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Laid before the Orissa  
Legislative Assembly

31 MAR 2008

**PERFORMANCE AUDIT  
OF  
IMPLEMENTATION OF REVISED LONG TERM  
ACTION PLAN IN KBK DISTRICTS**

**REPORT OF THE  
COMPTROLLER AND AUDITOR GENERAL  
OF INDIA**

**FOR THE YEAR ENDED 31 MARCH 2007  
(CIVIL)**

**GOVERNMENT OF ORISSA**

Legislative Assembly  
Laid before the  
Legislative Assembly

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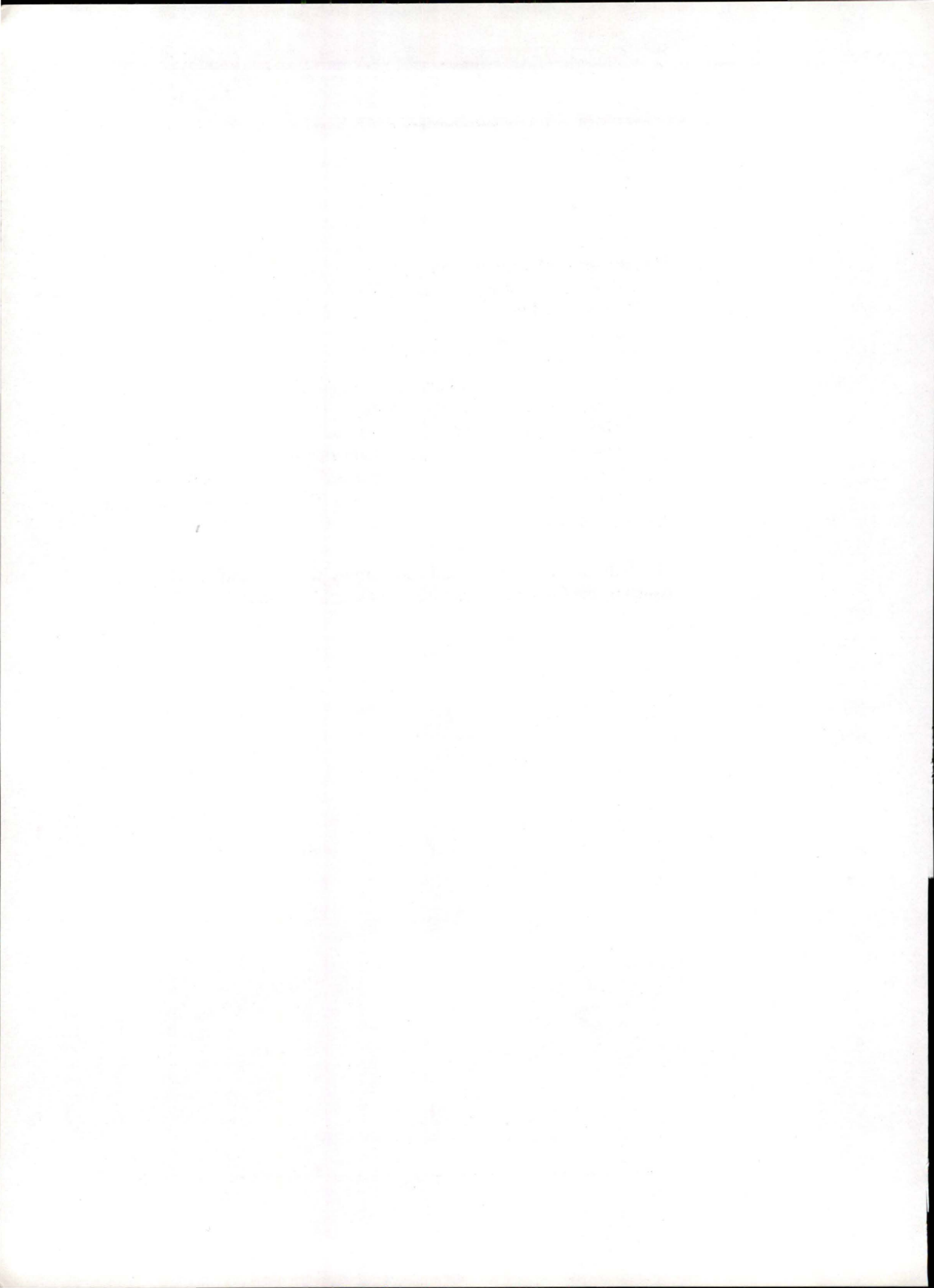
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# *Preface*

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1. This Report containing the observations arising out of performance audit of Implementation of Revised Long Term Action Plan in KBK Districts has been prepared for submission to the Governor under Article 151 of the Constitution.
2. The cases mentioned in the Report are among those which came to notice in the course of test audit of accounts for the year 2002-06 as well as those which had come to notice in earlier years but could not be dealt with in previous Reports. The statistical information on financial and physical target vis-à-vis achievement were updated to March 2007. Matters relating to the period subsequent to 2006-07 have also been included wherever necessary.
3. The audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.



**PLANNING AND COORDINATION DEPARTMENT****OVERVIEW**

*The Koraput, Bolangir and Kalahandi (KBK) region comprising eight districts in the State with more than 87 per cent of its population involving nearly 12 lakh families living below poverty line is the most backward region in the country. The State Government on the advice of the Planning Commission formulated the Revised Long Term Action Plan (RLTAP) for KBK districts with an original outlay of more than Rs 5527 crore which had increased to Rs 7850 crore over a period of nine years from 1998-99 to 2006-07 in a sub plan mode to address the problems of abysmally low return on agriculture due to erratic and scanty rainfall, land degradation, deforestation, lack of irrigation, communication and drinking water facilities, which were the major reasons affecting the quality of life in the region. Against available funds of Rs 2763.48 crore during 2002-07 for utilisation under nine schemes of RLTAP covered in audit, Rs 2541.72 crore were utilized as of March 2007.*

*Performance audit of implementation of the RLTAP showed that the planning for drought proofing through watershed programmes was not realistic as the geophysical data were overlooked for prioritization of projects. Against a total number of 2872 watershed and Biju Krushak Vikas Yojana (BKVY) projects scheduled for implementation for treating an area of 7.49 lakh hectares with project outlay of Rs 456.87 crore, only 1422 projects could be completed and the area treated was only 4.98 lakh hectares and the expenditure incurred was Rs 324.54 crore. As many as 1450 projects were either prematurely closed or remained incomplete. Participatory management was poor, as contribution in respect of 'pani panchayats and watershed development funds' did not take off creating apprehension about future maintenance of projects.*

*The Sampoorna Grameen Rozgar Yojana (SGRY) failed to generate employment days targeted under RLTAP. The SGSY scheme also failed in attaining its objectives. The afforestation programme aimed at conservation and extension of forests coupled with employment also showed a dismal performance. The Indira Awas Yojana could not provide dwelling houses to the entire targeted group. Achievement under rural connectivity was merely 27 per cent of the target. Short supply of rice and dal affected emergency feeding to the beneficiaries. Inadequate deployment of medical and para-medical staff and shortages of medical equipment in the Mobile Health Units remained impediments for basic health services. Safe drinking water could not be ensured in many habitations.*

*Overall monitoring at the Special Area Development Project level was ineffective and the monitoring of schemes at state, district and block levels by the line departments was virtually non-existent.*

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\* The abbreviations used in the report have been listed in the glossary at page 58-60

- During 1998-2007, a sum of Rs 7244.96 crore was spent under various development schemes out of Rs 7850.17 crore available under the RLTA. During 2002-07, the funds available under nine schemes of RLTA, covered in audit, were Rs 2763.48 crore and the expenditure incurred was Rs 2541.72 crore.

*(Paragraphs 2.1 and 2.2)*

- The watershed projects were not implemented in accordance with the priority list prepared on the basis of macro indicators by the Orissa Remote Sensing and Application Center (ORSAC) as 275 projects with lower priority were implemented while 109 projects of top priority were ignored.

*(Paragraph 3.2.1)*

- There was curtailment of central assistance of Rs 51.46 crore under watershed (Rs 43.11 crore) and Indira Awas Yojana (Rs 8.35 crore) schemes due to failure of the State government in releasing the State share and non utilization of funds within the time prescribed.

*(Paragraphs 3.2.2 and 5.7.1)*

- There was diversion of funds of Rs 41.88 crore from the RLTA for meeting state matching share for the watershed programme under the Centrally Sponsored Scheme of DPAP (Rs 11.30 crore) and from SGRY meant for individual SC/ST beneficiaries (Rs.30.58 crore) for general categories.

*(Paragraphs 3.2.2.1 and 4.3.1)*

- Out of 1325 watershed projects scheduled for completion by March 2007, 567 projects were closed prematurely and 485 projects remained incomplete. Under the BKVY, out of 1547 projects taken up, 398 projects remained incomplete and 32 completed projects (cost: Rs.1.79 crore) could not be made operational due to non-supply of electricity.

*(Paragraphs 3.3.1 and 3.3.5)*

- In four districts, 84 watershed projects were abandoned due to injudicious planning after incurring expenditure of Rs 4.42 crore for entry point activities under various watershed development schemes.

*(Paragraph 3.3.3)*

- Though the RLTA perspective plan envisaged generation of about 2032 lakh labour man days under SGRY programme during 2002-07, the DRDAs could generate only 1109 lakh labour man days resulting in shortfall in creation of employment opportunities in the KBK region.

*(Paragraph 4.2.3)*

- Out of the 324 SGRY works test checked in 20 blocks, 200 works worth Rs 2.75 crore were executed through contractors instead of the beneficiaries. Labourers were deprived of the eligible wages of Rs 2.66 lakh. Instances of tampering (41 cases) and non-maintenance (21 cases) of muster rolls were also noticed.

*(Paragraphs 4.3.2, 4.3.3 and 4.3.5.)*

- Under the SGSY scheme, out of the total 34367 SHGs, only 4868 (14 per cent) were engaged in economic activities through higher level of investments. The



desired income level of Rs 2000 per month per swarozgari remained unachieved. Against 30 *per cent* of BPL families to be covered under the scheme in five years, only six *per cent* of such families were covered during 2001-06.

(Paragraphs 4.4.2, 4.4.3 and 4.4.5)

- Under the Joint Forest Management (JFM) only one out of the 3160 Vana Samrakshana Samities (VSS) was registered under Societies Registration Act. As a result, the Samities did not have legal status for enforceability. Out of 73615 hectares of plantations raised, the survival of plantations in 11558 hectares was partially (below 50 *per cent*) successful due to lack of supervision by the VSSs.

(Paragraph 4.5.6)

- Under rural connectivity, as against 984 roads of 4,419 kilometers targeted for construction, only 424 roads of 1,204 kilometers (27 *per cent*) could be constructed during 2002-07. Out of 750 unconnected habitations having population of 1000 or more and 384 Gram Panchayats targeted for connectivity, 414 and 291 respectively remained unconnected as of March 2007.

(Paragraph 5.3)

- Contrary to RLTA criteria, 29 reaches of National / State highways were improved at a cost of Rs 23.09 crore instead of taking up new connectivity to habitations. Besides, delay in finalization of tenders for construction of two bridges over the river Kolab resulted in extra expenditure of Rs 1.50 crore.

(Paragraphs 5.3.2 and 5.3.3)

- Short supply of 4881 MT of rice and 2025 MT of dal affected emergency feeding to the beneficiaries. In the test checked Blocks, the interruption in feeding averaged between 28 days (Nowrangpur) and 186 days (Kalahandi).

(Paragraph 5.4.1)

- Against the target of 1.32 lakh health camps under the mobile health programme, 1.23 lakh camps were held. There was inadequate deployment of medical and para-medical staff and shortages of medical equipment in the Mobile Health Units (MHUs).

(Paragraph 5.5)

- Out of 60 water supply projects executed, 39 projects (cost: Rs 6.12 crore) were not operational due to lack of power supply and 1610 tube wells (cost: Rs 2.60 crore) were rendered unsuccessful due to improper survey.

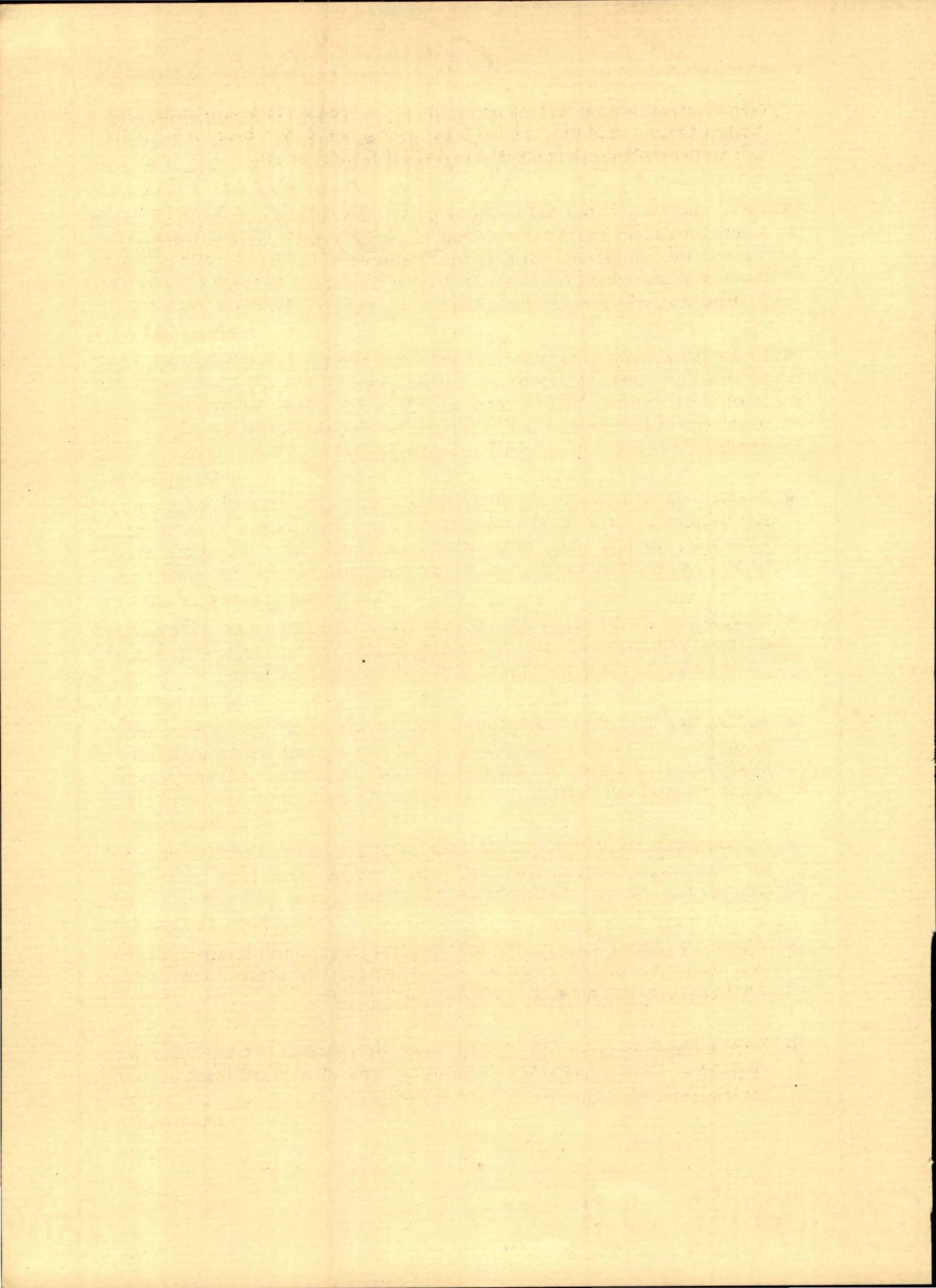
(Paragraphs 5.6.1 and 5.6.2)

- Under IAY scheme, coverage was only eight *per cent* against the target of 22 *per cent* under the RLTA. Over 60 *per cent* of the IAY houses were without sanitary latrine and smokeless chullah.

(Paragraphs 5.7.2 and 5.7.3)

- Overall monitoring at the Special Area Development Project level was ineffective and the monitoring of schemes at state, district and block levels by the line departments was virtually non-existent.

(Paragraph 1.7)

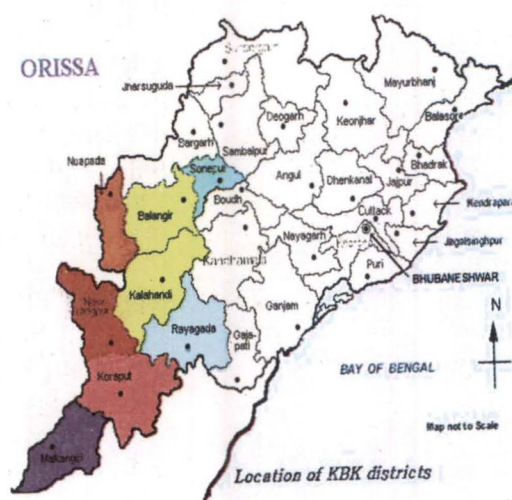


## Chapter 1: Revised Long Term Action Plan

### 1.1 Introduction

The KBK refers to the erstwhile undivided districts of Koraput, Bolangir and Kalahandi comprising of 80 blocks and 1,437 gram panchayats. Based on the National Sample Survey data (1999-2000), 87.14 per cent of the population in the region involving nearly 12 lakh families were living below poverty line with sad history of deforestation, land degradation and recurring droughts. Abysmally low return on agriculture led to migration of labour. Incidence of malnutrition as well as malaria was high among the people of all ages. The area lacked basic infrastructure like road connectivity and drinking water. The KBK districts<sup>1</sup> accounted for about 20 per cent population covering over 30 per cent geographical area of the State. According to the 2001 census around 38 and 16 per cent of the total population of the KBK region constitute tribal and scheduled caste communities respectively and 90 per cent of the people live in villages.

Some interventions by the State Government through short-term strategies in some of the blocks in the past for providing employment to the rural poor yielded only negligible results. A determined effort was made, with the intervention of Government of India (GOI) to address the major issues of backwardness through a long term action plan (1995-96). This was revised in 1998 in consultation with the GOI and a Revised Long Term Action Plan (RLTAP) was prepared by the State Government in a sub-plan mode to address the problems of this chronically poor region during the period 1998-2007.



