

TWELFTH KERALA LEGISLATIVE ASSEMBLY

**COMMITTEE
ON
PUBLIC ACCOUNTS
(2008-2011)**

ONE HUNDRED AND SEVENTY SECOND REPORT

(Presented on 23rd February, 2011)



SECRETARIAT OF THE KERALA LEGISLATURE
THIRUVANANTHAPURAM
2011

TWELFTH KERALA LEGISLATIVE ASSEMBLY

**COMMITTEE
ON
PUBLIC ACCOUNTS
(2008-2011)**

ONE HUNDRED AND SEVENTY SECOND REPORT

On

**Action taken by Government on the Recommendations contained
in the Seventy Sixth Report of the Committee on Public
Accounts (1998-2000)**

387/2011.

CONTENTS

	<i>Page</i>
Composition of the Committee ..	v
Introduction ..	vii
Report ..	1
Appendices :	
I G. O. (Ms.) 186/98/AD dated Thiruvananthapuram 2-9-1998 ..	24
II G. O. (Rt.) No. 527/98/RDD dated Thiruvananthapuram 23-11-1998 ..	28
III G. O. (Rt.) No. 2779/2000/LSGD dated Thiruvananthapuram .. 11-7-2000	30

COMMITTEE ON PUBLIC ACCOUNTS (2008-2011)

Chairman:

Shri Aryadan Muhammed

Members:

Shri C. T. Ahammed Ali
,, Anathalavattom Anandan
,, Babu Paul*
,, K. C. Joseph
,, K. M. Mani
,, A. C. Moideen
,, M. Prakashan Master
Smt. K. K. Shylaja Teacher
Shri M. V. Sreyams Kumar
,, V. J. Thankappan†

Legislature Secretariat:

Shri P. D. Rajan, Secretary
,, K. Mohana Kumar, Additional Secretary
,, Wilson V. John, Deputy Secretary
,, K. Gopakumaran Pillai, Under Secretary.

* Elected to serve as Member w.e.f. 19-3-2009 due to the resignation of Shri N. Anirudhan, M.L.A., and Member from the Committee.

† Elected to serve as Member w.e.f. 14-9-2009 due to the appointment of Shri Ramachandran Kadannappally, M.L.A. and Member as Minister.

INTRODUCTION

I, the Chairman, Committee on Public Accounts having been authorised by the Committee to present this Report on their behalf present the One Hundred and Seventy Second Report on Action Taken by Government on the Recommendations contained in the Seventy Sixth Report of the Committee on Public Accounts (1998-2000).

The Committee considered and finalised this Report at the meeting held on 21st February 2011.

Thiruvananthapuram,
23rd February, 2011.

ARYADAN MUHAMMED,
Chairman,
Committee on Public Accounts.

REPORT

This Report deals with the action taken by Government on the recommendations contained in the 76th Report of the Committee on Public Accounts (1998-2000).

The 76th Report of the Committee on Public Accounts (1998-2000) was presented to the House on 23rd December 1999. The Report contained 23 recommendations relating to Agriculture Department. Government were addressed on 3rd January 2000 to furnish the Statements of Action Taken on the recommendations contained in the Report and the final replies were received on 9th April 2010.

The Committee examined the action taken statements at its meeting held on 3-6-2003, 8-12-2005 and 5-5-2010.

The Committee decided not to pursue further action on the recommendations in the light of the replies furnished by Government.

The recommendations of the Committee and the replies furnished by the Government are included in this Report.

RECOMMENDATIONS OF THE COMMITTEE AND THE REPLIES FURNISHED BY GOVERNMENT

AGRICULTURE DEPARTMENT

Recommendation

(Sl. No. 1, Para No. 37)

1.1 The Committee observe that the National Watershed Development Programme for Rainfed Areas formulated in the State from 1990-91 to 1996-97 has failed in achieving the targeted objectives of sustainable production of bio-mass and restoration of ecological balance and to generated employment in rural areas to benefit the unemployed and underemployed. The Committee note with regret that the performance of the Agriculture Department in many vital fields of implementation of this programme has been far from satisfactory. In fact, the achievement is far below the projected target in many components of production system, conservation measures, livestock management, etc., from 1990-91 to 1994-95.

