

Chapter-3 Planning

The guidelines envisaged preparation of two types of plans, viz., five year Perspective plan and the Annual plan. The Perspective plan attempts to integrate work priorities with long term strategy of poverty alleviation through employment generation and sustained development. The annual plan is a working plan emanating from the perspective plan that identifies the activities to be taken up on priority in a year.

3.1 Planning and Labour budget

Chapter IV, Para 14, sub section (6) of the NREG Act envisaged that the District Programme Coordinator shall prepare in the month of December every year a labour budget for the next financial year containing the details of anticipated demand for unskilled manual work in the district and the plan for engagement of labourers in the works covered under the Scheme. The Ministry of Rural Development will estimate the requirement of funds on the basis of projections made in the Labour Budget. Central funds will be sanctioned after examining these Labour Budgets and taking into account utilization of funds previously released. Based on the assessment of labour demand, identification of works to meet this demand and estimated cost of works and wages, in the Gram Panchayat Development Plans (Operational Guidelines Chapter 4), the district should formulate and approve the Labour Budget. The Labour Budget will be based on a realistic estimate for the number and kind of works to be taken up, as derived from the annual shelf of projects in the Development Plan.

Scrutiny of records revealed that neither any specific demand (labour budget) for the year 2007-08 and 2008-09 was placed by the DPCs/PDs of DRDA nor did any budget prepared and approved at Ministry's level. The programme in Assam was implemented without any approved district labour budget during these years. Again, during the years 2009-10 to 2011-12, in 9 out of 10 test checked districts, it was observed that funds released were less than the approved labour budget. The details in this regard are shown in Table-1.

Table-1
Position of release of funds vis-a-vis approved labour budget in the test checked districts (₹ in lakh)

Name of the district	2009-10			2010-11			2011-12		
	Approved by GoI	Actual Release	Short release	Approved by GoI	Actual Release	Short release	Approved by GoI	Actual Release	Short release
Kamrup	2,251.40	1,915.54	335.86	4,068.09	1,769.56	2,298.53	4,719.51	1,900.88	2,818.63
Dibrugarh	2,989.20	822.51	2,166.69	2,649.26	1,226.28	1,422.98	2,464.25	999.19	1,465.06
Jorhat	1,649.50	1,558.08	91.42	2,817.06	1,613.82	1,203.24	3,254.37	1,127.69	2,126.68
Cachar	6,511.30	2,235.76	4,275.54	6,410.89	1,320.65	5,090.24	2,978.69	1,195.74	1,783.95
Hailakandi	5,952.10	6,18.38	5,333.72	6,599.80	3,932.39	2,667.41	4,207.37	1,069.70	3,137.67
Goalpara	5,286.20	3,643.11	1,643.09	4,240.41	2,206.27	2,034.14	4,251.01	2,774.64	1,476.37
Lakhimpur	4,344.90	2,213.16	2,131.74	7,549.03	2,349.88	5,199.15	4,565.64	1,663.50	2,902.14
Chirang	5,647.70	2,722.29	2,925.41	9,082.10	4,649.36	4,432.74	6,935.73	1,195.37	5,740.36
Karbi Anglong	16,497.50	13,981.79	2,515.71	16,141.14	2,609.95	13,531.19	6,611.91	872.96	5,738.95

Source: Information furnished by the Commissioner, P&RD, GOA.

Further scrutiny revealed that the estimated demand placed through labour budgets were not based on requirement of funds projected in the Annual Action Plan (AAP). Thus, number of works to be executed and mandays of unskilled labourers to be generated in accordance with the AAPs had no co-relation with the labour budget, rendering the planning process ineffective.

3.2 District Perspective Plan (DPP)

The status of preparation of District Perspective Plans in respect of the 10 selected districts, as revealed during the course of audit, is given in the Table-2.