### 1.2 Salient features of RLTAP

The objectives of RLTAP were:

- Drought proofing through increase in irrigation potential and conservation of natural resources like forest, soil and water through watershed development, irrigation projects, pani panchayats etc.
- Poverty alleviation through wage employment and income generation on sustainable basis, providing shelter to the rural poor, mobilising local inhabitants on participatory development approach and improvement of infrastructure in rural areas.

<sup>1</sup> Koraput, Malkangiri, Nowrangpur, Rayagada, Bolangir, Sonepur, Kalahandi and Nuapara.

- Improved quality of life and strengthening social security systems through building rural infrastructure like rural connectivity, rural health care and food security by means of emergency feeding programme to old, infirm and indigent people.

The RLAP was conceived with a total outlay of Rs 5527.41 crore consisting of central plan (CP) / centrally sponsored plan schemes (CSP) and Additional Central Assistance (ACA) from the GOI and State Government funds. The funding under ACA was to be in the form of grants (30 *per cent*) and loan (70 *per cent*) to bridge the resource gap between the RLAP outlay and the availability of funds under different CP and CSP schemes. However, funding under ACA was continued up to 2001-02 and thereafter the State Government received special central assistance (SCA) in the form of hundred *per cent* grant from the Government of India (GOI).

Nine departments of the State Government were involved in the development projects in 11 identified sectors<sup>2</sup>. The State Government created budget provisions and the Planning and Coordination Department (PCD) allocated funds to different departments at the State Government level. The departments concerned released funds to the district level offices. The funds were then distributed among respective field functionaries. However, for the year 2006-07, PCD allocated funds to district collectors under “district window” and administrative departments under “state window”. Ten more sectors<sup>3</sup> with outlay of Rs 240.84 crore were added to the RLAP in the subsequent years covering 13 more departments. As of March 2007, RLAP covers 52 different schemes being implemented by 22 Departments.

### 1.3 Audit objectives

Audit objectives were to examine whether the:

- Different sector plans and programmes designed under RLAP were adequate to address the needs of the people and structural backwardness of the region;
- Receipt and utilisation of resources were in accordance with the annual action plans and expenditure conformed to both economy and efficiency;
- Schemes were implemented as per the guidelines and met the targets set under each scheme;
- Implementation of schemes improved the general quality of life of the targeted population in the KBK region;
- Monitoring and evaluation mechanism was in place and was effective.

<sup>2</sup> Agriculture, Horticulture, Watershed Development, Afforestation, Emergency Feeding, Mobile Health Units, Drinking Water, Rural Connectivity, Women SHGs, Rural Employment and welfare of SC & ST.

<sup>3</sup> 2001-02: (i) Biju Krushak Vikas Yojna (BKVY), (ii) Co-operation, (iii) Agro-business.-2002-03: (iv) Fisheries Animal Resources Development (v) Handicrafts and Hand looms-2003-04: (vi) Energy, (vii) Gramsat Development, (viii) Special Connectivity-2005-06: (ix) Sports and Youth Services, (x) Sports in Tribal schools.

#### 1.4 Audit criteria

Implementation of the schemes was evaluated with reference to the following criteria:

- GOI guidelines, policy decisions and executive instructions of the State Government for implementation of RLTAAP and annual action plans in accordance with the objectives of RLTAAP;
- Prescribed norms for allocation and utilisation of financial resources;
- Target set for increasing the area of cultivation through land and water conservation measures and improved productivity;
- Target for income generation through creation of employment opportunities, self help groups (SHGs) and providing dwelling units to the rural poor;
- Monitoring and evaluation mechanism as envisaged under RLTAAP.

#### 1.5 Audit coverage

Performance audit of implementation of the following nine major schemes was conducted for the period from April 2002 to March 2006 under the following three major themes:

##### **Drought proofing**

- (i) Watershed Development
- (ii) Biju Krushak Vikas Yojana (BKVY)

##### **Poverty alleviation**

- (iii) Rural employment and
- (iv) Afforestation

##### **Improvement in quality of life**

- (v) Rural connectivity
- (vi) Mobile Health Units
- (vii) Rural drinking water supply
- (viii) Emergency feeding programme
- (ix) Indira Awas Yojana

The statistical information on financial and physical target vis-à-vis achievement were updated to March 2007.

The above schemes were selected due to their financial materiality (expenditure under these schemes constituted 72 *per cent* of expenditure incurred under RLTAAP during the period covered in audit). The audit was conducted through test check of records of the PCD and other eight departments of the State Government, 10 heads of the departments, 102 implementing agencies and 320 field units vide **Appendix-I** during July to December 2005, June to August 2006 and August 2007.

## **1.6 Audit methodology**

Twenty Blocks out of 80 KBK Blocks (25 per cent) were selected by adopting stratified random sampling without replacement (SRSWR) including each of the eight district headquarter blocks and remaining 12 blocks on the basis of population of the districts. In each Block, four units of watershed committees, Pani-Panchayats (PPs), and Vana Samrakhaan Samities (VSS) in case of Watershed, BKVY and Afforestation schemes respectively and four villages having population over 1000 in case of other schemes were also selected on the basis of SRSWR method. Besides, 10 beneficiaries in each of such committee and selected villages etc. were also selected for beneficiary survey for eliciting their response by issuing a questionnaire to assess the impact of the schemes. Interactions were also made with the heads of the departments for finalization of the audit criteria in an entry conference held in April 2005. Performance indicators were also identified through a workshop (June 2005) with participation by State Government representatives and Non-Government Organisations (NGOs) working in the field. Audit observations were made using field data from official records and responses to preliminary observation memos issued to auditees. Status of the assets was also physically verified conjointly with State Government officials and some photographs of the assets have also been used as evidence. The results of the performance audit were discussed with the senior officials of the Planning and Coordination Department, Government of Orissa in an exit conference held in December 2007.

Impact assessment of RLTA on the targeted population was made by using services of the Xavier Institute of Management, Bhubaneswar (XIMB). An extract of the findings of the XIMB is given at **Appendix-V**. The findings of the XIMB have also been mentioned at appropriate places in the report.

## **1.7 Monitoring by Chief Administrator**

The State Government constituted (March 2000) a Special Area Development Project (SADP) at Koraput headed by a Chief Administrator (CA) fixing his Headquarters at Bhubaneswar. He was assisted by a Deputy Chief Administrator (DCA) along with a suitable staff to function as Principal Field Officer at the project level for supervision and monitoring the implementation of all programmes in KBK districts. While the CA was appointed in February 2001 the Revenue Divisional Commissioner, (Southern Division) was appointed as the DCA in addition to his regular duties from September 2002. However in June 2002, the functions of the CA were entrusted as an additional duty to the Director General, Gopabandhu Academy of Administration, Bhubaneswar. It was noticed that the implementing departments and their field formations ignored to intimate the details of funds placement and utilisation there of by endorsing copy of sanction orders and submission of periodical returns to him. Besides, there were instances of the P&C department taking decisions in matters relating to KBK districts without the knowledge of the CA. Thus, the project level monitoring at SADP, Koraput was virtually ineffective.

## Chapter 2: Allocation and utilisation of resources

### 2.1 Apportionment among various sectors

The sector-wise details of outlay under RLTA, funds available and utilisation thereof for the period from 1998-99 to 2006-2007 as furnished by the P&C Department was as below:

Name of the sector	Projected outlay (Rupees in crore)	Funds available during (Rupees in crore)							Utilisation of funds during (Rupees in crore)			
		1998-2002			2002-2007			Grand total	1998-2002	2002-07	Total	
		CP / CSP	ACA / SCA	Total	CP /CSP	ACA /SCA	Total					
1. Agriculture	84.94	1037.36	98.77	8.20	106.97	198.49	111.06	309.55	416.52	42.96	283.44	326.40
2. Horticulture	74.14											
3. Watershed	878.28											
4. Afforestation	376.05	11.11	55.61	66.72	26.57	96.27	122.84	189.56	61.30	122.75	184.05	
5. Rural Employment	2070.16	640.40	0.00	640.40	1592.78	0.00	1592.78	2233.18	568.43	1414.39	1982.82	
6. Irrigation	812.11	183.13	37.90	221.03	1059.96	113.75	1173.71	1394.74	265.07	1072.08	1337.15	
7. Health	150.94	5.52	14.70	20.22	43.45	46.94	90.39	110.61	17.99	87.19	105.18	
8. Emergency feeding	88.50	0.00	40.19	40.19	0.00	84.29	84.29	124.48	32.01	89.16	121.17	
9. Drinking water supply	135.47	37.17	25.00	62.17	136.84	98.30	235.14	297.31	58.81	227.64	286.45	
10. Rural connectivity	599.70	79.37	10.61	89.98	902.75	337.31	1240.06	1330.04	3.33	1167.42	1170.75	
11. Welfare of SC/ST	257.12	3.72	45.71	49.43	230.97	77.27	308.24	357.67	28.78	319.70	348.48	
12. Other sectors*	0	0.00	6.03	6.03	1155.22	234.81	1390.03	1396.06	0.00	1382.51	1382.51	
<b>Total</b>	<b>5527.41</b>	<b>1059.19</b>	<b>243.95</b>	<b>1303.14</b>	<b>5347.03</b>	<b>1200.00</b>	<b>6547.03</b>	<b>7850.17</b>	<b>1078.68</b>	<b>6166.28</b>	<b>7244.96</b>	

\*Other Sectors: Cooperation, Fisheries and animal resources, Handicrafts and handlooms, energy, sports and youth services etc

NB: - In absence of compilation of reported expenditure on account of CP and CSP for the year 2006-07, the funds available has been taken as expenditure incurred provisionally.

It could be seen from the table above that though the outlay for Agriculture, horticulture and soil conservation (watershed) was Rs 1037.36 crore, only Rs 416.52 crore were released and expenditure incurred was only Rs 326.40 crore (31 per cent) during 1998-2007 indicating inadequate release and poor utilization of funds. Under the rural connectivity, against the outlay of Rs 599.70 crore, Rs 1330.04 crore were made available and Rs 1170.75 crore were spent. The pooling of more resources under this sector was due to augmentation by the Prime Ministers Gram Sadak Yojana (PMGSY) since 2001-02. Similarly, there was excess expenditure over and above the projected outlay under drinking water supply due to implementation of a CSP scheme viz. Accelerated Rural Water Supply scheme. However, there was wide discrepancy between the figures of P&C Department and the figures furnished by the field functionaries to audit as discussed in the succeeding paragraph. The figures were not reconciled by the department (November 2007).

### 2.2 Scheme-wise allocation covering major activities

As per the information collected from the departments concerned of the State Government, the details of allocation of funds and reported utilisation under the nine major schemes covered in audit during 2002-07 was as below:

Only 31 per cent of the outlay was spent under agriculture, horticulture and soil conservation sectors

Name of the scheme	Implementing department	Source of funding (CP/CSP/ACA / SCA)	Funds available during 2002-07 including opening balance	Reported expenditure by the implementing departments / agencies	Closing Balance
1 Watershed	Agriculture	CSP/ACA/SCA	287.86	263.35	24.51
2 BKVY	Water Resources	ACA/SCA	93.99	77.07	16.92
3 Afforestation	Forest and Environment	CP/CSP/ACA/ SCA	100.61	97.47	3.14
4 Rural employment	Panchayati Raj	CP/CSP	1220.39	1140.49	79.90
5 IAY					
6 Rural connectivity	Works and Rural Development	CP/CSP/ACA/ SCA	887.61	805.75	81.86
7 Rural drinking water supply	Rural Development	CP/CSP/ACA/ SCA	58.13	57.39	0.74
8 Mobile health units	Health and Family Welfare	ACA/SCA	23.49	21.09	2.40
9 Emergency feeding	Women and Child Development	ACA/SCA	91.40	79.11	12.29
<b>Total</b>			<b>2763.48</b>	<b>2541.72</b>	<b>221.76</b>

Out of Rs 2763.48 crore available during 2002-07, Rs 221.76 crore remained unspent and the reported expenditure was inflated by Rs 182.39 crore

Thus, out of Rs 2763.48 crore available during 2002-07 for utilisation under the nine schemes, Rs 221.76 crore remained unspent with the implementing agencies by March 2007. Expenditure of Rs 805.75 crore shown against rural connectivity, however, included an advance of Rs 110.25 crore (2005-07) to Special Area Rural Connectivity Authority (SARCA), a society registered under Societies Registration Act, 1960, for preparation of detailed project report, which had not been prepared and submitted by SARCA till March 2007. Reason for the delay was not stated by the Department. Besides, an amount of Rs 72.14 crore was lying under civil deposit without expenditure (November 2007). The reported expenditure under the scheme was, thus, inflated by Rs 182.39 crore.

### 2.3 Injudicious allocation of RLTA funds

Allocation of funds, for the various schemes, linked with the development of BPL population of a district, was to be made according to the size of population of the BPL families in that district. The table below, however, showed that allocation of funds to the eight districts was made in such a way that the districts with more number of BPL families received less funds than the districts with relatively less BPL households.

Name of the districts	Population 2001 census (in lakh.)	Number of BPL families (1997)	BPL status	Funds allocated. (Rs in crore)	Funds per lakh people (Rs in crore)	Ranking in allocation of funds
Bolangir	13.37	201310	2	368.31	27.54	8
Kalahandi	13.35	193054	3	535.03	40.08	3
Koraput	11.81	221846	1	425.90	36.07	5
Malkangiri	5.04	89138	7	231.98	45.85	1
Nawarangpur	10.26	158684	4	327.62	31.93	7
Nuapara	5.31	99465	6	217.75	41.01	2
Raygada	8.31	135785	5	319.00	38.39	4
Sonepur	5.42	80396	8	185.31	34.25	6
<b>Total</b>	<b>72.40</b>	<b>1179678</b>		<b>2610.90</b>	<b>36.06</b>	

Source:- Economic Survey (Orissa) 2005-06 in respect of population, and status of BPL families

Audit findings on implementation of the schemes are discussed in the succeeding chapters.



## Chapter 3: Drought Proofing

### 3.1 Schemes at a glance

Activities under Watershed development and Biju Krushak Vikash Yojana (BKVY) were designed to achieve improved soil moisture regime and irrigation facilities through conservation of runoff water, harvesting rain water and recharging aquifers. Responding to the area-specific patterns like geographical location and social dynamics, a variety of watershed development programmes were launched at different times for development of wasteland in the drought prone and rain fed areas. Each watershed was to cover at least 500 hectares of treatable land involving people of the watershed area through Watershed Association (WA) and was to be completed within 4-5 years. The project at the field level was to be implemented by Watershed Committee (WC) consisting of 10-12 members of the WA under the supervision and technical guidance of Project Implementing Agencies (PIAs) appointed by the District Watershed Mission from among the officials of different departments of the Government. The land owners within the proposed watershed would be the user group (UG) who were to contribute 10 per cent of estimated expenditure (5 per cent in case of community land and land belonging to the SC / ST categories) to 'Watershed Development Fund (WDF) managed by the WC for maintenance of the watershed. The District Collector would be the Watershed Mission leader in the district. Watershed Development Teams (WDTs) consisting of three / four members from different disciplines (engineering, forestry, agriculture, animal and social sciences etc.) were to motivate the watershed communities for formation of WAs, WCs and provide them technical guidance on operation of watersheds. The landless people were to set up self help groups (SHGs) for livelihood support by undertaking economic activities within the watershed area.

Different watershed programmes<sup>1</sup> funded through Centrally Sponsored Plan Schemes of Ministries of Agriculture and Rural Development, GOI, were under implementation in the region with different cost norms during 2002-07.

Under the Biju Krushak Vikas Yojana, construction and management of new and derelict lift/flow irrigation projects were to be undertaken in minor irrigation sector through farmers' participation on 90:10 cost sharing basis between the State Government and the farmers for increasing agricultural yield in the area. The projects were executed by the Orissa Lift Irrigation Corporation (OLIC), Orissa Agro Industries Corporation (OAIC) and the Minor Irrigation Divisions on the basis of estimates approved by the State level committee for each project out of ACA / SCA funds.

<sup>1</sup> (i) Integrated Watershed Development Programme (IWDP) : Rs 6000 per hectare, (ii) Drought Prone Area Programme (DPAP) : Rs 6000 per hectare, (iii) National Watershed Development Project in Rain-fed Areas (NWDPA); Rs 4500 per hectare, (iv) Employment Assurance Scheme (EAS): Rs 4000 per hectare and (v) RLTA : Rs 6000 per hectare.

### 3.2 Programme implementation

#### 3.2.1 Overlooking priority in selection of watersheds

Watershed guidelines provided selection of watershed projects in villages as per priority list finalized by Orissa Remote sensing Application center (ORSAC) using important indices like degree of land degradation, status of underground water, run off potential and sediment yield. The number of watershed projects targeted and undertaken in the three districts of Malkangiri, Nuapada and Sonepur are shown in the following table:

Name of the district	Watershed projects identified by ORSAC with priority				Watershed projects taken up			
	I	II	III	Total	I	II	III	Total
Malkangiri	88	445	324	857	32	37	1	70
Nuapada	86	254	144	484	43	126	64	233
Sonepur	42	41	104	187	32	29	18	79
<b>Total</b>	<b>216</b>	<b>740</b>	<b>573</b>	<b>1528</b>	<b>107</b>	<b>192</b>	<b>83</b>	<b>382</b>

In three districts, 275 lower priority watershed projects were taken up neglecting 109 top priority projects

As could be seen from the above table, in the selection process the implementing agencies overlooked the priority by implementing 275 low priority projects (II and III phases) by ignoring 109 top priority projects.

#### 3.2.2 Funds management

The total amount received from the Government of India and amount earmarked by the State Government for different watershed programmes and amount provided for BKVY projects and expenditure there against during 2002-07 are shown in the table below:

(Rupees in crore)					
Name of Schemes	Number of projects sanctioned	Number of projects taken up	Funds received by the implementing agencies	Expenditure incurred	Unspent balance
Watershed development	1775	1775	287.86	263.35	24.51
BKVY	2029	1547	93.99	77.07	16.92
<b>Total</b>			<b>381.85</b>	<b>340.42</b>	<b>41.43</b>

GOI assistance of Rs 43.11 crore under watershed programme curtailed

It could be seen from the table that Rs 41.43 crore remained unspent (March 2007). The reason for non-utilisation of funds was attributed by the implementing agencies to delayed receipt of funds.

Release of funds by GOI for CSP schemes of watersheds depended on utilization of funds received earlier and release of State share under the programmes. Due to non-utilization of funds in time, there was reduction in GOI assistance of Rs 43.11 crore during 1999-2006 (Appendix-II).