Action Taken

1.2 The progress of implementation of the scheme was at slow rates at the time of audit and on completion of 8th plan project, the department could achieve the targeted expenditure as per the Government of India guidelines. The total 387/2011.

achievement under conservation measures including drainage line treatment during 8th plan was 1132.74 lakhs which is 37% of the total project cost. The total expenditure under production system was 890.92 lakh which is 29.77% of the total project cost. The total expenditure under live stock component during the 8th plan is 179.54 lakh which is 6% of the total project cost.

Recommendation

(Sl. No. 2, Para No. 38)

1.3 The committee note with serious concern the manner in which the Community Development Blocks were identified by adopting the data collected by the Irrigation Department, Rural Development Department and Land Use Board based on different parameters. The Agriculture Department has discarded the basic principle of collection of data and research findings independently by the Department. The Committee opine that the Department should have a separate research and monitoring wing consisting of trained personnels so that adequate data and research findings could be made available well in advance for selection of areas.

Action Taken

1.4 It is not possible to create a separate wing in Agriculture Department, for collection of statistics. Statistical works of most of the departments are attended to by the statistical wing attached to each department. In a large scheme like NWDPRRA, the data will have to be collected within a short time from all over the Kerala State. If a separate wing is created for the purpose of collection of data in the department, the expenditure will be very high.

The Soil Conservation Unit is having only a skeleton staff, which is even not sufficient to operate the schemes implemented by the Department. The staff pattern of the unit at district level is, a District Soil Conservation Officer (in the rank of Assistant Director) and 2 Soil Conservation Officers under his control. Each Soil Conservation Officer has 2 Overseer Units at his control. At Directorate level, the unit is headed by an Additional Director of Soil Conservation and there are 4 Assistant Directors and one Deputy Director to assist him. With this skeleton staff it may not be possible to establish such a cell.

Recommendation

(Sl. No. 3, Para No. 39)

1.5 The Committee observe that the central assistance released for specific purpose was either not utilised in time or diverted for other purposes by violating the norms prescribed by Government of India. The Committee notice that the programme of soil conservation finalised at national level was not feasible or

viable, taking into account the topographical conditions of our State. The Committee are of the view that it is high time that the entire scheme of Watershed Development Programme which is being implemented in our State during IX plan period should be revamped in the light of the practical difficulties and taking into account the peculiar circumstances of the State with the concurrence of Government of India.

Action Taken

1.6 Government have made certain changes in the percentage of allotment of funds for the various components considering the importance of components within the norms prescribed by Government of India.

1.7 Considering the topographical peculiarity of the State and also with the experience gained in operating the scheme during 8th plan, the State Government have modified the implementation guidelines of the scheme so as to suit the Kerala conditions after having detailed discussions at various levels. The State Government have also issued orders reconstituting the various committees so as to suit the Panchayat Raj System existing here.

1.8 The Government of India have now completely revised the guidelines and the scheme (NWDPPRA) is implemented from 2002-03 onwards according to the revised guidelines.

Recommendation

(Sl. No. 4, Para No. 40)

1.9 The Committee notice inordinate delay of 17 to 31 months in approving the project reports of model watershed projects from each of the agro climatic zones and delay of 5 to 13 months in communicating the approval by Government of India to the implementing officers. From the evidence, tendered before the Committee, the Committee were also convinced of inordinate delay in submitting the soil conservation survey reports of the model watersheds. The Committee recommend that a thorough probe should be conducted in this regard to find out at what level the lapses had occurred. The Committee also recommend that responsibility for the lapses should be fixed and stringent action should be taken against the erring officials.

Action Taken

1.10 Government of India have initially entrusted the implementation of the scheme NWDPPRA with the Agriculture Department, but they could not take up this scheme along with other State and Central Sector Schemes due to the lack of sufficient staff. In such a situation the programme was diverted and entrusted

with Additional Director (SC) at the fag end of the financial year 1990-91. Being a new and massive programme to be adopted with an entirely different strategy new to the implementing officers, formulation of project report itself was laborious, by utilising the existing minimum staff of the department along with other ongoing schemes. Moreover there was much delay in getting approval of the model projects from Government of India.

