

CHAPTER III Performance Audit

This Chapter contains performance audits on Implementation of Watershed Development Programmes, National Programme of Nutritional Support to Primary Education (Mid Day Meal), Infrastructure Development under Tribal Sub-Plan and one long paragraph on Irrigation facilities in Narmada Tapti Basin.

Panchayat and Rural Development Department

3.1 Implementation of Watershed Development Programmes

Highlights

Watershed Development programmes aimed to achieve sustained growth in agriculture productivity through prevention of drought and soil degradation and by bringing about improvement in soil fertility were started in 1996. The success in these initiatives was expected to improve living conditions among people dependent on agriculture and allied activities.

The performance review indicated partial success in works of water conservation. However the achievement in activities like afforestation, pasture development etc. were significantly below the target.

The districts taken up as sample for scrutiny revealed that only 65 per cent of the total projected output was achieved. The various components of the programme were not sequenced properly, leading to non-optimisation of benefit. Impact of the activities under the programme was not assessed to determine the extent of change in socio-economic environment and need for mid course correction. Further major audit findings noticed in implementing the programmes are as follows:-

Expenditure of Rs.24.75 crore was incurred by Watershed Committees in excess of cost norms fixed .

(Paragraph 3.1.6.3)

Expenditure of Rs.76.38 crore was incurred on six watershed projects under Integrated Wasteland Development Programme (IWDP) and 292 watershed projects under Drought Prone Area Programme (DPAP) where agriculture land was over 70 per cent .

(Paragraph 3.1.7.4)

Avoidable expenditure of Rs.21.84 crore was incurred on villages which had already been treated by the Agriculture Department or were under command areas of earlier Irrigation Projects.

(Paragraphs 3.1.7.5 and 3.1.7.6)

Zila Panchayats failed to achieve the assigned targets despite time and cost over runs. As of March 2008 only 213 of the 986 scheduled watershed projects were completed.

(Paragraph 3.1.8.1)

In five districts Rs.8.32 crore out of funds meant for afforestation, pasture development, training/community organisation, etc. was diverted for water conservation works.

(Paragraph 3.1.8.3)

Rupees 1.60 crore was irregularly deducted from the wages of labourers for funding Watershed Development Fund Accounts.

(Paragraph 3.1.8.4)

Developmental works were executed by Watershed Committees in Rewa and Shivpuri district at a cost of Rs.29.04 crore without employing labourers. Similarly payment of Rs.5.08 crore was made on works without recording detailed measurement in Measurement Book.

(Paragraph 3.1.8.5 and 3.1.8.7)

3.1.1 Introduction

In order to overcome the problems of drought, land degradation and to improve the socio-economic condition of economically weaker sections, Watershed¹ Development Projects were taken up in the State under the Centrally Sponsored Schemes “Drought Prone Area Programme” (DPAP) for non-arable lands since 1987 and “Integrated Wasteland Development Programme” (IWDP) for developing wastelands since 1989. The primary objectives of both programmes inter-alia included conservation of soil, water and other natural resources through watershed development programmes with the help of low cost and locally accessible technologies such as *in-situ* soil and moisture conservation measures, afforestation, pasture development etc.

3.1.2 Organisational set-up

The Principal Secretary/Development Commissioner, Panchayat and Rural Development Department is the overall in-charge for implementation of watershed development programmes at Government level. Rajiv Gandhi

¹ *Watershed is a geo-hydrological unit or an area that drains at common point.*

Watershed Management Mission (RGWMM) established in August 1994 under the Panchayat and Rural Development Department is headed by a Director, who is competent to sanction new watershed projects, monitoring progress and supervision.

At the district level these programmes are being implemented by the Chief Executive Officer (CEO) under the leadership of the Collector, through the Project Implementing Agencies² (PIAs) headed by Project Officers (POs) at block level. Each PIA supervises one or more micro-watershed projects³.

At village level the programmes are executed through Watershed Committees⁴ (WCs) in association with Self Help Groups⁵ (SHGs) and User Groups⁶ (UGs).

3.1.3 Objectives of Audit

Audit objectives were to assess whether:

- the watershed projects were selected as per prescribed criteria and approved guidelines of the programmes;
- the action plans of watershed projects were prepared according to guidelines;
- financial management, implementation of programme components, supervision and monitoring mechanism were effective.

3.1.4 Audit Criteria

Audit conclusion were benchmarked against the following criteria:-

- DPAP Manual and Guidelines issued by the Ministry of Rural Development, Land Resources Department, Government of India.

² PIA: Team of members from Government Department and voluntary organization which work on the project.

³ One micro-watershed project comprises of approximately 500 hectare and one milli watershed comprises of ten micro-watersheds.

⁴ Nominated 10-12 members from UG (4-5), SHG (3-4), Gram Panchayat (2-3) and members of WDT (Multidisciplines from Agriculture, Engineering, Horticulture, Sociology etc.)

