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Report of the Comptroller and Auditor General of India

for the year ended March 2000

Union Government (Civil)
Performance Appraisals
No.3 of 2001

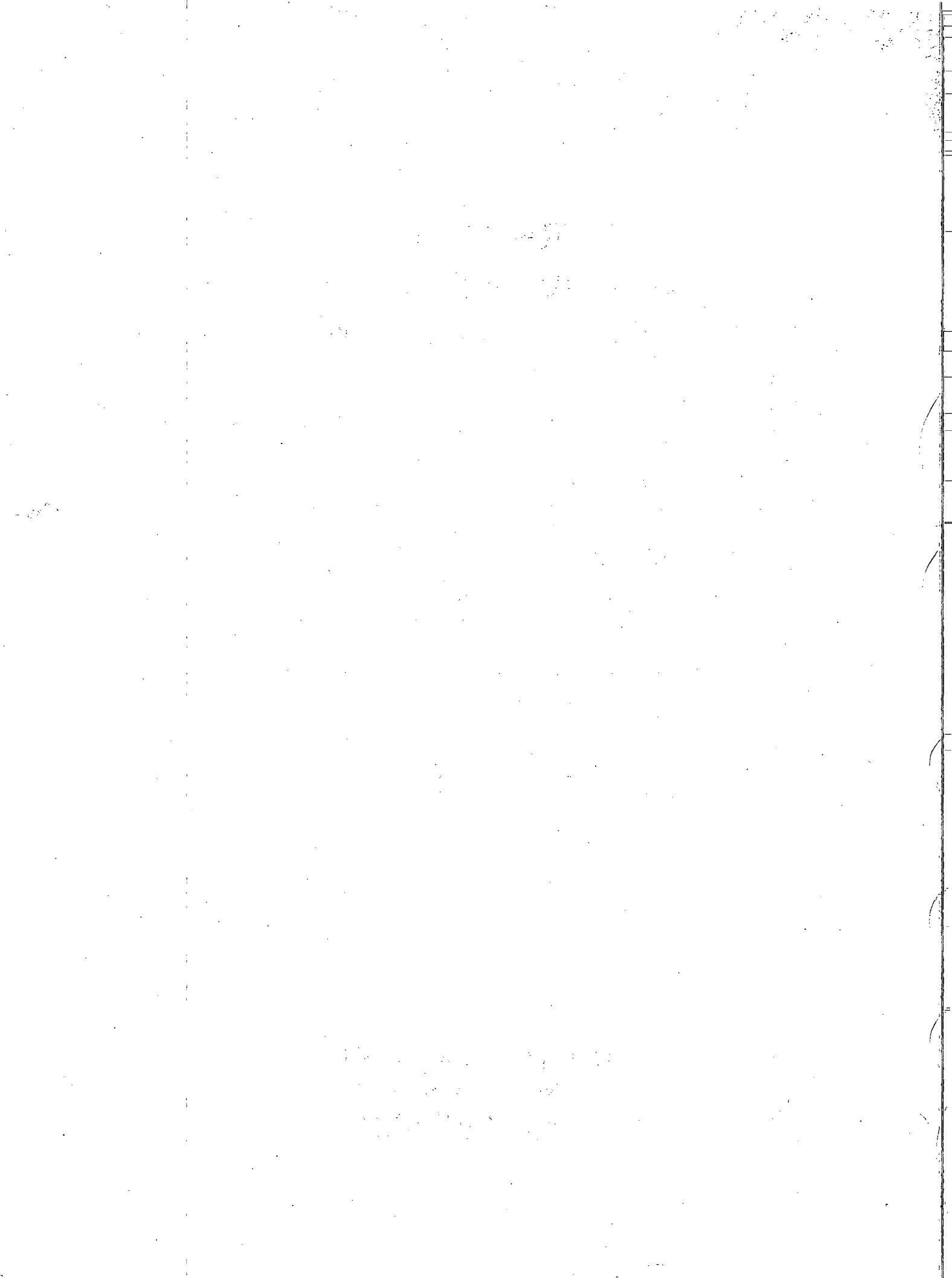
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PRICE
INLAND : Rs 65.00
FOREIGN : US 5
(Including postage/air mail)

Report of the
Comptroller and Auditor General
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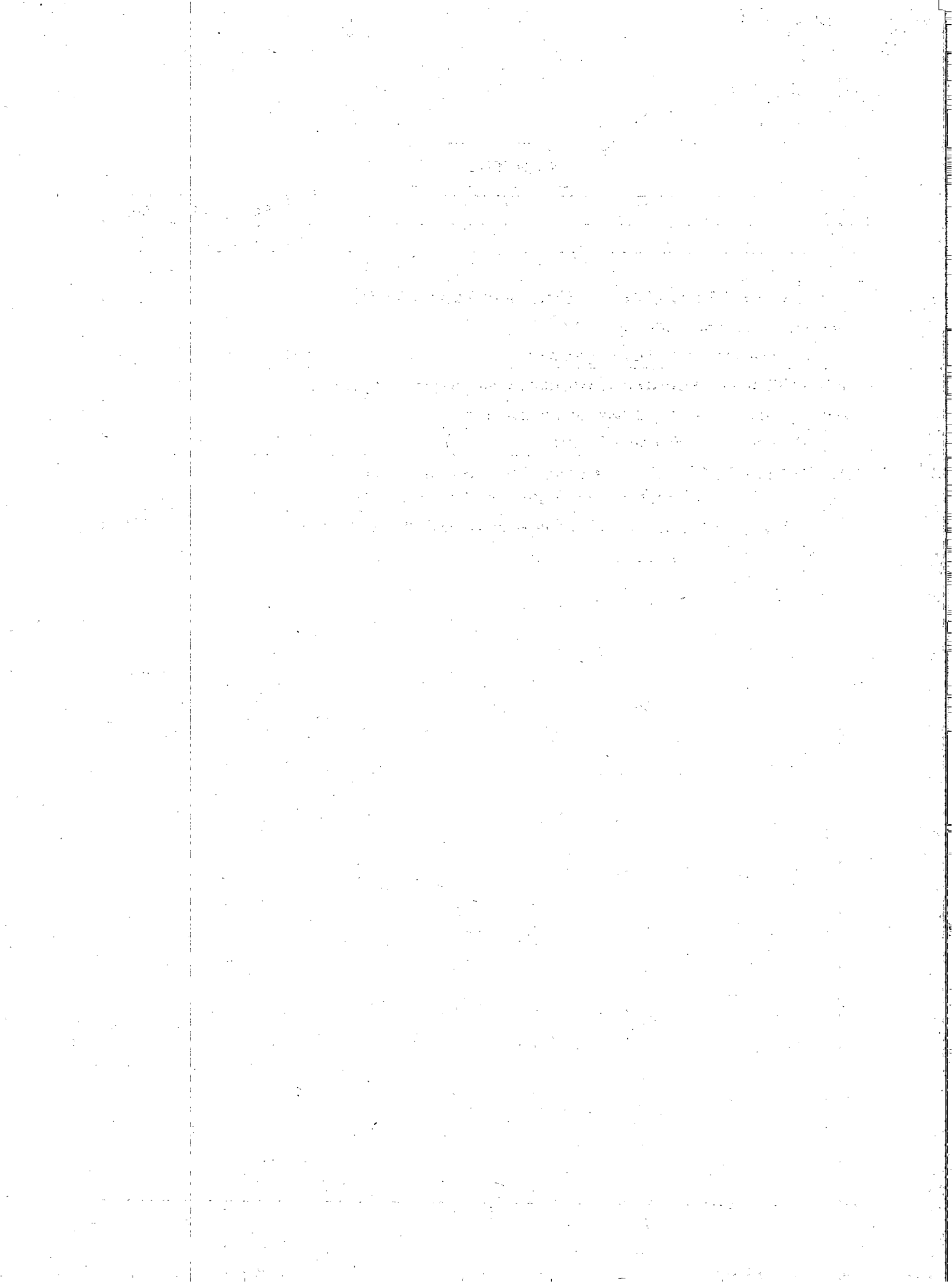
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Union Government (**Civil**)
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PREFACE

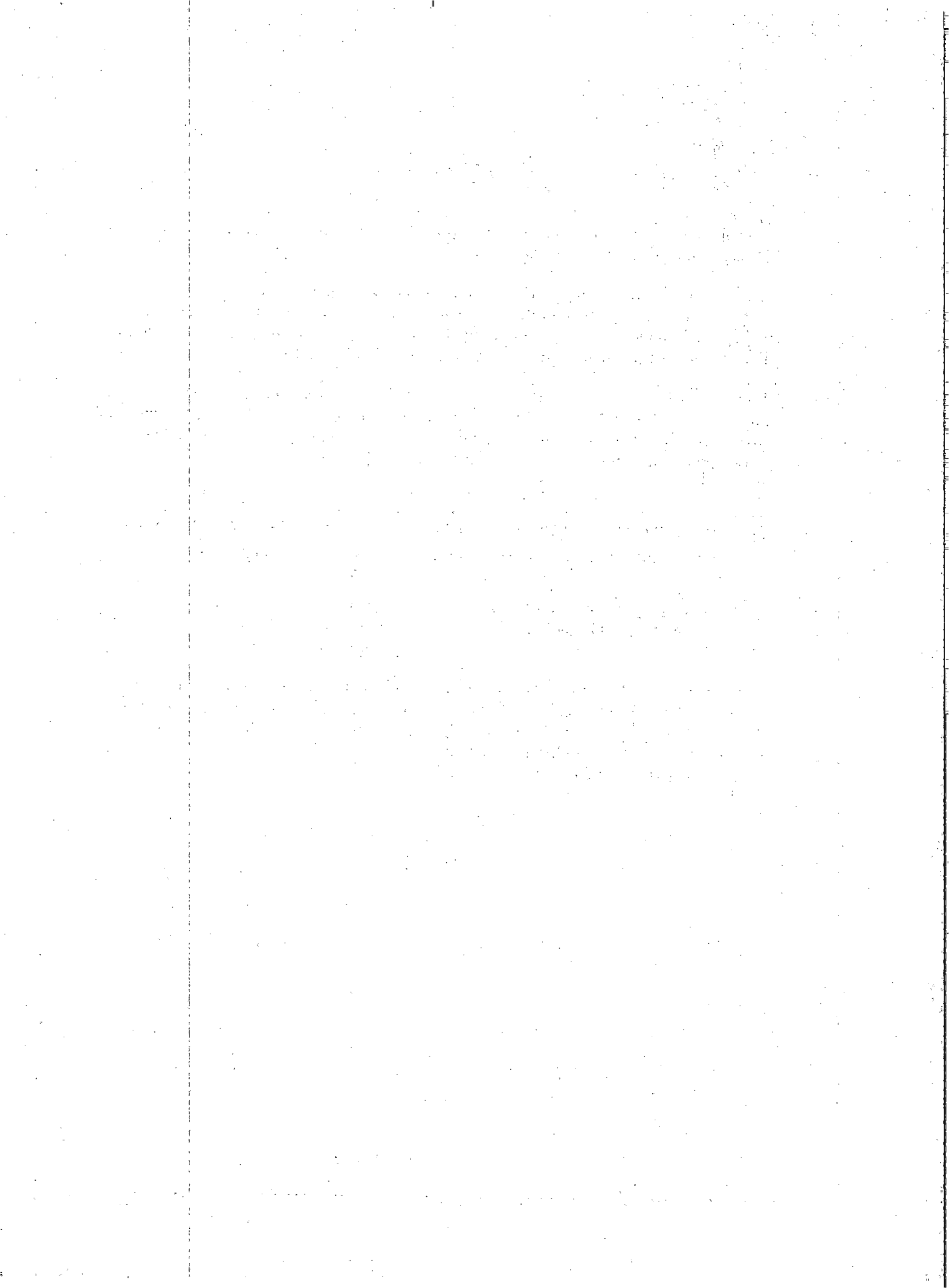
This Report for the year ended March 2000 has been prepared for submission to the President under Article 151 of the Constitution.

The audit observations on Union Finance Accounts and Union Appropriation Accounts for the financial year 1999-2000 and the matters arising from test audit of the financial transactions and accounts of Union Ministries and of Union Territories have been included in Comptroller and Auditor General's Reports No. 1 and 2 of 2001.

The present Report includes matters arising from performance appraisals of the following Centrally Sponsored/Funded Schemes. These All India Reviews incorporate the result of test check of documents conducted in various States and Union Territories as well as in the controlling ministries of the Union Government.

- | | | |
|----|--|--|
| 1. | National Family Welfare Programme | Ministry of Health and Family Welfare |
| 2. | District Primary Education Programme | Ministry of Human Resource Development |
| 3. | Urban Employment Generation Programme and Prime Minister Rojgar Yojana | Ministry of Urban Development and Poverty Alleviation and Ministry of Industry |

Separate Reports are also issued for Union Government: Autonomous Bodies (No.4), Scientific Departments (No.5), Post and Telecommunications (No.6), Ministry of Defence-Army and Ordnance Factories (No.7), Air Force and Navy (No.8), Railways (No.9), Receipts of the Union Government-Indirect Taxes-Customs (No.10), Central Excise and Service Tax (No.11) and Direct Taxes (No.12).



Overview

This volume of Audit Report consists of performance audit of three Centrally Sponsored/Funded Programmes of (i) National Family Welfare Programme (ii) District Primary Education Programme and (iii) Urban Employment Generation Programme and Prime Minister Rojgar Yojana.

Ministry of Health and Family Welfare (Department of Family Welfare)

National Family Welfare Programme

National Family Welfare Programme is not a single programme but the confluence of several continuously evolving policy initiatives covering a series of complimentary objectives aiming eventually at a demographic goal. It has moved away from a controlled regime to a target free voluntary mode, while its delivery vehicle has remained unchanged. The Review has brought out under achievement of demographic targets under various programmes, failure of full application of resources allocated and flows in project planning and execution. Greater sophistication and wider networking needs were emphasized but the quality of manpower and infrastructure remained entrenched in the conventional healthcare mould. Programmatic interventions tended to get defocused due to poor linkages and a series of mismatches. The cost of administration of the services was on increase, while the allocation for services was decreasing. The services failed to rally around the focal concept of reproductive and child health. Maternal health and maternal health care parameters have been approached unconvincingly due to poor outreach services and lack of monitoring and referral facilities. In the area of reproductive health and care the facilities for monitoring, treatment and follow-up continue to be skeletal and unresponsive. Child health and care are addressed by other schemes too and dovetailing arrangements were not worked out. The programme is heavily dependent on women, as the terminal methods of contraception have not attracted men. The infrastructure and the programme support services remained unsatisfactory, the system supports failed due to unreliable data and supplies continued to be poorly organised. The demographic goal is still far away.

- Around 34 *per cent* of total budget provision under the programme was financed from external source. However the assistance remained under-utilised as unutilised external funds accumulated to Rs 438 crore out of Rs 3510.10 crore by March 2000. The programme has practically no non-plan budgetary contents, which manifested in scanty budget provisioning for maintenance of infrastructure even lower than the actual level of expenditure. Further as a result of non-revision of the norms for contingencies etc fixed in the early seventies, and the State incurring expenditure at prevailing levels, Rs 656.50 crore of arrears piled up against the Central Government. Interestingly, some of the populous States failed

to utilize resources either way; higher allocations and lower allocation both resulted in savings exhibiting gross mismatch between the readiness of the infrastructure and the resources flow.

- The main objective of the National Family Welfare Programme was reduction in fertility rate thereby stabilising population by ensuring Reproductive health and care for the mother and the child and greater acceptance of family planning measures. The programme achievements, fell short of intended objectives despite several schematic interventions.
- The important services for ensuring maternal health and care include antinatal care, delivery care, post-natal care and referral services. Due to lack of systematic maintenance of records of check-ups and services provided, non-availability of registration of pregnant women and not establishing of method of house to house survey and voluntary reporting the statistical information could not be verified.
- The availability of essential obstetric care drugs, neonatal resuscitation, new born equipment kits in primary health centres and community health centres was low, and the scheme of supplying disposable delivery kits for home based deliveries was a failure in rural as well as urban areas.
- Implementation of referral services scheme failed due to poor performance of outreach services involving monitoring and collection of feedback.
- Poor availability of MTP facilities and around 25 *per cent* trained doctors were available in around 25 *per cent* of centre, for conducting MTP and only 36 *per cent* of women were aware of places from where MTP facility could be sought.
- Actual utilization of cold chain facility, an instrument to support immunisation programme was unsatisfactory and far below the level of capacity created.
- An analysis of IEC activities conducted during 1998-2000 revealed that only 16 *per cent* households reported awareness about any IEC activity ever undertaken in their area. In 13 States that either IEC activities were not undertaken or failed to provide sufficient coverage.
- Shortage of health supervisor and health workers at higher service delivery level ranged from 11 to 22 *per cent* whereas shortfall of supporting staff at different levels ranged between 9 to 18 *per cent* and of Medical Officers/Specialist from 8 to 15 *per cent* at PPC and CHC level.
- The NIHFV released funds to States/UTs for much larger number in excess of the proposed number and the achievements of training reported were dismal.

(Chapter-1)

Ministry of Human Resource Development
(Department of Elementary Education and Literacy)

District Primary Education Programme

The audit review brought out programme inadequacies on different fronts. While the programme contained all the required elements of a social sector spearhead, it could not entirely address the prevailing ground level realities. As an instrument of action it failed to ensure greater participation of the local community and create awareness or a sense of community ownership. While DPEP funds were not utilised, a significant trend was the enhanced enrolment of children in private schools. In effect, the schematic interventions did not make the desired impact on the principal objectives.

The programme achievements fell short of the intended objectives as brought out below:

- During 1994-2000, Rs 2271.95 crore was released against the approved Annual Work Plan Budget of Rs 3951.26 crore. Even this low budget allocation was not fully utilised by the States and therefore, the funds pledged by various international funding agencies as soft loans and grants, could not be drawn as per their disbursement schedules. Many instances of diversion of funds were noticed, besides instances of avoidable, idle and wasteful expenditure in the utilization of resources.
- Distribution of free text books and supplementary material to target groups was not proper: 81 *per cent* of the schools confirmed receiving the text books and 44 *per cent* of the schools confirmed receiving other material for free distribution to students. Against this, only 64 and 24 *per cent* of the parents confirmed having received textbooks and supplementary material respectively.
- Access to primary schools was adversely affected due to non-provisioning of basic infrastructural facilities in the schools: 84 *per cent* of the schools did not have separate toilets for girls, while 33 *per cent* schools did not have drinking water facility. In Uttar Pradesh and West Bengal, the Pupil Teacher Ratio was quite high at 72 and 96 respectively. The average student classroom ratio was more than the normative levels in seven States. It was the highest in West Bengal (84) followed by Assam (66) and Uttar Pradesh (64).
- A comparatively higher growth in enrolment was witnessed during the initial period of DPEP implementation, but it could not be sustained in the subsequent years, across all the DPEP states. Enrolment of girls as a percentage share declined as they moved up from one class to another. The inequities in enrolment levels between boys and girls and SC/ST and others also persisted despite DPEP interventions.

- The dropout rate continued to be well over 10 *per cent* in all DPEP. In 17 districts of seven States the difference in drop out rates among gender and socially disadvantaged groups remained more than five *per cent*. Differences in competence attainment levels between boys and girls and between SCs/STs and others could not be narrowed to desired level of five *per cent*.
- Unstructured deployment of teachers was noticed in six States. Training schedules were also not adhered to by the States and large number of teachers and other programme functionaries could not be trained.
- The Block Resource Centres and the Cluster Resource Centres responsible for providing onsite academic support and training to teachers, could provide training/academic support to only 58 *per cent* of the teachers.
- Targets fixed for civil works were not achieved. Involvement of the community in the civil works was marginal.
- Monitoring of the scheme at the Central and State level was not effective as the various committees set up to review the implementation of the scheme, did not meet regularly.

(Chapter-II)

**Ministry of Urban Development and Poverty Alleviation and
Ministry of Industry**

Urban Employment Generation Programme and Prime Minister Rozgar Yojana

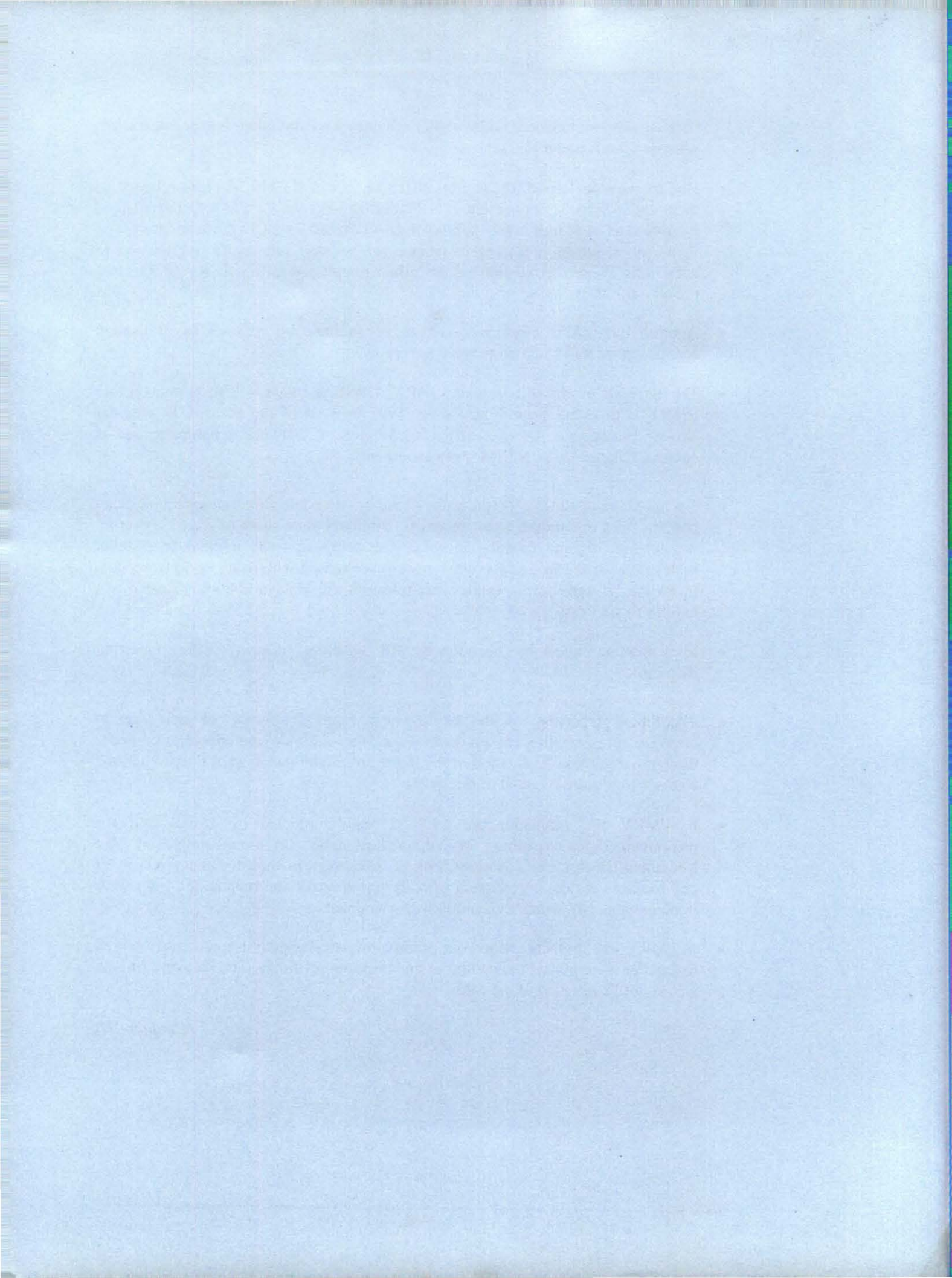
The Swarna Jayanti Shahari Rozgar Yojana was launched from 1 December 1997 to provide gainful employment to the urban unemployed/under-employed by setting up of self-employment ventures or through wage employment. The Ministry has not been able to address satisfactorily the issue of targeting the urban families below poverty line for providing employment under Swarna Jayanti Shahari Rozgar Yojana and registration of employment seekers. Beneficiaries have been neither registered nor issued family cards. Employment has, therefore, been provided to unregistered workers and in most cases they either did not have family cards or where these were available, the employment details were not noted in them. Thus, there was no certainty whether the intended population which was to be provided employment under the schemes was actually targeted in a comprehensive manner nor whether the persons provided employment had actually fulfilled the criteria for grant of wage employment. The figures of employment generated as also expenditure incurred were not genuine. The Ministry's role was confined only to framing and circulating the guidelines to the state governments, without ensuring compliance of the instructions so that benefits could flow to the targeted group, and funds properly utilised.

- Of the total Central and State share of fund of Rs 2039.89 crore released under UEGP during 1989-2000, Rs 645.98 crore remained unspent as on March 2000

because unspent balances under earlier schemes were not taken into account while releasing funds under this scheme.

- Due to gross underperformance by HUDCO, out of Rs 117.17 crore released to them under SHASU component of NRY during 1989-96, Rs 57.46 crore remained unutilised as of March 2000. While HUDCO earned Rs 29.32 crore as interest on it, the objective of providing assistance for housing and centre upgradation to economically weaker section of the urban population suffered. Rs 37.97 crore remain with them.
- Against Rs 385.53 crore reported as expenditure by States/UTs, utilisation certificates of Rs 148.55 crore were not received.
- The accounts of erstwhile schemes (NRY, UBSP and PMI UPEP) subsumed into SJSRY with effect from 1 December 1997 in most of the States/UTs was not closed. The unspent balances of Rs 561.89 crore of erstwhile schemes treated as opening balance under SJSRY were unauthentic.
- Central share of Rs 75.59 crore was released to the State Governments with delay ranging from one month to seven years. Similarly state share of Rs 133.65 crore was released to implementing agencies with delays up to 36 months. In addition both central/state share of Rs 57.51 crore was released with delay up to two years. In PMRY in some states, funds were released with delays ranging between two months to six years.
- Implementing agencies abandoned 910 schemes midway after incurring Rs 6 crore.
- Theoretical reporting of the employment figures, absence of evidence of employment generation casts a doubt on the actual employment generation under these programmes. Evaluation of the impact of implementation of the programme was not conducted by most of the states.
- In PMRY the evaluation for 1993-95 was conducted by IAMR and the recommendations relating to organising task force meetings at the Municipal/Block level, raising of limit of investment in Industry in service sector and business sector, introduction of collateral security and raising age limit were implemented. No further evaluation was conducted.
- In PMRY, the projects created out of Government/Banks assistance either ceased to exist or were not set up leading to misutilisation of funds. The recovery of loan was about 52 per cent of the cases.

(Chapter-III)



Ministry of Health and Family Welfare

National Family Welfare Programme

Journal of Health and Safety

Volume 1, Number 1

CHAPTER-I : MINISTRY OF HEALTH AND FAMILY WELFARE

Department of Family Welfare

1. National Family Welfare Programme

The findings of the Audit Review reveal a large programme, widely dispersed over ill defined goals. With the evolution of national policy, the programme has adopted new approaches and has moved away from a controlled regime to a target free voluntary mode, while its delivery vehicle remains unchanged. Greater sophistication and wider networking needs have been emphasized but the quality of manpower and infrastructure have remained entrenched in the conventional healthcare mould. The programme interface with education, belief systems, and the developmental parameters has remained unclear. Programmatic interventions have tended to get defocussed due to poor linkages and a series of mismatches. The cost of administration of the services is increasing, while the allocation for services is decreasing. The services have failed to rally around the focal concept of reproductive and child health. Maternal health and maternal health care parameters have been approached unconvincingly due to poor outreach services and lack of monitoring and referral facilities. In the area of reproductive health and care the facilities for monitoring, treatment and follow-up continue to be skeletal and unresponsive. Child health and care are addressed by other schemes too and dovetailing arrangements have not been clearly worked out. The programme is heavily dependent on women, as the terminal methods of contraception have not attracted men. The infrastructure and the programme support services have remained unsatisfactory, the system supports have failed due to unreliable data and supplies continue to be poorly organised. The demographic goal is still far away.

Highlights

The main objective of the National Family Welfare Programme was reduction in fertility rate thereby stabilising population by ensuring Reproductive health and care for the mother and the child and greater acceptance of family planning measures. The programme achievements, however fell short of intended objectives despite several schematic interventions.

The important services for ensuring maternal health and care include antenatal care, delivery care, postnatal care and referral services. Due to lack of systematic maintenance of records of check-ups and services provided, non-availability of registration of pregnant women and not establishing of method of house to house survey and voluntary reporting the statistical information could not be verified. The survey indicated that frequency of checkup was

directly proportional to the rise in standard of living and brought out that in urban areas around 74 per cent of pregnant women received three check-ups while in rural areas it remained around 50 per cent. Failure of programmatic intervention may be seen as due to lack of systematic approach.

To counter the malaise of anaemia which accounted for 20 per cent of maternal death in 1991, Child Survival and Safe Motherhood Programme emphasized Iron Folic Acid administration for pregnant women. However, shortfall in targeted coverage against anaemia due to non supply of IFA tablets was as high as 30 to 81 per cent in sample areas. On immunization front, only 74 per cent pregnant women across the country could be covered. As a component of safe-motherhood initiative, institutional deliveries were below the targeted level of 50 per cent of total deliveries in some states whereas data in many states was not available. The Survey revealed that the facility of 24 hours delivery service though officially sanctioned was not available in at least 40 per cent of primary health centres. The availability of essential obstetric care drugs, neonatal resuscitation, equipment for new born in primary health centres and community health centres was low, and the scheme of supplying disposable delivery kits for home based deliveries was a failure in rural as well as urban areas.

Around 300 First Referral Units out of 1748 identified for emergency obstetric care were not properly functioning due to lack of specialists, staff, kits and facilities for high risk cases. Review showed that the one third of the women during antenatal and natal period in both rural and urban areas faced complications out of which only around 27 per cent were referred to higher level health institutions. The system of referring cases to higher institutions was adhered to by only one third of centres at different levels. As such, implementation of referral services scheme failed due to poor performance of outreach services involving monitoring and collection of feedback.

The scheme to provide services under Reproductive and Child Health Programme for Reproductive tract infection and sexually transmitted diseases was not implemented in some States and in general the facilities provided are still at the initial stages and are not upto the required level. For Medical Termination of Pregnancy need based training programme was envisaged to ensure initially at least one trained team (Medical Officer and Nurse) for every hospital at district/sub-district level and provision for MTP equipments and Kits. Review revealed poor availability of MTP facilities and brought out that around 25 per cent trained doctors were available in around 25 per cent of centre, for conducting MTP and only 36 per cent of women aware of places from where MTP facility could be sought.

PAP smear test facility for early detection of cervical cancer among women started in 1977 and extended to 105 medical colleges/institutions in a phased manner by 1998-2000. However, the performance of such colleges/institutions was assessed by the department on the basis of slides prepared and examined without prescribing any norms.

Targets fixed for immunisation of children against six preventable diseases, namely tuberculosis, diphtheria, pertussis, tetanus, polio and measles and of pregnant women for tetanus had no relationship with demographic profile, nor were these based on any baseline survey. Achievements in immunisation of pregnant women showed wide variations amongst the states ranging from more than the targets in some States to below 50 per cent of targets in other States whereas in case of children shortfall in achievement ranged from 8 to 20 per cent. Actual utilization of cold chain facility, an instrument to support immunisation programme was unsatisfactory and far below the level of capacity created as revealed by the survey.

The gender imbalance under the programme was grossly exhibited in terms of a dismal proportion of Vasectomy which is 2 per cent to total sterilization. The performance of laparoscopic tubectomy preferable to conventional tubectomy under the programme was at less than 50 per cent of total female sterilization. Regarding the spacing methods (Oral Pills, Condom users and IUD insertion) of Family Planning, the usership was as such very low ranging between 2 and 4 per cent for different methods according to the survey findings. Among all the spacing methods usership of oral pills was marginally higher (4 per cent) than condom (3 per cent) and IUD loop (2 per cent)

Information Education and Communication (IEC), is a comprehensive strategy under the programme to introduce well defined and culturally appropriate programmes in order to promote behavioural changes, awareness generation by means of giving wide publicity through electronic media, advertisements and hoardings. An analysis of IEC activities conducted during 1998-2000 revealed that only 16 per cent households reported awareness about any IEC activity ever undertaken in their area. It was noticed in test check of records in 13 States that either IEC activities were not undertaken or failed to provide sufficient coverage.

The primary health care system developed on a three-tier structure of sub-centres (SCs), Primary Health Centres (PHCs) and Community Health Centres (CHCs) in rural areas to provide the basic minimum needs of family welfare to the targeted population failed to deliver quality services and attain desired coverage. While SCs and PHCs in 16 States/UTs and CHCs in 9 States/UTs could serve lesser population than the prescribed norms which showed that coverage of these centres could be enlarged by re-organising, area covered by the sub-centre/area linkages with sub-centres and PHCs, Facility assessment revealed that on an average the PHCs covered a population which is more than double the prescribed norm.

Review brought out that shortage of health supervisor and health workers at higher service delivery level ranged from 11 to 22 per cent whereas shortfall of supporting staff at different levels ranged between 9 to 18 per cent and of Medical Officers/Specialist from 8 to 15 per cent at PPC and CHC level.

Rs 6.61 crore released to National Institute of Health and Family Welfare under RCH programme a nodal agency for training remained unutilised. The NIHFW released funds to States/UTs for much larger number in excess of the proposed number, and the achievements of training reported were dismal.

Around 34 per cent of total budget provision under the programme was financed from external source. However the assistance remained underutilised as unutilised external funds accumulated to Rs 438 crore out of Rs 3510.10 crore by March 2000 resulting in per cent reduction in budget provision from 37 per cent in 1996-97 to 28 per cent in 2000. While the budgetary allocation for 'Direction and Administration' increased fourfold in absolute terms and more than doubled in terms of percentage increase, 'Family Welfare' 'Services and Support Services', the kernel theme of the programme suffered in terms of decline in allocation by about 2 per cent and about 1 per cent respectively during 1999-2000 in comparison to 1995-96.

As a distinct feature, the programme has practically no non-plan budgetary contents, which manifested in scanty budget provisioning for maintenance of infrastructure even lower than the actual level of expenditure. Further as a result of non revision of the norms for contingencies etc fixed in the early seventies, and the State incurring expenditure at prevailing levels, Rs 656.50 crore of arrears piled up against the Central Government. Interestingly some of the populous States failed to utilize resources either way; higher allocations and lower allocation both resulted in savings exhibiting gross mismatch between the readiness of the infrastructure and the resources flow.

1.1 Evolution of Policy

The National Family Welfare Programme is not a single programme, it is the confluence of several continuously evolving policy initiatives covering a series of complementary objectives, aiming eventually at a demographic goal. Population growth, during the forties, motivated Planners to engender a programme for control of country's population. The First Plan outlined a three pronged strategy for population control:

- (a) Widespread dissemination of information, informing the need for and describing the means of population control.
- (b) Encouragement to the terminal method for the male population.
- (c) Education with regard to 'spacing' by use of male contraceptives.

The 1960's witnessed a shift of focus to women, recognizing their centrality in the battle to control population. The concept of "health of mother and child" was recognised with the theoretical underpinning that the expected voluntary curbs on future growth in population would emanate from the well being of the existing set. The high levels of infant mortality, 146 per 1000 live births of 1951, were seen as inimical to the progress of family planning. The failure of delivery of the basic health requirements of the mother and child, hitherto largely neglected, led to the family planning programme being integrated with

the Public Health Programmes in all States. There was a manifold increase in expenditure on All India initiatives, of which the important ones were:

- (a) Basic Minimum Services Programme- established infrastructure at the sub-district level through the primary and community health centres.
- (b) The Area Development Programme, focussed on skill development of personnel of NGOs and provision of educational material and equipment;
- (c) The All India Post Partum Programme- for establishing the services of pre and postnatal care to ensure the health of both mother and child.

Medical Termination of Pregnancy Act 1971, constituted yet another milestone in the planned shift of focus towards the health of the mother and female empowerment. Alongside, the awareness levels of contraception and family planning had reached new proportions and male sterilization initiative had become a success only to collapse due to events between 1975 and 1977. The programmes designed till the 1990 were target oriented and driven by the achievement in numbers e.g. number of sterilizations. During the period there was a significant fall in total fertility rate from 6.0 (1951) to 3.3 (1997). The complementarity of the slew of programmes/initiatives in dissemination and awareness with those in nutrition, with special attention to the mother and child, and disease prevention created a situation where the women of 1980s embraced the concept of family planning. This was reflected in the widespread popularity and acceptance of the pill as a means of fertility regulation. The International Conference on Population (1994) shifted the focus from a target approach to Community Needs Assessment (CNA) and further in 1997, the Reproductive and Child Health (RCH) approach was adopted as the National Policy whereby target free approach concept was maintained. Implementation of the Population Programmes were reviewed in the Audit Report of 1994. The review had brought out under achievement of demographic targets in the various programmes, failure of full application of resources allocated to the programmes and flaws in project planning and execution. Government of India introduced a new Population Policy in 2000, which emphasized Reproductive Child Health and empowerment of women while addressing the issues of wider community participation and disease threats.

Thus the National Family Welfare Programme that began with a clinic oriented approach of birth control, developed over the period into wider target free movement with the immediate goal of family welfare and the eventual goal of population reduction.

1.2 Scope of the Programme

With the introduction of the Reproductive and Child Health (RCH) Programme in October 1997, a convergence of objectives was achieved by integrating the initiatives under successive plans and the ongoing programmes of the Eighth Plan. Based on a public health approach, the RCH programme, implemented through the primary health care infrastructure seeks to deliver the goals of family welfare and the ultimate demographic objectives through a series of inter-related activities which could be grouped broadly under the following heads:

- Providing need based, client-centred, demand-driven high quality and integrated RCH services.
- Maximising coverage by improving accessibility to the services for better equity focus.
- Emphasizing Information, Education and Communication (IEC) for creating greater awareness amongst the beneficiaries and to ensure community participation and transparent need assessment.
- Providing efficient infrastructure with adequate programme support through staffing, training, and supplies.
- Organising adequate system support through surveys and reporting measures.

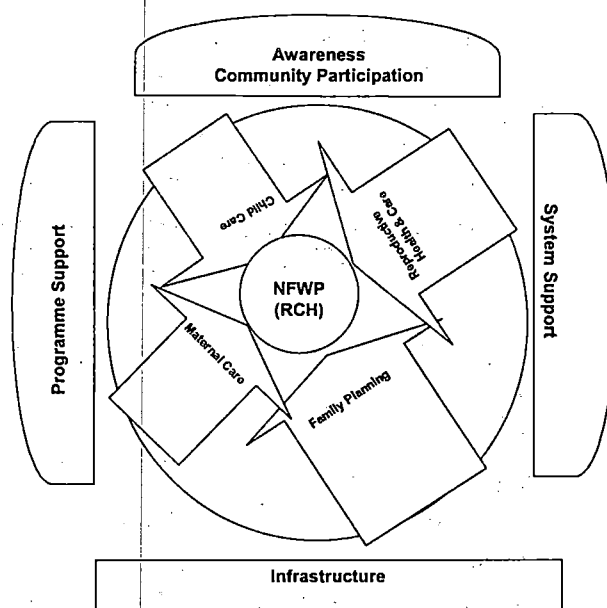
1.3 Organisation of the programme

The Ministry of Health and Family Welfare (Department of Family Welfare) is the nodal agency for overall direction, coordination and budgetary control of the National Family Welfare Programme. In the State, the Department of Health and Family Welfare (H&FW) or the designated nodal department or State Family Welfare Bureau (SFWB) is responsible for implementing the programme. During the last fifty years, a vast infrastructure has been created in the country under the National Family Welfare Programme. The primary health care infrastructure and base facilities have been developed through three major schemes – the Basic Minimum Services Programme, the Area Development Programme and the All India Hospital Post Partum Programme (AIHPPP) in both rural and urban areas. Under Basic Minimum Services Programme, a three-tier structure of Sub-centres, Primary Health Centres (PHCs) and Community Health Centres (CHCs) in rural areas has been developed to establish infrastructure at grass roots upto the sub-district levels. The Area Development Projects, with financial assistance from International agencies have enlarged the facilities by providing infrastructure for training, and skill upgradation, equipment, educational material, monitoring information system, and NGO-inter face. In the urban areas, the facilities have been enlarged through Post-Partum Programme, which aimed at providing maternal care during prenatal and post natal periods, and using the frequent contacts between service providers and beneficiaries to educate/motivate women for adopting family planning methods to limit their family size. Besides developing the basic facilities through these major

programmes, the family welfare services have been provided under four major heads i.e. Maternal care, Child care, Family Planning and Reproductive Health to the target groups through various schemes introduced from time to time.

1.4 Scope of Review

Implementation of the scheme was last reviewed in Audit (Report No. 2 of 1994 of the CAG of India) in 1993-94. That review had brought out among others, non-achievement of demographic goals during prescribed period and certain flaws in planning, project formulation, operational failures, and application of resources etc. The present review disclosed that the organisational and operational weaknesses pointed out by Audit in the earlier review persist, and the programme has failed to consolidate the widely dispersed linkages. The objective of the audit review has been to examine the performance of the programme in terms of activities and to assess if the approaches and interventions, have yielded the welfare goals and the desired demographic objectives. The conceptual frame work of the programme for audit review is represented in the following legend :



1.5 Methodology

Review of the NFWP covering the period 1995-2000 was carried out by sample checks during March to October 2000 in the Ministry of Health and Family welfare and implementing agencies in 26 States and 6 Union Territories. The sample for audit review covered 145 districts. The sample details are contained in Annex 1.

1.5.1 The services of ORG Centre for Social Research, a division of ORG-MARG Research Limited were commissioned to conduct a nation-wide beneficiary and facility survey. The survey by ORG covered all States/UTs. The sample for survey covered 52121 households of which, 35720 were in

rural area and 16401 were in urban areas. Fieldwork was conducted during September to December 2000. Besides the coverage of households and eligible women, a facility survey was also undertaken in rural and urban areas. The facilities covered included Community Health Centres (CHCs), Block Primary Health Centres (BPHCs)/Primary Health Centres (PHCs) and Sub Centres (SCs) in rural areas and Post Partum Centres (PPCs) and Urban Family Welfare Centres (UFWCs)/Health Posts (HPs) in urban areas. In all, 1086 facilities were covered across all States and Union Territories during the survey. The survey findings have been included in the review wherever appropriate. A brief summary of the survey findings is enclosed as Annex 2.

1.6 Results of the Review

The results of the review are laid out in the succeeding paragraphs :

1.6.1 Funding of the programme

1.6.1.1 Source of funding

Programme costs are met by the Central Government, including assistance in kind i.e contraceptives, vaccines, drugs, equipments etc., Donors, international/bilateral, support certain activities under the programme. The overall budget provisions and funds released during 1995-96 to 1999-2000 were as follows:

(Rs in crore)

Year	Budget Provisions	Release to States		Total *	Other Releases	Total Release
		Cash	Kind			
1995-96	1581.00	1046.75	343.49	1390.24	104.34	1494.58
1996-97	1535.00	955.87	370.39	1326.26	235.99	1562.25
1997-98	1829.35	1143.58	334.08	1477.66	349.69	1827.35
1998-99	2489.35	1560.72	454.43	2015.15	337.85	2353.00
1999-2000	2940.60	2059.05	491.54	2550.59	549.91	3100.50
Total	10375.30	6765.97	1993.93	8759.90	1577.78	10337.68

*State wise releases are contained in Annex 3.

Percentage of assistance in kind to States decreased

Budget provisions, have almost doubled during 1995-2000 and so have cash releases to the State Governments. There has been a drop in the percentage of release in kind to State Governments. However other releases meant for research, evaluation, development assistance etc. have gone up four times.

1.6.1.2 Funding pattern

(Rs in crore)

Year	Budget provision			Release		
	Internal	External	Total	Internal	External	Total
1995-96	1080.90	500.10	1581.00	1006.11	488.47	1494.58
1996-97	949.90	585.10	1535.00	1000.72	561.53	1562.25
1997-98	1189.25	640.10	1829.35	1293.89	533.46	1827.35
1998-99	1551.35	938.00	2489.35	1686.45	666.55	2353.00
1999-2000	2093.80	846.80	2940.60	2278.50	822.00	3100.50
Total	6865.20	3510.10	10375.30	7265.67	3072.01	10337.68

Around 34 per cent of total budget provision is financed from external sources and 66 per cent from internal sources. The increase was more striking during the period 1998-2000, as a consequence of the introduction of RCH Programme and revamping of the family welfare services. The external assistance which constituted 38 per cent of budget provision in 1996-97 came down to 29 per cent in 1999-2000. However, unutilised external funds stood at Rs 438.09 crore by March 2000. Funds were channelised through the State Committees on Voluntary Action (SCOVA) for the implementation of the Reproductive and Child Health Programme without settling the norm of statutory accountability.

Rs 438.09 crore accumulated as unutilised external assistance

1.6.1.3 Funding priorities

The inter-se allocational priorities of the programme are given in Annex 4. The table below gives the overall picture of broad components:

Component wise Analysis of Budget Provision (Rupees in crore)

Name of Scheme	BE 1995-96	Per centage of total BE	BE 1996-97	Per centage of total BE	BE 1997-98	Per centage of total BE	BE 1998-99	Per centage of total BE	BE 1999-2000	Per centage of total BE	Total
Direction & Administration	47.61	3.01	48.60	3.17	57.00	3.12	92.00	3.70	192.20	6.54	437.41
Family Welfare Services	1344.85	85.06	1313.05	85.54	1561.35	85.36	2187.7	87.88	2431.50	82.69	8838.45
Support Services	111.51	7.05	124.90	8.13	154.45	8.43	128.25	5.15	176.89	6.01	696.00
Other Services	77.03	4.88	48.45	3.16	56.55	3.09	81.40	3.27	140.01	4.76	403.44
G. Total	1581.00		1535.00		1829.35		2489.35		2940.60		10375.30

Percentage allocation for 'Direction and Administration' has doubled but the same for services increased by ten percent only

While the cost of administering the programme is increasing, services including support services are getting lower allocations. In 1999-2000, the cost of administration doubled, while value of services increased by a meagre ten per cent, in comparison to 1998-99.

The States have not submitted their re-imbursalment claim to the Central Government for periods ranging from one to ten years as detailed in Annex 5(a). As and when the audited accounts are made available the State governments claim the differences. This has resulted in arrears which are to be paid to the States. The test check of data at state level revealed that

Rs 656.50 crore of arrears is awaited from the Central Government (**Annex 5 b**). As a result, the schemes are functioning more as wage programmes since the funds can hardly meet expenditure on salaries. The States have even diverted funds available for compensation payment to meet expenditure on salaries. On the other hand the excess expenditure incurred on opening of institutions over the prescribed norms and the excess staff posted remain unchecked.

Funds allocated as compared to percentage population to six states were higher and were lower in four states

Some populous states failed to utilise resources either way : higher allocation and lower allocation resulting in savings

1.6.1.4 Distribution of Funds : the population interface

Allocation of resources for the programme, is by structure, population based. The State-wise percentage of distribution of population, resource transfer and expenditure incurred is given in **Annex 6(a)** and **6(b)**. Fund allocation has largely been in line with the population proportion of the States. However the allocations were higher by 0.66 to 1.40 *per cent* for Andhra Pradesh, Gujarat, Karnataka, Rajasthan, Tamil Nadu and Uttar Pradesh. The higher allocation was not utilised and there were savings in Karnataka (Rs 119 crore) and Uttar Pradesh (Rs 375 crore). In Bihar, Madhya Pradesh, Maharashtra and West Bengal allocations were proportionately lower by 1.04 to 2.21 *per cent* vis-à-vis percentage of population in these States. Despite lower allocation, there was a saving of Rs 238 crore in Bihar. Thus some of the populous states failed to utilise resources and higher allocations and lower allocations resulted in savings. This is indicative of a mismatch between the readiness of the infrastructure and the resource flow.

1.6.2 Delivery of family welfare services

The structure of family welfare services under the National Family Welfare Programme is a complex body of initiatives encompassing the conceptualisation, provisioning, channelisation, catalysation and networking of services for direct delivery as well as for preparing the beneficiary for the acceptance of the services delivered. The twin elements of delivery and acceptance are based on the policy perception that it would not be enough to make the services available, it would be equally necessary to build a beneficiary mindset that would recognise the benefits of the programme. The wide spectrum of the programme covers the mother and the child as the targeted entities, under four major parameters :

- ensuring maternal health and providing necessary health care for safe motherhood.
- Ensuring reproductive health for the mother and child providing necessary health care facilities.
- Ensuring child health through protective, prophylactic and curative measures.
- Ensuring greater acceptance of family planning measures by providing safe surgical procedures, clinical support systems, institutional healthcare arrangements; by catalysing attitudinal changes for creating wider awareness of the practices and benefits of family planning.

1.6.2.1 Reach

Delivery Structure

The primary health care system was developed as a three-tier structure of Sub-centres (SCs), Primary Health Centres (PHCs) and Community Health Centres (CHCs) in rural areas. These centres are designed to function as service centres to provide the basic minimum needs of family welfare to the targeted population while undertaking the clinical, preventive, educative and monitoring functions of the programme.

Shortfall against targets fixed by the Planning Commission for the Rural Service Centres ranged from 70.28 to 75.20, 60.24 to 64.93 and 64.53 to 69.54 per cent for SCs, PHCs and CHCs respectively during Eighth Plan and during 1998-99. Test check of data in the States for the period 1995-2000 revealed that against target of 14120 SCs, 689 PHCs and 776 CHCs, only 9277 SCs, 679 PHCs, and 87 CHCs were established. In Arunachal Pradesh, Meghalaya, Tripura, Uttar Pradesh and Delhi 6403 Sub Centres, 1579 PHCs and 311 CHCs were not functioning, though established.

6403 Sub-Centres,
1579 PHCs and 311
CHCs not
functioning in five
States/UTs

Mismatches in coverage.

The rural centres were required to cover the population according to norms indicated below :

Centre	Population Norms	
	Plain area	Hilly area
Sub Centre	5000	3000
PHC	30000	20000
CHC	120000	80000

The trends of actual coverage are indicated below :

Centres	Name of States/UTs
(1) Sub-Centres Population coverage range 1106 to 3832	Andaman and Nicobar, Arunachal Pradesh, Assam, Dadra and Nagar Haveli, Daman and Diu, Gujarat, Himachal Pradesh, Jammu and Kashmir, Karnataka Lakshadweep Islands, Manipur, Meghalaya, Mizoram, Pondicherry, Rajasthan and Sikkim
4012 to 4976	Andhra Pradesh, Goa, Kerala, Madhya Pradesh, Maharashtra, Nagaland, Orissa, Tamil Nadu and Tripura
5010 to 6075	Bihar, Chandigarh, Haryana, Punjab, Uttar Pradesh and West Bengal
(2) P.H.C. Population coverage range 5648 to 22311	Andaman and Nicobar Islands, Arunachal Pradesh, Dadra and Nagar Haveli, Daman and Diu, Himachal Pradesh, Jammu and Kashmir, Karnataka, Kerala, Lakshadweep, Manipur, Meghalaya, Mizoram, Orissa, Pondicherry, Rajasthan and Sikkim
27987 to 39120	Andhra Pradesh, Assam, Bihar, Gujarat, Haryana, Madhya Pradesh, Maharashtra, Nagaland, Punjab, Uttar Pradesh and West Bengal
40267 to 40591	Tripura and Goa

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Centres	Name of States/UTs
(3) C.H.C. Population coverage range 0.08 to 0.86 lakh	Andaman and Nicobar Islands, Arunachal Pradesh, Chandigarh, Daman and Diu, Himachal Pradesh, Lakshadweep, Manipur, Mizoram and Pondicherry
1.11 to 1.94 lakh	Assam, Dadra and Nagar Haveli, Goa, Gujarat, Haryana, Jammu and Kashmir, Karnataka, Madhya Pradesh, Maharashtra, Meghalaya, Orissa, Punjab, Rajasthan and Sikkim
2 to 2.68 lakh	Andhra Pradesh, Kerala, Nagaland and Tripura
3.60 to 4.98 lakh	Uttar Pradesh and West Bengal
5.07 to 5.11 lakh	Bihar and Tamil Nadu

**Sub-Centres and
PHC serving lower
population than
prescribed in 16 and
CHC in 9 States/UTs**

In 16 States/UTs, Sub-Centres and PHCs and in 9 States/UTs, CHCs are serving lesser population than the normative limits of 5000, 25000 and 1 lakh for Sub-Centres, PHCs, and CHCs respectively which shows that coverage of these Centres in respective States/UTs could be enlarged by re-organising, areas covered by the Sub-Centres/area linkages with Sub-Centres and PHCs. This also shows that work load of Sub-Centres, PHCs and CHCs in rest of the States/UTs is high as the national average comes to 4579, 27364 and 2.14 lakh for Sub-Centres, PHC and CHC respectively.

Facility assessment revealed that, on an average, the PHCs covered a population of 65283, which is more than double the prescribed norm of population (30000). Similarly, the population coverage by Sub-centres was also found to be more (5247) than the prescribed norm. Some of the specific findings as well as some trend indicators are detailed below :

It can be seen that against the prescribed norms the population coverage at SCs was in the range of 2300 to 6900 in the State/UT of Bihar, Gujarat, Haryana, Kerala, Pondicherry and Punjab. In the State of Himachal Pradesh and Tamil Nadu the coverage was more than 4000 and 10,000, respectively. The average population coverage in Chandigarh slum area was 17692 though Sub-Centres were not to be set up in urban slums and it was in the range of 2200 to 22000 in the UT of Dadra & Nagar Haveli. At the PHC level against the prescribed norm the coverage in Bihar and Haryana was 169898 and 37000, respectively, whereas it was in the range of 24352 to 25593 for Kerala and 30000 to 48000 for Dadra & Nagar Haveli. In the state of Haryana and Kerala the coverage was 233000 and 230000 to 440000 respectively against the prescribed norms in the CHCs. However considering the average number of villages and rural area served by these centres the picture, which emerges, is as under:

Coverage	Centres		
	Sub-Centres	PHC	CHC
Average rural area (in square kilometres)	23	136	1067
Average number of villages covered	4	26	200
Average radial distance	3	7	18
Average number of sub-centres/PHCs covered	-	6	8
Average rural population served	4579	27364	214000

- In Himachal Pradesh, 152 sub-centres in test checked districts were catering to the needs of population less than 2000 against requirement of 3000. In Nagaland, Sub Centres established for less than a population of 80 (Padi : 71, Tizu Island : 33, and Apou Kito : 53). 10 Sub Centre out of 192 test checked satisfy the population criteria resulting in annual excess expenditure of Rs 1.43 crore as wages. In Dadar & Nagar Haveli, Sub centres under PHCs Khanvel and Kilwani served population of 3100 to 7600 and 2200 to 22000 respectively. In Pondicherry, 26 PHCs each covered population less than 15000, 11 PHCs functioning in Karaikal covered population from 3312 to 17551 and PHC at Mahe covered population of 5842 only. Population covered ranged from 7502 to 19503 in a CHC.

1.6.2.2 Maternal Health and Care

The important services for ensuring maternal health and maternal health care include antenatal care, delivery care, postnatal care, and referral services.

Antenatal Care

Rates of maternal mortality have remained high in India despite a comprehensive programme for reducing it, including the safe motherhood initiative. One of the major aims of the safe motherhood initiative is to register all the pregnant women before they attain 20 weeks of pregnancy and provide them with services, such as, antenatal check-ups, 90 or more Iron Folic Acid tablets, two doses of tetanus toxoid (TT) and advice on the correct diet and vitamin supplements, and in case of complications, referring them to more specialised gynecological care.