##### 3.2.2.1 Diversion of earmarked funds under watershed projects

As the State Government failed to contribute the matching share of the CSP scheme of watersheds under DPAP, an equivalent sum of Rs 11.30 crore was diverted from ACA / SCA affecting the developmental activities envisaged under

RLTAP under other sectors. Further, ACA funds of Rs 3.50 crore allotted during 1998-99, for preparation of project reports of 151 watersheds, remained unutilised with the State Government and was ultimately utilised during 2002-03 as cash component under Food for Work (FFW) programme due to failure of the State Government in providing sufficient funds for state share of the central programme.

### 3.2.2.2 Inadmissible payment of transportation charges

The DRDA, Nuapada incurred expenditure of Rs 35 lakh to meet transportation charges of food grains under the Employment Assurance scheme (EAS) for construction of watersheds, though the same was not to be charged to the scheme but to be met out of State budget.

### 3.2.2.3 Convergence / dovetailing with other programmes

Guidelines stipulated that funds from other programme within the permissible work of Watershed Development scheme under ACA/ SCA could be dovetailed and not the vice-versa. Deviating from this, five Soil Conservation Divisions (Bolangir, Sonepur, Rayagada, Koraput and Malkangiri) dovetailed the ACA / SCA funds of Rs 1.51 crore meant for watershed area towards payment of cash component of FFW programme implemented for creation of water bodies outside the watershed areas in anticipation of funds from the State Government. However, the State Government did not release any funds to make good of the diversion.

### 3.2.2.4 Blocking up of funds

Under BKVY scheme, the Water Resources Department (WRD) released Rs 80.64 lakh to the Executive Engineer, OLIC, Kalahandi (EE) during 2002-03 for setting up 13 lift irrigation (LI) projects<sup>2</sup>. Due to high costs of electrification in Kalahandi and submersion of identified area due to coverage of the same area under Indra irrigation project in Nuapada district, the EE could not take up the work and suggested (August 2003) for alternative projects. Although the Government approved (January 2006) alternative projects, the same could not be taken up as of June 2006. No specific reason was assigned for non utilization. Due to defective survey and inadequate provision of funds for energisation of LI projects in the estimates, the amount remained unutilised (October 2006).

### 3.2.2.5 Non-accountal of interest money

Funds received under different schemes of Watershed Development Programme by the PIAs and WCs were kept in saving bank account for subsequent utilisation. On scrutiny of records of eight DRDAs it was noticed that in four DRDAs<sup>3</sup> interest of Rs 42.76 lakh earned on scheme funds was credited to their general savings bank accounts instead of depositing in the savings bank accounts where the scheme funds were lodged. Out of this, the DRDA, Sonepur already incurred

<sup>2</sup> Kalahandi-6 projects: Rs 37.80 lakh and Nuapada-7 projects: Rs 42.84 lakh

<sup>3</sup> DRDAs : (i) Bolangir : Rs 18.90 lakh, (ii) Koraput : Rs 10.32 lakh, (iii) Rayagada : Rs 8.51 lakh and (iv) Sonepur : Rs 5.03 lakh.

expenditure of Rs 5.03 lakh for various contingencies. Depositing interest, earned on scheme funds, in the general account and utilising the same for other purposes were irregular.

### **3.3 Project Execution**

Out of 1775 watershed projects undertaken for implementation during 1998-2007, 1325 projects were scheduled to be completed by March 2007 against which only 273 projects could be completed in all respects during the above period resulting in non completion of 1052 projects. As many as 567 projects, on which Rs 84.78 crore were spent, were closed prematurely by the implementing agencies due to delayed execution and want of funds. Similarly, out of 2029 BKVY projects sanctioned during 2001-07, only 1547 projects were taken up of which 1149 were completed by the implementing agencies and 398 projects remained incomplete as of March 2007.

#### **3.3.1 Short release of funds**

**Under BKVY, Rs 16.92 crore remained unspent leading to 398 projects remaining incomplete**

The State Government provided an out lay of Rs 362.88 crore for execution of the above 1325 projects under different watershed schemes during 1998-2007 against which the actual amount released was only Rs 269.60 crore. Of this, Rs 247.47 crore were spent leaving an unspent balance of Rs 22.13 crore with the implementing agencies. Under the BKVY, 1547 projects were taken up for execution during the above period for which Rs 93.99 crore were released and the executing agencies spent only Rs.77.07 crore leaving an unspent balance of Rs 16.92 crore with them (March 2007). This clearly indicated that neither the State Government nor the implementing agencies showed necessary enthusiasm in implementation of the programmes.

#### **3.3.2 Shortfall in treatment of land under the programme**

**Premature closure (567) and non-completion (485) of watersheds led to short treatment of 2.39 lakh hectares of land**

The RLTA envisaged treatment of 7.09 lakh hectares of land under the 1325 watershed projects scheduled for completion by March 2007. However, only 4.70 lakh hectares could be treated due to partial completion of 485 projects and premature closure of 567 projects, which, in turn, resulted in short treatment of 2.39 lakh hectares. Under the BKVY, out of the target of 39,441 hectares, only 27,906 hectares could be treated and 11,535 hectares were left out due to non completion of 398 projects.

Thus, delay/non-completion of projects led to non-achievement of targeted benefits under watershed programme, which ultimately contributed to the failure of drought proofing efforts.

### 3.3.3 Abandonment of watershed projects after entry point activities.

Normally watershed projects are to be undertaken in areas where other irrigation projects are not in operation. Review of the watershed projects undertaken in the districts of Sonepur (8), Koraput (16), and Kalahandi (29) under IWDP, DPAP, EAS and NWDPPRA schemes showed that, in the areas covered under these projects, three irrigation projects (one in each district) were in operation. Therefore, after incurring entry point expenditure of Rs 2.81 crore on the aforesaid projects, the District Watershed Missions (DWMs) and DRDAs abandoned these projects. Thus, lack of field study in selection of project sites caused a loss of Rs 2.81 crore. Similarly, in Nowrangpur district, 31 projects were abandoned after incurring expenditure of Rs 1.61 crore for initial activities. The fund flow statement furnished by the Project Director, DRDA indicated that non release of funds by the State Government was the reason behind the abandonment of the projects.

### 3.3.4 Poor functioning of user groups and self-help groups

The guidelines envisaged that the direct beneficiaries of watershed projects should form sufficient number of user groups (UGs) covering all the users. Indirect beneficiaries of the projects should form self help groups (SHGs) for getting involved in some form of economic activities so as to generate their livelihood. The watershed projects undertaken in the KBK districts envisaged that 80 percent of the activities on works were to be done through UGs and SHGs. Against the total population of 16.50 lakh covering the eight districts, only 2.96 lakh were involved in 28864 UGs and 1.55 lakh members in 14194 SHGs keeping around 12 lakh population beyond the periphery of participation. Further, it was noticed that though all the SHGs were to be provided with revolving fund to undertake economic activities, the same were provided to 1195 SHGs only. Thus, there was failure in mobilizing people's participation.

Though community assets worth Rs 2.17 crore had been created under the test checked projects, user contribution in the form of watershed development fund (WDF) was not sufficient to undertake the post operation maintenance activities. Similarly, Watershed committees / watershed associations did not take any initiative in convening periodical meetings, undertaking timely repair and maintenance of assets created. Besides, no records were maintained to show collection and accountal of users contribution. Register with list of assets and their utilization was also not maintained.



Dilapidated office building of the Gudighat watershed in Muribahal Block (Bolangir district)

There was loss of Rs 4.42 crore spent on entry point activities on abandoned projects

### **3.3.5 Idling of BKVY projects due to non energisation**

32 out of the 73 test checked BKVY projects constructed at a cost of Rs 1.79 crore could not be made operational due to non-energisation.

Under BKVY programme, irrigation projects were to be executed on cost sharing basis of 90:10 between the Government and beneficiaries. These projects were to be executed by forming 'Pani Panchayats (PP)', a registered group of farmers. Test check of 73 PPs in eight districts of KBK showed that none of the beneficiaries have contributed their share of project cost and no attempt was made by the implementing agencies to collect the same for completing the works. Out of 73 projects, 32 projects constructed at a cost of Rs 1.79 crore during 2001-05 could not be made operational (March 2006) due to non-energisation.

A review of 14 minor irrigation projects executed under BKVY disclosed that a sum of Rs 22.45 lakh was diverted from MLA Local Area Development Fund to make good the deficiency in the contribution by the beneficiaries to the project cost. Thus, the idea of creating assets through sharing of efforts and participation by beneficiaries did not materialise.

### **3.3.6 Non constitution of PP fund for post project operation and maintenance**

Pani Panchyat fund was not created and assets not insured in any of the 73 test checked BKVY projects

The project reports of minor irrigation projects under BKVY stipulate that the beneficiaries of the project shall constitute a fund designated as Pani Panchayat (PP) fund for the post operation and maintenance and insurance against theft and natural calamities. However, in the 73 test checked projects it was noticed that in none of the PPs, assets were insured against theft or natural calamities. As a result, loss arisen out of theft and damage of transformers in seven BKVY projects<sup>4</sup> could not be made good through insurance claim. No records were maintained to assess the extent of loss also.

### **3.3.7 Construction of brick line channels not done**

Out of the 73 BKVY projects test checked, in eight lift irrigation projects sanctioned during 2002-03 executed by Lift Irrigation Divisions (Bhawanipatna: five and Koraput: three), though there was provision for brick line channel to ensure water to the fields of the ultimate beneficiaries, the same was not done due to non contribution of beneficiary share (March 2006).

The consultant's case study disclosed that the BKVY projects were fully controlled by the Government official right from the project proposal to the delivery of materials at site. The users were alienated from the project, which scaled down the spirit of 'our project' and 'community ownership', when the project was handed over to them. Thus, the basic principle of participation, involvement, ownership and transparency was missing in the entire process.

<sup>4</sup>

(i) Kalahandi district: Kuchagaon, Konagaon, Marnabahali and Talapipalli, (ii) Nowrangpur Sandasa I, Sindhiguda and Pupugaon.

### 3.4 *Ineffective Monitoring*

The RLTA action plans provided, monitoring and evaluation at district level by the District Collector and Watershed Mission. The department was supposed to monitor at the State level. However, there was no evidence on record of monitoring in any of the level. BKVY programme guidelines also provided that monitoring and evaluation committees at the State and district level should be formed for regular internal monitoring and evaluation of the projects. District level monitoring had to be conducted by a committee headed by the District Collector and the State level monitoring by a committee headed by the Chief Secretary.

In spite of clear provisions, no attempt was made to conduct regular monitoring to find out the deviations and to take corrective actions for the successful implementation of the projects. No monitoring reports were prepared at any stage of the implementation of the projects.

### 3.5 *Abstract of audit findings.*

The planning for drought proofing was not realistic as geophysical data of ORSAC was overlooked for prioritization of watershed projects. Out of 2872 projects (watershed and BKVY) scheduled for treating an area of 7.49 lakh hectares at a cost of Rs 456.87 crore, only 1422 projects could be completed; 1450 projects were either prematurely closed or remained incomplete. Deficiencies in the nature of diversion of funds (Rs 16.01 crore), infructuous expenditure due to abandonment of watershed projects (Rs 4.42 crore), and idling of BKVY projects due to non-energisation (Rs 1.79 crore) were noticed. Contribution in respect of 'Pani Panchayats' and 'Watershed Development Funds' did not take off creating apprehension about future maintenance of projects.

### 3.6 *Impact assessment*

The State Watershed Mission fixed (March 2001) benchmarks for determining the impact of the watersheds like average level of water in the open wells in May/June below surface, area cultivated under different crops in khariff and Rabi seasons, productivity of principal crop, etc. However, no efforts were made to assess the success of projects against the benchmarks fixed.

Out of 752 beneficiaries interviewed by Audit, 208 beneficiaries (28 per cent) stated increase in the ground water level. The beneficiaries under BKVY stated that there was increase in productivity. Majority of the beneficiaries also stated



A small pond in Maligaon in Laxmipur Block

that there was an additional employment opportunity during the period of construction.

The beneficiary survey by the XIMB disclosed that the drought proofing measures had a marginal increase in labour man days, as many of the watersheds with small water structures and low water storage capacity were not found durable. Under the BKVY projects, the feeder source for lift irrigation points did not have sufficient water during Rabi season. Marginal farmers having land in the periphery of ayacuts also did not benefit and there was irregular supply of electricity.

Impact assessment made by the XIMB showed that 40 *per cent* of the beneficiaries felt drought-proofing measures achieved as *poor*<sup>5</sup> levels of outcome while 20 *per cent* of beneficiaries rated the same to a *fair* level of outcome. The remaining 40 *per cent* rated the outcome as satisfactory or better than satisfactory.

### **3.7 Recommendations**

- Budgetary support to the watershed schemes should be increased with timely release of funds to the implementing agencies for completion of the projects.
- The ORSAC remote sensing data should be used in selection of watershed villages and preparation of action plan.
- The system of post project participatory management should be strengthened by ensuring users contribution of 10 *per cent* in full as envisaged in the watershed and BKVY schemes.

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<sup>5</sup>

*Failure: < 2.1, Poor: 2.1 - 2.5, Fair: 2.6 - 3.0, Satisfactory: 3.1 - 3.5, Good: 3.6 - 4.0, Very good: 4.1 - 4.5 and Excellent: 4.66 - 5.0.*



## Chapter 4: Poverty alleviation

### 4.1 Schemes at a glance

RLTAP adopted the strategies of “Building productive rural infrastructures”, “Developing programmes for income generation on sustainable basis” and “Mobilising and Energising the rural poor” for eradication of poverty in the region. The “Rural Employment” and “Afforestation” programmes were used as key tools to achieve the above objective.

#### Rural Employment

Rural Employment in RLTAP mainly consisted of Sampoorna Grameen Rozgar Yojana (SGRY) and Swarnajayanti Gram Swarozgar Yojana (SGSY); both being centrally sponsored schemes funded on cost sharing basis between Government of India and State Government in the ratio of 75:25. The SGRY scheme was launched by Government of India in the year 2001-02 with the objective of providing additional wage employment in all rural areas to ensure food security, to improve nutritional levels and provide at least 100 days of work to the unskilled rural unemployed people.

The objective of SGSY scheme was to bring the assisted poor families (Swarozgaris) above the poverty line by providing appreciable sustained level of income. The programme strategy was to organise the rural poor into Self Help Groups (SHGs) through social mobilisation, training and capacity building while providing them with income generating assets through bank linkages.

#### Afforestation

Afforestation Programme under RLTAP envisaged increasing forest cover, checking soil erosion and improving soil and moisture conservation. The programme was to be implemented by way of participatory action through Joint Forest Management (JFM) involving the Vana Samrakshana Samities (VSS) formed at the village level adjacent to the afforestation sites and the departmental officials through formulation of micro plans taking into account the needs and aspirations of the local people.

### 4.2 Programme implementation

#### 4.2.1 Receipt and utilization of funds

The details of funds received and expenditure incurred during the period 2002-07 were as under:

(Rupees in crore)

Name of the programme		Funds available during 2002-07 including opening balance	Expenditure incurred during 2002-07	Balance as on 31 March 2007
Rural Employment	SGRY/ NREGS <sup>1</sup>	829.09*	766.87	62.22
	SGSY	97.73	96.99	0.74
<b>Total Rural Employment</b>		<b>926.82</b>	<b>863.86</b>	<b>62.96</b>
Afforestation		100.61	97.47	3.14
<b>Grand Total</b>		<b>1027.43</b>	<b>961.33</b>	<b>66.10</b>

\*excluding food grains component

It could be seen from the table above that Rs 62.96 crore and Rs 3.14 crore could not be spent within the targeted time under the rural employment and afforestation programmes respectively.

#### 4.2.2 Physical targets and achievements

The following table shows the targets and achievements under different poverty alleviation schemes during the period 2002-07:

Districts	SGRY & NREGS (Number of works) (2002-07)		SGSY (Number of swarozgaries) (2002-07)		Plantations in hectare (2002-07)	
	Target	Achievement	Target	Achievement	Target	Achievement
1 Koraput	18306	18713	13220	14884	12580	12580
2 Malkangiri	9646	7211	5281	5155	5325	5325
3 Nowrangpur	17757	13448	10107	11281	5910	5910
4 Raygada	16324	14144	8287	8585	6565	6565
5 Bolangir	13043	11538	12543	12200	11495	11420
6 Sonapur	6891	5078	4901	4675	3385	3385
7 Kalahandi	12426	10430	10893	12422	9590	9550
8 Nuapada	12610	11329	6357	7002	6535	6505
<b>Total</b>	<b>107003</b>	<b>91891</b>	<b>71589</b>	<b>76204</b>	<b>61385</b>	<b>61240</b>
<b>Achievement in per cent</b>		<b>86</b>		<b>106</b>		<b>99.7</b>

It may be seen that against the target of 107003 works under SGRY and NREGS, the achievement was 91891 (86 per cent) leaving a shortfall of 15112 works (14 per cent) while the achievement was more than the target under SGSY scheme. The achievement was close to 100 per cent under afforestation programmes.

#### 4.2.3 Shortfall in generation of labour man-days under SGRY

RLTAP envisaged minimum 100 days of work to 50 per cent of the job seekers annually under wage employment programme (EAS/SGRY). The district-wise details of targets for generation of labour man-days set in RLTAP perspective plan and man days generated during the period 2002-07 were as below:

<sup>1</sup> The SGRY scheme was replaced by the National Rural Employment Guarantee Scheme (NREGS) from February 2006.

Sl. No.	Name of the district	Number of agricultural labour in the district	Labour man-days targeted in RLTAAP (in lakh)	Reported generation of man days (in lakh)
1.	Koraput	132248	330.62	169.66
2.	Malkangiri	24525	61.31	141.11
3.	Nowrangpur	117030	292.58	162.69
4.	Raygada	121147	302.87	161.23
5.	Bolangir	131447	328.62	119.34
6.	Sonepur	58686	146.72	81.92
7.	Kalahandi	174906	437.27	167.11
8.	Nuapada	52933	132.33	106.18
	<b>Total</b>	<b>812922</b>	<b>2032.32</b>	<b>1109.24</b> (55 per cent)

It could be seen from the table that, against target of 2032.32 lakh man days (812922 X 50 per cent X 100 days X 5 years) the actual number of man days generated was only 1109.24 lakh leaving a shortfall of 923.08 lakh man days. Thus, in the execution of the SGRY/ NREGS programmes, the main objective of provision of employment to the job seekers could not be achieved.