⁵ SHG: Homogenous groups having common identity such as agriculture labourers, women, shepherds, SCs/STs etc.

⁶ UG: Identified Groups of most affected people, either beneficially or adversely.

- Circulars and orders issued by Government of Madhya Pradesh, Panchayat and Rural Development Department regarding watershed development projects.
- Detailed Project Reports of each watershed project and records pertaining to its execution.

3.1.5 Audit Scope and Methodology

The implementation of the Watershed Development Programmes during the period 2003-08, was reviewed through a test check (April-October 2008) of the records maintained by the Director RGWMM and twelve⁷ out of 48 CEOs, Zila Panchayats. Information was also collected from other line departments. Out of 2394 DPAP and 124 IWDP watershed projects in the State, 1638 DPAP and 18 IWDP watershed projects were checked involving an expenditure of Rs.339.89 crore (55 *per cent*) out of the total expenditure of Rs.616.88 crore.

The districts were selected on the basis of number of DPAP blocks, number of watershed projects sanctioned in DPAP/IWDP watershed programmes and allocation of funds received from GOI/State Government on a random sampling basis.

An entry conference was held in May 2008 with Director RGWMM where the audit objectives, criteria etc were explained. Audit findings and recommendations of audit were discussed with Principal Secretary to Government of Madhya Pradesh, Panchayat and Rural Development Department in an exit conference held in November 2008. Views of the Government were considered while finalising the review report. Results of test-check are embodied in the succeeding paragraphs.

Audit Findings

3.1.6 Financial Management

Both the programmes are Centrally Sponsored on cost sharing basis between the Government of India (GOI) and State Government in the ratio 3:1 (DPAP) and 11:1 (IWDP). GOI and State Government release their shares to Zila Panchayats (ZPs). ZPs in turn release funds to PIAs and WCs through account payees cheques, which are deposited in the respective bank accounts. Eighty *per cent* of funds upto March 2003 and thereafter eighty five *per cent* of funds are earmarked for development works by WCs. Five *per cent* funds were earmarked each for training and community organization upto March

⁷ *Badwani, Betul, Chhindwara, Damoh, Dhar, Jhabua, Khandwa, Khargone, Rewa, Shajapur, Shivpuri and Sidhi*

2003. Thereafter, only five *per cent* funds for both the components are transferred to PIAs. Administrative expenses (10 *per cent*) are shared in equal ratio between PIAs and WCs. WCs, PIAs and ZPs prepare their annual accounts duly audited by Chartered Accountant (CA). WCs and PIAs submit monthly report on physical and financial progress to ZPs. ZPs submit their annual accounts alongwith utilization certificates (UCs) to GOI. Watershed projects were sanctioned in batches by the GOI every year and funds were received accordingly. The funds were also earmarked against each batch and expenditure was to be watched there against. As per GOI instructions the saving of one batch could not be utilised in other batches.

Programme-wise and year-wise breakup of amounts released by GOI, State Government and expenditure incurred during 2003-2008 in the State is as under:-

Table No. 3.1: Financial outlays and expenditure

(Rupees in crore)

Name of Programme	Year	Opening Balance	Total Release		Other receipt	Total funds available	Expenditure	Balance with per cent age	
			Central share	State share					
DPAP	2003-04	18.48	50.22	21.97	0.15	90.82	69.60	21.22 (23)	
	2004-05	21.22	52.88	16.72	0.11	90.93	62.58	28.35 (31)	
	2005-06	28.35	53.28	19.25	0.19	101.07	69.85	31.22 (31)	
	2006-07	31.22	80.36	29.67	0.13	141.38	101.55	39.83 (28)	
	2007-08	39.83	56.57	16.12	0.18	112.70	81.58	31.12 (28)	
	Total			293.31	103.73	0.76		385.16	
IWDP	2003-04	9.92	25.58	2.41	0.06	37.97	28.07	9.90(26)	
	2004-05	9.90	29.79	2.46	0.08	42.23	25.27	16.96 (40)	
	2005-06	16.96	44.65	3.44	0.10	65.15	47.95	17.20 (26)	
	2006-07	17.20	78.54	5.75	0.06	101.55	68.53	33.02 (33)	
	2007-08	33.02	56.33	5.05	0.16	94.56	61.90	32.66 (35)	
	Total			234.89	19.11	0.46		231.72	
	<i>G.T.s</i>			528.20	122.84	1.22		616.88	

Source: Data furnished by Director RGWMM

There were significant savings at the end of the year which was attributed by the department to delayed release of funds by GOI. No visible efforts had however been made by RGWMM to take up the matter for early release of funds with the GOI.

3.1.6.1 Release of funds

As envisaged in the guidelines, funds were required to be released by ZP to PIA and WC within 15 days from the date of its receipt.