1.11 The model project Pavukkonam representing central zone was cleared by Government of India on 27-6-1991 and the model project Kaithamoola representing southern agro climatic zone was approved by the Government of India on 21-12-1992. The other 3 model projects viz., Karumathra, Kaniyaram, Pilakkavu and Chandanakkampara representing problem area, high altitude and northern agro-climatic zones were cleared by the Government of India 6-5-1993. The model projects submitted by the State were thoroughly scrutinized by a Screening Committee of Government of India and they have called the officers of Soil Conservation Department, to New Delhi several times for discussions before giving approval. Also the model projects were re-drafted several times based on the suggestions made by the Screening Committee.

1.12 A detailed calendar of events in this regards were already submitted to the audit. Due to the delay in getting the model projects approved by the Government of India, the approval of other schemes by the State Co-ordinator was also delayed. The approved model projects from Government of India were immediately handed over to the concerned Principal Agricultural Officers and there occurred no delay in this. Since the other project reports had to be prepared based on the approved model project reports by the Government of India, they required some time for the preparation of the projects by the implementing officers. There are no lapses in the formulation of the project by the implementing officers as pointed out by the Committee. The period of delay was worked out as follows by the test audit.

February 1991 to June 1992: 17 months.

February 1991 to October 1993: 33 months.

1.13 The Project was entrusted with the Additional Director of Soil Conservation during February 1991. It may kindly be noted that the formulation and Implementation of NWDPRAs was as per the modified guidelines of Government of India for the VIII plan period, where various parameters viz., (a) blocks having less than 30% assured irrigation (b) Watersheds in all the rainfed areas without any upper and lower limits of rainfall (c) watersheds having 75% of the gross area under arable lands (d) preference to area which have already been treated with soil conservation measures etc., were to be considered for the selection of site.

1.14 Being a totally new strategy that has to be adopted for preparation of Watershed Projects, at the initial stages there existed an uncertainty among the

Officers to attain speedy advancement in preparation of the projects. This was solved through a series of trainings and clarification to the State Level Officers and with Government of India respectively. This was the main reason which consumed more time in the preparation and submission of Model Project reports.

1.15 It was from August 1992 to October 1993 that 113 new Watersheds in the 14 District of the State were sanctioned by the Department which were completed with 17 to 31 months delay.

1.16 Here it may be noted that there was written instruction from Government of India that only after sanctioning of the Model Projects, the Projects for other watersheds in the State be prepared for implementation on the basis of the Model Project. All the 5 Model Watersheds were for each of the Zones viz., Northern, Southern, Central High Altitude and Problem Area Zones. The Model watersheds were sanctioned by Government of India from June 1991 to May 1993. On the basis of the approved Model watershed of each Zone were identified, detailed survey conducted and socio economic survey was also conducted for preparation of Project Reports. Both the above procedures were time consuming and cannot be avoided for Project preparation. The above were the reasons for the delay with the State Government Officials which was not at all intentional. Considering the above genuine reasons, the objections may kindly be dropped.

Recommendation

(Sl. No. 5, Para No. 41)

1.17 The Committee note with dismay that the State Policy Committee chaired by Chief Minister and Chief Secretary, State Level Implementation Committee headed by Agricultural Production Commissioner, District Level Implementation Committee under the Chairmanship of District Collectors and Watershed Development Team for proper management and guidance of programme has neither submitted any report in this regard nor has it regularly met since December 1990. The Committee feel that meetings of these Committees at regular intervals could have contributed much to the management of watershed development programmes at various levels and much progress could have been achieved in co-ordinating sectoral departments. The Committee notice that the delay in the approval of watersheds by SLIC was the major reason for inordinate delay in implementing the scheme in other watersheds and this created a lot of problems later. The Committee urge the Government to ensure proper discharge of responsibilities of various Committees connected with Watershed Development during IX Plan period for the successful implementation of the programme.