Early detection of complications during pregnancy by three prescribed **antenatal check-ups** is an important intervention for preventing maternal mortality and morbidity. It was however found that systematic records of check-ups were not maintained in Delhi, Jammu & Kashmir and West Bengal. Registration of pregnant women being a basic requirement for delivery of services, it is a matter of concern that details of such registration were not available in some States. Karnataka showed a total number of 9.50 lakh antenatal cases registered during the period 1995-2000 but only 5.83 lakh received the prescribed three check-ups in the sample districts. Evidently, the process of registration, the method of house to house survey and voluntary reporting have not been successfully established. State Directorate of West Bengal furnished statistical information which could not be verified in the absence of supporting records. For instance it was claimed that in West Bengal 50 to 94 *per cent* of pregnant women received three antenatal check-ups. The basis of this claim could not be established, as the State Directorate have no regular means of collection of data from Sub-Centres, PHCs and Hospitals, nor is there any state-wide survey in operation at any time. In Delhi, the omission was conspicuous as the Directorate had not collected any survey data from field formations, despite the fact that during the period under review at least 620 deaths of women occurred due to Anaemia, Haemorrhage, Sepsis, Toxaemia, Tetanus and obstructed labour. Beneficiary survey commissioned by Audit brought out that in urban areas around 74 *per cent* of

Systematic records of antenatal check-ups not maintained in three states

Registered pregnancies data of Karnataka appears unreliable

Delhi did not collect survey data from field units though 620 deaths due to Anaemia, Haemorrhage, Sepsis etc. reported

pregnant women received the three check-ups while in rural areas it remained around 50 per cent. Around 84 per cent of respondents confirmed having received only one checkup. The survey indicated that frequency of checkup was directly proportional to the rise in standard of living. But the failure of programmatic intervention may be seen more due to lack of systematic approach.

In 1991 anaemia accounted for 20 per cent of maternal deaths in the country and was considered one of the leading causes of maternal mortality and an aggravating factor in haemorrhage, toxæmia and sepsis. Child Survival and Safe Motherhood programme therefore emphasized Iron Folic Acid (IFA) administration for pregnant women. Prophylaxis against nutritional anaemia in a pregnant woman requires a daily dose of large Iron Folic Acid tablets for a period of 100 days. Examination of records at the Directorates and field formations however showed that the shortfall in targeted coverage was ranging from 35 to 81 per cent in certain sample areas during 1995-2000. It was 81 per cent in Dadra Nagar Haveli, 73 per cent in Tamil Nadu, 65 per cent in Delhi, 59 per cent in Maharashtra, 59 per cent in Jammu & Kashmir, 53 per cent in West Bengal and 35 per cent in Himachal Pradesh in certain sample districts. This is significant in the light of the fact that the second National Family Health Survey conducted in 1998-99 reported a high rate of anaemia amongst pregnant women in these States. Non-supply of IFA tablets was found to be a reason for low coverage. In Jammu & Kashmir, Kerala, Pondicherry and Tamil Nadu stock of IFA Tablets and Vitamin 'A' was nil for major periods during 1995-2000 in test checked centres. Distribution of IFA tablets to pregnant women was below 3 per cent in Gujarat, between 0 and 48 per cent in Manipur, between 72 and 75 per cent in Karnataka and 61 per cent in Himachal Pradesh during 1995-2000 in test checked centres. In Mizoram, IFA tablets were not issued to 32204 registered mothers during 1995-2000.

Immunisation data were not available uniformly in respect of all States. Data in respect of 15 States and UTs could be compiled for immunisation against Tetanus only for the period 1995-2000 :

(Rs in lakh)

State	TT (PW)		
	Target	Achievement	Per cent achieved
Arunachal Pradesh	1.24	0.41	33.1
Bihar	164.14	54.61	33.3
Goa	1.22	1.17	95.9
Haryana	30.21	25.8	85.4
Himachal Pradesh	7.76	6.85	88.3
Karnataka	63.4	61.8	97.4
Meghalaya	3.26	1.37	42.0
Nagaland	1.37	0.49	35.8
Sikkim	0.62	0.54	87.1
Tamil Nadu	63.85	64.94	102.0
West Bengal	77.34	67.69	87.5
Andaman & Nicobar	.27	.24	88.8
Delhi	-	11.80	-
Pondicherry	0.84	0.92	109.5

35 to 81 per cent shortfall in supply of IFA tablets in sample districts of seven states

IFA tablets not supplied in four states

32204 registered mothers were not supplied IFA tablets in Mizoram

Immunisation data for all states not available

Immunisation targets were not related to demographic profile and were not based on baseline survey

In Uttar Pradesh and Madhya Pradesh vital information on immunisation was not available

Details of institutional deliveries were not available in States/UTs except Haryana, Karnataka and Tamil Nadu

24 hours delivery services scheme not implemented in eight states/UTs and in 92 units of Uttar Pradesh

Low availability of essential obstetric care drugs, resuscitation bags and new born care equipments

The targets fixed had no relationship with demographic profile, nor were they based on any baseline survey. While Karnataka fixed a target of 63.4 lakh, Bihar fixed a target of 1.64 crore and West Bengal fixed a target of 77.34 lakh. This would appear even more unreliable in the background of the fact that no systematic records are available of pregnant women. Even the figures of achievement show wide variations. While Tamil Nadu and Pondicherry achieved more than the target, Arunachal Pradesh, Bihar, Meghalaya, Nagaland were well below the fifty *per cent* mark. It is a matter of concern that in two of the most populous States i.e. Uttar Pradesh and Madhya Pradesh no significant information was on record. In Uttar Pradesh the record of Post Partum Centres showed immunisation of barely 6 to 16 *per cent* of eligible children while in Madhya Pradesh no records of eligible women or administration of immunisation dosages were available. Sample survey across the country showed that only 74% women who sought immunisation could be covered.

Delivery Care

An important component of safe-motherhood initiative was to encourage mothers to undergo institutional deliveries or have the deliveries conducted under the supervision of trained health personnel.

The target for deliveries through institutions (Sub-Centres, PHCs and CHCs) by 2000 was 50 *per cent* of total deliveries. Sample check of records revealed that institutional deliveries ranged from 9 to 16 *per cent* in Haryana, 38 to 44 *per cent* in Karnataka and 75 to 84 *per cent* in Tamil Nadu. Details were not available in respect of other State/UTs. However facility assessment brought out that the facility of 24 hours delivery services was not available in 40 *per cent* of PHCs even though these had been sanctioned. The Programme envisaged project proposals from State/UT Governments to ensure availability of one nurse and doctor on call, and maintenance of cleanliness beyond normal working hours in all PHCs/CHCs to ensure 24 hours delivery services in phased manner by providing honorarium to doctors, staff nurses and class IV staff. The Scheme was not implemented in Pondicherry, Karnataka, Delhi, Tamil Nadu, Assam, West Bengal, Madhya Pradesh, Kerala; and in 92 units of Uttar Pradesh. Shortfall in Pondicherry, Tamil Nadu and West Bengal was attributed to non-availability of facility, staff and pending clarification on payment of honorarium etc. No reasons for non-implementation was furnished by rest of the four states. The utilisation of funds for the scheme was very poor in Orissa.

Essential obstetric care includes antenatal care, supply of essential obstetric care drug, neonatal resuscitation and equipment for new born etc. Test check of State/UTs records revealed that systematic records were not available in the Directorates or in the field formations. The survey showed that while most of the CHCs and PHCs (92% and 80%, respectively) reported supply and utilisation of kit with equipment for normal delivery, the availability of essential obstetric care drugs, neonatal resuscitation and new born care equipment kits was low. The percentage ranged between 54 and 70 in case of essential obstetric care drug kit and between 26 and 52 in case of neonatal

Scheme of supply of Disposable delivery kits was a failure

resuscitation and newborn care equipment. The scheme of supplying Disposable Delivery Kits (DDKs) to improve the quality of home-based deliveries requires strengthening in as much as only 25 per cent of rural respondents confirmed having received and used DDKs, while 37 per cent of urban respondents confirmed having used DDKs.

1748 FRUs (First Referral Units) for Emergency Obstetric Care were identified and equipped with kits under the programme, but these were not fully operational due to lack of specialist staff, infrastructure, equipment, and medicines. Under the programme these FRUs were to be strengthened by provision of contractual staff, laparoscopes, surgical instruments, blood transfusion sets, consultant anaesthetists, supply of drugs/medicines etc. and by funding training programmes for Diploma in Anaesthesia. It was however, seen that specialist staff were not available in the FRUs of West Bengal (26), Himachal Pradesh (24), Uttar Pradesh (44) and in some FRUs of Sikkim and Tamil-Nadu. 18 FRUs of Meghalaya and J&K were not functional due to non-provisioning of kits and non-availability of facility for high-risk cases, whereas 3 FRUs of Meghalaya were not functional, despite the availability of kits. All FRUs of Madhya Pradesh and 118 FRUs of Uttar Pradesh did not have blood transfusion facilities.

Postnatal care

Postnatal services comprise immunisation, monitoring weight of the child, physical examination of the woman, advice on breast-feeding and family planning, etc. It was noticed that proper attention was not paid to postnatal care services. The beneficiary assessment of utilisation of these services shows that only 21 per cent of women got themselves examined after delivery while 79 per cent of post-partum women were not contacted. The percentage of utilisation of service was higher in urban areas (30%) than in the rural areas (18%).

Referral services

The RCH scheme envisaged lump sum assistance to Panchayats to transport pregnant women from indigent families in 25 per cent Sub Centres of category 'C' districts from eight poorly performing states of Uttar Pradesh, Bihar, Madhya Pradesh, Rajasthan, Assam, Nagaland, Orissa and Haryana. It was seen in audit that this was not implemented satisfactorily. In Assam, no such assistance was provided. In Madhya Pradesh Rs 75 lakh released to village panchayats remained unutilised as none of the village panchayats had rendered accounts of expenditure incurred by them. In Orissa, Rs 12.65 lakh distributed for this purpose remained either unaccounted for or unutilised in sample districts.

Under the Mother and Child Health (MCH) Services Scheme, States/UTs were required to give appropriate directions regarding referring of high risk women to appropriate levels of health institutions to avoid any mishap. Under the scheme, the referring Centre should get feedback from the referral centres regarding proper treatment given by the specialist, records of such referred women maintained at all levels, and trained ANMs should visit referred

In Haryana only 2% of high risk cases referred/treated at urban centres

Non-receipt of feedback reports of 3.99 lakh referred cases in Tamil Nadu

27 per cent of women reported complications were referred to higher health institutions

In Tamil Nadu & Uttar Pradesh 3767 maternal deaths reported at Post Partum centres due to anaemia, haemorrhage, sepsis etc

women every week during their antenatal, natal and post natal periods for followup. To ensure follow up, State/UTs were required to design and print cards in three different colours. Test check of State/UTs records revealed that only 2 per cent of high risk cases were referred/treated at urban centres in Haryana, referral registers and followup cards were not maintained in Tamil Nadu and in around 44 per cent PPCs of Karnataka. Feedback reports of 3.99 lakh referred cases were not received during 1995-99 in Tamil Nadu and 67 high risk women were referred to higher institutions by Government Hospital mainly due to absence of specialists. The facility assessment showed that only a third of centres at different levels (PPC, UFWC/HP, CHC and BPHC/PHC) adhered to the system of referring cases with different colour cards.

The beneficiary survey revealed that more than one-third of the women during antenatal and neonatal period in both rural and urban areas reported having faced some complications. The major complications included weakness/fatigue, severe nausea and vomiting, headache, oedema of feet and face, pain in abdomen and backache (percentage ranging between 27 and 56). The symptoms as serious as rupture of sack, bleeding, spotting, convulsions and loss of foetal movement were also reported by around eight to nine per cent of pregnant women. Of the women, who reported complications, only around 27 per cent were taken or referred, to the higher level health institutions. A considerable proportion of these women was referred to private hospitals (46%) followed by Government/Municipal hospital (25%). A small proportion of women (12%) reported facing obstetric complications during delivery.

A major reason for the failure or non-implementation of the scheme was the poor performance of the outreach services involving field visits, monitoring and collection of feedback. In Manipur, Mizoram, Andaman & Nicobar Islands, no field visits were made by ANMs/LHVs during 1995-2000. In Rajasthan, Chandigarh, Delhi records of field visits by ANM/LHVs were not maintained in any of the test-checked districts. In Uttar Pradesh, records of field visits by ANMs/LHVs were not maintained. In Assam, information regarding field visits by ANMs/LHVs was not maintained. In Meghalaya, shortfall of field visits by ANMs/LHVs ranged between 18 and 30 per cent. In Himachal Pradesh, 4023 field visits (District level: 3024 and Sub-district level: 999) by ANM/LHVs were made during 1995-2000 in test checked centres against the requirement of 12480 (District level: 8640 and Sub-district level: 3840). Shortfall of 32 per cent was attributed to shortage of ANMs and LHVs, non sanctioning of posts of medical officers and lack of supervision by Medical Officers. In Tamil Nadu, improper functioning of feedback system in respect of referred high risk women was noticed in the government attached test checked centres, including Rajaji Hospital Madurai and the centres at Government Hospitals/CHC at Tambaram, Kaveripattinam, Krishanagiri, Dharmapuri and Harur. In Tamil Nadu and Uttar Pradesh 3767 maternal deaths were reported during 1995-99 at Post Partum centres due to anaemia, haemorrhage, sepsis, toxemia, tetanus, obstructed labour and other reasons. There was no evidence of monitoring in these cases. In Pondicherry, preventable maternal deaths due to anaemia and sepsis ranged from 18 to 36

per cent during 1995-2000. There was no evidence to suggest that these cases were appropriately monitored for detection and referral treatment.

1.6.2.3. Reproductive Health and Care

Reproductive Health and Care includes services to counter reproductive tract infection and sexually transmitted diseases providing facilities for safe medical termination of pregnancy and PAP Smear test facility for detection of cervical cancer.

RTI and STD services

With the large-scale prevalence of Reproductive Tract Infection (RTI) and Sexually Transmitted Diseases (STD), especially among women, management of such cases at various levels has been envisaged under the RCH Programme. The scheme envisages establishment of RTI and STD clinics in all district hospitals and three First Referral Units in category 'A' districts, two in category 'B' districts and one in category 'C' districts. These were to be assisted by the Central Government by way of training and supply of drug kits including disposable equipments. The scheme was not implemented during 1998-2000 in Kerala and West Bengal and the services were not started in 12 FRUs of Meghalaya due to non-availability of trained doctors, lack of training and non-supply of drug kits. RTI tests were not conducted in Pondicherry due to 5 vacant posts of Laboratory Technicians in 3 CHCs and trained doctors exclusively for RTI/STD were not available in Orissa and in FRUs of Pondicherry. The facility was available only in 15 per cent of identified FRUs and funds were released for 74 per cent of the clinics only in Uttar Pradesh. In general the test checks showed that the facilities provided under the programme are still at the initial stages and are not upto the required level.

RTI and STD services facilities scheme still at initial stage

The facility assessment showed that the facilities lagged behind in equipping laboratories for diagnosing RTIs/STDs and maintaining RTI/STD check-up records by 14 per cent and 47 per cent respectively. The state differentials in availability of laboratory equipments for diagnosing RTI/STD showed that Punjab, Uttar Pradesh and Orissa were among the poorly performing states and Jammu & Kashmir, Madhya Pradesh and Tamil Nadu were among the better performing states. The beneficiary assessment showed that of the women who faced RTI/STD problem, only 37 per cent had sought treatment. Among these, only 18 per cent had sought treatment from Government facilities.

Medical Termination of Pregnancy (MTP)

Medical termination of pregnancy is permissible in certain conditions under the MTP Act, 1971. Enhancing the number and quality of facilities for MTP is an important component of the programme. The programme envisaged need based training programmes to ensure initially at least, one trained team (Medical officer and Nurse) for every hospital at district and sub-district level, provision of MTP equipment where trained team and operation theatre were available and thereafter in PHCs. The Programme also envisaged provision of MTP kits. Sample checks revealed that in Meghalaya and Tamil Nadu trained doctors and nurses were not available. In Andhra Pradesh, only 32 per cent of

Trained doctors and nurses for MTP not available in Meghalaya and Tamil Nadu whereas only 32% trained in Andhra Pradesh

the targeted number were provided training, and in Himachal Pradesh, MTP kits were not supplied. No information regarding MTP could be supplied to audit in Assam and Manipur.

The beneficiary survey reflected poor availability of MTP facilities with only a quarter of centres approved and similar proportion of trained doctors available for conducting MTP. About 24 per cent of centres also mentioned receiving performance based cash assistance for conducting MTP. The beneficiary survey showed that only 36 per cent of women were aware of the places where the MTP services could be sought. As regards utilisation of MTP services, only a small proportion of women (4%) had undergone abortions in the past. Of these, around 56 per cent had sought services from private hospitals.

Only 36% percent of women were aware of MTP

The PAP Smear Test facility Programme

PAP Smear Test facility for early detection of cervical cancer among women was introduced in 25 medical colleges on pilot basis in 1977. It was extended in a phased manner to 105 Medical colleges/Post-graduate Institutions all over the country by 1998-2000. Under the programme the government provides funds for salary of a cyto-technician as per State/UTs scale of pay, Rs 3000 for purchase of glassware, chemicals etc and Rs 2000 as contingent expenditure. The cyto-technician is required to collect/examine smears and maintain records of services rendered and submit quarterly progress reports to the Department of Family Welfare through respective State Family Welfare Officers. The findings are to be confirmed by the cyto-Pathologist/Head of Department of Pathology of the medical college/Post-graduate Institution where this programme was introduced. The performance of such colleges/institutions is assessed by the department on the basis of the number of slides prepared and examined without prescribing any norms. The performance as assessed by the department during 1995-1999 revealed that the quarters for which the institutions reported performance, declined constantly from 358(1995-96) to 298 (1998-99) during each year. Arunachal Pradesh, J&K, Meghalaya, Mizoram, Nagaland, Sikkim, A&N Island, Dadara & Nagar Haveli, Daman & Diu, Delhi, Lakshadweep and Pondicherry did not furnish any quarterly reports during 1995-99 which shows that the Departments of Family Welfare did not effectively monitor performance of these institutions. Number of slides prepared by the reporting institutions ranged from 46372 to 62866 during 1995-96 to 1998-99. Analysis of slides prepared, for carcinoma revealed that slides ranging from 59 to 61 per cent were only examined. Test check of states/U.T. records revealed that in Andhra Pradesh, Assam, Gujarat, Himachal Pradesh, Karnataka, Maharashtra, Manipur, Orissa, Pondicherry Tamil Nadu and Uttar Pradesh, 48 per cent of the posts of Cyto-technicians were vacant due to non-sanction of posts or due to non-filling the sanctioned posts. The programme though approved, was not implemented in Delhi and Rajasthan. In one medical college each in Assam and Delhi, posts of cytotechnicians were not created since grants were not released by the Central Government. In Punjab, smear collection and their examination was handled by the Laboratory Technician of Medical College, Patiala due to non availability of cytotechnician since 1995-96. In Himachal Pradesh,

Non-submission of quarterly reports by 12 States/UTs during 1995-99

48 per cent posts of cyto-technicians lying vacant in 11 States/UTs

Details of 41% slides examined were not on records in five States

Norms for detection of Carcinoma not prescribed in eight states

examination of slides prepared by Kamla Nehru Hospital Shimla, was conducted at Indira Gandhi Medical College due to absence of cyto-technician. Proper Records of slides were not maintained in Maharashtra, Gujarat, Karnataka and Pondicherry. 120 slides prepared during 1995-2000 were not examined in Bihar. In five states of Assam, Himachal Pradesh, Madhya Pradesh, Tamil Nadu and Uttar Pradesh, details of 41 *per cent* slides examined were not on record. Slides prepared during 1995-96 to 1999-2000 in the states of Assam, Bihar, Gujarat, Himachal Pradesh, Karnataka, Madhya Pradesh Tamil Nadu and Uttar Pradesh ranged from 120 to 44,000. This shows that no norms were prescribed for collection and testing of blood smears for detection of carcinoma.

The evidence from the performance registers of PPCs and CHCs as collected during facility assessment, revealed that about one-fourth of PPCs and one-sixth of the CHCs had lab equipment to undertake such tests. The poor turnout (an average of about 50 cases annually *per centre*) could also be indicative of the poor quality of facility offered.

1.6.2.4 Child health and care

Strengthening of services to improve child survival is one of the major components of the RCH programme. Child Survival Programme mainly focuses on the preventive aspects; such as control of vaccine preventable diseases, diarrhoeal diseases and acute respiratory infections among infants and children under 5 years.

The immunisation of children against six preventable diseases, namely tuberculosis, diphtheria, pertussis, tetanus, polio and measles has been the cornerstone of child health care system. As a part of the National Health Policy, the National Immunisation Programme is being implemented in India on a priority basis. The Expanded Programme on Immunisation (EPI) was started by the Government of India in 1978 with the objective of reducing morbidity, mortality and disabilities from these six diseases by providing free vaccination to all eligible children. Immunisation against polio was introduced in 1979-80, and tetanus toxoid for children was added in 1980-81. BCG was brought under the EPI Programme in 1981-82. The latest addition to the programme has been vaccination against measles, in 1985-86.

The following table gives a summary of targets and achievements :

(Number in lakh)

Name of vaccination	1994-95	1995-96	1996-97	1997-98	1998-99	Percentage shortfall
BCG						
Targets	247.65	248.61	254.02	255.45	251.17	
Achievements	246.15	240.61	248.80	253.53	242.97	0.60 to 3.26
DPT						
Targets	247.65	248.61	254.02	255.45	251.17	
Achievements	233.25	224.92	231.87	236.71	232.50	5.81 to 9.52
POLIO						
Targets	247.65	248.61	254.02	255.45	251.17	
Achievements	235.00	227.13	234.82	238.67	236.26	5.10 to 8.64
MEASLES						
Targets	247.65	248.61	254.02	255.45	251.17	
Achievements	215.33	204.83	210.88	218.26	218.77	12.89 to 17.60
TETANUS						
Targets	275.25	275.30	281.08	282.87	277.47	
Achievements	230.02	220.67	229.22	232.52	229.69	16.43 to 19.84
Total						
Targets	1265.85	1269.74	1297.16	1304.67	1282.15	
Achievements	1159.75	1118.16	1155.59	1175.69	1160.19	8.38 to 11.93

8 to 20 per cent shortfall in achievement of immunisation of children against BCG, DPT, Polio etc.

The overall shortfall in achievements of immunisation for BCG, DPT, Polio, Measles and Tetanus during 1994-99 vis-à-vis targets ranged from 8 to 12 per cent whereas the same for Measles and Tetanus ranged from 13 to 18 per cent and 16 to 20 per cent, respectively. Targets have remained constant in the range of around 250 lakh for BCG, DPT, Polio and Measles for all the five years. The targets set disease-wise are not based on any annual review.

The All India Hospital Post Partum Programme also envisaged immunization of pregnant women against Tetanus Toxoid (TT) and immunization of all children born in hospitals and visiting out patient department (OPD) as also coverage of all children in allotted areas. At the central level, target of immunisation during 1990-2000 in respect of TT for pregnant women and school children below 16 years was 100 per cent; and for DPT (children below 3 years) and DT and typhoid (new school entrants 5-6 years), 85 per cent. Target for polio and BCG for infants was raised from 70 and 80 per cent (1990) to 85 per cent (2000). Data regarding target of infants to be immunised as per the projected population in 22 States is given in Annex 7.

An analysis reveals that shortfall in targets set for primary immunisation for infants in the age group 0-1 year ranged from 8 to 20 per cent in Daman &

Diu, Gujarat, Haryana, Himachal Pradesh, Orissa and West Bengal, and from 23 to 50 *per cent* in Andhra Pradesh, Arunachal Pradesh, A&N Island, Chandigarh, Daman & Diu, Delhi, Goa, Karnataka, Kerala, Maharashtra, Manipur, Nagaland, Punjab, Pondicherry Sikkim, Tamil Nadu and Tripura. Besides, for secondary immunisation, children in the age group of 5 to 6 years also were required to be administered DT (Diphtheria and Tetanus Toxiod) and two doses of TT to children below 10 and 16 years. Test check of record in Delhi, Haryana and Madhya Pradesh revealed that the basis of fixing targets for vaccines was not on records whereas, in Delhi targets were the same each year during 1995-2000 and the percentage of children not covered in these states could not be ascertained. In Tripura, 100 *per cent* targets as required were not fixed for immunization against BCG, Measles, DPT and Polio. In Nagaland, the growth in population showed increasing trend during 1995-2000 but targets of immunization did not show corresponding increase. An analysis of achievements vis-à-vis State-wise targets reported by the department of family welfare in respect of BCG, TT (PW), Polio, Measles and DPT revealed that in most of the States/UT achievements were more than 100 *per cent* vis-à-vis State/UT targets. Either targets were fixed at lower levels or were not realistic. Immunisation coverage during the period 1995-2000 is depicted in **Annex 8**. Analysis reveals that, the lowest coverage is under the measles vaccine. Overall, about 83 *per cent* of targeted children have been fully immunised against preventable diseases.

The beneficiary assessment revealed that a majority of the children (ranging between 72 *per cent* and 82 *per cent*) aged 12-23 months on the date of survey had received BCG, DPT and Polio vaccines. Although most of the children had received DPT and Polio vaccines, there had been a drop of 9 percentage points from DPT 1-3 doses and 10 percentage points from polio 1-3 doses. Vaccine against Measles and supplementary Vitamin-A solution were received by 60 *per cent* and 51 *per cent* of children respectively. Overall, the percentage of children fully immunised was only 55 against the cent *per cent* coverage envisaged under the programme. Encouragingly Government facilities were mentioned as the main source of receiving immunisation services.

Child Survival & Safe Motherhood programme emphasized Vitamin A solution for all children less than 3 years of age to prevent blindness amongst them. Prophylaxis against nutritional anaemia amongst children requires **daily dose of Iron Folic Acid tablets**, for a period of 100 days and prophylaxis against blindness amongst children due to deficiency of **Vitamin A** requires the first dose at 9 months of age alongwith measles vaccine and the second dose alongwith DPT/OPU and subsequent three doses at six monthly intervals. Sample checks revealed that, shortfall in the administration of IFA tablets ranged between 1 to 56 *per cent* in different years in Haryana, Jammu & Kashmir, Maharashtra, Tamil Nadu and West Bengal whereas information in respect of Delhi was not furnished. The shortfall in Jammu & Kashmir, test-checked districts of Maharashtra and Haryana was attributed to non-supply/delay in supply of IFA tablets. Sample checks also revealed that shortfall in the administration of Vitamin – A ranged between 3 to 82 *per cent*

In five states shortfall in administration of IFA tablets ranged from 1 to 56

In four states
shortfall in
administration of
Vit.-A ranged from 3
to 82 per cent

in Delhi, Haryana, Himachal Pradesh and Tamil Nadu. Besides, targets were not fixed in Jammu & Kashmir during 1999-2000 and achievements were stated as aggregate of all doses. Only 2 to 13 per cent of children who had received the first dose received all prescribed doses. In West Bengal Rs 24.11 lakh were spent during 1995-99 on vaccination of dropout cases involving 16.36 lakh doses (TT: 2.64 lakh doses, DPT: 6.05 lakh doses, Polio: 6.08 lakh doses and D.T: 1.59 lakh doses), which did not serve the intended purpose as dropout during 1995-99 ranged from 5 to 11 per cent. In Delhi 11.43 lakh children did not report for subsequent doses of Pulse Polio out of cases which received 254.29 lakh doses in 15 rounds during 1995-2000, upto 21.96 per cent did not turn up for the second and third dose under the routine OPV programme.

To support immunisation programme, cold chain maintenance (including recruitment of cold chain staff) was visualised in all the PHCs in the country which were to provide continued assistance under the CSSM programme. Under RCH, renewal of cold chain was to be done and a need based assessment was to be made, for deep freezers and Icelined refrigerators to be provided in additional centres. Under RCH Districts, Health and Family Welfare Officers were required to supervise district cold chain mechanism. The facility survey revealed that a majority of the CHCs and PHCs had adequate vaccine storage facilities such as refrigerators, ice lined refrigerators, deep freezers, cold boxes and vaccine carriers available to them. But the actual utilisation of facilities was found unsatisfactory and far below the level of capacity created. In Bihar around 1300 cold chains out of 3241, were lying damaged. In Uttar Pradesh more than 1000 cold chains out of 2599 were lying damaged in March 1998, while by May 2000 it was reported that 1166 cold chains out of 2445 were lying idle with the PHCs. Solar refrigerators in Manipur could not be used at all for want of expert operators. In Orissa, 14 cold chains are being installed. In Delhi 5 cold chains and 16 deep freezers have still not been installed.

1.6.2.5 Family planning

Government of India launched various programmes over a period of time, which introduced multifarious family planning services.

As the services envisaged a complex network of facilities, initiatives and delivery systems, the findings of audit as well as that of the surveys are indicated below under subject areas incorporating therein the various linkages and implications.

Performance in vasectomy

Negligible proportion of vasectomy to total sterilisation

The proportion of Vasectomy to total sterilizations is only 2%. Currently over 98% of sterilisations are tubectomies and this is a manifestation of the gender-imbalance that plagues the programme. The following table gives the comparative achievements in the methods employed :

Year	Number of Sterilisation Cases			Percentage of Vasectomy	Percentage of Tubectomy
	Vasectomy	Tubectomy	Total		
1995-96	123748	4298571	4422319	2.8	97.2
1996-97	72006	3798220	3870226	1.9	98.1
1997-98	71352	4167162	4238514	1.7	98.3
1998-99	102656	4104070	4206726	2.4	97.6
1999-2000	88010	4502560	4590570	1.9	98.1
Total	457772	20870583	21328355	2.15	97.85

Analysis of data in samples revealed that in Andhra Pradesh, Gujarat, Jammu & Kashmir, Karnataka, Maharashtra and Orissa, vasectomy operations constituted 0.9 to 6 per cent of total sterilisation. In the case of Mizoram and Tamil Nadu it was still lower at 0 to 0.2 per cent. The beneficiary survey also revealed that the acceptance of vasectomy was very low (0.9%) among the eligible couples, mainly due to continued emphasis of the Government programme on female sterilisation, till recently. However, with the introduction of non-scalpel vasectomy and involvement of men under RCH, it is expected that share of vasectomy would improve. The awareness of vasectomy as compared to other methods was relatively low (46%), and the practice was negligible.

Performance in Laparoscopic Tubectomy

Laparoscopic Tubectomy less than 50 percent of total sterilisation

While female sterilisation is the most adopted method, the programme emphasises laparoscopic tubectomy as preferable to conventional tubectomy. However, the performance of laparoscopic tubectomy was low at less than 50% of total female sterilisation. Performance ranged between 1-16 per cent in Tamil Nadu and Andhra Pradesh, between 25-49 per cent in Gujarat and Dadra & Nagar Haveli and between 25-30 per cent in Karnataka.

Low achievement in terminal methods

Shortfall in achievement of sterilisation targets was highest in Bihar (71%), followed by Rajasthan (62%), Jammu & Kashmir (51%), Uttar Pradesh (39%), Orissa (30%), Madhya Pradesh (29%), Delhi (27.55% in tubectomy and 59.70% in vasectomy). The beneficiary assessment revealed that the current usership of terminal methods of FP (Tubectomy, Laparoscopy and Vasectomy) was low at 31 per cent against the Couple Protection Rate of 40 per cent. The percentage of current users of sterilisation was below 25 per cent in Assam, Bihar, and Uttar Pradesh. On the other hand, percentage of acceptors of tubectomy in Andhra Pradesh, Haryana, Himachal Pradesh, Kerala, Maharashtra and Tamil Nadu was reasonable at 40 per cent. With

increased emphasis on terminal methods in the government programme leading to high awareness among couples (76%) the acceptance level of 31% (all terminal methods) does not match the expected level, as revealed by the beneficiary assessment.

Unsuccessful Sterilisations

9 States/UTs reported
762 cases of failure of
sterilisations

In Andhra Pradesh, Arunachal Pradesh, Bihar, Gujarat, Haryana, Karnataka, Madhya Pradesh, Nagaland and West Bengal the nodal departments did not receive reports on failure of sterilization. However, 762 cases of failure were reported in Himachal Pradesh: (52), Kerala: (13), Maharashtra: (115), Orissa: (9), Punjab: (3), Rajashtan: (367), Tamil Nadu: (122), Chandigarh: (13), Delhi: (62). No investigations were carried out to establish the reasons of failure.

Impact of Target Free Approach (TFA) on Terminal Methods

Sterilisation
programme declined
or remained static
after adopting TFA

Test check of records in the states of Andhra Pradesh, Bihar, Gujarat, Himachal Pradesh, Jammu & Kashmir, Maharashtra, Mizoram, Tamil Nadu, Tripura and Delhi revealed that TFA did not produce results in the desired direction and quality of services did not improve. It led to a drastic fall in the quantitative performance. It was also noticed that, targets fixed for temporary methods were substantially lower and even those could not be met indicating that performance was dependent largely on terminal methods. In general, the performance of sterilisation programme either declined or remained static after adopting TFA. Performance in Himachal Pradesh, Mizoram and Tripura declined to the extent of 14 to 39 per cent. A decline in performance of sterilisation was also observed in Tamil Nadu and Delhi.

Performance in Spacing Methods of Family Planning

Year	Oral Pills users	Condom Users	IUD Insertion	Total	Percentage Users		
					Oral Pills	Condom	IUD
1995-96	5090850	17297429	6857882	29246161	17.41	59.14	23.45
1996-97	5250025	17214327	5680671	28145023	18.65	61.16	20.18
1997-98	6394793	16795452	6172904	29363149	21.78	57.20	21.02
1998-99	6868654	17308141	6065335	30242130	22.71	57.23	20.06
Total	23604322	68615349	24776792	116996463	20.17	58.65	21.18

Even though the usership of spacing methods was as such low, among the total spacing method users, around 59% accounted for condom users alone and rest 41% accounted for OP users and IUD insertions together, indicating lower use of the latter two methods. Targets for sterilization and temporary methods of I.U.D, Condom and O.P. users were fixed upto 1995-96 and thereafter the targets were fixed by assessing expected level of achievements or needs of the community as estimated by the lower level of staff after conducting surveys.

IUD, oral pills and condoms are amongst the several methods to regulate fertility and achieve proper spacing between births These interventions were

not significantly used in Bihar and had varying success in other States. Test check revealed that:

Use of oral pills, condoms was poorest in Bihar and non-achievement in the I.U.D insertions ranged from 32 to 69 *per cent* in Delhi, Himachal Pradesh, Jammu and Kashmir, Maharashtra, and Rajasthan, whereas non-achievement in the use of oral pills and condoms ranged from 29 to 73 *per cent* in Delhi, Goa, Jammu and Kashmir, Madhya Pradesh, Orissa, and Uttar Pradesh.

Beneficiary survey revealed that, the current usership of spacing methods was very low (ranging between 2 and 4 *per cent* for different methods). Among all the spacing methods, usership of oral pills was marginally higher (4%) than condom (3%) and IUD or loop (2%). Similarly, the use of natural methods was very low.

Inadequate distribution of Conventional Contraceptives (CC) and Oral Pills (OP) to Acceptors

Free distribution of oral pills and condoms was not found satisfactory, although around Rs 55 to 73 crore every year was spent during 1995-99. State/UTs records revealed that CC and oral pills were not distributed even in accordance with the norms prescribed by Government of India. Short supply of CC was to the extent of 27 lakh, 60 lakh, 34 lakh and 6.5 lakh in the States of Tripura, Himachal Pradesh, Maharashtra and Mizoram, respectively. The supply of OP was deficient to the extent of 3 lakh, 0.31 lakh, 27 lakh and 2 lakh in the states of Tripura, Himachal Pradesh, Maharashtra and Mizoram respectively. The beneficiary assessment revealed that a large majority (76%) of users were currently purchasing condoms and oral pills even in rural areas. Shops (78%) were reported to be the major source of procuring these methods in both urban (81%) and in rural (77%) areas. Thus the utility or the necessity of free distribution of contraceptives is open to question.

Sterilisation Bed Scheme

A scheme for reservation of sterilisation beds in hospitals run by Government, Local bodies and voluntary organisations was introduced in 1964 to provide immediate facility for tubectomy operations in the hospitals. The beds are sanctioned in hospitals on the basis of their performance during the preceding years. Beds are sanctioned to the voluntary organisations on the recommendations of the state government. Later, with the introduction of Post Partum Centres some beds were transferred to the Post Partum Centres. Maintenance grant of Rs 3000-4500 per bed per annum was admissible subject to achievement of 45-60 tubectomies per bed per year subject to proportionate adjustments in case of achievements below 45. During 1995-2000 (against budget estimates of Rs 8.40 crore) an expenditure of Rs 8.69 crore was incurred on the scheme. 3170 sterilization beds were functioning in various States. Out of these, 60 were functioning in State Government Hospitals, 454 in local bodies and 2656 in voluntary organisations. Almost 84 *per cent* of operation beds were in voluntary sector and therefore information regarding these beds could not be verified in audit. However, sample check of State records revealed that :

Requirement of 127.5 lakh CC and 32.3 lakh OP was not met in four states due to short supply

In Bihar, Performance report of sterilisation beds in 30 Post Partum Centres attached to the district Sadar hospital was not furnished to audit. In Delhi, 437 beds were in operation out of approved 589 (108 to 130 during 5 years) and Rs 5.45 lakh remained unutilised as achievements were below minimum level. Number of voluntary organisations which performed less than 45 cases of tubectomy was not known to the department. In Gujarat, out of 1472 beds 85 beds showed performance of sterilisation from 1 to 43 during 1995-99. While the performance of 791 beds was 60 or more per bed the performance of the remaining 596 beds was nil. In Jammu and Kashmir, availability of beds for sterilisation in two hospitals at Anantnag and Srinagar against 14 approved was not known to the department. The grant of Rs 2.70 lakh received was diverted for payment of salaries under other schemes. In Manipur and Himachal Pradesh, no funds under the scheme were released during 1995-2000 as scheme was not sanctioned by Government of India. In Meghalaya, Rs 0.05 lakh were disbursed to a private hospital where performance level of 2 beds were below 45. In Tamil Nadu, Rs 92.76 lakh was released as 50 per cent advance grant to hospitals run by 22 VOs but performance level of available beds was not maintained by DFW. In Uttar Pradesh, the performance of 277 beds out of 88 sanctioned each year during 1995-2000 was below 45 sterilisation cases per annum which did not entitle them to maintenance grant, yet Rs 11.76 lakh was provided. In West Bengal, claims of 4 NGOs for Rs 11.75 lakh were submitted to SFWB without verifying performance from basic records.

Claims of 11.75 lakh submitted to SFWB without verification of basic records

Rs 47.57 lakh irregularly reimbursed/excess paid to NGOs in five states

Sample checks in Andhra Pradesh, West Bengal, Maharashtra, Madhya Pradesh and Mizoram revealed that Rs 47.57 lakh were irregularly reimbursed or paid in excess to NGOs on account of diet charges, drugs, dressings, maintenance of beds without assessing the performance.

1.6.3 Information Education and Communication (IEC)

The main focus of the IEC strategy is on promoting behavioural changes, awareness generation and to introduce well defined and culturally appropriate programmes for specific regions and population segments. The department of Family welfare has been implementing a comprehensive IEC package for publicity through extensive use of Doordarshan, All India Radio, Song and Drama division, Directorate of Advertising and Visual Publicity and Directorate of Field Publicity of Ministry of Information and Broadcasting. In addition hoardings in towns, advertisement in print media, printed material, centrally by Department of Family Welfare and in regional languages by States are being utilised for IEC activities. NGOs play an important role in IEC activities through use of mass media like street plays etc. Evaluation of the impact of IEC was to be made from time to time for re-orientation of the programme on the basis of evaluation. The focus of IEC activities during the review period was on themes like eradication of Polio, increase in the age at marriage, reproductive and child health, safe motherhood, women's empowerment, gender equality and male participation. An analysis of IEC activities conducted during 1998-2000 by different States/ UTs undertaken by the Department of Family Welfare revealed that the activities were not

consistently carried out in all States /UTs and were mostly limited to few a States/ UTs and their impact on population was not assessed.

1.6.3.1 Insufficient Coverage

IEC activities generally declined during 1995-2000

IEC activities not consistently carried out in all States/UTs

Rs 15.41 lakh to establish IEC Bureau in Gujarat lapsed (June 2000)

It was noticed that either IEC activities were not undertaken or failed to provide sufficient coverage. Test check of records in 13 states revealed that in Andhra Pradesh, shortfall in exhibition of film shows ranged from 25 to 67 per cent, 100 per cent and 75 to 97 per cent in districts of Kurnool, Adilabad and Guntur, respectively. In Assam, information regarding IEC activities carried out were not furnished by DHS (FW). In Delhi, IEC activities generally declined during 1995-2000. Song and drama programmes decreased from 811 (1995-96) to 593, film shows decreased from 430 to 312 during 1995-2000 and audio jingles decreased from 26(1996-97) to 9 (1999-2000). In Manipur, no hoardings or vernacular IEC material were utilised during 1995-2000 due to insufficiency of funds. In Gujarat, Rs 15.41 lakh provided by Government of India to establish State IEC Bureau within existing staff strength lapsed. (June 2000). In Jammu & Kashmir, action plans for IEC activities prepared by IEC cell having effective staff strength of 58 (State Bureau: 3 and District Bureau: 55) were not implemented. In Karnataka, progress as prescribed in action plan was not achieved in respect of 5 to 19 IEC activities. The shortfall in activities like, exhibitions, training to targeted population/ general population, health baby shows, Mahila Vichara Vinimaya, children/ women's day, etc., ranged from 22 to 63 per cent during 1995-2000. In Madhya Pradesh, 156 film shows were conducted in districts of Mandla, Dewas and Durg and no shows were held in Shahdol, Jhabua and Rajgarh during 1995-2000 against the targeted 7200. In Tripura, no film shows were held during 1998-2000. In Dadra and Nagar Haveli, 230 film shows were organised during 1995-2000 against targeted 1250. In Meghalaya, 20 film cassettes in Hindi and 62 in English titled "Dai Maa" were utilized for video shows without being dubbed in regional language which had little impact on uneducated rural masses. In West Bengal, IEC activities conducted during 1996-99 had insignificant coverage of rural population. In Pondicherry, no film shows were held as cassettes for dubbing in regional languages for telecast in local channels were not received from Government of India.

Only 16 per cent of households reported awareness about IEC

22 to 63 per cent in various IEC activities

The IEC component of the programme was found to be very weak on beneficiary assessment, with only 16 per cent of the households reporting awareness about any IEC activity ever undertaken in their areas. The percentage of women reporting availability of any group involved in health education activities was negligible (1.5%).

Among the popular mass media, while TV viewership remained highest (45%) the utilisation of radio and news paper was mentioned by less than one-fourth of women. The message reach of FP through different media was lower than 36 per cent, followed by 30 per cent for immunisation and 27 per cent for MCH.

1.6.3.2 Infructuous expenditure on printing and procurement of publicity material

Expenditure of Rs 201.41 lakh incurred on facilities for printing was infructuous

In Rajasthan, Uttar Pradesh and West Bengal the entire printing work valuing Rs 1.88 crore was got done from the open market while departmental facility created for this purpose remained idle. Thus Rs 201.41 lakh spent on wages and salary of staff and maintenance of offset printing machines and their purchase resulted in wasteful expenditure. In Madhya Pradesh, during 1995-99, insignificant performance of film shows conducted in 6 test checked districts showed poor utilisation of establishment involving Rs 1.15 crore on pay and allowances of staff like Mass Media officers, projectionists, drivers etc.

1.6.3.3 Unutilised IEC material

In 8 states, IEC equipment and accessories and mass media vans remained idle during 1991-2000.

In eight states IEC equipment, vehicles etc remained idle

State	Idle materials in sample units
Andhra Pradesh	19 Mass Media Vans, 9 film projectors, 3 slide projectors, 6 generators, 2 colour TVs and video cassette recorders were not working in test checked districts.
Assam	42.53 lakh banners of school health check up programme were not utilised. Posters, handbill etc for PPI campaign remained in stocks.
Bihar	2980 out of 4800 cassettes were not used. 36 beyond repair mass media vans were not replaced.
Gujarat	4 mass media vans and 412 IEC equipment (out of 480) were not in working condition.
Karnataka	66 items of IEC equipment and accessories out of 102 items were not in working condition.
Maharashtra (DHO Jalgaon)	150 documentary films and 7 feature films remained in stock for 12-15 years.
Punjab	5 sets of colour TVs and VCRs were not utilised.
West Bengal	Stores valued Rs 19.09 lakh of IEC materials remained in stock for 1-9 years.

1.6.3.4 Mahila Swasthya Sanghs (MSS)

In four states Rs 1.88 crore for establishment of new MSS remained unutilised

Government of India during 1990 introduced the scheme of 'Mahila Swasthya Samiti (MSS)' under IEC activities. Rs 1500 per MSS for first year and Rs 1200 per year thereafter were to be provided by the Central Government. Under RCH about 80000 existing MSS were to be provided with funds and 30000 new MSS were to be established. Sample check revealed that in Gujarat, Maharashtra, Orissa and Sikkim Rs 1.88 crore released by Government of India, 1995-2000 for maintenance, training and establishment of new MSS, remained unspent. In Pondicherry, no funds was allotted for maintenance grant to MSS in Karaikal district and in Himachal Pradesh new MSS were not established during 1998-2000 despite receipt of funds from Government of India.

1.6.3.5 District Programme of IEC

Rs 44.19 lakh for district programme of IEC not utilised

District programmes of IEC were to be framed on the basis of project proposals costing between Rs 3-5 lakh from Zilla Saksharata Samiti (ZSS) to link family welfare programme with the National Literacy mission. This dovetailing arrangement has proved ineffective as the details of implementation of the programme are not being monitored in most States. In Assam, Himachal Pradesh and Orissa where some scheme details were available, it was seen from sample check that funds released (Rs 44.19 lakh) in Assam and Himachal Pradesh were not utilised. In Orissa no records were maintained.

1.6.3.6 Evaluation of Impact of IEC

Evaluation of impact of IEC not assessed

IEC was to be carried out by specialist communication agencies to reorient family welfare programme on the basis of result of evaluation, in a few districts every year. Test check of records revealed that, in Arunachal Pradesh, Gujarat, Karnataka, Manipur, Orissa and Tamil Nadu evaluation work was not assigned to any specialised agency as stipulated under the programme. Infact in Arunachal Pradesh, Gujarat and Karnataka impact of IEC activities in the state was never assessed. While in Manipur, the evaluation was entrusted by the Government of India to the Indian Institute of Management, Calcutta, the evaluation report was not received by the State Government (May 2000). In Orissa, IEC activities were reviewed in quarterly meetings held by the Director, State Institute of Health and Family Welfare and attended by District level IEC officers, but no minutes were available. In Tamil Nadu, no evaluation of IEC activities has been done so far in the state and feed back/ impact assessment system is not being followed at district level. Evaluation of IEC programme was not conducted in Himachal Pradesh during 1998-2000.

1.6.4 Quality of Physical Infrastructure

1.6.4.1 Facility Survey findings :

Facility survey revealed the following deficiencies :

More than 90% of the CHCs had their own independent buildings, of which nearly two-thirds were constructed under regular GOI programme. More than three-fifths of the CHCs had most of the basic facilities. As regards the other infrastructural facilities, it was found that most of the CHCs (more than 80%) had facilities of OT, labour room, OPD, indoor ward, dispensing room, doctor's room, staff room, store room and a laboratory. More than half of the centres also had IUD insertion room, a staff room and generator backup for OT. Only 32 per cent of the CHCs had IEC room. Only 16 per cent CHCs had air conditioners in the Operation Theatres. Most (84%) of the BPHCs/PHCs had their own independent building and the remaining were functioning from rented or donated/rent free premises. The availability of basic facilities at the BPHC/PHC level was relatively poor. While electricity, drinking water and waiting lounge was available in about 70 per cent centres, important facilities like toilets and running water in the toilets was available only in 40 per cent of the centres. As regards the other facilities, it was found that about three fourths of the BPHCs/PHCs had facilities of OT, IUD insertion room, OPD,

indoor ward, dispensing room, doctor's room, and storeroom. However, an important facility like generator backup for OT was lacking. Only, three-fifths of the sub-centres were functioning from their own buildings. Basic facilities were not fully provided as only 57% had electricity connection, 47% drinking water facility, and 31% had continuous water supply. Similarly, toilets were available only at 47 per cent of the centres, of which 28 per cent, had no running water. Only one third of the SCs had separate rooms for conducting deliveries and IUD insertion.

1.6.4.2 State Specific audit findings

Andaman and Nicobar Islands : 4 Sub-Centres were constructed (1998-2000) against 11 targeted (1995-2000) after delay of 2-3 years. In all, 102 Sub-Centres were functioning and 7 were under construction against requirement of 98 for 2.96-lakh rural population. Staff quarters for PHCs at Tugapur (1996-97), Ferragunj (1998-99), and Kishori Nagar (1999-2000) were not completed. Only Phase I of CHC at Campbell was constructed, and construction of Phase II is yet to be taken up (March 2000).

Andhra Pradesh : Rs 5.63 crore out of Rs 7.83 crore released by Government of India remained unutilized and Rs 1.98 crore sanctioned by state government (June 1997) for improvement of infrastructure facilities, remained substantially unutilised.

Himachal Pradesh : 28 out of 53 PHCs in Hamirpur, Sirmour and Una were without beds.

Kerala : Out of 60 PHCs in Kottayam and Kannur districts, 19 PHCs were without drinking water facilities; 20 had no dressing rooms, 6 had no lavatories, 6 had no injection rooms and 40 had no labour rooms.

Meghalaya : Rs 70.63 lakh released for construction of Rural Centres remained unutilised during 1997-99.

Rajasthan : Operation theatres in 8 PHCs, observation wards in 7 PHCs, labour rooms in 7 PHCs, 12 Doctor and ANM quarters, and 41 tubewells were not constructed (March 2000) although the works had been sanctioned. 405 works though completed were not handed over to the implementing agencies, as a result of which expenditure of Rs 6.72 crore (calculated as per approved cost) was rendered unfruitful. Rs 13.96 crore was incurred, against the approved cost of 13.19 crore on the construction of 34 buildings, but the works were not completed. 82 tubewells were constructed at the cost of Rs 24.64 lakh whereas the Jal Vikas Nigam of the State was paid Rs 66.80 lakh for construction of 123 tubewells. The balance amount of Rs 42.61 lakh was not refunded by the Nigam (June 2000).

Sikkim : 12 PHC buildings were constructed during 1995-2000 out of which 5 were completed after a delay of 2 to 11 months and 7 were completed after a delay of 2 to 22 months at a cost of Rs 96.23 lakh. This was against the 17 targeted at a cost of Rs 141.63 lakh. The remaining five, due to be completed during 1997-98 are still to be taken up.

Rs 5.63 crore
remained unutilised
in personal deposit
account

Expenditure of
Rs 6.72 crore
remained unfruitful
due to non-handing
over of completed
construction work

Tamil Nadu : Rs 28.73 crore released remained unspent during 1998-2000. Construction work in 179 SCs were in progress (March 2000) and works for 11 SCs were not taken up (August 2000), against 190 SCs sanctioned by the State Government (January 1999).

West Bengal : Rs 32.85 crore placed with 18 Districts Magistrates for construction of new SCs/PHCs/CHCs were not utilised for construction. Out of Rs 8.94 crore received in four districts test-checked Rs 5.93 crore were utilised for other purposes like medicine, equipment and repairs, leaving Rs 3.01 crore unutilised (March 2000). In all, 6513 out of 8552 functioning SCs are located in rented buildings which was insufficient. In test-checked SCs ANMs did not stay in staff quarters due to non availability of accommodation.

1.6.5 Programme Support

1.6.5.1 Staffing

A study of the deployment of manpower in the thirty-two states/UTs brought out a series of mismatches viz, shortage in deployment in each area of the scheme, diversion of staff to other health activities, and surplus staff in excess of norm. Findings are detailed in the succeeding paragraphs.

Shortage of Staff

Health workers (Lady Health Visitor, Multi purpose workers, Auxiliary Nurse Mid wife), support staff(Laboratory technicians/Assistants, Pharmacists/Compounders and medical officers/specialists, were at all not available in 989 Family Welfare Centres in Haryana, Karnataka, Madhya Pradesh, Tamil Nadu and Tripura, in 8 to 630 PHCs and CHCs of Kerala and laboratory technicians in 4 test checked PPCs of Madhya Pradesh and Haryana, in 273 PHCs/FRUs/UFWCs/RFWCs/PPCs/CHCs in Arunachal Pradesh, Karnataka, Kerala, Manipur, Tamil Nadu, Jammu and Kashmir, West Bengal, Sikkim, Madhya Pradesh, Meghalaya, Haryana and Andaman and Nicobar Islands respectively. Medical officers were not available in 9 to 98 PHCs in Kerala, 91 PPCs in West Bengal and in 25 to 28 FRUs in Karnataka.

The shortfall in the deployment of health workers, and support staff ranged from 41 to 95 *per cent* in test checked PPCs, PHCs and SCs of Arunachal Pradesh, Bihar, Gujarat, Haryana, Himachal Pradesh, Jammu and Kashmir, Karnataka, Kerala, Nagaland, Punjab, Tripura, Dadra and Nagar Haveli and Pondicherry. Whereas shortfall ranged from 9 to 40 *per cent* in case of Medical Officers/Specialists in PPCs/CHCs/RFSCs of Haryana, Maharashtra, West Bengal and Rajasthan.

Facility survey/assessment revealed out the following:

The shortage of health supervisors and health workers at higher service delivery level ranged from 11 to 22 *per cent* for the supervisory staff at the SC level and around 8 *per cent* of the SCs were without ANMs. The shortfall of supporting staff at different levels ranged between 9 to 18 *per cent*. Whereas of Medical Officers/Specialists from 8 to 15 *per cent* at PPC and CHC level. The proportion of lady medical officers was very low among the posts filed

(ranging between 2 to 8 per cent) and PHCs were mostly manned by male doctors.

The shortage could have an adverse effect on delivery of services, as ANMs being crucial to the services provided at the grass root level, vacancies at this level implies non-delivery of services for all practical purposes which also adversely effect function at higher level. The shortfall of specialists at higher level would effect the beneficiary obtaining specialists services which could adversely impact on the Reproductive and Maternal Care Services.

Shortage in IEC Staff

Shortfall of IEC staff in PPCs of Arunachal Pradesh and in the test-checked districts and state demographic and evaluation cells of Bihar, Gujarat and Meghalaya ranged from 60 to cent per cent and was cent per cent in respect of the key post of Mass Education/Media Officer in Arunachal Pradesh and Meghalaya. Whereas it ranged from 28 to 52 per cent in Andhra Pradesh, Bihar, Gujarat, Haryana and West Bengal.

Excess manpower in rural centres

449 Health Workers, ANMs and Para Medical staff in position were in excess of sanctioned staff strength in SCs/PHCs of test-checked districts of Himachal Pradesh and Sikkim, whereas 707 ANMs were in excess of the sanctioned strength in Gujarat and West Bengal.

1.6.6 Training

Complete data relating to capacity utilisation and percentage of trainees qualified were not forthcoming from the Ministry's records. Available data in the States however reveal that capacity utilisation of ANM/Health Workers (Female) schools during 1996 ranged from 45.7 per cent to 95 per cent in Assam, Goa, Maharashtra, Mizoram, Orissa, Sikkim, Tripura, Andaman and Nicobar Islands and the capacity utilisation in Orissa and Maharashtra schools was very low (Orissa 45.7 and Maharashtra 52.8). In Goa, capacity utilisation dropped from 85 per cent during 1996 to 60 per cent during 1998 and 1999. The percentage of trainees who qualified ranged from 26.3 to 99.6 except in Tripura and was poor in Sikkim and Andaman and Nicobar Islands (Sikkim : 26.3 per cent and Andaman and Nicobar Islands: 56.5 per cent). The capacity utilisation in LHV/HA(F) promotional schools of Assam, Maharashtra, Rajasthan, Karnataka, Madhya Pradesh, Orissa and Goa ranged from 2.5 to 40 per cent during 1996, 1998 and 1999. The percentage of trainers who qualified in these States ranged from 63.1 per cent to 100 per cent, out of which Maharashtra, Rajasthan and Madhya Pradesh were below 85 per cent (Maharashtra: 63.1, Rajasthan 81.1 and Madhya Pradesh 84.6).