### 4.3 Sampoorna Grameen Rozgar Yojana (SGRY)

#### 4.3.1 Diversion of funds earmarked for weaker sections

The SGRY scheme envisaged that 22.5 per cent of total annual allocation of funds at Zilla Parishad (ZP) and Panchayat Samiti (PS) levels was to be earmarked for individual beneficiary schemes of SC/ST families living below poverty line (BPL). During 2002-06, out of a total allocation of Rs 325.02 crore consisting cash component of Rs 230.37 crore and food grain component of Rs 94.65 crore, the implementing agencies incurred expenditure of Rs 58.42 crore (18 per cent) and diverted Rs 14.71 crore for schemes not intended for SC/ST beneficiaries which was a clear violation of GOI guidelines.

Further, the guidelines prescribed that a minimum of 50 per cent of allocation was to be earmarked for creation of need based village infrastructure in SC/ST habitations in the case of implementation through the Gram Panchayats. During 2002-06, against the allocation of Rs 320.15 crore (cash: Rs 228.17 crore and food grain: Rs 91.98 crore) the implementing agencies incurred expenditure of only Rs 144.20 crore (45 per cent) and diverted Rs 15.87 crore for projects not meant for SC / ST categories in violation of SGRY guidelines and as a result the targeted beneficiaries were deprived of the benefit of rural infrastructure.

#### 4.3.2 Engagement of contractors/middlemen in execution of works

The SGRY scheme guidelines specified that works shall be executed through beneficiary committees enabling the rural poor in getting wage employment and in no case, contractors shall be engaged. Test check of 324 case records in 20 selected blocks showed that SGRY works (200 numbers) worth Rs 2.75 crore were executed through contractors. A village labour leader (VLL) selected under the pretext of a beneficiary group executed the works on behalf of the contractors.

Huge shortfall in generation of employment under SGRY programme

Rs 30.58 crore meant for individual SC/ST beneficiaries and rural infrastructure in the SC/ST habitations were diverted by the implementing agencies

SGRY works worth Rs 2.75 crore were executed through contractors

SGRY works worth Rs 2.75 crore were executed through contractors

Normally beneficiary groups are given advances before execution due to their poor economic status. These village labour leaders, however, were found to have executed the works without obtaining advances.

#### **4.3.3. Denial of enhanced wages due to the poor labourers**

Denial of wages at enhanced rates to the SGRY beneficiaries in the test checked blocks

The State Government fixed minimum wage rates for unskilled, semi-skilled, skilled and highly skilled labourers at the rates of Rs 50, Rs 60, Rs 70 and Rs 80 per day respectively with effect from January 2002. Subsequently, these rates were enhanced twice by Rs 2.50 for each category of labourers effective from January 2004 and 2006. However, in 104 out of 324 test checked SGRY works, the labourers were not paid their wages at the enhanced rates during 2001-06 resulting in short payment of Rs 2.66 lakh to wage earners. The BDOs concerned stated that the wages were paid as per the wage rates included in the work estimates. The replies were not tenable, as the BDOs and the engineering staff should have prepared the estimates adopting revised wage rates.

#### **4.3.4 Non-payment of both food grains and cash component to labourers**

The SGRY scheme provided for payment of wages partly in food grains (minimum five kgs per day up to October 2005 and three kgs thereafter) and partly in cash (minimum 25 per cent of wages) to a labourer for ensuring food security and improving nutritional standard of the poor families. However, contrary to the provisions of the scheme, in 44 (14 per cent) out of 324 works, payments were made to the labourers only in cash. Thus, food security for rural labourers could not be ensured. Similarly in five works, wages were paid to the labourers in shape of food grains without any cash payments depriving the labourers from liquid cash required for their daily needs.

#### **4.3.5 Tampering of Muster Rolls**

Cases of tampering (41) and non-maintenance (21) of muster rolls were noticed

Test check of records of these 324 works also showed that no muster roll was prepared and appended to the case files in support of payment made to the labourers in 21 cases while in 41 cases, tampering of names of labourers, corrections in the amount figures and in the quantity of food grain issued were noticed in the muster rolls. Further, in 13 works, the thumb impressions of the labourers, involving payment of wages of Rs 4.21 lakh were not attested by the VLL. Hence, payments through such muster rolls raised doubts about their authenticity.

#### **4.3.6 Delay in completion of works**

Delay in completion of SGRY works worth Rs 94.96 lakh ranged between two and 42 months

As per the work orders, the SGRY works were to be completed within three months of their commencement. However, in six blocks (Bhawanipatna, Dharamgarh, Bolangir, Belpara, Koraput and Nuapada) 71 out of 153 SGRY works (46 per cent) valuing Rs 94.96 lakh were completed with delays ranging from two to 42 months leading to denial of timely benefits to people.

#### 4.3.7 Non maintenance of works registers

SGRY scheme guidelines provided for creation of durable community assets in rural areas, such as rural roads, culverts, school buildings, primary health centers, Anganwadi centers, renovation of water sources etc. It was seen that out of 1,10,272 works taken up during 2001-06 in KBK districts, 99,649 works were completed and 10,583 works (10 per cent) remained incomplete as of March 2006. It was, however, seen that works registers were either not being maintained or were not updated by the executing agencies. As a result, the status of reported completion of works, the age-wise analysis of the incomplete works and idle expenditure made on them could not be verified in audit.

SGRY work registers were either not being maintained or were not updated by the executing agencies

#### 4.4 Swarnajayanti Gram Swarozgar Yojana (SGSY)

##### 4.4.1 Excess payment of subsidy

SGSY guidelines provided that the amount of subsidy for a group of swarozgaries would be at the rate of 50 per cent of the project cost subject to per capita subsidy of Rs10000 or Rs 1.25 lakh per group which ever is less. Subsidy was not admissible to people whose income fell above poverty line (APL). In three DRDAs, there was excess payment of subsidy of Rs 4.56 lakh during 2003-04 as detailed below in violation of the provisions of the guidelines:

District	Number of SHGs	Number of Swarozgaris		Subsidy paid	Subsidy due	Excess payment
		BPL	APL			
				Rupees in lakh		
Rayagada	6	63	1	7.34	6.30	1.04
Balangir	9	91	16	10.34	9.10	1.24
Nuapada	13	136	4	15.88	13.60	2.28
<b>Total</b>	<b>28</b>	<b>290</b>	<b>21</b>	<b>33.56</b>	<b>29.00</b>	<b>4.56</b>

##### 4.4.2 Poor performance of self help groups

The strategy of the SGSY was to organize the rural poor into self help groups (SHGs) through the process of social mobilization by providing them with income generating assets through bank linkages. For this, the SHGs should be subjected to tests in two different stages. SHGs which demonstrate their potential as a viable group during the grading tests are treated as Grade-I and shall enter the third stage for being eligible for revolving fund of Rs 25,000 from bank as cash credit facility. Of this, a sum of Rs10,000 would be given to the bank by the DRDA for adjustment against the loan at the end of cash credit period on the request of the group. The SHGs which are found to have successfully demonstrated certain prescribed attributes at the end of third stage are treated as Grade-II to become eligible for assistance in the form of loan and subsidy to take up economic activities through higher level of investments.

As per information made available to audit by the DRDAs, 34367 SHGs were formed during 2001-06 out of which 16,167 (47 per cent) was inactive and 18,200

Out of 34367 SHGs formed under SGSY, only 4868 (14 per cent) of them entered into economic activities

(53 per cent) graduated to Grade-I entitling themselves for the revolving fund. Out of them, 7,679 (22 per cent) SHGs entered to the Grade-II category making themselves eligible for taking up economic activities through higher level of investments availing bank loan and subsidy. However, only 4,868 (14 per cent) of them actually entered into economic activities. Although the scheme envisaged utilisation of up to 10 per cent of the total outlay for orientation and skill upgradation of the swarozgaries, only Rs 3.47 crore (four per cent) out of the total outlay of Rs 89.50 crore under SGSY were spent for the purpose. The low rate of transition of SHGs into potential groups reflected inadequate capacity building measures.

#### 4.4.3 Income generated under SGSY were not monitored

Progress of the SHGs and the number of swarozgaries achieving the desired level of income not monitored

According to the SGSY guidelines, the DRDAs were to monitor the progress of the SHGs regularly through physical verification of assets of the SHGs and their progress towards income generation. Six DRDAs (Bolangir, Koraput, Nuapada, Rayagada, Suvarnapur) did not conduct any physical verifications to evaluate the progress of the swarozgaries and the number of swarozgaries achieving the desired level of income of Rs 2000 per month. In Nowrangpur district, out of 2,279 SHGs financed under the scheme only three groups could reach the desired level of income.

Case study made by the XIMB also showed that most of the SHGs formed did not seem to be properly functioning because of the heterogeneity in literacy levels of members, age and economic status. Members of most of the SHGs were illiterate; lacked expertise and were vulnerable to deception in financial matters by different parties including the credit linked banks. In case of construction activities through SHGs, the middlemen and not the targeted poor people were the key beneficiaries.

#### 4.4.4 Repayment of loan by swarozgaries

As per the information available with DRDAs, cases of non-repayment and delayed repayment were noticed. Against Rs 2.07 crore (inclusive of subsidy component of Rs 75 lakh) disbursed to 80 SHGs in four out of the eight test checked DRDAs during 2003-06, the SHGs repaid only for Rs 5.78 lakh (four per cent) as detailed in the table below:

(Rupees in lakh)

	Year of disbursement	Number of SHG involved	Amount of loan disbursed	Amount of loan repaid	Amount of subsidy consumed
Bhawanipatna	2003-06	18	38.53	0.03	18.40
Nuapada	2003-05	14	38.89	Nil	14.30
Malkangiri	2003-05	28	77.74	5.75	20.64
Rayagada	2003--05	20	51.85	Nil	21.44
<b>Total</b>		<b>80</b>	<b>207.01</b>	<b>5.78</b>	

Poor repayment of loan availed by the test checked swarozgaries under SGSY

Besides, instances were also noticed that the SHGs repaid their loan during lock-in period and subsidy was adjusted against repayment of loan although the same

was required to be adjusted at the end of the cash credit period. Some instances are given below:

(Rupees in lakh)

Name of the SHG	Loan disbursed	Date of disbursement	Date of repayment	Loan repaid	Moratorium period
Saibaba SHG, Kolnara, Rayagada	3.00	2 March 2005	9 March 2005	0.44	NA
Bansadhar SHG, Khilamaunda,	5.85	31 March 2005	17 June 2005 to 2 January 2006	2.77	one year
Maa Mangala SHG, Khaman,	2.30	18 December 2004	4 January 2005	1.00	6 months
Agnigangama SHG, Gadiseskhal	2.80	31 March 2005	30 May 2005 to 9 June 2005	0.97	NA
Dubey sahi, SHG	2.90	3 March 2005	Nov 2005	1.80	NA
Maa Annapurna SHG, Bhairbgad	2.30	2 December 2004	8 January 2005	0.87	3 months
Sabita SHG, Kutunipadar,	2.50	22 November 2003	1 March 2004	2.50	NA

Premature repayment of loan by the swarozgaries indicated lack of interest in their business activities

The premature repayment of loan within the moratorium period indicated erroneous selection of beneficiaries or non-creation of the assets by the swarozgaries reflecting lack of interest among swarozgaries in their business activities. The above fact was corroborated by the Director, Special Project, Panchayati Raj Department in his letter (July 2005) addressed to the Project Directors of all DRDAs.

#### 4.4.5 Low coverage of population under SGSY scheme

The SGSY programme envisaged coverage of 30 per cent of BPL families for formation of self help groups (SHGs) within five years. However, it was seen that the coverage of BPL families by all the DRDAs under the scheme during the five years 2001-06 was only 6 per cent. The district-wise details are given below:

Only 6 per cent of BPL families covered under SGSY as against the required 30 per cent

Sl No	Name of the district	Total BPL families	Number of BPL beneficiaries covered under SGSY scheme	
			Required coverage of 30 per cent	BPL families covered (per cent)
1.	Koraput	223846	67153	14365 (6)
2.	Malkangiri	79138	23741	4810 (5)
3.	Nowrangpur	158684	47605	11089 (7)
4.	Rayagada	135785	40735	7716 (6)
5.	Bolangir	201310	60393	11112 (6)
6.	Sonepur	80396	24119	4569 (6)
7.	Kalahandi	193054	57916	10898 (6)
8.	Nuapada	108864	32659	6711 (7)
<b>Total</b>		<b>1181077</b>	<b>354351</b>	<b>71270 (6)</b>

The coverage of BPL families under the SGSY scheme in the 20 test checked blocks ranged from 3.6 per cent (Bolangir) to 8.4 per cent (Kolnara) excepting Koraput which had 12.4 per cent overall coverage.

The case study conducted by the XIMB disclosed that the improvement and earning capabilities of targeted people, long-term sustainability of micro

enterprises and the overall improvement in quality of life of the targeted people through the SGSY scheme did not seem to be significant in the field.

#### **4.5 Afforestation programme**

##### **4.5.1 Delayed release of funds**

As per the schedule of operation for plantations under Afforestation programme, major activities involved in plantation were required to be completed before onset of monsoon (July) and therefore the timely release of the funds to the forest divisions was to be ensured. During 2001-06, the release of funds to seven<sup>2</sup> out of 12 test checked forest divisions by the end of July was only Rs 14.50 crore (56 per cent) against Rs 25.75 crore required for the major activities. The balance funds were released during the fag end of the financial years (February). The Divisional Forest Officers stated (June 2006) that such delayed release of funds affected the soil conservation measures and maintenance operations of the existing plantations. Besides, peoples' participation through entry point activities could not be ensured. This apart, delay in release of funds led to surrender of Rs 64.82 lakh by two divisions in Balangir and one division in Sonepur district during 2001-05.

##### **4.5.2 Irregular expenditure on establishment**

Though the funds earmarked for a scheme could not be utilized for establishment expenditure, an amount of Rs 7.10 lakh was spent by the Principal Chief Conservator of Forests (PCCF) towards telephone charges (Rs 6.36 lakh), electricity (Rs 0.12 lakh) and other contingent expenditure (Rs 0.62 lakh) violating the scheme guidelines. The PCCF replied that such expenditure was made due to administrative exigency. The amount was not recouped till December 2006.

##### **4.5.3 Shortfall in achievement under NTFP plantation**

As per Annual Action plans, the plantation under 'Non Timber Forest Produce' (NTFP) was to be undertaken so as to increase the forest products and to ensure generation of employment on a sustainable basis. During the years 2002-06, as against the target of 10000 hectares, only 6175 hectares of NTFP plantations were undertaken resulting in shortfall of 3825 hectares (38 per cent).

##### **4.5.4 Non-supply of fuel-efficient chullahs**

Annual Action plans sought to promote use of fuel-efficient chullahs among the rural households to reduce the demand on forest for firewood. Accordingly, the PCCF Orissa (January 1999) instructed all forest divisions to distribute such chullahs to all the families of the fringe villages (8203) out of the funds under entry point activities. Scrutiny of records of 12 forest divisions showed that only

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<sup>2</sup> Forest Divisions: (i) Bolangir west, (ii) Kalhandi north, (iii) Kalahandi south, (iv) Koraput, (v) Jeypore, (vi) Malkangiri and (vii) Nowrangpur.



one division (Khariar) supplied fuel-efficient chullahs to 1703 (60 per cent) families out of the total 2850 families in Nuapara district while the remaining 11 divisions did not supply fuel-efficient chullah at all. Thus, the demand on forest for firewood could not be stemmed.

#### 4.5.5 Deviation from scheme guidelines and resultant loss

The schemes<sup>3</sup> of IAEP, AOFFP and NTFP provided taking up plantation on watershed / catchment area to prevent high mortality in drought-like situation. Deviating from the scheme guidelines two divisions (Sambalpur South and Bolangir East) took up plantation outside the watershed catchment areas during 1999-2003 by incurring expenditure of Rs 56.40 lakh. The plantations did not, however, survive due to drought condition.

#### 4.5.6 Joint Forest Management system

For ensuring better management of forest, the Government constituted Vana Smarakshana Samitees (VSS) in July 1993 comprising officials from Forest & Environment Department and representatives from households living in adjoining forest area for joint forest management (JFM) in all the 8203 villages. The work of VSS included protection of forests against grazing, fire, illicit felling, theft and encroachment of forest land through patrolling. A review of the functioning of the VSS during 2001-06 disclosed the following:

- Against 8203 number of VSS scheduled to be formed; only 3160 were formed as of March 2006. Of these only one VSS had been registered under the Societies Registration Act. Thus, the VSS, barring one which was registered, did not have legal status for enforceability.
- Out of plantations raised in 73615 hectares by 12 Forest Divisions in the KBK districts during 2001-06, the survival of plantations in 11558 hectares was partially (below 50 per cent) successful as of March 2006.
- Plantations raised over 1160 hectare during 2001-06 under three divisions<sup>4</sup> were damaged by drought conditions (820 hectare), destroyed by the cattle (140 hectare) and internal conflicts of VSSs (200 hectare). Evaluation (January 2005) by Conservator of Forest, Bhawanipatna over 38 sites<sup>5</sup> indicated that growth of plantation over 210 hectare was poor and the survival was only 10 per cent due to non-involvement of the VSS.

<sup>3</sup> IAEP :Integrated Afforestation and Eco Development Project, AOFFP : Area Oriented Fuel and Fodder Programme, NTFP : Non Timber Forest Produce.

<sup>4</sup> Sambalpur-South, Rairakhol and Rayagada

<sup>5</sup> Bolangir East: 12, Bolangir West: 7, Kalahadi south: 6, Kalahandi north: 6 and Khariar: 7.

Irregular payment of wages of Rs 1.34 crore to VSS

- Though it was the duty of the VSS to protect the forest from destruction through voluntary patrolling, in eight<sup>6</sup> Forest Divisions an amount of Rs 1.34 crore were paid to them as wages. In fact, this fund was for creation and maintenance of assets like renovation of ponds, creation of water bodies etc. Besides, by engaging them for security and treating as paid labourers, the spirit of beneficiary ownership could not be developed.

