

## PREFACE

1. This Report has been prepared for submission to the Governor under Article 151 of the Constitution of India.
2. Chapter I deals with the findings of performance audit in various departments while Chapter II deals with the findings of audit of transactions in the various departments including the Public Works and Irrigation Departments, audit of Autonomous Bodies and departmentally run commercial undertakings. Chapter III deals with the comments on internal control mechanism existing in selected departments in the State.
3. Audit observations on matter arising from examination of Finance Accounts and Appropriation Accounts of the State Government for the year ended 31 March 2009 are presented separately.
4. The Report containing the observations arising out of audit of Statutory Corporations, Boards and Government Companies and the Report containing such observations on Revenue Receipts are presented separately.
5. The cases mentioned in the Report are among those which came to notice in the course of test-audit of accounts during the year 2008-09 as well as those which had come to notice in earlier years but could not be dealt with in previous Reports; matters relating to the period subsequent to 2008-09 have also been included wherever necessary.



## Rural Development Department

### 1.3 Desert Development Programme

#### Highlights

*The main objective of Desert Development Programme (DDP) was to develop waste/degraded lands, drought prone and desert areas having preponderance of common lands for the overall development and improvement in socio-economic conditions of the poor populace inhabiting these areas. Performance audit of the programme brought out important issues like long term perspective plan not being prepared in any of the test checked districts. The implementation of the programme was slow as out of 441 projects, only 118 were completed. This led to short receipt of grants from Government of India (GOI). The programme management and execution of works were also deficient as there were cases of non-implementation of soil and moisture conservation works, non-formation of Self Help Groups for uplifting the rural poor, distribution of pipes to farmers instead of laying underground pipes, excavation of ponds without conceptualising source of water, etc. There was no significant decrease of wasteland in the project areas during 1997-2007. The mechanism for post project maintenance, monitoring and evaluation was either not evolved or was not working effectively.*

- **Long term perspective plans to develop wastelands, after identifying the areas from the wasteland atlas developed by Haryana Space Application Centre, was not prepared in the State.**

*(Paragraph 1.3.6)*

- **Due to slow implementation of the programme, full amount of grants was not released by GOI in Bhiwani, Hisar and Fatehabad districts.**

*(Paragraph 1.3.7)*

- **Out of 441 watershed projects sanctioned between 1999 and 2003 under DDP, only 118 were completed and none of the 535 projects under *Hariyali* could be completed.**

*(Paragraph 1.3.8.1)*

- **Soil and moisture conservation works were not taken up to develop degraded land. On the other hand, Rs 46.25 lakh were spent on sewer *nullahs* instead of spending the funds on drainage line treatments.**

*(Paragraphs 1.3.8.2 and 1.3.10.1)*

- **The SHGs required to be formed for upliftment of rural poor, either did not exist or were non-functional.**

(Paragraph 1.3.8.3)

- **A sum of Rs 10.75 crore was spent on distribution of HDPE pipes among farmers instead of laying underground pipelines.**

(Paragraph 1.3.9.1)

- **Six ponds dug up at a cost of Rs 10.50 lakh were without water as catchment area, source of re-charging, etc. were not conceptualised.**

(Paragraph 1.3.9.2)

### 1.3.1 Introduction

Desert Development Programme (DDP) was started in 1977-78 as a centrally sponsored scheme in the desert areas of Rajasthan, Gujarat and Haryana and cold desert of Jammu and Kashmir and Himachal Pradesh. The objective of the programme was to develop waste and degraded lands, drought prone areas and desert areas having preponderance of common lands for the overall development and improvement in socio-economic conditions of the poor and disadvantaged sections of the people inhabiting these areas and to alleviate poverty. Besides, the project aimed at combating drought and desertification, encouraging restoration of ecological balance by conserving, developing and harnessing the available natural resources such as land, water, livestock, human resources and vegetative cover. The Desert Development Programme (DDP) and Drought Prone Areas Programme were brought under the watershed scheme/programme in 1987. Integrated Wasteland Development Programme launched in 1989 for development of wastelands was also focused on watershed schemes/programmes. All these programmes were brought under the guidelines for watershed development in 1995. These guidelines were subsequently revised in August 2001 for focused project approach, greater flexibility in implementation, removal of overlaps, an effective role for the *Panchayati Raj* Institutions (PRIs), etc. for development of wasteland. In order to simplify procedure and to involve PRI in a more meaningful manner for planning and management of economic development activities of rural areas, these programmes were merged into new scheme called *Hariyali*. Projects sanctioned after April 2003 were implemented under *Hariyali*. In Haryana, DDP was implemented in seven<sup>16</sup> districts from 1977-78. The expenditure was shared between Central and State Government in the ratio of 75:25 for Haryana.

<sup>16</sup>

Bhiwani, Fatehabad, Hisar, Jhajjar, Mahendragarh, Rewari and Sirsa.

### **1.3.2 Organisational set up**

The Financial Commissioner and Principal Secretary, Rural Development Department, Haryana Government is the administrative head at State level and is responsible for formulation of policies, programmes and their implementation through the department. The Director, Rural Development Department, Haryana is the head of the department and exercises general supervision over the functioning of the department. A State Watershed Development Committee (SWDC) was also constituted in January 1995 to monitor the progress of watershed works and training institutes. The projects are being implemented by District Rural Development Agencies (DRDAs) through Block Development and Panchayat Officers (BDPOs), Assistant Soil Conservation Officers (ASCOs) and Watershed Committees (WCs).

### **1.3.3 Audit objectives**

The main audit objectives for the performance audit were to ascertain whether:

- procedure adopted for preparing long term perspective plan for treatment of watersheds/degraded lands, drought prone and desert areas was adequate and effective;
- financial performance was as per action plans;
- performance of watershed projects was as per targets, self help groups were formed and were active and soil conservation measures, afforestation works were undertaken;
- execution of works was carried efficiently and economically; and
- exit protocol and proper monitoring mechanism existed to ensure utilisation of funds.

### **1.3.4 Audit criteria**

With a view to achieve the audit objectives, the following audit criteria were adopted:

- Guidelines for watershed development;
- Circulars, documents and instructions issued by Ministry of Rural Development and Director of Rural Development;
- Statistical Abstracts of Haryana Government; and
- Monthly progress reports of Directorate as well as DRDAs.

