sup>. Of these 79 structures, 78<sup>21</sup> had been completed till June 2012. Of the 78 structures completed, only two (cluster houses) were being used by the *swarozgaris*. Out of the remaining 76, 67<sup>22</sup> remained unutilized while seven (six community centres and one common facility centre) built at ₹ 36.33 lakh were being used by PSs/GPs. Cow sheds remained unutilised as Dairy Projects were not approved in favour of any of the SHGs; no reasons were stated for non-utilisation of other infrastructure. This was not only indicative of unplanned creation of infrastructure, but also represented deficient monitoring and lax intervention by the District authorities. On being pointed out, PD, DRDC stated (July 2012) that necessary action would be taken for utilisation of these infrastructure by SHGs.

Audit further noticed unjustified creation of training centre and a case where office building was constructed not in consonance with the spirit of the scheme guidelines as discussed below.

**(a) Training Centre :**

DRDC has a residential training centre at West Bengal Comprehensive Area Development Corporation (CADDC) campus, Ratua- II for training *swarozgaris*. The centre was completed in July 2008 at a cost of ₹ 41.81 lakh. While the centre was under-utilised during 2008-10, no training was conducted during 2010-12. Despite this, DRDC, without approval of P&RD Department, decided (November 2009) to construct a Dormitory and Training Centre for *swarozgaris* alongwith Generator room and Godown at an estimated cost of ₹ 91.12 lakh. The centre was completed in June 2012 at an expenditure of ₹ 85.04 lakh from unspent SGSY funds. Construction of a new training centre even when DRDC failed to utilize optimally the existing facility at Ratua-II, lacked justification.

**(b) Office Building :**

Guidelines stipulated that funds for infrastructure development should, in no case be used to augment resources of the State Government for development of general infrastructure. It was, however, seen that DM Malda decided (July 2009) to construct a five storeyed office building for DRDC Malda within the premises of Collectorate Buildings at an estimated cost of ₹ 3.61 crore. As of June 2011, ₹ 2.30 crore was spent from SGSY funds in violation of the guidelines of SGSY.

<sup>20</sup> Office building (₹ 2.70 crore), 13 cluster houses (₹ 1.04 crore), six community centres (₹ 24 lakh), one common facility centre (₹ 12.33 lakh), 53 cow sheds (₹ 105 lakh), four village haats (₹ 26.43 lakh) and one training centre (₹ 72.53 lakh)

<sup>21</sup> One Cluster house at Malda, English Bazar was underway.

<sup>22</sup> 10 Cluster houses (₹ 46.67 lakh), 53 cowsheds (₹ 105 lakh) and four villages haats (₹ 26.43 lakh)

### 5.3.1.5 Monitoring and supervision

To ensure that *Swarozgaris* cross the poverty line, it was imperative that the progress and management of the created assets for generation of incremental income has to be continuously followed up, monitored and evaluated by the DRDC/Block officials and bankers. Accordingly, inspections by the various levels of officers have been prescribed in the guidelines. No records were, however, available to show details of visits and reports on outcome of implementation of the scheme. Thus, the prescribed monitoring mechanism was not effectively implemented in the District to identify and address aberrations and to ensure that the interventions of the scheme led to expected results.

In reply PD, DRDC stated (July 2012) that when the *swarozgaris* were project linked, DRDC and Block officials visit the projects occasionally but no minutes were maintained.

### 5.3.2 Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS)

MGNREGS was launched consequent to GoI's enactment of the National Rural Employment Guarantee Act (NREGA) in September 2005 to enhance the security of livelihood for the rural people by providing at least one hundred days of guaranteed wage employment in every financial year to every household whose adult member volunteers to do unskilled manual work.

#### 5.3.2.1 Labour Budget

As per MGNREGS guidelines, District Programme Co-ordinator (DPC) is required to prepare a labour budget relating to the district containing the details of the anticipated demand for unskilled manual work in the districts every year.

Audit observed that labour budget for 2006-10 by Gazole Panchayat Samiti (PS) and labour budget for 2006-11 by Chanchal-I and Harishchandrapur - II PS and by Jadupur and Sovanagar Gram Panchayats (GPs) were not prepared.