In 11 out of 12 Zila panchayats checked it was noticed that Rs.57.60⁸ crore out of Rs.339.89 crore was released after significant delays ranging from two to 27

Extent of delay in release of funds to WCs by ZPs was between 2 to 27 months.

⁸ (Barwani Rs.5.29 crore, Betul Rs.8.79 crore, Chhindwara Rs.5.54 crore, Damoh Rs.2.44 crore, Dhar Rs.8.36 crore, Jhabua Rs.9.66 crore, Khandwa Rs.2.61 crore, Khargone Rs.4.99 crore, Rewa Rs.1.30 crore, Shivpuri Rs.2.19 crore and Sidhi Rs.6.43 crore)

months during 2003-08. The delay in release of funds was assigned to non-formation of WCs, non-receipt of demand from WCs and frequent changes of staff at ZPs level. The delay in release of funds to WCs led to delayed completion of watershed projects. In the exit conference department intimated that e-banking system to expedite release of funds is being introduced.

3.1.6.2 Diversion of earmarked components funds

Expenditure of Rs.2.08 crore was incurred in excess of norms on work component without authorization.

According to the guidelines, expenditure under project components shall be limited to the percentage ceilings fixed for each component. Any amount remaining unutilized from earmarked components shall be duly refunded to ZP by the PIA and WC.

Contrary to these provisions, savings of Rs.2.08⁹ crore out of funds earmarked for administration, training and community organization components was used by PIAs and WCs on Development works components in excess of ceiling fixed for that component without approval of ZPs and Mission Leaders as detailed below:-

(Rupees in crore)

Name of component with per cent age break-up	DPAP-5 th , 6 th & 7 th Batch			IWDP (Phase-I)		
	Expenditure ceiling as per norms	Expenditure actually incurred	Excess (+) Saving (-)	Expenditure ceiling as per norms	Expenditure actually incurred	Excess (+) Saving (-)
Administrative cost (10 per cent)	3.10	2.81	-0.29	0.80	0.80	-
Training (5 Per cent)	1.55	0.69	-0.86	0.40	0.27	-0.13
Community organization (5 per cent)	1.55	0.75	-0.80	0.40	0.40	-
Development works (80 per cent)	24.80	26.75	+1.95	6.40	6.53	+0.13
Total	31.00	31.00		8.00	8.00	

The CEO, ZPs Jhabua and Khargone intimated that the unspent amount of components was utilized as per relaxation given in the State Government order (March 2002). Replies do not correctly interpret the said order. As per the provisions such amounts could be used to cover special cases only (viz. in such micro watersheds where funds was not provided as per project cost) and were not meant to cover routine cases.

3.1.6.3 Adherence to cost norms

Expenditure of Rs.24.75 crore was incurred in excess of cost norms.

As per guidelines overall cost norms¹⁰ fixed for treatment of land per hectare was to be adhered to. Scrutiny of progress reports (March-2008) of checked

⁹ (Dhar Rs.0.05 crore, Jhabua Rs.0.56 crore, Khargone Rs.1.39 crore and Shivpuri Rs.0.08 crore)

¹⁰ Rs.4000 per hectare in DPAP 5th Batch, IWDP-Ist and Rs.6000 per hectare in other batches

ZPs revealed that except in Barwani, and Shajapur an expenditure amounting to Rs.24.75 crore was incurred in excess of cost norms as detailed below:-

(Rupees in crore)

Name of Zila Panchayat	Name of Programme	Total area treated in hectare	Expenditure to be incurred as per cost norms	Total expenditure incurred	Excess expenditure	Average Per hectare cost in Rupees
Betul	DPAP-6 th , 9 th , 10 th	29539	17.72	18.93	1.21	6408
Chhindwara	DPAP-6 th to 12 th and IWDP-IIIrd	54881	32.93	41.28	8.35	7522
Dhar	DPAP-6 th , 7 th , 9 th , 11 th , 12 th and IWDP	39310	23.59	25.42	1.83	6467
	DPAP-5 th	16789	6.72	7.95	1.23	4735
Damoh	DPAP-6 th to 12 th	21707	13.02	17.36	4.34	7997
Jhabua	DPAP-5 th	24791	9.92	10.82	0.90	4364
	DPAP-6 th to 12 th & IWDP-Ist	53001	31.80	35.04	3.24	6611
Khargone	DPAP-9 th to 12 th & IWDP	15302	9.18	11.41	2.23	7456
Khandwa	DPAP-7 th & 8 th	5457	3.27	3.53	0.26	6469
Rewa	DPAP-6 th , 8 th to 11 th	18796	11.28	11.78	0.50	6267
Shivpuri	DPAP-5 th	8874	3.55	3.68	0.13	4147
Sidhi	DPAP-7 th	8490	5.09	5.62	0.53	6620
	Total	296937	168.07	192.82	24.75	

The CEO, ZPs attributed the excess expenditure mainly to delayed release of funds by the GOI, as a result of which the cost of watershed escalated. In the exit conference the department stated that the cost norm of Rs.6000 per hectare was very meager for achieving the objectives of programmes, leading to increased in cost norms. No efforts had however been made by the department to get the cost norms revised.