### 1.3.5 Audit sampling and coverage

Four<sup>17</sup> out of seven districts where DDP was in operation in Haryana were selected using Simple Random Sampling Without Replacement Method (SRSWOR) for test check. In order to assess the impact of works done by WCs at micro level and their conformity with the scheme guidelines, work wise expenditure incurred by 166 out of 183 WCs of 5<sup>th</sup>, 6<sup>th</sup> and 7<sup>th</sup> batch taken up during 1999-04 and scheduled to be completed from 2004 to 2009 was compiled from the basic records maintained by WCs and scrutinised.

To evaluate the outcome of projects objectively, 18<sup>18</sup> projects which received atleast five instalments from GOI were selected for physical verification using SRSWOR.

Audit of the relevant records of DRDAs, Additional Deputy Commissioners (ADCs), blocks and WCs for the period from April 1999 to March 2008 was conducted (September 2008-May 2009).

An introductory meeting was held in January 2009 with Special Secretary and Director, Rural Development, Haryana to discuss the implementation of the scheme, audit objective and audit criteria. Audit findings and recommendations were discussed in the exit conference held in July 2009 with Special Secretary and Director, Rural Development Department and their views were incorporated while finalising the review report.

### Audit findings

#### 1.3.6 Planning

##### *Non-preparation of long term perspective plan*

The Department of Land Resources in collaboration with National Remote Sensing Application Centre, Hyderabad had identified wastelands by satellite imaging and developed a wasteland atlas for India. Haryana Space Application Centre (HARSAC) also developed an atlas of wastelands for the State. The programme primarily aimed at treating these identified areas so as to bring more areas under cultivation. Scheme guidelines provided for codifying these areas and preparing a long term perspective plan for the treatment of these identified areas over a period of 15 years in a phased manner.

**Long term perspective plan was not prepared. Atlas of wasteland was not used to identify wastelands in test checked districts.**

<sup>17</sup> Bhiwani, Fatehabad, Hisar and Rewari.

<sup>18</sup> District Bhiwani: Dudiwala Kishanpura; Dhani Hunat; Dwarka; Kheri Sanwal; Matani and Roopgarh. District Hisar: Bagla; Bir Babrain; Daulatpur; Kharbla Pali; and Prabhuwala; District Rewari: Alawalpur, Chawwa, Dhamlawas, Kanhora, Kumrodha and Kishanpura, District Fatehabad: No selection was done as number of instalments received in 6<sup>th</sup> and 7<sup>th</sup> batches were 4 which was less than the selection criteria.

It was observed that neither wastelands were codified nor long-term perspective plans were prepared by DRDAs. Analysis of data of 166 out of 183 watersheds revealed that thematic maps generated by HARSAC were not used while preparing Annual Action plans and in the absence of any database and perspective plan, some of the projects were taken up predominantly in already cultivated area even though wastelands were available in the State.

Position of wastelands in these districts is tabulated in the *Appendix X* which showed that wasteland area in these districts remained almost the same during 1999-2007.

The Director, Rural Development Department attributed (September 2008) the non-preparation of perspective plan to lack of requisite data, absence of expertise of staff and non-availability of any other agency in the State to prepare such plans. Audit, however, observed that no efforts were made by DRDAs for identifying agencies with expertise in the preparation of perspective plans. Neither any advertisement was given in the newspapers for identifying such agencies nor was HARSAC, which was having expertise in this field, contacted to formulate such plans.

### 1.3.7 Financial performance

Year-wise release of funds by GOI and State Government in seven districts and utilisation thereof for the period 2004-09 was as under:

(Rupees in crore)

Year	Opening balance	GOI Share	State Share	Miscellaneous receipts	Total funds available	Expenditure	Closing balance
2004-05	12.22	16.07	5.03	0.23	33.55	15.27	18.28
2005-06	18.28	17.56	5.85	0.02	41.71	23.21	18.50
2006-07	18.50	11.99	3.86	0.09	34.44	18.00	16.44
2007-08	16.44	28.81	5.13	0.45	50.83	22.01	28.82
2008-09	28.82	10.59	8.14	0.01	47.56	19.67	27.89
		<b>85.02</b>	<b>28.01</b>	<b>0.80</b>		<b>98.16</b>	

(Source: Quarterly reports of Directorate office)

**Only 78 per cent of available funds were utilised during 2004-09.**

It would be seen from above that as against availability of Rs 126.05<sup>19</sup> crore during 2004-09, the department could utilise only Rs 98.16 crore (78 per cent).

Receipt of funds in four selected districts under 5<sup>th</sup>, 6<sup>th</sup>, 7<sup>th</sup> and 8<sup>th</sup> batches of DDP and 1<sup>st</sup> to 4<sup>th</sup> batch of *Hariyali* sanctioned during 1999-2006 along with

<sup>19</sup> Opening balance as on 01 April 2004: Rs 12.22 crore plus GOI share Rs 85.02 crore plus State share: Rs 28.01 crore plus miscellaneous receipt: Rs 0.80 crore.

expenditure up to 31 March 2009 was as under:

(Rupees in crore)					
District	Batch number	Allocation	Grants received	Expenditure	Percentage of total expenditure to allocation
<b>Hisar</b>					
<b>DDP</b>	6 <sup>th</sup> batch	13.20	11.80	11.28	85
	7 <sup>th</sup> batch	6.00	5.96	5.24	87
	8 <sup>th</sup> batch	7.20	4.29	3.98	55
<b>Hariyali</b>	1 <sup>st</sup> batch	6.90	3.10	3.01	44
	2 <sup>nd</sup> batch	6.90	3.08	3.83	56
	3 <sup>rd</sup> batch	7.80	3.49	1.19	15
	4 <sup>th</sup> batch	10.50	4.69	1.44	14
	<b>Sub total</b>	<b>58.50</b>	<b>36.41</b>	<b>29.97</b>	<b>51</b>
<b>Bhiwani</b>					
<b>DDP</b>	5 <sup>th</sup> batch	4.50	3.99	3.90	87
	6 <sup>th</sup> batch	6.60	5.87	5.41	82
	7 <sup>th</sup> batch	6.00	5.29	4.60	77
	8 <sup>th</sup> batch	8.10	3.72	3.67	45
<b>Hariyali</b>	1 <sup>st</sup> batch	8.10	6.06	3.28	40
	2 <sup>nd</sup> batch	8.10	3.59	3.56	44
	3 <sup>rd</sup> batch	10.80	4.83	2.67	25
	4 <sup>th</sup> batch	10.80	1.62	1.29	12
	<b>Sub total</b>	<b>63.00</b>	<b>34.97</b>	<b>28.38</b>	<b>45</b>
<b>Rewari</b>					
<b>DDP</b>	5 <sup>th</sup> batch	3.37	3.35	3.37	100
	6 <sup>th</sup> batch	3.90	2.91	2.45	63
	7 <sup>th</sup> batch	3.00	1.75	1.66	55
	8 <sup>th</sup> batch	3.00	2.11	1.85	62
<b>Hariyali</b>	1 <sup>st</sup> batch	3.00	2.23	1.88	63
	2 <sup>nd</sup> batch	3.00	1.33	1.08	36
	3 <sup>rd</sup> batch	3.00	1.34	1.35	45
	4 <sup>th</sup> batch	3.00	1.35	1.24	41
	<b>Sub total</b>	<b>25.27</b>	<b>16.37</b>	<b>14.88</b>	<b>59</b>
<b>Fatehabad</b>					
<b>DDP</b>	6 <sup>th</sup> batch	6.00	3.60	3.28	55
	7 <sup>th</sup> batch	3.30	1.98	1.80	54
	8 <sup>th</sup> batch	4.20	2.52	2.25	54
<b>Hariyali</b>	1 <sup>st</sup> batch	4.20	0.65	0.65	15
	2 <sup>nd</sup> batch	4.20	0.63	0.64	15
	3 <sup>rd</sup> batch	4.20	1.58	1.75	42
	4 <sup>th</sup> batch	4.20	0.63	0.19	5
	<b>Sub total</b>	<b>30.30</b>	<b>11.59</b>	<b>10.56</b>	<b>35</b>
<b>Grand Total</b>		<b>177.07</b>	<b>99.34</b>	<b>83.79</b>	<b>47</b>

(Source: Quarterly reports of Directorate office and DRDAs)

Due to slow implementation of programme, 44 per cent of grants could not be claimed from GOI.

Due to slow implementation of programme, the next instalment due was not released by GOI during 2005-06 and 2006-07 in Bhiwani district and 2006-07 in Hisar district for 5<sup>th</sup> to 7<sup>th</sup> batches sanctioned under DDP. In Fatehabad district, no instalment was released by GOI in 2003-04, 2004-05 and 2006-07 onwards for 6<sup>th</sup> batch and 2002-03, 2004-05 and 2006-07 onwards for 7<sup>th</sup> batch of DDP. The implementation of projects sanctioned under *Hariyali* was also slow. Out of four test checked districts, progress was dismal in Fatehabad district.

Further, as per guidelines of GOI, 25 per cent of State share was to be released by

State Government within 15 days from the date of release of Central share. No mechanism was evolved by State Government for automatic release of State share after the receipt of Central share. Test-check revealed that there was inordinate delay in release of State share which ranged between 14 to 468 days as shown in **Appendix XI**, this led to delay in completion of works.

The Director stated (August 2009) that delay in release of State share was due to lack of budget in the concerned financial year. The reply indicated that State Government did not assess the pending liabilities of State Government for making matching contribution in various centrally sponsored schemes while framing the budget proposals.

### **1.3.8 Programme management**

#### ***Physical performance***

The DDP projects are sanctioned by GOI every year after taking into consideration DDP coverage in each State, performance of the ongoing projects and capacity to absorb new projects. During the period 1999-2000 (5<sup>th</sup> batch of DDP) to 2006-07 (4<sup>th</sup> batch of *Hariyali*), 597 watershed projects were sanctioned under DDP and *Hariyali* scheme to treat an area of 3.03 lakh hectares in the test checked districts. DRDAs were expected to formulate Annual Action Plans so as to treat the targeted area of 500 hectare per watershed over a period of five years from the date of sanction. The targets vis-à-vis achievements of 5<sup>th</sup>, 6<sup>th</sup>, 7<sup>th</sup> and 8<sup>th</sup> batches of DDP and 1<sup>st</sup> to 4<sup>th</sup> batch of *Hariyali* sanctioned during 1999-2006 in test checked districts as of 31 March 2009 are given in **Appendix XII**. Analysis of the data in the **Appendix** revealed that physical progress did not commensurate with the Annual Action Plans. Further, 3.03 lakh hectares of wasteland area targeted for treatment was far more than the total wasteland area of 36,000 hectares available for treatment in these districts as shown in the statistical abstract for the year 1999-2000. This indicates that area under assured irrigation was also included in the areas targeted under the programme.

Further, two<sup>20</sup> watershed projects (6<sup>th</sup> and 7<sup>th</sup> batch) at an estimated cost of Rs 60 lakh were sanctioned for developing 2,000 acres of land belonging to seed farm of Haryana Agricultural University, Hisar. Out of these two watersheds, in Bir Babrain watershed (sanctioned under 7<sup>th</sup> batch), though a pond was already existing in the area, digging of another pond was sanctioned in the vicinity of existing pond and an expenditure of Rs 11.64 lakh was incurred upto 2005. Though Rs 2.01 lakh was lying unutilised, further grants were released and cumulative balance of Rs 9.75 lakh was lying unutilised as of March 2009. No work was carried out thereafter. In addition to above, honorarium of Rs 1,200 per month was being paid to the Secretary of the WC regularly for maintenance of cash book though work was lying abandoned for the last three years. Thus, basic

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<sup>20</sup> Bir Babrain and Bir Dandur.

objective of developing wastelands and alleviating poverty could not be achieved due to deficiencies in planning and co-ordination at grass root level for this watershed.

### 1.3.8.1 Abnormal delay in completion of projects

Under DDP, out of 441, only 118 watershed projects were completed.