Table-2
Status of Perspective Plan in test-checked districts during the period 2007-12
(₹ in lakh)

Name of District	Status of preparation of DPP	Amount spent including advance	Status approval of by SEGC	Remarks
Kamrup	Prepared	8.00	Not approved	M/s Webx Technologies Pvt. Ltd. was entrusted (2009-10) to prepare the DPP for the year 2008-13.
Cachar	Prepared	2.00	Not approved	Job entrusted to Shri H. B. Roy, Project Consultant to prepare DPP for the year 2007-12.
Hailakandi	Not prepared	2.80	Not applicable	Job entrusted to Shri H. B. Roy, Project Consultant to prepare DPP for the year 2007-12.
Dibrugarh	Prepared	9.52	Not sent for approval	DPP for the year 2008-13 entrusted to M/s National Productive Council.
Jorhat	Prepared	7.00	Not approved	Engaged IIE, Guwahati for preparation of the plan for the year 2008-13.
Goalpara	Prepared	10.00	Not approved	Perspective Plan for the year 2006-11.
Karbi Anglong	Prepared	10.00	Not approved	Perspective Plan for the years 2006-11 awarded to M/s NERIWALAM, Tezpur, Assam.
Chirang	Prepared	10.00	Not approved	Entrusted to M/s North Eastern Development and Planners and Consultant, Guwahati for preparation of the plan for the years 2008-13.
Lakhimpur	Not prepared	4.32	Not applicable	Entrusted M/s Hydro Bio-Tech Design Engineers, Guwahati for preparation of the plan for the years 2006-11.
Darrang	Prepared	10.00	Sent to Government but not approved	Entrusted to M/s North Eastern Development and Planners and Consultant, Guwahati for preparation of the plan for the years 2007-12
Total		73.64		

Source: Information furnished by PDs, DRDAs.

The above table indicates that the test-checked districts are in various stages of preparation of their respective DPPs and a total of ₹73.64 lakh was spent. However none of the DPPs have been approved by the SEGC rendering the resources utilised, both man power and the money, unfruitful. The reasons for non approval were not on record.

Thus, besides unfruitful expenditure of ₹73.64 lakh, non-preparation of Annual Development Plan from the Perspective Plan (2007-08 to 2011-12) resulted in non-utilisation of the inputs of perspective plans such as the benefits of shelf of projects, assessment of labour demand, estimated cost of works and wages, identification of works and benefits expected in terms of employment generation and physical improvements in preparation of annual plan. A systemic and well planned approach

for the implementation of the scheme was, thus, not adopted in the test-checked districts.