3.1.7 Programme Management

Implementation of programme was to be designed to develop wastelands, prevent soil erosion and improve land fertility through contour/vegetative bunding in the first year and to improve moisture content through supplemental water harvesting engineering structures and allied activities in subsequent years of the project.

3.1.7.1 Action Plans with focus on water conservation measures

Action plans for treatment of watershed were to be prepared according to targeted area and nature of activities which were to be carried out on the

arable, non-arable land including degraded land, wasteland, government land and community land out of earmarked funds received for work components. The cost of developmental works was to be fixed in sector-wise ceiling limits viz. 30 *per cent* for soil conservation, 40 *per cent* for water conservation, 10 *per cent* for afforestation, 10 *per cent* for pasture development, 7.5 *per cent* for other activities and 2.5 *per cent* for assistance to Self Help Groups.

The action plan for watershed development indicated only the name of work and its cost. It did not link these works to any outcome parameters viz. area to be treated by the work and quantified benefits to the users from each of the individual works planned.

Action plans prepared by ZPs gave indicated priority to water conservation works leaving areas like afforestation and pasture development unaddressed.

In eight districts¹¹ high priority was given to water conservation works (more than 60 *per cent* of funds were allocated against prescribed 40 *per cent*) by ignoring afforestation, pasture development and other activities, which were also essential in drought proofing the areas.

The CEO, ZPs intimated that due to non-availability of land, less priority were given to these activities. Replies of CEO, ZPs indicated that selection of villages were made without conducting a bench-mark survey.

In the exit conference the department stated that deviation was permitted in special circumstances. This reply is not acceptable as GOI guidelines restricted the deviation upto five *per cent* only.

3.1.7.2 Selection of Watershed Projects

The main criteria for selection of watershed projects was preponderance of wastelands, common lands, acute shortage of drinking water and prevalent poor wage rate (lower than the minimum wages). Scrutiny showed that in many projects these criteria and size norms were not followed as described in the succeeding paragraphs.

3.1.7.3 Size of micro-watershed

Scrutiny of action plan of watershed projects in test-checked districts revealed that except in Betul and Damoh the size of 94 micro-watersheds was overstated in reports submitted for release of funds to GOI vis-à-vis that in the action plans. The variation in size of micro-watersheds test-checked by audit were as under:-

Area of 94 micro-watersheds was over reported to GOI.

¹¹ *Betul, Dhar, Damoh, Khandwa, Rewa, Shajapur and Sidhi*

Table No. 3.2: Inflated size of micro watersheds

(Area in hectare/Rupees in crore)

Name of ZP	Name of watershed programme	Number of Micro watershed	Area of villages found in the action plan	Total area of micro watershed selected and reported to GOI	Area inflated	Cost of area inflated
Barwani	DPAP	21	7409.207	10500.00	3090.793	1.85
Chhindwara	DPAP	9	1893.72	4499.60	2605.88	1.56
Dhar	DPAP & IWDP	7	2618.267	3517.00	898.733	0.54
Jhabua	DPAP	16	6841.41	8275.00	1433.59	0.86
Khargone	DPAP	8	3124.853	4000.00	875.147	0.53
Khandwa	DPAP & IWDP	11	8618.00	9299.00	681.00	0.41
Rewa	DPAP	2	761.128	1000.00	238.872	0.14
Shajapur	DPAP	9	4273.76	5182.00	908.24	0.55
Shivpuri	DPAP & IWDP	7	2252.76	2837.00	584.24	0.35
Sidhi	DPAP	4	1399.04	2000.00	600.96	0.36
	Total	94	39192.15	51109.60	11917.45	7.15

Source: Action plans and progress reports

Due to overstating the size (area) of micro-watershed to GOI by ZPs, project cost has also been inflated by Rs.7.15 crore. Thus possibilities of misutilisation of higher resources available as a result of overstating of size of watershed could not be ruled out. In the exit conference the department stated that matter was referred to ZPs for ascertaining the factual position.

3.1.7.4 Watershed Projects in area with preponderance of agricultural land

Rs.76.38 crore were spent on further development of agriculture land.

Under IWDP, the criteria for selection of project is that;

- 50 per cent of the project area should be wasteland or revenue/community land and;
- Private land should be less than 50 per cent of total project area.