#### 5.3.2.2 Financial Management

The year-wise position of funds received by the MGNREGS Cell, Malda and utilisation there-from during 2007-08 to 2011-12 is given below:

**Table No 5.4: Receipt and Expenditure of funds under MGNREGS (Rupees. in lakh)**

Year	Opening Balance	Total receipt	Total availability	Expenditure	Balance	Percentage of utilisation
2007-08	1085.18	2303.32	3388.51	2707.16	681.35	80
2008-09	681.35	4001.69	4683.04	2244.08	2438.96	48
2009-10	2438.96	5146.10	7585.06	7097.52	487.54	94
2010-11	487.54	5004.56	5492.10	5104.57	387.52	93
2011-12	387.52	11007.42	11394.95	11191.87	203.08	98
<b>Total</b>		<b>27463.09</b>	<b>28548.27<sup>23</sup></b>	<b>28345.20</b>		

Source - Annual Report, MGNREGSWB, District Nodal Officer (DNO), Malda

<sup>23</sup> Total availability of funds has been arrived at by considering opening balance of 2007-08 and total receipt of 2007-12

It was noticed from the above data that during 2007-12, out of total available ₹ 285.48 crore, the District could utilize ₹ 283.45 crore leaving an unspent balance of ₹ 2.03 crore. It was further noticed that 93 to 98 *per cent* of the available funds were utilised during 2009-12.

**Refund of fund by Panchayats:** It was noticed from available records that ₹ 2.07 crore of MGNREGS funds were returned to the district by the Programme Implementing Agencies during 2007-12. Similarly, three test checked blocks refunded ₹ 40 lakh of programme funds.

### 5.3.2.3 Provision of Employment

The details of employment generated under this scheme during 2007-12 as reported by the DNO, MGNREGS cell, Malda were as under:

**Table No 5.5 : Details of employment generated under MGNREGS during 2007-08 to 2011-12**

Year	Total mandays generated (in lakh)	Mandays for women (in lakh)	Percentage Mandays for women	Mandays for others (in lakh)
2007-08	23.74	4.77	20	18.97
2008-09	16.04	3.28	20	12.76
2009-10	55.01	17.50	32	37.51
2010-11	29.26	8.90	30	20.36
2011-12	54.15	17.90	33	36.25
<b>Total</b>	<b>178.20</b>	<b>52.35</b>	<b>29</b>	<b>125.85</b>

Source -Annual Report, MGNREGSWB, District Nodal Officer, Malda

During 2007-12, a total of 178.20 lakh mandays were generated. The District fell marginally short in creating man days for women as mandays created for women was 29 *per cent* as compared to normative requirement of 30 *per cent*.

The details of Job card holders registered, those who demanded employment and those who were provided employment in the District during 2007-12 are as under:

**Table No 5.6 : Details of actual providing of jobs to job card holders during 2007-08 to 2011-12**

Year	Total no. of job card holders (JCH) registered	JCH getting employment	JCHs who got 100 days employment	Percentage of JCHs getting 150 days employment vis-a-vis those demanded	Percentage of shortfall
2007-08	537787	148821	329	0.22 %	99.78 %
2008-09	544691	96296	107	0.11 %	99.89 %
2009-10	577603	138930	1667	1.20 %	98.80 %
2010-11	581890	121771	1237	1.02 %	98.98 %
2011-12	576073	164024	5400	3.30%	96.71%

Source: District Programme Coordinator (DM), Malda

Negligible proportion of JCH demanding job were given 100 days' employment

The District could provide 100 days guaranteed wage employment to a negligible proportion JCH demanding employment.

Thus, the basic objective of enhancing the security of livelihood in rural areas by providing at least 100 days of guaranteed wage employment under the scheme was not achieved.

**Sector wise Physical performance :** The sector wise physical performance for the district is detailed below:

**Table No 5.7 : Sector wise details of physical performance under MGNREGS during 2007-12**

Name of Activity	No. of works completed	No. of ongoing works	Expenditure as of March 2012 (Rupees in crore) (percentage with respect to total expenditure)
1 Water conservation and water harvesting	757	187	18.72 (7)
2 Drought Proofing	2143	228	15.20 (5)
3 Micro irrigation works	128	40	3.94 (1)
4 Provision of irrigation facility to SC/ST and others	4615	979	25.79 (9)
5 Renovation of traditional water bodies	1449	391	34.64 (12)
6 Land development	561	113	9.92 (4)
7 Flood control and protection	168	44	6.81 (2)
8 Rural connectivity	4502	996	154.94 (55)
9 Administrative expenses	0	0	12.69 (4)
10 BNRGSK(Bharat Nirman Rajiv Gandhi Seva Kendra)	0	17	0.51 (0.18)
<b>Total</b>	<b>14323</b>	<b>2995</b>	<b>283.16</b>

Source: District Programme Coordinator (DM), Malda

According to the guidelines, works on drought proofing were to be accorded highest priority whereas road connectivity was to be accorded the least priority. However, during 2007-12, 55 per cent of funds were spent on ongoing works for rural road connectivity, whereas the expenditure towards drought proofing works accounted for only five per cent of the total expenditure. This indicated lower priority on eradication of drought and irrigation facilities.