The programme guidelines envisaged that projects were to be implemented over a period of five years from the date of sanction. Between 1999 and 2003, 441 watershed projects were sanctioned by GOI in the State. Out of these, only 118 (27 per cent) projects had been completed as detailed below:

Name	Number of projects sanctioned during					Total projects	Number of completed projects
	1999-00 5 <sup>th</sup> batch	2000-01 6 <sup>th</sup> batch	2001-02 7 <sup>th</sup> batch	2002-03 8 <sup>th</sup> batch			
Bhiwani	18	22	20	27	87	Nil	
Hisar	Nil	44	20	24	88	20 <sup>21</sup>	
Fatehabad	Nil	20	11	14	45	Nil	
Jhajjar	8	13	10	12	43	31 <sup>22</sup>	
Sirsa	18	19	18	23	78	Nil	
Mahendragarh	17	13	11	11	52	52 <sup>23</sup>	
Rewari	15	13	10	10	48	15 <sup>24</sup>	
<b>Total</b>	<b>76</b>	<b>144</b>	<b>100</b>	<b>121</b>	<b>441</b>	<b>118</b>	

(Source: Quarterly reports of Directorate office)

Apart from this, due to delay in implementation of projects, 50 watersheds of 4<sup>th</sup> batch sanctioned under DDP were closed as GOI refused to give further extension. Owing to this, central assistance to the tune of Rs 1.68 crore against allocation of Rs 12.01 crore could not be availed of, hence full benefits of the projects could not be derived.

Further, 535<sup>25</sup> watershed projects were sanctioned under *Hariyali* in the test checked districts during 2004-06. First batch sanctioned under *Hariyali* was due for completion by June 2008 but none of the 74 projects sanctioned in first batch in test checked districts were completed. Physical progress of these projects ranged between 18 and 56 per cent (refer *Appendix XII*).

Watershed areas were selected after a delay of 243 to 748 days of the receipt of grants from GOI.

Programme guidelines provided that eighty per cent of project funds would be released to WCs in seven instalments in five years from the date of sanction of project. DRDAs were required to prepare action plans for the project period as a whole while submitting proposal to GOI. It was observed that while submitting proposals to GOI, areas of watersheds were not identified as per scheme guidelines. Process of identification of areas, formation of WCs was started only after the receipt of first instalment of funds from GOI with the result that the projects were started after the delay of 243 to 748 days in watersheds test checked as shown in *Appendix XIII*. These cumulative delays resulted in slackness in the

21 7<sup>th</sup> batch: 20.

22 5<sup>th</sup> batch: 8; 6<sup>th</sup>: 13 and 7<sup>th</sup>: 10.

23 5<sup>th</sup>: 17; 6<sup>th</sup>: 13; 7<sup>th</sup>: 11 and 8<sup>th</sup>: 11.

24 5<sup>th</sup>: 15.

25 1<sup>st</sup> batch: 118; 2<sup>nd</sup> batch: 118; 3<sup>rd</sup> batch: 140 and 4<sup>th</sup> batch: 159.

implementation of the projects on time.

The ADC, Rewari stated (August 2009) that selection of watershed was to be done after the receipt of funds from GOI. The reply was not convincing because as per para 40 of Project guidelines, locations of Watershed Development Projects were to be identified at the time of initial sanction of the projects.

### **1.3.8.2 Non-implementation of soil conservation works**

With a view to develop degraded lands, *in-situ* soil and moisture conservation measures like contour and graded bunds fortified by plantation, nursery raising for fodder, timber, fuel wood, horticulture and non-timber species were to be taken up. Besides, biological measures such as crop cover, strip cropping, contour farming, mulching, rotation, conservation, etc were also required to be taken up simultaneously. It was noticed that no such works were taken up in any test checked watersheds.

**Soil conservation works were not taken up in test checked watersheds.**

The ADC, Bhiwani stated (August 2009) that these soil conservation works could not be taken up as people of the area were not interested in such activities. The reply was not convincing as these activities were to be taken up not only on private land but also on common lands. Therefore, these activities should have been carried out simultaneously to ensure proper development of degraded lands.

### **1.3.8.3 Role of Self Help Groups in implementing DDP objectives**

One of the objectives of the programme was to bring improvement in socio-economic conditions of the poor and disadvantaged sections of the people inhabiting these areas and to alleviate poverty.

**In test checked districts, SHGs were not functional in any watershed project.**

In order to help villagers who are directly or indirectly dependent on the watershed area to undertake income generating activities, project guidelines envisage constitution of Self Help Groups (SHGs) with the help of Watershed Development Team. A revolving fund was to be operated with seed money not exceeding Rupees one lakh for vocational development of each watershed to undertake income generating activities. The members of SHGs were to be provided seed money not exceeding Rs 10,000. This seed money was to be recovered from the members of SHGs in six monthly instalments which could be re-invested to the same or other SHGs. The SHGs were, however, not functioning in any test checked districts as discussed below:

In Hisar district, SHGs were constituted in 8 out of 64 watersheds. However, all these 8 SHGs were defunct as the unutilised funds amounting to Rs 3.30<sup>26</sup> lakh advanced to the members of SHG were not returned till date (July 2009) though as per scheme guidelines this money was to be refunded within six months. The SHGs were not constituted in Rewari and Fatehabad districts.

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<sup>26</sup> Modakhera: Rs 0.40 lakh; Dobhi: Rs 0.10 lakh; Neolikalan: Rs 0.50 lakh; Khokha: Rupees one lakh; Kalirawan: Rs 0.50 lakh; Payal: Rs 0.40 lakh; Litani: Rs 0.10 lakh; Sundawas: Rs 0.20 lakh and Berlikhurd: Rs 0.10 lakh.

In Bhiwani district, SHG was constituted only in watershed Kohad selected under 4<sup>th</sup> batch of the scheme. In this watershed, Rs 0.80 lakh was released to eight SHGs. The Agriculture Development Officer, Bhiwani, instead of issuing account payee cheque in the name of Self Help Groups, issued cheque for Rs 50,000 in the personal name of group leader of SHG, which was drawn by him and the amount was neither paid to the members of the SHG nor deposited in revolving fund. Out of remaining Rs 30,000, only Rs 2,700 had been recovered. After this incidence no Self Help Group was constituted in Bhiwani district. The ADC, Bhiwani stated (August 2009) that the case of recovery was under trial in the Civil Court, Bhiwani.

