

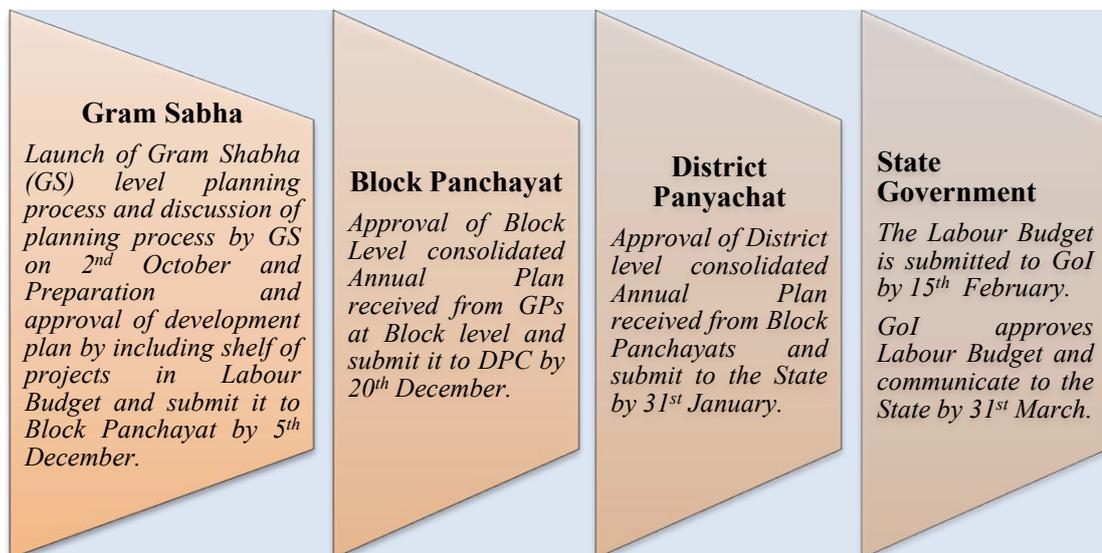
Chapter - 2
Effectiveness of Planning

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Effectiveness of Planning

Planning is critical for successful implementation of Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS). A key indicator of success is the timely generation of employment and at the same time ensuring that the design and selection of works are such that good quality assets are created. The need to perform within a timeframe necessitates advance planning.

Every *Gram Panchayat* (GP) was to prepare a development plan and a shelf of possible works/projects to be undertaken as and when demand for the work arose. The plan was to include assessment of labour demand, works to meet the assessed demand, estimated cost of work and Persondays (PDs) to be created. A pictorial presentation depicting the due dates for the stages in the planning process is given below:



Audit noticed that the planning process was not adhered to by the key functionaries at various levels as discussed in the succeeding paragraphs:

2.1 Preparation of Plan and Labour budget

Para 6.1.3 of Operational Guidelines, 2013 stipulates that the District Programme Coordinator (DPC) must ensure strict adherence to the principles of bottom-up approach from planning to approval of the selected shelf of projects by each of the *Gram Sabhas* in the district.

Before preparation of Labour Budget (LB), various activities need to be completed first such as:

- conducting of baseline survey to assess the quantum and timing of demand for work;
- preparation of Development Plan and shelf of projects;
- preparation of District Perspective Plan to identify the needs and gaps in the districts in all the sectors; and

- adherence of timeline in preparation of labour budget *etc.*

However, in preparation of Labour Budget various deficiencies/irregularities were noticed as discussed in the succeeding paragraphs:

2.1.1 Baseline survey

Para 6.2 (i) of Operational Guidelines, 2013 stipulate that a survey of job card holders was to be mandatorily conducted in every GP, to prepare a baseline to assess the quantum and timing of demand for employment in GP. Expert institutions were to be empanelled separately in each State to finalise the framework and methodology. The pilots for baseline survey were to be done in 2012-13 so that the surveys for all GPs were completed in 2013-14. Reassessment of the base year LB/demand for work based on household survey should be done once in every five years to account for changes in the local pattern of livelihoods and opportunities for work in production activities. The baseline assessment will be a mandatory component of the development plan¹ of the GP and the District.

Audit scrutiny revealed that neither expert institution was empanelled in the State to finalise the framework and methodology for assessment of quantum and timing of demand of work in GP nor baseline survey was conducted. Due to the absence of this survey, GPs were unable to accurately determine the actual demand for work from beneficiaries or the timing of their employment requests. As a result, a realistic development plan could not be prepared at the grassroot level as discussed in **Paragraph-2.1.2.1.**

During the Exit Conference (January 2025), the Secretary, RDD acknowledged the audit observations and assured that consolidated guidelines would be issued to all districts to address these concerns effectively.