### 5.3.2.4 Monitoring and evaluation

**Social Audit :** The details of Social Audit<sup>24</sup> by the MGNREGS, DNO, WB Malda is tabled below:

**Table No 5.8 : Details of Social audit**

Year	No. of GPs in which Social Audit Committee in existence	No. of GPs in which Social Audit was	No. of objections raised	No. of objections settled
2007-08	No Social Audit Committees were formed up-to 2007-08			
2008-09	56	56	NIL	NIL
2009-10	132	132	11	11
2010-11	146	46	07	07
2011-12	146	146	44	41

Source: District Programme Coordinator (DM), Malda

<sup>24</sup> Social audit denotes checking and verification of implementation and results of a scheme by the community with the active involvement of the primary stakeholders and with the full support of administrative machinery.

**Physical Inspection Report:** As per NREGS guidelines, the District level implementing agency should inspect 10 *per cent* of the completed schemes in the District. Against the norms, there were substantial over-achievements during 2008-09 (29 *per cent*) and 2011-12 (27 *per cent*), while during other three years it hovered around eight to nine *per cent*.

#### 5.3.2.5 Other issues

Out of 59323 job cards issued by the sampled GPs upto March 2012, photographs were not affixed on 23020 job cards (39 *per cent*).

#### 5.3.3 Conclusion

Employment generating schemes could not achieve their intended objectives of providing sustained level of income. While only 0.6 *per cent* of the SHGs could be credit-linked in SGSY, MGNREGS could not ensure 100 days jobs to a substantial percentage of the targeted population. Non-utilisation of assets created through SGSY assistance was indicative of unplanned creation of infrastructure, coupled with lax monitoring and intervention.

#### 5.3.4 Recommendations

- *Creation of infrastructure should be prudently planned and utilization of created infrastructure should be ensured.*
- *SHGs should be properly guided in preparation of project for credit linkage under SGSY followed up by effective monitoring.*

### 5.4 Agriculture

Malda district has an agrarian economy with about 65 *per cent* of the population being farmers. The main crops of the District are pulses, rice, jute, etc. As of March 2010, net area sown in the District was 2.16 lakh ha forming four *per cent* of net area sown in the state (52.56 lakh ha). The District contributed five *per cent* (7.89 lakh tonnes<sup>25</sup>) of the food grains produced by the State (157.42 lakh tonnes). Performance of two schemes operational in the District viz. National Food Security Mission (NFSM) and Rashtriya Krishi Vikas Yojana (RKVY) aiming at increasing the agricultural productivity, were subjected to review. The main audit findings are discussed below:

#### 5.4.1 National Food Security Mission (NFSM)

National Food Security Mission (NFSM), a centrally sponsored scheme, was introduced from 2007-08 with the broad objective of increasing the production of rice, wheat and pulses during the Eleventh Plan. NFSM was implemented in Malda with the aim of (i) increasing productivity of pulses<sup>26</sup> through expansion of area and enhancement of productivity, (ii) restoring soil fertility and productivity at the individual farm level, (iii) creation of employment opportunity and (iv) enhancing farm level economy (i.e. farm profits) to restore confidence amongst the farmers.

<sup>25</sup> 7.65 lakh tonnes of cereals plus 0.24 lakh tonnes of pulses

<sup>26</sup> NFSM has three components -rice, wheat and pulses. In Malda NFSM-Pulses is being implemented

The scheme is being implemented by the Agricultural Technology Management Agency (ATMA<sup>27</sup>) to which funds are released by the Agriculture Department. Director of Agriculture (Admn) (DDA), the District level officer of Agriculture Department is the Project Director of ATMA, is entrusted with the district level implementation. The DDA is assisted by the Assistant Director of Agriculture at the block level.

#### **5.4.1.1 Fund Position**

During 2007-12, out of ₹ 6.07 crore released by the Agriculture Department to ATMA, Malda, ₹ 3.76 crore (62 *per cent*) were expended leaving a balance of ₹ 2.31 crore as of March 2012. Shortfall in utilisation of funds was attributable to slow progress of implementation of the scheme and delay in release of funds by the Department. While delay in release of funds pertaining to 2007-10, ranged between six months to more than a year, funds for the year 2008-09 were received in 2009-10. Moreover, at the behest of the Department, ATMA transferred (December 2011) ₹ 0.89 crore (63 *per cent* of ₹ 1.41 crore available with ATMA) to the account of West Bengal State Food Security Agency. Such delayed release of funds factored behind non-achievement of programme objectives within the stipulated time frame.

#### **5.4.1.2 Performance of major interventions**

The major interventions of NFSM are provision of seeds, Integrated Nutrient Management, Integrated Pest Management, assistance for purchase of pump sets, etc. Audit findings on the implementation of these interventions are discussed below:

##### **(i) Seeds**

Quality of seeds is the most important factor affecting the productivity of any crop. Under NFSM, high yielding certified seeds - breeder and foundation - were to be made available to the farmers. For implementing the scheme, seeds were either to be supplied by the West Bengal State Seed Supply Corporation (WBSSC) or produced through Zonal Research Station.