Scrutiny of watershed projects records revealed that in five out of twelve ZPs the prescribed parameters were not followed in selection of projects with total area of 33713 ha. as detailed below:-

Table No. 3.3: Classification of area selected

(Area in hectare/Rupees in crore)

Name of Z.P.	IWDP Phase No.	Total selected area of projects	Classification of area selected with per cent age				Cost of projects
			Private (Agriculture land)	Government Revenue/Community land	Waste land	Forest land	
Jhabua	IWDP-IV	4125	1844.54 (45)	1418.11 (34)	Nil	862.35 (21)	2.48
	IWDP-III	5758	4163.58 (72)	1423.42 (25)	Nil	171.00 (3)	3.45
Shivpuri	IWDP-II	4373	3445.16 (79)	736.85 (17)	Nil	191.00 (4)	2.62
Shajapur	IWDP-I	9562	7046.75 (74)	2515.26 (26)	Nil	Nil	5.74
Khargone	IWDP-I	4895	2806.36 (57)	1477.16 (30)	Nil	611.48 (13)	2.94
Chhindwara	IWDP-III	5000	3039.00 (61)	787.00 (16)	995.00 (20)	179.00 (3)	3.00
	Total	33713	22345.39 (66)	8357.80 (25)	995.00 (3)	2014.83 (6)	20.23

Source: Action plans of watershed projects

The ZPs covered 22345.39 ha. area (66 *per cent*) of agricultural land by spending Rs.13.41 crore (66 *per cent* of Rs.20.23 crore) where the treatment was not required.

Similarly, under DPAP 292 micro watershed projects were selected in contravention of guidelines. The ZPs in selected districts covered 104957 ha. of agriculture land (73 to 89 *per cent*) after spending Rs.62.97 crore (77 *per cent*) on areas which were not to be covered as per prescribed guidelines as detailed in **Appendix 3.1.**

The ZPs intimated that selection of watershed project was made on the basis of availability of land and demand of local people. The reply was not acceptable as the norms for selection have been drawn to bring non-arable land to the status of arable land and selection of project areas which were pre-dominantly arable defeated the objective.

3.1.7.5 Overlapping of programmes and reselection of already treated villages

As per guidelines of National Watershed Development Project for Rainfed Areas (NWDpra) of Ministry of Agriculture, watershed development projects were to be implemented only through DPAP funds in all the declared drought prone blocks and in the remaining blocks watershed projects were to be implemented through either NWDpra for arable lands or IWDP funds for non-arable lands. It was however, noticed that this territorial delineation was not found to be maintained; as 206 NWDpra projects were being implemented simultaneously in 75 DPAP blocks or where IWDP watershed programmes were in operation. Similarly 58 IWDP projects were found in operation in 4 DPAP blocks.

Avoidable expenditure of Rs.2.73 crore incurred on selection of villages which were already treated by Agriculture department.

Further, those villages, which had already been treated under previous/earlier schemes of watershed development programme like DPAP/NWDpra/IWDP were not to be taken up for treatment again.

It was however noticed in test check of records of CEO, ZPs that 30 villages, which had already been treated at a cost of Rs.4.53 crore under NWDpra by Agriculture Department in 8th, 9th, 10th, five years plan (1992-93 to 2006-07) were reselected for treatment under DPAP in 6 ZPs at a cost of Rs.8.64 crore as per details in **Appendix 3.2.** Expenditure of Rs.2.73 crore has been spent on these projects upto March 2008.

Selection of villages was wrong as many villages earlier were also covered by similar programmes. This indicated lack of co-ordination between ZPs and Agriculture department and non-conducting of survey during Participatory Rural Appraisal exercises by the Project Officers. Thus expenditure of Rs.2.73 crore incurred on the treatment of already treated villages (upto March-2008) was avoidable. On this being pointed out, CEO, ZPs stated that no intimation

of these watershed villages, which were already been treated by Agriculture Department, was received at the time of selection.

3.1.7.6 Selection of micro-watershed villages falling under command area of Irrigation Projects

Watershed projects costing Rs.19.11 crore was carried out in the command area of Irrigation projects.

Villages falling within the command area of irrigation projects were not to be selected for treatment under watershed programme. Scrutiny of records of ZPs revealed that ZPs had approved Rs.19.11 crore for 63 micro-watersheds, which fell under the command area of irrigation projects **Appendix 3.3.**

3.1.8 Programme Implementation

3.1.8.1 Physical Achievements

Slow progress of works in checked ZPs resulted in 65 per cent achievement of the planned target.

As per guidelines, the targeted areas were to be treated within a period of five years from the date of sanction of project by GOI. Status of watershed projects sanctioned, completed, ongoing and land treated was not made available to audit by Director, RGWMM. Position of achievement of checked ZPs during 2003-08 was as shown in **Appendix 3.4.** Following audit points emerged:-

ZPs failed to complete the projects within the period of five years only 213 out of 986 watershed projects completed.