#### **4.6 Monitoring**

The guidelines of CSP schemes viz. SGRY and SGSY clearly provided that the officers from State level were required to visit the districts and the district level officers in turn should visit the Blocks. Field level monitoring were to be made for ascertaining the progress of implementation of the programmes, deviations etc., through regular reporting from the Block level to the State level through the district level officials. It was, however, noticed that the monitoring was inadequate. Reports of progress of work, deviations and decisions for corrective action etc. were not available on record.

Besides, a sum of Rs 6.15 lakh<sup>7</sup> was paid to the Orissa Remote Sensing Application Centre (ORSAC) for concurrent and independent evaluation of project performance, which too did not materialise due to non-supply of required maps by the Forest Divisions to the ORSAC.

#### **4.7 Abstract of Audit findings**

The SGRY scheme implemented in the KBK districts failed to generate targeted number of employment days under RLAP. The afforestation programme aimed at conservation and extension of forests coupled with employment also showed a dismal performance.

#### **4.8 Impact assessment**

Poverty alleviation through rural employment programmes was given high priority under RLAP to address unemployment and check migration of labour in the region. However, the data maintained by the Labour and Employment Department indicated that migration of labourers to other States was on the increasing trend ranging from 8,845 in 2001-02 to 14,787 in 2005-06. These numbers however did not include migration through unregistered contractors. From the available information it was reasonable to conclude that efforts for generation of employment did not achieve satisfactory results. Graduation of SHGs into potential micro enterprises did not show impressive result as only a few of them entered into economic activities and very few were earning the desired monthly income. The beneficiaries did not have a sense of community ownership on the community assets created. Improvement in rainfall and increase

<sup>6</sup> Bolangir East :Rs 12.94 lakh, Bolangir West : 16.13 lakh, Koraput : Rs 9.32 lakh, Jeypore : Rs 27.01 lakh, Kalahandi North : Rs 22.93 lakh, Kalahandi South : Rs 10.10 lakh, Malkangiri : Rs 14.98 lakh and Nowrangpur : Rs 20.63 lakh..

<sup>7</sup> 2002-03 : Rs. 6.00 lakh and 2004-05 :Rs .0.15 lakh.

in forest cover in the KBK districts were among major performance indicators for determination of success of afforestation programme. As per the rainfall reports maintained by the Special Relief Commissioner (SRC), the average annual rainfall in the region was 1323 mm during 1993-97 whereas the same averaged 1319 mm during 1998-2006 indicating there was marginal reduction instead of increase in precipitation. The survey by the XIMB revealed that while 25 per cent of the beneficiaries felt that the RLTA had little impact on alleviation of their poverty, another 25 per cent felt the impact to be of a fair level. The remaining 50 per cent rated the impact as satisfactory. Some benefit, however, accrued to them in the form of employment generated by the schemes.

#### 4.9 Recommendations

- Transparency in execution of works under SGRY schemes should be ensured to avoid engaging contractors in the guise of village labour leaders.
- Continuous and effective guidance and direction for micro entrepreneurial activities should be developed by the SHGs.
- Requirement of fire wood and fodder should be assessed and plantation carried out under Non Timber Forest Produce (NTFP) schemes to provide sustained employment and to check illicit felling of trees.

## Chapter 5: Improvement in Quality of Life

### 5.1 Major schemes relating to improvement of quality of life

With a view to improving the quality of life in the region, the schemes of “Rural Connectivity”, “Emergency Feeding Programme”, “Mobile Health Units” and “Rural Safe Drinking Water Supply” were given priority in the Revised Long Term Action Plan in the KBK districts. The “Indira Awas Yojana (IAY)” included under rural employment under the RLTA also related to improvement of quality of life.

The Rural connectivity schemes were implemented by the Rural Development Department through the Rural Works (RW) Divisions, Emergency Feeding Programme by the Women and Child Development Department through the District Social Welfare Officers (DSWOs) and Child Development Project Officers (CDPOs) and Anganwadi Centres (AWCs), Mobile Health Units (MHUs) by Health and Family Welfare Department through the Zilla Swasthya Samities (ZSSs) headed by the Chief District Medical Officers (CDMOs) and Rural Drinking Water Supply (RDWS) by Rural Development Department through Rural Water Supply and Sanitation (RWSS) Divisions.

### 5.2 Allocation and utilization of funds

The total amount of funds allotted to various implementing agencies, their utilisation and funds remaining unutilized during 2002-07 were as shown below:

(Rupees in crore)

Scheme	Amount allotted to implementing agencies	Amount utilised	Unspent balance	Percentage of utilisation
<b>Rural connectivity</b>				
SCA	321.68	310.78	10.90	96.61
PMGSY	565.93	494.97	70.96	87.46
<b>Total</b>	<b>887.61</b>	<b>805.75</b>	<b>81.86</b>	<b>90.78</b>
<b>Emergency feeding</b>	91.40	79.11	12.29	86.55
<b>Mobile Health Unit</b>	23.49	21.09	2.40	89.78
<b>Rural Drinking Water Supply (RDWS)</b>	58.13	57.39	0.74	99.73
<b>Grand total</b>	<b>1060.63</b>	<b>963.34</b>	<b>97.29</b>	<b>90.83</b>

Thus, the utilisation of funds under RDWS was close to 100 *per cent*, while the balances under rural connectivity, emergency feeding and MHU programmes were respectively Rs 81.86 crore, Rs 12.29 crore and Rs 2.40 crore.

### 5.3 Rural Connectivity

The rural connectivity programme sought to increase the road network with focus on construction of missing links, developing a strategy to provide connectivity to all rural habitations, through rehabilitation and reconstruction of bridges, culverts and approach roads to provide access to market places, educational institutions and health care services to entire population.

The district wise total number and length of roads targeted and number and length of roads constructed during the period 2002-07 under rural connectivity (PMGSY) programme are given below:

(in kilometers)

District	Target		Works completed		Short achievement	
	Number of roads	Length	Number of roads	Length	Number of roads	Length
Kalahandi	243	1322.66	89	281.54	154	1041.12
Nuapara	100	511.11	27	128.69	73	382.42
Balangir	178	621.31	92	230.48	86	390.83
Sonepur	101	320.39	47	105.40	54	214.99
Koraput	104	502.32	48	118.24	56	384.08
Malkangiri	80	369.75	11	36.87	69	332.88
Rayagada	91	447.35	53	151.98	38	295.37
Nowrangpur	87	323.91	57	150.96	30	172.95
<b>Total</b>	<b>984</b>	<b>4418.80</b>	<b>424</b>	<b>1204.16</b>	<b>560</b>	<b>3214.64</b>

Short achievement in construction of 560 roads involving 3215 kilometres

Thus, against a target of 984 roads involving length of 4418.80 kilometres, actual works completed were 424 roads involving 1204.16 kilometres (27 Percent) resulting in short achievement of 560 roads involving 3214.64 kilometres. Against the projected requirement of Rs 565.93 crore, Rs 494.97 crore were spent as of March 2007. The shortfall in achievement was mainly due to delayed release of funds and lapses on the part of implementing agencies.

Shortfall in providing all weather rural connectivity to the 414 habitations and 291 gram panchayat headquarters

Though 750 unconnected habitations having population of 1000 or more and 384 gram panchayats (GPs) were targeted for completion under rural connectivity by 2005-06, only 336 habitations and 93 GP headquarters (38 percent) were provided with all weather connectivity roads as of March 2007 resulting in a shortfall 414 habitations and 291 GP headquarters.

The main reason for the shortfall was diversion of funds earmarked for rural connectivity for the improvement of State Highways and Major District Roads. The major deficiencies observed in audit in the execution of projects under rural connectivity are discussed in the succeeding paragraphs:

### 5.3.1 Blocking up of funds

Blockage of SCA funds of Rs 72.14 crore meant for rural connectivity in Civil Deposit

Utilisation of funds received under SCA indicated that out of an amount of Rs.182.39 crore drawn by P&C Department for rural connectivity, an amount of Rs 148.08 crore was credited to Civil Deposits during 2003-05, of which an amount of Rs 72.14 crore was still lying as of March 2007. Besides, Rs 110.25 crore placed with the SARCA (Special Area Rural Connectivity Authority) during 2005-07 remained unutilised as of March 2007. However, the Planning and Coordination Department had shown it as expenditure, which was factually incorrect.

### 5.3.2 Diversion of ACA / SCA funds

The EEs of eight R&B Divisions diverted Rs 23.09 crore for execution of various works relating to State Highways and major district roads (29 reaches) in blatant deviation from RLTA objectives as detailed in **Appendix-III**.

**Diversion of Rs 23.42 crore meant for rural connectivity for construction of State Highways, Major District Roads and other office buildings**

Besides, an amount of Rs 15.71 lakh was diverted and utilised by the R&B Division, Kalahandi for construction of a tourist complex at Thuamal Rampur during 2002-03. Similarly, an amount of Rs 17.12 lakh had been diverted and utilised by RW Division, Nuapara for health sub centre buildings during 2005-06.

### **5.3.3 Avoidable extra expenditure due to delay in finalising the tenders**

During September 2002, the Executive Engineer (EE), RW Division, Koraput invited tenders for construction of a bridge over river Kolab on SKB road (7<sup>th</sup> Km). In response, three tenders were received and the rate of Rs 1.44 crore quoted by a tenderer with a validity period of 90 days from the last date of receipt of the tender (8 November 2002) was the lowest. However, the tender was not finalized within the above validity period due to delays at various levels. Though the Government requested the contractor to extend the validity period, the contractor did not agree for the same and the tender was cancelled. Subsequently, tenders were again invited and the work was awarded in September 2005 after a lapse of three years at the lowest rate of Rs 2.22 crore. Had the first tender been accepted within the validity period, the extra expenditure of Rs 78 lakh incurred due to re-tendering could have been avoided.

**Avoidable extra expenditure of Rs 1.50 crore due to failure in finalising the tenders in time**

In another case, tenders were invited (March 2003) for construction of a bridge over the same river on JBB road (9<sup>th</sup> Km) and the quoted rate of Rs 2.51 crore with a validity period of 90 days from the date of opening (April 2003) of tender was the lowest. But, the tender was not finalised within the validity period and when it was finally accepted (27 February 2004) after a lapse of 329 days, the contractor backed out of the offer. Again fresh tenders were invited and the work was awarded (September 2005) to another contractor at the lowest quoted rate of Rs 3.23 crore involving additional cost of Rs 72 lakh.

### **5.3.4 Non commencement of projects in spite of availability of funds**

The AAP 2002-03 of RLTA provided undertaking and execution of 23 cross drainage / culvert works (Nuapara: 15 and Sonapur: 8) with an estimated cost of Rs 65.20 lakh. Though sufficient funds were released to the implementing R&B Divisions for ensuring rural connectivity, there was no attempt to undertake and execute the above works. The EEs concerned stated that due to funds constraint, the works were not taken up. The fact was, however, that these Divisions surrendered Rs 4.90 crore during 2002-06.

### **5.3.5 Extra benefit due to lack of provisions in the agreement**

In 17 out of 20 test checked bridges under seven Divisions, there was short consumption of 15387 quintals of cement compared to the quantity provided in the agreement for the execution of 18,379 m<sup>3</sup> of cement concrete with different strengths viz., M 15, M 20, M 25, M 30. As there was no suitable clause in the agreements for making payment based on actual quantity consumed, these

**Extra benefit of Rs 50.23 lakh to contractors due to flawed agreement**

divisions had to pay the cost based on the rates provided in the agreements which resulted in an extra expenditure of Rs 50.23 lakh as detailed in **Appendix-IV**. Though the EEs concerned confirmed the audit observation, no action had been taken to fix the responsibility (May 2007).

### 5.3.6 *Undue payment to the contractors*

The terms of the contracts for construction of five bridges coming under the jurisdiction of three divisions<sup>1</sup> stipulated that in case of bottom plugging of wells, any sump below the cutting edge level should be filled with concrete of required strength at the cost of the contractors. However, for the execution of 190.30 m<sup>3</sup> of sump below the cutting edge level, the implementing divisions had paid Rs 8.20 lakh in clear violation of the contractual terms, which was unjustifiable. The concerned EEs stated that recovery would be made from the contractors.

Undue payment of Rs 8.20 lakh to contractors in violation of contractual terms

### 5.3.7 *Non recovery of Government dues*

The work "Construction of High Level Bridge over river Bhaskel at 1<sup>st</sup> km of Kasagumuda MP Boarder road" was awarded (December 1997) to a contractor at a cost of Rs 1.81 crore for completion by September 1999. As the contractor did not complete the work within the stipulated period, the contract was rescinded (December 2002) at the risk and cost of the contractor. At the request of the contractor, further time for completion up to July 2003 was granted to him. As the contractor again failed to complete the work, the contract was cancelled (November 2003) at the risk and cost of the contractor. The value of work done was measured as Rs 1.35 crore. The work was rearranged and completed in August 2006 at a cost of Rs 1.34 crore through another agency incurring extra cost of Rs 88 lakh, which was recoverable from the defaulting contractor. No action was, however, taken to recover the additional cost from the contractor as per risk and cost clause of the agreement.

### 5.3.8 *Award of work to an erring contractor*

Tenders were invited (December 2003) by the Chief Engineer (RW) for construction of 13 roads in six packages under PMGSY and the work was awarded to a contractor being the lowest bidder at an agreement value of Rs 11.33 crore, being the only lowest bidder. The scheduled dates of completion of work as per the contracts were between September 2005 and April 2006 for different works. The agreement with the contractor also provided for liquidated damages at the rate of 10 *per cent* of contract value for delay in execution. The contractor had abandoned the works after receiving an amount of Rs 5.07 crore against a measured value of Rs 5.36 crore without any genuine reason as reported (February 2007) by the Superintending Engineer to the Chief Engineer (CE). Thus, in spite of payment of Rs 5.07 crore, the basic objective of the projects i.e.,

<sup>1</sup> Bridge works over (1) RW Division, Koraput : (i) Kolab (9<sup>th</sup> km) JBB road, (ii) Kolab (24<sup>th</sup> km) NKK road, (iii) Satiguda : 7<sup>th</sup> km JBB road, (2) RW Divison, Malkangiri : (iv) Pangan, (3) RW Division, Bolangir : (v) Sonagarh

establishing rural connectivity could not be achieved due to blatant violation of contracts by the contractor. However, no action seemed to have been taken against the contractor (May 2007).

**Injudicious decision to award the road to an erring contractor led to blocking of funds besides non-achievement of the intended rural connectivity**

Subsequently, the CE (RW) invited tenders (September 2005) for another 14 road works in six packages under PMGSY. The same contractor, who abandoned number of works half way earlier, was the only bidder for one package and lowest bidder for the rest of the packages. Hence, the works were awarded (January 2006) to him at a cost of Rs 17.39 crore. The scheduled dates of completion of the works were between October and December 2006. The works had been awarded to him despite the tender committee's observation (December 2005) on unsatisfactory performance of the contractor in the earlier packages. In this case also there was provision for imposing liquidated damages of 10 *per cent* of the contract value for delayed execution. However, the contractor executed works worth of Rs 1.11 crore only as of March 2007. No liquidated damages were imposed on the erring contractor. After executing some initial work like earthen base / granular sub base, the contractor had abandoned these works also without any reason.

Despite abandonment of the first six packages of works without completion, the CE had awarded another six packages to the same contractor which also met with same fate. Thus, the decision of the CE to award road works under PMGSY to the erring contractor was injudicious and led to blocking of funds besides non-achievement of the intended rural connectivity.

### **5.3.9 Expenditure for up-gradation of roads**

**In deviation from scheme guidelines, PMGSY funds of Rs 18.23 crore were used up for upgradation of roads**

PMGSY guidelines prescribed that allocation of funds for up-gradation of roads should not exceed 20 *per cent* of the State's allocation as long as eligible unconnected habitations exist. It was, however, observed that four RW divisions spent of Rs 18.23 crore for upgradation of 39 roads exceeding 20 *per cent* of the states allocation when 173 designated habitations having population of 1000 or more remained unconnected as of March 2006.

### **5.3.10 Splitting up of works for avoiding technical scrutiny and sanction**

**53 road works costing Rs 9.57 crore were spilt into 1768 parts and thereby remained outside the competitive bidding**

According to the provisions of the Orissa Public Works Department (OPWD) Code Volume II, works costing up to Rs 50,000 could be awarded to contractors by inviting quotations and beyond this, tenders were to be invited. In addition, the technical and financial sanction of the works can be given up to Rs 50,000 by the Executive Engineer, beyond Rs 50,000 up to Rupees two lakh by the Chief Engineer and there above by the Administrative Department. The Code also stipulate that works shall not be split into small parts unless absolute necessity exists for expeditious execution of the same by engaging more than one agency in which case works shall be executed at the schedule of rates or below. In clear violation of the above codal provisions, under the pretext of urgency, 53 rural connectivity works were executed at a cost of Rs 9.57 crore by seven R&B and two RW Divisions splitting the works into 1768 parts, each amounting less than



Rs 50,000 by engaging 191 contractors. As a result, the works were kept out of the scope of competitive bidding.

#### 5.4 Emergency feeding programme

Emergency Feeding Programme (EFP) had been implemented in the KBK districts since 1995-96 with the objective of providing food security to old, infirm and indigent persons belonging to the BPL households on a sustained basis so that the most vulnerable groups of the rural population were able to cope with food insecurity.

##### 5.4.1 Short supply of Foodstuff

The EFP under RLTA provided for one time meal per day consisting of rice (200 gram), dal (40 gram) and vegetable (30 gram) etc. to two lakh beneficiaries through out the year through the Anganwadi Centres (AWCs). Accordingly, 69,500 MT of rice and 13,900 MT of dal were to be supplied to the targeted beneficiaries during 2001-06. However, the District Social Welfare Officers concerned could provide only 64,619 MT of rice and 11,875 MT of dal resulting in short supply of 4881 MT of rice and 2025 MT of dal during the period. While the prescribed daily ration per beneficiary was Rs 2.51 per day during 2001-02, this was raised thereafter to Rs 2.70 per day by inclusion of 29 paise meant for providing vegetables (30 grams) and condiments. However, against the required supply of vegetables worth Rs 8.13 crore (in seven out of eight districts except Sonepur) meant for 1.86 lakh beneficiaries, the actual cost of vegetables supplied was only Rs 5.96 crore. Short supply of 4881 MT rice, 2025 MT dal and less expenditure of Rs 2.17 crore on vegetables etc. affected the feeding programme in terms of number of feeding days as well as nutritional quality of food as evidenced from the following observations:

Test check of records of 80 AWCs in 20 blocks covering 2,131 beneficiaries showed that the implementing agencies could not provide one time meal ranging from 28 days (Nowrangpur district) to 186 days (Kalahandi district) per year. Interview of 800 beneficiaries held in these blocks disclosed that a good number of beneficiaries (38 per cent) were not satisfied with the quality and quantity of food supplied to them.