Analysis showed that during the period covered under Audit, targets were not fixed for purchase of breeder seeds except in 2008-09 and for production of seeds except during 2007-09. While breeder seeds were not purchased and distributed during 2007-12, the achievement for production during 2008-09 was only 12 *per cent* (226.94 qtls against 1846 qtls targeted) of the target. Evidently, the component of distribution of high yielding seeds was grossly neglected.

In reply, Project Director (PD) stated (September 2011) that the intervention of distribution of certified seeds could not be achieved due to non-availability of seeds with WBSSC. PD further intimated that the quantum of allowable subsidy at the rate of ₹ 20 per kg was not acceptable to farmers and they prefer to use local seeds of pulses grown at their fields.

Thus, the basic objective of distribution of high yielding varieties of seeds remained unachieved as the Department failed to supply and popularise quality seeds.

*The component of distribution of high yielding seeds was grossly neglected*

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<sup>27</sup> A Society having a Governing Board under the Chairmanship of District Magistrate while other members *inter alia* include Joint Director (Agriculture) / Deputy Director (Agriculture), representative of Zonal Research Station / Krishi Vigyan Kendra, Lead Bank Officer of the District, representative of District Industries Centre, representative of Agriculture Marketing Board, farmer representative, one horticultural farmer.

**(ii) Nutrient and pest management**

Under Integrated Nutrient Management (INM) each season, farmers are provided assistance for promotion of micronutrients/lime/Gypsum at the rate of ₹ 1250/ha<sup>28</sup> for a maximum of five ha area under pulses cultivation or 50 per cent of the actual cost borne by them, whichever is less. Integrated Pest Management (IPM) encourages use of pheromone traps, mechanical and biological control of pests and involves financial assistance for need based inputs like pesticides, bio-pesticides, bio-agents, etc. at the rate of ₹ 750/ha or 50 per cent of the cost, whichever is less. Use of bio-pesticides shall be strictly in accordance with the recommendations of State Agricultural Universities (SAU)/ Indian Council of Agricultural Research Institute (ICAR)/Central Biological Control Laboratories of the Directorate of Plant Protection Quarantine & Storage.

Deficiencies noted in the implementation of these interventions are detailed below.

- Year-wise target and achievement thereagainst under these schemes have been shown in **Appendix 5.2**. Though physical targets under these interventions were fully achieved during 2008-10, the scheme remained largely unexecuted in the years 2010-12. Further, quantity of micro-nutrients and chemicals were to be distributed to the farmers in proportion to the cultivable land area (subject to a maximum of five ha) as well as inputs deficiency in soil. However, soil was not tested to assess the requirement of inputs. Moreover, available records did not indicate that bio-pesticides had been used in accordance with the recommendations of SAU/ICAR. Thus, though the interventions were executed largely according to target, the same was done without assessing nutrient and micronutrient deficiency. The Project Director replied (September 2011) that nutrients were procured for distribution among farmers taking into account the general nature of the soil in the District. The reply should be viewed with the fact that the nature of soil cannot be the same all over the district as it is site-specific.
- The procurement of IPM/INM items was made by the Project Director from WBSSC Ltd. Assistance being limited to 50 per cent of cost of the materials, farmers were to purchase the balance 50 per cent at their own expenses. In five test checked blocks, during 2007-12, materials worth ₹ 97.58 lakh (₹ 2.45 crore in the whole district) were procured and distributed to 16674 farmers. There was, however, no monitoring report available to indicate whether the beneficiaries had procured the balance 50 per cent materials for application in their fields. Audit also noted that purchase of Linz-Donawitz (LD) slag in the year 2010 and 2011 for reclamation of acidic soil was 81 per cent short of requirement. Against the requirement of 1022.177 MT<sup>29</sup> of LD slag for 1954.45 ha of land in four blocks of District, only 185.680 MT was purchased. Thus, the very purpose of removal of acidity was defeated. DDA (Admn) attributed this to cap of assistance<sup>30</sup> stipulated in the guidelines. However, it was felt in audit that the matter should have been brought to the notice of the appropriate authority for necessary action.

<sup>28</sup> ₹ 750 per ha for IPM and ₹ 500 per ha for micronutrients

<sup>29</sup> As per guidelines for liming materials recommendedn dose of application of lime, Dolomite and basic slag was 523 kg/ha/year.

<sup>30</sup> Guidelines permitted only ₹ 500/ha while a kilogram of LD slag costed ` 7.62/kg and each hectare would have costed ` 3985.

- In five selected blocks, the beneficiary list prepared by Panchayat Samiti (PS) for distribution of different items under INM/IPM was not approved by the District Food Security Mission Executive Committee (DFSMEC), though stipulated in NFSM guidelines. PS distributed the items without proper identification of beneficiaries and as such the genuineness of the beneficiaries/farmers could not be ensured in audit.