1.6.6.1 Training Programme for Dais

Departmental data, available upto June 1996 showed that there were 149521 untrained Dais in 16 States/UTs. 8 States/UTs had no untrained Dais and data in respect of 8 States/UTs were not available. Funding of programme was withdrawn from 1997-98 at a time when support was most needed. Rapid household surveys had revealed that, 123 districts had more than 70 per cent,

449 health workers and 707 ANMs in position in excess of sanctioned strength

Data regarding capacity utilisation of training school and number of trainee qualified not maintained by the Ministry

240 districts had between 30-70 % and 142 districts had less than 30 *per cent* safe deliveries. In the 142 districts having less than 30 *per cent* safe deliveries the scheme of training of Dais was re-introduced under the RCH Programme in September 2000.

Although the scheme was implemented and funded by the Government of India upto 1996-97, neither the actual requirement of Dais in each State/UT to ensure the availability of at least one trained Dai in each village nor the physical performance of training programmes of Dais vis-à-vis targets for which funds were released upto 1996-97 were ever assessed by the Department of Family Welfare. Test check of the records of States/UT of a few States showed that :

58 *per cent* of untrained Dais identified by the State (December 1995) were not imparted training in Tamil Nadu whereas in Karnataka targets were not fixed and the training was scaled down by 99 *per cent* due to lack of financial support during 1999-2000 as compared to 1997-98. In Maharashtra 62 *per cent* of available trained Dais (March 1998) were actually working (May 2000)

The facility assessment at different levels (PPC, CHC and PHC) indicated that only 31 *per cent* of the facilities had organised training programme for Dais in the last 5 years. Similarly, at the grassroots level also, only at 33 *per cent* of SCs were Dais provided training on safe delivery in the last 3 months. This was despite the fact that 35 *per cent* of the women had sought services from Dais during delivery as revealed from the beneficiary assessment.

1.6.6.2 Deliveries attended by trained staff

Deliveries by trained Dais ranged between 52 to 58 *per cent* in Haryana and in Maharashtra it ranged between 29 to 31 *per cent* of the 41 *per cent* institutional deliveries. The deliveries handled by other trained staff was as low as 14 to 18 *per cent* in Haryana. It was around 50 *per cent* in Karnataka and Mizoram and was as high as 95 to 98 *per cent* in Tamil Nadu. Deliveries handled by untrained staff in Karnataka, Haryana and Maharashtra ranged between 3 to 21 *per cent*. Sample check at States/UTs level revealed that the percentage of deliveries handled by other than the health institutions or by health workers was skeletal (12.97% to 21.40%) in Haryana. 3 to 13 *per cent* deliveries in Karnataka and Maharashtra were also handled by untrained dais. In an attempt to assess the proportion of deliveries conducted under the supervision of trained health personnel, the beneficiary survey disclosed that only 52 *per cent* of the deliveries were assisted by trained medical/paramedical personnel. Facility assessment showed that amongst the medical officers at various levels, only 27 and 16 *per cent* were trained and were conducting normal and caesarean section deliveries respectively. Amongst the paramedical staff, only 48 *per cent* were trained in conducting safe delivery.

1.6.6.3 Training in Reproductive and Child health

National Institute of Health and Family Welfare (NIHFW), New Delhi was appointed as the nodal agency for training under RCH programme. NIHFW

spent Rs 1.11 crore on creating infrastructure for training : Rs 73 lakh (travelling expenditure) and Rs 38 lakh (honorarium etc.) till March 2000. Rs 49.38 crore were advanced during 1998-2000 to different States/UTs for conducting training courses, out of Rs57.10 crore grant-in-aid released by Government of India, Statements of expenditure for Rs 5.63 crore only were received from different States/UTs and there was an unspent balance of Rs 6.61 crore with the NIHFw. NIHFw New Delhi had assessed the number of ANMs, LHVs and MOs to be trained under the integrated skill training programme. The assessed training requirement and achievement during 1998-2000 were :

Rs 6.61 crore for training remained unutilised with NIHFw

Monitoring of integrated skill training

State/UT Name	ANM		LHV		MO	
	Trg Load	Trained	Trg Load	Trained	Trg Load	Trained
Andhra Pradesh	11493	219	2135	-	2683	-
Bihar	7947	235	755	-	303	-
Chandigarh	60	30	12	-	30	-
Goa	180	-	60	-	140	-
Gujarat	7098	138	960	-	1158	-
Haryana	2478	809	542	52	1809	11
Himachal Pradesh	-	-	282	-	1066	9
Jammu and Kashmir	2561	15	387	-	1677	-
Kerala	5955	91	906	10	1290	30
Madhya Pradesh	10968	-	2160	-	-	-
Maharashtra	657	438	300	-	253	-
-Meghalaya	374	-	83	-	111	-
Orissa	4040	-	-	-	-	-
Pondicherry	218	-	25	-	66	-
Port Blair	135	-	35	-	-	-
Punjab	3359	308	685	-	1814	-
Tamil Nadu	11841	92	-	-	2598	-
West Bengal	2588	30	597	-	690	-
Total	71952	2405	9924	62	15688	50

Only 3.3 percent ANMs, 0.6 percent LHVs and 0.3 percent MOs out of assessed training load were trained

Assessed Training Load of specialised skill training and achievements during 1998-2000 were :

Monitoring of specialised skill training

State/UT Name	MTP		LAP		Mini LAP		IUD	
	Trg Load	Trained	Trg Load	Trained	Trg Load	Trained	Trg Load	Trained
Chandigarh	10	-	-	-	-	-	70	-
Delhi	36	10	216	24	-	-	160	-
Haryana	443	19	-	-	-	-	-	-
Jammu and Kashmir	331	-	-	-	-	-	2946	20
Kerala	90	-	150	12	120	-	500	-
Mizoram	60	12	36	6	120	20	600	-
Nagaland	36	-	18	-	120	-	240	-
Orissa	27	-	72	6	-	-	-	-
Punjab	320	9	444	-	648	18	3817	68
Tripura	264	-	75	-	-	-	140	-
Uttar Pradesh	-	-	-	-	-	-	150	-
West Bengal	542	27	192	11	54	-	-	-
Total	2159	77	1203	59	1062	38	8623	88

This would reveal that funds released were for much larger number in excess of the proposed number. Achievements reported were dismal; MO and LHV nil, ANMs 294. Against Rs 10.46 crore, statement of expenditure was furnished only for Rs 0.14 crore.

1.6.6.4 Short falls in training

Shortfall in various training parameters during 1995-2000 was as under:

Name of State	Period	% Shortfall for different cadres
Assam	1995-98	41 to 69% in case of in-services integrated training to Medical/Paramedical staff.
Bihar	1997-98	10% in case of RCH training
	1999-2000	40% in case of RCH training in Bhagalpur
Gujarat	1995-90	3 to 60% and 28 to 37% in respect of Medical Officer and Paramedical personnel respectively
Karnataka	1995-2000	(i) 30%, 34%, 51% and 56% in respect of training of Dais, Hospital Management, Induction Course and In-service training respectively
	1995-96	(ii) 100% in case of MTP & Laparoscopic procedures
	1995-98	(iii). 100% in case of induction course & trainers training
	1998-2000	(iv) 100% in IUD Insertion
	1995-97	(v) 100% in Hospital Management
Manipur	1995-2000	19% to 74% in 7 out of 10 courses
Meghalaya	1995-98	20.6% in case of ANMs
Orissa	1995-2000	(i) 10% to 100% in RH& FWTC
		(ii) 17% to 85% in RH&FWTC

Statement of Expenditure for Rs 0.14 crore furnished against funds of Rs 10.46 crore

Name of State	Period	% Shortfall for different cadres
Punjab	1995-99	29% to 89%
	1995-99	(i) (a) 17% to 81% in case of Medical Officers (b) 31% to 78% in case of MPW
	1995-98	(iii) 56% to 62% in case of LHV&MPW in Punjab Health School, Amritsar
Tamil Nadu		100% in case of training of para medical and staff nurses in FRUs in essential Obstetric/New Born care.
Uttar Pradesh		80% in Dais training
West Bengal	1995-96	74% & 53% in case of MHW (Male) & ANM, respectively
	1998-2000	21% to 86% in case of MTP, Laparoscopic, Mini-Lab, IUD insertion and awareness generation.
		69% in case of RCH training in Murshidabad
		No RCH training conducted in Darjeeling due to vacant post.
	Training was not imparted as per target in Purulia and Midnapur districts.	
Delhi	1999-2000	(i) 46 % in respect of FW Health worker training (ii) 91% in respect of awareness generation training

3 to 100 percent shortfall of training for Medical/Para Medical staff in six states

The shortfalls in the training of Medical/para-medical staff in Assam, Gujarat, Karnataka, Punjab, Tamil Nadu and West Bengal in different years during 1995-2000 ranged from 3 to 100 *per cent* and was 100 *per cent* for induction course and trainers training in Karnataka during 1995-98. The shortfalls in training of Health workers including ANM in Meghalaya, Orissa, Punjab, West Bengal and Delhi ranged from 10 to 100 *per cent* whereas shortfall in RCH training in Bihar, Manipur, West Bengal (Darjeeling, Purulia and Midnapur districts) ranged from 10 to 100 *per cent*.

The facility assessment indicates that the programme has a long way to go with respect to training of staff in various activities. While the percentage of trained and practising paramedical staff at PPC, CHC and PHC and under various services such as CSSM, Immunisation, and CNA ranged between 32 *per cent* and 52 *per cent*, the same at SC level ranged between 38 *per cent* and 66 *per cent*. As regards training on specific activities such as diagnosis, treatment and referral of RTI/STD cases, the proportion of MOs and paramedical staff trained and practicing at PPC, CHC and PHCs was only 14 and 54 *per cent*, respectively. At the SC level it was only 43 *per cent*.

1.6.7 Supplies

Large discrepancies were noticed in the receipt and issue of contraceptives, vaccines, drugs and equipment on test check. Instances of supply of time barred stocks were also noticed. Some of the significant observations are summarised below:

Supplies worth Rs 6.24 crore in 4 states were in excess and supplies worth Rs 1.77 crore in three states short received

In Assam, Delhi, Kerala and Maharashtra supplies valuing Rs 6.24 crore were in excess of requirement. In Madhya Pradesh, Rajasthan and Tamil Nadu supplies valuing Rs 1.77 crore were received short and the losses have not been accounted for.

Supply of sub-standard surgical instruments, injections, contraceptives have been reported in Uttar Pradesh, Tamil Nadu, Bihar and Rajasthan. While the value of such supplies could be established in Uttar Pradesh, Tamil Nadu and Rajasthan as 1.02 crore, this could not be computed in the absence of details of cost in Bihar and Rajasthan.

Tubal rings supplied to three states were sub-standard

Supply of sub-standard tubal rings were observed in Madhya Pradesh, Punjab and Orissa. While the values could not be computed in Madhya Pradesh and Punjab, this was found to be of the order of Rs 13.50 lakh in Orissa.

645.51 lakh IFA tablets supplied in three states were sub-standard

In Bihar, Madhya Pradesh and A&N Island supply of sub-standard IFA tablets of the quantity 645.51 lakh was noticed.

Supplies worth Rs 2.39 crore remained unutilised in seven States/UTs

In Arunachal Pradesh, Assam, Rajasthan, Karnataka, Kerala, Manipur and Chandigarh, supplies valuing Rs 2.39 crore remained unutilised. Similar instances of huge unused stocks were noticed in Nagaland, Orissa, Punjab, Sikkim, West Bengal and Andaman Nicobar Islands, but the value could not ascertained as the value accounts were not maintained.

Facility assessment revealed that in 86 per cent to 96 per cent centres, the supply of vaccines, contraceptives, and prophylactic drugs was adequate. Kits for IUD insertion and normal delivery were available in 75 to 90 per cent of the centres covered in the survey. But the availability of surgical kits, laparoscopes, MTP suction pumps, kits for emergency OB care, newborn care and laboratory diagnosis were not adequately available. The lowest availability rate was 8 per cent and the highest availability rate was 56 per cent,

Procurement, distribution and monitoring system not developed

The implementing agencies have not developed appropriate systems for the procurement, distribution and monitoring of utilisation and the accounting of stores and stock have been generally neglected. The system of setting up divisional supply depots for drugs by the end of 1998 has not materialised. Non-maintenance of value accounts could lead to large scale wastages, pilferages and frauds being concealed under the pretext of general accounting failures.

1.6.8 System Support

System support for programme remained only on paper

A nation-wide programme like Family Welfare Programme requires appropriate system supports in the form of regular reporting, monitoring, survey, research and evaluation to enable the policy level to correct misdirections and assess the adequacy and impact of the interventions periodically. It was, however, seen that the system supports provided on paper for the programme did not translate effectively into practice, as described in succeeding paragraphs.

1.6.8.1 Record keeping

The state of maintenance of critical records was poor leading to the risk of manipulation of figures, false estimation and false reporting. Facility assessment revealed that updated records were not maintained in about 13 to 39 per cent of the centres in respect of the family planning services, immunisation, antenatal, natal and postnatal services. The quality of record

keeping is however suspect as several instances of incorrect reporting and bogus figures were noticed.

1.6.8.2 Reporting

Excess reporting of immunisation figures

In Gujarat, achievement reported in respect of immunisation against six preventable diseases during 1995-2000 ranged between 75 and 94 *per cent*, but the sample survey conducted by International Institute of Population Sciences, Mumbai during 1997 in 9 districts and during 1999 in 10 districts revealed coverage between 31 and 80 *per cent* only. In Nagaland, 6,31,099 doses of Polio, BCG, DPT, DT, TT Measles were utilized in sample district as per Monthly Progress Report, (MPRs) during 1995-2000, whereas doses available before and after allowing wastage as per Government of India norms were 6,35,095 and 4,67,744 respectively. Children below 5 years were estimated for 1997 and 1999 as at 1,19,805 and 1,26,281 respectively on the basis of growth rate indicators, whereas coverage reported was for 1,82,498 and 2,33,865 during the years

Excess reporting of family planning figures

In Madhya Pradesh performance reported (April to December 1999) in Keopari CHC was 740 against 262 actual cases of IUD insertions.

In Maharashtra, 10831 and 7765 cases of sterilizations and IUDs were reported (1995-96) in 44 PHCs of Aurangabad district, whereas actual performance was 10097 and 7327 cases, respectively. 82290 sterilisation cases (3 *per cent* of total sterilisations of 27.47 lakh during 1995-2000) in respect of couples having five or more children were included in performance reports, despite instructions of SFWB (April 1991) for non-inclusion of such cases.

In Punjab against actual performance of 4278 sterilization cases in PHCs at Fatehgarh Sahib, Ludhiana, Moga and Patiala during 1995-99, 5102 were reported. IUD insertion cases reported during 1995-99 in 10 PHCs and one Post Partum Centre in 6 test checked districts of Amritsar, Fatehgarh Sahib, Ludhiana, Moga, Patiala and Ropar were found inflated by 10350 cases. Pre-operative blood and urine tests, mandatory before sterilization, did not support the number of sterilization cases reported during 1995-2000 in PHCs of Ghosi, Mahmoodabad, Gohna, Raebareli, Phoolpur, Ramnagar, Urua and Pilkhuwa of Mau, Raebareli, Allahabad and Ghaziabad districts, as blood and urine tests conducted were 3634 and 4084, respectively as against 8917 sterilization cases.

Quarterly Performance Reports

Analysis reveals that the programme was not evaluated in Sikkim and Orissa where consolidation of QPRs was not done by state demographic cell. Shortfall in submission of QPRs was observed from district level PPCs of Uttar Pradesh ranging from 100 to 200, and 1160 to 1640 QPRs from sub-district level PPCs.

While the States/UTs of Chandigarh, Goa (1995-98), Delhi (PPC at LNJP Hospital), Uttar Pradesh (5 to 10 district and 58 to 82 sub-district level Post Partum Centres), Jammu & Kashmir (14 out of 15 P.P.Cs) did not furnish any Q.P.R during 1995-2000, the receipt of QPR from other States/UTs has been declining constantly. The department used the QPRs mainly to up date its data bank. Neither were the poor performing States/UTs suggested any remedial measures nor was any feed back about follow up actions sought from the concerned States/UTs.

1.6.8.3 Surveys

Survey not conducted in Andhra Pradesh, Jammu & Kashmir, Madhya Pradesh and Tripura

Surveys are required to be conducted to identify areas having abnormal birth/death/infant mortality rate and low level of CPR etc. for devoting special attention to such areas. However, no survey was conducted in Andhra Pradesh, Jammu & Kashmir, Madhya Pradesh, and Tripura. In Meghalaya, Pondicherry and West Bengal district surveys were conducted in 1998-99, but the survey findings were not used. Concurrent surveys required to be carried out under the RCH programme were not conducted regularly in any state.

1.6.9 Evaluation

Evaluation of programme not done in ten states/UTs

Evaluation of the programme was not done during 1995-2000 in the States/UTs of Chandigarh, Assam, Haryana, Meghalaya, Punjab, Manipur, Jammu & Kashmir, Himachal Pradesh, Nagaland and Mizoram.

Study/survey reports not published

It was seen in audit that study/survey reports were not published. Many States reported that, even though the survey/research studies were conducted in their areas, they did not receive these reports for remedial follow up actions. The Department has neither recommended specific remedial actions to improve performance in weaker areas nor was the matter ever pursued. With the forwarding of summary reports to the Chief Secretary of the concerned State, the matter was treated as closed. The absence of evaluation coupled with the absence of a central monitoring machinery has affected the programme adversely.

1.7 Attainment of Demographic goals

Half a century after formulating the National Family Welfare Programme, India has reduced:

- Crude Birth Rate (CBR) from 40.8 (1951) to 26.4(1998);
- Crude Death Rate (CDR) from 25 (1951) to 9.8 (1998,);
- Infant Mortality Rate (IMR) from 146 per 1000 live births (1951) to 72 per 1000 live births (1998);
- Total fertility rate from 6.0 (1951) to 3.3 (1997)
- Couple Protection Rate (CPR) has increased from 10.4 per cent (1971) to 44 per cent (1999);

Source : Sample Registration System, Registrar General of India

The sharp decline in death rate was not accompanied by a similar decline in birth rate. The National Health Policy, 1983 had projected that replacement

level of Total Fertility Rate (TFR) should be achieved by the year 2000. This however, did not materialise. The Population Policy, 2000 has now set a goal of achieving replacement level of TFR by the year 2010 and a stable population by 2045. The Ninth Plan document has however cautioned that the rise of population can not be stopped immediately due to the age structure of population and the percentage of population in the reproductive age group (15-49), and that it would take 35 years even after achieving the replacement level of TFR to achieve a stable population.

The CBR, CDR and IMR data for all the States/UTs in three indicative time periods (1995, 1998, 1999), however are given in Annex 9. This would show that certain States/UTs still record figures well above the national average. Analysis of information is provided in succeeding paragraphs goal-wise. Information relating CPR has not been tabulated due to paucity of data, but then certain trend indications, based on limited data, have been provided for facilitating comprehensive appreciation.

CBR, CDR, IMR,
CPR in respect of all
States/UTs not
available with
Ministry

Crude Birth Rate (CBR) is defined as the number of births per thousand population in a given year. Analysis of available data revealed decrease in CBR in 1999 as compared to 1995. Test check of records in the States of Andhra Pradesh, Arunachal Pradesh, Gujarat, Himachal Pradesh, Maharashtra, Meghalaya, Mizoram, Tamil Nadu and West Bengal revealed that CBR was higher than 30 *per cent* in Arunachal Pradesh, Bihar, Madhya Pradesh, Uttar Pradesh and Rajasthan and was 16 to 29 *per cent* in rest of the states.

Crude Death Rate (CDR) is defined as the Number of deaths per thousand population in a given year. The analysis of available data revealed that CDR is higher than the national average of 9 in Madhya Pradesh, Nagaland, Orissa and Uttar Pradesh. Test check of records revealed that in Madhya Pradesh, CDR ranged from 11.2 to 11.8 per thousand during 1995-98 and in Rajasthan, CDR ranged from 8.9 to 13.2 per thousand (1995-97) against the national average of 9 (1995) and 8.9 (1996 and 1997), while in Arunachal Pradesh, CDR remained static at 13.5 during the period March 1995 to March 1997 and data were not compiled thereafter.

Couple Protection Rate (CPR) is defined as the percentage of couples effectively protected against pregnancy by use of any modern family planning method. All India Couple Protection Rate as per Annual Reports of the Ministry decreased from 46 (1995) to 44 (1998). Which shows that the use of various family planning methods by the married couples of reproductive age has declined in the last 5 years. Further, none of the States have achieved CPR higher than 60 *per cent*. Test check of records in States revealed that only four states (Andhra Pradesh, Gujarat, Haryana and Himachal Pradesh) have been able to achieve CPR between 49 to 59 *per cent*.

Low performance in CPR was attributed to deficiencies in rural set-up, shortage of Medical/Para-Medical Personnel and inadequate mass media activities to motivate rural population, besides poor physical infrastructure, ills of the target free approach and qualitative evaluation of performance that discounted the quantitative approach altogether. National Family Health Survey 1998-99 revealed that about 20 *per cent* of currently married women

(in the age group of 15 to 49 years) in India have an unmet need for family planning. The unmet need for family planning (defined as the gap between desired and actual use of family planning methods) as worked out by beneficiary assessment was 19 per cent for spacing methods and 5 per cent for permanent methods. The CPR worked out is 41 per cent (31 per cent for terminal and 10 per cent for spacing methods of family planning).

Infant Mortality Rate (IMR) is defined as the number of infants dying under one year of age in a year per thousand live births of the same year. It is estimated that about 7 per cent of new born infants die within a year. Poor maternal health results in low birth weight and delivery of pre-mature babies. Infant and childhood diarrhoeal diseases, acute respiratory infections and malnutrition add to the risk. Although IMR has decreased from 146 in 1951 to 72 per 1000 births in 1997, there are wide inter-state differences. In comparison to IMR in other countries in South Asia, India has a long way to go, though IMR decreased to 70 per 1000 births in 1999.

Sri Lanka	Thailand	China	Indonesia	India	Pakistan	Bangladesh	Nepal
18	29	41	48	72	74	79	83

Source : UNFPA, the state of World Population 1999

The analysis of available data for the year 1995 and 1998 in respect of 11 populous states of Andhra Pradesh, Bihar, Gujarat, Karnataka, Madhya Pradesh, Maharashtra, Orissa, Rajasthan, Tamil Nadu, Uttar Pradesh and West Bengal revealed that the IMR. remained below 60 per thousand live births in Maharashtra, Tamil Nadu and West Bengal during 1995 and 1998. IMR in Karnataka came down from 62 in 1995 to 58 in 1998. IMR in Andhra Pradesh remained static at 66 during 1995-98 and that of Gujarat increased from 62 in 1995 to 64 in 1998. In Madhya Pradesh, IMR was 99 and 98 per thousand live births during 1995 and 1998 and in Rajasthan, IMR was 85 and 83 per thousand live births during 1995 and 1998 against all India average of 74 (1995) and 72 (1998). Test check of State data in Gujarat and Himachal Pradesh revealed that IMR ranged from 61 to 64 per thousand live births during 1995-99. In Tamil Nadu, IMR was 80.7 and 73.3 per thousand live births (1998) in Dharmपुरi and Salem test checked districts respectively whereas state average was below 60 during this period. In Haryana, the IMR during 1998 was 70 per thousand live births.

Maternal Mortality Ratio (MMR) is defined as the number of maternal deaths per 100,000 live births. MMR is considerably high at 437 per 100,000 live births for the country, which is unacceptable when compared to current levels, elsewhere in South Asia, though MMR decreased to 408 per 100,000 live births in 1997.

Sri Lanka	China	Thailand	Pakistan	Indonesia	India	Bangladesh	Nepal
30	115	200	340	390	437	850	1500

Source: UNFPA, the state of World Population 1999.

While data from all States are not available, the test check of available data has shown that MMR for Gujarat (389), Andhra Pradesh (380) and Tamil

Nadu (230) are higher than the goal of below 200 set in the National Health Policy.

The demographic goals set forth in National Health Policy, 1983 were frequently revised and it was stated in the Eighth Five Year Plan document that Net Reproductive Rate of 1 would be achievable only in the period 2011-16. The Report of the Technical group on Population Projection (Constituted by the Planning Commission) indicated that the replacement level of NRR-I is achievable by 2026 and beyond. In the Ninth Plan (1997-2002) document the Planning Commission set two level goals and fixed the following demographic targets to be achieved by 2002.

CBR	IMR	TFR	CPR
24-23	56-50	2.9-2.6	51%-60%

This implies that 'the replacement level of fertility was not achievable by 2000 and a "level of 2.9 to 2.6" of TFR is likely to be achieved by 2002. On audit query the department stated that the achievements would depend on the people's involvement in the programme with the support of the community, social and political leadership and as such rise in population was not attributable to frequent revision of demographic goals depending upon the realistic situation upto a particular period of time.

The population profile of States & Union Territories of India with TFR, IMR and CPR is given in table below in a graded structure showing levels of attainment.

Population profile

State/UT	Population (in millions) as on 1 March 1999*	Percent of Total Population	Total Fertility Rate 1997	Infant Mortality Rate 1998	Contraceptive Prevalence Rate 1999
INDIA	981.3	---	3.3	72	44
Group - I (Greater than or equal to 3)					
Orissa	35.5	3.6	3.0	98	39
Gujarat	47.6	4.8	3.0	64	54.5
Assam	25.6	2.6	3.2	78	16.7
Haryana	19.5	2.0	3.4	69	49.7
Dadra & Nagar Haveli	0.2	0.02	3.5@	61	29.1
Tripura	3.6	0.3	3.9@	49	25.2
Meghalaya	2.4	0.2	4.8@	52	4.6
Madhya Pradesh	78.3	8.0	4.0	98	46.5
Rajasthan	52.6	5.4	4.2	83	36.4
Bihar	98.1	10.0	4.4	67	19.7
Uttar Pradesh	166.4	17.0	4.8	85	38.2
Jammu & Kashmir	9.7	1.0	NA	45	15.0
Group - II (greater than 2.1 but less than 3)					
Manipur	2.21	0.2	2.4@	25	20.1
Daman & Diu	0.1	0.01	2.5@	51	30.2
Karnataka	51.4	5.2	2.5	58	55.4
Andhra Pradesh	74.6	7.6	2.5	66	50.3

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State/UT	Population (in millions) as on 1 March 1999*	Percent of Total Population	Total Fertility Rate 1997	Infant Mortality Rate 1998	Contraceptive Prevalence Rate 1999
Himachal Pradesh	6.5	0.7	2.5	64	48.2
Sikkim	0.5	0.06	2.5	52	21.9
West Bengal	78.0	7.9	2.6	53	32.9
Maharashtra	90.1	9.2	2.7	49	50.1
Punjab	23.3	2.4	2.7	54	66.0
Arunachal Pradesh	1.2	0.1	2.8@	47	14.0
Lakshadweep	0.07	0.01	2.8@	37	9.1
Group - III (less than or equal to 2.1)					
Goa	1.5	0.2	1.0@	23	27.1
Nagaland	1.6	0.2	1.5@	NA	7.8
Delhi	13.4	1.4	1.6@	36	28.8
Kerala	32.0	3.3	1.8	16	40.5
Pondicherry	1.1	0.1	1.8@	21	56.9
A&N Islands	0.4	0.04	1.9@	30	39.9
Tamil Nadu	61.3	6.2	2.0	53	50.4
Chandigarh	0.9	0.09	2.1@	32	35.0
Mizoram	0.9	0.09	NA	23	34.6

@ Three year moving average TFR 1995-97.

* Population Projections by Technical Group on Population Projections, 1996

It can be seen that the five states of Bihar, Madhya Pradesh, Orissa Rajasthan and Uttar Pradesh currently constitute nearly 44 per cent of the total population of India, and with TFR greater than or equal to 3, these states alone will contribute heavily towards population increase. Demographic outcomes in these states will determine the timing and size of population at which India achieves population stabilisation.

The matter was referred to the Ministry in May 2001; their reply was awaited as of July 2001.

Annex 1

(Refers to Paragraph 1.5)

State wise details of sample districts selected for Audit

S.No	State	Total No of districts	Districts checked	Name of the districts test checked
1.	Andhra Pradesh	23	6	Adilabad, Cuddapah, Guntur, Kurnool, Nizamabad, Vizianagaram
2.	Arunachal Pradesh	13	3	Papumpare, Lower sabansiri, and west siang
3.	Assam	23	6	Kamrup, Dhubri, Lakhimpur, Karbi, Anglong and Cachar
4.	Bihar	55	11	Bhagalpur, Dhanbad, Darbanga, East-Singbhum, East-Champaran, Gaya, Hazaribagh, Kastihar, Nawada, Rohtas and Siwan
5.	Goa	2	1	Panaji
6.	Gujarat	19	6	Ahmedabad, Godhra, Jamnagar, Rajkot, Surat, Vadodara
7.	Haryana	19	5	Bhiwani, Mahendergarh, Sirsa, Sonapat, Yamuna Nagar
8.	Himachal Pradesh	12	3	Hamirpur, Sirmour, Una
9.	Jammu & Kashmir	14	4	Srinagar, Jammu, Kthua, Udhampur
10.	Karnataka	27	6	Bangalore-rural, Belgaum, Bellary, Dakshina Kannada, Gulbarga & Shimoga
11.	Kerala	14	4	Tiruvananthapuram, Malappuram, Kottayam, Kannur
12.	Maharashtra	29	7	Akola, Aurangabad, Gadchiroli, Jalgaon, Kolhapur, Mumbai, Pune
13.	Madhya Pradesh	47	14	Satna, Bilaspur, Dhar, Dewas Sconi Betul, Mandla, Sagar, Shahdol, Durg, Balghat, Jhabua, Barwani, Rajgarh
14.	Manipur	9	6	Imphal west, Bishnupur, Thoubal, Charchandpur, Senapati, Tamenglong
15.	Meghalaya	7	1	East Khasi Hills
16.	Mizoram	4	3	Aizawal, Lunglei, Chhimtuipai
17.	Nagaland	8	5	Kohima, Dimapur, Mokokchung, Tuensang and Mon
18.	Orissa	30	6	Dhenkanal, Gajapati, Kalahandi, Khurda, Rayagada and Sambalpur
19.	Punjab	17	6	Amritsar, Fatehgarhsahib, Ludhiana, Moga, Patiala, Ropar
20.	Rajasthan	32	6	Bhilwara, Bikaner, Jodhpur, Kota, Pali, Udaipur
21.	Sikkim	4	4	Gyalshing, West District, Mangan and North district
22.	Tamil Nadu	29	5	Cuddalore, Dharmपुरi and Krishnagiri (Dharmपुरi dist) Erode and Dharamपुरam (Erode dist) Kanchipuram and Saidapet (Kanchipuram distt)
23.	Tripura	4	3	Agartala, Udaipur, Kailashahar
24.	Uttar Pradesh	69	11	Allahabad, Gaziabad, Gorakhpur, Hardoi, Kanpurcity, Lucknow, Mau, Mirzapur, Raebareli, Sonebhadra, Sultanpur
25.	West Bengal	18	4	Purulia, Midnapore, Murshidabad, Darjeeling
26.	A & N Island	2	2	Bambooflat, Rangat
27.	Chandigarh	1	1	District Family Welfare Officer, Chandigarh
28.	D & N Haveli	1	1	Chief Medical Officer, D & N Haveli
29.	Daman & Diu	1		
30.	Delhi	1	1	NCT Delhi
31.	Lakshadweep	1		
32.	Pondicherry	4	4	Pondicherry Region, Karaikal, Yanam, Mahe
	Total	539	145	

Annex 2

(Refers to Paragraph 1.5.1)

A summary of beneficiary and facility assessment of National family welfare programme

The beneficiary assessment carried out by ORG Centre for Social Research included a survey among the beneficiaries and coverage of government health facilities at various levels under different programmes. The survey covered 131 districts across all the states and UTs of the country. The sample covered included 52121 households (16401 in urban and 35720 in rural), all the currently married women aged 15-49 years therein and present during the visit of survey teams, and 1086 health facilities at different levels (PPCs, UFWCs/HPs, CHCs, BPHCs/PHCs and SCs).

Since the survey aims at presenting a programme/scheme specific analysis, the summary presents the disaggregated findings of the issues addressed by the Family Welfare Programme and the facilities created under different Programmes/Schemes. Before presenting the Programme/Scheme specific analysis, it is appropriate to discuss how the Family Welfare Programme evolved in the country and the emphasis laid by different Programmes/Schemes, since its inception.

MINIMUM NEEDS PROGRAMME (MNP)

On an average, the PHCs in India covered a population of 65,283, which is more than double the prescribed norm of population coverage (30,000). The average population coverage by each PHC at national level shows that achievement of the Minimum Needs Programme is far from meeting its objectives, as some of the states are still following the old norm of covering 100,000 population per PHC.

The average population coverage by each sub-centre was found more or less as per the prescribed norm (5247 against 5000). The population coverage range in different states being, 2778 in Himachal Pradesh to 8955 in West Bengal. The marginal high coverage is mainly due to increase in the population, over period.

CHILD SURVIVAL AND SAFE MOTHERHOOD PROGRAMME (EXTENDED AS RCH PROGRAMME)

Except for antenatal care for pregnant women which showed promising results, child care services such as immunisation, ORS administration and treatment of ARI; and safe delivery services such as institutional deliveries, deliveries assisted by trained medical/ paramedical personnel and utilization of DDKs, was far from satisfactory. The state differentials of important indicators such as TT coverage, deliveries attended by trained medical personnel and fully immunised status of children show that Bihar, Uttar Pradesh, Madhya Pradesh and Assam are among the poor performing states, while Kerala, Himachal Pradesh, West Bengal, Tamil Nadu, Andhra Pradesh, Maharashtra and Punjab are among the better performing states.

The training efforts for medical and paramedical staff were low, especially for medical officers. This has had an adverse impact on the performance of activities under CSSM.

The Government facilities in India still have a long way to go with respect to training the staff in RCH and on specific activities such as screening cases for spacing methods, IUD insertion and diagnosing RTI/STD.

Overall, a considerable proportion, (31 *per cent*) of women faced RTI/STD problem. Of these, only about one-third (37 *per cent*) sought treatment. Non availability of the required facilities is one of the major reasons for low turn out for the treatment. The proportion sought treatment from Government hospitals/centres was almost half, (18 *per cent*) indicating shortfall in services availability as well as low credibility of low Government services.

Although the awareness of atleast one modern FP method was as high as 93 percent, the current users were relatively low for both terminal (31 *per cent*) as well as spacing methods (10 *per cent*).

The facilities lagged behind in equipping laboratories for diagnosing RTIs/STDs, as well maintaining RTI/STD related records (14 *per cent* and 47 *per cent*, respectively).

AREA DEVELOPMENT PROJECTS

Around two-thirds of households reported to have ever utilized the Government health facilities. The proportion utilizing the Government health facility in last one year was only 37 percent.

Only a few centres (ranging between 8 *per cent* and 11 *per cent*) were constructed under ADP/IPP. The low was due to limited implementation of IPP at national level.

The ADP/ IPP projects had fared better concerning organising training programmes for different levels of staff, more specifically for the paramedical staff.

A considerable proportion of centres (ranging between 25 *per cent* and 40 *per cent*) were supplied equipment under IPP/ADP.

POST PARTUM PROGRAMME

Post partum care was almost negligible with only four percent women reported having got examined within 42 days of their delivery

Only around a quarter of women were advised to accept FP method during antenatal and postnatal period.

Facility-wise PPCs were found to be well equipped with a good proportion being designated as FRUs, having arrangement for blood supply and sanction for 24 hours emergency services.

PAP SMEAR TEST FACILITY PROGRAMME

Although PPCs/ other urban centres and BPHCs/CHCs are supposed to be equipped with facilities to undertake cervical cancer patients, only about one-fourth of PPCs and one-sixth of RHs/CHCs had lab equipment for undertaking such tests. The poor turnout of such cases at these centres also reflected the same

STERILIZATION BED SCHEME

Nearly two-thirds of the sterilisation acceptors who obtained services from government hospitals were provided with overnight stay at the facility.

MEDICAL TERMINATION OF PREGNANCY (MTP) SCHEME

Only a third of women were aware of the place for availing MTP services.

A very small proportion (4 *per cent*) of women reported having undergone abortion in the past. Of these, a majority (56 *per cent*) had sought services from private hospitals followed by around 40 *per cent* who sought services from Government centres.

Unawareness about facility, poor availability and low responsiveness were the major reasons for low turnout of the MTP seekers from Government facilities.

INFORMATION, EDUCATION AND COMMUNICATION

The IEC component of the Programme was found to be quite weak with only 16 percent of households reporting awareness about any IEC activity ever undertaken in their areas.

The percentage of women reporting availability of any group involved in health education activities and ever attended such activities was negligible.

The availability of IEC material at the Government centres was found to be dissatisfactory.

NGO's INVOLVEMENT IN RCH

The role of NGOs was found negligible in India with less than three percent reporting availability of NGOs in their area and availing services from NGOs. Those availed services, however, reported to be satisfied with the services received.

Role of NGOs in providing sterilization services was found to be very low in India. Only in states like Uttar Pradesh their presence was felt.

MONETARY INCENTIVE SCHEME FOR STERILIZATION

Nearly two-thirds of the acceptors mentioned to have received cash incentives. A very small proportion (4 *per cent*) also mentioned to have received incentives in kind. The amount received seems to be slightly higher (Rs.161/-) than the incentive money allocated by the Government (Rs.145/-) could be due to additional money paid during camps.

Annex 3

(Refers to Paragraph 1.6.1.1)

Funds Released to States

S.No	Name of State	1995-96	1996-97	1997-98	1998-99	1999-2000	Total
1	Andhra Pradesh	13118.67	17179.66	11225.96	14614.2	19632.7	75771.19
2	Arunachal Pradesh	250.54	180.68	237.38	219.81	334.55	1222.96
3	Assam	3711.88	3057.75	4450.31	4437.8	8492.91	24150.65
4	Bihar	11900.2	8358.55	12621.82	12817.9	33304.28	79002.75
5	Goa	169.22	195.05	206.83	243.77	325.94	1140.81
6	Gujarat	5536.01	5365.16	11323.12	12611.98	17213.08	52049.35
7	Haryana	3085.18	2299.14	4244.3	3652.67	4407.75	17689.04
8	Himachal Pradesh	1963.77	1908.8	1431.02	2373.54	2407.34	10084.47
9	J & K	1499.42	1131.49	2137.78	2056.5	2261.85	9087.04
10	Karnataka	7557.81	9384.68	6461.33	9792.97	19086.05	52282.84
11	Kerala	3465.82	3192.32	3955.16	5503.94	6864.11	22981.35
12	M.P	10126.12	9755.89	9993.3	13153.54	16361.97	59390.82
13	Maharashtra	12717.93	11734.71	10677.68	15036.24	15896.09	66062.65
14	Manipur	754.01	475.33	585.85	731.06	1055.35	3601.6
15	Meghalaya	355.56	387.47	397.04	469.53	750.71	2360.31
16	Mizoram	241.89	243.42	296.04	307.88	444.27	1533.5
17	Nagaland	336.87	259.25	268.24	338.27	500.51	1703.14
18	Orissa	5365.77	4109.53	6159.09	6484.62	7819.21	29938.22
19	Punjab	2989.72	2734.32	3569.72	3684.16	4188.09	17166.01
20	Rajasthan	9413.13	10179.17	9476.69	11180.84	17545.57	57795.4
21	Sikkim	451.95	259.96	264.87	349.4	485.06	1811.24
22	T.N	11534.63	8714.41	12759.97	11779.69	23103.19	67891.89
23	Tripura	721.26	1099.46	572.78	1975.59	1000.48	5369.57
24	U.P	21119.46	19158.64	25073.58	51256.08	36652.35	153260.11
25	W.B	8189.78	8955.9	7707.15	14295.8	11948.24	51096.87
	Total	136576.6	130320.74	146097.01	199367.78	252081.65	864443.78
26	Pondicherry	139.32	127.27	174.02	192.4	186.32	819.33
27	Delhi	1972.55	1863.39	1155.41	1485.94	2791.07	9268.36
28	A & Islands	100.12	106.32	122.4	123.6	0	452.44
29	Chandigarh	32.8	35.49	39.96	69.29	0	177.54
30	Lakshadweep	150.56	119.62	113.33	189.05	0	572.56
31	Daman & Diu	17.68	14.52	19.16	35.06	0	86.42
32	D & N Haveli	34.36	38.8	44.4	52.05	0	169.61
	Total	2447.39	2305.41	1668.68	2147.39	2977.39	11546.26
	Grand Total	139023.99	132626.15	147765.69	201515.17	255059.04	875990.04

Annex 4
(Refers to Paragraph 1.6.1.3)
Component wise Analysis of Budget Allocation (In Crore)

Sl. No.	Name of Scheme	BE 1995-96	% w.r.t total BE	BE 1996-97	% w.r.t total BE	BE 1997-98	% w.r.t total BE	BE 1998-99	% w.r.t total BE	BE 1999-2000	% w.r.t total BE	Total
1.	Direction & Administration	47.61	3.01	48.60	3.17	57.00	3.12	92.00	3.70	192.20	6.54	437.41
	Total	47.61	3.01	48.60	3.17	57.00	3.12	92.00	3.70	192.20	6.54	437.41
Programme/ Services												
2.	Rural Family Welfare service	350.00	22.14	350.00	22.80	460.00	25.15	605.00	24.30	875.00	29.76	2640.00
3.	Urban Family Welfare Service	33.00	2.09	33.00	2.15	50.00	2.73	64.00	2.57	58.00	1.97	238.0
4.	MCH & RCH	220.10	13.92	350.10	22.81	450.10	24.60	758.00	30.45	676.80	23.02	2455.10
5.	Sterilisation Bed	1.00	0.06	2.00	0.13	2.00	0.11	1.70	0.07	1.70	0.06	8.40
6.	Post Partum Programme	49.00	3.10	49.00	3.19	70.00	3.83	100.00	4.02	120.00	4.08	388.00
7.	Area Projects	250.00	15.81	195.00	12.70	150.00	8.20	120.00	4.82	100.00	3.40	815.00
8.	SIFPSA Project in U.P	30.00	1.90	40.00	2.61	40.00	2.19	60.00	2.41	70.00	2.38	240.00
9.	Health Guide Scheme	10.00	0.63	10.00	0.65	10.00	0.55	10.00	0.40	10.00	0.34	50.00
10.	Compensation	100.00	6.33	100.00	6.51	90.00	4.92	125.00	5.02	140.00	4.76	555.00
11.	Free distribution of Conventional Contraception	109.00	6.90	99.00	6.45	109.80	6.00	92.00	3.70	107.50	3.65	517.30
12.	Cold chain	-	-	-	-	-	-	-	-	50.00	1.70	50.00
13.	Special Input for 90 backward distt.	45.00	2.84	1.00	0.07	--	-	-	-	-	-	46.00
14.	Payment of Arrears & other schemes	146.25	9.25	23.95	1.56	82.45	4.51	250.50	10.06	222.50	7.57	725.65
15.	School Health Scheme	-	-	45.00	2.93	37.00	2.02	-	-	-	-	82.00
16.	Flexible Approach Scheme	1.50	0.09	15.00	0.98	10.00	0.55	1.50	0.06	-	-	28.00
	Total	1344.85	85.06	1313.05	85.54	1561.35	85.36	2187.70	87.88	2431.50	82.69	8838.45
Support Services												
17.	Transport	25.80	1.63	26.00	1.69	32.00	1.75	27.50	1.11	43.20	1.47	154.50
18.	I.E.C	33.50	2.12	43.00	2.80	60.60	3.31	28.00	1.12	32.95	1.12	198.05
19.	Training	28.22	1.78	28.95	1.89	26.75	1.46	39.95	1.60	100.74	3.42	311.95
20.	Research & Evaluation	15.49	0.98	18.45	1.20	26.60	1.45	26.80	1.08	-	-	-
21.	Involvement of Voluntary organization	8.50	0.54	8.50	0.55	8.50	0.46	6.00	0.24	-	-	31.50
	Total	111.51	7.05	124.90	8.13	154.45	8.43	128.25	5.15	176.89	6.01	696
Other Services												
22.	Involvement of other Deptt.	1.20	0.08	1.65	0.11	-	-	-	-	0.01	-	2.86
23.	India contribution of International org.	1.03	0.06	1.05	0.07	1.10	0.06	1.30	0.05	-	-	4.48
24.	Technology Mission	34.75	2.20	0.50	0.03	-	-	-	-	-	-	35.25
25.	Commercial Distribution	40.00	2.53	44.00	2.87	53.95	2.95	80.00	3.21	140.00	4.76	357.95
26.	Hindustan Latex Limited	0.05	0.01	1.25	0.08	1.50	0.08	0.10	0.01	-	-	2.90
	Total	77.03	4.88	48.45	3.16	56.55	3.09	81.40	3.27	140.01	4.76	403.44
	Grand Total	1581.00	100.00	1535.00	100.00	1829.35	100.00	2489.35	100.00	2940.60	100.00	10375.30

Annex 5(a)

(Refers to Paragraph 1.6.1.3)

Arrears due to State/UT

Name of State	Audited figures received up to
Kerala	1991-92
Madhya Pradesh	1994-95 (Except 1991-92)
Maharashtra	1994-95
Mizoram	1994-95
Nagaland	1993-94
Manipur	1995-96
Meghalaya	1995-96 (Except expenditure on CSSM)
Orissa	1995-96 (Except 1992-93)
Arunachal Pradesh	1996-97
Jammu & Kashmir	1996-97
Assam	1997-98
Bihar	1997-98
Goa	1997-98
Gujarat	1997-98
Punjab	1997-98
Tripura	1997-98
Andhra Pradesh	1998-99
Haryana	1998-99
Himachal Pradesh	1998-99
Karnataka	1998-99
Rajasthan	1998-99
Sikkim	1998-99
Tamil Nadu	1998-99
Uttar Pradesh	1998-99
West Bengal	1998-99 (Except 1997-98)

Annex 5(b)

(Refers to Paragraph 1.6.1.3)

Assessed grants awaited from Government of India

(Rs in crore)

State	Period	Programme/scheme	Grants awaited from GOI
Bihar	1997-1998	FWP	17.78
Gujarat	1995-2000	FWP	47.53
Karnataka	1995-2000	Maintenance of 794 beds	1.78
	1995-2000	FWP	19.43
Kerala	1986-1992		5.30
	1993-1999	FWP	133.61
Madhya Pradesh	1998-1999	FWP	41.33
Maharashtra	1992-1997	FWP	98.01
Orissa	1995-2000	FWP	81.34
Rajasthan	1995-2000	FWP	82.19
Sikkim	1995-1999	FWP	1.62
Tamil Nadu	1995-1999	Performance link bed grant	1.35
	1998-1999	FWP	75.96
Uttar Pradesh	1998-1999	FWP	49.27
Total			656.50

Annex 6(a)

(Refers to Paragraph 1.6.1.4)

Expenditure reported by State Governments

S.No	State	Assistance released	Expenditure	Shortfall	Excess (+)	% Shortfall	% Excess
1.	Andhra Pradesh *	532.72	696.51		163.79		30.70
2.	Arunachal Pradesh	8.10	7.89	0.21		2.60	
3.	Assam	173.51	163.85	9.66		5.60	
4.	Bihar	937.87	699.76	238.11		25.40	
5.	Goa *	6.29	7.31		1.02		16.20
6.	Gujarat	409.08	456.61		47.53		11.60
7.	Haryana	235.94	196.13	39.81		16.90	
8.	Himachal Pradesh	135.27	110.28	24.99		18.50	
9.	Jammu & Kashmir	70.33	73.08		2.75		3.90
10.	Karnataka	570.10	451.55	118.55		20.80	
11.	Kerala *	117.47	216.15		98.68		84.00
12.	Maharashtra	417.68	472.55		54.87		13.10
13.	Madhya Pradesh	235.28	352.48		117.20		49.80
14.	Manipur	33.19	28.53	4.66		14.00	
15.	Meghalaya *	11.55	25.57		14.02		121.40
16.	Mizoram	12.57	12.31	0.26		2.10	
17.	Nagaland	9.67	23.67		14.00		144.80
18.	Orissa	202.01	283.36		81.35		40.30
19.	Punjab	171.35	140.79	30.56		17.80	
20.	Rajasthan	580.45	644.43		63.98		11.00
21.	Sikkim *	11.82	14.48		2.66		22.50
22.	Tamil Nadu	NF	NF	--	--	--	--
23.	Tripura	52.36	63.89		11.53		22.00
24.	Uttar Pradesh	1513.59	1138.99	374.60		24.70	
25.	West Bengal	296.24	401.10		104.86		35.40
26.	A & N Island	NF	NF	----	--		
27.	Chandigarh	6.40	4.89	1.51		23.60	
28.	Delhi	71.95	45.02	26.93		37.40	
29.	D & N Haveli	2.24	1.44	0.80		35.70	
30.	Daman & Diu						
31.	Lakshadweep						
32.	Pondicherry	8.69	8.32	0.37		4.30	
	Total	6833.72	6740.94	871.02	778.24	---	---

* Except 1999-2000

Annex 6(b)

(Refers to Paragraph 1.6.1.4)

State wise Percentage distribution of population and financial assistance

State	Percentage of total population	Percentage of total Assistance released by Central Government
Andhra Pradesh	07.86	08.65
Arunachal Pradesh	00.10	00.14
Assam	02.65	02.76
Bihar	10.21	09.02
Goa	00.14	00.13
Gujarat	04.88	05.94
Haryana	01.95	02.02
Himachal Pradesh	00.61	01.15
Jammu & Kashmir	00.91	01.04
Karnataka	05.31	05.97
Kerala	03.44	02.63
Madhya Pradesh	07.82	06.78
Maharashtra	09.32	07.54
Manipur	00.22	00.41
Meghalaya	00.21	00.27
Mizoram	00.08	00.17
Nagaland	00.14	00.19
Orissa	03.74	03.42
Punjab	02.40	01.96
Rajasthan	05.20	06.60
Sikkim	00.05	00.20
Tamil Nadu	06.60	07.75
Tripura	00.33	00.61
Uttar Pradesh	16.44	17.50
West Bengal	08.04	05.83
Delhi	01.10	01.06
Pondicherry	00.10	00.09
Andaman & Nicobar		
Chandigarh		
Dadra & Nagar Haveli	00.15	00.17
Daman & Diu		
Lakshadweep		
India	100.00	100.00
Total (N)	(996944000)*	

* Based on Planning Commission estimates for the year 2000.

Annex 7

(Refers to Paragraph 1.6.2.4)

Target of infants to be immunised as per the projected population

Name of State	Projected population as on 1.3.98 (in thousands)	Target 3% of projected population	Target set by states in r/o DTP, Polio, BCG Measles	Difference	Percentage
Andhra Pradesh	73773	2213.19	1608	605.19	27.3
Gujarat	46869	1406.07	1153	253.07	17.9
Haryana	19240	577.2	533	44.20	7.6
Karnataka	50758	1522.74	1133	389.74	25.6
Kerala	31680	950.4	562	388.4	40.9
Maharashtra	89052	2671.56	2011	660.56	24.7
Orissa	35190	1055.7	885	170.7	16.2
Punjab	23005	690.15	525	165.15	23.9
Tamil Nadu	60696	1820.88	1127	693.88	38.1
West Bengal	76892	2036.76	1699	337.76	16.6
Arunachal Pradesh	1035	31.05	24	7.05	22.7
Delhi	1193	357.93	271	86.93	24.3
Goa	1387	41.61	21	20.61	49.5
Himachal Pradesh	5902	177.06	142	35.06	19.8
Manipur	2187	65.61	46	19.61	29.9
Nagaland	1458	43.74	30	13.74	31.4
Sikkim	485	14.55	10	4.55	31.3
Tripura	3285	98.55	64	34.55	35.1
A&N Island	335	10.05	6	4.5	42.9
Chandigarh	771	23.13	14	9.13	39.4
Daman & Diu	121	3.63	3	0.63	17.36
Pondicherry	964	28.92	19	9.92	34.3

Annex 8

(Refers to Paragraph 1.6.2.4)

Immunisation coverage during 1995-2000

(Figures in lakh)

State	Target	Achievement				FI	DT		TT (16)		TT (10)	
		BCG	Measles	DPT	OPV		T	A	T	A	T	A
Arunachal Pradesh	1.24	0.69	0.49	0.65	0.60	0.49	-	-	0.57	0.25	0.62	0.50
Bihar	30.14	20.36	14.71	16.5	21.24	14.71	-	-	-	-	-	-
Goa	1.12	1.27	1.03	1.14	1.14	1.03	-	-	-	-	-	-
Haryana	27.01	28.74	24.06	26.05	26.21	24.06	24.53	25.87	19.54	15.14	23.01	20.52
Himachal Pradesh	7.06	7.00	6.40	6.71	6.66	6.40	6.00	6.15	5.55	43.94	6.10	5.4
Karnataka	57.64	58.99	51.71	55.9	55.94	51.71	-	-	-	-	-	-
Meghalaya	2.91	2.10	1.18	1.62	1.60	1.18	-	-	-	-	-	-
Mizoram	-	0.85	0.71	0.79	-	0.71	-	-	-	-	-	-
Nagaland	1.55	0.47	0.29	0.82	0.82	0.29	26.27*	15.95	-	-	-	-
Sikkim	0.57	0.55	0.45	0.51	0.50	0.45	0.62	0.55	0.54	0.23	0.55	0.50
Tamil Nadu	58.08	67.87	59.89	61.27	61.52	59.89	--	-	58.86	-	60.39	51.49
Tripura	3.26	2.87	2.26	2.62	2.65	2.26	--	-	-	-	-	-
West Bengal	71.14	55.16	55.16	55.16	55.16	55.16	-	-	-	-	-	-
Andaman & Nicobar	0.33	0.33	0.30	0.32	0.32	0.30	-	-	-	-	-	-
Dadra & Nagar Haveli	0.25	0.26	0.22	0.29	0.28	0.22	-	-	-	-	-	-
Delhi	11.7	13.52	9.81	10.22	10.28	9.81	13.11	9.89	11.23	2.45	12.47	8.54
Pondicherry	0.84	1.53	.80	0.92	0.92	.80	0.78	0.92	-	-	0.86	1.03
Total	274.54		229.47	241.49		229.47						

FI :- Fully Immunised

* figures provided for 3 years from 1996-99

Annex 9

(Refers to Paragraph 1.7)

Demographic goals

(Per Thousand)

S.No.	Name of the State/UT	CBR			CDR			IMR	
		1995	1998	1999	1995	1998	1999	1995	1998
1.	Andhra Pradesh	24.00	22.30	22.40	8.30	8.80	8.80	66	66
2.	Arunachal Pradesh	23.80	21.90	22.50	6.00	5.90	6.10	63	44
3.	Assam	29.30	27.70	27.90	9.60	10.10	10.00	77	78
4.	Bihar	32.10	31.10	31.10	10.50	9.40	9.40	73	67
5.	Goa	14.30	14.20	14.30	7.30	8.10	8.20	14	23
6.	Gujarat	26.70	25.30	25.50	7.60	7.80	7.90	62	64
7.	Haryana	30.00	27.60	27.60	8.00	8.10	8.20	68	70
8.	Himachal Pradesh	25.20	22.50	22.50	8.60	7.70	7.70	67	68
9.	Jammu & Kashmir	NA	19.80	19.90	NA	5.40	5.40	NA	45
10.	Karnataka	24.20	22.70	22.00	7.60	7.90	7.90	62	58
11.	Kerala	17.70	18.20	18.30	6.00	6.40	6.40	16	16
12.	Madhya Pradesh	33.00	30.60	30.70	11.80	11.20	11.20	99	98
13.	Maharashtra	24.50	22.30	22.50	7.40	7.60	7.70	55	49
14.	Manipur	20.30	19.00	19.00	6.70	5.30	5.30	23	25
15.	Meghalaya	28.90	29.20	29.20	8.90	9.00	9.00	49	52
16.	Mizoram	NA	15.80	15.80	NA	5.60	5.60	NA	23
17.	Nagaland	NA	NA	11.90	NA	NA	17.00	6	NA
18.	Orissa	27.70	25.70	25.70	10.80	11.10	11.10	103	98
19.	Punjab	24.70	22.40	22.40	7.30	7.70	7.70	54	54
20.	Rajasthan	33.20	31.50	31.60	9.10	8.80	8.80	85	83
21.	Sikkim	22.50	20.90	20.90	6.90	6.10	6.10	37	52
22.	Tamil Nadu	20.20	18.90	19.20	7.90	8.40	8.50	56	53
23.	Tripura	18.70	17.60	17.60	7.60	6.10	6.10	43	49
24.	Uttar Pradesh	34.70	32.40	32.40	10.40	10.50	10.50	86	85
25.	West Bengal	23.60	21.30	21.30	7.70	7.50	7.50	59	53
26.	A & N Islands	18.70	17.70	17.70	5.70	4.60	4.60	30	30
27.	Chandigarh	18.50	17.90	17.90	5.10	4.10	4.10	32	32
28.	Dadra & Nagar Haveli	29.70	34.10	34.10	8.20	7.70	7.90	78	61
29.	Daman & Diu	21.80	21.50	21.40	8.00	7.00	7.00	43	51
30.	Delhi	22.60	19.40	19.40	5.90	5.30	5.30	43	36
31.	Lakshadweep	25.50	22.90	23.00	7.70	6.20	6.20	27	30
32.	Pondicherry	19.80	18.00	18.20	7.30	7.80	7.80	31	21
	All India	28.30	26.40	26.50	9.00	9.00	9.00	74	72

Ministry of Human Resource Development

District Primary Education Programme

Ministry of Human Resource Development

Public Health and Safety

CHAPTER-II: MINISTRY OF HUMAN RESOURCE DEVELOPMENT

Department of Elementary Education and Literacy

2. District Primary Education Programme

The audit review brought out programme inadequacies on different fronts. While the Programme contained all the required elements of a social sector spearhead, it could not entirely address the prevailing ground level realities. As an instrument of action it failed to ensure greater participation of the local community and create awareness or a sense of community ownership. While DPEP funds were not utilised, a significant trend was the enhanced enrolment of children in private schools. In effect, the schematic interventions did not make the desired impact on the principal objectives.