As per project strategy, rice along with dal cooked with locally available seasonal vegetables having nutritional value of 749 kilo calorie, 21.6 grams protein, vitamins as well as minerals were to be provided to the



Cement and rice bags stored in the same room in a Panchayat office in Lanjigarh Block (Kalahandi district) with at least 10 bags of spoiled rice

Emergency feeding programme suffered due to short supply of 0.49 lakh quintals of rice and 0.20 lakh quintals of dal

beneficiaries. However, in two districts (Kalahandi and Koraput) having 13,153 beneficiaries, there was no provision for vegetables in the meals supplied to the beneficiaries. In Nuapada district, 512.40 quintals of dal worth Rs 11.14 lakh supplied during 2002-03 to the feeding centres were found to be substandard by the public analyst of the State Government. In Sonepur district, despite complaints about the dal containing foreign ingredients, samples of such dal were not sent to analytical laboratory for testing. During interview by audit in the district, 40 (50 per cent) out of 80 beneficiaries held that the dal supplied to AWC usually took more time to cook and lacked quality.

The case study of the XIMB in Panjum, a remote village in Lanjigarh block of Kalahandi district also disclosed that most of the beneficiaries were not satisfied with the quantity of food. The food grain quality also deteriorated because of poor storage condition.

### **5.5 Mobile Health Units**

The Mobile Health Unit (MHU) scheme started in the KBK districts sought to provide health care services at the doorstep of sick infants, mothers and people living in remote areas suffering from tuberculosis, panchavyadhi and common ailments. The scheme was implemented through Zilla Swasthya Samities (ZSS) under the chairmanship of the CDMO of the districts concerned. Keeping in view the requirements, 90 Mobile Health Units (MHUs) were operating in the region. Each MHU unit, equipped with a basket of medicines worth Rs 1000 along with medical instruments for clinical test, operated for 20 days in a month up to July 2004 and 24 days in a month thereafter. The Director of Health Services supplied 80 per cent of the medicines for the units and the remaining 20 per cent were procured by the Chief District Medical Officers (CDMOs) locally. Following deficiencies were observed in audit on functioning of the MHUs in the KBK districts:

- Though 2300 out of 8048 villages coming under five CDMOs<sup>2</sup> were inaccessible necessitating the operation of MHUs, 402 villages were still to be covered under the programme. In other districts the CDMOs concerned did not have the information regarding inaccessible villages in the districts.
- During 2001-06, out of 1.32 lakh health camps targeted in the remote areas of the eight districts only 1.23 lakh health camps were organized. It was observed that while arranging the health camps in the remote areas, the facilities available in the camp were not made known to the beneficiaries by displaying notices at the villages or Gram Panchayat level.
- The Health and Family Welfare Department released an amount of Rs 96.98 lakh during 2001-02 to the CDMOs for purchasing medicines for use in MHUs. The entire amount remained unutilised due to change in purchase

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<sup>2</sup>

Kalahandi, Nuapada, Sonepur, Rayagada and Malkangiri.

policy of the Government (December 2001). Non-procurement of medicines intended for use in MHUs deprived the rural poor from health services.

- During the year 2004-05, the SDMU had supplied medicine worth Rs 4.70 lakh to the MHUs of Kalahandi, Nowrangpur and Rayagada districts. Though the laboratory test revealed that the medicines were of “Not of Standard Quality”, these were utilized by the MHUs before the laboratory reports came.
- Shortages of medical staff in different categories for the operation of MHUs viz., medical officer (1), health workers (15), pharmacists (5), Attendants (4), the functioning of MHUs affected health care services to the targeted group. Functioning of the MHUs was also hampered due to non availability of necessary medical instruments (160 numbers) like blood pressure measuring instruments, microscope, stethoscope, diagnostic sets etc.
- In all the 54 MHUs, where doctors in the allopathic discipline and qualified doctors were not available, services of doctors of Indian System of Medicine and Homoeopathy disciplines were utilized and even they were distributing allopathic medicines to the patients since requisite Ayurvedic and Homoeopathic medicines were not procured.

Thus, the MHUs, introduced with great expectation of providing better health services to the rural poor of the inaccessible areas of the KBK districts, failed due to short supply of essential medicines, non availability of qualified doctors and non availability of essential medical instruments.

## 5.6 Rural Drinking Water Supply

The Rural Drinking Water Supply schemes were in operation for providing safe drinking water within a radius of 1.6 kilometre with at least 40 liters of water per capita per day to all rural habitations, besides setting up one hand pump or stand post for every 150 population. The Rural water Supply and Sanitation (RWSS) Divisions (Koraput, Rayagada, Kalahandi and Bolangir) were in charge of the execution of scheme under the supervision of the Chief Engineer, RWSS, Orissa. The major deficiencies noticed in the execution of the schemes are outlined below.

### 5.6.1 Non-functioning of Water Supply Projects

Out of 60 projects executed in six districts of KBK, 39 Water supply projects constructed during 2002-03 and 2005-06 at a cost of Rs 6.12 crore did not function due to absence of power supply as detailed below:

Sl. No	Name of the district	Number of piped water supply projects	Expenditure incurred (Rupees in crore)
1	Bolangir	3	0.79
2	Kalahandi	10	2.23
3	Malkangiri and Nowrangpur	11	1.20
4	Sonepur	7	0.98
5	Rayagada	8	0.92
	<b>Total</b>	<b>39</b>	<b>6.12</b>

The EEs stated (July and August 2006) that initial estimated funds to energise 37 projects were deposited with the electricity companies.

### **5.6.2 Tube wells dried up**

**1610 tube wells  
(cost of Rs 2.60  
crore) dried up**

An amount of Rs 2.60 crore representing the expenditure incurred in the construction of 1610 tube wells in five districts<sup>3</sup> of KBK became infructuous due to non availability of water and drying up of wells. It was seen that in all these cases neither any survey regarding availability of water was done nor the data from Central Ground Water Board (CGWB) was used.

### **5.6.3 Quality control and availability of drinking water**

Out of 66265 TWs / SWs constructed in the KBK region including the 11788 added during 2001-06, water from only 16590 (25 per cent) TWs / SWs were tested at approved laboratories to ascertain fluoride and iron contents leaving 49695 (75 per cent) untested. The result of tested cases revealed that 2458 samples (15 per cent) contained more than the prescribed level of iron and fluoride. No action was taken for provision of safe drinking water through piped water supply projects in these areas.

**288 sources of  
drinking water  
supply were  
beyond 1.6  
kilometre distance  
in plains and 49  
sources beyond 100  
metres of elevation  
in hilly areas**

The water supply programme also provided that safe drinking water should be made available within a radius of 1.6 kilometre distance in plain areas and 100 metre elevation in hilly areas. It was, however, observed that 288 sources of drinking water supply were beyond 1.6 kilometre distance in four districts (Bolangir, Kalahandi, Koaput and Sonepur) and 49 sources (Koraput and Rayagada districts) beyond 100 metres of elevation in hilly areas. Besides, a total number of 4778 people in 72 habitations in the forest areas of Nowrangpur districts who were settled before 1980 and awaiting regularization of settlement were not provided with drinking water facilities in spite of decision taken (June 2003) by the State Government.

### **5.7 Indira Awas Yojana**

Under Indira Awas Yojana, members of Scheduled Castes (SCs), Scheduled Tribes (STs), freed bonded labourers and non-SC/ST rural poor below the poverty line were provided with finance for construction of dwelling units. IAY houses were to be provided with sanitary latrines and smokeless chullah to avoid health hazards and registered in the name of female members or joint names of the spouses of the family. The RLTA envisaged provision of IAY houses for at least 40 per cent of the total BPL households in the region.

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<sup>3</sup> (i) Rayagada :165 (Rs 26.88 lakh), (ii) Koraput : 218 (38.19 lakh), (iii) Malkangiri and Nowrangpur : 187 (31.53 lakh), (iv) Bolangir and Sonepur : 649 (Rs 99.32 lakh) and (v) Kalahandi and Nuapara : 391 (Rs 64.57 lakh).

### 5.7.1 Curtailment of central assistance

GOI assistance of Rs 8.35 crore curtailed due to delay in release of State share, excess carry over of balance and delayed demand proposals

As per IAY guidelines, in case the unspent balance of the grants released in previous year exceeds 15 per cent of the allocation of that year, central share to the extent of such carry forward balance shall be deducted from the amount due for current financial year. Similarly, if there is shortfall or delay in release of state share, the same shall also be deducted from the central share due. Scrutiny of records of eight DRDAs showed that the GOI deducted an amount of Rs 8.35 crore<sup>4</sup> during 2001-06 in respect of five DRDAs due to failure of the State Government in releasing its share (Rs 0.66 crore), excess carry over of balances (Rs 5.98 crore) from the financial year and delayed submission of demand proposals (Rs 1.71 crore).

### 5.7.2 Low coverage of BPL and SC / ST families under IAY

The RLTAAP aimed at providing IAY dwelling units to 40 per cent of BPL families in rural areas of KBK districts during a span of nine years. Keeping this in view, while at least 22.2 per cent of them proportionately were to be covered during 2002-07, only eight per cent of them were targeted and provided with dwelling houses under the scheme during the period, the details of which are given below:

SI No	Name of the district	Total BPL families	BPL families covered under IAY during 2002-07		
			RLTAP target (22.2 per cent)	Actual target (percentage of col.3)	Achievement (percentage of col.3)
(1)	(2)	(3)	(4)	(5)	(6)
1.	Koraput	223846	49739	16458(7)	15464(7)
2.	Malkangiri	79138	17584	7272(9)	7009(9)
3.	Nowrangpur	158684	35260	14537(9)	14239(9)
4.	Rayagada	135785	30171	14349(11)	14191(10)
5.	Bolangir	201310	44731	11478(6)	11245(6)
6.	Sonepur	80396	17864	7568(9)	7166(9)
7.	Kalahandi	193054	42897	20701(11)	13510(7)
8.	Nuapada	108864	24190	6859(6)	6163((6)
<b>Total</b>		<b>1181077</b>	<b>262436</b>	<b>99222(8)</b>	<b>88987(8)</b>

### 5.7.3 Construction of IAY houses without basic amenities

Most of the IAY houses were not provided with sanitary latrine and smokeless chullah

As per State Government orders (October 2001), each IAY house should be provided with smokeless chullah and sanitary latrine. It was, however, observed that about 62 per cent of the IAY houses did not have sanitary latrines and 70 per cent did not have smokeless chullahs.

### 5.7.4 Irregular allotment of houses

Contrary to the scheme guidelines, 184 IAY houses costing Rs 40.48 lakh were allotted in the name of male members

The IAY scheme provided for allotment of houses in the name of female members of the beneficiary household or alternatively in the joint names of both the wife and husband of the household. Test check of records revealed that 184 IAY houses costing Rs 40.48 lakh (Sonepur-91 and Kalahandi-93) were allotted to the male members of the household.

<sup>4</sup> DRDAs - Koraput: Rs 1.73 crore, Nowrangpur: Rs 1.97 crore, Bolangir: Rs 3.59 crore, Sonepur: Rs 0.49 crore and Nuapada: Rs 0.57 crore.

### **5.7.5 Allocation of IAY houses to physically/mentally challenged category**

Scheme guidelines envisaged three *per cent* of the allocation of houses for physically and mentally challenged persons. Test check of records of five DRDAs revealed that out of total allotment of 113740 IAY houses, only 1445 IAY houses<sup>5</sup> under five DRDAs were provided to the above category of beneficiaries which was 1.27 *per cent* of total allocation although there were 14165 households with physically challenged persons in the region. In the other three DRDAs no such allocation was made at all.

### **5.8 Monitoring**

The Rural Development and Works Departments were responsible for ensuring a concurrent monitoring of the implementation of the projects under rural connectivity. District level and State level monitoring was envisaged in the AAPs of the RLTAAP. However, no monitoring mechanism was constituted and proper monitoring of the projects were neither done at the district level nor at the State level. Similarly, under emergency feeding programme, there was no monitoring of the execution of the programme at any level; consequently, the programme suffered serious setbacks in the form of short supply of food grains and vegetables, shortfall in feeding days etc. Monitoring of the functioning of MHUs by the Collectors/CDMOs at the district level and the Director of Health Services at the state level also remained ineffective as many inaccessible areas remained uncovered. In the case of rural water supply projects also the monitoring was ineffective. Neither there was any evidence on record of monitoring of IAY activities.

### **5.9 Abstract of Audit Findings.**

Implementation of the programmes aimed at providing basic services suffered from serious limitations. Non release of funds for the programmes by the higher authorities, non utilisation within targeted time by the implementing agencies, diversion of funds earmarked for schemes for other purposes, non achievement of target set under RLTAAP and incurring of expenditure for unfruitful purposes etc, were few of them. Thus, the programmes failed to address many critical issues relating to living standards of poor in the KBK region.

### **5.10 Impact assessment**

There was no attempt from any side to assess the impact in the living conditions of the people of the KBK districts flowing from the implementation of various programmes under improving the quality of life in the region. Reports were not prepared to show the result of the various programmes by making a comparison with the pre-implementation stage.

The survey revealed that while 25 *per cent* of the beneficiaries felt that the RLTAAP schemes had little impact on their quality of life, 35 *per cent* of them felt that the programmes implemented have had a fair level of impact in improving their quality of life.

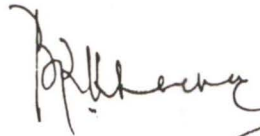
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<sup>5</sup> DRDAs :-Nawarangpur-285, Raygada-3, Sonepur-26, Kalahandi-1102 and Nuapara-29.

**5.11 Recommendations**

- The incomplete road and bridge works should be completed as early as possible and required rural connectivity ensured.
- All the identified beneficiaries should be brought under emergency feeding programme to ensure food security among the old, infirm and indigent population.
- The remote and inaccessible villages in the districts should be identified and each MHU should visit such villages at least twice in a month.
- A well-defined monitoring system identifying responsibility centers at various levels may be introduced and a full time chief administrator may be posted with adequate financial and administrative powers for effective supervision and monitoring of the RLTA activities.

These matters were reported to the Government of Orissa in August 2007; their reply had not been received (December 2007).



Bhubaneswar

The 29 DEC 2007

(B.R. Khairnar)

Principal Accountant General (Civil Audit)  
Orissa

Countersigned



New Delhi

The 1 JAN 2008

(Vijayendra N. Kaul)

Comptroller and Auditor General of India

25 DEC 1961

1 JAN 1962



# APPENDICES

APPENDICES

contd.

**Appendix-I**

**(Refer paragraph 1.5 at page 6)**

**List of offices covered under Performance Audit for RLTA in KBK districts**

Sl. No	Departments/ Fieldunits	Number of departments/ field units	Name of departments/ field units
1.	<b>Departments</b>	9	Planning & Coordination, Agriculture, Health & Family welfare, Forest & environment, Rural Development, Works, Women & Child Development, Water Resources and Panchayati Raj.
2.	<b>Heads of Departments</b>	10	Directorate of Agriclture, Health & family welfare, Soil conservation, Lift Irrigation, Engineer-in-chief, Works; Chief Engineers, Minor Irrigation, Rural Works-1 &II, Principal Chief Conservator of Forest and Orissa Agro-Industry Corporation.
3.	<b>DRDAs</b>	8	Kalahandi, Nuapara, Balangir, Sonepur, Koraput, Rayagada, Nowrangpur and Malkangiri.
4.	<b>Project Directors, Watersheds</b>	8	Project Directors of all 8 KBK districts.
5.	<b>Chief District Medical Officers (CDMOs)</b>	8	CDMOs of all 8 KBK districts.
6.	<b>Dist. Social Welfare Officers (DSWOs)</b>	8	DSWOs of all 8 KBK districts.
7.	<b>EEs, Rural Works Divisions</b>	8	Kalahandi, Nuapara, Balangir, Sonepur, Koraput, Rayagada, Nowrangpur and Malkangiri.
8.	<b>EEs, RWSS Divisions</b>	5	Kalahandi, Balangir, Koraput, Rayagada, Nowrangpur.
9.	<b>EEs, R&amp;B divisions</b>	9	Kalahandi, Nuapara, Balangir, Sonepur, Koraput, Rayagada, Nowrangpur, Malkangiri and NH Division, Kantabanjhi.
10.	<b>Divisional Forest officers</b>	13	Kalahandi (South & North), Nuapara, Balangir (East & West), Sonepur, Koraput, Jeypore, Rayagada, Nowrangpur, Malkangiri, Sambalpur and Rairakhol.
11.	<b>Executive Engineers, Lift Irrigation Divisions</b>	4	Kalahandi, Balangir, Koraput and Rayagada.
12.	<b>District Managers, Orissa Agro Industries Corporation</b>	8	All 8 KBK districts.
13.	<b>EEs, MI Divisions</b>	3	Jeypore, Rayagada and Balangir.
14.	<b>Blocks</b>	20	Kalahandi, Dharmgarh, Jaypatna, Nuapara, Khariar, Balangir, Agalpur, Belpara, Muribahal, Sonepur, Birmaharajpur, Koraput, Kotpad.

*Appendices*

concl.

Sl. No	Departments/ Fieldunits	Number of departments/ field units	Name of departments/ field units
			Kundra, Nowrangpur, umorkote, Malkangir, Khairput, Rayagada and Gudari.
15.	<b>Watershed Committees</b>	80	4 watershed committees in each block.
16.	<b>Pani Panchayats (PPs):</b>	80	4 PPs in each block.
17.	<b>Vana Sangrakhan Sammittees (VSSs):</b>	80	4 VSSs in each block.
18.	<b>Villages</b>	80	10 beneficiaries in each of 4 Villages in each block.
<b>Total</b>		<b>441</b>	

Appendix-II

(Refer paragraph 3.2.2 at page 11)

Statement showing curtailment of central assistance in respect of centrally sponsored schemes under watershed programmes

(Rupees in lakh)

Scheme	Project period	Central share due	Central share received by the State Government	Central share not received	State share due with respect to central share received	State share released	Short release of state share
DPAP 6 <sup>th</sup>	2001-06	1509.75	754.93	754.82	251.64	253.13	(-)1.49
DPAP 7 <sup>th</sup>	2002-07	2259.40	1003.02	1256.38	334.34	336.37	(-)2.03
IWDP	2001-06	1188.72	827.85	360.87	75.26	41.28	33.98
EAS	1999-2002	8107.75	6168.36	1939.39	2056.12	1971.11	85.01
<b>Total</b>		<b>13065.62</b>	<b>8754.16</b>	<b>4311.46</b>	<b>2717.36</b>	<b>2601.89</b>	<b>115.47</b>

**Appendix-III**  
(Paragraph 5.3.2 at page 30)

contd.