***(iii) Assistance for purchase of Pump Sets :***

NFSM also envisaged increase of irrigated area to enhance productivity. With this aim, an assistance of 50 per cent of the cost of the pump sets or ₹ 10000 per pump set, whichever is less, is provided to the beneficiaries. Against 655 pump sets to be distributed during 2008-10, 542 (83 *per cent*) were distributed involving assistance of ₹ 52.33 lakh, though ₹ 77.38 lakh were available for this purpose. Project Director attributed (September 2011) non-utilization of funds to election and delay in collection of farmers' share. The fact, however, remains that full disbursement was not made even by June 2012, though election was held in May 2011.

***(iv) Accelerated Pulse Production Programme :***

Accelerated Pulse Production Programme (A3P), a Centrally Sponsored scheme under NFSM was introduced in 2010-11 for operation during 11th Five Year Plan period. The programme envisaged setting up of A3P Units for active promotion of production and protection technologies. Each A3P units would be in the form a village level block demonstration centre covering an area of 1000 ha. The programme provided for free supply (for 2 ha/farmer) of quality INM/IPM kit and seed minikits and emphasised its timely availability to farmers. Out of ₹ 1.60 crore (2010-11: ₹ 1.09 crore, 2011-12: ₹ 0.51 crore) allotted during 2010-12, the District received ₹ 1.09 crore for 2010-11 and expended ₹ 0.15 crore (15 *per cent*). No funds were received for 2011-12.

During 2010-11, the programme was implemented in four blocks <sup>31</sup> out of which Kaliachak-III, which had been selected for cultivation of lentil during Rabi 2010-11, was test checked. Out of 12 INM/IPM items to be supplied in the block, only six were supplied and that too between January and February 2011 i.e. after delays of one to two months from the sowing period (first to third week of November). As per report, Kaliachak-III block witnessed a yield improvement of 10 *per cent* in lentil *vis-a-vis* the local variety. The veracity of the report was felt doubtful in audit as inputs were either supplied late or not supplied.

Further, programme with an allocation of ₹ 50.55 lakh was not implemented during Kharif 2011. DDA (Administration), Malda expressed his inability to implement the programme successfully as sanction was accorded (August 2011) after start of the sowing season. Though he sought permission for utilising it for Kharif 2012, necessary permission was not forthcoming from the Department. Resultantly, objective of the programme was defeated.

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<sup>31</sup> *Ratua-I, Manikchak blocks, Kaliachak-I and , Kaliachak-III*

*NFSM did not yield desired impact as cultivated area and production showed an overall decline of 16 per cent and six per cent respectively during 2007-12*

### 5.4.1.3 Impact of the programme

The programme had an all India target for enhancement of production of pulses by 2 million tons by 2012. District-wise break-up of this target was not available. The aim of increasing production of pulses through area and productivity enhancement remained unachieved as evidenced by the data on production of pulses in the five selected blocks (**Appendix 5.3**) during 2007-12. The area under cultivation as well as the yield showed a fluctuating trend during 2007-12 with sporadic increases in 2008-09 and 2011-12. Cultivated area and yield in 2011-12 showed an overall decline of 16 per cent and six per cent vis-à-vis those of 2007-08 respectively. This indicated that the programme fell short of the desired level of impact.

### 5.4.1.4 Monitoring and Evaluation

At the district level, the programme is to be monitored by District Food Security Mission Executive Committee (DFSMEC) supported by the Project Management Team (PMT). Close monitoring of physical and financial targets of various programme interventions would be done by the PMT. Though the guidelines do not prescribe minimum number of meetings to be conducted by DFSMEC, holding of only three meetings during 2007-12 indicated inadequate monitoring. Though monitoring by PMT is stated to have been conducted, it was not supported by any monitoring reports. Further, evaluation and impact studies were not conducted in the State despite stipulation.

## 5.4.2 Rashtriya Krishi Vikas Yojana (RKVY)

RKVY, a special Additional Central Assistance scheme launched by GoI, Department of Agriculture in the year 2007-08 aims at achieving four per cent annual growth in the agriculture sector by ensuring a holistic development of Agriculture and allied sectors. Out of seven components (Soil Fertility, Infrastructure Development, Farm Mechanization, Comprehensive District Agricultural Plan, Plant Protection, Hybrid Seed Production and Distribution of Pump sets) under the scheme, implementation of two viz., Farm Mechanisation and Enhancement of Soil Fertility and one sub-scheme viz. Bringing Green Revolution to Eastern India (BGREI) were scrutinised through test check of records of the five selected blocks and three<sup>32</sup> Government Agricultural Farms.