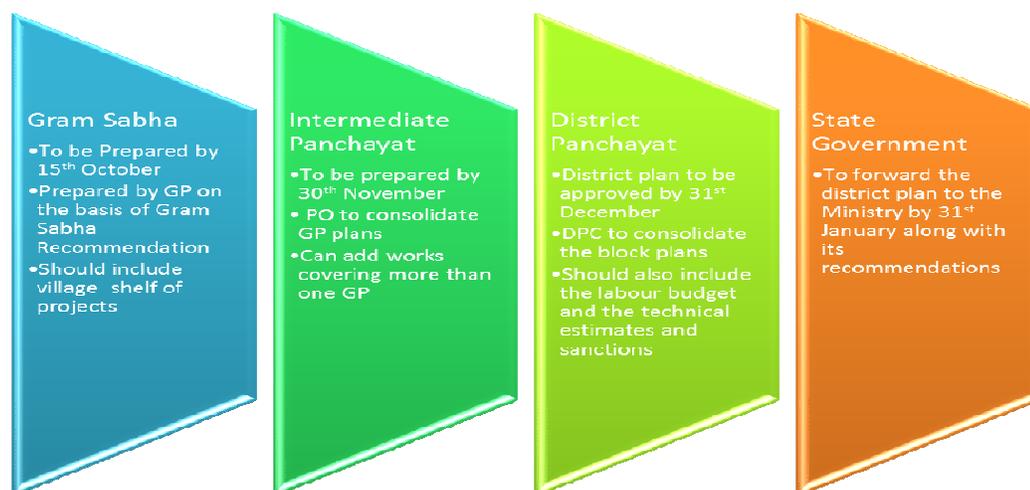
3.3 Annual Development/Action Plan

The primary responsibility of preparing the annual plan lies with the Gram Panchayat (GP)/Gram Sabha. An intermediate consolidation of all the plans prepared by the GPs is carried out at the block level, which are then consolidated into the District Plan and transmitted to the ministry through State Government/SEGC after preparation of labour budget. The annual plan is supposed to be comprised of the following four components:

- Assessment of labour demand;
- Identification of works to meet the estimated demand;
- Estimated cost of works and wages; and
- Benefit expected in terms of employment generation and physical assets.

The guidelines prescribe detailed schedule for the preparation of Annual Plan as depicted in the Chart 2.

Chart-2: Process of preparation of Annual plans



Audit scrutiny in this regard revealed that:-

(i) In the four test checked blocks of Kamrup (R) district, the Annual Development Plans/Annual Action Plans (AAP) were prepared without incorporating the required information like unique work code against each work, assessment of labour demand, identification of works to meet the estimated labour demand, estimated cost of works and wages and benefits expected in terms of employment generated. Further, timelines for submission of the plan in each level as required were

also not adhered to. There were delays ranging from two and half months to 18 months at various levels in submission of the Plan every year as detailed in **Appendix-1**.

(ii) In Dibrugarh district also, the Plan was prepared without incorporating the required information and the timeline for submission of the same was missed at each level. There were delays of 70 and 13 days respectively in submission of AAP for the years 2010-11 and 2011-12 to ZP by the DPC. The Labour Budget for these years was sent to the SEGC/Government without approval of ZP. In Jorhat district, no record with regard to preparation and submission of the AAPs was furnished.

(iii) In Cachar district, the scheme was implemented during 2007-08 without any Action Plan and in 2008-09, a voluminous Plan incorporating large number of works was prepared and approved without assessing the ground realities for execution. No plan for the subsequent years was prepared; instead the Action Plan of 2008-09 was utilised for execution of works during the subsequent years (2009-10 to 2011-12).

(iv) In Karbi Anglong, only a few members ranging from 1 to 18 (as shown in the **Appendix-2(a)**) attended the meetings of the Gram Sabha for selection and incorporation of the schemes in the Annual Action Plan (AAP). The submission of the AAPs for the years of implementation from VDC level to DPC was delayed every year. Accordingly, the approval to the AAPs was accorded with a delay of 46 days to 776 days from the scheduled date (as shown in the **Appendix-2(b)**).

(v) In Chirang district, the Annual Development Plan was prepared without incorporating the required information and the timeline for submission of the same was missed at each level. Verification of records revealed that there were delays in submission of development plan ranging between 169 and 292 days from the stipulated date (30 November) by the blocks. Similarly, at district level, delay occurred between 142 days and 266 days during the period 2008-09 to 2011-12 which violated the provisions of Paragraph 4.4.11 of the Operational Guidelines, 2008 (details are shown in **Appendix - 3**).

(vi) In the test checked Darrang district, submission of the Annual Plan from the level of PO to DPC and DPC to ZP in all the years covered under audit was delayed from 21 days to 7 months and 2 months to 6 months respectively (details are shown in **Appendix - 4**). The Plans also lacked the important required information.

Thus, preparation and finalisation of District Annual Plan without incorporating the required information as envisaged in the guidelines as well as non submission/delayed preparation of AAPs by the ground level implementing agencies had forfeited the intended objectives and sanctity of preparation of AAPs, besides making the process of formulation of labour budget futile.

3.4 Execution of works not included in the Annual Action/Development Plan

As per the provision of the Act/guidelines of the scheme, each and every work to be executed under MGNREGS should be selected and approved by the Gram Sabha and included in the Annual Action Plan (AAP) for execution during the year.