Action Taken

1.18 The State Government have issued orders reconstituting the Committee at various levels during 9th Plan as per G. O. (Ms.) No. 186/98/AD dated 2-9-1998 (copy enclosed as Appendix-I).

1.19 As per G. O. (Rt.) 2779/2000 dated 11-7-2000 Government have reconstituted the State Watershed Development Implementation Review Committee with Agricultural Production Commissioner (A.P.C) as Chairman [Copies of G. O. (Rt.) 527/98/RDD dated 23-11-1998 and G. O. (Rt.) No. 2779/2000 dated 11-7-2000 are attached] as Appendices-II & III respectively.

Recommendation

(Sl. No. 6, Para No. 42)

1.20 The Committee understand that the implementation of the project envisaged periodical reporting of physical and financial status, monthly evaluation and progress reports to enable the State/Central Government for realistic evaluation of project at regular intervals. The Committee find that the implementing agencies had neither prepared the progress reports for all components nor was it reported to Government of India as stipulated in the guideline. The Committee urge that the measures evolved for periodical reporting of the progress achieved during every stages of the implementation of Centrally Sponsored Schemes should be streamlined so as to secure additional assistance to the maximum extent possible.

Action Taken

1.21 The system of progress reporting intended by the Government of India is through the computer network established by the National Informatics Centre—NICNET. The watershed team leader has to feed the quarterly progress reports in to the computer, at the nearest National Informatics Centre in the district. Also the Principal Agricultural Officer has to report quarterly reports to the National Informatics Centre. The data collected at the District National Informatics Centres were consolidated there and the consolidated progress reports were generated for use of the district Co-ordinator of NWDPR. Also the consolidated data from the District National Informatics Centres were transferred to the SNIC and at there, these data were consolidated and transmitted to Government of India for their use. Consolidated reports generated at the SNICS can be used by the State Co-ordinator for monitoring the implementation of the scheme in the district. But this system became a failure due to various reasons and the data collected by the National Informatics Centre become useless both to the State Co-ordinator and the Government of India. Hence the progress reports were collected manually from the district level officers and submitted to the

Government of India by the State Co-ordinator. This manual system of progress details collected from the districts and consolidated by the State Co-ordinator is now being followed even though it is a very tedious process.

Recommendation

(Sl. No. 7, Para No. 43)

1.22 The Committee are unhappy to note that under Watershed Development Programme, the Co-ordinating agency have not popularised the concept of vegetative hedges/agrostologic or agronomic measures which is one of the cheapest method for soil conservation. The Committee cannot accept the plea of the Department that the farmers showed only little interest towards this method and express its displeasure for resorting to expensive construction works like retaining walls. The Committee urge the Government to evolve appropriate steps to popularise the concept of environmental protection to alleviate the threat of soil erosion.

Action Taken

1.23 Maximum efforts were taken to popularised low cost vegetative measures for soil conservation and greening of the watershed areas, in all the watersheds. In fact such low cost vegetative measures only can be undertaken in NWDPRAs watersheds due to the very low per hectare cost. Costly structural works were not taken up in the watersheds except at some critical locations where such works are essential. In Ninth plan watershed also, maximum thrust is being given to popularise low cost vegetative measures for soil and water conservation.

Recommendation

(Sl. No. 8, Para No. 44)

1.24 The Committee notice that there is no mechanism in the Co-ordinating Department to monitor the implementation of the National Watershed Development Programme for Rainfed Areas in our State. The Committee also understand that there was substantial shortfall in physical as well as financial achievement in certain components in 17 Micro Watershed Projects from 1990-91 to 1994-95. The Committee notice that the execution of watershed development works in our state was not in consonance with the guidelines issued by the Government of India. The Committee are of the opinion that the Additional Director (Soil Conservation) the Co-ordinator of the programme cannot escape from the primary responsibility for the lapses in monitoring its implementation. The Committee recommend that a thorough probe should be conducted in this regard and the responsibility for the lapses be fixed.