### 5.4.2.1 Funds position

During 2007-12, out of ₹ 5.73 crore received, ₹ 3.56 crore (62 per cent) were utilised indicating low level of activities under the scheme. It was seen that there was delay in receipt of funds with 88 per cent of funds meant for 2007-08 being received in 2008-09 and 48 per cent of the 2008-09 funds being received in 2009-10. This led to tardy implementation of the scheme. Out of unutilised balance of ₹ 2.17 crore as of March 2012, 50 per cent (₹ 1.09 crore) pertained to 2007-11.

### 5.4.2.2 Farm Mechanisation

Under Farm mechanisation, 176 improved agricultural implements costing ₹ 67 lakh had been provided to eight farms and two co-operative societies during 2007-11.

<sup>32</sup> State Adaptive Research Farms at Chanchal-I, Kaliachak-III and Block .Seed .Farm-Gazole

Out of this, 14 equipment worth ₹ 18.63 lakh (**Appendix 5.4**) supplied to four farms and two co-operative societies were not put to use for reasons such as absence of technical persons, non-availability of tractors<sup>33</sup> and non-completion of electrical work. Thus, unplanned purchase resulted in blockage of RKVY funds of ₹ 18.63 lakh. This also frustrated the scheme objective of enhancing productivity through farm mechanisation.

Further, ₹ 26.04 lakh were released as uniform subsidy at the rate of ₹ 12000 per pump set for distribution among 217 Self Help Group (SHG) under SGSY/ Co-operative Society during 2010-11. Out of these, 124 SHGs are yet to provide their share of cost and subsidy amounting to ₹ 14.88 lakh remained undistributed.

#### **5.4.2.3 Enhancement of soil fertility**

Enhancement of soil fertility aimed at improving soil health involved, imparting training among farmers, providing with Community vermicompost, reclamation of acid soil etc. The level of activities were not up to the desired level as out of ₹ 82.17 lakh received during 2007-12, only ₹ 22.84 lakh (28 *per cent*) was utilised leaving a balance of ₹ 59.33 lakh. No expenditure was made from ₹ 44.35 lakh received during 2010-11 to 2011-12.

#### **5.4.2.4 Demonstration Centres under BGREI<sup>34</sup>**

Four<sup>35</sup> Demonstration Centres (DC) for Kharif paddy were started in 2001-12 with the target of increasing productivity on an average by 0.5 MT per hectare in demonstration area. Each DC was to be supplied with 10 components like seed, nutrients, farm mechanisation, etc. Though the targeted increase in productivity was achieved, the execution had the following deficiencies.

- Against a target of 4000 ha (each centre with 1000 ha), the achievement was 3434 ha (86 *per cent*).
- Seed Treating Chemical required for treatment of seeds was not supplied and the seeds were sown without treatment.
- Micronutrients (10 MT in four blocks), which were required to be applied during land preparation before sowing (sown in June 2011), were applied between July and September 2011 after sowing due to delayed distribution.
- Farm mechanisation was not implemented and ₹ 44.50 lakh released remained unutilised.

#### **5.4.2.5 Monitoring and Evaluation**

Agriculture Department is responsible for implementation, monitoring and evaluating projects under the scheme. State Level Sanctioning Committee is also required to review the implementation of the schemes' objectives and ensure that the programmes are implemented in accordance with the guidelines laid down. However, no reports as to such monitoring were available. It was seen that in the District, monitoring was done through RKVY Committee. However, no stipulations as to the frequency of review meetings by Committee were available. During 2009-12, the committee met eight times.

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<sup>33</sup> One item viz. Zero seed Drill machine needs tractor for operation.. Purchase of Tractors are, however, proscribed under guidelines.

<sup>34</sup> Bringing Green Revolution to Eastern India was launched under RKVY by GoI in 2009.

<sup>35</sup> At Banangola, Chanchal -I, Gazale and Harishchandrapur-I blocks

State level Sanctioning Committee (SLSC) responsible for evaluation studies did not conduct any such study. As a result benefits derived from implementation of different components under the scheme could not be ascertained.

### 5.4.3 Conclusion

The aim of increasing production of pulses through area and productivity enhancement remained unachieved while cultivated area and yield in 2011-12 showed an overall decline of 16 per cent and six per cent as compared to those of 2007-08 respectively, indicating that the District is falling short of NFSM targets achievable in 2011-12. Failure of timely distribution of inputs among the beneficiaries factored behind such non-achievement.

As regards RKVY, the district authority failed to effectively implement the interventions under the components test checked as transpired from low level of expenditure, un-coordinated purchase of implements, etc.

Implementation of both NFSM and RKVY was affected by lax monitoring.