- Out of the total targeted area of 807485 ha., only 524000 ha. area (65 per cent) could be treated up to March 2008 by incurring an expenditure of Rs.339.89 crore. Thus not only was the area treated much less than what was targeted but the treatment cost was also above the norm of Rs.6000 per ha.
- The watersheds taken up for development were to be completed within five years but most of the watershed projects could not be completed. 986¹² watershed projects (550180¹³ ha.) were targeted to be completed upto 2008, but only 213¹⁴ projects having an area of 106946 ha. could be completed, 773 watershed projects with total area of 443234 ha., remained incomplete even after time over-run of one to three years.

The CEO, ZPs attributed the shortfall in achievement to non-availability of funds from GOI. The ZPs could have explored the possibility of approaching GOI to utilize the saving from earlier batches till the receipt of funds for the succeeding batches.

¹² Total number of project DAAP 6th -399, 7th -161, 8th -219, 9th -198 IWDP-I-2, II-4, III-1, IV-2=986

¹³ Total area of these batches 199500+80500+109500+99000+19581+24232+7972+9895=550180 ha

¹⁴ DPAP-6th- Betul-12 (5882 ha.), Barwani-38 (18775 ha.), Dhar-45 (19346 ha.), Khargone-38 (18916 ha.), Khandwa-35 (17500 ha.), Rewa-25 (11311 ha.), Shivpuri-7 (3488 ha.) DPAP-7th -Barwani-12 (5621 ha.) IWDP- Shivpuri-1 (6107 ha.)=213

3.1.8.2 Adoption of ridge to valley strategy

Works were executed mostly in lower reaches of 30 watersheds without following an integrated and sequential approach.

While implementing the project in the first year ridge to valley strategy was to be ensured and soil conservation was to be carried out in the upper reaches of watersheds. In the second and third years water conservation works and other activities were to be carried out in lower reaches.

In nine out of 12 checked districts it was noticed that in 30 micro-watershed projects, ridge to valley strategy was not followed and works were first executed in the lower reaches as shown below :

Table No. 3.4: Ridge wise execution of works

Name of district	Number of micro-watershed	Name of watershed programme and Batch Number	Duration of treatment	Date of executing works	
				Upper reaches soil conservation	Lower reaches water conservation
Barwani	2	DPAP-9 th	2004-06	15.6.05 14.6.05	15.9.04 13.10.04
Chhindwara	1	IWDP	2006-08	15.5.07	14.08.06
Damoh	1	DPAP-12 th	2007-08	No works were carried out.	26.06.07
Dhar	6	DPAP-11 th & 7 th	2007-08 2003-04	9.7.08 2005-.06	29.06.07 01.04.03
Khargone	1	DPAP-11	2006-08	12.4.08	14.11.06
Khandwa	3	IWDP	2006-08	16.2.08 29.1.08 16.2.08	27.06.06 02.07.06 15.12.06
Rewa	6	DPAP-9 th & 10 th	2006-08	No work carried out	09.05.2006 27.10.2006
Shivpuri	3	DPAP-8 th	2002-03	No work carried out.	Jan-03 (only water conservation works were carried out)
Shajapur	7	IWDP	2006-08		Jan. to March-2007

Source: Watershed committees records

The water conservation structures such as percolation tanks and ponds which were constructed in the first year in lower reaches, would also have limited effectiveness as these would be susceptible to damage and choking due to soil flowing downwards with rain water from the top as soil conservation works on upper reaches had not been carried out earlier. The proper sequence of activities was neither provided for in the project plans nor followed and works were being carried out in unplanned manner. In exit conference department stated that local community wanted to have some immediate tangible results of programme hence treatment could not be done in ridge to valley strategy. The reply is not acceptable as it was a deviation from the strategy of the programme.

High priority was given to water conservation works by diverting Rs.8.32 crore from other activities.

3.1.8.3 Prioritization of sectoral activities

As per DPAP Manual, for effective implementation of the watershed development programme, activity-wise cost ceiling of developmental works was to be adhered to. Only a flexibility margin of five *per cent* for diversion of funds from one sector to the other was permissible.

Scrutiny of final progress reports of completed watershed projects of DPAP-6th Batch in five¹⁵ districts revealed that activity wise cost ceiling for development works was not adhered to as detailed below:-

Table No. 3.5: Sector wise expenditure

(Rupees in crore)

Sl No.	Activities with <i>per cent</i> age	Expenditure as per norms	Actual expenditure	<i>Per cent</i>	Excess/less over cost ceiling
1.	Soil Conservation (30 <i>per cent</i>)	8.74	7.98	27	-0.76
2.	Water Conservation (40 <i>per cent</i>)	11.66	19.98 ¹⁶ (18.59 +1.39)	64	+8.32 (6.93+ 1.39)
3.	Afforestation (10 <i>per cent</i>)	2.91	1.28	4	-1.63
4.	Pasture Development (10 <i>per cent</i>)	2.91	0.59	2	-2.32
5.	Other Activities (7.5 <i>per cent</i>)	2.91	0.69	3	-2.22
6.	Self Help Group (2.5 <i>per cent</i>)				
	Total	29.13	30.52	100	