Action Taken

1.25 The delay was occurred at Government of India level. The Additional Director (SC) has been designated as the State Co-ordinator of the project. The Principal Agricultural Officer of the respective districts are the Nodal Officers at district level. The same staff attached to the District Soil Conservation Office is expected to implement the major portion of the programme is Soil and Water Conservations, Drainage Line Treatment, both arable and non-arable land etc. Though there were provisions for the appointment of Postgraduate apprentices in 114 Watersheds, the department could not even appoint half of the number. In other States when this programme is being implemented separate Watershed Development Department has been created and the entire work has been entrusted to that Department. The Agricultural Officer is the team leader of the project and he being a very busy officer who find very little time to spare for Watershed Development programme. In the case of Soil Conservation also there are only a skeleton staff who are supposed to take up state sector schemes as well as works relating to local bodies are to be attended to. There was close monitoring by the State Level Implementation Committee, District Level Implementation Committee and Watershed Development Committee headed by A.P.C., District Collector and Panchayat President respectively.

1.26 The findings of the Committee that there was substantial short fall both in physical and financial achievements, eg. under training 10% is earmarked for farmers training Mithrakissan training and stipend to Postgraduates, the department cannot expend the amount earmarked for that particular component and that amount cannot be transferred to other component as per Government of India direction. This constraint of the department had been pointed out at Government of India level on several occasions and that may be the reason why GOI took a different view while formulating new guidelines under IXth plan by allowing wide flexibility with regard to choice of Technology with location specificity.

Additional details

1.27 In order to monitor the implementation, there was a system in which close monitoring had been carried out by State Level Implementation Committee, District Level Implementation Committee and Watershed Development Committee.

1.28 It is true that during that time of test audit the physical and financial progress was not up to the desired level. The audit was conducted for the period from 1991 to 31-12-1994, by which time the major portion of the time was spent on formulation of model watershed projects. Only after getting the sanction for model projects from Government of India, the State could give direction to prepare the project on the basis of the approved model projects.

1.29 In the better interest of work in order to overcome the delay, directions were given to all the implementing officers to start the work for drainage line treatment as pre project activity in the selected watersheds. That is how substantial achievement was given in the works relating to dug out ponds, check dams and bank stabilization, which falls within the component of Integrated drainage line treatment. It may also kindly be noted that at the end of the VIIIth five year plan the total financial achievement under conservation measures including Drainage Line Treatment (DLT) was ₹ 1,132.74 lakh which is 37% of the total project cost. The total expenditure under production system was ₹ 890.92 lakh which is 29.77% of the project cost. The total expenditure under livestock component was ₹ 179.54 lakh which is 6% of the project cost. All the above achievements are in adherence to the Government of India guidelines.

1.30 The achievements made during the VIIIth plan period are as follows:

Amount received from Government of India—₹ 2,993.37 lakh

Expenditure details:

Basic Activities ₹ in lakh

Survey and Projectisation	..	74.5542
Establishment of Nurseries	..	100.5115
Training	..	171.7630
Establishment & Management Cost	..	182.3885
Research	..	89.1992
Innovative Reserve	..	<u>0.2625</u>
Total	..	<u>568.67</u>
IInd Project Activities		
Arable Land conservation	..	508.68
Drainage line treatment	..	<u>624.06</u>
Total		<u>1132.74</u>
IIIrd Production system		
IVth livestock system	..	321.6957
Vth Biomass & agro processing	..	406.549
VIth Service Sector	..	36.6243
	..	<u>126.05594</u>
Total		<u>890.92512</u>

VII Livestock management	..	179.54237
Total for project activities	..	2203.20809
Grand total	..	2771.8869
Expenditure at Headquarters	..	22.49
Total Expenditure during VIII Plan	..	2794.37
Unspent balance utilized for	..	149.0
intensive vegetable cultivation		
Amount transferred to Kerala	..	
Agricultural University to continue		
the Research programmes		
undertaking during VIII plan		
Grand Total		<u>2993.37 lakh</u>

1.31 From the above statement it may kindly be noted that, though there was a slow pace of progress initially, at the end of the plan period the amount was expended to the satisfactory level which was co-ordinated by the Additional Director of Soil Conservation. It was in these circumstances that a probe was not conducted. The objection may kindly be dropped.