### 5.4.4 Recommendation

- *Timely distribution of different inputs (nutrients, IPM items, seeds, etc.) should be ensured so that interventions result in enhanced productivity.*
- *Timely funding should be ensured.*
- *Purchases of machinery should be made after ensuring that pre-requisites for its running are in place.*
- *Efficient functioning of monitoring mechanism should be ensured.*

## 5.5 Backward Region Grant Fund

Backward Region Grant Fund (BRGF), a centrally sponsored scheme came into existence in 2006-07 by restructuring the erstwhile 'Rashtriya Sama Vikas Yojana'. BRGF is designed to redress the regional imbalances in development. The BRGF fund is basically untied in nature and designed to bridge critical gaps in local infrastructure and other development requirements that are not being adequately met through existing fund flow. Malda was selected for implementation of BRGF. Panchayat & Rural Development Department was designated as the nodal Department at the State level.

In terms of the provisions laid down in the scheme guidelines (January 2007), issued by the Ministry of Panchayati Raj (MoPR), three-tier PRI bodies and the Municipalities were to undertake planning and implementation of the programme. The District Planning Committee was to consolidate these participatory plans into the District Plan. A High Powered Committee, consisting of high level dignitaries of the State Government, would consider and approve the District plan consolidated by the District Planning Committee.

### 5.5.1 Financial transactions

The guidelines envisaged that during 2006-07 (i.e. the first year of the programme), total allocation for capability building would be released subject to the groundwork

such as preparation of Draft District Development Plan duly consolidated by the DPC at District level and approved by the HPC at state level. It was also stipulated that funds starting from the second installment of 2007-08 would be released subject to submission of physical and financial progress report, utilisation of at least 60 per cent of available funds, submission of utilisation certificates etc.

During 2007-12, ₹ 73.75 crore was received by the District under BRGF (Zilla Parishad: ₹ 11.84 crore, Panchayat Samitis: ₹ 13.01 crore; Gram Panchayats: ₹ 42.02 crore and municipalities: ₹ 4.91 crore, remuneration to Jeevika Sevak: ₹ 1.96 crore). The District could not avail of ₹ 27.50 crore during 2007-09 (Supplementary Plans for 2007-09 and Annual Plan: 2008-09). The same was attributable to delayed finalization of the District Perspective Plan and Annual Action Plans (2007-10) and non-adherence to the stipulated conditions as detailed hereunder.

**Table No 5.9 : Delayed preparation of plans**

Plans for the District	Date of Submission to DPC	Date of Approval by DPC
Perspective Plan 2007-12	June 2010	June 2010
Annual Plan: 2007-08	May 2009	May 2009
Annual Plan: 2008-09		
Annual Plan: 2009-10	August 2009	September 2009

Source: Information as furnished by Zilla Parishad

Zilla Parishad stated (July 2011) that MoPR's stipulation (allotment of a financial year should be claimed within that financial year) was promulgated at a later date. It was also stated that funds of previous year were received at the end of that financial year and it could not be used and hence, the allotment for next year could not be claimed.

The year-wise position of receipt and utilisation of funds (at the level of PRIs and ULBs) during 2007-12 as depicted in the Monthly Progress Reports (MPRs) furnished by the Zilla Parishad to the GoWB was as under:

**Table No 5.10 : Position of receipt and utilisation of funds in Malda as a whole**

Year	Opening balance	Total receipts	Total funds available	Funds utilised	Unspent balance	Percentage of utilisation
Rupees in crore						
2007-08	0	10.00	10.00	6.15	3.85	62
2008-09	3.85	4.42	8.27	4.39	3.88	53
2009-10	3.88	20.23	24.11	19.79	4.32	82
2010-11	4.32	31.84	36.16	17.69	18.47	49
2011-12	18.47	6.98	25.45	21.18	4.27	83
<b>Total</b>		<b>73.47</b>		<b>69.20</b>		

Source: MPRs sent by Zilla Parishad to GoWB

Scrutiny of records of Zilla Parishad, five sampled Panchayat Samitis and 17 Gram Panchayats, however, showed that during 2007-12, percentage of utilization was 90, 77 and 79 respectively. This indicated possibility of over-reporting of achievement as well as utilization of funds. The same would be further corroborated by the following:

- As per MPR submitted by Malda ZP, ₹ 4.27 crore stood unspent in the District as of March 2012. Test check, however, showed that total ₹ 8.81 crore remained unspent with ZP (₹ 6.14 crore), sampled five PSs (₹ 1.59 crore) and sampled 17 GPs (₹ 1.08 crore) as of March 2012.

### 5.5.2 Physical target and achievement

As per District Perspective Plan (2007-12), 16811 projects were targeted for PRIs involving a total expenditure of ₹ 109.96 crore. Against the same the cumulative numbers of projects taken up and completed by the PRIs as of March 2012, as reported in MPR, were 6719 (40 per cent of targeted number) and 6283 (94 per cent of projects taken up) respectively. Inconsistencies were, however, noticed during test check of five PSs and 17 GPs, where completed projects represented 87 per cent (487 completed out of 540 taken up) and 53 per cent (442 completed out of 805 taken up) respectively.