Source: Watershed committees records

From the above table following points emerged:-

- Maximum expenditure of Rs.19.98 crore was incurred on water conservation works i.e. construction of percolation tank, farm pond, dabri and deepening of ponds etc. (against the ceiling limit of Rs.11.66 crore) by diverting Rs.8.32 crore meant for afforestation, pasture development, training/community organization and SHG's activities.
- The afforestation programme aimed at increasing productivity of degraded land and providing fuel and fodder to the local people, an expenditure of Rs.1.28 crore (four *per cent*) was incurred against the provision of Rs.2.91 crore, this was 50 *per cent* below the prescribed cost ceiling.
- Only two *per cent* of project cost was spent on Pasture development against 10 *per cent* as required under the programme. Pasture development which was essential for providing fodder as well as preventing soil erosion was thus given least priority.
- Other income generating activities of SHGs were marginally covered in the district. Formation of SHGs and Women Thrift and credit groups, their training, linking them with credit institutions and facilitating them to start income generating activities were not given due attention.

¹⁵ Betul, Dhar, Khargone, Rewa & Shivpuri

¹⁶ Rs.1.39 crore was incurred out of savings of training & community organization components.

The CEO, ZP Shivpuri stated that POs will be instructed to execute the treatment works as per action plan. CEO, ZPs Khargone and Dhar stated that there was non-availability of lands in micro-watersheds area for afforestation and pasture development works, hence high priority was given to water conservation works. CEOs of ZPs Betul and Rewa intimated that thrust on water conservation works were given as per policy of *Pani Roko Abhiyan*.

Thus due to non-performance of all the sectoral activities, the programmes lacked synergy in action, and also failed to improve areas like income generation and participative management.

3.1.8.4 Execution of works through muster rolls

Works costing Rs.29.04 crore were got executed without employing labourers.

As per DPAP Manual all works under programme were to be executed by employing local labourers through muster rolls so that full benefit of wage employment could reach labourers. However, it was observed that payment of Rs.29.04 crore (in Rewa Rs.0.16 crore and in Shivpuri Rs.28.88 crore) for developmental works of the programme were made on sub-vouchers to Secretary of WCs instead of labourers through muster rolls of works. In the absence of muster rolls the possibilities of the works getting executed through contractor and mechanical means could not be ruled out. On this being pointed out, CEOs of ZPs, Rewa and Shivpuri stated that in future, works would be carried out on muster rolls. In exit conference department assured to initiate an early action in this regard.

3.1.8.5 Closure of watershed project without treating the entire targeted area

Incomplete watershed projects closed despite availability of funds.

In DPAP, projects were sanctioned by GOI to ensure drought proofing of the entire drought prone areas on watershed basis. Scrutiny of final progress reports of 122 completed watershed projects revealed that projects were closed without treating the entire targeted area sanctioned by the GOI. Details are as under:-

Table No. 3.6: Incomplete projects closed

(Area in hectare and Rupees in crore)

Name of ZP	Name of programme & Batch No.	Year of sanction	No. of sanctioned projects	Targeted Area	Funds received	Treated Area	Area left without treatment	Expenditure	Amount Refunded to Director RGWMM
Dhar	DPAP-5	1995-96	39	19578	8.07	16789	2789	7.95	0.12
	DPAP-6	2000-01	45	22500	13.69	19346	3154	12.77	0.92
Khargone	DPAP-6	2000-01	38	19000	11.49	18916	84	11.05	0.44
TOTAL			122	61078	33.25	55051	6027	31.77	1.48

Source: Progress reports

Despite provision of funds by GOI, the projects were closed without treating 6027 hectare area and an unspent balance of Rs.1.48 crore was refunded to Director, RGWMM. CEO, ZPs did not intimate the reasons but stated that

remaining area of each micro-watershed will be treated by other ongoing schemes i.e. NREGS in near future.

3.1.8.6 Execution of works without recording detailed measurement

Payment of Rs.5.08 crore made without recording measurement.

As per guidelines all works executed should be measured and details of measurements recorded in the Measurement Book (MB) which would form the basis of payments.

Scrutiny of records of WCs of ZP Rewa revealed that construction works were executed under soil and water conservation and plantation work valued at Rs.5.08 crore as of March 2008 through muster rolls but the progress/measurement of all works were not found to be recorded in Part-II of muster rolls/MB as prescribed. Consequently in the absence of recorded measurement of works, actual execution of works as per requirement and specification as well as correctness of payment could not be ascertained in audit. On being pointed out CEO, ZP accepted the audit observation and stated that instructions are being issued to all WCs in this regard.

3.1.9 Verification of Treated Areas through Land Revenue Records

The objective of improving the economic conditions of weaker sections through watershed development alone was not assessable as this depended on diverse socio-economic factors and watershed programmes could at best play a limited role. As far as drought prevention was concerned, it was observed that 1656 watershed projects were undertaken in 85 drought affected blocks during 2003-08 in the twelve checked districts. These blocks also include villages where watershed treatment works are being carried out over long periods (1995-96).