Recommendation

(Sl. No. 9, Para No. 45)

1.32 The Committee note that the Government of India had prescribed the maintenance of 'Sumangal Diaries' to record the details of benefits conferred on them under the project. The Committee notice instances in which the team leaders had not even distributed the diaries to the beneficiary family in time. The Committee note that in the total expenditure incurred for reprinting of Sumangal diaries in regional languages has not been specified in spite of specific request. The Committee desire to be intimated about the period of delay and the expenditure incurred for reprinting of Sumangal diaries.

Action Taken

1.33 The Sumangal diary was introduced by Government of India as a farmers pass book to record the assistance and other benefits given to them under the project. These diaries were given to the beneficiaries when the first assistance is issued and not to all the families in the watersheds. For the first two years the works done were mostly common property resource management such as Drainage Line Treatment, Non-arable land, etc. and this works need not be entered into the Sumangal Diary and hence it was not distributed. The order for printing Sumangal Diary were placed with Superintendent, Government Press, Mannanthala as per the direction of State Government on 11-8-1992. First delivery of 1 lakh diaries were taken on 4-3-1993 and distributed to the Principal Agricultural Officers for re-distribution to Watershed Development Team.

1.34 Due to the delay in sanctioning of Model project and Schemes, some delay was caused in sanctioning 113 watersheds in the districts of the State. Hence it was instructed to carry out the Drainage Line Treatment works in the selected Watersheds under “Common Property Resources Management” so that some activity under the project is initiated avoiding further delay.

1.35 Sumangal Diary, the Farmer’s Pass Book was intended to record the assistance given to the farmers for the works done in the lands owned by them. At the time of audit as pointed out by the audit the substantial progress was made only under Drainage Line Treatment works which is a common property work and which cannot be recorded in the “Sumangal Diary”. Hence Sumangal Diaries were distributed to the farmers only when the first assistance under any component was given to them. This was the reason for non-possession of Sumangal diary by some of the farmers as pointed out by the Audit.

1.36 The printing of Sumangal diaries was done at the Government Press, Mannanthala. No payments were due to Government Press as printing was not done under cost recovery item. The objection raised may kindly be dropped.

Recommendation

(Sl. No. 10, Para No. 46)

1.37 The Committee observe that National Watershed Development Programme for Rainfed Area is entirely a scheme financed by Government of India and the funds for the implementation of the scheme were to be provided as 75% grant and 25% loan. But there was deviation from the agreed pattern of assistance and the actual release by Central Government during the period 1991-92 to 1994-95 aggregated to 49% loan and 51% grant. The Committee point out that lack of co-ordination among the implementing agencies including Government Departments is the basic reason for the non-observance of the prescribed pattern of assistance. The Committee want to know whether the Finance Department had taken note of this deviation and whether Government had examined the matter even after the publication of audit paragraph. Action taken to set right the deviation from the prescribed pattern of assistance shall be intimated to the Committee.

Action taken

1.38 The total amount released by the Government of India during VIII Plan i.e. from 1990-91 to 1996-97 towards loan and grant-in-aid is:—Loan 1228.475 lakh—41.03 % grant-in-aid ₹ 1765.425 lakh—58.97%. From the above it is seen that the total loan portion of the Government of India release come to 41.03% against the approved 25%.

1.39 Government of India have provided the release by balancing the loan portion and grant-in-aid up to 1993-94. At the fag end of the financial year 1993-94 (28-3-1994) the Government of India had provided an additional Administrative sanction of ₹ 1000 lakh with 850 lakh under loan and ₹ 150 lakh as grant-in-aid. These amounts were actually utilised during 1995-96 by revalidation. This additional amount of ₹ 1000 lakh released by the Government of India during 1993-94 were from the surrender from other States. And the amount surrendered to the GOI by these States may be under the loan portion provided to them. This is the reason for providing more funds under loan component in the additional allotment.