Highlights

The principal objectives of the District Primary Education Programme included enhancement in enrolment; reduction in the drop-out rate; providing access for all children to primary schooling or equivalent non-formal education as also to increase competence levels in mathematics and languages. The programme also aimed to reduce learning differences among gender and social groups to less than five per cent.

In order to achieve these objectives, the programme strategies included decentralisation and participatory planning, building up the required physical infrastructure and enhancing school effectiveness through appropriate capacity building measures. Convergence with non-formal structures like alternative schools and early childhood care and education centres was also built into the programme strategy.

The programme achievements, however, fell short of the intended objectives as brought out below:

Access to primary schools was adversely affected due to non-provisioning of basic infrastructural facilities in the schools: 84 per cent of the schools did not have separate toilets for girls, while 33 per cent schools did not have drinking water facility. In Uttar Pradesh and West Bengal, the Pupil Teacher Ratio was quite high at 72 and 96 respectively. The average student classroom ratio was more than the normative levels in seven States. It was the highest in West Bengal (84) followed by Assam (66) and Uttar Pradesh (64).

There was little evidence of the impact of the programme in terms of enhancing the enrolment of children. A comparatively higher growth in

enrolment was witnessed during the initial period of DPEP implementation, but it could not be sustained in the subsequent years, across all the DPEP states. In 23 districts of eight States, the enrolment percentage actually declined. Class I enrolment showed a declining trend in nine DPEP States during the period 1997-99. Enrolment of girls as a percentage share declined as they moved up from one class to another. The inequities in enrolment levels between boys and girls and SC/ST and others also persisted despite DPEP interventions.

DPEP aimed at convergence of primary education through Early Childhood Care and Education Centres and non-formal education centres (alternative schools). While no target was fixed for opening of ECCE centres, target fixed for opening of alternative schools was not achieved. In Madhya Pradesh, ECCE centres were opened in areas covered by ICDS in contravention of the norms. Only 9 per cent households were aware of the availability of Non-Formal Education centres. As a result the enrolment in these centres was as low as 0.6 per cent.

The dropout rate continued to be well over 10 per cent in all DPEP States except Kerala, the position being more alarming in Assam and Bihar where dropout rate ranged high between 38 and 39 per cent. In six states of Assam, Haryana, Kerala, Madhya Pradesh, Maharashtra and Orissa, the dropout rate of SCs and STs either increased or remained stagnant. Class wise, the dropout rate was the highest in Class I. Test-check revealed that in 17 districts of seven States the difference in drop out rates among gender and socially disadvantaged groups remained more than five per cent.

The objective of raising competence attainment level by 25 per cent in language and mathematics could not be achieved in majority of districts. Differences in competence attainment levels between boys and girls and between SCs/STs and others could not be narrowed to desired level of five per cent.

Large shortfalls in the appointment of programme functionaries especially teachers/instructors were noticed. Despite the programme emphasis on appointment of high proportion of female teachers, 34 per cent of the schools did not have even a single female teacher. Unstructured deployment of teachers was noticed in six States. Training schedules were also not adhered to by the States and large number of teachers and other programme functionaries could not be trained.

The Programme laid stress on decentralisation and participatory planning, involving the local community with the help of community based structures such as Village Education Committee, Village Construction Committee, Parent Teacher Association and Mother Teacher Association. However significant gaps in the existence and functional status of these structures were observed. The Block Resource Centres and the Cluster Resource Centres responsible for providing onsite academic support and training to teachers, could provide training/academic support to only 58 per cent of the teachers.

Targets fixed for civil works were not achieved. Involvement of the community in the civil works was marginal.

During the period 1994-95 to 1999-2000, Rs 2271.95 crore was released against the approved Annual Work Plan Budget of Rs 3951.26 crore. Even this low budget allocation was not fully utilised by the States and therefore the funds pledged by various international funding agencies as soft loans and grants, could not be drawn as per their disbursement schedules. Many instances of diversion of funds were noticed, besides instances of avoidable, idle and wasteful expenditure in the utilization of resources.

Distribution of free text books and supplementary material to target groups was not proper: 81 *per cent* of the schools confirmed receiving the text books and 44 *per cent* of the schools confirmed receiving other material for free distribution to students. Against this only 64 and 24 *per cent* of the parents confirmed (in a survey) having received textbooks and supplementary material respectively.

Monitoring of the scheme at the Central and State level was not effective as the various committees set up to review the implementation of the scheme, did not meet regularly. The 12th Joint Review Mission comprising, *inter-alia*, representatives of international funding agencies, also found serious shortcomings in the implementation of the programme.

2.1 Introduction

2.1.1 Background

Universalisation of Elementary Education (UEE) has been a focus area in successive Five Year Plans. Despite some improvement in access at primary level a large number of children in the primary school age group are still out of school and participation of girls, Scheduled Castes (SC) and Scheduled Tribes (ST) children remains very low and poses a challenge. The goal of UEE continues to be elusive.

The National Policy on Education (NPE) 1986 and the Programme of Action (POA), 1992, aimed at Universalisation of Elementary Education (UEE) viz. universal access, enrolment and retention of learners up to 14 years of age and substantial improvement in the quality of education to enable all children to achieve essential levels of learning. It outlined strategies for educationally disadvantaged children and those with special needs. It further stressed the need for a concerted effort to expand and improve basic education - both formal and alternate schooling. This called for an integrated and decentralised approach and an emphasis on building capacities particularly at the district and sub-district levels for planning and managing primary education.

Imbibing the spirit of these policy provisions, the Social Safety Net Credit (SSN) offered by the International Development Association (IDA) of the World Bank was used to conceptualise a strategy through the District Primary

Education Programme (DPEP). The Department of Education formally launched the DPEP in 1994.

2.1.2 Objectives of DPEP

The principal objectives of DPEP are:

- (i) to reduce differences in the rates of enrolment, drop-out and learning achievement among gender and social groups to less than five *per cent*.
- (ii) to reduce overall primary drop-out rates for all students to less than 10 *per cent*.
- (iii) to raise average achievement levels by at least 25 *per cent* over measured baseline levels and to ensure achievement of basic literacy and numeracy competencies and a minimum of 40 *per cent* achievement levels in other competencies by all primary school children.
- (iv) to provide access for all children to primary schooling or its equivalent non-formal education.

2.1.3 Programme Strategy

The key programme strategies to achieve the above objectives are:

- Decentralization and Participatory Planning, which emphasize evolution of structures from village level upwards to ensure the participation of local community.
- Provisioning of physical infrastructure, which facilitates access, retention and creates the sense of community ownership.
- Enhancing school effectiveness by positioning, training and building the capacity of teachers and by developing appropriate curriculum.
- Providing equity focus through convergence with non-formal structures and removal of gender and community barriers.

2.1.4 District Selection Criteria

The district, which is the unit of programme implementation, is selected on the basis of the following criteria:

- (a) educationally backward districts with female literacy below the national average; and ;
- (b) districts where Total Literacy Campaign (TLC) have been successful leading to enhanced demand for elementary education.

2.1.5 Coverage

The Programme was launched in 1994-95 in seven States (Assam, Haryana, Karnataka, Kerala, Madhya Pradesh, Maharashtra and Tamil Nadu) covering 42 districts in Phase I and was extended to cover more districts in existing States and eight more States (Gujarat, Himachal Pradesh, Orissa, Andhra Pradesh, West Bengal, Uttar Pradesh, Bihar and Rajasthan) in phases (Phase II/III) from 1996-97 and 1997-98. In all 214 districts have been covered so

far. The project period for the DPEP I and DPEP II was seven years and for DPEP III six years.

2.2 Organisational set up

The Ministry of Human Resource Development, Department of Education is responsible for over all control and administration of the Programme at the national level. The National Level structure, consists of:

- (i) A General Council with Minister (HRD) as Chairperson and a Project Board with the Education Secretary as Chairperson.
- (ii) A DPEP bureau in the Department of Education headed by a Joint Secretary and six Directors/Deputy Secretaries and necessary support staff.
- (iii) A technical support group under the Educational Consultants India Limited – a Government of India Public Sector Undertaking

At the State level, the Programme is implemented through registered State level autonomous societies. The two organs of the Society are:

- (i) A General Council with the Chief Minister as the ex-officio President; and
- (ii) An Executive Committee under the Chairmanship of the Chief Secretary/ Education Secretary.

The executive responsibility vests with the State Programme Director being the Member Secretary of the Executive Committee and General Council. The Government of India is also represented in the General Council and the Executive Committee.

By routing the implementation through a state-level registered society, DPEP envisages a degree of operational flexibility through the participation of stakeholders at every level of decentralised planning of decision-making.

At the district and sub-district levels, programme planning and management are undertaken in consultation with District Project Implementation Committee (DPIC), Block Project Implementation Committee headed by the District Collector with representatives from line departments.

2.3 Scope of Review

Audit reviewed the Programme in 70 districts of 14 States (out of 149 covered upto 1997-98) i.e. Andhra Pradesh, Assam, Bihar, Gujarat, Haryana, Himachal Pradesh, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Orissa, Tamil Nadu, Uttar Pradesh and West Bengal covering the period from 1994-95 to 1999-2000 during the period from October 1999 to July 2000. Records relating to the Programme maintained in the State Project Offices, District Project Offices of the selected districts and Department of Education in the Ministry of Human Resource Development were test checked by Audit to assess the extent to which the programme objectives were achieved.

In addition, services of ORG-Centre for Social Research, a division of ORG-MARG Research Limited were commissioned by Audit with the prime

objective of assessing the impact of DPEP on the beneficiaries, the coverage of the targeted population and status of assets created under DPEP. The survey was conducted during October 2000 to December 2000 covering 54 districts, 1081 villages, 280 census enumeration blocks (CEB), 22 State Council of Educational Research and Training (SCERT)/State Institute of Educational Management and Training (SIEMT) 150 Block Resource Centres (BRCs), 153 Cluster Resource Centres (CRCs) and 1361 schools across 14 States. The agency contacted 40844 households, 5164 parents of out of school children and 13929 parents of school going children, 2451 teachers, 3161 members of Village Education Committee (VEC)/Village Construction Committee (VCC), 801 members of Parent Teacher Association (PTA)/Mother Teacher Association (MTA). The survey was carried out using both quantitative (primary survey using pre-tested beneficiary schedules) and qualitative (in depth interview with programme functionaries) techniques. The survey findings have been referred to in the review wherever appropriate. A summary of findings of the survey is given in Annex 1.

2.4 Audit Objectives

The review was conducted with the following objectives:

- ◆ to examine if the policy framework and the strategic parameters have been productively and imaginatively employed.
- ◆ to evaluate, through the key indicators, the spread, reach and durable impact of the Programme.
- ◆ to correlate the processes by which the resources of the Programme were deployed according to the needs, priorities and stages of delivery.
- ◆ to assess the efficacy of the capacity building and participative measures in the light of the goal of universalisation.

2.5 Application of resources

2.5.1 Source of funding

DPEP is a centrally sponsored scheme with the Government of India contributing 85 *per cent* of the project cost and the State Governments contributing the remaining 15 *per cent*. Both the Central Government contribution and State Government contribution are passed on directly to State Implementation Societies (SIS) as grants. The Central Government contribution is resourced entirely through external funding. Several bilateral and multilateral agencies like World Bank, European Community, Government of Netherlands, Department for International Development (DFID) and United Nations International Children's Fund (UNICEF) are providing financial assistance for the DPEP in the shape of soft loans and grants to be disbursed over the project period. The quantum of loans/grants committed by each agency is given below:

Sl. No.	Name of the Agency	Term of assistance	Total amount committed (Rs in crore)
1.	World Bank International Development Association (IDA)	Soft loan	4545.00
2.	European Community (for Madhya Pradesh)	Grant	585.00
3.	Government of Netherlands (for Gujarat)	Grant	90.00
4.	Department for International Development (UK) (for West Bengal and Andhra Pradesh)	Grant	629.00
5.	UNICEF (for Bihar)	Grant	36.00
	Total		5885.00

2.5.2 Workplan, allocation and expenditure

Funds were not allocated as per approved AWP&B

(a) The Central Government contribution of 85 per cent is to be provided to the SIS based on the approved Annual Work Plan and Budget (AWP&B) for each project year. It was however observed that budget allocations during the years 1994-2000 were much below the amounts required as per approved AWP&B. This indicated that the workplans were not fully funded. The details of approved AWP&B, budget allocation are given below:

(Rs in crore)					
Sl. No.	Year	Approved Annual Work Plan Budget approved	Budget allocation required	Fund Released	Percentage of fund released to budget allocation required
1.	1994-95	108.98	92.63	94.00	101
2.	1995-96	250.87	213.23	201.14	94
3.	1996-97	330.11	280.59	184.00	65
4.	1997-98	760.15	646.12	559.89	87
5.	1998-99	1072.30	911.46	550.00	60
6.	1999-2000	1428.85	1214.52	682.92	56
	Total	3951.26	3358.55	2271.95	68

It is evident that there were limitations on the States' capacity to absorb the increased funding especially in the last two years as would be seen from the above table.

The Ministry stated in May 2001 that as the expenditure during the first and second years of implementation was low, allocation/release of funds during the subsequent years was regulated as per the trend of expenditure. There was no explanation, however, as to why then higher releases were approved in the AWP&B.

(b) State-wise position of approved AWP&B, funds released and expenditure made during 1994-2000 is given below:

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(Rs in crore)

Sl. No.	Name of the State	Period	Phase	Annual work plan approved	Total funds released by GOI and State Govt.	Expenditure (percentage of funds released)	% of funds released to AWP&B	% of expenditure to AWP&B
1.	Andhra Pradesh	1996-97 to 1999-2000	Phase I + II	422.41	640.93	325.76 (51)	152	77
2.	Assam	1994-95 to 1999-2000	Phase I + II	186.37	141.54	129.95 (92)	76	70
3.	Bihar	1997-98 to 1999-2000		206.10	117.16	99.73 (85)	57	48
4.	Gujarat	1996-97 to 1999-2000		58.59	58.75	55.41 (94)	100	95
5.	Haryana	1994-95 to 1999-2000	Phase I + II	164.82	103.06	95.66 (93)	63	58
6.	Himachal Pradesh	1996-97 to 1999-2000		69.63	62.49	53.59 (86)	90	77
7.	Karnataka	1994-95 to 1999-2000	Phase I + II	315.3	271.57	258.87 (95)	86	82
8.	Kerala	1994-95 to 1999-2000	Phase I + II	135.97	110.4	104.11 (94)	81	77
9.	Maharashtra	1994-95 to 1999-2000	Phase I + II	235.45	192.91	164.37 (85)	82	70
10.	Madhya Pradesh	1994-95 to 1999-2000	Phase I + II	692.77	633.49	566.07 (89)	91	82
11.	Orissa	1996-97 to 1999-2000		89.24	62.08	51.71 (83)	70	58
12.	Tamil Nadu	1994-95 to 1999-2000	Phase I + II	158.38	145.02	122.34 (84)	92	77
13.	Uttar Pradesh	1996-97 to 1999-2000		243.78	224.12	191.50 (85)	92	79
14.	West Bengal	1996-97 to 1999-2000		94.76	66.62	52.80 (79)	70	56

It would be observed from the above table that the proportion of funds made available by both Centre and State Governments ranged between 57 per cent (Bihar) to 152 per cent (Andhra Pradesh) of the approved AWP&B. Actual expenditure in most States with the exception of Andhra Pradesh, was beyond 79 per cent with reference to the funds released. However, with reference to the pledged resources in terms of the approved workplan the financial performance of the States was low, this in turn leading to budgeting below the plan level. This is evident from the fact that with reference to plan size, utilisation was below 60 per cent in Bihar, Orissa, Haryana and West Bengal, and between 70 and 80 per cent in Andhra Pradesh, Assam, Kerala, Maharashtra, Tamil Nadu, Uttar Pradesh and Himachal Pradesh. Only in Gujarat, Karnataka and Madhya Pradesh did it exceed 80 per cent.

2.5.3 Short release of funds by States

The State Governments were required to contribute 15 per cent of the project cost. Six States detailed below did not release their full shares resulting in short release of funds to the extent of Rs 29.28 crore during 1994-2000.

State Governments did not release their full contribution

(Rs in crore)

Sl. No.	Name of State	Period	Amount released by GOI	Amount due from State Govt. as 15 per cent State share	Amount released by State Government	Amount short released by State Government	Short release percentage
1.	Andhra Pradesh	1996-97 to 1999-2000	101.00	17.82	12.25	5.57	31
2.	Assam	1994-95 to 1999-2000	134.37	23.71	7.15	16.56	70
3.	Haryana	1994-95 to 1999-2000	89.18	15.74	13.88	1.86	12
4.	Himachal Pradesh	1996-97 to 1999-2000	50.80	8.96	7.20	1.76	20
5.	Kerala	1994-95 to 1999-2000	88.86	15.68	12.23	3.45	22
6.	Tamil Nadu	1994-95 to 1999-2000	118.32	20.88	20.80	0.08	0.38
	Total					29.28	

It may be seen from the table above that Assam released barely 30 per cent of its share.

The Ministry stated in May 2001 that four States viz. Andhra Pradesh (Rs 1.48 crore), Assam (Rs 14.85 crore), Haryana (Rs 1.77 crore) and Himachal Pradesh (Rs 1.76 crore) released only part of their contribution during 2000-2001 and the remaining shortfall would be made up during the current financial year.

2.5.4 Underutilization of external aid

The Cabinet, while approving the DPEP had decided that additional plan allocations would have to be provided to the Department of Education for implementing the Programme commensurate with the approved flow of external funds for DPEP. Audit observed that the disbursements pledged by the funding agencies could not be utilised optimally. IDA Credit (soft loan) could not be availed in full. For DPEP Phase I, against the cumulative target of US dollar 196.85 million up to 1999-2000, IDA could disburse only US dollar 131.854 million (67 per cent) as expenditure did not keep pace with the approved plan size. Similarly for DPEP Phase II, against a target of US Dollar 164.6 million, the disbursements made by IDA were only US Dollar 150.365 million. For DPEP Phase III-Bihar against its target of US Dollar 65.25 million up to 31 March 2000, IDA released only US Dollar 16.448 million. In respect of projects exclusively financed through the grants of DFID in Andhra Pradesh and West Bengal, only Rs 93.2 crore could be used in Andhra Pradesh against the expenditure target of Rs 162.89 crore. In West Bengal, expenditure incurred was only Rs 52.80 crore (38 per cent) against a targeted expenditure of Rs 136.95 crore upto 31st March 2000. This expenditure has generated reimbursement of Rs 44.88 crore against the disbursement target of Rs 104 crore up to 31st March 2000.

The Ministry stated in May 2001 that due to slow pace of implementation and consequent low level of expenditure external aid could not be availed of fully.

Funds pledged by International Funding Agencies were not utilized as per their disbursement schedules

The Ministry also stated that on account of exchange rate fluctuation over the years, it is unlikely that the disbursement target fixed could be achieved in terms of foreign currency. However, even in terms of rupees, target for DPEP-I, DPEP-III and other grants could not be achieved.

2.5.5 Misutilisation and diversion of funds

In 10 States Rs.15.93 crore were spent on activities not covered by the programme

2.5.5.1 As per financial parameters prescribed in the DPEP guidelines, DPEP would not finance non-educational incentives such as free uniforms, incentives for attendance, nutrition, etc. Only provision of free textbooks to girls, SCs/STs would be done in project districts in States which do not have such a scheme. Cash scholarships/awards were not to be financed from DPEP Funds except awards programme for schools to promote competition amongst schools in areas such as enrolment and retention of girls, SCs/STs. It was however noticed that in 10 States funds of Rs 15.93 crore were spent for activities not covered under the norms of DPEP. The details are given in **Annex 2.**

The Ministry stated in May 2001 that items/programmes for which funds were utilised in Assam, Bihar, Gujarat, Karnataka and Kerala were approved by the Project Approval Board in each case even if they are not included specifically in the DPEP guidelines/financial parameters. Residual powers provided in DPEP guidelines permit the Project Approval Board to decide on the eligibility for DPEP financing for new activities. However, in an evolving scheme residual powers could be used only to finance new activities and not to finance activities prohibited by the scheme.

In 9 States funds of Rs.15.27 crore were either diverted to other schemes or were kept in civil deposits

2.5.5.2 Funds provided under DPEP were to be used for DPEP related activities approved by the Project Board. It was however observed that DPEP funds of Rs 15.27 crore were diverted by 9 States for non-DPEP activities or were kept in Personal Ledger Accounts (PLA)/civil deposit as per details given in **Annex 3.**

It would be observed that 57 per cent of the amount diverted was kept in Personal Ledger Accounts/civil deposit to avoid the lapse of budget by Gujarat (Rs 448.31 lakh), Madhya Pradesh (Rs 217.00 lakh) and Orissa (Rs 202.17 lakh). 15 per cent of diverted money was used for other schemes running parallel to DPEP like Mid-day Meal, Total Literacy Campaign, Non-Formal Education (Madhya Pradesh), Minimum Level Learning Project (Tamil Nadu), Basic Education Project (Uttar Pradesh).

In Tamil Nadu (Rs 63.08 lakh) and Uttar Pradesh (Rs 199.04 lakh), the funds were diverted to conduct special orientation for primary teachers, a training programme covered by NCERT and payment of arrears of revised pay (payable by the State Government) to the teachers during 1999-2000 respectively.

Rs 164.10 lakh were spent on other activities like irregular payment to five non-scheme officials during October 1997 to December 1999 (Rs 8.31 lakh, Andhra Pradesh), excess payment of annual contingent/maintenance grant (Rs 0.78 lakh, Assam) and retained by implementing agencies (Rs 48 lakh, Bihar), preparation, printing and distribution of teacher's handbook (Rs 15.00

lakh, Tamil Nadu), expenditure on Baseline Assessment Survey (Rs 14.05 lakh, Gujarat), printing charges of booklets, registers, commendation (Janma Bhoomi Prasamsha Pathalu) certificate not related to DPEP activities (Rs 77.96 lakh, Andhra Pradesh).

State-wise comments furnished by the Ministry in May 2001 are given below:

Andhra Pradesh, The Ministry stated that expenditure was incurred towards environment building and to mobilize the community to improve participation at the school level, which are permissible activities under DPEP guidelines. The reply was not correct as the expenditure was actually incurred on printing charges of commendation letters, booklets, registers, and certificates for forming education committees, for conducting SSC examination, towards petrol, oil and lubricant charges, repairs of jeeps and staff salaries of District Education Office.

Assam, The excess payment has been adjusted.

Gujarat, Out of Rs 448 lakh, Rs 430.23 lakh is being recovered from District Panchayats of Banaskantha and Panchmahal districts and the remaining amount has been utilized for salary of teachers of new schools in Dang district. The Ministry further stated that Rs 14.05 lakh incurred on pre project activities from DPEP funds has since been charged to funds received for pre-project activities.

Tamil Nadu, The Ministry stated that funds were spent for eligible activities and there was no diversion. The reply was not tenable as the funds were spent for scheme of minimum level of learning and special orientation training for teachers which are funded separately by the Ministry.

The Ministry admitted the diversion in respect of Kerala, Madhya Pradesh, Orissa.

2.5.6 Other Financial Irregularities

A statement of miscellaneous financial irregularities is given in Annex 4.

The Ministry stated in May 2001, that action has been initiated to get the reimbursement of salary arrears of Rs 87.41 lakh from the parent department of deputationists in Gujarat. The ceiling of Rs 1.50 crore for procurement of books under direct contract method by DPEP Maharashtra was being revised.

The Ministry further stated that in Assam out of advances Rs 697.84 lakh given by the Project Directorate an amount of Rs 517 lakh has since been adjusted. In Kerala and Madhya Pradesh action had been taken to settle the outstanding amount.

The Ministry also stated that UCs were received in Assam during 1999-2000 and that instructions had been issued to obtain UCs wherever outstanding in Andhra Pradesh, West Bengal and Tamil Nadu.

2.6 Performance by Key indicators

Universal access to schooling, enrolment and retention of the children up to the age of 11 were the core objectives of DPEP. Funds were provided for

opening of new schools, upgradation of existing schools by providing additional classrooms, appointment of teachers particularly female teachers, provision of water and toilet facilities and payment of infrastructure grants to schools for enhancing school effectiveness in terms of their reach (enrolment), grasp (retention), classroom transaction and learning achievement with a special focus on girls, SCs and STs. DPEP envisaged reducing the difference in enrolment, drop-out and learning achievement among gender and social groups to less than five *per cent* and to reduce over all primary drop-out rates for all students to less than 10 *per cent*. Performance in these key areas is brought out below:

2.6.1 Access to educational facilities

Universal access to primary schooling or its equivalent non-formal education for all children in the 6-11 age group was the main objective of the Programme. For this purpose funds were provided under the DPEP for construction of new school buildings, additional classrooms, repair to existing schools, provision of drinking water and adequate sanitary facilities especially for girls, creating additional teaching posts to bring the Pupil Teacher Ratio and Student Classroom Ratio to 40:1.

The Beneficiary Survey disclosed that nearly all the households (96 *per cent*) across the 14 States had indicated access to primary schools within the village/Census Enumeration Blocks or within 1 km. of habitation. However despite the easy access to primary schools, the enrolment of students was adversely affected due to lack of facilities in schools, more particularly in case of girl students. It is relevant to refer here to the data compiled by Educational Consultants India Limited. The status of infrastructure facilities under DPEP scheme in 12 States during 1999-2000 emerging from this data is analysed below to indicate the magnitude of the problem (Statement in Annex 5).

The enrolment of students had been adversely affected due to lack of basic necessities /facilities in schools across 12 DPEP States

- Across the 12 DPEP States, the percentage of schools not having girls' toilets and drinking water facilities, was 84 and 33 respectively. Similarly the percentage of schools with only one teacher and with PTR more than 50:1 was 18 and 49. Eleven *per cent* schools did not have even a blackboard.
- In nine States (Assam, Bihar, Gujarat, Himachal Pradesh, Madhya Pradesh, Maharashtra, West Bengal, Tamil Nadu, and Orissa) more than 70 *per cent* of the schools did not have girls' toilets, the position being the worst in Assam, Bihar, Himachal Pradesh, Orissa, Tamil Nadu and West Bengal, with percentage shortfalls ranging between 90 and 96.
- In eight States (Assam, Bihar, Gujarat, Himachal Pradesh, Madhya Pradesh, Maharashtra, Orissa and Uttar Pradesh) more than 10 *per cent* of schools had only one teacher.
- In six States (Assam, Bihar, Gujarat, Haryana, Uttar Pradesh and West Bengal) the Pupil Teacher Ratio (PTR) exceeded 50:1 in more than 50 *per cent* of the schools. In Uttar Pradesh and West Bengal, the

situation was the worst as percentage of such schools was 72 and 96 respectively.

- In eight States (Assam, Bihar, Madhya Pradesh, Maharashtra, Gujarat, Himachal Pradesh, Orissa and West Bengal) more than 30 *per cent* schools did not have drinking water facility. The position was more serious in Orissa where percentage of such schools was 52.
- In two States (Bihar and Uttar Pradesh) blackboards were not available in 22 and 20 *per cent* schools respectively.
- Normally, it is expected that a section/class of about 35-40 students will have a classroom. Against this, it was noticed that in seven States of Assam, Bihar, Haryana, Maharashtra, Tamil Nadu, Uttar Pradesh and West Bengal, the Student Classroom Ratio (SCR) exceeded the required limit. The position was serious in West Bengal (84) followed by Assam (66) and Uttar Pradesh (64). A detailed analysis of SCR at district level revealed that in 11 districts of three States viz. Assam (3), Uttar Pradesh (4) and West Bengal (4), the SCR was above 70. In five districts of these States, the SCR was abnormally high at 93 (Dhubri), 88 (Lakhimpur Kheri), 97 (Cooch Behar), 98 (Murshidabad and South 24 Parganas).
- The Ministry stated in May 2001 that DPEP does not ensure availability of all physical infrastructural facilities nor does it have funds to do so. The reply was not convincing as to achieve UPE in DPEP districts provision of infrastructure facility was essential.

The position emerging from test check of records in selected districts of five states is given below:

- (i) In Bihar, out of 54180 habitations in project area, 21754 (40 *per cent*) habitations had no schooling facility as of 31 March 2000. Of 32554 schools, 9291 schools had only one teacher for more than 50 students and 5014 schools, one teacher for more than 100 students. 12950 and 27653 schools were not provided drinking water and toilet facilities respectively, while toilets for girl students were provided in only 1307 schools. 7041 schools were not provided blackboards and 2151 schools had no building. During 1998-2000, 26 to 32 *per cent* of enrolled children did not get seats in classrooms. Against the stipulated target of opening 2845 new schools with two teachers in each school during 1997-2000, only 572 schools were opened at the end of 1999-2000.
- (ii) In Haryana, in four project districts (Jind, Hissar, Sirsa and Mahendergarh) the intake capacity of schools was short of requirement. The capacity of primary schools for intake was less by 19 to 25 *per cent* as compared to the population of eligible children for primary education during 1995-96 to 1999-2000.
- (iii) In Orissa, 17 *per cent* of eligible children during 1996-2000, were deprived of access to primary education due to absence of primary schools,

There was shortage of teachers, black boards, school buildings and sitting capacity in classrooms. New schools were not opened as per the targets

alternate schooling centres and static of intake capacity i.e. non addition of classrooms in existing schools.

(iv) In Tamil Nadu, during 1995-2000 in five project districts (Cuddalore, Villupuram, Tiruvannamalai, Dharmapuri and Puddukottai), 20.45 lakh children (representing 30 per cent of total eligible children) were left uncovered due to non-opening of more alternate schooling centres. No specific norms were adopted for fixing the number of alternate schooling centres for eligible children.

(v) In West Bengal, a large number of schools lacked basic infrastructure, the Pupil Teacher Ratio was high and about 10 per cent schools had only one teacher. This assumed serious proportions in two districts (Bankura and South 24 Parganas) where such schools had enrolment of 50, 100, 150 or even 200 each. Schools were crowded with a number of students, sitting in a single class-room without basic facilities. 14 schools were found to be in a dilapidated condition. Only 7 to 26 per cent students over the actual enrolment shown in the school register were found at the time of school visit. In four DPEP districts, 40 per cent of primary schools had acute shortage of accommodation and non-availability of minimum facilities.

The Beneficiary Survey also disclosed that 56 per cent of the schools in DPEP States did not have toilet facilities and 72 per cent schools did not have toilets/separate toilets for girls. In five States of Andhra Pradesh, Assam, Bihar, Madhya Pradesh and Tamil Nadu, the percentage of schools not having toilet facilities for girls was quite high at 89, 89, 94, 85 and 81 respectively. Only 24 per cent of the total 1361 sample schools covered across 14 DPEP States had all the basic infrastructure viz. school building, playground facility and boundary wall in good condition. In seven States of Andhra Pradesh, Bihar, Haryana, Karnataka, Orissa, Uttar Pradesh and West Bengal, the average PTR was above the norm of 50:1. The situation was most alarming in Uttar Pradesh where the average PTR was 105.

The average SCR in all the DPEP States barring Kerala and Maharashtra, was above 40. State wise, the average SCR was highest in Uttar Pradesh (107) followed by West Bengal (95) and Andhra Pradesh (83). In these three States, only 5-18 per cent of the schools had four or more classrooms.

The school grants were envisaged to be utilized for painting blackboards on lower portion of the classroom walls to bring them within the easy reach of children. However, the utilisation of school grants for undertaking this activity was low (44 per cent). Less than half of the sample schools (43 per cent) had blackboards painted on lower portions of walls. The status was better in Phase I districts (55 per cent) as compared to Phase II districts (39 per cent).

2.6.2 Enrolment

A major goal of DPEP is universalisation of primary education (UPE) i.e. universal enrolment of all children with focus on target groups such as SC/ST and girls. Trends in overall enrolment (including specific comments on Class I enrolment) and enrolment of target groups are analysed in the succeeding

In West Bengal the Pupil Teacher ratio was very high and it reached up to 200 in two district of Bankura and South 24 Parganas.

In Andhra Pradesh, Uttar Pradesh and West Bengal the SCR was more than 82.

sub-paragraphs. The analysis includes observations on the extent to which the DPEP objective of reducing the difference in enrolment among gender and socially disadvantaged groups has been achieved.

2.6.2.1 Trends in enrolment

The state-wise trends in enrolment were studied by ORG to assess the extent to which various initiatives had contributed to enhance the enrolment in schools. To enable a meaningful interpretation of these trends, the status of total children (population) in 6-11 age group during 1996-2000 was also reviewed. The trends disclosed by survey are given below:

State-wise Growth in Enrolment During 1995-96 to 1999-2000

States	Trends in Enrolment (in per cent)			
	1995-96 to 1996-97	1996-97 to 1997-98	1997-98 to 1998-99	1998-99 to 1999-2000
States where total children in 6-11 age have increased (1995-2000)				
Gujarat	0	6	1	4
Haryana	4	3	-4	-2
Himachal Pradesh	4	-3	-5	-6
Madhya Pradesh	3	3	1	0
Maharashtra	5	5	-3	-5
States where total children in 6-11 age have decreased (1995-2000)				
Andhra Pradesh	0	-2	-3	-1
Assam	23	0	0	-2
Bihar	9	8	-1	4
Karnataka	-2	-3	-3	-7
Kerala	0	-6	-4	-3
Orissa	4	-1	-2	0
Tamil Nadu	-2	0	-2	-3
Uttar Pradesh	14	13	2	5
West Bengal	0	6	0	-1

Note :- While DPEP started in Gujarat, Himachal Pradesh, Andhra Pradesh, Bihar, Orissa and Uttar Pradesh and West Bengal during 1996-97 to 1997-98, trends of enrolment have been indicated from 1995-96 for purposes of uniformity

It would be evident from the above table that there was little evidence of the impact of the programme in terms of enhancing the participation of children. The momentum created by the programme in the initial years of implementation could not be sustained during the later years. A subsequent decline was noticed in even those states where a good increase in enrolment was registered in the initial years of programme implementation. In all, five states witnessed an increase in total population in 6-11 age group, during 1995-2000. Amongst these States, in Gujarat a sustained increase in enrolment during the years of programme implementation was observed. Among the other states in this category (viz. Haryana, Madhya Pradesh, Himachal Pradesh and Maharashtra), despite the increase in population in the 6-11 age group increase in enrolment was witnessed only in the initial years of

Many States showed negative growth in the later years of project implementation

programme implementation viz. 1995-96 to 1997-98. Subsequently a negative growth in enrolment was witnessed.

Among the nine other DPEP states where a decline in total population in the 6-11 age group was witnessed during 1995-2000, Uttar Pradesh recorded highest increase in enrolment during 1995-96 to 1999-2000. In Uttar Pradesh despite various initiatives viz. the Cash Incentive Schemes, Mid-Day Meal Scheme, etc. being initiated during this period, the issue of retention persisted as one-fifth of the total children enrolled in primary classes (20 per cent) continued to dropout from school.

A similar trend was witnessed in Assam, Bihar and Orissa where despite an appreciable growth in enrolment during the first year of programme implementation (23 per cent), the system failed to retain learners and the dropout rates continued to remain high.

It was noticed in 23 districts test-checked by Audit that the percentage of enrolment had declined when compared to the enrolment percentage prevailing at the beginning of the programme/earliest year as detailed below:

In 23 districts of eight States the enrolment percentage had declined as per latest data

Sl. No.	Name of State	Name of district	Percentage of enrolment during	
			Initial/earliest year	Latest year
1.	Assam	Goalpara	76 (97-98)	58 (99-00)
		Bongaigaon	91 (97-98)	72 (99-00)
2.	Bihar	Dumka	90 (97-98)	79 (99-00)
		East Singhbhum	69 (97-98)	59 (99-00)
		Gaya	73 (97-98)	65 (99-00)
		Ranchi	81 (97-98)	71 (99-00)
		Rohtas	89 (97-98)	86 (99-00)
		Sitamarhi	84 (97-98)	68 (99-00)
3.	Karnataka	Vaishali	76 (97-98)	62 (99-00)
		Belgaum	97 (96-97)	94 (98-99)
4.	Orissa	Baragarh	95 (97-98)	92 (99-00)
		Bolangir	85 (95-96)	85 (99-00)
		Kalahandi	78 (95-96)	68 (99-00)
		Sambalpur	80 (97-98)	66 (99-00)
5.	Tamil Nadu	Tiruvannamalai	75 (95-96)	69 (99-00)
		Cuddalore	69 (95-96)	65 (99-00)
		Pudukottai	70 (96-97)	68 (99-00)
6.	Maharashtra	Nanded	104 (94-95)	97 (99-00)
		Osmanabad	104 (94-95)	99 (99-00)
7.	Andhra Pradesh	Nellore	75 (95-96)	73 (98-99)
8.	Kerala	Trivandrum	96 (97-98)	89 (99-00)
		Idukki	49 (94-95)	35 (99-00)
		Wayanad	93 (94-95)	87 (99-00)

Apart from decrease in enrolment, test-check in audit in some States also revealed that in some districts, where the enrolment percentages were already low, there had been only marginal improvement in these percentages, due to DPEP interventions:

Sl. No.	Name of State	Name of district	Percentage of enrolment during	
			Initial/earliest year	Latest year
1.	Assam	Barpeta	70 (97-98)	72 (98-99)
2.	Gujarat	Panchmahal	72 (97-98)	76 (99-00)
3.	Haryana	4 districts	80 (95-96)	81 (99-00)
4.	Tamil Nadu	Dharmapuri	66 (95-96)	67 (99-00)
		Villupuram	69 (95-96)	71 (99-00)
5.	Madhya Pradesh	Surguja	80 (94-95)	84 (99-00)

The poor enrolment has been attributed to reasons such as non-taking up of civil works, non-opening of alternate schools, non-appointment of new teachers in Orissa and low intake capacity of schools in Haryana.

2.6.2.2 Decline in Class I enrolment after the implementation of the DPEP

Since in several States, a large number of children of 6-11 years age were still out of school, it was expected that with the launching of DPEP, more of these children would start attending school and that the enrolment in Class I would increase rapidly. Contrary to this expectation, enrolment in Class I had declined in many DPEP States during the last three years, except in Gujarat, Madhya Pradesh and Uttar Pradesh:

Declining trends in class I enrolment observed in majority of DPEP States.

Sl. No.	Name of State	No. of districts	Class I enrolment			Percentage decrease	
			1997	1998	1999	1997-98	1998-99
1.	Assam	09	651217	582532	554191	10.5	4.9
2.	Bihar	17	1962990	1723690	1577205	12.2	8.5
3.	Haryana	07	237248	204726	188662	13.7	7.8
4.	Himachal Pradesh	04	52225	43631	38384	16.5	12.0
5.	Karnataka*	11	817817	805760	770543	1.5	4.4
6.	Kerala**	06	99868	102323	99019	-2.5	3.2
7.	Maharashtra	09	705919	631349	615346	10.6	2.5
8.	Orissa	08	322030	316380	311893	1.8	1.4
9.	Tamil Nadu	07	328160	325132	323096	0.9	0.6
Total		78	5179471	4737521	4480338	8.5	5.4

* does not include data of Bijapur district

** includes data for only Phase-I districts

Source: TSG/DPEP October 2000

Analysis of data contained in the above table would show that between 1997 and 1998, the decrease in Class I enrolment was more pronounced in the States of Assam, Bihar, Haryana, Himachal Pradesh and Maharashtra. Though the position improved in the years 1998-99, in the States of Bihar, Haryana and Himachal Pradesh, the percentage decrease was still high. In

Kerala, there was an increase in enrolment in 1998, yet in 1999, the enrolment declined to less than the 1997 level.

Investigative studies on the decline in Class I enrolment, were carried out by the Ministry, in some selected districts of Uttar Pradesh, Maharashtra and Tamil Nadu during October 2000. The findings of the study attributed the decline in Class I enrolment, to the increasing enrolment of children in new private schools, withdrawal of Mid-day meals programme, acute shortage of teachers in primary schools and overcrowding in classrooms resulting in widespread reluctance among parents to send their wards to Government schools, etc. A study by NIEPA* attributed this decline to two factors: (i) a real decline in intake (new admissions) and (ii) increased incidence of repetition.

The Ministry while admitting decline in Class I enrolment attributed it, in some States to peculiar circumstances in a particular year after which it picked up again in the following year and in other cases to decline in child population. The Ministry however, did not specify the steps proposed to be taken to check such decline.

2.6.3 Equity Focus

In the sphere of education, inequities in educational attainment of different groups and regions have been both the cause and effect of differentials between their levels of economic development. From time to time, the Government of India has launched development schemes based on the principles of positive discrimination and special focus on improving enrolment and retention of girls. DPEP guidelines lay down that more focused coverage would be on primary education, with stress on education of girls, and for socially disadvantaged groups.

The Beneficiary Survey disclosed that among the 14 DPEP States, the Scheduled Castes comprised 22 per cent of the total enrolment and Scheduled Tribes constituted 7 per cent of the total enrolment. The year-wise percentage growth in enrolment of girls, SCs and STs from 1995-96 to 1999-00 is tabulated below.

States	Percentage growth in Enrolment of Girls and SC/STs											
	1995-96 to 1996-97			1996-97 to 1997-98			1997-98 to 1998-99			1998-99 to 1999-2000		
	Girls	SC	ST	Girls	SC	ST	Girls	SC	ST	Girls	SC	ST
Andhra Pradesh	2	6	-	0	-8	-	1	12	-	3	-5	-
Assam Phase-I	23	19	-9	0	-5	19	0	-8	-7	-2	1	0
Phase-II		14	29		-9	12		-3	-7		-3	-3
Bihar	7	14	6	11	9	10	1	3	-4	5	3	9
Gujarat	0	-4	-2	6	5	5	4	-3	2	5	5	4
Haryana Phase-I	1	12	-	7	5	-	-2	-1	-	-1	-1	-
Phase-II		3	-		9	-		-4	-		-1	-
Himachal Pradesh	4	18	-	-4	-3	-	-5	-6	-	-8	1	-

* NIEPA Study on "Access and Retention", 2000

States	Percentage growth in Enrolment of Girls and SC/STs											
	1995-96 to 1996-97			1996-97 to 1997-98			1997-98 to 1998-99			1998-99 to 1999-2000		
	Girls	SC	ST	Girls	SC	ST	Girls	SC	ST	Girls	SC	ST
Karnataka Phase-I	7	-5	-	-7	0	-	-3	-7	-	-3	0	-
Phase-II		2	-		-2	-		-2	-		1	-
Kerala Phase-I	-1	13	-	-4	-14	-	-4	-3	-	-3	18	-
Phase-II		-6	-		4	-		-8	-		1	-
Madhya Pradesh Phase-I	4	12	13	6	-3	19	3	8	8	2	-5	3
Phase-II		-1	-1		9	6		8	5		-3	2
Maharashtra Phase-I	4	13	1	8	3	21	0	-9	2	-6	-1	-19
Phase-II		10	15		-11	5		-5	-6		-7	-3
Orissa	6	5	3	-1	1	8	-2	3	-3	1	-4	11
Tamil Nadu Phase-I	-4	5	-	-2	0	-	-1	-1	-	-1	-4	-
Phase-II		2	-		-1	-		-2	-		1	-
Uttar Pradesh	20	16	-	23	14	-	6	-5	-	8	-4	-
West Bengal	1	5	-	11	10	-	-1	-1	-	2	1	-

Negative growth in enrolment of girls and SC/ST students.

An analysis of the above data revealed that the growth in enrolment during the initial years of programme implementation was higher for these groups as compared to the growth between 1998-99 to 1999-00. Out of 14 DPEP States, the growth in enrolment has shown a decline in seven States in case of girls, eight States in case of SCs and two States in case of STs (out of 6 States consisting of more than 10 per cent ST population), in 1999-00 when compared to the enrolment in 1998-99.

Gender-wise, five States of Assam, Himachal Pradesh, Karnataka, Kerala, Tamil Nadu have shown a negative growth after the first year of DPEP intervention.

Caste-wise, in case of SCs, seven States of Andhra Pradesh, Assam (Ph. II), Haryana, Maharashtra, Orissa, Tamil Nadu (Ph. I) and Uttar Pradesh have shown a negative growth after the first year of DPEP intervention. In case of STs, two States of Assam (Ph. II) and Maharashtra, have registered decline in enrolment.

Test-check of district-level performance in the DPEP States brought out the following:

(i) In **Andhra Pradesh** (Nellore district), the enrolment of boys and girls, SCs/STs decreased during 1998-99 from the level of 1997-98 by about 10 per cent and 12 per cent respectively.

The decrease was attributed by Ministry to migration of families to other districts and increase in number of unrecognised schools.

(ii) In **Assam**, the average percentage of SC and ST students enrolled, in seven test-checked districts (4 till 1998-99 and 3 till 1999-2000), was 75 and 74 respectively. The position was the worst in Bongaigaon, where the average percentage of ST students enrolled during the years 1997-2000 was a meagre 44.

(iii) In Orissa, in three districts (Bolangir, Dhenkanal, Kalahandi), the percentage of enrolment of SC/ST (clubbed), during 1996-2000 ranged between 33 to 50, the situation being serious in Dhenkanal, where it ranged between 33 (1996-97) and 35 (1999-2000). Similarly, in three districts namely, Baragarh, Keonjhar and Sambalpur, this percentage varied between 43 and 63 during 1997-2000. In none of the seven districts (except Rayagada), was percentage above 70 till 1999-2000.

(iv) In Karnataka, in four test checked districts of Kolar, Raichur, Belgaum and Gulbarga, the percentage enrolment of girls ranged between 76 (Raichur) and 92 (Gulbarga) during 1995-2000.

(v) In Gujarat, in two districts of Panchmahal and Dang, the percentage enrolment of SC students declined from 87 and 72 in 1997-98 to 84 and 62 respectively in 1999-2000.

(vi) In Bihar, the gross percentage of enrolment of girls fell from 64 in 1998 to 43 in 2000. Similarly, the gross percentage of enrolment of SC and ST decreased from 82 and 79 in 1998 to 64 and 68 in 2000 respectively. In seven test checked districts, the enrolment percentages for SCs, others, boys and girls, decreased from 93, 77, 88 & 71 in 1997-98 to 81, 68, 76 & 64 in 1999-2000 respectively.

(vii) In Kerala, in Idikki district, the percentage enrolment of girls declined from 43 in 1996-97 to 31 in 1999-2000, whereas in Thiruvananthapuram district, this figure remained at a constant 50 *per cent* (approximately) during 1996-97 and 1999-2000.

The decline was attributed by Ministry to opening of unaided private schools adjacent to Government/aided private schools.

(viii) In Maharashtra, the percentage enrolment of boys and girls, in four districts of Aurangabad, Latur, Nanded and Osmanabad showed a declining trend

(ix) In West Bengal, despite the very low female literacy rate in rural areas of the five test-checked districts (Bankura, Birbhum, Cooch Behar, Murshidabad and South 24 Parganas) the problems of girls' education were not addressed till 1998-99. No budget provision was made by the DPOs for increasing the enrolment and retention of girls students in primary education. In 1999-2000, an amount of Rs 69.19 lakh was provided in Annual Work Plan and Budget for this purpose, against which only Rs 5.58 lakh (8.06 *per cent*) had been spent till March 2000. Specific strategies for SC & ST students were yet to be drawn up by the SPO (June 2000).

(x) The declining trend of enrolment of girls from Class I to Class V may be observed from the following table:

Academic year	Percentage of Girls enrolment to total enrolment by Class				
	Class I	Class II	Class III	Class IV	Class V
PHASE I					
1995-96	46.9	46.2	45.5	44.9	42.8
1996-97	47.3	46.6	45.6	45.1	43.8
1997-98	47.9	47.1	46.3	45.5	44.1
1998-99	48.2	48.0	46.8	46.2	44.6
1999-00	47.8	47.9	47.4	46.5	44.9
Average Phase I	47.6	47.2	46.4	45.7	44.2
PHASE II					
1996-97	44.7	44.0	43.7	42.8	38.2
1997-98	45.2	44.2	43.2	42.5	38.9
1998-99	45.9	45.3	44.4	43.4	39.7
1999-00	45.9	45.8	45.2	44.4	40.8
Average Phase II	45.5	45.0	44.3	43.4	39.7

Source: NIEPA Study on "Access and Retention" 2000

Proportion of girls' enrolment has been declining as they progress from one class to another class.

This would show that the share of girls' enrolment has been declining as they progress from one class to another class. The cumulative effect of such decline is reflected when a comparison of Class V enrolment is made with Class I enrolment. In Phase I districts, during 1995-96 to 1999-2000, against the average Class I enrolment of 47.6, average of Class V enrolment is 44.2, i.e. decline of 7 per cent. Similarly in Phase II districts, from 1996-97 to 1999-2000, against average Class I enrolment of 45.5, average of Class V enrolment is 39.7, i.e. decline of 13 per cent. The cumulative drop in enrolment is of a larger magnitude in Phase II districts.

2.6.3.1 Persisting gender and social differentials

The Programme has a special focus on education of girls and envisages reducing the difference between the enrolment of boys and girls and SC/ST and others to less than 5 per cent. Test check in randomly selected districts in 10 States revealed that the difference in enrolment between boys and girls and SC/ST and others remained more than 5 per cent during 1998-2000 even after lapse of a period ranging from three years to five years from the commencement of programme as detailed in Annex 6:

The Ministry stated in May 2001 that the gender differential has declined considerably across DPEP districts and is expected to further reduce by the end of the projects. It also stated that most of districts mentioned in the Review Report are part of DPEP-II and III, which have considerable time till project end. The Ministry did not offer any comment on the differential between socially disadvantaged groups.

2.6.3.2 Minimal difference in dropout rates between gender and social groups not achieved

Difference in dropout rate between boys and girls and between SC/ST & others remained more than the envisaged rate of 5 per cent.

The programme envisaged reducing the difference in dropout rate between boys and girls and between SC/ST and others to less than five per cent. Test check revealed that in the following 17 districts of seven States, the difference between gender and socially disadvantaged groups had remained more than five per cent.

Sl. No.	Name of State	Name of district	Year	Percentage of difference in dropout rate between		
				Boys & girls	SC & others	ST & others
1.	Andhra Pradesh	Karimnagar	1998-99	-	11	27
		Kurnool	--do--	9	10	11
		Nellore	--do--	-	9	28
		Vizianagram	--do--	-	-	20
		Warangal	--do--	-	8	23
2.	Assam	Barpeta	1998-99	-	-	12
		Goalpara	--do--	-	8	-
3.	Gujarat	Banaskantha	1999-2000	7	-	11
4.	Haryana	Jind	1999-2000	-	16	-
		Sirsa	1999-2000	-	13	-
5.	Karnataka	Gulbarga	1999-2000	-	11	13
6.	Maharashtra	Parbhani	1999-2000	6	-	-
7.	Orissa	Gajapathi	1998-99	-	-	28
		Rayagada	--do--	-	-	45
		Kalahandi	--do--	6	-	-
		Keonjhar	--do--	-	-	43
		Sambalpur	--do--	-	-	6

2.6.4 Incentives

According to DPEP guidelines, SC, ST and girls students enrolled in schools in the project districts were to be provided free text books and supplementary learning materials if the State Governments did not have a scheme for free distribution of such material.

State-wise position based on the results of test check as given below show that there were conspicuous lapses in the free distribution of textbooks.

(a) Bihar

(i) In the test-checked districts, textbooks were not supplied to focus group children (SC, ST and girl students) during the year 1998 as no textbooks were purchased by Bihar Shiksha Pariyojana Parishad (BSPP). During 1999 only 11.09 lakh (95 per cent) of focus group children (SC, ST and girls students) out of 11.61 lakh enrolled were provided free text books.

Free text books were not distributed to all children of focus groups viz SC, ST and girls

(ii) During 1999 and 2000 only 44.35 lakh (46 per cent) and 51.85 lakh (54 per cent) books respectively were distributed. Further, there was delay ranging between 4 to 11 months in distribution of books among children.

(iii) Out of 81.16 lakh SCs, STs and girl students enrolled during 1997-98 to 1999-2000, the books were distributed to 56.69 lakh (70 per cent) students, and 24.47 lakh (30 per cent) students were not provided books during the period.

(iv) During 1997-2000, 288.34 lakh text books under different titles were available with BSPP for free distribution among the target group. Out of this, 229.37 lakh books were distributed to district implementing agencies for onwards distribution to block resource centres, cluster resource centres and schools. 58.97 lakh books were lying in stock as of March 2000.

(v) The State Government was to provide to the Bihar State Text Book Publishing Corporation Limited, a subsidy of 50 per cent of the value of books printed and supplied by it. It was noticed that the BSPP placed orders for supply of 1.75 crore books for DPEP-III 1999 valued at Rs 20.11 crore. Against this, the Corporation supplied 1.68 crore books valued at Rs 19.18 crore on advance payment. As the State Government did not provide subsidy to the Corporation, the BSPP could not procure books to the extent of Rs 9.59 crore.