Therefore, the objective of uplifting disadvantaged sections of the society dependent on watershed area through this component could not be achieved.

The ADCs, Hisar, Rewari and Fatehabad stated (August 2009) that people were not interested in forming SHGs under the programme as formation of SHGs was more beneficial under *Swaranjayanti Gramin Swarozgar Yojana* (SGSY). The reply was not convincing as the department should have motivated the people to form SHGs under DDP to cover more beneficiaries.

#### **1.3.8.4 Non-realisation of beneficiary share**

Beneficiaries of various activities under the project were to contribute at least 10 *per cent* of the cost of works done on individual land and five *per cent* of the works on community lands. In the case of SC/ST and persons identified under below poverty line (BPL), the contribution was to be restricted to only five *per cent* of cost of works. The beneficiary share realised was to be credited into watershed development fund and was to be used for maintenance of assets after the completion of project. As on 31 March 2009, beneficiary share of Rs 17.66<sup>27</sup> lakh was outstanding in test checked districts.

Records for proper accountal of 'Watershed Development Fund' had not been maintained in any test checked watersheds. As a result, accuracy of recovery of beneficiary share could not be verified during audit. In watershed Dwarka of Bhiwani district, cumulative earnings of Rs 2.10 lakh under 'watershed development fund' were spent<sup>28</sup> before the completion of the project in contravention of the guidelines with the result that no funds were left for the maintenance of the assets created after closure of the project. Chairman WC of Dwarka intimated (October 2008) that expenditure was incurred out of watershed development fund to adjust the excess expenditure incurred on entry point activities and pay *panchayat's* share for implementation of *Swajaldhara Yojana*. Reply was not convincing as these funds were to be spent after the completion of projects.

Further, contribution towards watershed development fund was not a one time

<sup>27</sup> As per information furnished by WCs.

<sup>28</sup> Swajaldhara Yojana: Rs 45,000; Doors and windows: Rs 7,961 and Digging of well: Rs 1,57,005.

measure but was organic in nature. Earnings from the income generating assets created out of DDP funds like development of pastures etc. was to be credited in this fund, which was to be used for maintenance of assets after the closure of projects. Since no such activity was carried out on community land, there was no accretion in the fund on this account.

The DRDAs, Bhiwani, Hisar and Rewari while admitting the facts stated (May and August 2009) that all the WCs would be directed to maintain cashbooks of beneficiary share and to recover the outstanding beneficiary share.

### 1.3.9 Execution of works

Activities being undertaken under DDP broadly fall under three components viz; water resource, land levelling and afforestation. Component wise expenditure of watersheds selected for physical verification (except two watersheds of Hisar district, records of which was partially available) is given in *Appendix XIV*. Physical verification of assets of 18 watersheds and analysis of data relating to 166 watershed projects since their inception to March 2009 revealed following deficiencies:

#### 1.3.9.1 Water resource activities

Water resource activities carried out under the programme aimed at equitable distribution of water resources and strengthening of water conveyance system by renovation and augmentation of available water resources, desiltation of tanks and raising of sub soil water table by development of small water harvesting structures such as percolation tanks, check dams, etc.

#### • Purchase and distribution of HDPE pipes

In test checked districts, out of total expenditure of Rs 27.87 crore incurred up to March 2009, Rs 10.75 crore<sup>29</sup> was incurred on purchase of HDPE pipes under this component.

In Fatehabad district, 97 per cent of the total expenditure was incurred on distribution of RCC and HDPE pipes as tabulated below:

Number of watersheds of 6 <sup>th</sup> and 7 <sup>th</sup> batch	Number of watersheds of which data was compiled	Expenditure on RCC pipes	Expenditure on HDPE pipes	Total expenditure on pipes	Total expenditure incurred up to March 2009	Percentage expenditure incurred on pipes to total expenditure
		(Rupees in crore)				
31	26	1.39	1.96	3.35	3.44	97

**The HDPE pipes worth Rs 10.75 crore procured to create infrastructure were distributed among farmers.**

Audit observed that no rate contract was finalised at Directorate level for the purchase of HDPE pipes to be distributed to the beneficiaries. These pipes were purchased by WCs of Hisar and Rewari districts from the source and at rates approved by the High Power Purchase Committee of Agriculture Department. It

<sup>29</sup> Hisar: Rs 4.27 crore; Bhiwani: Rs 3.74 crore; Rewari: Rs 0.78 crore and Fatehabad: Rs 1.96 crore.

was further observed that rates approved by Agriculture Department were to facilitate farmers to avail loans from banks under the loan schemes. These rates were higher than the prevailing market rates. The ADC, Bhiwani had purchased water pipes with identical specifications at the rate of Rs 284 per six metre pipe on the basis of quotations against the rate of Rs 585 to Rs 700 per pipe of the same size approved by High Power Purchase Committee of Agriculture department. These pipes were purchased in the bulk quantity, hence department should have followed the proper procedure for procurement of pipes by inviting tenders for getting competitive rates.

Further, these pipes were to be used as underground pipe lines to make optimum use of available water/water source. WCs, however, instead of using these pipes for laying underground pipelines, the same were distributed to the farmers free of cost in cultivated areas. During physical verification of selected watersheds, beneficiaries of watersheds Roopgarh, Dudiwala Kishanpura of Bhiwani district stated that due to adverse climatic conditions and sub-standard material of pipes, majority of the pipes were damaged and some of the pipes were stolen as these pipes were stacked in open.

It was further observed that quality of underground pipes was not assessed while finalising the purchase of pipes which were to be used for carrying water from tubewells. Pipes worth Rs 36.40 lakh were purchased in 6<sup>th</sup> and 7<sup>th</sup> batches in Hisar district for distribution in areas where water was saline hence not fit for irrigation purposes as detailed below:

Name of watershed	EC <sup>30</sup> value of underground water	Expenditure on pipes (Rupees in lakh)
Kalirawan	14,630	4.56
Durjanpur	9,680	8.00
Khokha	8,580	12.23
Matani	7,000	4.02
Dhani Hunat	7,000	7.59
<b>Total expenditure</b>		<b>36.40</b>

The ADC, Hisar stated (August 2009) that HDPE pipes in these watersheds were used by user groups after taking the water from adjoining areas where suitable water was available. The reply was not based on facts as these pipes were distributed amongst the farmers on the basis of their land holdings without keeping in view the distance from where the water was to be carried.