It was, however, noticed that a total of 146 works involving expenditure of ₹848.71 lakh were executed in four test-checked districts during 2007-08 to 2011-12 beyond the purview of the AAP as detailed in the Table-3.

Table-3
Details of works executed outside the purview of AAP

Name of District	Name of block	No. of works executed outside the AAP	Expenditure incurred (₹)
Kamrup	Kamalpur	2	36,12,442
	Goroimari	14	68,73,043
	Chamaria	19	1,03,96,305
	Hajo	16	53,63,020
Lakhimpur	DRDA level	2	42,18,437
	Boginadi	32	2,76,07,069
	Narayanpur	11	67,52,325
Darrang	Bechimari	4	61,12,672
Jorhat	Baghchung	46	1,39,36,000
	Total	146	8,48,71,313

Source: Departmental records.

Execution of works beyond the scope of development plan, thus, not only vitiates the planning process but also reflect deficiencies in regard to sanctioning of the works at DPC's level. The possibilities of favouritism in this regard could also not be ruled out.

3.5 Inadequate strategic planning resulted in denial of wages

As per the scheme guidelines, MGNREGS aims at enhancing livelihood security of the people in rural areas by guaranteeing at least 100 days of wage employment in a financial year to every household whose adult members volunteer to do unskilled manual work and as such, the works selected for execution should be such where ratio of 60:40 between Wage and Material component can be maintained.

In the following instances, the prescribed wage-material ratio as well as prime objective of the scheme was violated:-

- (i) The CEO, Zilla Parishad, Darrang received ₹24.91 lakh from PO, Paschim Mangaldai Development Block in January and March 2009 for execution of the work "River Protection work of Kulsik River at Hallow Chowka near Mangaldai-Kalaigaon Road (under Jaljali GP of Paschm Mangaldai Development Block) under MGNREGS -2008-09". The work was got executed by the CEO through a five member Construction Committee within March 2009 after incurring expenditure of ₹1.34 lakh towards Semi Skilled/ Skilled labour and ₹23.55 lakh towards material. Further scrutiny revealed that neither any provision for unskilled workers was made in the

estimate nor did any Job Card holder /unskilled worker was found engaged in the work. As such, selection/incorporation of the work in the AAP by Gram Panchayat and according administrative approval and sanction by the DPC was not in consonance with the provision of NREGA Act, 2005 and this not only resulted in irregular expenditure of ₹24.89 lakh but also led to deprival of the intended benefits to the NREGA workers due to improper planning.

(ii) In Lakhimpur, two works namely; (a) Development of Padumoni Park at North Lakhimpur through cleaning of water bodies, land development etc., and (b) Landscaping and plantation near Ganesh Udyan at North Lakhimpur were executed under MGNREGS-2008-09 at a cost of ₹16.33 lakh and ₹25.85 lakh respectively as per the decision and sanction of the DPC-cum-DC, Lakhimpur (without incorporating in the AAP). Scrutiny of records revealed that the wage-material ratio of these works was 13.20 per cent (₹2,15,540) : 86.80 per cent (₹14,17,952) and 0.63 per cent (₹16,230) : 99.37 per cent (₹25,68,625) respectively, which deprived the intended beneficiaries from their due benefits.

Planning has no significance if works are sanctioned and executed outside the purview of the approved plan and also violating basic norms of the scheme, as was the case.

Conclusion

The District Perspective Plan considering long term development strategy of employment generation to facilitate advance planning was either not prepared or not approved by the SEGC in any of the 10 test-checked districts. The envisaged procedure to prepare annual plans at different levels keeping in view the likely demand for the work was also not proper and effective. Strategic planning for execution of works was also inadequate.

Recommendation

The State Government should direct all the districts for preparing DPPs and to ensure timely preparation of Annual Plans so as to create long-term shelves of projects. The State Government should also direct all DPCs to ensure that the works included in the Plan are only sanctioned and executed.