(b) In the test checked districts of Haryana, out of 5.44 lakh SC students and 5.49 lakh non-SC girl students during 1995-99, 5.05 lakh SC students (93 per cent) and 2.18 lakh non-SC girls students (40 per cent) were not provided books free of cost.

(c) In Sirmour district of Himachal Pradesh, out of 18086 girls, 2800 girls were not supplied books during 1997-98. The DPO stated that one BRC did not lift the books from the sales depot.

The Ministry in May 2001 confirmed the position.

(d) In Uttar Pradesh, during 1998-99 and 1999-2000, in Hardoi district, the text books were distributed to 70 per cent SC/ST students and 65 per cent girl children due to shortage of funds, while in Balrampur district, 3902 SC/ST students and 5050 girl students were not provided free text books.

(e) In Tamil Nadu, the schools were opened in June 1997, but the workbooks for three subjects were not supplied to standard I children in time as orders were placed by SPD only in October 1997 to the Tamil Nadu Text Book Corporation and payment of Rs 1 crore was made in March 1998. The workbooks were supplied by the Corporation and distributed to the children only in February 1999. Similarly in 1999-2000, orders for printing of workbooks for standard 1 to 3 were placed in October 1998 and supplies were made only in January 2000.

The Ministry accepted the facts and stated that delay in the distribution of work book was due to administrative reasons.

(f) Orissa : (i) Test check of records in Orissa revealed that free text books and free reading and writing materials worth Rs 22.49 lakh meant for

Bihar State did not provide subsidy for procurement of text books

Delay in supply of text books

distribution among SC/ST and girls students during 1997-2000 was not distributed as of March 2000. Instead of books being provided before the academic session delays of 6 to 8 months were noticed. Further, there was no scope for distribution of text books worth Rs 2.35 lakh procured during 1998-99 in the subsequent years, due to change of syllabus.

(ii) 7085 books worth Rs 0.52 lakh were not distributed during 1998-99 by the DPC, Sambalpur as the stock account of those books were not handed over by his predecessor.

(iii) Class wise full set of books were not distributed to the students in 5 districts Bolangir, Bargarh, Kalahandi, Keonjhar and Sambaepur during the years 1998-99 and 1999-2000.

(iv) Books valuing Rs 13.58 lakh remained undistributed in 4 districts due to late receipt of books from State Project office, receipt of books by DPCs in excess of requirement etc.

(v) In respect of free books and reading and writing materials worth Rs 1.07 crore reportedly distributed by the DPCs during 1997-98 to 1999-2000, distribution lists/acknowledgements from the students showing the distribution of materials had not been furnished by 192 Block Research Centre Coordinators (BRCCs) to DPCs concerned.

The poor reach of the incentive was highlighted also by the survey. Distribution of free text-books and supplementary materials was claimed by 81 *per cent* and 44 *per cent* schools respectively. However, only 64 *per cent* parents confirmed receipt of text-books and 24 *per cent* parents confirmed receipt of supplementary materials. The state-wise position is given in the Annex 7.

Poor reach of incentives to the eligible groups

2.6.5 Retention

An important condition for Universalisation of Elementary Education (UEE) is improved retention of students throughout the primary and upper primary education cycle. Considering the high dropout rates in primary education, DPEP envisaged the reduction in drop-out rate of all students in primary schools to less than 10 *per cent* and the reduction of the difference in drop-out rate between boys and girls and between SC/ST students vis-à-vis others to less than five *per cent*.

2.6.5.1 Reduction in drop-out rate not achieved

In order to examine the impact of DPEP on retention of students at primary level, the beneficiary survey compiled the dropout trends for two time segments, viz. 1995-96 and 1999-2000. This exercise was undertaken by tracing the students enrolled in primary classes (cohort method). The details are tabulated below:

Dropout Rates among DPEP States

(In per cent)

States	1995-96				1999-2000			
	Total	Girls	SC	ST	Total	Girls	SC	ST
Andhra Pradesh	19	19	21	--	16	17	19	--
Assam	32	33	32	28	38	36	39	37
Bihar	41	42	44	41	39	38	42	42
Gujarat	19	18	21	25	21	21	18	29
Haryana	25	23	27	-	25	22	30	-
Himachal Pradesh	16	14	18	-	12	10	14	-
Karnataka	28	27	31	-	24	22	30	-
Kerala	7	7	8	-	8	8	9	-
Madhya Pradesh	25	25	23	27	21	21	23	25
Maharashtra	18	18	15	21	14	18	15	17
Orissa	22	23	21	34	22	22	27	32
Tamil Nadu	18	15	19	-	15	13	16	-
Uttar Pradesh	19	21	17	-	20	20	15	-
West Bengal	27	26	35	-	23	22	28	-

No sizeable progress in reducing dropout rate. The dropout rate continued to be over 10 per cent.

Analysis of the data would reveal that overall there were no appreciable improvement in dropout rates vis a vis those existing at the time of programme inception. The dropout rates continued to be over 10 per cent in all States except Kerala (8 per cent). Dropout rates were very high in Assam and Bihar, in fact in Assam there has been a rise in the rate. In these two states 38-39 per cent of the students enrolled in primary classes dropped out during 1999-2000. In Himachal Pradesh, Karnataka, Madhya Pradesh, Maharashtra and Uttar Pradesh, the dropout rate had declined marginally (by 4 per cent) during the two reference years. In six States of Assam, Gujarat, Haryana, Kerala, Orissa and Uttar Pradesh, the overall dropout rate had increased or remained stagnant. Similarly, in four States of Assam, Gujarat, Kerala and Maharashtra, the dropout rate for girls had increased or remained stagnant. In case of SCs and STs, the dropout rate increased or remained stagnant in the States of Assam, Haryana, Kerala, Madhya Pradesh, Maharashtra & Orissa, and in the three States of Assam, Bihar & Gujarat, respectively. However, there was significant increase in the drop out rate of SCs in the States of Assam, Haryana and Orissa in 1999-2000 compared to 1995-96.

The survey report further revealed that the dropout rates of Class I in all categories, were the highest among all classes from I to V and no substantial improvement in the rate of reduction of dropout rate of Class I was noticed even after a lapse of five years of commencement of the scheme, as is evident from the position tabulated below:

Year	Dropout (in per cent)				
	Total	Boys	Girls	SC	ST
1995-96	30	29	33	32	36
1999-00	29	27	31	31	29

The Ministry stated in May 2001 that dropout rate has not been reduced in most of DPEP districts to stipulated extent because the drop out rate was very high at the beginning of the DPEP. The Ministry also stated that States have intensified efforts to reduce the drop out rate by taking remedial measures based on findings of household survey being undertaken to identify out of school children including drop outs and the reasons of their dropping out. However, as noted earlier, there has been no appreciable dent on the reduction of drop out rate even after 5-6 years of the launch of the scheme.

District -level position in the States where the dropout rates were very high as revealed by audit test check is given State-wise below:

(i) In **Andhra Pradesh**, in five districts namely Karimnagar, Kurnool, Nellore, Vizianagram and Warangal, the drop out rate among boys, girls, SC and ST ranged between, 26 and 55, 34 and 58, 40 and 64, 40 and 79 respectively during 1998-99. In two districts of Nellore and Warangal, the drop out rate of ST students during 1998-99 was 79.

(ii) In **Karnataka**, in one district (Raichur), the drop out rate of boys, girls, SC and ST was 35, 51, 45 and 54 respectively during 1998-99.

(iii) In **Maharashtra** (Dhule district), the drop out rate of boys and SC stood at 39, whereas for girls and ST, it was 41 and 51 respectively, during 1998-99. Similarly in Nanded district, the drop out rate for boys, girls and SC was 35, 34 and 31 respectively during 1999-2000.

(iv) In **Orissa**, in eight districts namely Gajapati, Bolangir, Rayagada, Kalahandi, Dhenkanal, Keonjhar, Sambalpur and Baragarh, the drop out rate of boys, girls and ST, ranged between 47 and 57, 43 and 53, 25 and 65 respectively during 1998-99. In three districts of Gajapati, Rayagada and Keonjhar, the drop out rate of ST stood at 62, 64 and 65 respectively.

(v) In **Uttar Pradesh**, in all the DPEP districts, the average drop out rate was at 39 for both boys and girls.

2.6.5.2 Repetition

Class repetition is a malaise that not only affects the internal efficiency of the educational system but also leads to the waste of precious years of childhood. In order to overcome the problem of class repetition among first generation learners, many States are following a policy of "no detention" for the first few years of schooling. Therefore under the "no detention" policy, the repetition rates should be practically zero. However, the ground reality is different. In actual practice, a large number of children continue to be shown as repeaters in Class I-II. The following reasons could be identified:

- The child is not attending school regularly.
- A common practice in all States, is to enrol an under-age child in Class I to boost enrolment and then subsequently show him as repeater till he attains the age of entry to Class-I.
- Some of the enrolled children are long term absentees and hence they are shown as repeaters over the years.

- The teachers are not aware of the “no detention” policy and continue to hold examinations and detain the children on academic grounds.

Artificial or induced repetition as a result of above factors can provide misleading signals regarding the school effectiveness. It defeats the very purpose of achievement of UEE.

Among the Phase-I Districts/States, the State of Assam continued to have the highest repetition rates (25.3 in 1998-99 for overall repetition) and (35.3 in 1998-99 for Class-I) followed by Haryana and Tamil Nadu. The position of Phase-II Districts despite marginal improvement during 1998-99 was serious as is apparent from State-wise details of repetition rates given below:

Repetition rates : Phase II districts

State	Class I		Overall	
	1997-98	1998-99	1997-98	1998-99
Assam	36.5	39.7	26.1	27.5
Bihar	24.2	22.9	12.2	11.3
Gujarat	28.5	25.2	20.1	17.4
Haryana	5.7	6.0	8.7	9.9
Himachal Pradesh	17.9	21.5	12.5	14.4
Karnataka	3.6	6.1	5.6	6.1
Kerala	NA	0.1	NA	3.5
Madhya Pradesh	2.6	2.6	2.8	3.1
Maharashtra	6.6	6.8	5.5	4.6
Orissa	10.9	22.4	5.6	11.0
Tamil Nadu	12.9	13.3	10.2	9.9
Uttar Pradesh	9.2	5.0	6.1	3.5
West Bengal	18.1	18.3	9.4	8.8
Total	15.8	15.1	9.1	8.4

Source: NIEPA Study on 'Access and Retention' 2000

The Class-I repetition rates for Assam, Bihar, Gujarat, Himachal Pradesh, Orissa, Tamil Nadu and West Bengal continued to be high. The overall repetition rate showed an increase in the States of Assam, Haryana, Himachal Pradesh, Karnataka, Madhya Pradesh and Orissa. The repetition rates for Assam were the worst, as nearly 40 per cent of children repeated Class I and 27 per cent children repeated in all Classes in 1998-99.

The Ministry stated in May 2001 that the problem of repetition had been taken into account by all the DPEP States and many States have started formulating action plans and strategies to overcome the problem.

A field study in Bongaigaon district of Assam (which registered the highest repetition rate among DPEP districts in the State), revealed various factors affecting high repetition rate in Class I. 93 per cent of schools did not have Teacher Learning Modules (TLMs) and the teachers were not interested in using new TLMs. Most of the teachers showed little interest in teaching and many were found using harsh punitive methods which scared away the students. About 75 per cent of repeaters were below six years of age. Attendance of repeaters was irregular and about 50 per cent repeaters attended school for less than 60 days. The teachers were not aware of the existence of

“no detention” policy, and as such, the failed candidates in examinations continued as repeaters. 44 *per cent* repeaters could not understand/learn any classroom instructions given by the teachers. A large number of under-age children continued to be detained despite their good performance. On the other hand, a large number of children were shown as enrolled merely to justify the continuation of teachers working in these schools. Similarly, large number of under-age children were enrolled with the promise that Mid-day Meal incentive may be introduced again.

The Ministry while accepting the position stated that the Assam Government has recently introduced “Ka-maan”, a pre primary section to overcome the problem of underage children.

2.6.6 Achievement Levels

One of the core objectives of the DPEP was to raise average achievement levels of all primary school students by at least 25 *per cent* over baseline levels by ensuring achievement of basic literacy and numeracy competencies and a minimum of 40 *per cent* achievement levels in other competencies. Further, the difference in learning achievement among gender and social groups was to be reduced to less than five *per cent*.

To measure this qualitative aspect, the project agreement envisaged Baseline Assessment Surveys (BAS) at the beginning of the project, Mid-term Assessment Survey (MAS) in the 3rd year of project and final assessment survey in final year of the project.

A summary of the position emerging from the MAS in respect of class I conducted by NCERT in 1997 and 1999 in 42 districts of Phase-I and 17 districts of Phase-II in 11 States is given in the Annex 8:

Assessment of NCERT shows that DPEP interventions in majority of States had been successful to the extent envisaged in the Scheme.

The Ministry stated in May 2001 that overall increase in students achievement warrants a comparative assessment of Baseline Assessment Survey (BAS) versus Terminal Assessment Survey (TAS). However the MAS is intended to ascertain the achievements so as to allow mid course corrections and plan future strategies based on findings.

2.7 Lack of Community Focus

2.7.1 Programme Management : Decentralization and Participatory planning

The District Primary Education Programme (DPEP) envisaged large-scale involvement of the community in primary education in order to universalise access and retention and improve performance. To achieve success, community mobilization efforts were to be supplemented by the grassroot level structures such as VEC, VCC, PTA and MTA. This was essential to allow the programme to respond meaningfully to the emergent needs of the people and community.

2.7.2 Status of community based structures

The community based structures need to be strengthened

While the development of community based structures is an evolutionary process, the ORG-CSR survey clearly reveals that more focused sustained and intensive measures are required to be taken in the manner emphasized by the Scheme. The functional status of the community-based structures indicates that these structures were yet to achieve the objective of establishing a link with the community. Overall, in the villages where the VEC was existent, only one-third (34 per cent) of the households/parents affirmed the existence of these structures as indicated in the table below:

Functional Status of Community Based Structures

Structures	No. & Percentage of Villages/CEBs where members were aware of their membership		Percentage of households/Parents aware of existence and activities of structures
	N	per cent	
VEC	883	66	34
VCC	188	10	7
PTA/MTA	562	42	29
N=No. of Respondents			40844 households 19093 parents

Statewise variations in the functional status of these structures was observed. In Haryana, Karnataka, Uttar Pradesh and West Bengal despite the existence of VECs, these structures were not playing an active role in the educational activities (Annex 9)

The functional status of PTA/MTA was even lower (29 per cent). In Andhra Pradesh, Gujarat, Haryana and Uttar Pradesh, though these structures were established in more than half the villages/CEBs, less than one-third of the households/parents confirmed active involvement of these structures in educational activities. (Annex 10)

The Ministry stated in May 2001 that there is a minimum lead time required to put the community based structures in place and operationalise them as the process of establishing links with the community for greater involvement in primary education was complex in nature. The Ministry also stated that DPEP States and districts have adopted their own context specific strategies that are best suited to their conditions and are in line with the prevailing State policies.

2.7.3 Non participatory approach for selection of community based structures

Low level of involvement of community in programme activities

In order to avoid preferential selection and ensure fair representation, the role of community in nomination and selection of the members was envisaged under DPEP. Survey findings revealed that the selection of community members was not participatory. The process of selection, that was the key to evolution of these structures for enhancing people's participation, had not been adopted in the right spirit. Currently, the selection of VEC, PTA/MTA members was primarily a listing exercise undertaken by the school

headmaster, Sarpanch / Gram Panchayat, without involving the community at large.

A poor interface among the community and these structures was reinforced by the low level of involvement of the community in activities undertaken by the VECs/PTA/MTA. Even though the VEC/VCC and PTA/MTA members reported involvement in school improvement activities, awareness of the community was low as indicated in the table below:

Awareness regarding activities undertaken by VEC/VCC and PTA/MTA among the community

Activities	Percentage Members reporting awareness		
	VEC/VCCs	PTA/MTA	Per cent Parents Aware
Repair / Beautification of schools	59	50	52
White washing of classrooms	61	55	-
Fencing of schools boundary	30	29	25
Arranging for Basic amenities	44	-	-
Construction of additional classrooms	26	31	32
Purchase of books / T/L material	44	44	-
Preparation of low cost T/L aids	39	46	-
Mobilising funds from community	34	-	13
N=No. of Respondents	2464	789	18402

This trend was observed in all DPEP States. The key objective of DPEP to ensure that school management becomes a common concern for both community and school was thus not achieved. This calls for an intensive review of the planning and implementation process to ensure that the plans and initiatives are in line with the goals and the vision of the programme.

The Ministry stated in May 2001 that the community-based structures have been constituted through a process-based exercise with wide publicity and awareness generation activities involving local community. However, the beneficiary survey while reviewing the participatory processes has gauged the extent of involvement of community in selection of members of VECs/PTA/MTA through structured interviews with the members themselves and found low level of their involvement.

2.7.4 Inadequate training to community based structures

Training to the community based structures viz. VEC/VCC and PTA/MTA was regarded as critical for ensuring that the members perform the roles assigned to them with responsibility and confidence. Survey revealed that only 39 per cent of the VEC members and 70 per cent of the PTA/MTA members confirmed receipt of training under DPEP.

In Uttar Pradesh, Tamil Nadu and Madhya Pradesh, less than one-fifth (14-16 per cent) of the VEC/VCC members confirmed receipt of training. Less than

Adequate training was not provided to community functionaries

half the PTA/MTA members had been trained in Kerala and Uttar Pradesh under DPEP (39-47 per cent) (Annex 11).

Evidently, strategies for community mobilization need to be reassessed and vitalized to empower the community to meaningfully take on the role of planning, monitoring and participation to emerge as eventual owners.

The Ministry stated in May 2001 that members of VECs/MTA/PTAs have since been trained in Uttar Pradesh and Madhya Pradesh (only VECs) and that in remaining States actions have been initiated to impart training to all members.

2.7.5 Functioning of the Block Resource Centres /Cluster Resource Centres

The BRCs/CRCs had been constituted mainly in the second year of programme implementation in Phase I districts (1995-96). In the Phase II districts, these structures had been constituted primarily in the second and later years of programme implementation as shown below:

Year of Constitution of Sub-District Structures

Year of constitution	Phase I Districts		Phase II Districts		Total	
	BRC	CRC	BRC	CRC	BRC	CRC
1994-95	9	13	0	0	9	13
1995-96	32	20	2	8	34	28
1996-97	5	10	13	24	18	34
1997-98	4	3	56	40	60	43
After 1998	4	3	25	32	29	35
Total	54	49	96	104	150	153

Limited involvement of BRC/CRC in providing training/academic support to teachers

The same trend was observed across all the DPEP states. The survey assessed the extent to which the BRCs/CRCs had undertaken the envisaged function of providing on-site academic support to the teachers. The key functions that were envisaged to be performed by the BRC/CRC include provision of academic support, undertaking monthly visits to the schools, organizing teacher trainings and involving the teachers in a range of activities to increase their motivational levels.

Not all the BRC/CRCs are currently undertaking the envisaged responsibility of providing academic support to the teachers. In the 14 DPEP states, a little more than half of the sample teachers (58 per cent) reported receiving support from their respective BRC/CRC. A higher proportion of Phase I teachers acknowledged support (62 per cent) than the Phase II teachers (55 per cent).

Undertaking routine monthly visits and monitoring of school records was one of the key responsibilities assigned to the BRC/CRCs. However, only 69 per cent of the teachers confirmed that these tasks were performed by the BRC/CRCs as shown below:

Nature of support received by Teachers from BRCs/CRCs

Aspects	No. and Percentage of Teachers Confirming	
	N	Per cent
Subject Specific problems	1113	80
Preparation of T/L Material	1076	78
Demonstrating Teaching	888	64
Monitoring Registers	966	70
Undertake Monthly Visits	956	69
Discuss specific Problems	1022	74

Multiple Response

N= 1384 Teachers confirming receipt of support from BRC/CRC

Limited involvement of BRC/CRC was also seen in imparting training to the teachers. This is evident from the fact that of the total teachers trained under DPEP, only 47 per cent confirmed involvement of BRC/CRC coordinators in imparting training to them. In Andhra Pradesh, Bihar, Madhya Pradesh and West Bengal, the envisaged function of providing academic support to the teachers and in teacher training was found to be low as shown below:

Extent of Receipt of Academic Support And Teacher Training From BRC/CRC

Support	States
High Involvement in Academic support and training to teachers	Assam (64-80 per cent); Gujarat (62-79 per cent); Kerala (83-90 per cent)
High academic support or involvement in training (in at least one aspect)	Haryana (29-75 per cent); Himachal Pradesh (17-84 per cent); Maharashtra (44-61 per cent); Orissa (44-65 per cent) Uttar Pradesh (17-72 per cent); Karnataka (45-75 per cent)
Low academic support and low involvement in Training	Andhra Pradesh (35-42 per cent); Bihar (24-51 per cent) Madhya Pradesh (26-28 per cent); West Bengal (6-26 per cent)

DPEP supports replicable, sustainable and cost effective teacher training programme through BRC/CRC. Evidently, various systemic issues would need urgent attention to ensure teacher empowerment and provision of continuous academic support.

The Ministry stated in May 2001 that BRCs/CRCs have evolved in each State differently depending upon the specific needs and existing pedagogical vision and stated that many States do not use BRCs/CRCs for training, instead resource groups are constituted to impart training at block and cluster level.

2.8 Quality of Infrastructure: Capacity Building

DPEP visualizes the creation of a network of institutions and support systems to energise and implement its goals. The infrastructural arrangement visualized mainly included, (a) availability of school building, class-room and facilities, (b) availability of teachers for enhancing school effectiveness and enrolment, (c) availability of resource persons and pedagogic supervisors at block level and for clusters of schools. Audit found serious deficiencies in the

quality of these infrastructures, as these remained incomplete, under-serviced and lacked focus. The results of test check and the field surveys are brought in succeeding paragraphs.

2.8.1 Buildings and facilities

Civil works under DPEP emerge from the basic premise that access, retention and quality improvement are directly linked to the availability and provision of basic infrastructure. With a view to improving the physical infrastructure at the school level and providing for operationalisation of academic resource institutions like BRC/CRC, SIEMT, SCERT, funds to the extent of 24 per cent of the project cost can be allocated to civil works.

2.8.1.1 Poor progress

Civil works under DPEP included construction of New School Buildings, additional classrooms, major repairs and renovation of existing schools, construction of toilets for girls, residential schools for SC and ST students. Physical structures were also proposed for each block in the district as Block Resource Centres and Cluster Resource Centres at Gram Panchayat levels.

According to data furnished by the DPEP Bureau, construction of 1,23,666 civil works in 14 States were targeted to be completed during the period 1994-95 to 1999-2000. However, as of March 2000 construction of only 64224 civil works was completed, construction of 28,122 civil works was still in progress and construction of 31,320 civil works has not been taken up at all.

In Phase-I States (where the projects started in 1994-95) 87 per cent of the planned civil works had been completed and 7 per cent were in progress. In the expansion districts of Phase-I States and six Phase-II States, only 43 per cent of targeted civil works had been completed while 29 per cent works were in progress and there was a shortfall of 28 per cent. The shortfall was substantial in Assam (60 per cent), Haryana (54 per cent), Maharashtra (58 per cent) and Himachal Pradesh (60 per cent). Significant shortfall was also noticed in Kerala (49 per cent), Karnataka (22 per cent), Orissa (24 per cent) and Uttar Pradesh (28 per cent). In Bihar, where the project started from 1997-98 (Phase III), the progress has been very slow. Of the 6585 works planned to be completed upto March 2000, only 363(6 per cent) have been completed, while 5070 works (77 per cent) have not been taken up at all. This indicated that the construction activities were not planned properly in these States as a result of which targets for civil works could not be achieved.

While admitting the shortfall in achievement of targets the Ministry attributed it to delay in sanction of funds and time taken in putting systems in place.

Findings of facility survey by ORG-CSR showed that civil works had not been undertaken in one-fifth of the BRC/CRC visited in the 14 DPEP States. State-wise, the highest number of BRCs/CRCs where construction works had not been undertaken were in Himachal Pradesh, Uttar Pradesh and West Bengal. Only 56 per cent of the BRCs/CRCs in all States excepting Himachal Pradesh, Haryana and Orissa confirmed having received technical support from the District Project Office.

Construction activities were not planned properly, large shortfall in completion of civil works were noticed.

Civil Works had been given low priority in Tamil Nadu, Kerala and Gujarat. In these states, besides low utilisation of funds earmarked for civil works for each district, even the utilisation of school grants was low. In Tamil Nadu a good proportion of schools required provision of additional classrooms, toilets etc. Utilisation of civil works/ school grants for improvement and upgradation of basic infrastructure facilities viz.; repairs of school buildings and construction of toilets/urinals had also been undertaken only in a limited number of schools. While repair activities had been carried out in 39 per cent of the schools, provision of basic amenities viz. toilet facilities and drinking water had been made in only 19-21 per cent of the schools.

2.8.1.2 Loss of Community focus

An important finding of the beneficiary survey related to the involvement of the community in the execution of the civil works. While a key strategy of DPEP was to involve the community at all levels, starting from selection of site to overseeing the construction works, the survey brought out that barely 23 per cent of the VECs members contacted during survey confirmed their involvement in construction activities. In fact the VECs were visualized under the scheme as a project manager for construction activities.

2.8.1.3 Irregularities in execution of Civil Works

Various irregularities were noticed in the execution of Civil Works central to the task of infrastructure building. These irregularities cumulatively led to widespread misapplication of resources, idle investments, waste and non-accountability. While the details are shown in the Annex 12 to 15, a summary position is given below:

(Rs in Crore)					
Sl. No.	Nature of the irregularity	States/UTs	Amount	System implication	Reference to Annexure
1.	Expenditure in violation of norms	Haryana, Kerala, Maharashtra, Madhya Pradesh, Orissa, Tamil Nadu, West Bengal	23.35	Failure of monitoring	Annex 12
2.	Idle Expenditure	Assam, Himachal Pradesh, Karnataka, Madhya Pradesh, Maharashtra, Orissa	10.97	Loss of synergy	Annex 13
3.	Wasteful Expenditure	Karnataka, Madhya Pradesh, Tamil Nadu, Maharashtra	1.94	Lapse in quality control	Annex 14
4.	Non-submission of works accounts	Haryana, Orissa	4.58	Lack of accountability	Annex 15

The Ministry stated in May 2001 that unit cost of various components of construction decided during the formulation of the project are very preliminary and tentative. Therefore a difference in unit cost would remain once the detailed design and estimates are prepared and that unit costs would increase over the years to account for escalation. The Ministry also stated that benefit of cost saving due to community involvement could not be obtained in Tamil Nadu as the process of community involvement in construction started much

later during February 1998. In West Bengal higher space norms for schools were adopted since the schools were designed for activity based child centered teaching learning. The fact however remains that progress of civil works was slow and it added to the escalation of construction costs. The Ministry further stated that most of works lying incomplete for a long time were due to disputes related to non-availability of funds or cost escalation. Most of these works would be completed before the end of project period and once completed they would be put to use beyond the project period. Accounts for Rs 9.69 lakh only were outstanding and the remaining had since been adjusted.

2.8.1.4 Assets Creation

As per DPEP guidelines assets register in respect of assets acquired under the programme was to be maintained and a certified copy of the assets register in respect of the assets acquired was to be sent to the Government of India regularly even after the grant has ceased, not later than one month from the close of the financial year.

It was observed that no assets register was maintained by eight States Andhra Pradesh, Assam, Bihar, Gujarat, Karnataka, Madhya Pradesh, Tamil Nadu and Uttar Pradesh. No reason for non-maintenance of assets register were furnished by any State.

In view of the above, the assets actually created under the scheme could not be verified. Also, existence, maintenance and safety of the created assets was not ensured.

The Ministry stated in May 2001 that asset registers were being maintained in Gujarat and Madhya Pradesh and remaining States had initiated action to maintain the registers.

2.8.2 Deployment of teachers

Funds were provided under DPEP for recruitment of functionaries (DIET, BRC/CRC) and additional teachers. Deployment of teachers was intended to reduce the number of oversized classes and to improve the Pupil-Teacher Ratio. Further, the programme had emphasized the rational deployment of teachers, as teachers tend to be concentrated in urban areas as against remote/rural areas.

Review of the Programme revealed large shortfalls in the appointment of programme functionaries especially teachers/instructors. The deployment pattern of teachers was not based on any norm and was disproportionate to the prescribed Pupil-Teacher Ratio. Though the Programme stressed the need for appointment of female teachers to enhance participation of girls, appointment of female teachers was found to be insufficient.

It was observed that a large number of teachers' posts remained vacant. The position of teaching staff planned/sanctioned from DPEP funds during the period 1994-2000, filled and lying vacant as of March 2000 in eight States is indicated below :

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Sl.No.	State	DPEP			
		Planned	In Position	Shortfall	
1.	Haryana	Ph I	660	--	660
		Ph II	21	--	21
2.	Tamil Nadu -	Ph I	3100	1026	2074
3.	Kerala -	Ph I	28	7	21
4.	Maharashtra	Ph I	1899	1870	29
		Ph II	1487	672	815
5.	Karnataka	Ph I	2270	2246	24
		Ph II	2867	2245	622
6.	Himachal Pradesh	Ph I	1616	1446	170
		Ph II	1616	1446	170
7.	Uttar Pradesh	- Ph II	2991	Nil	2991
8.	West Bengal -	Ph II	800	Nil	800
Total			17739	9512	8227

It would be observed from the table that of the 17,739 posts planned in eight States 8227 posts were still lying vacant even though funds were available under DPEP. In Haryana, Uttar Pradesh and West Bengal the planned posts remained entirely unfilled.

Sample survey also revealed that in about one-third of the schools (33 per cent), all the sanctioned teachers' posts had not been filled. Area wise it was seen that position of such schools was higher in rural areas (34 per cent) as compared to urban areas (25 per cent).

Among the 14 DPEP States, significant area-wise variations were observed in Orissa (all posts filled: 48 per cent in rural areas; 85 per cent in urban areas), Tamil Nadu (all posts filled : 46 per cent in rural areas and 60 per cent in urban areas) and West Bengal (all posts filled : 49 per cent in rural areas and 63 per cent in urban areas).

In 34 per cent schools female teachers had not been appointed

While it was not a stipulation, DPEP had emphasized the presence of female teachers in primary schools so as to enhance the participation of girls in school education. The beneficiary survey however revealed that female teachers had not been appointed in almost one third (34 per cent) of the schools and the same situation existed in both Phase I and II districts.

State-wise position of schools without having a single female teacher is given below:

Name of State	Percentage of schools without a female teacher
Andhra Pradesh	35
Assam	43
Bihar	56
Gujarat	9
Haryana	30
Himachal Pradesh	19
Karnataka	21
Madhya Pradesh	57
Maharashtra	35
Orissa	33
Tamil Nadu	5
Uttar Pradesh	54
West Bengal	50

2.8.2.1 Deployment of teachers: manipulated additionality

The Scheme visualised that new posts of teachers sanctioned would be an enrolment based additionality, based on teacher-pupil ratio. Accordingly, deployment of these teachers was only for DPEP schools ; however in actual practice this was not followed as would be seen from the instances given below:

(i) In **Tamil Nadu**, 539 new posts of teachers were sanctioned under DPEP in three districts during 1997-98 although the enrolment of students had actually declined between 1995-96 and 1996-97. In another district, there was an increase in enrolment of children to the extent of 5534 pupils during 1997-98 compared to the number of children enrolled in 1995-96. Based on the teacher student ratio of 1:40, only 138 teachers could be justifiably appointed under DPEP while 487 teachers were appointed under the scheme. This resulted in the claiming of DPEP resources to the extent of Rs 13.63 crore on the excess deployment of 888 teachers and the objective of providing enrolment-based additionality remained unfulfilled.

(ii) In five project districts of **West Bengal**, 1395 teachers were appointed in excess of norms in 1302 schools, while 512 schools were running with a shortage of 1174 teachers. In one district, shortage ranged between 4 and 20 teachers per school. Government admitted the fact in August 2000 but no corrective measures have been taken.

The Ministry stated in May 2001 that the major reason for disparity was non-recruitment of teachers in the State for years together due to court cases and that steps had been taken to remove that disparity.

(iii) In **Uttar Pradesh**, all vacancies in the teachers' posts were to be filled up in teacher-student ratio of 1:50 (against 1:40 envisaged in the Programme) by September 1997. Teachers were however not found posted as per norms

leading to acute shortage or excess. In one district no teacher was posted on permanent basis. Due to non-appointment and placement of teachers in planned manner, the teacher student ratio ranged between 1:56 and 1:134 in nine project districts, which affected the programme adversely. Evidently the sanctioned posts under DPEP were used in non-DPEP schools.

The Ministry stated in May 2001 that State Government of Uttar Pradesh had since issued orders for rationalization of teacher deployment

(iv) In **Maharashtra**, in one DPEP district seven teachers were posted against 42 posts sanctioned, while vacancies were reckoned in respect of 30 schools with at least one teacher in each. Similarly in another district only 63 teachers were posted against 186 sanctioned. Here too the benefit of additional posts did not accrue to DPEP schools.

The Ministry while accepting the facts stated in May 2001 that presently 24 and 162 teachers were in position against sanctioned strength of 42 and 186 respectively. It further stated that there were difficulties in filling the posts despite availability of funds was due to recruitment norms and procedures and the policy of appointing Shikshak Sewak.

(v) In **Orissa**, against 1468 posts of teachers sanctioned for 734 new schools, 741 teachers were deployed during 1999-2000 by diverting them from non-DPEP schools, thereby causing vacancies in those schools on the face of an overall shortage of 3963 posts of teachers in the state. This is a significant instance of how the crucial additionality element could be manipulated to use DPEP resources for financing non-DPEP obligations.

2.8.3 Academic support system

As per the guidelines, the first year of implementation was to focus on putting the system in place and setting processes in motion which would inter alia include building up the training infrastructure by strengthening capacity of District Institute of Education and Training (DIET); setting up Block Resource Centres and School Clusters. It was however observed that a large number of posts sanctioned/planned for these Institutes/Centres during 1994-2000 had not been filled. The position of posts sanctioned and remaining vacant as at the end of March 2000 is given in **Annex 16**:

The shortfall in filling posts of DIET staff ranged from 10 per cent to 50 per cent in four States viz. Andhra Pradesh (Ph I : 39 per cent, Ph II : 50 per cent), Assam (Ph I : 47 per cent, Ph II : 20 per cent), Uttar Pradesh (Ph II : 44 per cent), Haryana (Ph I : 24 per cent, Ph II : 18 per cent).

Similarly, this shortfall for BRC resource persons/co-ordinators ranged between 1 per cent to 27 per cent. The shortfall was more than 10 per cent in Andhra Pradesh (Ph I : 26 per cent, Ph II : 27 per cent), Haryana (Ph II : 20 per cent), Maharashtra (Ph II : 14 per cent), Tamil Nadu (Ph II : 15 per cent) and Madhya Pradesh (Ph II : 25 per cent).

In six States (Assam, Haryana, Himachal Pradesh, Maharashtra, Orissa and Uttar Pradesh), there was shortfall in filling up of posts of CRC staff. The

Large number of posts sanctioned/planned for appointment remained vacant

shortfall was more pronounced in Himachal Pradesh (45 per cent in Phase II), Haryana (24 per cent in Ph II) and Madhya Pradesh (21 per cent in Ph II).

Thus even after three to six years from the commencement of the Project, a large number of posts envisaged to be filled in the first year of Project had remained vacant which affected the capacity building measures.

2.8.4 Competence building

The District Primary Education Programme seeks to draw upon the capabilities and skills of teachers by designing a multi-pronged approach to teacher empowerment. Strategies for teachers empowerment include imparting continuous training; providing on site academic support to teachers (from the BRC/CRCs), involving teachers in a range of activities for motivation and creating a sense of ownership towards the programme. Thus training was an important component for efficient implementation of the programme and improving the quality of education.

Review of the implementation of the Programme in States revealed that training schedule was not adhered to by the States. Large number of programme functionaries could not be imparted the required training. The position obtaining in thirteen States, information for which was available, is given in the succeeding paragraphs.

2.8.4.1 Shortfall in meeting training target

In thirteen States, targets fixed for imparting training to various functionaries involved in the implementation of the programme during the period 1994-2000 were not achieved. The shortfall in achieving the training target ranged from 3 per cent (Kerala) to 64 per cent (Bihar) in teaching staff and 1 per cent (Uttar Pradesh) to 68 per cent (Himachal Pradesh) in non-teaching staff. In teaching category, the shortfall was upto 10 per cent in four States (Andhra Pradesh, Assam, Kerala and Madhya Pradesh), 11 per cent to 25 per cent in three States (Haryana, Tamil Nadu and Uttar Pradesh) and above 25 per cent in four States (Bihar, Maharashtra, Himachal Pradesh and Karnataka).

In non-teaching category the shortfall was upto 10 per cent in three States (Andhra Pradesh, Assam and Uttar Pradesh), 11 per cent to 25 per cent in three States (Kerala, Madhya Pradesh and Tamil Nadu) and above 25 per cent in six States (Bihar, Haryana, Himachal Pradesh, Karnataka, Maharashtra and Orissa).

The reasons for shortfall were mainly attributed to engagement of teachers in other activities (Himachal Pradesh), development of package for training (Haryana), absence of teachers deputed for training and reduction in training modules, paucity of funds (Karnataka) and leave of teachers (Tamil Nadu). Remaining States did not furnish the reasons for shortfall. The position of training planned and achievement there against and shortfall in both the categories is given in the Annex 17.

It would be observed from the Annexure that in all States except Gujarat, there is a shortfall in meeting the targets.

Targets fixed for imparting training to teachers and other functionaries of the Programme were not achieved.

The Ministry stated in May 2001 that teachers were trained as per need. There were different types of training and certain training courses were meant for specific categories of teachers. The fact however remains that all teachers were to be given training under DPEP and those targets were not achieved.

2.8.4.2 State specific comments:

(i) In **Andhra Pradesh**, of the 397 training programmes planned during the year 1996-97 to 1999-2000, only 297 programmes, were conducted. Similarly against 131 workshops and seminars planned, only 48 were conducted. There was shortfall of 100 (25 *per cent*) in training programmes, and 83 (63 *per cent*) in holding workshops. The shortfall was attributed by the district office mainly to overlapping of State and district level programmes and additional time taken for preparation of training modules etc.

(ii) In **West Bengal**, an amount of Rs 17.03 crore was proposed to be utilised for training of teachers in pedagogy for improvement of educational quality at primary level. WBDPEP proposed in 1998-99 to build up 150 Key Resource Persons who would in turn build up 1500 Resource Persons by imparting training to them at district level. Ultimately the resource persons were to train 47568 teachers in 12 to 14 areas of activities. However, only Rs 1.50 crore could be spent till March 2000 for imparting training to 134 Key Resource Persons, 1432 Resource Persons and 38102 teachers in 4 areas out of 14 areas of activities. Thus full-fledged training could not be imparted to any one even after completion of three years of project period and the object of improvement in the quality of education remained unachieved.

The Ministry while admitting the facts stated that all the teacher's training and orientation package are organized at CLRCs which were constituted only in 2000. The Ministry further stated that targets were expected to be achieved shortly.

(iii) In **Maharashtra**, 56 training courses were conducted by Maharashtra Institute of Education Planning and Administration, Aurangabad during 1995-96 to 1998-99 in which 1680 trainees were planned to be trained. Against this only 1001 personnel attended the training indicating shortfall of 679 (40 *per cent*).

The Ministry stated in May 2001 that since officers chosen for training are also engaged on other priority activities *cent per cent* participation could not be achieved.

The beneficiary survey also found that during the period 1995-2000, only 33 *per cent* to 69 *per cent* schools had all the teachers trained under DPEP in each reference year.

The impact of the training programme was inadequate. As per the survey, of the trained teachers only 15-30 *per cent* teachers recalled aspects covered during the training. A poor recall of aspects like teaching methodologies, subject specific teaching methods and background to DPEP was observed across all the states. Even aspects like pupil evaluation, multi-grade classroom situations, remedial teaching, were not adequately addressed in the training.

In West Bengal financial and physical targets for training activity could not be achieved even after lapse of three years of project period.

There was also a low level of on-site academic support to teachers by the BRC and CRC. In fact, imparting training to primary school teachers was an important function assigned to the BRCs/CRCs. Less than half (47 per cent) the teachers trained confirmed receipt of training from the BRC/CRC coordinator. This was despite the fact that in almost four-fifth (80 per cent) of the teachers reported village/BRC/CRC as the venue of training.

Significant state-wise variations were observed regarding the extent of involvement of BRC/CRC. While in Karnataka, Tamil Nadu, Assam and Kerala more than three-fourth (76-82 per cent) of the teachers confirmed involvement of BRC/CRC; low involvement of these sub-district structures was observed in Uttar Pradesh, West Bengal, Madhya Pradesh, Bihar and Haryana

2.8.5 Special Interventions

The Universal focus of DPEP encompassed special areas for specific intervention. These were intended to address the lot of disadvantaged and under-privileged children who were either incapable of joining the formal school stream or were handicapped in coping with the vigours of formal schooling. Early Childhood Care & Education (ECCE) was visualized as an integral part of DPEP to provide a channel for moulding and orienting children at a pre school stage eventually entering the school at the primary level. An essential condition of this vision was that it should not replicate the services already available in this area under ICDS. Thus in providing Early Childhood Care and Education, DPEP aimed at a total convergence. Audit review brought out that the scheme failed to organize the means at its disposal to deliver appreciable results. The findings are detailed in the succeeding paragraphs.

2.8.5.1 The non formal interface

Funds were provided to open Non-Formal Education Centres (Alternative Schools) as per the Government of India Scheme in States which are not covered by that Scheme to meet the diverse educational needs of children who were deprived of formal primary education inspite of all the measures designed to improve school effectiveness.

While no target were fixed for opening of ECCE Centres, 115000 alternative schools of different types were planned to be started in DPEP Phase-I and II districts and another 11500 Centres were proposed for DPEP Phase-III districts. Against this target, a total of 40943 alternative schools had become operational till March 2000, in which 15.93 lakh children have been enrolled. Of these 9.32 lakh children (59 per cent of the total enrolment) were enrolled in Madhya Pradesh alone. The progress of enrolment in other 13 States has been marginal. No centre has been opened in Himachal Pradesh. The details are given below:

Sl. No.	State	Total enrolment under AS
1.	Assam	150612
2.	Gujarat	23648
3.	Bihar	40000
4.	Haryana	11400
5.	Karnataka	15836
6.	Kerala	2540
7.	Madhya Pradesh	931598
8.	Maharashtra	57006
9.	Tamil Nadu	31161
10.	Uttar Pradesh	36785
11.	Andhra Pradesh	103213
12.	West Bengal	36880
13.	Orissa	10000
14.	Rajasthan	142300
	Total	1592979

Since the AS are to cover the special groups like child labour, children of migrating families etc., there is a need to identify the population of such groups and habitation where AS could be opened to achieve the objective of UPE.

Test check of records in States revealed the following:

2.8.5.2 Status of opening of NFE Centres

(a) **Bihar:** Against 7988 NFE centres proposed for opening in areas where educational facilities were not available at all, 2540 Alternative Schooling Centres were opened upto March 2000. The Bihar Shiksha Pariyojna Parishad did not assess requirement of Alternative Schooling Centres in DPEP project districts.

(b) **Gujarat:** In three DPEP districts of Gujarat, 2000 Alternative Schooling Centres were targeted to be opened upto March 2000 against which 1436 centres were opened indicating a shortfall of 28 *per cent*. The shortfall was attributed to non-receipt of applications for opening of these Centres from village education committees. Of the 2.95 lakh children identified (December 1997) as the target population, only 0.33 lakh (11 *per cent*) were enrolled as of March 2000.

The Ministry stated that 2011 AS centres had been opened till March 2001 in which 43465 students had been provided access.

(c) **Haryana:** In Haryana the State Project Director did not fix any target for opening of NFE Centres. During 1998-2000, 550 NFE Centres were opened in which only 5142 children were covered.

The Ministry stated that till February 2001 about 1580 alternative schools were set up in which 25000 students were enrolled. The Ministry however did

not indicate the number of out of school children and number of AS targeted to be set up.

(d) **Himachal Pradesh** : In two districts (Chamba and Sirmur) 681 NFE Centres were planned to be opened but none of the Centres was set up. No reason for not opening the centres was intimated (April 2000).

(e) **Orissa** : No NFE Centre was opened in the State upto November 1999. However, 380 Alternative Schooling Centres were opened in December 1999 in eight districts and 7775 out of school children were enrolled in these centres.

(f) **Maharashtra** : In nine project districts of Maharashtra 3235 NFE Centres involving 1.71 lakh students were targeted to be opened during 1996-99. Against these targets, 2868 centres were opened till March 1999 in which 70120 students were enrolled. There was shortfall of 11 per cent in opening of centres and 59 per cent in enrolment of students.

Test-check conducted by audit in the four districts (Aurangabad, Nanded, Parbhani and Gadchiroli) revealed shortfall in opening of the centres ranging from 4.49 per cent in Nanded to 74.33 per cent in Gadchiroli and shortfall in enrolment of students ranging from 8.81 per cent in Nanded to 87.39 per cent in Aurangabad during 1996-2000.

The Ministry attributed the shortfall to out of school children being engaged on work or being migrants and being scattered. It further stated that State Government through its initiative has declared opening of Vastishala and Mahatama Phule Education. Guarantee scheme from 2001-2002 to provide education to every child. This would facilitate providing educational opportunity to remaining out of school children irrespective of their number.

(g) **Tamil Nadu** : In five test-checked districts (Dharmapuri, Villupuram, Cuddalore, Thiruvannamalai and Pudukottai), 1074 Alternative School Centres were opened in 1999-2000 which covered 24983 children against the 4.67 lakh children eligible for coverage. Percentage of children covered in these centres during 1999-2000 was 6.46 per cent and 5.9 per cent only of eligible children in Villupuram and Cuddalore districts and 3.05 per cent and 8.63 per cent for Dharmapuri and Thiruvannamalai districts respectively.

(h) **West Bengal** : In five districts (Bankura, Birbhum, Cooch Behar, Murshidabad and South 24 Parganas) 1048 Shishu Shiksha Kendras (SSKs) were opened by Panchayat and Rural Department, Government of West Bengal in which 44092 'out of school' children were enrolled during 1999-2000. As per information furnished by SPO, 9.73 lakh children between the age group of 5 to 9 years remained out of primary schools during 1999-2000 in five DPEP districts. No step was taken by SPD for coverage of 9.73 lakh children either in formal school or SSKs.

(i) In **Madhya Pradesh** : Alternative Schools were converted into Education Guarantee Scheme (EGS) schools from 1999-2000. However, expenditure of Rs 12.21 crore incurred during 1999-2000 on the AS converted into EGS was booked under DPEP, which was irregular.

In five districts 9.73 lakh children between the age group of 5-9 years remained out of school during 1999-2000.

DPEP envisages providing primary education and not merely primary schooling. Alternative Schooling is therefore significant. Survey findings disclosed that only nine *per cent* households were aware of the availability of NFE centres. The poor awareness regarding these facilities is also reflected in the negligible enrolment of children in NFE centres (0.6 *per cent*). In the sample households covered, 9 *per cent* of the total children in 6-14 age group who were never enrolled, constitute an important target segment for enrolment in NFE centres.

A similar trend was observed across all states except Maharashtra, Orissa and Andhra Pradesh where 26-30 *per cent* of the households reported access to NFE centres within 1 Km. of walking distance. However, even in these states only 1-3 *per cent* of the total children in 6-14 age group were enrolled in the NFE centres.

2.8.5.3 Early Childhood Care and Education

Funds were provided under the DPEP for expansion of Early Childhood Care and Education Centres in villages not eligible to be covered under Integrated Child Development Scheme (ICDS) for preparing children for primary school through school readiness programme. DPEP was to prefer measures to promote convergence wherever such services existed rather than replicating them.

2.8.5.4 Status of opening of ECCE Centres

Against requirements of 119325 ECCE centres only 555 centres were opened.

(a) **Bihar** : In Bihar, for 47.73 lakh children who were not covered by ICDS in the project districts, 119325 ECCE centres were required (as per norm of one centre for 40 children) but only 555 centres were set up as of March 2000.

The Ministry stated that DPEP does not seek to provide 100% ECCE coverage. The ICDS programme of the DWCD is the largest ECCE programme under implementation in the country. Against the target of setting up 700 ECE centres, 1117 centres have been started in Bihar to ensure that large number of children are not denied access to ECC services. The fact however remains that large number of children were neither covered by ICDS nor DPEP.

(b) **Orissa**: No ECCE centre was opened in the state upto November 1999. The State Project office attributed the reasons for non opening of ECCE Centres to non-receipt of commitment from the State Government for sustaining these centres after the project period was over.

2.8.5.5 Opening of ECCE Centres in areas covered by ICDS

(a) In **Uttar Pradesh**, 2100 ECCE centres were envisaged to be opened in the villages not covered by ICDS in 15 districts. However, instead of setting up ECCE Centres, the Department chose to strengthen ICDS centres and spent Rs 97.37 lakh on payment of honorarium and supply of materials to Anganwari workers. Thus, the needs of children of villages not covered by ICDS remained unfulfilled.

The Ministry stated in May 2001 that ICDS centres were strengthened as part of convergence under DPEP and that 2100 ECE/ICDS centres were jointly identified by ICDS and DPEP and have been opened in the villages having the lowest female literacy and high dropout rate of girls.

(b) In Madhya Pradesh, Early Childhood Care and Education Centres named Shishu Shiksha Kendra (SSK) were to be financed initially on a limited scale only, in one district or one block per district and the activity was to be scaled up gradually over the project period. The following points were noticed in test check of records in districts:-

(i) Sanction of 383 SSKs in Shahdol, Betul and Surguja districts was accorded during 1995-96 (136) and 1996-97 (247). These became functional during 1996-97 as the material for establishing and starting SSK (furniture, educational material etc.) was purchased during 1996-97 and staff was appointed during 1996-97. Sanction for opening Anganwadis (AWs) was also accorded during 1995-96 by State Government which commenced functioning from 1996-97. As the AWs had commenced functioning under ICDS, establishing and starting SSKs in the same villages of the three districts had resulted in replication of the same services in same villages. Expenditure of Rs 127 lakh incurred on payment of honorarium to staff, purchase of material etc. during 1996-2000 was avoidable.

It was intimated (March 2000) by District Project Coordinator (DPC) Surguja that AWs were opened after opening of SSK and advice was sought to shift SSK in other villages, while DPC Shahdol opined (April 2000) that due to universalisation of ICDS, there was no need of SSK and proposal was sent to SPO Bhopal to this effect.

(ii) 669 SSK were started in 14 blocks of Betul, Dhar, Raigarh, Satna and Shahdol districts during 1996-98. Sanction for establishing and starting 1848 Anganwadis under ICDS was also accorded by Government during 1997-98 and they were functional during 1998-99. However, the SSK also continued under DPEP simultaneously in the same villages. Replication of the same services had resulted in an avoidable expenditure of Rs 96.71 lakh in the five districts during 1998-2000. It was intimated by DPCs of the districts that SSK were run as per instructions of SPO.

(iii) In three blocks of Betul district, staff was appointed during 1995-96 while the SSK were established during 1996-99 due to delay in purchase of material. Delay in establishment of SSK had resulted in unfruitful expenditure of 13.83 lakh on honorarium of staff appointed in advance. In Raigarh district, 150 SSK were opened against the sanction of 102 SSK. Opening of 48 excess SSK resulted in unauthorized expenditure of Rs 15.25 lakh during 1996-2000. It was intimated (January 2000) that SSK were opened according to need of rural areas.

Avoidable expenditure of Rs.223.71 lakh was incurred on setting up of SSK in places where Anganwadis had also been opened under ICDS for the same purpose

Convergence of primary schooling facilities with alternative schooling envisaged under the programme received low priority

Convergence of services such as primary education and ECCE was envisaged as an important strategy of DPEP to allow those children to enrol in schools who could not attend schools as they had to take care of their siblings. It was envisaged that pre-primary schools would accommodate children below 6 years to relieve their elder brothers and sisters to go to school. Awareness regarding pre-primary education facilities in Anganwadi/balwadi centres was fairly good with more than two-third (70 per cent) of the households confirming availability of these facilities within 1 Km. of walking distance. Access to these facilities were reported by higher proportion of rural households (74 per cent) as compared to urban households (52 per cent). Less than one-fourth (22 per cent) of the schools indicated availability of pre-primary education facilities within the school complex. A higher proportion of Phase I schools (31 per cent) confirmed availability of pre-primary education facilities within the school complex as compared to Phase II schools (19 per cent).

Though 70 per cent of the households had confirmed access to pre-school facilities, currently only 2 per cent of the total children below 6 years (20 per cent of total children upto 14 years of age were below 6 years) in these households were enrolled in ECCE centres.

This highlights the key issues related to convergence of primary schooling facilities with alternative schooling. The convergence of these facilities has received low priority under DPEP and needs to be strengthened.

2.8.5.6 Integrated Education for the Disabled (IED)

Position of implementation of IED activities emerging from the data available in the Report on National Level Workshop on Education of children with special needs is given in the Annex 18:

In 10 States (Assam, Gujarat, Haryana, Himachal Pradesh, Uttar Pradesh, Kerala, Maharashtra, Orissa, Tamil Nadu and West Bengal) 156368 children were identified. Out of those only 107311 (69 per cent) were enrolled in various schools. 31 per cent children remained out of schools in Assam (46 per cent), Gujarat (12 per cent), Haryana (20 per cent), Himachal Pradesh (6 per cent), Uttar Pradesh (90 per cent), Maharashtra (35 per cent), Orissa (36 per cent), Tamil Nadu (7 per cent), West Bengal (49 per cent). Data for enrolment and identification of children of Andhra Pradesh, Bihar, Madhya Pradesh and Karnataka were not available.

Only 8.56 per cent of those children who have been identified had been given aid and appliances in States viz. Andhra Pradesh, Assam, Bihar, Haryana, Kerala, Orissa, Tamil Nadu, Uttar Pradesh and West Bengal. The remaining five States Maharashtra, Madhya Pradesh, Karnataka, Himachal Pradesh and Gujarat had not provided any aid and appliances to disabled children till March 2000.

2.9 Monitoring

A Management Information System (MIS) under DPEP was set up to facilitate the process of planning, management and monitoring of project

inputs and outputs. At the national level, the scheme is monitored by DPEP General Council headed by the Minister of Human Resource Development, DPEP Project Board headed by the Secretary, Department of Education and the DPEP Bureau with assistance from Technical Support Group (Educational Consultants India Ltd.). At the State level, the General Council and the Executive Committee of the State Implementation Society (SIS) and various other committees at village/district/block level are required to monitor the implementation of the scheme. Each State has to furnish two types of progress reports (EMIS & PMIS) periodically to the TSG which consolidates these reports for onward submission to the Ministry. The Education Management Information System (EMIS) is an annual return and reports on key variables and performance indicators at the school, block and district level. The Project Management Information System (PMIS) is a quarterly return and reports on fund flows and delivery of key project inputs. According to the Ministry, the data generated through the EMIS was, at times, at variance with the statistics furnished by State Governments. This was an area of concern which they were attempting to address. Therefore, the accuracy of project statistics has to be viewed in the light of this fact.

2.9.1 Monitoring at the central level

At the central level, the General Council was required to meet annually and the Project Board quarterly, to monitor the progress. It was noticed in audit that at the national level, during the entire review period (1994-2000), only one meeting of the General Council was held in November 1997 and the Project Board held only seven meetings.

2.9.2 Monitoring at the State level

At the State level, the General Council, the Executive Committee of the SIS and various other committees at different levels were to meet at prescribed intervals to monitor the progress of the scheme. It was noticed by Audit that these committees did not hold meetings regularly to review the implementation of the scheme. The implementation of the EMIS and PMIS suffered due to poor response from State/district administration resulting in the compilation of unreliable data and delayed data collection. State-wise comments are given below:

(i) In Andhra Pradesh, the PMIS has not been implemented. Resultantly, the status of key project inputs in the DPEP districts could not be monitored.