During physical verification, beneficiaries of watershed Matani and Dhani Hunat of Bhiwani district, where HDPE pipes worth Rs 11.61 lakh were distributed, stated that area being '*barani*' (rainfed), majority of the tubewells had gone dry and ground water in the area was saline and brackish. As such HDPE pipes provided for water supply system were of no use to them.

Similarly, ground water in Fatehabad district was highly saline as per report of Central Ground Water Board. As such, HDPE pipes purchased at a cost of

<sup>30</sup> Water having (EC value >2000) is not fit for agriculture purposes.

Rs 1.96 crore as discussed in paragraph 1.3.9.1 were of no use to the local farmers as the pipes were to be used predominantly to carry water from tubewells. Chairman, WC Rattangarh intimated (May 2009) that HDPE pipes worth Rs 1.74 lakh were lying with the Committee as farmers were not interested in taking them since they were of no use to the local farmers.

Therefore, expenditure of Rs 10.75 crore under this component became infructuous as this expenditure neither resulted in creation of any infrastructure in these areas nor its proper use could be ensured by DRDAs.

Further, following irregularities were also noticed in Hisar district:

Sr. No.	Name of watershed	Cost of pipes (Rupees in lakh)	Remarks
1.	Pabra	2.59 <sup>31</sup>	Ex-Secretary, WC had sold about 250 pipes costing Rs 2.59 lakh purchased out of DDP funds. This was accepted by Chairman, WC and intimated (October 2005) to BDPO Uklana, ADC and DC, Hisar. No action had been initiated against the ex-secretary of WC.
2.	Daulatpur	1.25	Audit observed that pipes worth Rs 1.25 lakh were purchased by new Committee from an unapproved source at the rate of Rs 2,857 per pipe whereas approved rate was Rs 1,030 per pipe. This had caused a loss of Rs 0.80 lakh.
3.	Khokha	0.33	Twenty one pipes worth Rs 0.33 lakh were shown as distributed to Gram Panchayat by ex-Chairman, WC. New Chairman reported that no such pipes were available with Gram Panchayat.

The ADC, Hisar in his reply stated (August 2009) that inquiry in these cases had been initiated by concerned BDPOs and report would be sent to the State Government after completion of inquiry.

#### • Expenditure on water channels

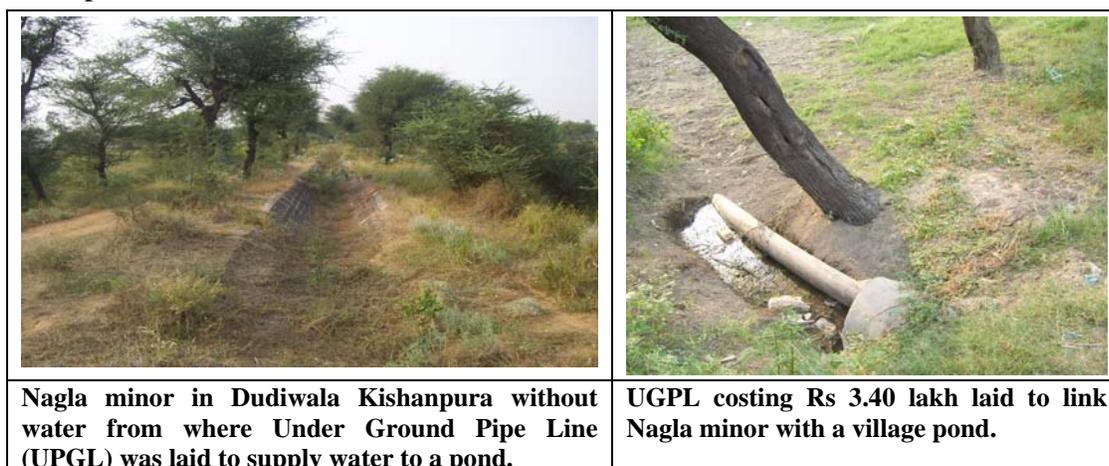
An expenditure of Rs 4.94 crore was incurred on water channels up to March 2009 in 166 watersheds of the test checked districts, further, works completed at a cost of Rs 49.31 lakh were physically verified by audit in selected watersheds.

It was observed that source of water was not selected after proper planning and ensuring/assessing availability of water while linking minors with village ponds. In Bhiwani district, Nagla minor (Bhiwani district) was in a damaged condition without water, however, a sum of Rs 4.40 lakh<sup>32</sup> was spent for laying pipe lines under Dudiwala Krishanpura watershed project for carrying water from this damaged minor to a nearby pond. Since the minor was without water, objective

<sup>31</sup> The cost worked out on the basis of approved rates as records were not made available to audit.

<sup>32</sup> Material and Labour: Rs 76,104 and Pipes: Rs 3,64,140.

of supplying water to the pond could not be achieved thus rendering the entire expenditure unfruitful.



The ADC, Bhiwani stated (May 2009) that there was scarcity of water in the district. The reply was not convincing as the pipe lines were laid without ensuring the availability of water in the minor (the source).

Similarly, under watershed Chawa-Bhakli, Nahar block of Rewari district a pond was developed (2005-06) at a cost of Rs 12.43 lakh. In addition, a channel was also constructed (2006-07) at a cost of Rs 3.71 lakh to connect the pond with a near by distributary. During physical verification by audit, it was noticed that the channel had choked due to expansion of road and was in damaged condition. The pond was without water rendering the entire expenditure of Rs 16.14 lakh as unfruitful.