### 5.5.3 Conclusion

Implementation of the scheme during the initial years was tardy owing to deficient preparatory works. Physical and financial progress as reported through MPRs may not reflect the actual picture, as substantial variations were observed during sample check of Panchayat Samitis and Gram Panchayats.

## 5.6

### Energy

#### 5.6.1 Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY)

Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) was launched by GoI in April 2005 to provide electricity to all rural households within a period of five years. Ninety per cent of the scheme cost is borne by the GoI as subsidy, while 10 per cent is financed through loan from Rural Electricity Corporation (REC). The component of electrification of below poverty line (BPL) rural households (RHh) is fully borne by the GoI. The West Bengal State Electricity Distribution Company Limited (WBSEDCL) is the implementing agency in the District. During 2007-12, out of ₹ 108.89 crore received in the District, ₹ 91.50 crore (84 per cent) were spent.

##### 5.6.1.1 Progress in implementation

WBSEDCL had fixed (April 2008) a target for electrification of 1.26 lakh BPL Hhs in 1552 mouzas. Against the target, 811 mouzas (52 per cent of the target) were electrified as of March 2012. Out of this, certificates of electrification<sup>36</sup> required for declaring these villages as electrified were obtained from Gram Panchayats in case of only 265 (17 per cent) mouzas.

<sup>36</sup> As per Rural Electrification Policy, 2006, a village would be declared as electrified based on the certificate issued by Gram Panchayat.

WBSEDCL attributed shortfall in achievement to lack of co-ordination between various wings of WBSEDCL and apathy of management towards energisation of BPL Hhs.

Scrutiny of the records of WBSEDCL disclosed the following :

- The work of erection of 1880 KM of three phase, 364 KM of single phase and 679 KM of HT lines and installation of 1940 Distribution Transformers (DTRs) in 1552 mouzas for electrification of 126087 BPL Hhs was awarded (February 2009) to M/s Genus Power Infrastructure Limited (GPIL) at a cost of ₹ 121.06 crore. The target date for completion of the work was envisaged as August 2010. However, as of the scheduled date (August 2010) of completion, only 41 *per cent* of single phase line, 11 *per cent* of HT line and 0.2 *per cent* of three phase lines were erected, while only 22 *per cent* of the targeted BPL Hhs and four *per cent* of targeted mouzas were covered.
- Subsequently, WBSEDCL revised the bill of quantity (BOQ) twice in October 2010 (₹ 130.83 crore) and in March 2012 (₹ 133.11 crore). The requirement of infrastructure as per latest BOQ was 552 KM of three phase LT line, 2840 KM of single phase LT line and 2010 DTRs, which represented wide variations ranging from (-) 71 *per cent* to 680 *per cent* from the original plan. Repeated changes in BOQ with such wide variations pointed to inadequacies in planning.
- As of March 2012, achievement *vis-a-vis* the revised target stood at 134 *per cent* (741.24 KM) for three phase line, 84 *per cent* (2379.06 KM) for single phase lines, 97 *per cent* (657.25KMs) for HT lines and 51 *per cent* for (1019) DTRs. In terms of coverage of BPL Hhs and mouzas, achievements stood at 83 *per cent* (1.05 lakh Hhs) and 53 *per cent* (811 mouzas) respectively. It is notable that due to downward revisions of BOQ, the achievement in three phase lines exceeded the target by 34 *per cent*.
- Though the scheme envisaged providing connections to BPL Hhs free of cost, in two GPs (Karkach and Sadlichak) out of 17 test-checked, Gram Prodhans stated (May 2012) that the contractor had charged BPL Hhs ₹ 100 to ₹ 250 for giving connections. Subsequent enquiry conducted (August 2011) by REC based on public complaints also vindicated the complaints. Records showed that action had been initiated by WBSEDCL against the contractor and some workmen from a contractor were remanded to police custody.
- As per guideline, every BPL Hh is to be provided one CFL bulb of 11 watt. As per report of RITES<sup>37</sup> (February to March 2012), the Third Party Inspector appointed to evaluate the implementation of the scheme, 528 BPL Hhs were not provided with CFL bulbs.

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<sup>37</sup> Rail India Technical and Economic Services Limited

### 5.6.1.2 Conclusion

Implementation of the scheme was adversely affected by deficiencies in planning and consequent revision of targets to the end of the Plan period. The slow progress of work and non-achievement of target even after 19 months from the scheduled target date of completion was indicative of lax implementation of the scheme. Instances of BPL Hhs being illegally charged with money against electricity connection should be viewed seriously as the scheme had envisaged free connections.

### 5.6.1.3 Recommendation

- *Meticulous planning and stringent supervision should be undertaken to minimise changes in estimates and reduce delays.*
- *The Department should take effective steps to prevent recurrence of Contractors collecting money from BPL households.*