(ii) In Assam, the PMIS and MIS Cell in all the project districts did not maintain year-wise data regarding number of eligible students, enrolled students, community-wise and gender-wise break-up, training and number of dropout students. The General and Executive Committee in the State did not monitor the situation.

(iii) In Bihar, there was total absence of monitoring of the programme in the State. At the State level, the State Resource Group (SRG) was to be formed for smooth implementation of each component of the scheme. Against this, SRG was formed for only two components out of six components of the

Project Board and
General Council did
not meet regularly

Total absence of
monitoring observed
in Bihar

scheme. Similarly, no district resource groups were formed at the district level to ensure effective implementation of the programme. No norms were laid down regarding inspection by State and district level officers. Accounts of the BSPP were not inspected by any officer of the State Government, though it was mandatory. PMIS was not developed at district and state levels, as a result of which status of the project inputs and outputs was not ascertainable.

(iv) In **Gujarat**, the General Council had met only once during the period 1996-2000.

(v) In **Haryana**, the General Council was not constituted despite six years of operation of the scheme.

The Ministry stated in May 2001 that General Council has been constituted in April 2001.

(vi) In **Himachal Pradesh**, monitoring resource team personnel and consultants were to visit some sample districts in the State and prepare reports on all elements of programme implementation. Test check revealed that no such visits were made by the team during the period 1996-2000. The General Council held only one meeting during above period.

(vii) In **Madhya Pradesh**, the expenditure reported in PMIS was found exaggerated and physical progress was also not found realistic. Utilisation reported in utilisation certificates was thus inflated.

(viii) In **Maharashtra**, the percentage shortfall in inspection of schools by Project Officer and Deputy Project Officer, ranged between 27 & 52 and 42 & 61 respectively for Phase I districts. For Phase II districts, it ranged between 56 to 66 and 63 to 74 respectively. The inspection reports of nine DPOs and 73 BEOs for the years 1997-98 and 1998-99 were not issued to the concerned offices for compliance. The Governing Council was to meet twice in a year. Only two meetings were held by the General Council during the period 1994-2000. Similarly against the required 24 meetings to be held by the Executive Committee at district level, only 9, 13 & 14 meetings were held in districts of Nanded, Aurangabad and Parbhani respectively during the period 1994-2000.

The Ministry stated in May 2001 that districts have been instructed to call EC meeting at regular interval.

(ix) In **Orissa**, the State Government directed that monthly review meetings would be held from June 1998. Test check revealed that against the stipulated 22 monthly review meetings, only three meetings were held. Prior to July 1998, no meetings were held. PMIS reports were not sent during the period 1996-2000. Thus monitoring at the State level was virtually non-existent.

(x) In **Tamil Nadu**, the General Council has held only one meeting and the Executive Committee had conducted 12 meetings during the period 1994-2000

(xi) In **Uttar Pradesh**, test check revealed that no effective monitoring was done at district, block and village levels. In seven districts of Gonda, Balrampur, Sonbhadra, Basti, Moradabad, Siddharth Nagar and Hardoi, the

The Governing Council met only twice during 1994-2000 instead of meeting twice a year

Monthly review meetings not held as stipulated

number of District Education Project Committee meetings held, fell short by 58 to 83 *per cent* during 1997-98 to 1999-00. At the block and village levels, there was no evidence to establish that the meetings of BRC and VECs were organised.

The States Level Monitoring Committee held only two meetings during 1997-2000

(xii) In West Bengal, the State Level Monitoring Committee (SLMC) was constituted 16 months after the commencement of the project. Further against the stipulated norm of holding monthly meetings, the SLMC held only two meetings during the period 1997-2000. PMIS started functioning from June 1999 only, though the project started in 1997-98. Even the three PMIS reports sent to the Ministry, did not contain information containing school statistics. The Monitoring Committee observed (August 1999) that the database on enrolment, schools, etc. was unstable. The VECs did not monitor the school performance

Overall, it would be seen, monitoring was a casualty both in Centre and in States. This calls for appropriate action by the Government.

2.10. Evaluation

The DPEP scheme has not been comprehensively evaluated so far. However, on a smaller scale, a number of research and evaluation studies have been carried out on different aspects of DPEP, by many States, TSG and other mainstream educational and research institutions like NCERT and NIEPA. Evaluation of the programme was not conducted in the States of Assam, Bihar, Madhya Pradesh and Tamil Nadu. Apart from these evaluations, the multilateral agencies which are assisting the scheme, are also required to carry out a biannual Joint Review Mission (JRM) in selected districts of States.

The 12th JRM visited 13 States of Andhra Pradesh, Assam, Bihar, Gujarat, Himachal Pradesh, Karnataka, Maharashtra, Kerala, Orissa, Rajasthan, Tamil Nadu, Uttar Pradesh and West Bengal in November 2000.

While the 12th JRM noted that there had been progress towards achievement of the objectives of the programme, there still remained pockets of deprivation as also disparities between Phase-I districts and those entering the programme subsequently. Based on monitoring information and experience of implementation, the JRM noted that it would be harder for some children to benefit fully from the programme and also that some objectives would be harder to achieve than others. In particular, the programme objectives of reducing drop-outs and raising learning achievement so that all children reach the level of basic competencies would be harder to reach. The JRM also noted that micro planning strategies had been understood and interpreted in different ways by different States. In-class discrimination towards girls was also a factor operating negatively on the levels of learning achievement. Some districts in both DPEP-I and DPEP-II states continued to depict a high degree of social inequalities as far as ST enrolment was concerned. The Mission also recognised that the programme was in different stages of evolution in different states, districts and sub-districts and also noted the variation in the evolution of the process of 'pedagogical' renewal.

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The Ministry stated in May 2001 that the mechanism for review of DPEP through biannual Joint Review Mission provides the funding agencies and Government of India the opportunity to take stock of the progress made so far in various areas. The assessment of the progress of the programme is always in sequel to the one made by earlier missions and is never stand alone. It notes the progress made during the period under assessment and suggests steps that need to be taken in order to improve upon achievement made.

Annex 1

(Refers to Paragraph 2.3)

Executive Summary of Beneficiary Survey

Coverage

- Beneficiary survey covered 17 phase I districts and 37 phase II districts (54 districts in all) which included 1081 villages (20%), 280 CEBs. For assessing school effectiveness and programme impact on enrolment and retention the survey contacted 40844 households, 13929 Parents, 2451 teachers and 1361 schools.

Decentralisation and Participatory Planning

- Despite the existence of the community based structure which were envisaged to contribute to programme implementation and long-term sustainability, awareness level of the members regarding their membership/roles and responsibilities was very low indicating thereby the failure to achieve the objective of creating an interface with the community. Although the VECs, for instance, were found to be constituted in 88 *per cent* of the villages covered across 14 States, in about one-fifth (22 *per cent*) of the villages these structures existed only on paper, as either the members were not traceable or were not aware of their membership/roles and responsibilities.

- Though the PTA/MTA and VECs existed in 42-66 *per cent* of the villages/CEBs, their functional status was confirmed by only 29-34 *per cent* of the parents/households covered.

- The sub-district structures (BRCs and CRCs) established under DPEP with the specific objective of providing academic interface between the educational administrators and the school could not perform uniformly across the States. Concerns are evident in Andhra Pradesh, Bihar, Madhya Pradesh and West Bengal.

Civil works and Infrastructure provisions

- Limited involvement of VECs and community in construction works in all the 14 States reinforced the concerns of efficiency with which the strategies have been identified for long term. The civil works had been initiated in only a limited way in schools after implementation of DPEP. In Tamil Nadu, Kerala and Gujarat besides low utilization of funds ear-marked for civil works for each district, even the utilization of grants was low.

- A poor status of operationalisation of school improvement activities is evident from the fact that more than half of the schools (56 *per cent*) in the DPEP States did not have toilet facilities. Though provision of toilet for girls was an important strategy outlined for equity focus, as high as 72 *per cent* schools did not have separate toilets for girls. Only 24 *per cent* of the sample schools covered across DPEP States had all the basic infrastructure. Though 92-100 *per cent* schools confirm receipt of school grants meant for area specific needs, the poor interface of the VECs with schools resulted in only about one third (36%) of the VECs members contacted being aware of these grants.

Convergence of Primary Education Services

- Though nearly all households across the 14 States confirmed access to formal schools (96%), access to alternative schooling viz. Non-Formal Education was low under DPEP. Convergence of services such as primary education, ECCE was envisaged as an important

DPEP strategy, however, the utilization of these services was low even in those states where access was high. Among the 14 DPEP States only two *per cent* of the total children below six years in the household visited, were enrolled in ECC centers.

Teacher Recruitment and Training

- Rural Urban disparities in teacher deployment were palpably evident as 61% of the rural schools had three or more teachers, the same proportion was 85 in the urban schools. Recruitment of higher proportion of female teachers being an important strategy under DPEP to achieve equity focus has been a dismal failure as there were no female teachers in 34% of the school visited across 14 DPEP states more than half the schools in Bihar, Madhya Pradesh, Uttar Pradesh & West Bengal did not have single female teacher.

- Concerns on the efficacy of the training programmes were felt across all the states, as the level of recall of aspects covered during the training was low

Provision of incentives to Disadvantaged Sections

- A low reach of the incentives (free textbooks & supplementary material) provided under DPEP was evident in all the sample States. Though 44-81 percent schools confirmed provision of supplementary material and free textbooks, only 24-64 percent of the parents whose children were studying in these schools confirmed the receipt of the same. Such a state of affairs existed in all the 14 States.

Achievement of Programme Objectives

- A review of the enrolment trends for 1995-96 to 2000-2001 revealed that there was little evidence of the impact of the programme in enhancing participation of children. Evidence of the objective of reducing the gap in enrolment among gender groups to less than 5 percent was apparent in only 5 out of the 14 sample States viz. Andhra Pradesh, Madhya Pradesh, Orissa, Uttar Pradesh and West Bengal. Among the other states, concerns are evident in Bihar and Gujarat where the gender-wise variations continue to be more than 5 percent.

- A review of the dropout rates during 1995-96 and 2000-2001 revealed that a decline in dropout rates during 2000-2001 as compared to 1995-96 was witnessed only in Himachal Pradesh, Karnataka, Madhya Pradesh, Maharashtra and Uttar Pradesh (4 percent decline).

- The programme objective of reducing the overall dropout rates to less than 10 percent could not be achieved. Except Kerala (where female literacy rates were high even at time of DPEP Implementation) all the other DPEP States continued to have a dropout rate of more than 10 percent. Concerns were once again evident in Assam and Bihar where 38-39 percent of the students enrolled in primary classes continued to dropout.

- Implementation and monitoring of the programme through the community based structure, giving due cognizance to enhancing school effectiveness through local area planning are some of the key components which need immediate attention in this regard.

Annex 2

(Refers to Paragraph 2.5.5.1)

Cases of misutilisation of funds

Sl. No	Name of State	Period	Amount (Rs In lakh)	Non-programme purposes for which utilised
1.	Assam	1994-2000	263.99	Payment of furniture grant of Rs 3000- per school to 5000 existing primary schools. Purchase of text books from DPEP funds though a similar scheme was being run by the State Government. Non-admissible expenditure towards awards to VECs.
2.	Bihar	October 97 to March 2000	64.20	Incentive granted to 2076 Mahila Samooch to promote saving in bank accounts.
3.	Gujarat	March 1998 to March 2000	149.92	Purchase of 5550 sets of story books worth Rs 144 lakh without following prescribed procedure. Purchase of swings and slides worth Rs 5.92 lakh in March 1998 but not installed till March 2000.
4.	Haryana	1995-2000	30.43	Haryana Prathmik Siksha Pariyojana Parishad sanctioned project allowance to various categories of staff at the rate ranging between Rs 150 and Rs 400 per month in addition to deputation allowance without the approval of Government of India. The Ministry stated in May 2001 that SPD Haryana has been informed, to bear expenditure towards payment of project allowance.
5.	Himachal Pradesh	1997-98 to 1998-99	88.54	District Project Office (DPO) Kullu and Sirmour paid salaries to 250 water carriers and 300 Kahars. DPO Sirmour purchased duplicating machines and typewriters and supplied these equipments to Block Primary Education Officer of district.
6.	Karnataka	1996-2000	313.40	DPO Raichur incurred expenditure in respect of pay and allowances of 30 pre-primary teachers. Honorarium paid to Anganawadi workers/Ayachs in 2444 Anganawadi centres run by ICDS. Printing of calendars worth Rs 9.16 lakh.
7.	Kerala	1995-2000	428.32	Six districts project co-ordinators paid library grant to schools. Supply of note books to SC/ST and girls students. Expenditure of Rs 7.86 lakh incurred on meetings of award committee for deciding award of Rs 1.38 lakh for best school.
8.	Madhya Pradesh	1995-2000	215.50	Purchase of school uniform, text books (these were to be supplied under State scheme), plants, coolers for Collectorate, printing of health cards etc.
9.	Orissa	February 1999 to October 1999	13.60	Purchase of diaries & geometry boxes (instead of reading and writing material), banners, flowers etc. Expenses connected with organization of sports and cultural competitions.
10.	Tamil Nadu	March 95 to October 99	24.76	Purchased computers and peripherals, Air Conditioner and photocopiers and supplied to officers other than the State Project Directorate (SPD) or District Project Co-ordinators (DPC).
Total			1592.66	

Annex 3

(Refers to Paragraph 2.5.5.2)

Diversion of funds

(Rs in lakh)

Sl. No.	Name of State	Period during which funds diverted	Heads under which funds were diverted				Total
			Personal Ledger A/c/ Civil Deposit	Other Schemes	Staff salaries/ Training	Other activities	
1.	Andhra Pradesh	1997-99	--	--	--	86.27	86.27
2.	Assam	1997-98	--	--	--	0.78	0.78
3.	Bihar		--	--	--	48.00	48.00
4.	Gujarat	1997-98	448.31	--	--	14.05	462.36
5.	Kerala	1996-98	--	127.96	--	--	127.96
6.	Madhya Pradesh	1994-2000	217.00	43.07	--	--	260.07
7.	Orissa	1997-98	202.17	--	--	--	202.17
8.	Tamil Nadu	1995-97 & 1999-2000	--	18.45	63.08	15.00	96.53
9.	Uttar Pradesh	1998-2000	--	44.03	199.04	--	243.07
	Total		867.48	233.51	262.12	164.10	1527.21
	Percentage		57.00	15.00	17.00	11.00	100.00

Annex 4

(Refers to Paragraph 2.5.6)

Statement showing details of financial irregularities

Name of State	Period	Amount (Rs in lakh)	Remarks
(A) Avoidable/excess expenditure			
Assam	January 95 to December 99	27.31	15 officials were deployed in Dhubri district in excess of sanctioned strength
Bihar	1998-99	41.65	Payment of central excise duty on vehicles for use in World Bank assisted projects was not leviable
Gujarat	March 98 to January 99	87.41	Reimbursement of salary arrears not obtained from parent offices of deputationists
Himachal Pradesh	NA	144.00	Debiting of salaries of teachers to DPEP funds on the basis of sanctioned strength instead of teachers-in-position.
Madhya Pradesh	1994-99	487.00	Expenditure incurred on opening of schools in excess of norms
Maharashtra	1999-2000	114.00	Purchase of books in excess of the prescribed ceiling
(B) Outstanding advances			
Assam	NA	673.60	Advances given by State Project Director to various officers for implementation of scheme
	1994-95 to 1999-2000	24.24	Funds were given to SCERT and SIET for holding training programmes, meetings, seminars, research, evaluation etc.
Bihar	October 1997 to March 1999	84.11	For miscellaneous expenses to staff and others
Himachal Pradesh	March 1996 to October 1999	27.41	For consultancy and civil works to consultants and contractors.
Kerala	May 1998	2.10	To Block Resource Centre Coordinator
	April 1999 to July 1999	1.61	To two officials of BRC, Kaniyapuram
	April 1995 to September 1999	22.63	Drawn by Programme Officers, DIET staff, Research Assistant for conducting training courses, workshops and seminars
Madhya Pradesh	1995-96 to 1996-97	456.00	Advance to Commissioner Public Instruction and Commissioner Tribal Development for payment of honorarium to Shiksha Karmi
Orissa	1996-97 to 1999-2000	239.78	To 8 district offices and state office for teachers training, MIS training, contingent advances, etc.
	1996-97 to 1999-2000	31.08	To six institutions and one contractor for conducting Baseline and Mid-term assessments and allied purposes
	1996-97 to 1999-2000	5.08	Advances of TA on tour to 52 employees of State Office

(C) Misappropriation/embezzlement			
Bihar	1997-98	3.50	Dubious purchase of vehicle
Karnataka	1996-97	269.00	Alleged misuse of books meant for free distribution.
(D) Non-submission of utilisation certificates (UCs)			
Andhra Pradesh	1996-2000	656.00	74428 UCs for grants released during the period 1996-2000, awaited from schools and teachers
Assam	1997-99	32.57	UCs awaited for grants released to Assam Mahila Samata Society
West Bengal	1997-2000	732.00	UCs awaited for Teaching Learning Material (TLM) grants from State Project Office
Tamil Nadu	NA	1355.00	UCs for grants released towards TLM and school improvement, not received from all the schools

Annex 5

(Refers to Paragraph 2.6.1)

Status of infrastructure facilities under DPEP scheme

Sl. No.	Name of State	Total number of schools	Number of schools without building or in tents	Number of schools without drinking water	Number of schools without girls toilets	Number of schools without black-board	Number of schools with one teacher	Pupil Teacher Ratio more than 50:1	Average Student Classroom Ratio
1.	Assam	11756	664(6)	4846(41)	11248(96)	936(8)	1756(15)	6322(54)	66
2.	Bihar*	33554	2548(8)	12460(37)	31471(94)	7223(22)	8244(25)	18585(55)	53
3.	Gujarat	6143	291(5)	1992(32)	5184(84)	875(14)	1167(19)	3612(59)	39
4.	Haryana	4623	89(2)	834(18)	2518(54)	311(7)	301(6)	2699(58)	45
5.	Himachal Pradesh	2933	73(2)	1112(38)	2745(94)	135(5)	443(15)	429(15)	29
6.	Kerala	3555	19(0.5)	245(7)	1825(51)	80(2)	15(0.4)	101(3)	27
7.	Madhya Pradesh	59865	7105(12)	21185(35)	50900(85)	5767(10)	10195(17)	24126(40)	39
8.	Maharashtra	17971	605(3)	6079(34)	13749(76)	185(1)	2902(16)	5657(31)	43
9.	Orissa	11577	411(4)	5971(52)	10766(93)	641(6)	1873(16)	3317(29)	33
10.	Tamil Nadu	10650	58(0.5)	2545(24)	9630(90)	9(0.08)	1080(10)	2699(25)	42
11.	Uttar Pradesh	23063	746(3)	3510(15)	15241(66)	4547(20)	6213(27)	16605(72)	64
12.	West Bengal	14302	652(5)	5281(37)	13477(94)	591(4)	1430(10)	13673(96)	84
	Total	199992	13261(7)	66060(33)	168754(84)	21300(1)	35619(18)	97825(49)	

* Data for 1998-99

Note: Figures in parenthesis indicate percentage to total number of schools

Annex 6
(Refer to Paragraph 2.6.3.1)
Gender and social disadvantage differential

Sl. No.	Name of State/District	Year	Percentage of difference between		
			SC and others	ST and others	Boys and girls
1.	Andhra Pradesh				
	(i) Vizianagaram (ii) Warrangal	1998-99 1998-99	26	45	6
2.	Tamil Nadu				
	(i) Pudukottai (ii) Dharmapuri	1999-2000 --do--	--	34	6
3.	Assam				
	(i) Darrang	1998-99	12	18	
	(ii) Barpeta	--do--		7	--
	(iii) Goalpara	1999-2000		13	
	(iv) Bongaigaon	--do--	30	49	
4.	Karnataka				
	(i) Belgaum (ii) Kolar	1998-99 1999-2000	6		14 7
5.	Orissa				
	(i) Gajapati	1999-2000	20		11
	(ii) Bolangir	--do--	34	32	6
	(iii) Kalahandi	--do--	29	23	9
	(iv) Dhenkanal	--do--	43	51	
	(v) Keonjhar	--do--	24		6
	(vi) Sambalpur	--do--	17		
	(vii) Baragarh	--do--	33	34	
	(viii) Rayagada	--do--			14
6.	West Bengal				
	(i) Cooch Behar	1999-2000		12	
	(ii) Murshidabad	--do--		20	--
	(iii) South 24 Parganas	--do--		54	
7.	Bihar				
	(i) Dhumka	1999-2000		17	17
	(ii) Rohtas Nagar	--do--		39	14
	(iii) Gaya	--do--			14
	(iv) Sitamarhi	--do--			23
	(v) Vaishali	--do--			13
8.	Madhya Pradesh				
	(i) Surguja (ii) Shahdol	1999-2000 --do--	7 10	25	9
9.	Maharashtra				
	(i) Jalna	1999-2000			7
10	Gujarat				
	(i) Banaskantha (ii) Panchmahal	1999-2000 --do--	- -	- -	24 12

Annex 7

(Refers to Paragraph 2.6.4)

Distribution of free text-books and supplementary material

State	% School providing		% Parent confirm receipt	
	Free text books	Supplementary Material	Free text books	Supplementary Material
Andhra Pradesh	98	77	95	39
Assam	62	68	62	69
Bihar	81	16	27	8
Gujarat	35	76	20	44
Haryana	99	58	60	27
Himachal Pradesh	97	75	81	17
Karnataka	100	27	80	23
Kerala	100	73	66	33
Madhya Pradesh	64	34	20	14
Maharashtra	59	58	51	43
Orissa	100	15	52	2
Tamil Nadu	51	26	86	24
Uttar Pradesh	99	-	57	-
West Bengal	50	30	63	2
All India	81	44	64	24

Annex 8

(Refers to Paragraph 2.6.6)

Trends of achievement levels/Performance in basic literacy and numeracy competencies

(i) Language

As per the Mid-term Assessment Survey (MAS) of learning achievements conducted by NCERT in 1997 of 42 Phase I districts of DPEP in seven States, Class I students' performance in language, as compared to Baseline Assessment Survey (BAS) conducted in 1994 in 28 districts showed increasing trends ranging from 1 to 35 per cent, however, only in 6 districts the increase in achievement level was more than 25 per cent (one in Assam, all the four in Karnataka and one in Maharashtra). On the other hand 14 districts showed decline ranging from 1 to 18 per cent. Decline was more than 5 per cent in 10 districts (one in Assam, one in Kerala, six in Madhya Pradesh and two in Maharashtra).

Similarly, in the MAS conducted by NCERT in 1999 of 17 Phase II districts in four States, performance of Class I students' in language indicated increase ranging from insignificant to 31 per cent in 14 of the 17 districts as compared to BAS conducted in 1996. However, only one district in Andhra Pradesh could achieve increase of 31 per cent. The increase ranged from 13 to 31 per cent in Andhra Pradesh, insignificant to 18 per cent in Gujarat, 2 to 15 per cent in Himachal Pradesh and 10 to 20 per cent in Orissa. One district in Himachal Pradesh and two districts in Orissa showed decline upto 5 per cent.

(ii) Mathematics

According to MAS (1997) Report *ibid*, performance of Class I students in Mathematics as compared to BAS (1994) showed increasing trend in 33 out of 42 districts in seven Phase I States. The increase ranged between half per cent to 44 per cent. But only 9 districts could achieve the target of 25 per cent increase (one each in Haryana, Madhya Pradesh and Maharashtra, two in Tamil Nadu and four in Karnataka). Nine districts in four States (one each in Assam, Kerala and Maharashtra and six in Madhya Pradesh) indicated decline ranging from 3 to 17 per cent from the level of 1994. The decline was more pronounced in Kerala – 11%, and four districts of Madhya Pradesh 16 to 17%.

MAS conducted in 1999 in 17 districts of four States also indicated mixed trends in Mathematics. Increase ranging from 1 to 35 per cent as compared to BAS (1996) was observed in 15 out of 17 districts. While increase was insignificant (upto 2%) in 3 districts (one each in Gujarat, Himachal Pradesh and Orissa), it ranged between 8 to 19% in eight districts. Only 4 districts in Andhra Pradesh could achieve the target increase of 25%. Two districts in Himachal Pradesh showed significant decline of 7% (Chamba) and 11% (Kullu).

(iii) Gender difference in level of competence in language and mathematics

The programme envisaged reducing the difference of achievement level between boys and girls to 5 per cent in language and mathematics. Surveys conducted by NCERT in 1997 (42 districts) and 1999 (17 districts) of 11 States revealed that of the 59 districts in 17 districts of 4 States the difference in achievement level of language and mathematics

between boys and girls of Class I remained more than 5 per cent. The difference ranged from 5 to 8% in language and 8 per cent in mathematics in two districts of Orissa; from 7 to 8% in language and 5 to 18% in mathematics in 12 districts of Madhya Pradesh; from 7 to 8% in Mathematics in two districts of Maharashtra and one district of Andhra Pradesh. The difference was more than 10 per cent in Rewa (18%) and Sidhi (11%) districts of Madhya Pradesh.

(iv) Social group difference in learning achievement of language and mathematics

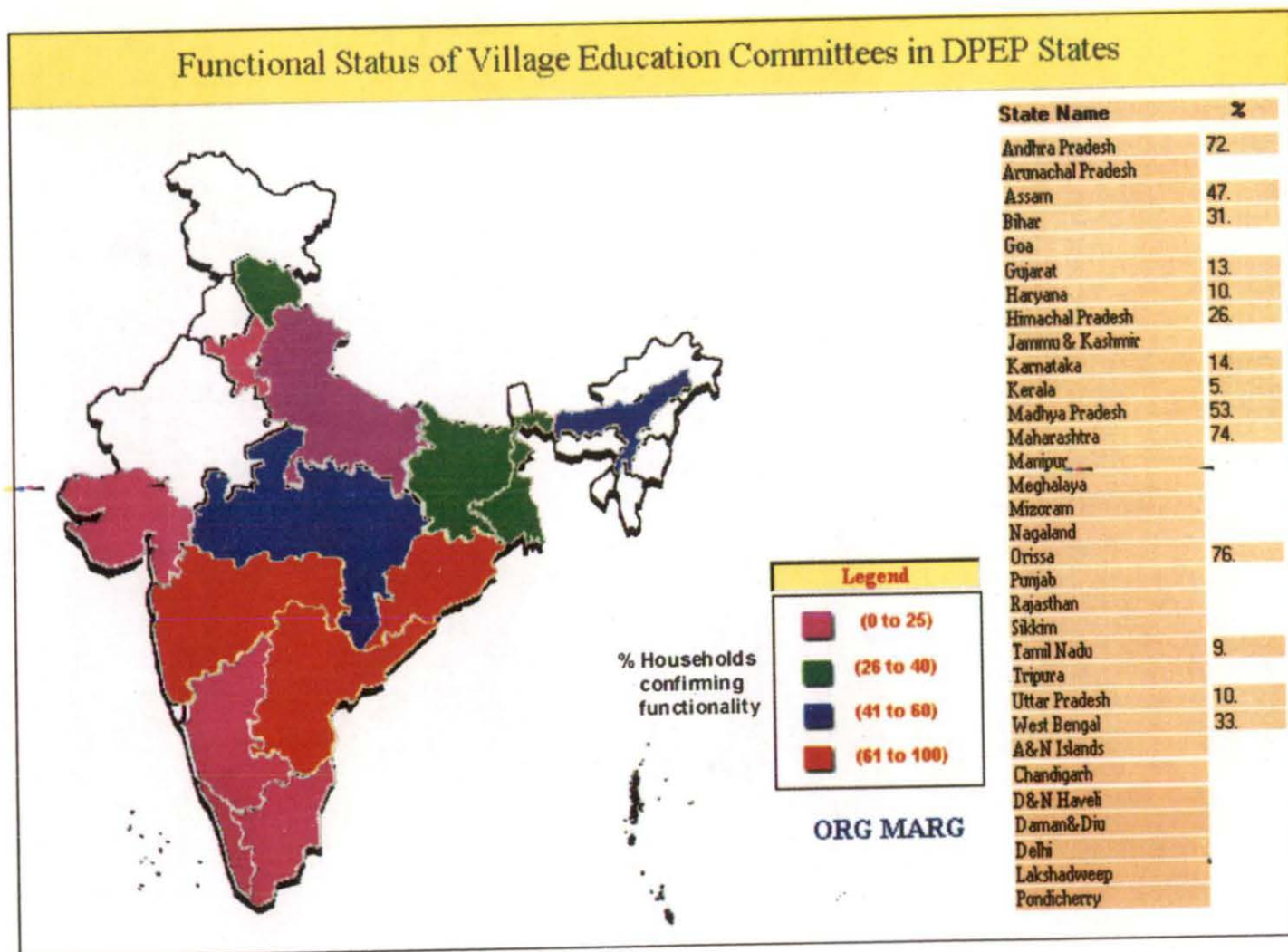
The programme also targeted to achieve the goal of reducing difference in achievement level between social disadvantage groups i.e. SC and ST and others to 5 per cent in language and mathematics. The Mid-term Assessment Surveys conducted by the NCERT in 1997 and 1999 of 59 districts in 11 States revealed that difference in achievement level of SC/ST and others students of Class I remained more than 5 per cent in language and mathematics in all the 11 States. The Table below depicts the range of difference prevailing in various districts.

Sl. No.	Name of the State	No. of Districts	Difference between SC and others	Difference between ST and others
1.	Assam	3	5.40% (Mathematics)	6 to 21% (Mathematics) 6 to 16% (Language)
2.	Andhra Pradesh	3	11% (Language)	10 to 16% (Language)
3.	Haryana	3	8-10% (Language) 5.02% (Mathematics)	--
4.	Gujarat	1	8% (Mathematics)	--
5.	Himachal Pradesh	1	9% (Language) 8% (Mathematics)	9% (Mathematics)
6.	Karnataka	3	5.45 to 13% (Language) 7 to 8% (Mathematics)	9% (Mathematics) 12% (Language)
7.	Kerala	1	13% (Language) 16% (Mathematics)	--
8.	Madhya Pradesh	15	6 to 13% (Language) 6 to 25% (Mathematics)	6 to 22% (Language) 6 to 20% (Mathematics)
9.	Maharashtra	3	6 to 10% (Language) 7 to 10% (Mathematics)	6% (Mathematics)
10.	Tamil Nadu	3	5 to 9% (Language) 6 to 9% (Mathematics)	--
11.	Orissa	5	6 to 14% (Language) 10% (Mathematics)	7 to 28% (Mathematics)

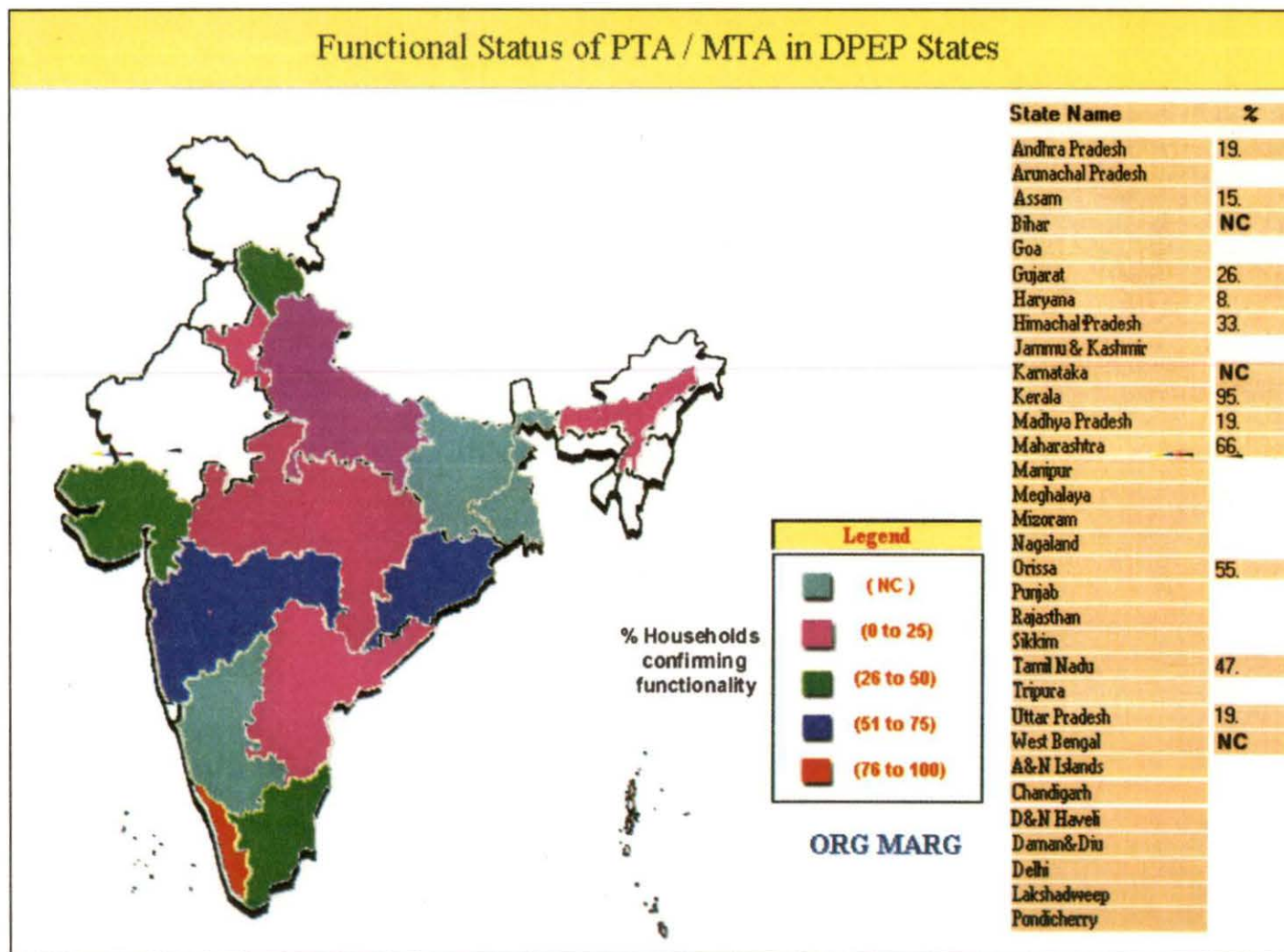
The difference between SC and others was 10% or more in 14 districts of seven States viz. Hissar 10% (Haryana), Belgaum 13% (Karnataka), Wayanad 13 to 16% (Kerala), Ratlam 13% to 17%, Sehore 13%, Rajnandgaon 15%, Surguja 25% (Madhya Pradesh), Latur 10%, Aurangabad 10% (Maharashtra), Vizianajaram 11% and Rayagada 10-14% (Orissa).

Similarly difference between ST and others was more than 10% in 10 districts of 5 States viz. Darang 16% to 21% (Assam), Raichur 12% (Karnataka), Rajnandgaon 20-22%, Surguja 13%, Raisen 26%, Ratlam 14 to 19% (Madhya Pradesh) and Rayagadh 15% to 18%, Gajapath 28% (Orissa), Karim Nagar 10%, Kurnool 16% (Andhra Pradesh).

Annex 9
(Refers to Paragraph 2.7.2)



Annex 10
(Refers to Paragraph 2.7.2)



Annex 11

(Refers to Paragraph 2.7.4)

Proportion of VEC/VCC and PTA/MTA Members Trained under DPEP

States	Percentage of Members Trained	
	VEC/VCC	PTA/MTA
Andhra Pradesh	50	74
Assam	47	71
Bihar	30	Not constituted
Gujarat	53	89
Haryana	65	73
Himachal Pradesh	48	66
Karnataka	38	Not constituted
Kerala	63	47
Madhya Pradesh	15	--
Maharashtra	54	94
Orissa	43	62
Tamil Nadu	16	78
Uttar Pradesh	14	39
West Bengal	98	Not constituted

Annex 12

(Refers to Paragraph 2.8.1.3)

Details of cases of avoidable expenditure on Civil Works

Sl. No.	Name of State	Period	Avoidable expenditure (Rs in lakh)	Remarks
1.	Haryana	1994-00	35.00	Construction of 141 double rooms for school buildings at a cost of Rs 351 lakh instead of sanctioned amount of Rs 316 lakh.
2.	Kerala	N.A.	75.00	Excess claim of M/s. SIDCO towards pre-contract activities in 335 cases of civil works.
3.	Maharashtra	Jan.1997	14.10	Non-reduction of unit cost for construction of 34 BRC with reference to the area of the BRC.
4.	Madhya Pradesh	1994-00	392.00	Non-deduction of contractor's profit of 10 percent on departmentally executed work of construction of BRC, primary schools, additional rooms, etc. as required.
5.	Orissa	1997-98	0.84	Construction of MIS building at Dhenkanal at a cost of Rs 2.27 lakh against sanctioned amount of Rs 1.43 lakh.
6.	Tamil Nadu	N.A.	771.62	Construction of school buildings in two panchayat union primary schools which were not required as per norms. Construction of 1163 class-rooms and BRC buildings through PWD instead of through community participation to have cost savings.
7.	West Bengal	1999-00	1046.00	Construction of new school buildings, circle resource centers and additional classrooms at rates higher than the rates approved by funding agency and not following the space norms.
Total			2334.56	

Annex 13
(Refers to Paragraph 2.8.1.3)
Idle expenditure due to delay in completion of civil works

Sl. No.	Name of State	No. of districts involved	No. of pending item of works	Period	Amount of expenditure incurred (in lakh of Rs)	Due date of completion	Delay in completion	Remarks
1.	Assam	One	91	1994-95 to 1996-97	186.59	November 1997	Since Nov.-97 (2 years 3 months)	D.P.C Dazantg had taken up 573 items of civil works against the budget provision of Rs 795.63 lakh during 1994-95 to 1996-97 out of which 91 items of work in which 186.59 lakh had already been invested remained incomplete due to stopping of further expenditure to limit it within 24 percent of the total Project Cost.
2.	Himachal Pradesh	--do--	6	Jan-1998	3.94	September 1998	9 to 19 months	Six civil works with an estimated cost of Rs 6.20 lakh started in January, 1998, were still held up due to land dispute and work being below specification. An amount of Rs 3.94 lakh incurred on the construction thus remained unproductive.
		--do--	221	NA	100.00	March 1998 to July 1999	-	221 civil works like construction of school buildings, additional class rooms etc. with an estimated cost of Rs 1.41 crore for which Rs one crore had already been paid to the agencies were lying incomplete due to land problems, excess cost of constructions etc.
		--do--	92 school buildings	NA	131.00	April 1998 to Dec. 1999	4 to 24 months	92 school buildings with an estimated cost of Rs 2.21 crore on which an expenditure of Rs 1.31 crore had been incurred were lying incomplete as of April 2000 due to difficulties in site development.
3.	Karnataka	Four	B.R.Cs buildings	1997	12.24	NA	NA	The work of building B.R.C at Srimivaspura, Sindhanoor, Kushtagi and Huikkeri, though commenced during 1997 were lying incomplete after incurring expenditure of Rs 11.49 lakh. No

Sl. No.	Name of State	No. of districts involved	No. of pending item of works	Period	Amount of expenditure incurred (In lakh of Rs)	Due date of completion	Delay in completion	Remarks
								action was taken to get the work completed for which no reasons were placed on record. An amount of Rs 0.75 lakh had also been incurred on account of rent towards hired building for BRC Kushtagi.
		One	11 B.R.Cs buildings	-	-	1997-98 to 1998-99	-	The civil works in 11 B.R.Cs at Kolhar, Deodurg and Hingsugur districts completed during 1997-98 to 1998-99 could not be put into use for want of completion of water supply, sanitation and electrical works.
		One	11 school buildings	-	-	1997-98 to 1998-99	-	Out of 15 school buildings only 11 school buildings were constructed in Kolhar district, the buildings could not be put to use for want of completion of water supply and sanitation works.
		One	Providing jet pumps	January 1997 to July 1990	17.43	-	-	Water Tanks, jet pumps procured at a cost of Rs 17.43 lakhs (January 1997 to July 1998) were issued to the agency for fitting them in schools at C.R.Cs in Raichur district but these were not found in the buildings. Reasons for the same is still awaited.
4.	Madhya Pradesh	Six	434 civil works	1995-99	423.00	Within 120 days from the date of agreement	-	The 434 works started during 1995-99 on which Rs 423 lakh has been spent were lying incomplete resulting in unfruitful expenditure.
5.	Maharashtra	One	32 B.R.C. buildings	Nov. 1996	102.15	Dec.-1997	27 Months	The civil work of 34 B.R.C buildings in Wardha district were entrusted (Nov-96) to an agency at an estimated cost of Rs 2.64 crore. Out of which an amount of Rs 102.15 lakh had already been paid to the agency. However, as of January 2000, work in respect of only two BRCs were completed, work of three BRCs were not started for want of land and local dispute and works pertaining to 29 BRCs were completely stopped since September 1997

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Sl. No.	Name of State	No. of districts involved	No. of pending item of works	Period	Amount of expenditure incurred (in lakh of Rs)	Due date of completion	Delay in completion	Remarks
								due to dispute about release of further advance to the agency.
		Four	166 two room school building	-	-	Within 6 months from the date of agreement	5 to 24 months	419 two rooms school buildings at a cost of Rs 12.15 crore were planned for construction. Of these, 253 schools were completed, 112 were in progress and the balance 54 works were not started as of January 2000 due to non-observance to the time schedule by the local agencies.
6.	Orissa	One	280 Tube-Wells In Different Primary Schools	February-1999	100.52	May-1999		The work of sinking of about 280 Tube wells in different Primary Schools at a total value of Rs 100.52 lakh was entrusted to an agency. As per agreement the work was to be completed by May 1999. Neither the work had been completed as of March 2000 nor had any extension of time been granted to complete the work. Further, out of Rs 6 lakh paid to the society (3/99) Rs 4 lakh was outstanding against the agency for recovery. Rs 6.36 lakh was also paid in August 1999 towards the cost of PVC pipe* worth Rs 4.25 lakh on 5/99, which were lying un-used as of March 2000.
		One	59 Tube-wells	March-99	20.40			The D.P.C Kalahandi had deposited an amount of Rs 20.40 lakh (March-99) with the Executive Engineer RWS 859 Division Bhawanipatna for marking of 59 tube-wells, while work for 13 tube wells had been completed in all respect, work for 40 tube wells was in progress. In the case of 6 works, even alternate school had not been identified, Hence reporting of Rs 20.40 lakh as expenditure by the D.P.C Kalahandi was not correct.

Annex 14

(Refers to Paragraph 2.8.1.3)

Substandard works

(Rs in lakh)

Sl. No.	State	Item of work	Amount (Rs)	Year of completion	Remarks
1.	Karnataka	1 School Building	3.20	1997-98	The building had developed cracks and could not be put to use.
2.	Madhya Pradesh	25 BRCs	137.80	1995-97	The buildings were sub-standard and incomplete due to seepage in roofs and want of water and electricity fittings etc.
3.	Tamil Nadu	126 class room buildings	--	1994-2000	In 126 out of 915 school buildings constructed during 1994-2000 at a cost of Rs 30 crore, major defects like leakage in roofs cracks in walls etc. were reported. However, in the absence of any provision for maintenance the defects could not be rectified.
4.	Maharashtra	10 toilets	3.52	March 1997	Agency could complete the work at only 10 toilets out of 500 by May 1997. Due to poor performance and sub-standard work the contract was cancelled by DPO, Aurangabad. Refund of Rs 3.52 lakh was demanded but not recovered (July 2000).
	--do--	7 rooms	9.51	July 1997	Out of 364 school buildings, 7 school buildings constructed in 6 blocks were bad in quality and therefore rejected.
	--do--	1 room	1.20	--	Due to sub-standard work the building was dismantled.
	--do--	207 borewells	30.87	January 2000	Out of the 1847 borewells targeted, 1354 wells were completed by Jan. 2000, of which 207 (15%) wells involving an expenditure of Rs 30.87 lakh were declared failed.
	--do--	187 toilets	7.84	1996-97	187 toilets out of 513 were not in use since 1996-99 for want of water supply and cleaning facility.
	Total	564	193.94		

Annex 15

(Refers to Paragraph 2.8.1.3)

Non submission of works expenditure accounts

In Haryana, District Project Coordinator of three districts (Jind, Mahendergarh, and Sirsa) released Rs 102.69 lakh to 260 VCCs for construction of additional class rooms/boundary wall/pump/toilets etc. during the period 1995-96 to 1999-2000, of these 240 VCC.s had not rendered expenditure accounts for Rs 94.54 lakh as of March 2000. The Project Director replied (July 2000) that Rs 48.42 lakh pertaining to 131 VCC.s had been adjusted after receipt of detailed accounts/utilization certificates and the balance amount would be adjusted after reconciliation of the records with the concerned VCCs.

In Orissa, as per Monthly Progress Report on civil work for December 1999 and January 2000 submitted to State Project Officer, Bhubaneswar, the DPCs of Sambalpur, Kalahandi, Bolangir and Rayagada districts had reported that 932 civil works were completed at an expenditure of Rs 412.83 lakh. The amount were paid to VECs in the shape of advance only. However, it was observed that the details of expenditure incurred and completion reports from the VCCs duly certified by JE/DPB were not obtained, in the absence of which actual completion of work and expenditure incurred thereon could not be verified. On being pointed out by Audit, the DPCs replied (January-2000, February-2000 March-2000 and April-2000) that the completion reports from the VECs would be obtained and intimated.

Annex 16

(Refers to Paragraph 2.8.3)

Staff position in DIET/BRC/CRC

State	DIET Staff				BRC resource persons/co-ordinators				CRC Staff			
	Planned	In Position	Short-Fall	% short-fall	Planned	In-position	Short-fall	% shortfall	Planned	In-position	Short-fall	% shortfall
Andhra Pradesh												
Ph I	124	76	48	39	760	565	195	26	--	--	--	--
Ph II	343	171	172	50	2202	1609	593	27	--	--	--	--
Assam												
Ph I	73	39	34	47	27	27	--	--	418	418	--	--
Ph II	92	74	18	20	29	26	3	10	585	562	23	4
Gujarat	108	81	27	25	46	46	--	--	482	482	--	--
Haryana												
Ph I	76	58	18	24	28	25	3	10	266	241	25	9
Ph II	104	85	19	18	25	20	5	20	277	210	67	24
Himachal Pradesh												
Ph II	100	69	31	31	33	30	3	9	399	221	178	45
Karnataka												
Ph I	108	84	24	22	280	278	2	1	339	334	5	1
Ph II	189	162	27	14	504	497	7	1	798	798	--	--
Kerala												
Ph I	59	53	6	10	50	50	--	--	380	380	--	--
Ph II	63	55	8	13	60	60	--	--	384	384	--	--
Maharashtra												
Ph I	130	115	15	12	238	215	23	10	639	624	15	2
Ph II	104	90	14	13	312	267	45	14	651	539	112	17
Madhya Pradesh												
Ph I	1157	824	333	29	198	193	5	3	3137	3137	--	--
Ph II					171	129	42	25	3144	3144	--	--
Orissa												
Ph II	135	101	34	25	85	85	--	--	1132	890	242	21
Tamil Nadu												
Ph I	88	71	17	19	288	277	11	4	--	--	--	--
Ph II	66	53	13	20	136	116	20	15	--	--	--	--
Uttar Pradesh												
Ph II	672	373	299	44	215	213	2	1	2109	1945	164	8

Annex 17

(Refers to Paragraph 2.8.4.1)

Shortfall in targets for training

Sl. No.	States	Total planned	Total trained	Shortfall	% Shortfall
1.	Andhra Pradesh				
	Teaching	75050	71105	3945	5
2.	Assam				
	Teaching	74441	70867	3574	5
3.	Bihar				
	Teaching	139122	50682	88440	64
4.	Gujarat				
	Teaching	36540	36299	241	Insignificant
5.	Haryana				
	Teaching	58297	47654	10643	18
6.	Himachal Pradesh				
	Teaching	14905	9436	5469	37
7.	Karnataka				
	Teaching	104232	77808	26424	25
8.	Kerala				
	Teaching	86664	84023	2641	3
9.	Maharashtra				
	Teaching	387350	206348	181002	47
10.	Madhya Pradesh				
	Teaching	46961	46144	817	2
11.	Orissa				
	Teaching	48793	57882	--	--
12.	Tamil Nadu				
	Teaching	141982	124315	17667	12
13.	Uttar Pradesh				
	Teaching	104722	91202	13520	13
	Non-Teaching	3549	3524	25	1

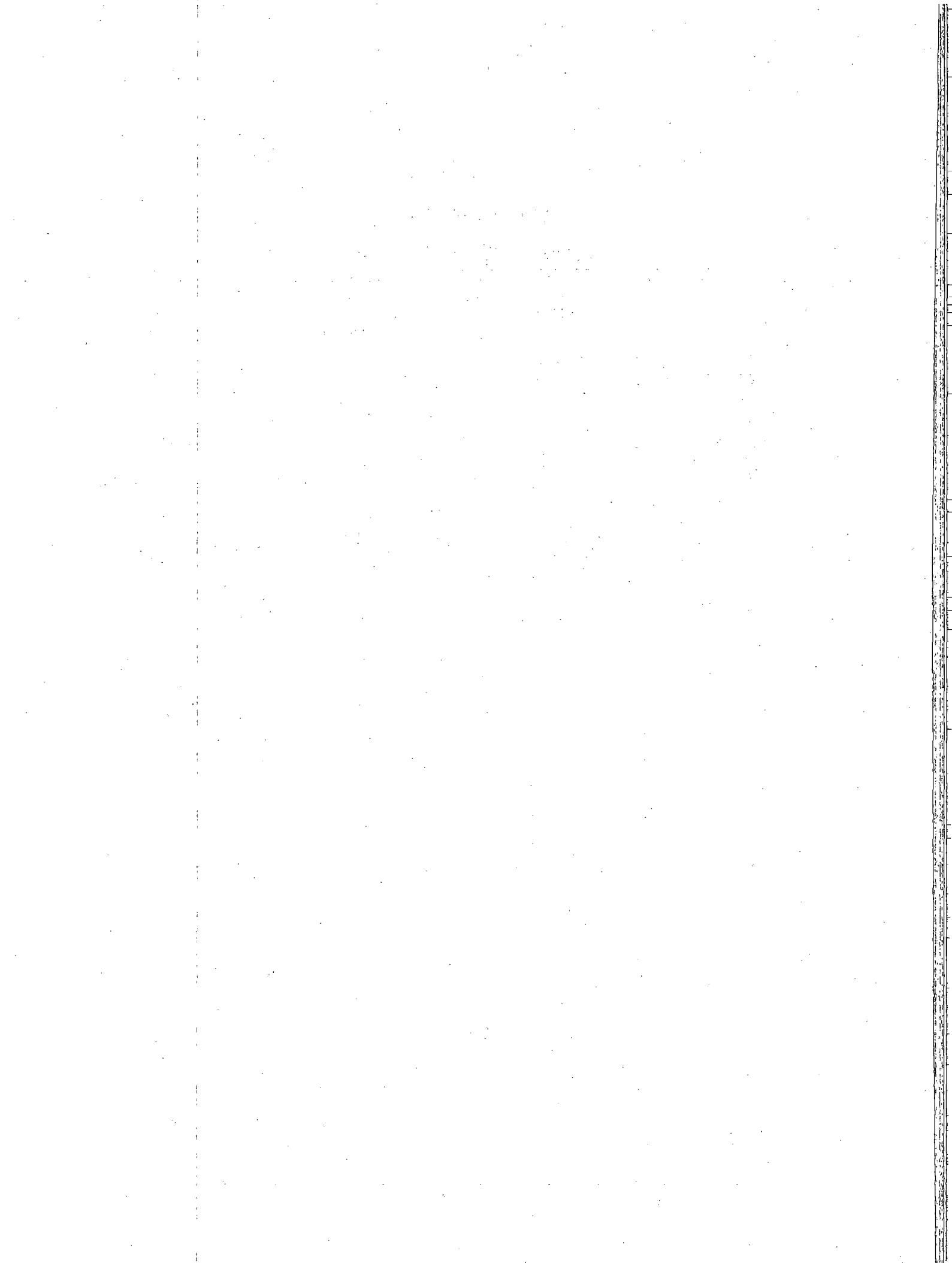
Annex 18

(Refers to Paragraph 2.8.5.6)

Integrated education for the disabled children

Sl. No.	Name of State	No. of children identified	No. of children enrolled	No. of children out of school (% w.r.t. children identified)	No. of children to whom aid and appliances provided (% w.r.t. children identified)
1.	Andhra Pradesh	1293	--	--	574 (44%)
2.	Assam	2776	1487	1289(46%)	148 (5%)
3.	Bihar	947	--	--	42 (4%)
4.	Gujarat	19443	17031	2412 (12%)	Nil
5.	Haryana	13923	11115	2808 (20%)	1260 (9%)
6.	Himachal Pradesh	1977	1849	128 (6%)	Nil
7.	Kerala	24127	24127	-- (0%)	1145 (5%)
8.	Maharashtra	31324	20498	10826 (35%)	Nil
9.	Orissa	18086	11585	6501 (36%)	220 (1%)
10.	Tamil Nadu	13936	13008	928 (7%)	779 (6%)
11.	Uttar Pradesh	22231	2255	19976 (90%)	340 (2%)
12.	West Bengal	8545	4356	4189 (49%)	66 (1%)
	Total of States with astrick mark	156368	107311 (69%)	49057 (31%)	Average 8.56%

* States taken for calculation of aggregate percentage of enrolment of children



**Ministry of Urban Development and Poverty Alleviation
and
Ministry of Industry**

Urban Employment Generation Programme
and
Prime Minister Rojgar Yojana

Ministry of Urban Development and Public Works
and
Ministry of Industry

Urban Development and Public Works
and
Ministry of Industry

CHAPTER-III: MINISTRY OF URBAN DEVELOPMENT
AND POVERTY ALLEVIATION
AND
MINISTRY OF INDUSTRY

3. Urban Employment Generation Programme and Prime Minister
Rozgar Yojana

The Swarna Jayanti Shahari Rozgar Yojana was launched from 1 December 1997 to provide gainful employment to the urban unemployed/under-employed by setting up of self-employment ventures or through wage employment. The Ministry has not been able to address satisfactorily the issue of targeting the urban families below poverty line for providing employment under Swarna Jayanti Shahari Rozgar Yojna and registration of employment seekers. Beneficiaries have been neither registered nor issued family cards. Employment has, therefore, been provided to unregistered workers and in most cases they either did not have family cards or where these were available, the employment details were not noted in them. Thus, there was no certainty whether the intended population which was to be provided employment under the schemes was actually targeted in a comprehensive manner nor whether the persons provided employment had actually fulfilled the criteria for grant of wage employment. The figures of employment generated as also expenditure incurred were not genuine. The Ministry's role was confined only to framing and circulating the guidelines to the State governments, without ensuring compliance of the instructions so that benefits could flow to the targeted group, and funds properly utilised.

Highlights

Of the total Central and State share of fund of Rs 2039.89 crore released under UEGP during 1989-2000, Rs 645.98 crore remained unspent as on March 2000 because unspent balances under earlier schemes were not taken into account while releasing funds under this scheme.

Due to gross underperformance by HUDCO, out of Rs 117.17 crore released to them under SHASU component of NRY during 1989-96, Rs 57.46 crore remained unutilised as of March 2000. While HUDCO earned Rs 29.32 crore as interest on it, the objective of providing assistance for housing and shelter upgradation to economically weaker section of the urban population suffered. Rs 37.97 crore remain with them.

Against Rs 385.53 crore reported as expenditure by States/UTs, utilisation certificates of Rs 148.55 crore were not received.