- **Impact of water resource activities**

**Area under irrigation decreased from 1,294 thousand hectare to 1.256 thousand hectare during 2002-07.**

Activities were undertaken under this component of the scheme for increasing irrigated area by distribution of pipes and linking minors with village ponds. However, this activity could not make any significant impact in increasing the irrigated areas in the said districts as depicted in the table below:

District	Net irrigated area (in thousand hectares)														
	2002-03			2003-04			2004-05			2005-06			2006-07		
	Canal	Tube well	Total	Canal	Tube well	Total	Canal	Tube well	Total	Canal	Tube well	Total	Canal	Tube well	Total
Rewari	2	108	110	--	101	101	2	108	110	2	107	109	2	94	96
Mahendragarh	2	119	121	2	119	121	2	119	121	2	32	34	8	77	85
Bhiwani	156	109	265	159	124	283	169	118	287	148	132	280	144	139	283
Hisar	238	22	260	208	9	217	218	9	227	218	9	227	218	23	241
Fatehabad	140	76	216	140	76	216	145	60	205	68	144	212	72	141	213
Sirsa	264	58	322	264	58	322	263	72	335	265	73	338	234	104	338
<b>Total</b>	<b>802</b>	<b>492</b>	<b>1,294</b>	<b>773</b>	<b>487</b>	<b>1,260</b>	<b>799</b>	<b>486</b>	<b>1,285</b>	<b>703</b>	<b>497</b>	<b>1,200</b>	<b>678</b>	<b>578</b>	<b>1,256</b>

(Source: Statistical abstract published by Government of Haryana)

It would be seen from the above table that the area under irrigation decreased from 1,294 thousand hectares to 1,256 thousand hectare during 2002-07 in these districts. The position was worst particularly in Rewari, Mahendragarh and Hisar

districts.

### 1.3.9.2 Percolation tanks

Six ponds excavated at a cost of Rs 10.50 lakh were without water.

An amount of Rs 3.01 crore was spent on construction of percolation tanks on community land in test checked districts. Out of this, a sum of Rs 46.83 lakh was spent on construction and maintenance of 12<sup>33</sup> percolation tanks on community land in 13 out of 16 watersheds test checked.

It was observed during physical verification of selected watersheds that important issues like catchment-area, source of recharging, etc. were not conceptualised in respect of six new ponds excavated under the selected watersheds as detailed below:

Sr. No.	Name of district	Name of watershed	Amount (Rupees in lakh)
1	Bhiwani	Roopgarh	1.05
2	-Do-	Kheri Sanwal	2.03
3	Hisar	Bagla	2.00
4	Rewari	Chawwa	1.61
5	-Do-	Chawwa	0.60
6	-Do-	Kishanpura	3.21
<b>Total</b>			<b>10.50</b>

As a result of improper catchment area, expenditure of Rs 10.50 lakh incurred on digging of these ponds was rendered unfruitful as these ponds were without water hence could not ensure increase in ground water table of the said area.

		
Pond excavated in watershed Kheri Sanwal in Bhiwani block.	Pond in Bagla (Hisar)	Pond excavated in watershed Roopgarh in Bhiwani block.
		
Pond and Khurra constructed at Chawwa in Rewari district	Desilting of Pond, construction of retaining wall and Khurra in Bhakli in front of school	Pond in Kishanpura

<sup>33</sup>

10 new and 2 old.

**In Rewari district,  
Rs 75.13 lakh were spent  
on *khurra* making,  
retaining walls, etc.**

It was further observed that plantation work was not taken up adjacent to the said ponds so as to stop soil erosion which was against the scheme guidelines. In Rewari district, instead of consolidating the embankments by plantation, a sum of Rs 75.13 lakh was spent on cement structures like *khurra* making, retaining walls which were not as per scheme guidelines as these concrete structures would neither increase the ground water table nor prevent soil erosion.

The ADC, Rewari stated (August 2009) that *khurra* making was necessary as soil erosion takes place when milch cattle enter the pond. The reply was not convincing as purpose of excavation of ponds was to recharge the ground water which was not served by *khurra* making.

The Special Secretary and Director, Rural Development, Haryana during inspection (June 2006) of two new ponds dug up under DDP in villages Agroha and Sisai in Hisar district also made similar observations and pointed out that location of these ponds was not proper as they were far from the *Abadi* and catchment-areas were not appropriate for filling up of ponds. However, no action was taken even on the report of the Director, Rural Development.

In addition, these works were neither codified nor *khasra* number mentioned or shown in estimates where these ponds were dug up. Boards depicting source of funds had also not been displayed on such sites with the result, the expenditure was neither verified during audit nor could be subjected to social audit. On being pointed out, ADCs, Bhiwani and Hisar stated (August 2009) that displaying of information on the Boards had, now, been started.

### **1.3.9.3 Land resource activities**

Project guidelines also envisage taking up land development work including in-situ soil and moisture conservation measures like contour and grounded bunds fortified by plantation, nursery raising, fuel wood horticulture and non-timber forest product species. A sum of Rs 5.33 crore was spent up to March 2009 in the test checked projects; under this component thirteen works executed at a cost of Rs 65.73 lakh were physically verified. Following deficiencies were noticed:

- **Land levelling**

In Bhiwani district, a sum of Rs 59.25 lakh was spent on land levelling in selected watersheds. Tractors were plied in the fields of all the farmers in the watershed area without identifying the problematic areas. The ADC, Bhiwani while approving these works, instructed the WCs to take photographs of sites before and after execution of these works. However, no photographs were taken by WCs hence actual work executed could not be verified by audit.

It was further noticed during audit that land levelling work worth Rs 27.55 lakh was executed by WCs prior to the year 2004-05 without obtaining prior permission of DRDA, Bhiwani and the amount was not paid to tractor owners. Five tractor owners whose tractors were hired by PIA, filed (January 2008) cases in court of law for making payment of Rs 5.12 lakh along with interest. No action was initiated/taken against WCs who got this work executed without proper

permission. The case was still pending in the court (July 2009).

As per action plans, for equitable distribution of benefits, barren and uncultivable land, which was of no use to the community/*panchayat*, was to be leased out to the landless labourers so that the said land can be converted into cultivable land by carrying out developmental activities out of project funds. However, no such work was undertaken in the test checked districts and, thus, the landless labourers could not be benefited from the scheme.