Statement showing the details of irregular execution of works of major district roads  
(MDR) / State Highway (SH) roads under RLTA during 2002-07

(Rupees in lakh)

Sl. No	Division	Name of the Road	MDR/SH	Year	Expenditure
1	NH Kantabanji	Patnagarh-Khaprakhol-Harisankar road	MDR-37	2003-04 2004-05 2005-06	18.82 9.57 15.00
2	-do-	Patnagarh-Padmapur road	MDR	2003-04 2004-05	18.99 7.09
3	R&B Balangir	Sonepur-Binka-Rampur-Dunguripali	MDR-39	2002-03 2003-04 2004-05 2005-06 2006-07	10.00 25.00 40.00 25.00 20.00
4	-do-	Arigaon-Bisalpali	MDR	2003-04 2004-05	8.00 12.00
5	R&B Malkangiri	Jeypore-Kota-Malkangiri Motu road	SH-25	2002-03 2003-04	168.00 77.00
6	-do-	Gobindapali-Balimela-Chitakonda road	SH-47	2002-03 2003-04 2006-07	100.00 40.00 44.12
7	-do-	Chitrakonda-Janvai-Papermetla road	MDR-105	2002-03 2004-05 2006-07	35.68 33.11 3.67
8	R&B Kalahandi	Bhawanipatna-Kharia road	SH-16	2002-03 2003-04 2004-05	20.00 50.00 50.00
9	-do-	Bh.patna-Rayagada	SH-6	2002-03 2003-04 2004-05 2006-07	20.00 67.00 50.00 65.00
10	-do-	Bh.patna-Gunpur road	SH-44	2002-03 2003-04	34.00 25.00
11	-do-	Baldiamal-Dharamgarh	SH-52	2003-04 2006-07	70.00 22.10
12	-do-	Moter-Jeypatna road	MDR-99	2003-04 2006-07	40.00 20.00
13	-do-	Dharamgarh-Golamunda road	MDR-111	2004-05 2006-07	30.00 30.00
14	R&B Koraput	Koraput-Raniguda-Boriguma road	MDR	2002-03 2003-04	22.48 27.52
15	-do-	JKMM road	SH-25	2002-03	30.00
16	-do-	Baipariguda-Kundra	MDR	2003-04 2004-05	21.16 8.50

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Sl. No	Division	Name of the Road	MDR/SH	Year	Expenditure
17	-do-	Vaizag-Jeypore road	SH	2002-03	20.00
18	-do-	Koraput-Laxmipur-Rayagada road	MDR	2005-06 2006-07	40.00 30.00
19	R&B Jeypore	Papadahandi-Umarekote-yerla road	SH-39	2002-03 2006-07	57.09 38.72
20	-do-	JKMM road	SH-25	2005-06 2006-07	16.61 30.00
21	-do-	Umerekote-Raighar road	MDR	2005-06	33.50
22	R&B Khariar	Khariar-Boden-Sinapali	MDR-121	2002-03 2004-05 2005-06 2006-07	50.00 5.52 20.00 1.21
23	-do-	Sohela-Nuapara road	SH-3	2002-03 2003-04	100.00 20.00
24	-do-	Bh.patna-Khariar road	SH-16	2002-03	40.00
25	R&B Rayagada	Gunupur-Kasipur rod	SH	2001-02 2006-07	16.25 41.14
26	-do-	Koraput-Laxmipur-Rayagada Gunupur road	SH-4	2002-03 2003-04 2004-05	9.74 42.23 25.00
27	-do-	Ramanguda-B. cuttack road	SH-46	2002-03 2003-04 2004-05	9.06 15.00 6.76
28	-do-	Rayagda-Kerada road	MDR-48B	2002-03 2003-04 2004-05 2005-06	100.00 30.00 50.00 16.61
29	-do-	Komtalpeta-Muniguda-Tumudibandh road	SH-5	2002-03 2003-04 2004-05	9.02 10.00 12.03
<b>TOTAL</b>					<b>2309.30</b>

**Appendix –IV**  
**(Refer paragraph 5.3.5 at page 32)**  
**Statement showing the details of less consumption of cement in seventeen bridge works**  
**as of March 2007**

Sl. No.	Name of the Division	Name of the bridge	Grade of cement concrete.	Quantity executed in cum.	Consumption of cement as per estimate qtl/ Cum	Actual consumption as per mix design test qtl/ cum	Differential quantity of cement Col-6-col-7 Qtl/cum	Less consumption of cement (qtl.) Col-5Xcol-8	Cost of less consumption in Rupees
1	2	3	4	5	6	7	8	9	10
1	RW, Koraput	Bridge over Palliguda	M15	806	3.21	3.13	0.08	64	20000
		Kolab 9 <sup>th</sup> . KM JBB road	M25	761	5.71	4.42	1.29	982	353520
		Kolab 24 <sup>th</sup> . KM NKK road	M25	96	5.71	4.42	1.29	124	42160
		Do-	M30	356	6.46	5.17	1.29	459	156060
		Satiguda 7 <sup>th</sup> . KM JBB road	M25	1674	5.71	4.92	0.79	1322	462700
2.	R&B, Balangir	Magarkund.	M15	2097	3.21	2.92	0.29	608	214624
		Do-	M20	13	4.11	3.75	0.36	5	1765
		Do-	M25	305	5.71	3.77	1.94	592	208976
		Do-	M30	24	6.46	4.60	1.86	45	15885
		Tureikela	M20	248	4.11	3.78	0.33	82	27486
		Do-	M30	18	6.46	4.84	1.62	29	9720
		Choukinalla	M20	16	4.11	3.86	0.25	4	1260
		Do-	M25	392	5.71	4.14	1.57	615	193725
		Do-	M30	30	6.46	4.38	2.08	62	19530
		Sonagarh	M30	2292	6.46	5.00	1.46	3346	1166628
3	RW, Nawrangpur	Bhaskel	M25	1440	5.71	4.47	1.24	1786	498554
		Do-	M30	133	6.46	4.79	1.67	222	73722
4.	RW, Malkangiri	Pangam	M20	471	4.11	4.09	0.02	9	3105
		Do-	M25	481	5.71	4.38	1.33	640	220800
		Do-	M30	235	6.46	5.19	1.27	298	102810
5.	R&B, Malkangiri	Saptadhara	M20	289	4.11	4.04	0.07	20	6920
		Do-	M30	488	6.46	5.71	0.75	366	126636
6.	R&B, Raygada	Sankeshnala-I	M25	502	5.71	4.32	1.39	698	228944
		Do-	M30	45	6.46	4.49	1.97	89	29192
		Sankeshnal-II	M25	444	5.71	4.02	1.69	750	193500
			M30	41	6.46	4.40	2.06	84	21672
		Japakhal nalla	M25	350	5.71	4.32	1.39	487	125646
			M30	30	6.46	4.49	1.97	59	15222
7.	R&B, Koraput	Jhanjabati	M15	937	3.21	3.19	0.02	19	5787
			M25	477	5.71	4.36	1.35	644	196098
		Champabati	M15	1287	3.21	3.18	0.03	39	11875
			M25	365	5.71	4.35	1.36	496	151032
		Kasiguda	M15	1005	3.21	3.18	0.03	30	10293
			M25	231	5.71	4.36	1.35	312	107047
	<b>Total</b>			<b>18379</b>				<b>15387</b>	<b>5022894</b>



## Appendix-V

(Refer paragraph 1.6 at page 7)

### Extracts of "Evaluation Report on impact of implementation of Revised Long Term Action Plan (RLTAP) in KBK districts, Orissa" by the Xavier Institute of Management, Bhubaneswar.

#### Objective:

The key objectives of the study have been to assess the perception of the beneficiaries in the KBK region on the impact of the 8 RLTAP schemes. Impact has been seen from two levels viz., Outputs from each scheme and overall Outcomes from all the schemes taken together.

#### Methodology:

The study constituted both the *Survey Methodology* and *Case Methodology*. The *perception* of the program beneficiaries on the impact of the selected program was based on the survey of over **4400 beneficiaries** from the eight districts on all eight schemes was covered under the study. A total of about **60 blocks** out of a total of 80 blocks from eight districts were covered in the study. Four village clusters from each block were covered under the survey.

The survey of beneficiaries was complemented with **detailed case studies** to get deeper insights into the implementation process, implementation process, segments that benefited from the schemes, and impact of the schemes on the targeted beneficiaries. The study also explored the specific lacunae if any in each of the programs so that the method of implementation could be improvised in the future.

The overall **Outcomes** from the various RLTAP schemes have been analyzed from three key perspectives, viz.,

1. Whether the poor in the region have been alleviated from **Poverty**?
2. Whether the region has been **Drought** proofed?
3. Whether the people in the region have improved in their **Quality of Life**?

#### Executive Summary

##### Objective of the study:

The key objectives of the study have been to assess the perception of the beneficiaries in the KBK region on the impact of the eight schemes of Revised Long Term Action Plan (RLTAP). Impact in this study has been seen at two levels viz., Outputs (economic, social, and participation-action) from each scheme and overall Outcomes (poverty alleviation, drought proofing, and quality of life) taking all the schemes into account.

##### Major Findings on Outputs:

**Rural Employment:** The performance of Rural Employment schemes in terms of employment opportunities created for poor people, its impact on reducing migration and the role of palli sabhas in the implementation of these schemes is at a satisfactory level. However, the impact in terms of reducing number of poor families in the region seems to be only at a fair level of output.

**Rural Connectivity:** While the gross economic indicator appears to be satisfactory, the gross social indicator and the gross participation-action indicator stand at fair level of output.

**Watershed Development:** While the performance of gross economic indicator has attained a fair level of output, gross social indicator has been at lower side of satisfactory level. Gross participation-action has also been at lower side of fair level of output.

**Afforestation:** Economic indicators such as increase in collection of forest produce, increase in income from forest produce, and increase in number of people collecting forest produce, survival of plants and survival of grass and vegetation are at a fair level of output. However, employment opportunities through daily wage labor touch satisfactory level of output.

**BKVY:** All the economic, social and participation-action indicators are either at fair or poor level of output. Gross economic indicator and social indicator are at fair level, whereas gross participation-action indicator is at poor level.

**Emergency Feeding:** Outputs of both gross economic indicator and the gross social indicator are at lower side of satisfactory level. However, the output of gross participation-action indicator is at poor level of output.

**Drinking Water:** Key economic output indicators such as whether water from tube wells / piped water has been alright for drinking and cooking, that women did not have to travel long distances to collect water, and that water has been available through out the year, etc all stand at a good level of output. Output on whether tube wells have been in good working condition stands at satisfactory level. The gross economic indicator of the scheme also emerges to be in good level of output.

Key social output indicators such as whether tube wells and piped water systems are kept neat and clean by the users is at the lower side of satisfactory level of output. Gross social indicator stands only at fair level of output. Participation-action indicators like whether villagers take responsibility to maintain and repair tube wells/piped water system and that village leaders tell people to keep the tube well clean are at higher end of fair level of output. In all, the output scores of different indicators of this scheme have been observed to be better than all other schemes under RLTAAP.

**MHU:** Key economic indicators like on regularity of immunization camps, decrease in child mortality rate, and whether people get free medicine through MHU, the outputs stands at good level. All other economic indicators are at satisfactory or fair level. On social indicators like whether people's reliance on village shamans has reduced during the past 7-8 years, the output shows satisfactory level. On participation-action indicator, output on whether people gather, organize and listen to MHU doctors is at fair level and output on whether people speak out when they do not get medical service at poor level.

#### **Major Findings on Outcomes:**

On an average, **Poverty Alleviation** is at a fair level of outcome. Gross economic output, gross social output and gross participation-action output that make the poverty alleviation outcome are at the level of satisfactory, satisfactory, and fair respectively. While 25 per cent of the beneficiaries have had little impact on alleviation of their poverty, another 25 per cent of beneficiaries have had a fair level of impact on poverty alleviation. The balance 50 per cent of beneficiaries had either satisfactory level of impact or better than satisfactory level of impact.

Performance of RLTAAP schemes to **drought proof** the region appears to be at fair level of outcome. 40 per cent of the beneficiaries felt that drought-proofing measures have achieved poor level of outcome. 20 per cent of the beneficiaries rate the drought proofing measures to have achieved a fair level of outcome. The balance 40 per cent of the beneficiaries felt that drought-proofing measures have achieved satisfactory or

better than satisfactory level of outcome. On the whole, the score on this outcome is lower than the other two outcomes.

With regard to average Quality of Life (QL), performance is at fair level of outcome. Gross economic outcome, gross social outcome and gross participation-action outcome that construct the Quality of Life index are at the level of satisfactory, fair, and fair respectively. 25 per cent of the beneficiaries felt that the RLTA schemes have had little impact on their quality of life and 35 per cent beneficiaries felt that the RLTA scheme have had a fair level of impact in improving the quality of life. The balance 40 per cent have expressed that RLTA schemes had a satisfactory level or better than satisfactory level of impact on improving their quality of life.

#### **Key Observations & Suggestions**

(a) Targeted beneficiaries have benefited in different measures from the various schemes of the RLTA in KBK districts. The overall economic, social and participation-action levels have improved as compared to the situation prior to the implementation of RLTA in 1998-99.

(b) The results of economic outputs for different schemes are better than the results of social outputs and participation-action outputs. Systematic analyses of the reasons that has led to differences in outputs of these broad indicators should be undertaken and corrective measures need to be taken so that the long term objectives of RLTA can be achieved in due course of time.

(c) Different levels of outcomes have been achieved with regard to Poverty Alleviation, Drought Proofing and Quality of Life in the region. Poverty alleviation and Quality of Life outcomes have been slightly better than Drought Proofing outcome.

(d) It has been found that the participation-action indicator is low in all the programs as compared to the economic indicator. This implies that the beneficiaries are not fully aware about their rights and entitlements from the various schemes. Further, the increasing heterogeneity of people in the KBK communities by the entry of settlers from outside the region has reduced the cohesiveness of villages. These aspects appear to have affected the absorption capacity of the beneficiaries to demand, absorb, and utilize the benefits of the various schemes of RLTA. With the above social contexts, the systemic losses are likely to be higher and the delivered benefits lower.

(e) Systemic losses of resources have been observed owing to practices of officials & intermediaries. This observation has been a common knowledge among the public and has been quite perceptible even during the course of this study.

#### **Suggestions:**

Indeed, the social context of the region is quite diverse and the dimensions that shape the outputs and outcomes of various programs are many. Hence it is rather difficult to make any concrete workable suggestions for improvements in program delivery and to improve the absorption capacity of the beneficiaries.

However, three issues may be looked into as an attempt to make RLTA and other such development projects in KBK region more effective. (a) **Restructure** the existing development wing in the district by pooling in manpower resources from various departments such that the new wing will *focus only on the development projects* in the district.

(b) **Disseminate information** about the various schemes to respective beneficiary groups so that the people know the details of the schemes and their rights and entitlements from the schemes.

(c) **Build capacity and expertise** among the beneficiary groups so that the beneficiary groups can make productive use of various schemes. Developing training modules, conducting workshops, and in-house training of village youth, men and women selected through systematic sampling of the population may go a long way in better absorption and utilization of the schemes.

**On the whole**, RLTA schemes should be carried out with greater vigour by deploying honest, fearless and effective key officials in the districts to curb inefficiencies and to reduce systemic losses in the current system so that the RLTA schemes achieve the long term objectives of improving the quality of life of people in KBK region.

### Scheme Output Analyses

The scores obtained on the various scheme outputs and program (RLTA) outcomes were divided on a seven grades ranging from excellent to failure based on the ratings obtained from a total score of 5.0. The performance criterion used for evaluation in terms of outputs and outcomes levels and the associated range of scores are given in table below.

Table : Performance Criterion

Output / Outcome Level	Range of Score
Excellent	4.6 – 5.0
Very Good	4.1 – 4.5
Good	3.6 – 4.0
Satisfactory	3.1 – 3.5
Fair	2.6 – 3.0
Poor	2.1 – 2.5
Failure	< 2.1

### 1. Rural Employment

The scheme of Rural Employment consisted of three sub-schemes viz., Indira Awas Yojana (IAY), Swarnajayanti Gram Sworozgar Yojana (SGSY), and Sampoorna Gramin Rojgar Yojan (SGRY).

This scheme has been aimed at alleviation of poverty by catering to the immediate economic needs of the poor people and in due course would also help improving their living conditions. The performance of these schemes in terms of employment opportunities created for poor people and its impact on reducing migration from the villages surveyed appears to be at a satisfactory level. The role of palli sabhas in the implementation of these schemes also seems to be a satisfactory level. However, the impact on reduction in number of poor families seems to be only at a fair level.

#### 1.1 IAY:

The performance of IAY scheme with regard to gross economic indicator has been good with an overall score of 3.6 but the gross social indicator appears to be fair with an overall score of 3.2. Many of the poor and landless beneficiaries built their own IAY houses. The score of AIS9 indicator shows that whenever, local contractors was engaged to built such houses, the concerned beneficiaries of the houses were largely not consulted.

On a comparative analysis of the eight districts, gross economic indicator mean scores of Kalahandi and Rayagada touch a score of 4.0, whereas, Malkangiri's score is 3.0 and scores of all the other districts are in between. The situation on gross social indicator across the districts is lower than the gross economic indicator. While Malkangiri has higher gross social indicator, Bolangir and Sonepur touch scores of poor levels. The differences in these economic and social indicators suggest that the impact of this scheme on the overall objective of improving quality of life has not been strong.

### **1.2 SGSY:**

The gross economic and gross social indicators of SGSY scheme show satisfactory level of performance. Interestingly, here the score of gross social indicator is more than the gross economic indicator. This suggests that beneficiaries tend to participate better in this type of scheme than in other type of schemes. However, the swarajogaris under the scheme seem to be far from the target of earning Rs. 2000 per month.