Thus, 1656 watershed projects (924885 ha.) in 85 blocks of twelve districts were executed during 2003-08 for drought proofing/prevention of which 524000 ha. area (65 per cent) of the targeted area was treated as of March 2008. The status of the land in the test-checked blocks in the districts was assessed for pre and post classification status in 2000 and 2007. This revealed that the sown area was 2138925 ha. in 2006-07 against 2154015 ha. in 1999-2000 showing a decline by 15090 ha. Similarly the area of barren land and non-agriculture land showed an increase from 505782 ha. to 597349 ha. during the same period. District wise details are shown in **Appendix 3.5**.

Increase of barren land/ non-agriculture use land/ wasteland indicated failure of watershed programmes in checked districts.

Thus the claims made by the ZPs of achieving 524000 ha. land treatment was not supported by the records of Superintendent, Land Records Department. The audit scrutiny identified the reasons as non-selection of appropriate project areas, non-execution of project plans as per prescribed sequence, less emphasis on afforestation and pasture development programmes, absence of efforts to develop skills of the community development and non-maintenance of assets by ZPs.

In the exit conference the department stated that instructions to CEO, ZPs have been issued to get the changed status of land incorporated in to land revenue

records. The contention of the department is not accepted in audit because of absence of confirmation of achievements either in the land revenue records or by line departments.

3.1.10 Impact Analysis

For carrying out impact assessment of completed watershed projects, no records like pre and post watersheds observation of ground water level, change in cropping pattern, change in productivity, increase in area of irrigation and reduction in area of wasteland etc. had been maintained at any level. Data for physical achievements resulting in increases in ground and surface water level in water bodies, checking of soil erosion, enhancement of area for irrigation, land treatment etc. depicted that in 103 completion reports shown to audit out of 213 completed projects were not certified by the line departments. These data of achievements were certified by the POs and WC members themselves only and were not authenticated by any other authority. Thus after incurring an expenditure of Rs.339.89 crore during 2003-08, neither the DPAP blocks nor the villages treated on watershed basis could be declared as drought proof in the test check districts.

In the exit conference the department intimated that a village wise register was being maintained to enter pre and post data of crop production, water table etc. but no such register was found to be maintained in the micro watersheds covered by audit.

3.1.11 Monitoring and Supervision

The implementation of watershed programmes was to be monitored at the State, District and Project level. The data of physical and financial achievements of watershed programmes reported through Monthly Progress Reports (MPRs) were however not analysed at any level.

Although periodical returns/reports required for monitoring of the programmes were prescribed yet the progress reports did not contain the component wise and activity wise cumulative figures of physical and financial achievements of the programme at the end of month/year. The formats of reports were being changed every year and were unable to depict the true and fair status of programmes. Poor monitoring of programmes at State level resulted in defective planning, irregularities in selection of micro-watershed area, non-adherence to cost norms, non-execution of work in proper sequence etc. by ZPs as pointed out earlier.

3.1.12 Conclusion

The planning for the projects was not sound. It ignored the GOI guidelines and could not give the required attention to activities which could yield multiple and long term benefits. Project selection was faulty, villages with preponderance of agriculture lands were being selected, land upgradation

measures were totally ignored. Components of the programme were not executed in prescribed sequence necessary for proper development of watershed. Major emphasis was given to construction of minor structures under water and soil conservation measures, which were not of sustainable nature and other components were either partially taken up or totally ignored. Due to tardy progress, the projects could not be completed in time.

Thus it was evident that the watershed development programmes under execution in the State since 1995-96 and all other measures for drought prevention have met with little success even after an expenditure of Rs.616.88 crore during 2003-08 on implementation. The test-checked blocks therefore remained drought prone and contrary to the guidelines of programme land records showed increase in area under barren land and non-agriculture land use.

3.1.13 Recommendations

Following recommendations if adopted could help in smooth operation and flow of benefits from watershed development programmes:-

- Selection of micro-watershed projects should be based on scientific and technical surveys and actual availability of lands for its treatment in the villages of DPAP blocks and other blocks of the districts as per Land Revenue Records.
- Project plans should be prepared with appropriate need based technical inputs and all related activities as envisaged in guidelines to be carried out in watershed area. Project plan should be approved by the Director RGWMM.
- Co-ordination between line departments should be closely monitored to prevent overlapping and reselection of villages.
- Funds should be released to the WCs in time for proper implementation of the projects and watershed development works should be executed according to norms.
- Monitoring and evaluation of the programmes to be made more effective to achieve the goals.
- Pre and post status data of lands classification, soil erosion, crops production and water table shown in project completion reports should be certified by the line departments to keep a close watch on the programme parameters.

These recommendations have been accepted by the department in exit conference.