#### **1.3.9.4 Demonstration plots**

Programme guidelines envisaged demonstration of plots for popularizing new crops/varieties or innovative management practices. In Rewari and Fatehabad districts, this activity was not carried out in test checked watersheds. Out of 10 test checked watersheds of Bhiwani and Hisar districts, in three watersheds, seeds, gypsum and fertilisers worth Rs 3.12<sup>34</sup> lakh were distributed to farmers instead of organising demonstration plots. The ADC, Rewari stated (August 2009) that WCs had been directed to take up maximum demonstration plots in their projects.

#### **1.3.9.5 Afforestation activities**

Project guidelines envisaged undertaking block plantations, agro forestry and horticultural development, shelterbelt plantation, etc. for sand dune stabilisation in these areas. A sum of Rs 71.43 lakh was spent under test checked projects up to March 2009 on this component. Out of 16 selected watersheds, no plantation was carried out in 6 watersheds. In remaining 10 watersheds, an amount of Rs 5.56 lakh was spent on distribution of plants to the beneficiary farmers, but survival of plantation was not monitored by WCs.

### **1.3.10 Other topics of interest**

#### **1.3.10.1 Diversion of funds**

Programme guidelines also envisaged treatment of drainage line with a combination of vegetative and engineering structures in watershed areas. In Rewari district, cumulative expenditure of Rs 46.25 lakh was incurred during August 2000 and March 2009 on sewer *nullahs* for draining waste water on the village streets which was contrary to the programme guidelines as constructions of sewer *nullahs* had no relation with drainage line treatment. Thus, the objective of the scheme remained unachieved.

**Rupees 46.25 lakh were spent on sewer *nullahs* in violation of scheme guidelines.**

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<sup>34</sup>

Bagla: Rs 1.18 lakh; Birbarain: Rs 0.95 lakh and Pali: Rs 0.99 lakh.



The ADC, Rewari stated (August 2009) that concerned WCs had been instructed not to take up such activities in future.

### 1.3.10.2 Maintenance of record

Cash-book, ledger and muster rolls are basic records which are required to be maintained so as to ensure proper utilisation of funds. It was, however, noticed that the ledgers were not maintained properly and cash-books were not being closed regularly. In watersheds of Daulatpur, Prabhuwala and Pabra of Uklana block, it was observed that previous records along with unspent cash balance had not been handed over to the new Chairmen. No record was produced by watershed Sisar-1 in Hansi-II block of Hisar district. In watershed Bagla of Adampur block, receipts and payments were entered on the same side of cash-book as a result of which accuracy of transactions could not be verified by audit.

The ADC, Hisar stated (August 2009) that instructions had been issued to all PIAs to maintain the cashbooks and ledgers properly.

In watershed Roshankhera of Hansi-II block of Hisar district, blank muster rolls with signatures of workers were kept by the Secretary of the watershed. The muster rolls were got signed from workers in advance without making any payment to them. The chances of mis-use of muster roll to misappropriate the funds could not be ruled out. Similarly, a payment of Rs 8,075 was made to workers without obtaining their signatures on muster rolls for the watershed work.

### 1.3.11 Exit protocol

**No mechanism was evolved to ensure post project maintenance.**

Programme guidelines envisaged that DRDAs in consultation with the State Government would evolve a proper exit protocol for the watershed projects. A mutually acceptable and operational mechanism for utilisation of watershed development funds for post project maintenance and its continuous augmentation was to be evolved. It was noticed that no mechanism was evolved for post project maintenance of completed projects.

The ADCs, Hisar and Rewari stated (August 2009) that in the absence of any methodology prescribed by the State Government, Gram Panchayats were verbally directed to maintain these assets. The reply was not in consonance with scheme guidelines as proper mechanism was required to be evolved for post project maintenance.

### **1.3.12 Monitoring and evaluation**

**Meeting of SWDC was not held for the last 10 years.**

Programme guidelines provided constitution of SWDC to ensure coordination among various departments/institutions and voluntary agencies. The Committee was to meet twice a year. Though SWDC was constituted in January 1995, it was non-functional as no meeting of the Committee had been held for the past ten years.

State Government was responsible for regular monitoring and evaluation of watershed development projects. It was observed that proper mechanism for monitoring and evaluation had not been evolved. Records relating to physical progress of work done on individual, community and forest lands of watershed as envisaged in the annual action plan had not been maintained with the result the targets *vis-à-vis* achievements could neither be ascertained nor correlated with the financial progress.

Mid-term evaluation was meant to holistically assess the projects midway so as to identify and overcome deficiencies and improve implementation of the scheme. However, evaluation along with impact assessment on activities viz.; increase in water levels, additional area brought under cultivation, status of labour migration, enhancement of wage component, etc. was not done. It was observed that evaluation of the scheme was not conducted as per instructions of GOI as evaluators appointed by State Government could not ensure performance analysis of these vital aspects.

### **1.3.13 Conclusions**

The objective of developing waste/degraded land, drought prone and desert areas was not achieved fully as total waste land did not decrease. The implementation of the programme suffered due to non-preparation of perspective plan, lack of monitoring, completion of only 118 watershed projects out of 441 projects identified, non-execution of soil and moisture conservation work and non-formation of SHGs. Free distribution of pipes among farmers instead of laying them underground, execution of ponds without conceptualising catchment area, non-organisation of demonstration plots, etc. were areas which could have been organised more effectively. Proper exit protocol was not evolved for post project maintenance. Monitoring and evaluation system was not working effectively.

**1.3.14 Recommendations**

- Perspective plan should be prepared after taking into account the wasteland atlas prepared by HARSAC.
- The WCs should prepare a time bound programme for completion of projects within the prescribed time frame.
- The projects should be implemented in a concerted manner covering all the aspects such as soil conservation, afforestation, etc.
- The SHGs should be formed in all watershed projects to take income generating activities.
- Instead of distributing pipes among farmers, HDPE pipes should be laid underground to create a durable infrastructure.
- Factors like catchment's area, source of recharging, etc. should be conceptualised before starting works.
- The systems for post project maintenance, monitoring and evaluation should be put in place effectively.

These points were referred to the Financial Commissioner and Principal Secretary to Government of Haryana, Rural Development Department in June 2009; reply had not been received (August 2009).