With regard to performance across the eight districts, gross economic indicator for all the districts except Malkangiri and Bolangir is either satisfactory or better. However, the indicator is poor for Malkangiri and it is fair for Bolnagir. On gross social indicator, all the districts are either fair or better.

### **1.3 SGRY:**

While the gross economic indicator touches satisfactory level, gross social indicator is at fair level a little below satisfactory level. Although, the scheme is aimed to engage beneficiaries in the implementation of projects under this scheme, the score on indicator relating to people's participation and action is at a poor level. This should ring an alarm bell to the SGRY implementing agencies as it appears from the above scores that the beneficiaries only get some employment from the scheme but are not the decision makers in project implementation and neither have the beneficiaries developed a sense of ownership on the community assets that have been created from this scheme. It also implies that even if the work order of a project were issued on a targeted beneficiary, the local intermediaries such local contractors, agents, etc possibly, on their own terms, implement the work order of different projects under the scheme.

When the eight districts are compared on the output indicators, except for Nawarangpur with satisfactory level, all the districts are at a fair level on gross economic indicator. On gross social indicator, except for Nawarnagpur and Rayagada with satisfactory level all other districts at best show only fair level. On gross participation-action indicator, all the districts except Nawarangpur with satisfactory level, exhibit either fair or poor level of output.

## **2. Rural Connectivity**

The objective of this scheme has been to improve the existing road connectivity from remote villages to the block headquarters, schools, primary health centres (PHC) and market places by way of providing funds for construction and repair of roads and bridges. In addition to improving rural connectivity, the scheme has been a major source of daily wage employment to rural poor in KBK region.

The gross economic indicator of this scheme appears to be satisfactory with a score of 3.3. The gross social indicator stands at only fair level with a score 2.9 and the gross participation-action indicator stands at again at fair level with still lower score of 2.8. Gross indicator is composite index of benefits like improved accessibility to block office, schools, marketplaces, PHCs, etc. Gross social indicator is a composite index of whether proper wages were paid on time and whether the wage rates and work

times were discussed in palli sabhas. Gross participation-action indicator is a composite index of whether the poor wage labor trusts the local contractor and whether the poor are able to raise voice against any violation of norms of work and payments.

With the improvements on rural roads and bridges people are able to reach faster to the nearby market, bus stands, and block offices. The score for indicator on whether daily wages of Rs. 55 per day was paid by contractors is only 3.3. Although the score looks satisfactory, there is little reason why this score should not be closer to 5.0 as wages at the above mentioned rate are paid by the Government to the contractors. Inquiry with the beneficiaries in different villages revealed that men in general get a daily wage of Rs 45 and women get a daily wage of Rs. 35 in villages that are away from main settlement. Wages are also not paid on time on most occasions. It is also observed that the beneficiaries often do not have a voice against violation of norms and rules of the scheme.

Comparison of performance across the eight districts provides some more understanding to the phenomena. On gross economic indicator, while Malkangiri and Rayagada are at good outcome level, Kalahandi is near the poor outcome level. Other districts are either at fair or satisfactory outcome level. On gross social indicator, while Nawarangpur is at good outcome level, Sonepur is at poor outcome level. Other districts are largely at fair output level. On gross participation-action indicator, only Bolangir and Nawarangpur manage to touch satisfactory output level. All the other districts are below the satisfactory level. Indeed, *Malkangiri and Sonepur with scores below 2.0 show signs of failure* with regard to participation-action indicator.

The above scores of various indicators lead to suggest that while the economic outputs seems to be at satisfactory output levels and the social indicators are at a fair level of output, the participation-action has been the bottleneck. It may therefore be inferred that the even the present ratings on economic indicators and social indicators could be on the higher side given that the beneficiaries are at poor to fair level with regard to their participation and action on the above scheme.

### **3. Watershed Development**

Watershed scheme is a holistic development scheme that has the potential to meet all the three key outcomes viz., poverty alleviation, drought proofing, and quality of life. The budgetary support, however, has been much lower than it demands for.

While the performance of gross economic indicator has attained a fair level of output, gross social indicator has been at lower side of satisfactory level. Gross participation-action has also been at lower side of fair level of output.

With regard to specific economic indicators, the scheme has achieved satisfactory level of output on employment through labour-days generation in watershed areas but stands only at fair level on increase in level of water in tanks and ponds, cultivation in summer months, and increase in moisture level and vegetation in watershed areas.

Most of the individual social indicators are at satisfactory level implying that the scheme has been able to mobilize people better than other schemes. Involvement of poor people to form SHGs appears to be satisfactory with a score of 3.54. Involvement of all categories of people in the decision of watershed work is also at satisfactory level with a score of 3.24.

However, the participation-action of beneficiary on this scheme has been at lower side of fair level of output. Indicator on whether beneficiaries speak out against violation of norms is at a dismal poor level of output. From the above indicators, it can be inferred that the long-term objectives and issues of sustainability have not been achieved from the implementation of this scheme.

Comparison of performance of different districts show that most of the district show a fair level of output on gross economic indicator. While Nawarangpur shows good level of output, Kalahandi and Sonepur shows only fair level of output. On gross social indicator, all the districts except Malkangiri are at satisfactory level or at good level of output. On gross participation-action output, it is alarming to note that Malkangiri and Sonepur seem to have failed on this indicator. The other districts also stand only at fair level or on lower side of satisfactory level of output.

Given the myriads of problems that people in the hilly tracts face, basic infrastructures like roads and bridges have been given priority by people and the district officials. However, as the basic infrastructures are put in place, if proper implementation of this scheme were emphasized upon, it can significantly contribute towards all the key outcomes of RLTA. Although, this scheme seems to have achieved only partial success, it could be improvised with better design of the scheme in terms of greater focus capacity building of the beneficiaries through improved guidance, supervision and SHG activities.

#### **4. Afforestation**

This scheme has been largely aimed at drought proofing. It has also been designed to create labor-days through plantation activities and in the long run it aims to provide sustainable economic benefits through increased forest produce.

Economic indicators such as increase in collection of forest produce, increase in income from forest produce, and increase in number of people collecting forest produce are at fair level of output. Survival of plants and survival of grass and vegetation are also at a fair level. However, employment opportunities through daily wage labor and increase in forest cover touch the satisfactory level of output. All individual social indicators are at fair level or poor level of output. Regular meetings of VSS and involvement of people in making important decisions is at poor level of output. So is the case in participation-action indicator, the individual indicators are either at fair level or at poor level of output.

On gross economic indicator, all the districts except Rayagada are either at fair or poor level. On gross social indicator, only Rayagada is at satisfactory level most other districts are at fair level. Koraput stands to be at poor level and Sonepur stands at failure level of output. On gross participation-action indicator, Bolangir, Nawarangpur and Rayagada are at fair level and the five districts are either at poor level or failure level of output.

The performance of this scheme on all fronts is of concern. The gross economic and gross social indicators have been observed to at fair level of outputs and the gross participation-action indicator is at poor level of output. It is necessary to review the nature of plantation work undertaken, the gestation period for resource recovery of these plantation and the norms and regulation on use and ownership of the assets created so that appropriate corrections can be made and long-term objectives of the scheme can be achieved in future years. The case analysis of this scheme provides some of understanding on the issues concerning this scheme.

#### **5. Biju Krushak Vikas Yojana**

This scheme has been largely aimed at increase the income levels of people and alleviate the poverty situation of targeted beneficiaries. In the long run this scheme should also add towards improving the quality of life of the beneficiaries.

All the economic, social and participation-action indicators of this scheme are either at fair or poor level of output. Gross economic indicator and social indicator are at fair level, whereas gross participation-action indicator is at poor level.

Some important individual indicators like increase in land use for rabi crops is fair, farmers' ability to cultivate second crop is also fair and inclusion of members from different social class is also fair. People's ability to speak out when rules and norms are violated is poor.

On gross economic indicator, only Rayagada is at good level and Koraput is at satisfactory level. Sonepur is at poor level and the rest are at fair level. On gross social indicator, Sonepur is at poor level and the other districts are at fair level of output. And, on gross participation-action indicator, except for Kalahandi district, outputs of all the districts are either at fair level or below. Indeed, Malkangiri and Sonepur are at failure level of output.

There seems to be a number of problems in this scheme on several fronts. Issues like whether a farmers' group with 50 acres of land or a group with lesser than 50 acres of land area should make a unit, whether electricity driven pumps or diesel driven pumps be used by farmers, etc need to be analyzed for improving the output levels of this scheme. The detail case analysis provides some clue to the existing problem.

#### **6. Emergency Feeding**

This scheme has been largely aimed to arrest death of people due to starvation. This scheme has been primarily to provide succor to old, infirm, poor and helpless people in the region. In the long-term this scheme can also help in improving the overall quality of life of population in KBK region.

Outputs of both gross economic indicator and the gross social indicator are at the lower side of satisfactory level. However, the output of gross participation-action indicator is at poor level. The key indicator of this scheme has been to arrest the starvation deaths. The score of this indicator is at a good output level of 3.8 suggesting that the scheme has been largely effective on this issue. Individual economic indicators like quality of food and quantity of food given appear to be at satisfactory level of output. A score of 3.2 on the indicator to assess whether food is being given every day appears to be satisfactory. However, this score must be seen from the light of what it signifies to a old, infirm, and helpless person not getting his/her one meal a day. In addition to this, the poor output level of participation-action indicator implies that when the beneficiaries do not get their daily meal or any of the norms of the scheme is violated, they have little voice to report the same to the relevant authorities. Their problems can only be resolved through an effective monitoring mechanism of the government.

On gross economic indicator, six of the eight districts are at satisfactory level. While the output in Malkangiri is at very good level, Sonepur is at fair level of output. On gross social indicator too, six out of the eight districts are at satisfactory output level. While Nawarangpur district at good output level, Sonepur is at failure output level. When we look at the gross participation-action level, only Nawarangpur district has satisfactory output level. Bolangir and Nuapada districts are at fair output level. Kalahandi, Koraput, and Rayagada districts are at poor output level. Malkangiri and Sonepur districts are at failure output level.

With the beneficiaries of this scheme being largely voiceless against violation of norms of the scheme as indicated by the score on gross participation-action variable, the local intermediaries like the Anganwadi workers and a few village leaders who are usually from Bengal, Andhra Pradesh and Coastal Orissa are likely to misuse the provisions under emergency feeding scheme in the absence of proper supervision from the government department.



## **7. Rural Drinking Water**

This scheme has been largely aimed to make available safe drinking water to people in KBK region. The burden of walking long distance by rural women to fetch water for drinking and cooking was to be reduced through this scheme. Reduction in the number of diseases related to unsafe drinking water was yet another objective of this scheme.

The key economic output indicators such as whether drinking water has been alright for drinking and cooking, that women did not have to travel long distances to collect water, and that water has been available through out the year, etc all stand at a good level of output. Output on whether tube wells have been in good working condition stands at satisfactory level. The gross economic indicator of the scheme also emerges to be in good level of output.

The key social output indicators such as whether tube wells and piped water systems are kept neat and clean by the users is at the lower side of satisfactory level of output. Gross social indicator output stands only at fair level of output. Participation-action indicators like villagers take responsibility to maintain and repair tube wells/piped water system and village leaders tell people to keep the tube well clean are at the higher end of the fair level of output. In all, the output scores of different indicators of this scheme have been observed to be better than all other schemes under RLTA.

On gross economic indicator, performance of all the eight KBK districts are at satisfactory to good output levels. Indeed, on this indicator Malkangiri district has the distinction of being the only district with very good level of output. This is like a fresh air for Makangiri district especially because in most of the other schemes, it has been on lower level of output as compared to other outputs of other districts in KBK. One may wonder why such a difference in output levels in Malkangiri district. The initial conditions of drinking water supply in Malkangiri district may have a clue to the paradox we see in the output level of drinking water scheme vis-à-vis other schemes in Malkangiri district.

On gross social indicator, outputs of all the districts except Sonepur have been largely at fair or satisfactory level. However, output level of this indicator in Sonepur is at failure level. On gross participation-action indicator, all the districts except Sonepur are either at fair or satisfactory level and Sonepur again is at failure level. With scores on gross social and participation-action indicator, Sonepur once again slips down as compared to the other districts.

It is however, interesting to find that when the gross economic indicator of drinking water is good for all the districts, the output levels in Sonepur district is also at satisfactory level that is on par to performance of other districts in KBK region. This suggests that the low scores of Sonepur may not be because of statistical error but because of some genuine social or systemic problem. This raises the question of why Sonepur is one of the few districts with low output scores on most of the schemes. Is the answer to this question in the size and the nature of district administration has to be explored.

## **8. Mobile Health Unit**

This scheme has been aimed to provide medical service to people who have poor or no access to primary health centres at block headquarters. These people are usually in villages in remote location that do not have proper transport service for people to be able to reach primary health centres. The scheme has been essentially aimed to improve the health conditions of people and in the long run improve the overall quality of life. This scheme was also aimed to bring awareness about and acceptance of the popular and well-developed allopathic system of medicine among people of

scheduled tribes and castes who have been averse to such medicine and who relied only on village shamans (disharis) for all health related problems.

On some key economic indicators like on regularity of immunization camps, decrease in child mortality rate, and whether people get free medicine through MHU, the outputs stands at good level. All other economic indicators are at satisfactory or fair level. The gross economic indicator stands at satisfactory level. On social indicators like whether people's reliance on village shamans has reduced during the past five years, the output shows satisfactory level. However, output on whether people have formed village health committees to solve their health problems is at failure level. Therefore, output of gross social indicator of this scheme stands at a poor level. On participation-action indicator, output on whether people gather, organize and listen to MHU doctors is at fair level and output on whether people speak out when they do not get medical service is poor. Hence, the gross participation-action is at fair level of output.

Comparative district analysis reveals that output of gross economic indicator of the districts except Sonapur is either satisfactory or good. Indeed, Malkangiri district and Nuapada district lead on this indicator with outputs at level good. Output level of Sonapur district, however, is at poor level. Output on social indicator for all the districts except Sonapur district is poor and output of Sonapur (Subarnapur) on this front is at failure level. Output on gross participation-action of all districts either satisfactory or below that level and there is a greater variation in the outputs among the districts. While Nawarangpur and Rayagada are a satisfactory level of output, Bolangir, Kalahandi and Rayagada are at fair level of output, Koraput and Malkangiri are at poor level of output and Sonapur is again at failure level on this output.

Although, social dimensions and people's participation-action on the scheme has not been vibrant, the delivery of immediate benefits seems to have achieved a satisfactory level of output.

In summary, the outputs from the different schemes were assessed using 114 variables on performance ratings of excellent, very good, good, satisfactory, fair, poor and failure. On mean score of these variables, 10.5 per cent of the variables were rated as good, 36 per cent variables were satisfactory, 43.9 per cent were fair, and 9.6 per cent were poor.

## GLOSSARY OF ABBREVIATIONS

<b>A</b>	
AAPs	Annual Action Plans
ACA	Additional Central Assistance
AOFFP	Area Oriented Fuel and Fodder Programme
APL	Above Poverty Line
AWC	Angawadi Centres
<b>B</b>	
BDO	Block Development Officer
BKVY	Biju Krushak Vikas Yojna
BPL	Below Poverty Line
<b>C</b>	
CA	Chef Administrator
CDMO	Chief District Medical Officer
CDPO	Child Development Project Officer
CE	Cheif Engineer
CGWB	Central Ground Water Board
CP	Central Plan
CSP	Centrally Sponsored Plan
<b>D</b>	
DCA	Deputy Chief Administrator
DPAP	Drought Prone Area Programme
DRDA	District Rural Development Agency
DSWO	District Social Welfare Officer
DWM	District Watershed Mission
<b>E</b>	
EAS	Employment Assurance Scheme
EE	Executive Engineer
EFP	Emergency Feeding Programme
<b>F</b>	
FFW	Food For Work
<b>G</b>	
GOI	Government of India
GP	Gram Panchayat
<b>I</b>	
IAEP	Integrated Afforestation and Eco Development Project
IAY	Indira Awas Yojana

IWDP	Integrated Watershed Development Programme
<b>J</b>	
JFM	Joint Forest Management
<b>K</b>	
KBK	Koraput, Bolangir and Kalahandi
Km.	Kilometre
<b>L</b>	
LI	Lift Irrigation
<b>M</b>	
MDR	Major District Road
MHU	Mobile Health Unit
MLA	Member of Legislative Assembly
MP	Madhya Pradesh
MT	Metric Tonne
<b>N</b>	
NGO	Non Government Organisation
NREGS	National Rural Employment Guarantee Scheme
NTFP	Non Timber Forest Produce
NWDPA	National Watershed Development Project in Rain-fed Areas
<b>O</b>	
OAIC	Orissa Agro Industries Corporation
OLIC	Orissa Lift Irrigation Corporation
OPWD	Orissa Public Works Department
ORSAC	Orissa Remote Sensing and Application Centre
<b>P</b>	
PCCF	Principal Chief Conservator of Forests
PCD / P&C	Planning and Coordination Department
PIA	Project Implementing Agency
PMGSY	Prime Ministers Gram Sadak Yojana
PP	Pani Panchayat
<b>R</b>	
R&B	Roads and Buildings
RDWS	Rural Drinking Water Supply
RLTAP	Revised Long Term Action Plan
Rs	Rupees
RW	Rural Works

RWSS	Rural Water Supply and Sanitation
	<b>S</b>
SADP	Special Area Development Project
SARCA	Special Area Rural Connectivity Authority
SC / ST	Scheduled Caste / Scheduled Tribe
SCA	Special Central Assistance
SDMU	State Drug Management Unit
SGRY	Sampoorna Grameena Rozgar Yojana
SGSY	Swarnajayanti Gram Swarajgar Yojana
SH	State Highway
SHG	Self Help Group
SRC	Special Relief Commissioner
SRSWR	Stratified Random Sampling without Replacement
SW	Sanitary Well
	<b>T</b>
TW	Tube Well
	<b>U</b>
UG	User Group
	<b>V</b>
VLL	Village Labour Leader
VSS	Vana Samrakshana Samities
	<b>W</b>
WA	Watershed Association
WC	Watershed Committee
WDF	Watershed Development Fund
WDT	Watershed Development Team
WRD	Water Resources Department
	<b>X</b>
XIMB	Xavier Institute of Management, Bhubaneswar
	<b>Z</b>
ZP	Zilla Parishad
ZSS	Zilla Swasthya Samiti