2.1.2 Irregular planning at GPs/Blocks/Districts/State levels

According to Para 6.6 of the Operational Guidelines 2013, each GP must submit its Annual Plan and Labour Budget (AP & LB), along with a resolution from the *Gram Sabha* to the Programme Officer (PO). The Block Panchayat is not allowed to reject any work proposed by the GP if it complies with the Act and guidelines framed; if not, it must return the proposal to the GP for revision. Further, in order to attain sustainable livelihoods, Para 6.4 of the Guidelines provides that all attempts should be made for convergence with other schemes, such as Integrated Watershed Management Programme (IWMP), Rashtriya Krishi Vikas Yojana (RKVY), Command Area Development and Water Management (CAD & WM), National Horticulture Mission (NHM) *etc.* The order of priority of projects shall be determined by each GP in meetings of the *Gram Sabha* and will be reflected in the Annual Plan.

Audit scrutiny revealed the following facts:

- Meetings of the *Gram Sabha*² to identify works under MGNREGS were held with delays ranging up to 311 days (average delay: 72 days). Further, none of the

¹ Development Plan is an Annual Plan for MGNREGS which is prepared by every GP after considering the recommendations of *Gram Sabha*.

² Records of GPs Bunga, Dhaulara and Jeetap were not made available to audit.

selected GPs recorded the dates of submission of proposals for inclusion in the Block-level AP&LB. Audit could not verify whether the Annual Plans of the GP were submitted to authorities in a timely manner.

- Projects were arbitrarily added or removed from the Annual Plan at the Block levels. An analysis of proposals from selected GPs revealed discrepancies between the number of works proposed and those included in the Annual Plan at the Block level. During 2019-24, while selected GPs proposed 1,409 works, there were 1,278 works included at Block level (*Appendix-2.1*). These changes were made without the involvement of the GPs, violating the provisions of MGNREGA.
- Scrutiny of records at the State MGNREGS Cell revealed that the Labour Budgets (LBs) of the State for the years 2019-24 were submitted to the Government of India (GoI) in February-March and were subsequently approved by the GoI in March each year. However, it was observed that these LBs were prepared without following the bottom-up approach. It is evident from the fact that the DPCs of selected districts submitted their LBs in January-February each year during 2019-24, whereas the AP & LBs of the Blocks were only submitted to the district between January and October during the same period. This sequence indicates that the LBs were finalised by the GoI before the Block level AP & LBs were even submitted, defeating the purpose of preparing a LBs based on grassroot inputs.

While accepting the audit observation during Exit Conference (January 2025), the Secretary, RDD, intimated that an order will be issued to ensure the bottom-up approach in the preparation of the labour budget.

2.1.2.1 Gap in projected and achieved persondays

Audit observed that the LBs of selected Districts were not prepared in a bottom-up approach as there was a huge variation between Persondays (PDs) proposed in LBs of the districts which were sent to State MGNREGS Cell and PDs proposed by the Blocks of the district in their LBs as detailed in **Table-2.1** below:

Table-2.1: Projection of PDs by the selected District and Blocks

Year	Almora		Tehri Garhwal	
	As per LB of the Blocks	As per LB of the District	As per LB of the Blocks	As per LB of the District
<i>(numbers in lakh)</i>				
2019-20	36.06	13.52	Data not available	31.06
2020-21	53.07	12.00	Data not available	25.89
2021-22	20.24	20.24	189.40	28.83
2022-23	16.00	16.00	182.72	27.80
2023-24	18.98	21.60	164.47	32.25

Source: Labour budget of selected District and Blocks.

Further, the achievement of projected PDs was notably poor in the test-checked blocks of Tehri Garhwal district compared to Almora district, with a shortfall ranging from 65 per cent to 86 per cent in Bhilangana Block and 72 per cent to 85 per cent in

Narendra Nagar Block during the period 2019-24. In contrast, Almora district saw a shortfall of two per cent to 80 per cent in the Hawalbagh Block and 29 per cent to 83 per cent in the Takula Block as detailed in **Table-2.2** given below:

Table-2.2: Projection and Achievement of PDs in selected blocks

Year	Hawalbagh Block			Takula Block		
	No. of PDs projected in LB	No. of PDs Generated	(+) Excess / (-) Shortage (percentage)	No. of PDs projected in LB	No. of PDs Generated	(+) Excess /(-) Shortage (percentage)
<i>(Figures in lakh)</i>						
2019-20	6.52	1.37	(-) 5.15 (79)	5.27	0.88	(-) 4.39 (83)
2020-21	12.95	2.61	(-) 10.34 (80)	3.95	1.44	(-) 2.51 (64)
2021-22	1.89	1.85	(-) 0.04 (02)	1.44	1.02	(-) 0.42 (29)
2022-23	1.40	1.52	(+) 0.12 (09)	1.79	0.90	(-) 0.89 (50)
2023-24	1.83	1.20	(-) 0.63 (34)	1.62	0.71	(-) 0.91 (56)
Total	24.59	8.55	(-) 16.04 (65)	14.07	4.95	(-) 9.12(65)
Year	Bhilangana Block			Narendra Nagar Block		
	No. of PDs projected in LB	No. of PDs Generated	(+) Excess / (-) Shortage (percentage)	No. of PDs projected in LB	No. of PDs Generated	(+) Excess /(-) Shortage (percentage)
<i>(Figures in lakh)</i>						
2019-20	19.25	5.12	(-) 14.13 (73)	9.63	2.30	(-) 7.33 (76)
2020-21	23.92	8.33	(-) 15.59 (65)	13.62	3.76	(-) 9.86 (72)
2021-22	28.39	5.76	(-) 22.63 (80)	15.64	2.49	(-) 13.15 (84)
2022-23	32.94	4.62	(-) 28.32 (86)	15.29	2.31	(-) 12.98 (85)
2023-24	23.36	4.82	(-) 18.54 (79)	13.24	2.13	(-) 11.11 (84)
Total	127.86	28.65	(-) 99.21 (78)	67.42	12.99	(-) 54.43 (81)

Source: Departmental data/NREGA Soft data.

The fact remains that the projections of PDs were not based on reliable data from door-to-door or baseline surveys, thus, highlighting critical flaws in the process that undermines the validity and effectiveness of the projections.

On being pointed out, Deputy District Project Coordinators (Dy. DPC) of test checked districts accepted the facts and stated that due to delay in receipt of Block level AP & LB, LBs of the district were prepared at district level. Furthermore, POs of the selected blocks stated that employment under the scheme was offered to HHs that requested it. However, this justification is inadequate, as the projections of persondays were made without conducting a baseline survey at GPs and Blocks level.

2.2 District Perspective Plan

Paragraphs 15.3.1 and 15.3.1.1 of Operational Guidelines, 2013 provide that for implementation of convergence a District Perspective Plan (DPP) should be prepared by the DPC which identifies the needs and gaps in the districts in all the sectors. This plan is a multi-year plan for different departmental projects and requires to be included in the Development Plan of the GP. It also requires maintaining a shelf of possible works to be taken up under the Scheme as and when demand for works arises.

Scrutiny of records of Dy. DPCs of selected districts revealed that the DPP had not been prepared as mandated, which has significant implications for the district's development. The absence of DPP prevented the identification of needs and gaps across various sectors, thereby hindering the effective implementation of convergence

initiatives. Consequently, no convergence related work was included in the list of identified works for the GPs. This oversight not only undermined the objective of coordinated development but also risks the underutilisation of resources and missed opportunities for holistic growth within the district as discussed in *Paragraph-5.4.2* of *Chapter - 5*.

During the Exit Conference (January 2025), Secretary, RDD stated that a consolidated guidelines will be issued in this regard.

2.3 Conclusion

The Act has clearly defined the priority to be given to the planning process right from the grassroot at the *Gram Panchayat* level up to the State level. The detailed planning process was not adopted in the implementation of the scheme. The absence of DPP prevented the identification of needs and gaps across various sectors, thereby hindering the effective implementation of convergence initiatives.

2.4 Recommendations

1. *Annual Plan and Labour Budget should be prepared timely after ensuring a bottom-up approach;*
 - *Conduct timely Gram Sabha meetings to identify works and prioritise them.*
 - *Establish a clear timeline for submission of GP, Block, and District plans to prevent delays.*
2. *The State Government should empanel expert institutions to conduct baseline surveys in all Gram Panchayats (GPs) for assessing the quantum and timing of demand for work.*
3. *Establish a robust mechanism for demand capture at the grassroots level, ensuring that employment demand is accurately projected in the Labour Budgets. This includes:*
 - *Door-to-door surveys to capture demand data.*
 - *Dynamic updating of job card holder information.*