The accounts of erstwhile schemes (NRY, UBSP and PMI UPEP) subsumed into SJSRY with effect from 1.12.1997 in most of the States/UTs was not closed. The unspent balances of Rs 561.89 crore of erstwhile schemes treated as opening balance under SJSRY were unauthentic.

Out of total expenditure of Rs 1117.94 crore, the sample selected by Audit for detailed examination covered about Rs 355.99 crore. Scrutiny revealed that actual expenditure on the programme was only Rs 157.71 crore. The rest of the funds were misspent, parked in PD/bank accounts, diverted to other activities, unapproved expenditure or misappropriated. Such leakages adversely affected efficient implementation of programme. Such implemental deficiencies were also noticed in PMRY.

Central Share of Rs 75.59 crore was released to the State governments with delay ranging from one month to seven years. Similarly State Share of Rs 133.65 crore was released to implementing agencies with delays upto 36 months. In addition both central/state share of Rs 57.51 crore was released with delay up to 2 years. In PMRY in some states, funds were released with delays ranging between 2 months to 6 years.

Implementing agencies abandoned 910 schemes midway after incurring Rs 6 crore.

In most cases the employment generation reported by the state governments were based only on arithmetical calculation. They reported the employment generated as the figure arrived at by dividing the wage component of the total expenditure with the minimum wages rather than on the basis of actual count of muster rolls. Similarly, the reports of expenditure under the programmes were also erroneous since amounts advanced to implementing agencies, kept in various deposits/banks, diverted to other programmes, etc. were also treated and reported as expenditure under the programme. Even in the calculation of the employment generation theoretically worked out such deposits were reckoned as expenditure.

Evidence of actual employment generation is established through muster rolls, which contain the names and other details of the persons who are provided employment, works on which employment is provided. The details also include inventory of assets linked to the muster rolls with secondary evidence in the form of registration of employment seekers and maintenance of family cards of the employment seekers. None of these have been maintained in a systematic manner. Viewed in the context of theoretical reporting of the employment figures, absence of evidence of employment generation casts a doubt on the actual employment generation under these programmes.

Monitoring of the Implementation and execution of the programmes was unsatisfactory. The emphasis seems to have been on spending the money and on collection of data on employment generation without verifying the accuracy thereof. Effective attention of the Ministries or the state governments was not attracted even when it was evident from year to year that the full money was not spent, unreliable data on the generation of employment was being received, non-permanent assets were statedly being created and that there was inefficient targeting of the poor and leakages all around.

Other shortcomings noticed in implementation of the programme related to diversion of funds, works undertaken which were not approved under the programme, misappropriation of funds, delay in payment of wages and payment of wages at lower than the minimum wages, failure to prepare and follow the shelf of projects and annual action plans, engagement of contractors depriving employment generation which could be provided in the contractors margin, abandoned works, non-utilization and non-maintenance of assets created under the programmes, etc.

Evaluation of the impact of implementation of the programme was not conducted by most of the states.

In PMRY, the evaluation for 1993-95 was conducted by IAMR and the recommendations relating to organising task force meetings at the Municipal/Block level, raising of limit of investment in Industry in service sector and business sector, introduction of collateral security and raising age limit were implemented. No further evaluation was conducted.

In PMRY, the projects created out of Government/Banks assistance either ceased to exist or were not set up leading to misutilisation of funds. The recovery of loan was about 52 per cent of the cases.

3.1. Introduction

The urban population of India as per 1991 census was 217 million spread over 3768 urban agglomerations and accounted for 25.72 per cent of the total population. While the total population increased from 683 million in 1981 to 844 million in 1991 or by 23.57 per cent, the urban population increased by 36.19 per cent during this period. The number of urban poor in India stood at 76.3 million in 1993-94 accounting for 32.4 per cent of the total Urban population. Urban growth was a result of natural increase in population, net migration from rural areas to urban areas and re-classification of towns. Though the incidence of urban poor declined from 49 per cent in 1973-74 to 32.4 per cent in 1993-94, the absolute number of poor did not decline much over this period of twenty years.

As per the National Sample Survey (50th Round), 85.7 million persons accounting for nearly 36.3 per cent of the total urban population in 1993-94 were part of the labour force. Nearly 66.8 million persons, accounting for around 78 per cent of the labour force were gainfully employed in self-

The urban population increased by 36.19 per cent during 1981 to 1991. The incidence of Urban poverty declined to 32.4 per cent in 1993-94

employment ventures or as regular wage employees, leaving 18.9 million persons either unemployed or employed on casual basis. These figures do not include nearly 75 per cent of urban women in the age group of 20-59, who did not seek employment. Unemployment/under-employment and poverty have been closely associated in urban areas.

Educated unemployed (middle level and above) numbered 5 million in 1993-94. However, in addition to this, there were nearly 30 million persons with education level of middle and above who were employed as casual workers and did not have regular wage/self-employment options. This could be taken as the broad target group for self-employment programmes like PMRY. Incidence of unemployment/under-employment was more severe amongst educated youth in both rural and urban areas.

3.2. Urban Employment Generation Programme

In order to alleviate the conditions of the urban poor, four schemes for providing employment namely Nehru Rozgar Yojana (NRY), Prime Minister's Integrated Urban Poverty Eradication Programme (PMIUPEP), Swarna Jayanti Shahari Rozgar Yojana (SJSRY) and Prime Minister Rozgar Yojana (PMRY) were launched. Salient details of the schemes are given in the table below.

Scheme	Period of operation	Nature and funding pattern	Components/objectives/target group
Nehru Rozgar Yojna (NRY)	Introduced from October 1989; merged with SJSRY in December 1997	Centrally Sponsored Scheme; 60:40 funding by GOI and states respectively	Scheme for setting up of urban micro enterprises (SUME); urban wage employment (SUWE); employment through housing and shelter up-gradation (SHASU) for urban poor with an annual household income of less than Rs 11850.
Prime Minister's Integrated Urban Poverty Eradication Programme (PMIUPEP)	Since November 1995; merged with SJSRY from December 1997	Centrally Sponsored Scheme (sharing pattern varies for different components)	Creation of Self-employment through setting up of micro enterprises and skill development; environmental improvement through basic physical amenities in slums and shelter up-gradation by providing financial support to urban poor living below urban poverty line with annual household income of less than Rs 11850.
Swarna Jayanti Shahari Rozgar Yojna (SJSRY)	Since December 1997, erstwhile schemes of NRY, UBSP, PMIUPEP were subsumed in SJSRY.	Centrally Sponsored Scheme; 75:25 funding by GOI and states respectively	Self-employment through setting up of micro enterprises and skill development for urban unemployed and under employed, development of women and children in urban areas (DWCUA) through setting up of self employment ventures in a group as opposed to individual effort; urban wage employment programme (UWEP) by creating socially and economically useful public assets and delivery of inputs through the medium of urban local bodies and community centre.
Prime Minister Rozgar Yojana (PMRY)	Introduced w.e.f. 2 October 1993	100 per cent centrally funded in the form of capital subsidy and grants-in-aid	To provide self employment through industry service and business to all educated unemployed youth having 8 th standard qualification or trained for any trade in Government recognised institution

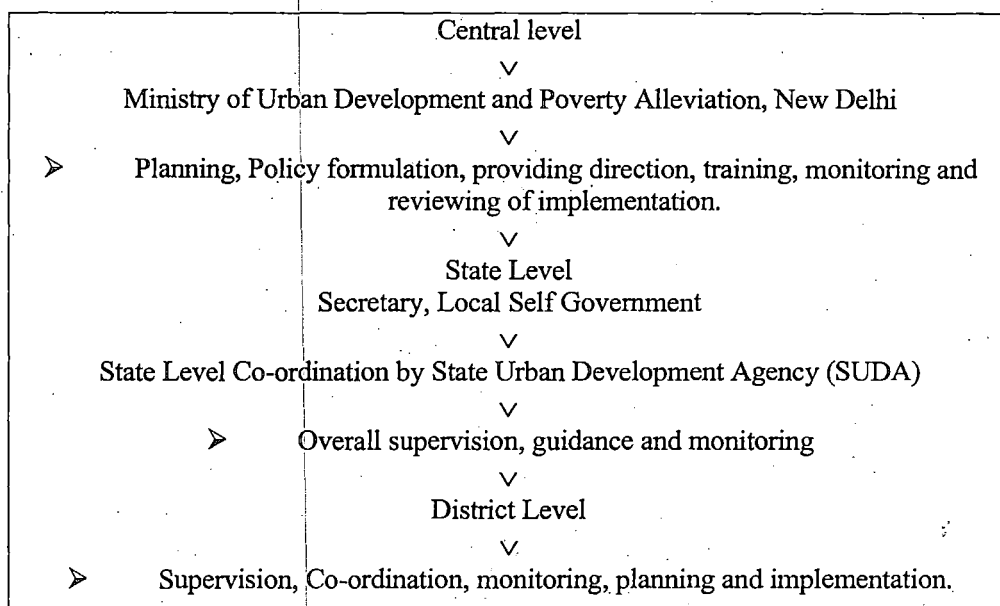
3.3. Organisational set up

Ministry of Urban Development is responsible for planning, release of funds and monitoring of the implementation of the programme

Ministry of Urban Development and Poverty Alleviation is responsible for planning, releasing funds and monitoring implementation of the programme. The essential task of identifying, earmarking and co-ordinating the relevant sectoral inputs is entrusted to the state governments and physical targets in conformity with the guidelines of SJSRY are also to be decided by them.

SJSRY programme at the state level is being monitored by State Urban Development Authority (SUDA). SUDA implements the programme through District Development Agency for which involvement of Urban Local Bodies is of utmost importance. At the State level, Secretary, Local Self Government is responsible for co-ordination, implementation and monitoring of the programme. The over all responsibility in regard to implementation and evaluation of UEGP is that of the Ministry of Urban Development and Poverty Alleviation.

Organisational structure of the Ministry of Urban Development and Poverty Alleviation and other agencies responsible is detailed below:



The PMRY scheme is being operated by District Industries Centres (DIC) in each State/UT at the district level. In metropolitan cities of Delhi, Mumbai, Calcutta and Chennai where there is no District Industry Centre, the Small Industries Service Institutes (SISI) of the Development Commissioner (SSI) in collaboration with the State Commissioner of Industries operate the scheme. The Task Forces at DICs and at SISIs in case of metropolitan cities scrutinize the applications of the beneficiaries and recommend them to the banks for providing loan. Details of implementing agencies state wise are given in Annex I. The overall responsibility for implementation and evaluation of the programme is of Ministry of Industry, Department of SSI and ARI.

3.4 Scope of Audit

3.4.1 SJSRY: Paragraph No.8.1 of Report No.2 of 1994 of Comptroller and Auditor General of India reviewed the Nehru Rozgar Yojana wherein the following major shortcomings were noticed:

- Surveys of targets in urban slums and dwellings were deficient in many states, percentages earmarked for women and ST/ST not achieved.
- The concepts of creation of social and economic useful assets were not implemented
- There were delays in release of funds for housing and shelter upgradation?
- Funds released were invested in deposits, Unit Trust, Indira Vikas Patra, etc.
- State level monitoring committees/cells were not set up.
- No evaluation of the programme was conducted.

Implementation of programme was reviewed by test check

3.4.2 The implementation of the SJSRY and PMRY programmes during 1995-2000 was reviewed by test check of documents in the concerned ministries and implementing agencies in twenty five states and three Union Territories between June 2000 to October 2000. Observations emerging there from are given in succeeding paragraphs.

The review aimed at examining the effectiveness of the various components of UEGP and PMRY

The review aims at examining the effectiveness of the various components of the programmes including the extent and adequacy of employment provided to beneficiaries and evaluation of overall impact of the programmes on urban unemployment. Besides progress made in identification of beneficiaries, issue of registration of family cards, creation of assets, effectiveness of monitoring were other areas examined.

3.4.3 Background

Hashim Committee, set up to review and rationalise Centrally Sponsored Schemes for poverty alleviation and employment generation, recommended closure of NRY, PMIUPEP and UBSP. Swarna Jayanti Shahari Rozgar Yojana (SJSRY) was launched with effect from 1 December 1997.

The self-employment and wage employment components of the NRY and PMIUPEP have been re-organised under this single programme. The shelter upgradation components of both NRY and PMIUPEP have been merged with the National Slum Development Programme. Audit findings on SJSRY are given in **Section A**.

PMRY: The scheme commenced on 2 October 1993. The scheme initially covered all the urban areas in the year 1993-94 and was subsequently extended to all areas in the country from 1994-95 to mitigate unemployment among educated youth between the age group of 18-35 years by undertaking self-employment ventures in industry, services and business. Audit findings on the scheme are included in **Section B**.

Section A

Ministry of Urban Development and Poverty Alleviation

3.5 Swarna Jayanti Shahari Rozgar Yojana (SJSRY)

The SJSRY seeks to provide gainful employment to the urban unemployed or under-employed poor by encouraging the self-employment ventures or provision of wage employment. The programme relies on creation of suitable community structures on the UBSP pattern *i.e.*, local bodies and similar community institutional structures.

3.5.1 Audit findings

3.5.2 Financial outlay and expenditure

Total release of Central share and State/U.T. share and expenditure incurred under NRY, UBSP and PMIUPEP up to 30 November 1997 were as under:

(Rs in crore)

Name of scheme	Year	Funds released			Expenditure against Central and State assistance	Unspent balance against Central and State assistance as on 30.11.1997
		Central	State	Total		
NRY UBSP PMIUPEP	1989-90 to 1997-98 (upto 30.11.97)	1059.48	510.79	1570.27	1008.38	561.89
Total		1059.48	510.79	1570.27	*1008.38	561.89

* Expenditure figures have been derived after deducting the unspent balances out of the total funds released, as the Ministry did/could not provide the expenditure figures.

The unspent balance of Rs 561.89 crore in respect of old schemes (NRY, UBSP and PMIUPEP) was treated as opening balance under SJSRY with effect from 1 December 1997. Central and State share releases and expenditure under SJSRY are detailed below: -

(Rs in crore)

SJSRY	Year	Opening Balance	Central releases 1.12.97 to 31.3.2000	State releases 1.12.97 to 31.3.2000	Total releases	Expenditure	Closing Balance
	1997-98	561.89	98.63	31.98	130.61	19.72	672.78
	1998-99	672.78	158.47	42.69	201.16	116.14	757.80
	1999-2000	757.80	118.77	19.08	137.85	249.67	645.98
	Total		375.87	93.75	469.62	385.53	645.98

Of the total fund of Rs 1031.51 crore available under SJSRY during the period December 1997 to March 2000 the actual expenditure was only Rs 385.53 crore. This constituted 37.38 per cent of the total release. Even the reported expenditure figure did not reflect the true picture as discussed in subsequent paragraphs.

Expenditure against Central and States assistance of Rs 1570.27 crore under NRY,UBSP, PMIUPEP amounted to Rs 1008.38 crore

3.6 Non closing of accounts of NRY, UBSP AND PMIUPEP

Since the unspent balances from the Central and State share of assistance under the three schemes namely NRY, UBSP and PMIUPEP were treated as opening balances under SJSRY with effect from 1 December 1997, it was imperative for the States/UTs to ensure prompt closing of accounts to arrive at accurate figures. However, as on 28.2.2001, 13 states had closed accounts only of one scheme but had not closed the accounts of other two schemes: Andhra Pradesh, Arunachal Pradesh, Assam, Haryana, Jammu & Kashmir, Maharashtra, Manipur, Meghalaya, Nagaland, Sikkim, Tripura, Daman & Diu, Delhi. Bihar had not closed any of the accounts in respect of all three schemes. Thus, the accuracy of the unspent balance of Rs 561.89 crore as of 30.11.1997 is not established.

3.7 Injudicious release of Central and State/UTs assistance under SJSRY led to unspent balances of Rs 645.98 crore

In addition to the opening balance of Rs 561.89 crore under SJSRY, there was further central assistance of Rs 375.87 crore, States/UTs released Rs 93.75 crore between December 1997 and March 2000. Therefore, during this period while total funds of Rs 1031.51 crore were available with the States/UTs, the expenditure on the programme was only Rs 385.53 crore (37.38 per cent). Given that unutilised funds of Rs 561.89 crore were already available with the States/UTs as opening balance under SJSRY with effect from 1.12.1997, further releases by Centre and States/UTs were not correlated with the progress of expenditure under the programme. This led to increasing the unspent balances with the States/UTs which stood at Rs 645.98 crore as at the end of 1999-2000.

Ministry justified release of more funds, in addition to unspent balances, during 1997-2000 on the grounds that:

- SJSRY was launched in December 1997 and was in its infancy and the funds were released during 1997-99. During 1999-2000, the releases to the State/UTs were based on their reported performance;
- The number of prospective beneficiaries were expected to be much higher under SJSRY as compared to erstwhile schemes
- SJSRY was being implemented on a whole town basis in all the urban agglomerations/towns whereas the erstwhile schemes were not being implemented throughout the country.

The contention of the Ministry was not tenable as unspent balances in respect of erstwhile schemes were already lying with States/UTs. No mechanism was evolved to ensure that the States/UTs released funds only to those ULBs which were either having no/little unspent balances of erstwhile Schemes. It was also not ensured that BPL surveys in each town of the respective states had been conducted. In short, funding arrangements were done without any planning and co-ordination with the expected achievements, given the limitations that were existing.

The accounts of erstwhile schemes remained unclosed in most of the states/UTs

Central assistance of Rs 375.87 crore released to states/UTs was unjustified as balance available was sufficient to meet the expenditure

3.8 Unintended financial aid to HUDCO under SHASU component of Nehru Rozgar Yojana.

Excess release of central subsidy to HUDCO conferred undue benefit

The erstwhile scheme of Housing and Shelter Upgradation (SHASU) under Nehru Rozgar Yojana (NRY) provided assistance for Housing and Shelter upgradation to economically weaker sections of the urban population and also opportunities for wage employment and upgradation of construction skills through training and infrastructure (T&I) support. Subsidies under the scheme were routed through HUDCO.

The scheme was merged w.e.f. 1 December 1997 with the National Slum Development Programme. Central funds of Rs 117.17 crore (Rs 90.58 crore as SHASU subsidy and Rs 26.59 crore as SHASU T&I) were released to HUDCO during 1989-90 to 1995-96. Of this, Rs 57.11 crore (Rs 48.77 crore as SHASU subsidy and Rs 8.34 crore as SHASU-Training) remained unutilised as of 31 March 2000. Total amount spent against central funds was only Rs 60.06 crore (Rs 41.81 crore as SHASU subsidy and Rs 18.25 crore as SHASU-T&I). Interest to the extent of Rs 28.42 crore was earned by the HUDCO during 1989-90 to 1999-2000 on the undisbursed SHASU subsidy.

As an unspent balance of Rs 46.38 crore was available as central subsidy with HUDCO as at March 1991 and beneficiaries were released Rs 41.81 crore only during 1990-91 to 1999-2000, there was no rationale in releasing subsequent instalments of Rs 41.73 crore to HUDCO during 1991-92 to 1994-95. The excess release of central subsidy to HUDCO conferred, therefore, undue benefit to them.

The amount remaining unutilised against central funds (Rs 57.11 crore) together with interest earned (Rs 28.42 crore) during 1989-90 to 1999-2000 amounted to Rs 85.53 crore. HUDCO refunded to Government only Rs 48.81 crore out of this, in two instalments ((Rs 46 crore on 12 May 1999 and Rs 2.81 crore on 28 June 2000). Recovery of Rs 36.72 crore was awaited from them as of October 2000.

Ministry stated in March 2001 that Rs 37.97 crore comprising of SHASU (T&I) and interest on SHASU (subsidy) and SHASU (T&I) of Rs 8.65 crore, Rs 23.94 crore and Rs 5.38 crore respectively were recoverable from HUDCO.

3.9 Shortfall in matching contribution by States/UTs in the implementation of SJSRY

Shortfall in matching contribution by states/UTs was to the extent of Rs. 31.54 crore

The SJSRY scheme was to be funded on 75:25 basis between the Centre and States/UTs. From 1.12.1997 to 31.3.2000, against a total central share of Rs 375.87 crore, the releases by States/UTs were to the extent of Rs 93.75 crore (18.71 per cent). While Government of India had released Rs 12.50 crore as central share during the said period, the State/UTs of Manipur, Andaman and Nicobar Islands, Chandigarh, Dadar and Nagar Haveli, Daman and Diu and Delhi had not contributed any sum. There was thus an over all shortfall of Rs 31.54 crore (6.29 per cent) in the release of matching contribution by States/UTs. The shortfall would evidently have an impact on the programme objectives.

Ministry stated in March and May 2001 that as per the reports furnished by the states up to December 2000, a number of States had released excess State share and the State share released from 1.12.97 to 28.2.2001 was Rs 143.51 crore and that there was no shortfall in State Share. The fallacy in this is that it takes into account the state share released up to February 2001 as against Centre's releases upto March 2000. Further, contention of the Ministry was also not correct since the States/UTs of Andhra Pradesh, Manipur, Assam, Bihar, Goa, J&K, Madhya Pradesh, Sikkim, Uttar Pradesh, Chandigarh, Dadar Nagar Haveli, Daman & Diu and Delhi were still defaulting in providing their matching share. The Ministry stated that the defaulting State governments were being persuaded at appropriate level.

3.10 Outstanding Utilization Certificates

Of the total funds of Rs. 1031.51 crore utilisation certificates to the extent of Rs. 236.98 crore were only received from states/UTs

General Financial Rules provide for submission of utilisation certificates by State Government when central grants are given to them for expenditure to be incurred by them through local bodies or private institutions. Of the total Central and State share of fund of Rs 1031.51 crore under SJSRY during December 1997 to March 2000, the expenditure reported by States/UTs was to the extent of Rs 385.53 crore. However, utilization certificates to the extent of only Rs 236.98 crore were received in the Ministry as of September 2000. Non-submission of utilization certificates is an old perennial problem for which the Central Government has had no effective remedy. Its absence renders a possibility of misutilisation/non-utilisation of funds besides exhibiting lack of accountability.

Ministry in March 2001, while furnishing State-wise position of pending Utilisation Certificates (UC) under SJSRY as on 28.2.2001 stated that as against the total central expenditure reported by the States/UTs of Rs 450.80 crore, UCs amounting to Rs 373.98 crore were received leaving pending UCs with the States /UTs to the extent of Rs 76.82 crore. It was, however, noticed that the year-wise Central share expenditure figure as furnished by the state government in the progress report was in some cases less than the utilisation certificate figure while the overall figure was equal or less than the amount of utilisation certificate the Ministry stated that the above discrepancy was being taken up with the state government.

3.11 Implementation

Neither the prescribed system of identification nor any other system was instituted or assessment made to ensure that the beneficiaries were genuine.

3.11.1 Identification of beneficiaries

System of identification of genuine beneficiaries was not instituted in most states

Guidelines for SJSRY provided, *inter alia*, for a house-to-house survey for identification of genuine beneficiaries. Non-economic criteria in addition to the economic criteria of urban poverty line have to be applied to identify the urban poor. Community structures like CDS (community development structures) were to be involved in this task under the guidance of the Town

Urban Poverty Eradication Cell (UPE Cell)/Urban Local Bodies (ULB). For ease of operation, the task of house to house survey for identification of beneficiaries could be got done by the state nodal agency through any identified body at the ULB/community level. The details of States/UTs where BPL survey had not been conducted are given below:

S.No.	Name of the State	No. of towns under CDS	No. of Towns where UPE cell formed	No. of CDS formed	No. of towns BPL survey conducted
1.	Arunachal Pradesh	17	Nil	Nil	Nil
2.	Assam	79	19	22	35
3.	Bihar	170	20	50	12
4.	Chandigarh	1	1	Nil	Nil
5.	D&N Haveli	1	Nil	1	Nil
6.	Goa	14	Nil	14	10
7.	Gujarat	149	1	186	138
8.	J&K	70	Nil	Nil	25
9.	Manipur	Nil	Nil	Nil	Nil
10.	Meghalaya	Nil	Nil	Nil	Nil
11.	Mizoram	15	3	3	3
12.	Nagaland	9	8	7	5
13.	Pondicherry	5	3	6	Nil
14.	West Bengal	122	107	225	108

The table shows that some states did not form the town UPE cell or conduct the survey. While in some states UPE cells were formed, they were non-functional. Absence of BPL survey in each town of the respective States indicates the lack of proper identification of beneficiaries. Consequently, extension of benefit to intended beneficiaries was very doubtful.

Ministry, in March 2001, stated that BPL surveys had been conducted in all the States except Arunachal Pradesh and UT of Dadar and Nagar Haveli. However, the Ministry did not indicate the State/UT wise position of the number of towns covered under the programme and the number of towns where BPL survey had been conducted. As the scheme was being implemented on a whole town basis in all urban agglomerations/towns throughout the country, specific details are required to determine extent of identification of the genuine prospective beneficiaries.

3.11.2 Improper maintenance of muster – rolls.

Since SJSRY is essentially a wage employment programme, maintenance of muster rolls is imperative.

Muster rolls were not maintained and where maintained, were kept in an imperfect manner. Besides, possibility of execution of unapproved works, and payment to ineligible beneficiaries could not be ruled out in the States of Nagaland, Orissa, Meghalaya, Tripura, Manipur, Andhra Pradesh and Punjab.

In the absence of proper maintenance of muster – rolls information on employment reported lacked authenticity

3.11.3 Absence of a system of registration for job seekers and non-issue of family cards.

Test check of records of States revealed that payment of Rs 2.75 crore have been made to unregistered labourers between 1995-2000. (Orissa Rs 23.01 lakh, Punjab Rs 36.09 lakh, Sikkim Rs 17.26 lakh and Uttar Pradesh Rs 199.00 lakh) Due to engagement of non-registered workers, the actual beneficiaries were deprived of the employment. Family Cards can establish the employment of urban poor. Sample check revealed that family cards were not issued to majority of persons in Assam, Punjab, Orissa, Uttar Pradesh and Sikkim. Thus in all these states the correctness of the extent of provision of employment to eligible beneficiaries could not be established.

Ministry stated in March 2001 that the State Government of Punjab had replied that it would not be practicable to make advance registration of unemployed workers with the ULBs since work force was at no point of time readily available to the ULB. Suitable directions had been given to the ULBs to get the works executed through muster rolls by employing local BPL workers and by strictly maintaining the material labour ratio. The Ministry further stated that the State Government of Sikkim had replied that the system of registration of job seekers and issue of family cards had not yet been adopted by the State. As the programme seeks to provide wage employment to the beneficiaries living below the poverty line within the jurisdiction of Urban Local Bodies, it was prima-facie essential for the Ministry to evolve a mechanism to ensure that the genuine beneficiaries were not deprived of employment. Unregistered labourers were paid Rs 17.26 lakh in works carried out in 21 rural areas in Sikkim in violation of the scheme. Genuine beneficiaries were thus deprived of the employment and the objectives of the scheme were defeated.

3.11.4 Mechanical determination of employment generated

The system of reporting employment generation was un-satisfactory. Figures of employment generation reported were unreliable as these were either not based on compiled records of muster rolls or they were arrived at mechanically by dividing the expenditure on wage component with the prevailing minimum wage rate. Test check of records in Andhra Pradesh, Assam, Haryana, Himachal Pradesh, Karnataka, Orissa, Punjab, Rajasthan, Tripura, U.P., West Bengal and Pondicherry revealed that the total number of mandays of employment generated in SJSRY from December 1997 to March 2000 has been shown as 223.28 lakh, and 487.71 lakh in respect of NRY upto 30.11.97. However no compiled and consolidated database of number of mandays actually generated was available at any level. Hence reported figures of mandays generated and number of beneficiaries benefited is hypothetical. However, even at these theoretically estimated employment generation figures, total employment generated does not even come to 1 per cent of the total requirement.

Ministry stated in March 2001 that the number of mandays of work generated was to be calculated on the basis of the expenditure incurred on labour component divided by the prevailing rate of wages in the States. The material

Figures of employment generation were arrived at by mechanically dividing the expenditure on wage component with the prevailing minimum wage rate rendering it unreliable

labour ratio for works under Urban Wage Employment Programme was 60:40. They could not appreciate that actual employment generation could be determined only on the basis of muster rolls, which are required to be maintained according to prescribed guidelines. Employment cannot be measured by simple arithmetical ratio of 60:40.

3.11.5 Employment of women

Employment of women was far below the envisaged per cent in test checked areas

The programme envisaged extension of 30 per cent of the employment opportunities to women. Audit noticed that in Uttar Pradesh, Assam, Madhya Pradesh, Rajasthan, J&K, Arunachal Pradesh, Nagaland, Orissa, Punjab and Meghalaya, employment provided to women workers ranged between 2.44 per cent to 27.6 per cent. It was 25 per cent in respect of Assam, 4 to 12 per cent in J&K, 18.69 per cent to 31.45 per cent in Orissa 3.46 per cent in Punjab, 2.44 per cent to 27.6 per cent in Rajasthan, 6.90 per cent to 26 per cent in Uttar Pradesh and 20 to 22 per cent in Madhya Pradesh. It was zero per cent in Arunachal Pradesh, Meghalaya and in Nagaland the percentage coverage of women beneficiaries was not susceptible of verification.

3.11.6 Engagement of contractors

Works valuing Rs 7.03 crore were got executed through private agencies

The guidelines provide that the works of construction of socially and economically useful public assets are to be done departmentally to provide wage employment to the beneficiaries living below poverty line and to avoid expenditure on contractors or margins to middlemen. It was, however observed during test check of records that works costing Rs 7.03 crore were executed through contractors in Nagaland, Himachal Pradesh, Punjab, Assam, Orissa, Maharashtra, Arunachal Pradesh, Tripura, Rajasthan, Pondicherry, Gujarat, West Bengal, Bihar and Uttar Pradesh.

Instances of execution of works through contractors were noticed in Orissa, Rs2.38 crore, Nagaland Rs 1.42 crore, Himachal Pradesh Rs 0.54 crore, Punjab Rs 0.47 crore) Uttar Pradesh Rs 0.45 crore Assam Rs 0.18 crore as shown in Annex 2.

3.11.7 Inflated reporting of expenditure

Scrutiny of records in the states revealed that advances were paid to the executing agencies and other officials during 1995-2000 for execution of works etc. under various programmes by the ULBs. Such advances were to be adjusted immediately after they incurred the expenditure. It was, however,, noticed that advances of Rs 17.29 crore were booked as final expenditure and progress reports submitted to the government. While unspent balances were parked in unauthorized accounts, demands for further funds were made on the Central Government. The Ministry also accepted the figures of employment generated as reported by the States without independent verification as shown in Annex 3.

3.11.8. Physical and financial Performance

Performance of SJSRY was not satisfactory in fourteen states during 9th Plan

Based on the recommendations of the Hashim Committee, SJSRY was launched with effect from 1.12.1997 and NRY, PMI UPEP and UBSP were phased out. The performance of SJSRY during Ninth Plan indicated that

progress in fourteen States, particularly in the North Eastern States was reportedly not adequate as banks were not extending adequate cooperation for implementation of the self-employment component of the programme. In some cases, progress of the scheme was affected due to non-release of state share to the ULB's. The matter in regard to bank's contribution in the implementation of the programme had been taken up with the Ministry of Finance (Banking Division) and RBI at the level of Secretary (UD), in August 1999, the achievement made in this regard was not significant as shown in Annex 4.

Ministry stated in March 2001 that the matter was being pursued at appropriate levels to boost the performance of SJSRY in the state particularly in North Eastern States and that the Minister of Urban Development had taken a performance review meeting with the State Ministers on 27th December 2000.

3.12. Resource Management

3.12.1 Irregularities in resource utilisation

Government of India grants relating to NRY, PMIUPEP and SJSRY were being received in shape of demand drafts/cheques under various components. These were required to be deposited in savings bank accounts along with state share applicable for execution of various programmes.

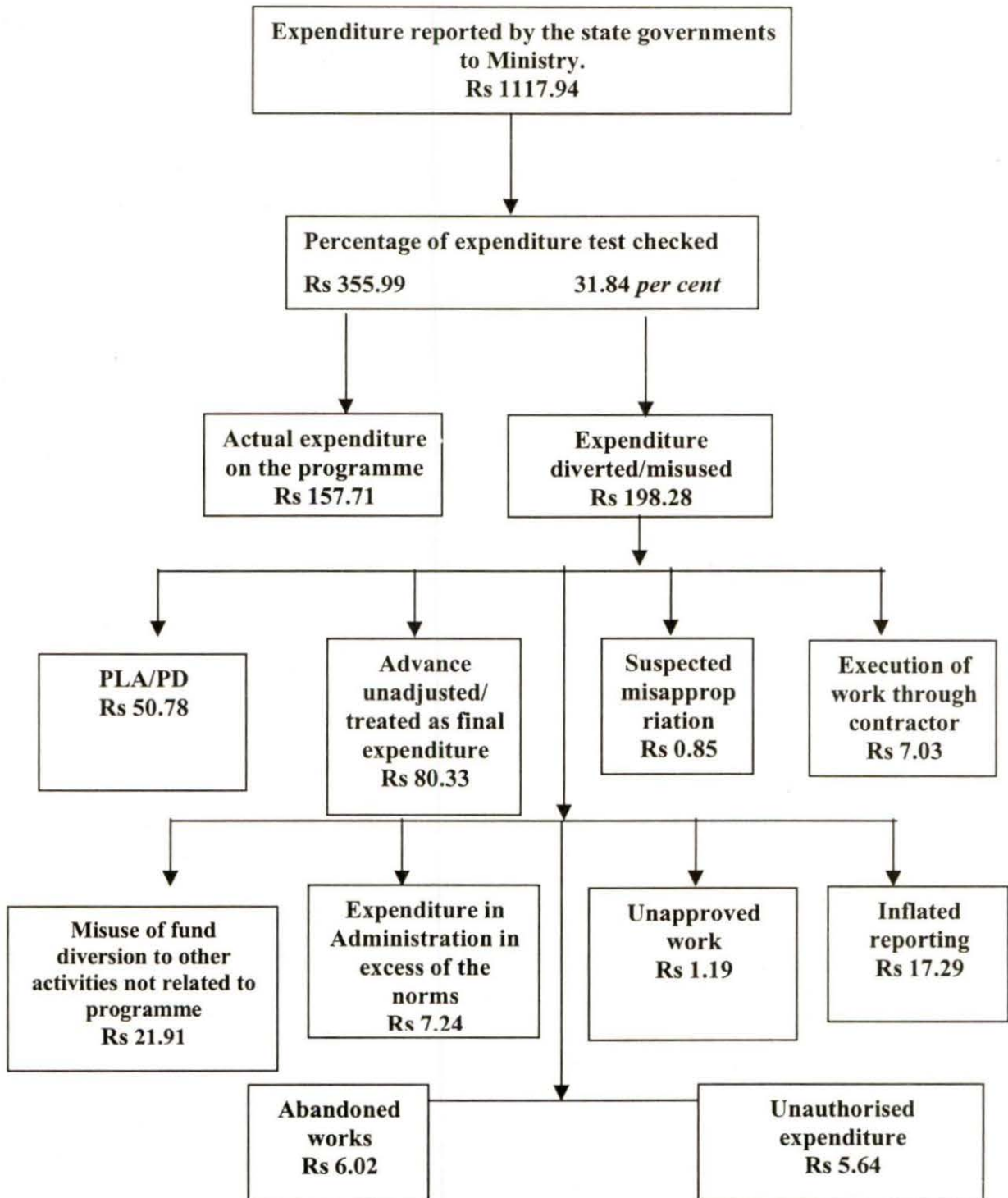
The fund provided by the Ministry and the State Govt. did not reach the actual beneficiaries due to several aberrations in implementation and absence of internal oversight of the Ministry and the States Govts

Of the total expenditure of Rs 1117.94 crore reported by the States on the programme during 1995-2000, the sample selected by the Audit for detailed examination covered about Rs 355.99 crore. Scrutiny revealed that actual expenditure on the programme was only Rs 157.71 crore (44.3 per cent). The rest of the funds were parked in unauthorised PD/Bank Account: Rs 50.78 crore, diverted to unauthorised activities: Rs 21.91 crore, administrative expenditure in excess of norms: Rs 7.24 crore, misappropriation: Rs 0.85 crore, unapproved works: Rs 1.19 crore, works executed through contractor: Rs 7.03 crore, abandoned and incomplete works: Rs 6.02 crore, inflated reporting: Rs 17.29 crore unauthorised expenditure: Rs 5.64 crore and advances treated as final expenditure: Rs 80.33 crore.

Audit of execution of the programme disclosed that whatever was provided by the Ministry and the State Government did not always reach the actual beneficiaries due to several aberrations in its implementation by the State Urban Development Authority (SUDA)/District Urban Development Authority (DUDA) and absence of effective internal oversight of the Ministry and State governments. The efficacy of the programme depended largely on the quality of expenditure incurred. There were many irregularities, which affected the objective of securing employment of the target population as shown in Annex 5.

Finance Inverse Tree

(Rs in crore)



3.12.2 Parking of funds

According to guidelines issued by the Ministry, the ULBs were to open saving bank accounts for depositing the funds received along with subsidy. Test check of records in states revealed that Rs 99.17 crore was parked in personal ledger accounts, personal deposit account, fixed deposits or term deposits, revenue deposits, hundi etc., out of which Rs 50.78 crore was lying parked as on March 2000. This defeated the objective of the scheme apart from violating financial procedures. (Annex 6).

Ministry stated in March 2001 that as per the report of Municipal Council Abohar and Regional Director, Ferozepur, Government of Punjab, accounts of SJSRY had been transferred from current account to saving account.

3.12.3 Delay in release of fund to executing agencies.

In Madhya Pradesh, Nagaland, Himachal Pradesh, Punjab, Assam, Orissa, Jammu and Kashmir, Meghalaya, Kerala, Mizoram, Arunachal Pradesh, Karnataka, Haryana, Uttar Pradesh, Pondicherry, Sikkim, Andhra Pradesh Rajasthan, Tamil Nadu and Goa, State departments released Rs 266.75 crore to the implementing agencies with delays up to 36 months between 1995-2000. Delayed release of funds and release at the fag end of the year adversely affected planning and execution process. In Nagaland, central share in respect of NRY was released after a gap of 7 years (Annex 7).

3.12.4 Short release of funds to implementing/executing agencies

Rs 58 crore were short released to the implementing/executing agencies during 1995-2000. Nagaland: Rs 0.32 crore, Orissa: Rs 1.27 crore, J&K: Rs 2.57 crore, Meghalaya: Rs 0.58 crore, Mizoram: Rs 0.07 crore, Arunachal Pradesh Rs 0.20 crore, Uttar Pradesh Rs 5.23 crore, Assam: Rs 30.53 crore, Andhra Pradesh: Rs 8.14 crore, Bihar: Rs 2.56 crore, Tamil Nadu: Rs 5.10 crore, Pondicherry: Rs 0.19 crore and Gujarat: Rs 0.74 crore (Annex 8).

3.12.5 Diversion of funds

NRY/SJSRY funds of Rs 21.91 crore were diverted to other activities

The funds of the scheme must not be diverted to any other scheme or purposes not connected with the activities of the schemes. Sample check disclosed diversion of Rs 21.91 crore during 1995-2000 to activities not connected with the programmes. Significant diversions of fund noticed in audit were as under:

In **Karnataka**, Rs 1.65 crore were diverted for municipal activities.

In **Tripura**, Rs 0.31 crore were diverted for purchase of land, construction of stadium and maintenance of town hall.

Test check of records revealed that Rs 15.42 crore (Annex 9) were spent on purchase of items like computers, vehicles, carpets, colour television and video recorders. In some cases, funds were utilised for payment of staff salaries, bonus, provident fund and furnishing of offices etc. These irregularities were noticed in Madhya Pradesh, Nagaland, Himachal Pradesh, Punjab, Assam, Orissa, J&K, Meghalaya, Sikkim, Manipur, Andhra Pradesh, Rajasthan, Gujarat, Bihar, Pondicherry, Kerala, Uttar Pradesh, Karnataka, Tripura, Mizoram Maharashtra, West Bengal. In addition, Rs 6.49 crore was

diverted to other schemes. Andhra Pradesh: Rs 6.01 crore to Chief Minister's Youth Programme, Rs 0.21 crore to Public Health Division and in Madhya Pradesh: Rs 0.26 crore to NSDP. The funds diverted were not subsequently recouped and implementation of the UEGP schemes was adversely affected.

Ministry stated in March 2001 that Rs 8.03 lakh utilized for furnishing of CVO's office and Rs 10 lakh given to PWSSB in respect of Government of Punjab were recouped.

3.12.6 Suspected misappropriation of funds

Lack of adequate control by supervisory officers and laxity in regulation of expenditure resulted in suspected misappropriation of funds and fictitious payment of Rs 0.85 crore in Nagaland, Assam and Orissa. Details are given below:

Nagaland, On 12 September 1997, Chief Town Planner (CTP) Kohima unauthorisedly retained Rs 119.18 lakh in the form of Deposit at Call (DAC). On 12/13 December 1997, the DDO and Cashier were abducted and evidently released after paying Rs 50 lakh from the DAC as ransom. Had the money not been irregularly withdrawn and retained by the CTP, the kidnappers would not have had access to departmental funds. The department was advised to reduce the closing balance of the cashbook by Rs 50 lakh by opening of new cashbook. Department stated in May 2000 that money had to be kept outside Government account to avoid the underground who were demanding money.

Assam, The NRY scheme was discontinued in December 1997 and merged with SJSRY. The district office of Town and Country Planning, Dibrugarh transferred unspent NRY funds of Rs 34.39 lakh in December 1998 to SJSRY scheme implemented by DUDA, Dibrugarh. The transferred amount of Rs 34.39 lakh included Rs 8.15 lakh kept in a bank, which was liquidated in 1990-91. The amount was neither recovered from the bank nor written off from the accounts of DUDA, Dibrugarh as on May 2000.

Orissa, Test check of the muster roll payments on works executed by the Executive Officer, Bhadrak, revealed that the payees acknowledgements in support of the Muster Roll payments made to the labourers engaged in works under NRY scheme were not obtained in most of the cases. However, the said amounts were shown as paid and booked in the expenditure statement, which could lead to suspected misappropriation of scheme funds of Rs 0.18 lakh in 22 cases between February 1996 to July 1996.

Maharashtra, Municipal Council Narkhad (district Nagpur) and Wadgaon (district Kolhapur) paid Rs 0.33 lakh to the same workers in more than one muster roll for the same period resulting in double payment.

3.12.7 Failure to prepare shelf of projects/Annual Action Plan led to execution of unapproved works

The guidelines of the programme required the implementing agencies to prepare Annual Action Plan/shelf of projects proposed to be taken up in the district in the current and succeeding years after detailed survey of local resources and felt needs of the people. Shelf of projects were, however, not

Rs 0.85 crore were misappropriated

Non-preparation of shelf of projects led to the execution of unapproved works

prepared in Tripura, Pondicherry, Karnataka, Nagaland, Assam, Gujarat, Mizoram, Maharashtra, and Haryana.

This led to execution of unapproved works. The Ministry and State Governments did not ensure preparation of shelf of projects and continued to release funds to the executing agencies.

Sample check of records in States disclosed that implementing agencies executed works of Rs 1.19 crore without obtaining the administrative approval/technical sanction from the competent authority during 1995-2000 in Orissa: Rs 1.00 crore in 270 works, Maharashtra: Rs 0.03 crore in 2 works and Karnataka: Rs 0.16 crore.

3.12.8 Advances unadjusted treated as final expenditure

In 11 States, advances of Rs 80.33 crore given to executing agencies were treated as final expenditure though there was no evidence that this was actually fully spent, as utilisation certificates were not received. In Karnataka, Rs 2.53 crore was advanced to implementing agencies, which remained unadjusted but was treated as final expenditure without obtaining vouchers or other proof of expenditure. In Uttar Pradesh, Rs 4.80 crore was advanced to Project offices but treated as final expenditure without receipt of adjustment bills/utilisation certificates. In Jammu and Kashmir Rs 0.51 crore, in Bihar Rs 69 crore and in West Bengal Rs 0.45 crore were lying unutilised but reported to State/Central government as final expenditure. This resulted in reporting of inflated and misleading financial achievements (Annex 10).

3.12.9 Rush of expenditure

According to the provisions in the General Financial Rules, rush of expenditure in the closing months of the financial year is a breach of financial regularity and was to be avoided. However, four states released Rs 15.22 crore to implementing agencies in the last quarter of the financial year.

Some significant cases are discussed in the following paragraphs:

In Mizoram, Government of India released Rs 22.48 lakh and Rs 95.22 lakh out of Central share of Rs 69.63 lakh and Rs 146.26 lakh pertaining to the years 1997-98 and 1999-2000 at the fag end of March 1998 and March 2000 respectively. This left the implementing authority little scope for utilisation of these funds within the years of sanction. Again, out of Rs 322.60 lakh and Rs 184.44 lakh made available to the implementing authorities during 1998-99 and 1999-2000 under SJSRY, Rs 297.49 lakh (92 per cent) and Rs 147.40 lakh (80 per cent) were drawn in March 1999 and March 2000 respectively. Further, State government had released its share of Rs 10.00 lakh out of Rs 21.38 lakh in March 1998. As a result, these drawals could not be utilised in the relevant financial years and were made mainly to avoid lapse of budget grant.

In West Bengal, SUDA released 48 per cent of funds (Rs 3.22 crore against total 6.66 crore) under PMIUPEP and under SJSRY 43 per cent (Rs 2.74 crore out of total Rs 7.96 crore) during November 1995 to March 2000 to the

municipal bodies in the last quarter of the years, leaving no scope of their utilisation during the year.

In **Uttar Pradesh**, five ULB's (Rishikesh, Kanpur, Lucknow, Mathura and Moradabad) spent Rs 218.82 lakh out of Rs 285.25 lakh during last quarter of the years in 1995-2000.

In **Sikkim**, test check revealed that Rs 134.99 lakh out of Rs 355.99 lakh was spent during March in years 1995-2000.

3.12.10 Administrative expenditure in excess of norms

According to the guidelines, the ceiling of expenditure on administrative and other operational expenses at the state level was fixed at five *per cent* of the total allotment made by the Government of India and the State Government. Rs 7.24 crore were, however, spent in violation of the prescribed ceiling: Kerala: Rs 32.42 lakh, Haryana: Rs 4.22 lakh, Gujarat: Rs 58.00 lakh, Dadar and Nagar Haveli: Rs 11.33, Sikkim: Rs 29.92 lakh, and Manipur: Rs 17.93 lakh, Madhya Pradesh: Rs 427.00 lakh, Rajasthan: Rs 142.88 lakh. (Annex 11)

Ministry stated in March 2001 that the State government of Haryana had replied that the expenditure on Administration and Office Establishment is uniform in all the districts as the salaries of the staff are the same. Due to revision of pay scales and grant of DA instalments the expenditure exceeded the limit of 5 *per cent*. However, State government has assured that the expenditure under Administration and Office Establishment will remain within the limit of 5 *per cent*.

The State Government of Sikkim had reported that every effort was being made to maintain the administrative expenditure within the norms.

3.13 Wage related issues

The guidelines of the scheme contemplated that 40 *per cent* of expenditure on works was to be incurred on the wages of unskilled workers. In case of need for supplementary requirement of fund for material component, it was to be provided by dovetailing resources from State Governments Plan/non plan/sectoral programme fund. A ratio of 60:40 was to be maintained for material and wage components.

3.13.1 Violation of prescribed ratio of wage and material 40:60

Test Check revealed that minimum ratio between wage and material component was violated in Madhya Pradesh, Himachal Pradesh, Assam, Goa, Orissa, Meghalaya, Arunachal Pradesh, Karnataka, Haryana, Tripura, Uttar Pradesh, Pondicherry, Gujarat, Dadar and Nagar Haveli, Sikkim, West Bengal, Rajasthan, Bihar & Tamil Nadu.

The percentage of expenditure on wage was very low and ranged between Zero *per cent* and 25 *per cent* leading to shortfall in employment generation. (Annex 12).

Rs 7.24 crore on administrative expenses in excess of limit resulted in reduction of funds for activities of NRY/SJSRY

Payment of wages were made to male and female workers at differential rates

3.13.2 *Payment of wages at differential rates to male/female beneficiaries*

Rates of wages to be paid under the programme were to be as per prescribed minimum wages for the unskilled labour as notified by the concerned State Governments and were to be the same for men and women workers. Payment of wages to male and female at differential rates were made in Maharashtra and Tamil Nadu.

3.13.3 *Delay in payment of wages*

In Madhya Pradesh, Meghalaya, Maharashtra, Uttar Pradesh, Pondicherry and Gujarat, there were delays in payment of wages between 1 and 9 months. The delay was due to the maintenance of the joint account by CMO and PO's of DUDA's in respect of Madhya Pradesh. In Meghalaya and Uttar Pradesh the delay was due to incomplete maintenance of records and absence of system of weekly payment.

3.13.4 *Short/ non-payment of wages*

The implementing/executing agencies of SUDAs/DUDAs in Madhya Pradesh paid wages at the rate of Rs 45.50 as against at the rate of Rs 53.50 fixed by the District Collector. Conversely, in Nagaland, unskilled labour was paid at the rate of Rs 90 against the admissible rate of Rs 35 and Rs 25 resulting in less generation of mandays. In Maharashtra, wages aggregating Rs 10.10 lakh were not paid to the labourers for works executed between April and October 1999.

3.14 *Assets Creation*

3.14.1 *Maintenance of assets inventory.*

In Karnataka, Nagaland, Orissa, Assam, Pondicherry, Goa, Gujarat, Tripura, Andhra Pradesh, Arunachal Pradesh, Tamil Nadu, West Bengal, Bihar, Uttar Pradesh, and Sikkim, implementing agencies did not maintain any inventory or register of assets created under the employment programmes.

In absence of an inventory of assets, it was difficult to assess sustained employment and development besides existence, quality and cost effectiveness of the assets and the accrual of the benefits to the beneficiaries.

3.14.2 *Incomplete and abandoned works*

910 schemes in the States were abandoned midway after incurring Rs 6.02 crore

Sample check revealed that implementing agencies abandoned 910 schemes in the states midway after incurring Rs 6.02 crore. The works were aimed at creating durable assets like roads, drains and latrines etc. The reasons for incomplete and abandonment were lack of funds, encroachment, non-availability of labour, etc.

In Bihar, 772 works remained incomplete though Rs 5.08 crore was incurred on these works. The numbers of works remaining incomplete and the amount incurred on these works in Maharashtra 26 (Rs23.49 lakh), Orissa 72 (Rs 20.96 lakh) and Rajasthan 40 (Rs 49.67 lakh).

3.14.3 Unauthorised expenditure.

The Scheme's primary objective is to provide employment to identified BPL beneficiaries of the urban area and the secondary objective is to construct durable, productive and useful public assets for sustained development in the urban area. Test check revealed that many works were executed unauthorisedly by the implementing agencies resulting in an avoidable expenditure of Rs 5.64 crore in 727 cases.

The incorrect and unauthorised expenditure was noticed in Andhra Pradesh 278 works (Rs339.63 lakh), Arunachal Pradesh 15 works (Rs 33.12 lakh), Mizoram 10 works (Rs 1.20 lakh), Orissa (424 works) (Rs 190.00 lakh).

3.15 Miscellaneous financial irregularities

3.15.1 Loss of Rs 3.17 lakh due to setting of cement bags

Nagar Palika, Kishangarh (Jaipur, Rajasthan) purchased 4000 cement bags worth Rs 4.60 lakh in March 1998. Of this only, 1241 bags were used and balance 2759 cement bags remained unused till April 2000. The cement was found in set condition. This resulted in loss of Rs 3.17 lakh. Responsibility requires to be fixed for this lapse.

3.15.2 Unauthorised fixation of sodium lights

Nagar Palika, Sujangarh (distt. Churu) Rajasthan purchased 100 sodium lights in October and November 1997 at Rs 3.31 lakh for basic physical amenities in Kachi basti under PMIUPEP. However, all the sodium lights were fixed in the main market.

3.15.3 Works shown completed without payment to labourers on muster roll

Nagar Palika, Churu (Rajasthan) 10 works relating to nali construction and one work of fencing around 'Johri Sagar Talab' with cost of Rs 2.45 lakh were shown as completed without making any payment to labour on muster roll. No entry was shown in the measurement book.

In West Bengal, Municipalities (Habra and Barasat) withdrew NRY funds totalling Rs 3.56 lakh from banks but did not maintain cash book and did not produce records in support of utilisation.

Municipal Corporation of Chandan Nagar did not submit vouchers for Rs 2.25 lakh for purchase of computer and xerox machine. Municipality of Barrackpore did not produce vouchers for Rs 3.59 lakh for purchase of materials.

In Karnataka, Managing Director, KUIDFC drew aggregating Rs 23.52 crore (central share Rs 14.66 crore, state share Rs 8.86 crore, in August 1997 and March 1998 respectively) on the basis of release orders issued during March 1997 by State Government authorising the former to draw the entire amount. This violated the procedure in that Central Share would be released directly to State nodal agency. Managing Director also received demand drafts for Rs 14.66 crore towards Central Share during the same period from Government of India. The defective release order resulted in double drawal of Rs 14.66 crore out of which Rs 11.23 crore was remitted to state government

Central share of
Rs 43 crore out of
Rs 14.66 crore drawn
twice from State
Govt. treasury had
not been remitted

after delay of one to two years. The balance had not yet been remitted by the Managing Director of the State Nodal agency.

In Arunachal Pradesh, both Central and State share released by the State Government had been kept in the Saving Bank account by the State Urban Development Agency. During the period from September 1997 to March 2000, Rs 47.56 lakh accrued as interest. Similarly, during the period from November 1995 to January 2000, Rs 3.68 lakh earned as interest out of the fund placed with 4 District Urban Development Agencies for implementation of the schemes, records of which were test checked. Although no expenditure were made out of the accrued interest of Rs 51.24 lakh (Rs 47.56 + Rs 3.68) by the SUDA/DUDAs, the fact of accrual of interest had neither been reported to the Central Government nor it has been deducted for the purpose of central grants.

3.16 Monitoring

The operational guidelines for UEGP did not envisage submission of periodical monthly progress reports to the Ministry by the States. The Management Information System (MIS) introduced by the Ministry in April 1992 however prescribed submission of monthly and bi-monthly reports to the State headquarters by the district headquarters. The State Governments in turn were required to send their reports to the Ministry by 14th of every month. The Ministry did not make available the records relating to submission of return by the States. The information furnished by the Ministry, however indicated that the said returns were not received regularly and were in arrears in respect of twenty six States/UTs. Only four meetings were held at the level of the Ministry to review the progress of SJSRY during February 1999 to November 1999. The State Level Coordination Committee (SLCC) for the Urban Employment Programmes was responsible for overall supervision, guidance and monitoring of the programme. The SLCC was to meet regularly to review the progress of the implementation of the programme. Offices at the district levels were also to closely monitor all aspects of the programme through field visits at work sites.

Sample check revealed that SLCC neither met to monitor the implementation of the programmes nor was inspection carried out in Meghalaya, J&K, Karnataka, Nagaland, Orissa, Assam, Dadar and Nagar Haveli, Delhi, Pondicherry, Gujarat, Punjab, Tripura, Kerala, Haryana, Arunachal Pradesh, West Bengal, Bihar, Uttar Pradesh, Manipur and Sikkim.

Absence of proper monitoring resulted in haphazard execution of various activities under UEGP thus adversely affecting the objectives of the schemes.

Ministry stated in March 2001 that:

- (a) During the year 2000-01 three national level review meetings were held at the level of Hon'ble Minister for UDEPA and Secretary (UEPA).

- (b) Review and monitoring was done through letters to Chief Minister, Chief Secretary and other officers to ensure that the SJSRY was implemented effectively.

3.17 Evaluation

The essential task of identifying, earmarking and coordinating the relevant sectoral inputs was to be undertaken by the State Government and physical targets in conformity with the guidelines were also to be decided by them. It was prima facie essential for the Ministry to have periodical monthly progress reports for effective monitoring and evaluation of the programme. The Ministry and state governments were to undertake evaluation studies from time to time to assess the extent to which the programmes had been successful in generating employment for urban poor and whether the achievement were commensurate with the investments made. The Planning Commission had observed in August 1999 that the State governments had been facing problems in availing loans from banks due to procedural problems. The Planning Commission also observed that an evaluation be conducted to indicate mid-term correction and assess the impact of the investment on urban poor. Ministry of Urban Development has yet to conduct an evaluation of SJSRY.

Ministry stated in March 2001 that the Evaluation study of four states namely **Andhra Pradesh, Karnataka, Madhya Pradesh and West Bengal** by IIPA was under process. The report was expected shortly. The empanelment of research agencies for conducting studies in some other states was also under process.

3.18 Conclusion

The review disclosed, that the implementation of the SJSRY programme was affected adversely due to shortcomings in critical areas. No system to identify genuine beneficiaries was instituted in most States. Crucial documents such as muster rolls were not maintained. Family cards were not issued, nor were there a system of registration for job seekers. The engagement of contractors in violation of the guidelines of the schemes resulted in resources being diverted to middlemen. The reported figures of employment generation were fake as the figures of employment in most States/UTs were arrived at mechanically by dividing the wage component of total expenditure by minimum wages rather than on the basis of actual count of beneficiaries on muster rolls. This is further corroborated by the fact that several instances of non-adherence to the stipulated minimum 40 per cent of the total expenditure on wage component to maximise employment generation was detected in audit. Even at these exaggerated employment generation estimates, the programme could provide employment to less than 1 per cent of the urban unemployed/under-employed. Delayed and excess/short payment of wages and differential rate of wages paid to men and women indicated improper execution at the ground level. Absence of inventory of assets, abandoned schemes due to shortage of funds and irregular and unauthorised expenditure on repairs and maintenance works, raised doubts about the creation, existence, quality, cost effectiveness and

sustainability of the assets as also accrual of the benefits to the BPL community.

Poor fund management under the programmes led to diversion of funds to other schemes and purposes, delay and short release of funds to executing agencies, misappropriation of funds, execution of unapproved works due to failure to prepare the shelf of projects/annual action plans, unadjusted advances treated as final expenditure and administrative expenditure in excess of norms.

Due to lack of proper monitoring, both at the Ministry and State level, the implementation of the programmes was not satisfactory and reported level of employment was neither realistic nor verifiable. No evaluation was conducted to assess the impact of the programme. The Ministry's role was confined only to framing and circulating the guidelines to the State governments, without ensuring strict compliance of the instructions for effective utilisation of funds and regulation of expenditure and execution of schemes, so that benefits could flow to the targeted group.

Section B

Ministry of Industry

3.19 Prime Minister Rozgar Yojana (PMRY)

The PMRY, a central sector scheme, was launched on 2nd October 1993. The scheme was designed to provide self employment to more than a million persons by setting up seven lakh micro enterprises during the 8th Five Year Plan through industry, service and business routes. In 1993-94, the scheme was implemented only in the urban areas. From 1994-95, it was extended to rural areas as well. The scheme continued during 9th Five Year Plan with certain modifications covering all economically viable activities including agriculture and allied activities.

The salient features of the revised scheme are as under:

- All educated unemployed youth who have passed VIII standard or have been trained for any trade in Government recognised/approved institutions for a duration of at least six months and are between the age group of 18-35 years in general, with a 10 year relaxation for SC/STs, Ex-servicemen, physically handicapped and women, are eligible. Upper age limit for North Eastern Region was relaxed to 40 years.
- The beneficiary should be a permanent resident of the area for at least three years. The annual income of the beneficiary alongwith spouse as also of parents separately should not exceed Rs 24000 (Rs 40000 in the case of North Eastern Region)
- The beneficiary should not be a defaulter to any nationalised bank/financial institution/cooperative bank. Persons already assisted under other subsidy linked Government schemes are not eligible.

3.20 Audit findings

3.20.1 Funding Pattern

The scheme is hundred *per cent* centrally funded. Funds are released separately for capital subsidy and Grants-in-aid (training including contingencies etc). Capital subsidy at the rate of 15 *per cent* of the project cost subject to a maximum of Rs7500 (Rs 15000 for NE Region) is admissible for an individual beneficiary. The capital subsidy is authorised to the RBI, which in turn releases the funds to Lead Banks for giving credit to the individual beneficiaries. Loans are provided to the beneficiaries by the banks and carry normal rate of interest.

- Training funds, as per revised norms, are released @ Rs 1000 (Rs 700 training expenses and Rs 300 stipend) for industry and Rs 500 (Rs 350 training expenses & Rs 150 stipend) for service and business sector.
- Contingency funds (consists of office expenses publications and other administrative expenses etc.), as per revised pattern are released @ Rs 250 per entrepreneur to whom loan has been sanctioned by the bank.

Central government releases funds to the States/UTs who in turn release them to the implementing agencies at the district level i.e. District Industries Centers (DIC).

Year-wise details of funds released are as under:

(Rs in crore)		
Year	Capital subsidy	Grants-in-aid
1995-96	119.95	24.91
1996-97	98.02	16.91
1997-98	79.00	15.83
1998-99	119.50	15.96
1999-2000 (RE)	174.00	16.00
Total	590.47	89.61

3.21 Management of funds

3.21.1 Delay in release of funds by States/UTs to the implementing authorities.

Sample check of cases in States/UTs (details in Annex-13) revealed that State/UTs level authorities released funds to the implementing agencies with delays ranging between 2 months to 6 years. Delayed release of fund had adversely affected the planning and execution process.

The Ministry stated in January 2001 that state governments are being requested to release PMRY funds to the implementing agencies in time.

3.22 Absence of proper accounting procedure

The guidelines of the scheme did not prescribe the accounting procedure in regard to funds received. As a result, different States/UTs allowed different patterns, which led to loss of interest and little security of funds. The cases test checked in the states revealed the following shortcomings:

In Tamil Nadu, Rs 0.75 lakh earned as interest on deposits by DIC Coimbatore and DIC Kancheepuram during March 1998 and November 1999 was credited to the receipt head of the state government.

In five districts of Vellore, Dharmapuri, Kancheepuram, Triuvalluvar, Coimbatore, unutilised funds of Rs 38.05 lakh relating to the period 1995-99 were deposited in banks but the amount was booked as expenditure in accounts.

In Madhya Pradesh, there were outstanding advances aggregating to Rs 1.23 lakh as on 31 March 2000 pending for adjustment in Bhopal, Gwalior and Jabalpur.

In DIC Raipur, there was a case of suspected defalcation of Rs 2.39 lakh, which was under investigation.

3.23 Improper utilisation of training funds

3.23.1 Irregular payment of training cost to NGOs

Training funds were reimbursed without correlation to actual expenditure

Under the scheme, training programmes would be arranged through NGOs for the project beneficiaries. State Implementing Agencies disbursed the cost of training to NGOs on the basis of utilisation certificate furnished by them without verification of training expenditure. The following shortcomings were noticed in the States during audit.

In **Karnataka**, scrutiny of records of Additional Director (VISHWA) revealed that training for beneficiaries was arranged through a NGO Centre for Entrepreneurship Development (CEDOK) during 1995-2000. The NGO claimed Rs 4.38 crore against the actual expenditure of Rs 2.95 crore as reflected in their accounts. The implementing authority in the State released Rs 4.38 crore and made an overpayment of Rs 1.43 crore to the NGO. This needs investigation and recovery.

In **Rajasthan** and **Bihar**, payment towards cost of training of Rs 11.20 lakh and Rs 6.81 lakh respectively was made during 1995-2000 without obtaining bills and supporting documents. This needs investigation.

3.23.2 Incomplete utilisation certificate of training funds

UCs were accepted without scrutiny of actual expenditure on training and stipend

The Development Commissioner (DC) Small Scale Industry (SSI) releases training funds to the State/UTs in advance based on the anticipated number of beneficiaries to be trained during a particular year. The norms allowed Rs 1000 per trainee for industry sector (Rs 700 as training expenses and Rs 300 as stipend) and Rs 500 per trainee for business/service sector (Rs 350 as training expenses and Rs 150 as stipend). The State/UT governments are to furnish the utilisation certificates subsequently. On receipt of utilisation certificates from the States/UTs, DC (SSI) reconciles the data and adjusts surplus/deficit in subsequent years. The purpose of reconciliation is to ensure that the funds claimed by State/UTs are not higher than the prescribed norms. If the expenditure claimed is found to be higher, the amount is restricted to the prescribed sum. Where the expenditure claimed is found to be less than the prescribed norms, the same is accepted without enquiring into the reasons for lower expenditure. The utilisation certificates furnished by the State/UTs do not contain component-wise details of the expenditure incurred on training and stipend.

Test check of utilisation certificate for the year 1995-1999 as detailed in **Annex-14** where the claims preferred by the State/UTs were less than the prescribed norms, it could not be ascertained that the stipend, which was a compulsory payment to the trainee was paid in full or not.

In **Punjab**, sample check of records revealed that funds of Rs 4.58 lakh on account of stipend payable for the period 1993-98 were lying undisbursed. The reasons for non-payment were attributed to non-availability of beneficiaries and non-encashment of cheques. Similarly, stipend of Rs 11.34 lakh were not paid to trainees during 1998-2000 due to requisite funds being not available.

The Ministry stated in January 2001 that in all cases where expenditure on training is lower than the norms, actual expenditure is more than the stipend payable based on number of trainees. It also stated that it has advised state governments to ensure payment of stipends. However, in absence of the break up of expenditure on training by state governments, the assumption of full payment of stipend to trainees is not valid.

3.24 Cumulative status of total applications received and recommended

3.24.1 Cumulative status as reported by States/UTs in respect of total applications received and recommended for the scheme by them is given in the table below.

Year	Applications	
	Received	Recommended
1995-96	962064	613773
1996-97	879232	577139
1997-98	825480	549974
1998-99	821042	562154
1999-2000	859396	560646

Thus, it is seen that the application received and recommended by the State governments are far in excess of the targets fixed at 2.20 lakh per year for the scheme.

3.24.2 Target and achievement.

The target for providing self-employment opportunities to the educated unemployed youth was fixed at 2.20 lakh per year since 1994-95. In terms of number of cases of loan sanctioned and disbursed, this was generally achieved. The real problems, however, lay in the fact, as brought out in Paragraph 3.26, in doubtful sustainability of the employment besides some other aberrations like giving loan to ineligible beneficiaries, etc. The achievement of targets, therefore, offers little comfort from this angle. Besides, the data for achievement by the State Govt. and RBI does not tally despite the modalities of reconciliation circulated in May 1995 to all states and RBI. The States/UTs and RBI failed to implement the modalities for reconciliation of data under PMRY as shown below:

(Rs in crore)

Year (Target 2.20 lakh per year)	State Govt./RBI	Total number of cases and loan sanctioned		Total number of cases and loan disbursed	
		No. of cases	Amount	No. of cases	Amount
1995-96	State	299583	1742	224819	1210
	RBI	287218	1678	241843	1378
1996-97	State	290953	1780	206220	1126
	RBI	271768	1653	228495	1352
1997-98	State	292342	1792	212127	1173
	RBI	263623	1592	208979	1217
1998-99	State	299856	1817	195958	1088
	RBI	272704	1627	189850	1082
1999-2000	State	290146	1929	161262	939
	RBI	254408	1646	142723	857

* Provisional figures

In the absence of reconciliation, the figures of actual achievement of targets could not be verified.

The Ministry stated in January 2001 that the efforts are being made for reconciliation of data.

3.25 Sanction of projects to ineligible beneficiaries

The scheme laid down specifically that projects for self-employment would be sanctioned to educated unemployed youth by setting up micro units through business, service and industry. However, following shortcomings were noticed:

In Jammu and Kashmir, a scrutiny of 370 PMRY beneficiaries revealed that in ten cases assistance had been provided to individuals having established shops/business. In 49 other cases, children/spouses of government servants/retired government servants were provided assistance under the scheme.

In Maharashtra, son of a bank manager in Thane district having declared annual income of Rs 22000 was sanctioned a project loan of Rs one lakh. The project thus sanctioned was in violation of the spirit of the scheme.

3.26 Doubtful sustainability of employment

The intention of the scheme was to ensure that the project would generate sustained employment. Neither has the Ministry any mechanism to verify whether projects under the schemes were continuing nor was any data available in the Ministry. Sample check of records in States/UTs revealed the following:-

Report No. 3 of 2001 (Civil)

(Rs in lakh)

Sl. No.	Name of State	Period	Amount misutilised	Remarks
1.	Mizoram	1995-99	--	Out of 975 beneficiaries, 307 beneficiaries who received loans of Rs 248.49 lakh did not set up business.
2.	Karnataka	--	156.00	In seven districts 641 beneficiaries either did not start or subsequently closed the business. In some cases, assistance was diverted to other purposes.
3.	Uttar Pradesh	1995-99	30.98	Test check of record in Jhansi, Kanpur and Mathura revealed misutilisation of loan of Rs 30.98 lakh by 38 beneficiaries by closing their business.
4.	Assam	--	407.67	Test check in four district revealed that out of 10018 cases of loan disbursed, in 530 cases no enterprises had been set up after receiving loan and subsidy of Rs 407.67 lakh.
5.	Arunachal Pradesh	1993-98	--	Test check of 4 Districts Industries Centres and 13 lead banks, where loan of Rs 317.95 lakh was disbursed to 462 beneficiaries, revealed that all were defaulters in repayment. In three lead banks, out of 99 enterprises financed, 72 had been closed and 16 did not start functioning. In SBI Along and Basar out of 63 units most had been closed/suspended operation.
6.	Manipur	1995-98	508.00	610 projects out of 1367 projects were identified as non-functional. Loan of Rs 5.08 crore were outstanding against them for repayment.
7.	Kerala	1997-98	15.53	28 units involving loan of Rs 15.53 lakh were non-functional
8.	Madhya Pradesh	---	486.74	Test-check of records of 10 districts revealed that projects worth Rs 486.74 lakh were misutilised.

Thus, the employment generated under the programme was unsustainable since a number of projects were either not set up or closed down. The Ministry stated in January 2001 that as per sample survey in 1994-95 carried out by the Institute for Applied Manpower Research (IAMR), it was observed that in 99.3 per cent cases of disbursements, units were actually set up. However, the central issue is not whether the units were setup but whether they continued to operate, thus ensuring sustained employment as envisaged by the scheme.

The Ministry has commenced a second evaluation of the scheme for the period 1995-96 to 1997-98 in March 2000. It would examine the success rate of the enterprises set up under the scheme during this period.

3.27 Default in re-payment of bank loans

The guidelines of the scheme stipulated re-payment of loan between 3 to 7 years after the prescribed period of moratorium. Sample check of cases in States/UTs shown in Annex 15 revealed that defaults in re-payment discouraged the banks from sanctioning further loans under the scheme apart from having an adverse impact on the quality of the bank's assets. Overall recovery of loans as reported by the Ministry to Parliament in March 1999 was only around 48 per cent.

Only 48 per cent of bank loans recovered

The Ministry stated in January 2001 that it had already constituted a committee for improving the recovery of bank loans under the scheme.

3.28 Monitoring & follow up action on complaints

The scheme was to be monitored at district level by the District PMRY Committee and at the State/UT level by the State/UT PMRY Committee. At the Central level, monitoring is to be conducted by the High Powered Committee under the Chairmanship of Secretary (SSI & ARI). At the district level, the performance was to be reviewed monthly while at the state level it was to be reviewed quarterly. At the Central level, performance of the scheme as a whole was to be reviewed periodically in the High Powered Committees meetings/ National Workshops.

Poor monitoring at state/ district level

The Monthly/quarterly progress reports received from the State Government/UTs contain information on the number of application received, amount of loan sanctioned, amount disbursed, training provided to entrepreneurs, number of units set up etc. These reports form the basis for review of the performance of the scheme during the relevant period and for taking appropriate corrective action where necessary. These reports also serve as basic information for the High Powered Committee meetings held periodically at the Central level. Simultaneously, the data provided by the RBI is also used. The issues which arise out of the examination of the monthly/quarterly progress reports together with other points which are specifically referred by State/UTs banks and implementing agencies form part of the agenda for High Powered Committee meetings. The High Powered Committee besides reviewing the performance of the scheme also considers suggestions for possible improvements in the scheme. The recommendations

of the HPC are implemented by issuing requisite instructions to all concerned and by carrying out modifications in the scheme where necessary. Some major modifications carried out in the scheme as a result of monitoring process included age relaxation for reserved categories, relaxing the educational qualification, enlarging the coverage of activities, enhancement in the admissible project cost, reduction in period of training in the service and business categories alongwith training expenses and linking of additional targets with the recovery of loan.

At the District and State/UT level, weaknesses were noticed in monitoring of the scheme as given in **Annex-16**. Although all the State/UTs were irregular in organising the monthly/quarterly meetings, the DC (SSI) failed to take action to streamline the monitoring process in the State/UTs.

3.28.1 No follow up action on complaints

DC(SSSI) received 1929 complaints during 1995-2000 concerning PMRY scheme from the beneficiaries either directly or through the Prime Minister's Office. Most of the complaints related to matters being dealt with by the banks. The DC (SSI) while dealing with such complaints addressed the respective banks for taking necessary action. Records maintained at Development Commissioner (SSI) revealed that in 897 cases no reply had been received, while in 114 cases only interim reply had been received. The department did not take any follow up action for getting the cases expedited resulting in bulk of the complaints remaining unsettled.

3.29 Evaluation

Policy guidelines required concurrent evaluation of the performance on regular basis to assess the effectiveness of the scheme through reputed institutions, organisations and NGOs and for review of the recommendations by the HPC.

Scrutiny of records in this regard revealed that only one evaluation for the year 1993-94 to 1994-95 had been conducted through the Institute of Applied Manpower Research (IAMR) as national coordinator. A total expenditure of Rs 85.44 lakh had been incurred towards fee for National/State level consultants. The National consultant was appointed in March 1995, but no time limit was prescribed for completion of the study. The evaluator submitted its report during August 1999, which was considered in the HPC meeting held on 17th September 1999.

The key findings of the evaluation study were regarding, satisfactory average employment generation of 2.39 per PMRY unit as against the expected percentage of 1.5, 65 per cent repayment of loans by the beneficiaries, 52 per cent rejection of sponsored applications by banks, delay in disbursement of loan which constituted 57 per cent of the sanctioned cases and sanctioning projects to beneficiaries whose income exceeded the income ceiling laid down in the scheme in about 1/3rd of the cases sanctioned.

The main recommendations related to organising task force meetings at the municipal/block level, raising the ceiling on investment to Rs 2 lakh in case of

Evaluation was not conducted on regular basis

industry and Rs 1.5 lakh in case of service/business sectors, introduction of the system of collateral security for loans in excess of Rs one lakh and raising age limit from 35 years to 40 years. The main recommendations have already been implemented. However, no further evaluation was conducted.



(H.P. DAS)

New Delhi

Dated: 14 August 2001

Director General of Audit

Central Revenues

Countersigned

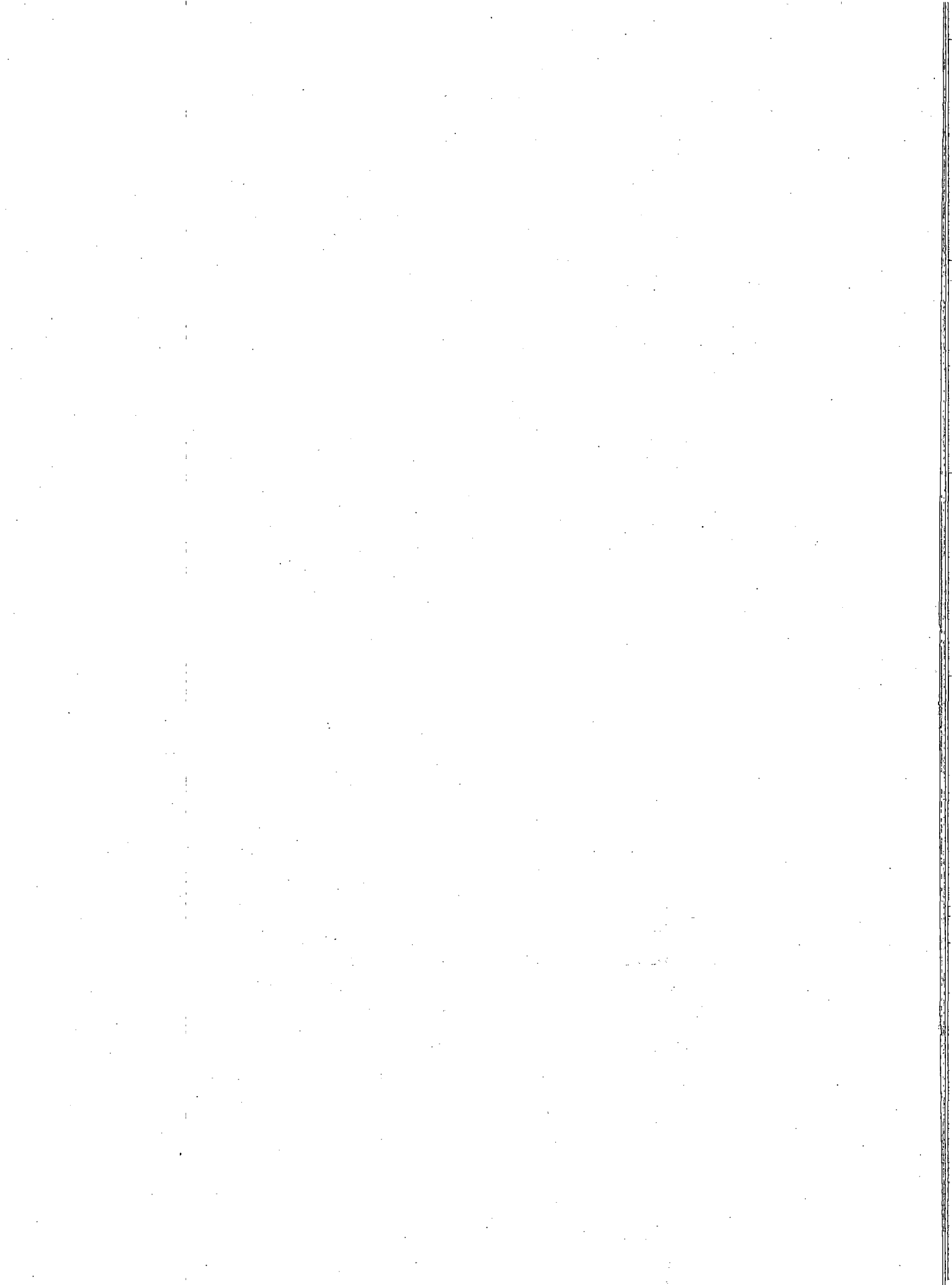


(V.K. SHUNGLU)

New Delhi

Dated: 14 August 2001

Comptroller and Auditor General of India



Annex 1

(Refers to Paragraph 3.3)

Statement showing organisational set up at State/District level.

S. No.	State/UT	State Level	District Level
1.	Andhra Pradesh	Commissioner of Industries	DIC
2.	Assam	Department of Industries	District Industry & Commerce Centre
3.	Arunachal Pradesh	Director of Industries	Dy. Director
4.	Bihar	Department of Industry	DIC
5.	Delhi	Department of Industry	DIC
6.	Goa	Industry & Mines Department	General manager (PMRY)
7.	Gujarat	Department of Industries and Mines/Commissioner of Cottage of Rural Industry	DIC
8.	Haryana	Directorate of Industries	DIC
9.	Himachal Pradesh	Director of Industries	DIC
10.	Jammu & Kashmir	Directorate of Employment	DIC
11.	Karnataka	Director of Industries & Commerce	DIC
12.	Kerala	Director of Industries & Commerce	DIC
13.	Madhya Pradesh	Department of Industry	DIC
14.	Maharashtra	Directorate of Industries	DIC
15.	Manipur	Director of Commerce & Industry	DIC
16.	Meghalaya	Directorate of Industries	DIC
17.	Mizoram	Director of Industries	DIC
18.	Nagaland	Department of Industries	DIC
19.	Orissa	Department of Industries	DIC
20.	Punjab	Director of Industries	DIC
21.	Rajasthan	Director of Industries	DIC
22.	Tamil Nadu	Director of Industries and Commerce	DIC
23.	Tripura	Department of Industries & Commerce	DIC
24.	Uttar Pradesh	Department of Industry	DIC
25.	West Bengal	Department of Cottage & Small Scale Industry	DIC
26.	Dadra & Nagar Haveli	--	DIC
27.	Pondicherry	Director of Industries	DIC
28.	Sikkim	Department of Urban Development & Housing	DIC

Annex 2

(Refers to Paragraph 3.11.6)

Execution of works through contractors.

(Rs in lakh)

State	Implementing agencies	Scheme	Year	Amount	Manner of execution
Arunachal Pradesh	ZIRO & DAPORIJO	NRY/SJSRY	1995-96 to 1999-2000	13.68	Got executed through contractors, loss of 15629 mandays.
Assam	Nagaon, Dhubri Lanka town	UEGP Schemes	1995-96 to 1997-98	18.42	Got executed through contractors (9 works), loss of 4479 mandays.
Bihar	13 Districts	NRY/SJSRY	1996-1999	34.91	Got executed through contractor-remained incomplete (31 works).
Gujrat	Wankaner	NRY	1995-2000	6.34	Got executed through contractors and non completion of works as of Feb 2000.
Himachal Pradesh	Shimla	UEGP	1995-2000	54.20	Got executed through contractors (99 works) in 8 ULBs.
Maharashtra	Beed MC	NRY	1995-2000	10.31	Got executed through contractors loss 4532 mandays.
Nagaland	Kohima	UEGP	1997-98 & 1990-2000	142.43	Got executed through contractor. loss of 2.28 lakh mandays.
Orissa	19ULBS	NRY/PMPIUPEP/SJSRY	1995-2000	237.53	Got executed through contractors
Pondichery	Karaikal	PMIUEP	1996-97	1.55	Got executed through contractors
Punjab	10 ULBS	SJSRY	1995-200	46.96	Got executed through contractors
Rajasthan	Hunumangarh	NRY/SJSRY	1996-98	40.92	Got executed through contractor (21 works)
Tripura	Dharamnagar	NRY	1996-97.	3.00	Got executed through contractors lost 2180 mandays had the execution been done departmentally.
Uttar Pradesh	Agra, Bijnor, Dehradun & Kanpur	SJSRY	1997-98	44.62	Got done through contractors
West Bengal	Bongaon Coochbehar, Japaiguri, Serampore & Habra	SJSRY	1995-2000	48.55	Got executed through contractors
Total				703.42	

Annex 3

(Refers to Paragraph 3.11.7)

Inflated financial reporting

(Rs in lakh)

State	District	Scheme	Year	Actual expenditure incurred	Expenditure reported	Excess/inflated reported	
Arunachal Pradesh	Shillong	NRV/PMIUPEP / SJSRY	1989-2000	367.01	839.81	472.80	Utilisation actually not made.
Assam	Guwahati	NRV/PMIUPEP	1992-98	Actually not spent	346.26	346.26	The amount was lying with the executive agencies although reported to GOI as expenditure
Himachal Pradesh	Dharamshala Sundernagar	SJSRY	1998-99	Actually not spent	38.08	38.08	Inflated reporting
Karnataka	Bangalore	SJSRY	1997	-	-	241.00	Over reporting of expenditure due to short reporting of unspent balance.
Maharashtra	BMC Mumbai	UBSP	Jan 2000	Over reporting of funds	236.62	3.22	BMC reported to State govt. over reporting of transfer of funds to SJSRY BY Rs 3.22 lakh.
Maharashtra	Pune M.C.	NRV	1995	Not actual expenditure	61.96	37.18	The excess reporting implies excess receipt.
Maharashtra	Nashik	NRV	1997-98	62.50	70.60	8.10	Over reporting of expenditure
Tamil Nadu	Chennai	NRV	Upto 1997	148.47	226.36	77.89	Misreporting of expenditure of Rs 77.89 lakh
Uttar Pradesh	Lucknow	PMIUPEP	1996-97	1389.00	1893.00	504.00	SUDA Lucknow had shown the expdr. Of Rs 13.89 crore in 1996-97 under PMIUPEPbut the expdr. Reported to govt. was to 18.93 crore.
				Total	3712.69	1728.53	

Annex 4

(Refers to Paragraph 3.11.8)

NRV
Financial Performance and
Physical targets and Achievements

(Rs in lakh)

Funds available during eight Plan against Central and State Assistance	Expenditure upto (31.3.1997)		Upto 1991-92		1992-93		1993-94		1994-95		1995-96		1996-97		1997-98 (upto 30.11.1997)		Grand Total	
			T	A	T	A	T	A	T	A	T	A	T	A	T	A		
1992-93 to 1996-97			T	A	T	A	T	A	T	A	T	A	T	A	T	A	T	A
15625.26	16467.40	No. of beneficiaries assisted to set up micro enterprises	2.87	1.42	0.92	2.37	1.25	1.52	1.02	1.25	1.17	1.25	0.87	1.29	0.37	1.33	8.47	10.43
3848.48	2738.40	Persons trained / under going SUME	0.68	0.48	0.32	0.41	0.42	0.31	0.34	0.38	0.40	0.46	0.30	0.46	0.13	0.61	2.59	3.11
19703.05	19618.43	Mandays of work generated SUWE	257.84	195.24	63.74	76.27	50.84	72.17	41.12	50.85	36.22	54.64	33.74	9.57	21.11	29.01	504.61	487.71
		No. of dwelling units upgraded/in progress under SHASU	2.85	0.28	1.77	2.28	1.76	0.56	1.60	0.62	0	0.23	0	0.87	0	0.10	7.98	4.90
5124.73	5090.09	Mandays of work generated under SHASU	246.87	18.16	94.46	64.22	91.89	51.50	65.00	13.11	0	38.31	0	47.46	0	11.33	498.22	243.33
1684.46	1206.14	Persons trained/under going training under SHASU	0.62	0.15	0.16	0.17	0.16	0.17	0.15	0.05	0.15	0.21	0	0.16	0	0.18	1.24	0.99

Annex 5

(Refers to Paragraph 3.12.1)

Total expenditure reported by the State Government to Ministry and expenditure test checked
(1995-96 to 1999-2000)

(Rs in lakh)

Sl. No.	Name of the State	Expenditure	Expenditure test checked
1.	Andhra Pradesh	10768.00	3554.00
2.	Arunachal Pradesh	296.00	70.00
3.	Assam	1203.68	407.86
4.	Bihar	2002.00	1527.00
5.	Goa	530.66	282.69
6.	Gujarat	3532.00	832.00
7.	Haryana	1412.00	421.68
8.	Himachal Pradesh	835.63	305.37
9.	Jammu and Kashmir	1080.00	795.00
10.	Karnataka	13826.00	2791.00
11.	Kerala	2499.42	300.35
12.	Madhya Pradesh	11544.44	3424.00
13.	Maharashtra	10887.73	3964.42
14.	Manipur	194.00	194.00
15.	Meghalaya	314.00	217.00
16.	Mizoram	710.00	520.00
17.	Nagaland	455.06	341.03
18.	Orissa	2439.65	994.06
19.	Punjab	2684.94	638.33
20.	Rajasthan	5304.65	2434.94
21.	Sikkim	364.98	310.33
22.	Tamil Nadu	10885.00	2433.00
23.	Tripura	367.31	258.29
24.	Uttar Pradesh	18845.00	6497.00
25.	West Bengal	8319.86	1842.56
26.	Dadar Nagar Haveli	112.69	N/A
27.	Pondicherry	184.39	179.30
28.	Delhi.	195.16	64.03
	Total	111794.25	35599.24

Annex 6

(Refers to Paragraph 3.12.2)

Fund parked in revenue deposit/personal ledger/personal deposit accounts/Fixed deposits

(Rs in lakh)

State	District	Scheme	Period	Amount	Remarks
Assam	Guwahati (SUDA)	NRY/ UBSP	1994 January 1999	73.39	Kept in RD accounts-Deposit-at-call receipt.
Assam	SUDA Assam	UEGP	1997 to March 2000		
Bihar	Patna	NRY	1998-2000	1528.00	Kept in Civil deposit/term deposit of SBI.
Bihar	SUDA	SJSRY	1998-2000		Unauthorisedly locked in-term deposit as of July 2000
Gujarat	SUDA	NRY	1997-98	1104.00	Invested in Sardar Sarovar Namada Nigam Ltd. and GIPC.
Haryana	Chandigarh	SJSRY	1999	125.00	Kept in Fixed Deposit
J & K	HUDD,	SJSRY, UPA	1998	134.00	Converted into Hundi & not encashed (Loss of interest of Rs 25.17 lakh @ 9 percent)
Maharashtra	BMC	NRY PMIUPEP	1997-99	37.00	Kept in fixed deposit.
Maharashtra	ULBS	NRY/ SJSRY	1996-2000		
Maharashtra	Municipal Corporation	SJSRY/ PMIUPEP	1999-2000		
Manipur	DUDAs	SJSRY	1999	640.00	Kept in Civil desposit.
Mizoram	Project Director	SJSRY	1998-2000	88.53	Kept in Civil deposit
Orissa	ULBS (18)	SJSRY/ NRY	1997 to 2000	80.00	Kept in term deposit and Orissa Rural Housing Development Corporation Limited
Orissa	SUDA, Bhubaneshwar	SJSRY/ NRY	1993-1999		Kept in term deposit
Karnataka	Chief Officer TMC, Deputy Commissioner Bangalore, Gulbarga and DMA	SJARY	1995 on wards	1262.89	Kept in term deposit.
West Bengal	Municipalities Katwa, Chakdah	PMIUPEP	1997	5.56	Kept in term deposit
Total				5078.37	

Annex 7

(Refers to Paragraph 3.12.3)

Delay in release of fund to the implementing agencies

(Rs in lakh)

State	By whom released	Scheme	Amount	Period of delay	Year	Funds whether state or central
Andhra Pradesh	State Govt.	SJSRY	1835.17	3 to 18 months	1997	State share
Arunachal Pradesh	State Govt.	NRY/UBSP/SJSRY	55.37	2 to 36 months	1989-94	State share
Assam	State Govt.	SJSRY	300.00	More than 1 year	1999-2000	Central share
Goa	SUDA	NRY/PMIUPEP/SJSRY	193.98	3 to 12 months	1995-96 1997-98	Central and State share
Haryana	State Govt.	SJSRY	317.64	3 to 12 months	1998-99	Central/State share
Himachal Pradesh	Central Govt.	NRY	60.15	3 months	1995-96	Central share released after the close of the financial year
Himachal Pradesh	Central Govt.	SJSRY	50.54	2 months	1997-98	Central share -do-
Himachal Pradesh	Central Govt.	SJSRY	37.47	1 months	1998-99	Central share -do-
Himachal Pradesh	State Govt.	SJSRY	232.03	8 months	1998-99	Central/State share
J&K	State Govt.	PMIUPEP/NRY	396.00	4 to 12 months	1995-1999	Central share
Karnataka	State Govt.	NRY/SJSRY	369.00	Two to 17 months	1995-96 & 1999-2000	Central/State share
Karnataka	State Govt.	SJSRY	2340.30	15 months	1997-98	Central share
Kerala	State Govt.	PMIUPEP	450.18	3 months to 4 months	1995-98	Central Share/State share
Madhya Pradesh	State Govt.	PMIUPEP/SJSRY	1759.00	2 to 4 months	1995-1998	State share
Madhya Pradesh	State Govt.	"	5862.14	1 to 12 months	1995-1999	State share
Meghalaya	State Govt.	NRY/PMIUPEP/SJSRY	148.31	15 days to 12 months	1995-2000	Central/State share
Mizoram	State Govt.	PMIUPEP	27.79	2 years	1997	Central share
Mizoram	State Govt.	SJSRY	69.63	1 year	1997-98	Central share
Nagaland	State Govt.	NRY	126.54	1 to 7 years	1989-90 1994-95	Central share
Nagaland	State Govt.	UBSP	35.00	1 to 7 years	1994-95	Central share

(Rs in lakh)

State	By whom released	Scheme	Amount	Period of delay	Year	Funds whether state or central
Orissa	State Govt.	NRY	151.60	18 months	1995-96	Central/State share
Orissa	State Govt.	NRY	90.05	24 months	1996-97	Central/State share
Orissa	State Govt.	PMIUPEP	250.00 145.54	32 days to 79 days	1995-96 1996-97	Central/State share
Orissa	State Govt.	SJSRY	223.11 360.40	13 days to 4 months	1997-98 1998-99	Central/State share
Pondicherry	State Govt.	NRY/ PMIUPEP/ SJSRY	194.30	1 to 6 months	1995-2000	Central share
Pondicherry	State Govt.	NRY/ PMIUPEP/ SJSRY	76.28	6 to 28 months	1996-98	State Share
Punjab	State Govt.	UEGP	592.78	4 to 15 months	1995-2000	Central/State share
Punjab	SUDA	UEGP	2226.17	1 month to 17 months	1995-96	Central/State share not released to ULB
Rajasthan	State Govt.	NRY/PMIUPE P/ SJSRY	2945.54	1 to 15 months	1995-96 & 1999-2000	Central share
Rajasthan	State Govt.	NRY/PMIUPE P/ SJSRY	1705.44	2 to 15 months	1995-96 to 1999-2000	State share
Sikkim	GOI	NRY/PMIUPE P/ SJSRY	75.65	12 months	1995-96 & 1996-97	Central share
Tamil Nadu	State Govt.	PMIUPEP	900.44	2 months to 5 months	1995-96	Central Share
Uttar Pradesh	State Govt.	NRY	2072.00	5 months to 16 months	1995-97	State Share
Total			26675.54			

Annex 8

(Refers to Paragraph 3.12.4)

Short/non-release of fund to implementing/executing agencies

(Rs in lakh)

State	By Whom released	Scheme	Year	Amount	Entity(ies) responsible for short/non release.
Andhra Pradesh	State Govt.	SJSRY	1997-2000	814.00	Central Share state Government.
Arunachal Pradesh	State govt.	NRY/UBSP	1989-2000	61.34	State share State Government.
Arunachal Pradesh	State govt.	NRY/SJSRY	1989-2000	19.86	Central share State Government
Assam	State govt.	UEGP	-	664.37	Central & State fund not released to the implementing agencies by State Government.
Assam	State govt.	UEGP	-	2389.10	Central & State share not released by the State Government.
Bihar	State Govt.	NRY/ UBSP PMIUP	1995-1998	256.00	Central share short released by the State Government.
Gujarat	State Govt.	NRY	1989-1997	74.00	Short release of funds by State government as state share
J & K	State Govt.	SJSRY	1998-1999	136.00	Central share funds not released by State Government.
J & K	State govt.	SJSRY	1997-1998	121.00	State share not released.
Meghalaya	MIJDA	NRY	1997-2000	57.58	State share not released till the end of March 2000 by MUDA
Mizoram	State Govt	SJSRY	1998-2000	7.11	Central share not released by State Government.
Nagaland	State Govt.	NRY	1998-1995	31.59	Central and Sate share not released by State Government.
Orissa	State Govt.	PMIUPEP/ SJSRY	1997-98 & 1999-2000	126.70	State share not released by State Government.
Pondicherry	State Govt.	SJSRY	1999-2000	18.60	Central share not released to ULBs by State Government.
Tamil Nadu	State Govt.	NRY	1997-1998	257.95	Central/State share not released by State Government..
Tamil Nadu	State Govt.	SHASHU/ PMIUPEP	1995-1997	252.44	Fund not released.
Uttar Pradesh	State Govt.	SJSRY	1999-2000	523.00	State share not released till the end of financial year 2000.
Total				5810.64	

Annex 9
(Refers to paragraph 3.12.5)

(A) Diversion of funds to other activities not connected with programme**(Rs in lakh)**

State	District	Scheme	Year	Amount	Activities for which fund was diverted
Andhra Pradesh.	Hyderabad	SJSRY	1998-99	2.76	Purchase of office equipment
Assam	Guwahati	NRV/ SJSRY	April 92 to Feb.2000	182.95	Payment of telephone and electricity bills, purchase of vehicles, purchase of air conditioner etc.
Bihar	SUDA	NRV / SJSRY	1995-96 to 2000	90.90	Purchase of sofaset, chairs, for collector of Munger repairs of tractor construction of chairmans chamber badminton hall loan to Water Board and two other Institutions etc.
Himachal Pradesh	Sunder Nagar	NRV	1996-97	24.82	Salary of staff & wages, removal of snow and slips
Himachal Pradesh	Mandi	SJSRY	1999		
J & K	8 ULBS	NRV/ PMIUPEP	1998-99-2000	109.25	Purchase of vehicles, camera computers, for Ministers and officials Payment of telephone bills, colour TV, loan to Punch Municipality and private institutions.
Karnataka	5 ULB	NRV /SJSRY	1992-93 to 1996-97	67.33	Municipal activities
Kerala	ULB	UPA	1996-99	25.50	For payment of salary to staff, repayment of loan.
Maharashtra	Bombay Municipal corporation (BMC)	NRV	1998	55.61	For payment of Pay and allowances, LTC., establishment charges etc.
Maharashtra	M.C.Khalkaranji	SJSRY	1999-2000		For meeting expenditure on payment of bonus and contractors bills.
Manipur	Imphal	NRV /SJSRY	1995-2000	44.81	Pay and allowances, purchase of two cars and advanced to other authority.
Mizoram	AIZAWAL	NRV	1997	9.18	Purchase of gypsy car.
"	AIZAWAL	SJSRY	1998-99		Purchase of vehicles for project officers. (Aizal Lunglee)
Nagaland	Kohima	PMIUPEP	1997-98 & 1998-99	8.77	Purchase of computer (Rs 4 lakh), repair of quarters (Rs1 lakh) and purchase of vehicle (Rs 3.77 lakh)
Orissa	Bhubaneshwar (14 ULBS)	SJSRY /NRV & PMIUPEP	1998-2000	173.22	Payment of salaries and other municipal expenses
"	4 ULBS	UEGP	3/97 to 2/2000		Purchase of electrical goods, motor vehicle, soil testing etc.
Punjab	Ferozepur	SJSRY	1998	332.82	Pay and allowances of MCD, staff (municipal committee) and furnishing of CVO office, Computerisation of Punjab Water Supply Sewerage Board, execution of work, staff training and Information Education and Communication.
"	"	SJSRY	1999		Purchase of Ambassador vehicle for Director of agency.
Rajasthan	Ajmer, Bhilwara, Bikaner, Jodhpur, Pali and Udaipur	NRV	1995-96 1997-98	77.39	Salary, allowances. Purchase of fax machine, coolers photocopier etc.
"	Jaipur	PMIUPEP	1999		
Sikkim	Gangtok	NRV/ PMIUPEP	1996-98	12.07	Purchased 3 vehicles
Tripura	Ranibazar and Dharamanagar and Panchayab	NRV /SJSRY	1995-96 to 1999-2000	30.81	Purchase of land, Purchase of Jeep, repair and maintenance of town hall, construction of stadium, purchase of tractor
West Bengal	Ten Municipal bodies	NRV / PMIUPEP/ SJSRY	1995-2000	237.00	Salary wages provident fund payment purchase of tractors electricity charges, refund of security to contractors, two wheelers and weigh machine.
Madhya Pradesh	Bilaspur	NRV/SJSRY	1998	3.30	Diverted to collector as loan
Pondicherry	-	NRV/SJSRY/	1996-2000	12.17	Supply of news papers and salary to Teachers.
Uttar Pradesh	Ghaziabad, Meerut, Muzaffar Nagar, Nanital and Sharanpur	NRV/PMIUPE P/ SJSRY	1996-97 1998-99	41.72	Purchase of electricity material.
Total				1542.38	

Annex 10

(Refers to Paragraph 3.12.8)

Advances being unutilised/treated as final expenditure though not actually incurred

(Rs in lakh)

State	District	To whom advanced	Period	Amount of advance	Scheme	Purpose for Which advance granted
Bihar	Patna	Distt. Agencies	1995-2000	6881.00	NRY/ SJSRY	Released funds to Districts agencies were shown as expenditure.
Himachal Pradesh	Shimla Sunder Nagar Mandi	H.P SEB	1999	26.70	SJSRY	For providing street light
J&K	TAC/ NACs	JUDA/ UDAK & DUDAS	1995-96 to 2000	51.48	UEGP	For works under wage employment.
Karnataka	Karwar, Sirsi Bangalore etc.	ULBs / NGO	1997-98 to 1999- 2000	253.07	PMIUPEP /SJSRY	Treated as final expenditure without giving vouchers, proof of expenditure
Nagaland	Kohima	Eight DUDAS	1999- 2000	156.12	SJSRY	Implementation of SJSRY
Orissa	Bhubaneshwar	ULBs	1995- 2000	136.67	NRY /SJSRY	Execution of works
Tripura	Agartala	Deposited into banks	1994-95 to 1998- 99	2.74	NRY	Treated as final expenditure, though not actually incurred
Uttar Pradesh	SUDA	U.P. Jal Nigam	1995-98	105.00	PMIUPEP	Treated as final expenditure without receipt of adjustment bills/vouchers.
Uttar Pradesh	SUDA	Executing Agencies	1995-98	59.79	NRY	
Uttar Pradesh	Ghaziabad Udham Singh Nagar Varanasi	Project Officer	1995-98	315.00	NRY/ PMIUPEP/ SJSRY	
West Bengal	Six Municipalities Barasat, Garulia, Habra, Jalpaiguri, Ranaghat and Serampore		1995- 2000	45.42	NRY/ SJSRY/ PMIUPEP	Treated as final expenditure
Total				8032.99		

Annex 11

(Refers to Paragraph 3.12.10)

Expenditure on administration in excess of norms

(Rs. in lakh)

State	Scheme	SUDA/DUDA	Amount in excess of norms	Year
Dadar and Nagar Haveli	SJSRY	SUDA	11.33	1997-98 to 1999-2000
Gujarat	NRV/SJSRY	SUDA	58.00	1995-98 and 1999-2000
Haryana	SJSRY	DUDAs	4.22	1998-99
Kerala	PMIUPEP	UPI Cell	32.42	1995-2000
Madhya Pradesh	SJSRY	DUDA Bilaspur Indore Raipur Durg	427.00	1995-2000
Manipur	NRV/SJSRY	SUDA	17.93	1995-2000
Rajasthan	NRV/PMIUPEP/SJSRY	SUDA	142.88	1997-98 to 2000
Sikkim	UBSP/PMIUPEP/SJSRY	SUDA	29.92	1995-2000
Total			723.70	

Annex 12

(Refers to Paragraph 3.13.1)

Violation of prescribed ratio of expenditure on material and wage components: 60:40

State	District	Scheme	Audit findings
Madhya Pradesh	Bilaspur Gwalior Indore Jabalpur Raipur	SJSRY	The expenditure on labour were 21%, 29%, 22%, 24%, 29% respectively.
Himachal Pradesh	Shimla	UEGP	Test check of 32 works executed between 1995-2000 the ratio of labour ranged between zero and 37 per cent.
Assam	Guwahati	UEGP	Test check of 51 works material components were higher than the prescribed ratio involving Rs 5.47 lakh extra expenditure on material.
Goa	Goa 8 Municipal Councils	UWEP (SJSRY)	During 1997-98 1998-99 three Municipals councils did not maintain work wise account of expenditure to ascertain the ratio on material and labour was maintained.
Orissa	11 ULBS	NRV/ PMIUPEP SJSRY	The ratio of engagement of labour component ranged between 16.58 per cent and 26.11 per cent.
Arunachal Pradesh	Papumpare	NRV	In 1996-97 four number of works executed under NRV the ratio of labour and material was 32:68
Arunachal Pradesh	"	SJSRY	In 1997-98 four number of works executed under SJSRY the ratio of labour and material was 43:57.
Karnataka	ULBs	--	In 36 test check cases of ULBs excess expenditure on material was Rs 42.10 lakh leading denial of employment of 0.27 lakh mandays.
Haryana	Jind and Khrushtra	NRV /SJSRY	During 1995-1998 under NRV the actual expenditure on labour component was only 17 and 35 per cent in four districts less expenditure on labour component led to generation of less employment of 11492 mandays.
Haryana	Jind and Sonepat	SJSRY	During 1998-2000 under SJSRY labour component varied between 13 and 25 per cent which led to less generation of employment of 7683 mandays. In Jind and Sonepat districts expenditure on labour was 13-14 per cent only.
Tripura	ULB	NRV	During 1995-96 to 1998-99 the ratio of expenditure on labour varied from zero to 30 in 11 works executed by two ULBs'
Uttar Pradesh	DUDAs	NRV/ SJSRY	Expenditure on material component was in excess of Rs 39.84 lakh, which affected wage employment of 81306 mandays.
Pondicherry	Karakal	NRV/ SJSRY	During 1995-97 & 1999-2000 the ratio ranged from 75:25 to 91:9 for 9 works on material and labour.
Gujarat	Jetpur - Navagadh Wankaner	NRV	During 1996-98, Wage material ratio ranged between 26.74 and 35.65 (11 works) against 40:60
Dadar Nagar Haveli	Silvassa	NRV	During 1995-2000, the excess expenditure on material was Rs 5.68 lakh leading less generation of 13908 mandays.
Sikkim	Gangtok	NRV/ SJSRY	During 1995-96 to 2000 the ratio of material and labour in NRV- 52:48 to 80:20, SJSRY 80:20 to 58:42.
Rajasthan	Jaipur (ULBs)	NRV/ SJSRY	During 1995-96 to 2000 the ratio of material was between 61 and 90 percent.
Bihar	Patna	SJSRY/NRV	During 1995-96 to 2000 the ratio of labour was between 7 and 17 per cent under SJSRY, 24 and 46 per cent under NRV
Tamil Nadu	Chennai	SJSRY	During 1997-98 to 2000 the ratio of material and labour not maintained.
West Bengal	20 Municipal Bodies	NRV/ SJSRY	During 1995 to 2000 average ration for labour and material was 28:72.

Annex 13

(Refers to Paragraph 3.21.1)

Statement showing delay in release of funds by State/UTs to implementing agencies

(Rs. in lakh)

Sl. No.	State/UT	Period	Extent of delay	Amount	Remarks
1.	Andhra Pradesh	1995-98	4 - 9 months	84.69	Funds were released with delay.
		1999-2000	3 months	153.00	Funds received during 1999-2000 were not released till June 2000.
2.	Assam	1995-2000	367.50	Government of Assam did not release Rs 367.50 lakh to nodal agencies and nodal agencies did not release Rs 135.71 lakh to executive agencies.
3	Jammu and Kashmir	1995-99	4 to 12 months	48.00	State released to the implementing agencies
		1998-2000	7 months	8.00	State Government did not release as of April 2000
4.	Madhya Pradesh	1995-99	2 to 8 months	580.09	State released to implementing agencies.
5.	Manipur	1996-97	4 years	10.12	State government did not release funds to industries/ department and kept under deposits till March 2000.
		1995-2000	3.25	Director of industries did not release contingency fund to DICs.
6.	Nagaland	1995-2000	1 to 6 years	Delayed release by State government due to financial constraints PMRY funds had been utilised by State elsewhere.
7	Tamil Nadu	1995 upto 12/1999	2 to 10 months	424.82	State released funds with delay ranging between 2 to 10 months
8.	Uttar Pradesh	1997-98	10 months	200.00	Funds received in October 1997 from Government of India were released to DIC in August 1998.

Annex 14

(Refers to Paragraph 3.23.2)

Statement showing the cases where training funds were claimed at rates less than the norms.

Year	Name of State/UT	Activity	No. of beneficiaries trained	Amount claimed (Rs)	Admissible norms per trainee (Rs)	Actual claimed per trainee (Rs)
1995-96	Assam	S & B	5901	1049000	500	178
	Bihar	S & B	6660	2078143	500	312
	Delhi	S & B	243	85200	500	351
	Gujarat	Ind. & B	8678	3428630	1000 500	400
	Haryana	Ind.	1735	946434	1000	545
		S & B	3120	1665782	1000	534
		S & B	3328	1006909	500	303
1996-97	Gujarat	Ind.	2737	1124720	1000	411
		S & B	5990	1847780	500	308
	Haryana	Ind.	1295	800643	1000	618
		S & B	6191	2040663	500	330
	Himachal Pradesh	Ind.S & B	1612	759620	1000& 500	471
	Jammu & Kashmir	Ind.	608	744700	1000	430
		S & B	1124		500	
	Madhya Pradesh	Ind.	9283	6574580	1000	708
		S & B	29070	10119650	500	348
1997-98	Gujarat	Ind.	2555	1071500	1000	419
		S & B	5937	1780000	500	300
	Haryana	Ind.	851	558888	1000	657
		S & B	4935	2064672	500	418
	Himachal Pradesh	Ind.S & B	1973	735890	1000&500	373
	Jammu & Kashmir	Ind.	588	202000	1000	344
		S & B	1975	680000	500	344
1998-99	Goa	Ind.	22	15400	1000	700
		S & B	132	46200	500	350
	Gujarat	Ind.	2479	1028000	1000	415
		S & B	6526	1684870	500	258
	Haryana	Ind.	998	564990	1000	566
		S & B	6294	1792920	500	285

Ind : Industry

S: service

B : Business

Annex 15

(Refers to Paragraph 3.27)

Statement showing default in repayment of bank loans

Sl. No.	State/UTs	Period	Percentage of re-payment of loan in default	Remarks
1	Assam	1996-2000	81 to 89	--
2	Haryana	1995-2000	NA	36 percent based on test check of 1314 cases, defaulters 469 in 5 districts
3	Himachal Pradesh	1995-2000	42 to 62	Based on test check of 3 districts, Shimla, Kangra and Mandi.
4	Karnataka	1996-99	49 to 63	Based on test check of 1.35 lakh cases in 7 districts.
5	Madhya Pradesh	--	74	Out of the demand of 137.26 crore, 101.84 crore were overdue in 10 test checked districts.
6	Manipur	1998-2000	97 to 99	Rs 1.49 crore/ Rs 1.48 crore as on 31st December 1999.
7	Mizoram	1995-2000	NA	Based on the records of SBI Aizwal main branch (77 percent of the cases).
8	Nagaland	1993-2000	99.31	Rs. 6.98 lakh recovered out of Rs 1011.11 lakh
9	Rajasthan	1995-2000	33	Based on test check of 624 cases in 7 District and 22 Banks
10	Tamil Nadu	1996-99	55 to 58	Based on records of 5 districts test-checked.
11	Tripura	As on 31 st March 1999	79	Based on 58 th report of state level Bankers Committee
12	West Bengal	--	73 to 92	Based on information of Lead Banks of 3 districts.
13	Pondicherry		63 to 75	Based on review meeting of Lead Banks in November 1996 and July 1997.
14	Sikkim	1994-99	74	Based on test check of 115 cases.

Annex 16

(Refers to Paragraph 3.28)

Statement showing deficiency in monitoring

Sr. No.	State/UT	Period	Remarks
1.	Assam	1995-2000	District consultative Committee (DCC) and District Level Review Committee (DLRC) held 53 meetings and 23 meetings against 92 and 46 meetings during 1998-99.
2.	Arunachal Pradesh	1995-2000	At state level no monitoring cell had been created due to shortage of manpower.
3.	Sikkim	1995-2000	No monitoring cell was established.
4.	Bihar	1995-2000	No monitoring cell was created at state and District level.
5.	Jammu & Kashmir	1995-2000	No monitoring cell was created at state and District level.
6.	Mizoram	1995-2000	No monitoring cell was created at state and District level.
7.	Nagaland	1995-2000	No monitoring cell was created at state and District level.
8.	Madhya Pradesh	1996-2000	As against 16 quarterly meetings 11 were held during the period.
9.	Pondicherry	1995-99	Committees were formed in four regions but no meeting was held.