1.40 The pattern of assistance given to the State by Government of India was 75% grant and 25% loan. The procedure adopted by Government of India was to issue separate orders for sanctioning grant portion and loan portion.

1.41 Normally out of the total amount sanctioned to the State the 75% grant and 25% loan is balanced. So happened that on 28-3-1994 an amount of ₹ 850 lakh as loan and ₹ 150 lakh as grant was released from Government of India which does not observe the pattern of assistance. But considering the total outlay of ₹ 29.94 crore released from Government of India during VIII plan in adherence to the pattern of assistance, ₹ 22.455 crore is the grant and ₹ 7.485 crore is the loan component.

1.42 It is true that by oversight the department could not point out the discrepancy to Government of India.

Recommendation

(Sl. No. 11, Para No. 47)

1.43 The Committee note that there was a delay of 13 months in issuing Administrative Sanction by the State Government for the amount of ₹ 1000 lakh released by Government of India as additional assistance during March 1994 to utilise the unspent balance for 1993-94 in 1994-95. The Committee understand that the Agriculture Department has not moved supplementary demand for this amount at the appropriate time and hence the amount could not be utilised during 1994-95. The Committee notice serious lapses on the part of the Government as well as Department for the delay in according Administrative Sanction. The Committee desire that responsibility should be fixed and action taken against officers responsible for the lapse so that recurrence of such instances could be avoided in future.

Action Taken

1.44 Since sufficient amount was available in the T.P. Account of the implementing officers from the unspent amount deposited during the previous

financial years, at the beginning of the financial year 1995-96 to continue the scheme at its full level of implementation, the amount revalidated by the Government of India (1000 lakh) was actually needed to be distributed to the Principal Agricultural Officers only after utilising the amount in the T.P. Accounts. Therefore urgent action was not taken to get supplementary budget provision for drawing the amount.

Recommendation

(Sl. No. 12, Para No. 48)

1.45 The Committee notice that huge amounts were claimed and obtained from Government of India as grant and loan at the fag end of the financial year and unspent balance was deposited in the Treasury Personal Deposits accounts and in Nationalised Banks. These deposits were made at a time when Government had to resort to overdrafts at high rates of interest. These undue transactions could have been avoided, had the implementation of the project been reviewed by a Committee and also the project co-ordinator had properly monitored the scheme. Had the department been farsighted and alert, such irregular retention of Government money in Nationalised banks and delayed remittance to the Treasury accounts could have been avoided. The Committee notice several instances of violation of financial principles regarding the drawal and remittance of money in connection with the centrally assisted schemes. Therefore, the Committee recommend that utmost care should be taken to ensure that financial principle and rules in this regard are observed scrupulously in transaction of similar nature.

Action Taken

1.46 No project fund is keeping in Nationalised Banks under the scheme and as recommended by the Public Accounts Committee, financial principles and rules will strictly be observed in all future transactions.

Recommendation

(Sl. No. 13, Para No. 49)

1.47 The Committee understand that most of the works under National Watershed Development Programme for Rainfed Areas is being implemented during the month of November due to monsoon. Since monsoon in Kerala commences in June and continues till September, the Committee are of the view that the execution of works relating to watershed development programmes should be started well ahead of the onset of monsoon and phased in such a manner that the work is completed before the onset of monsoon.

Action Taken

1.48 The recommendation of the Committee is noted for guidance and necessary steps will be taken for observing this in future.

Recommendation

(Sl. No. 14, Para No. 50)

1.49 The Committee notice that the pattern for sharing funds among the various components like production system, conservation measures and implementation of works under arable and non-arable land and livestock management was not in accordance with the norms fixed by Government of India. The Committee desire to be furnished with the reasons for changing the pattern of funds which was not contemplated in National Watershed Development Programme for Rainfed Areas and recommend the Government for the strict observance of guidelines for sharing the funds for project activities in future.

Action taken

1.50 In the Government of India guidelines in a broad frame work for sharing the project cost among different sub components were provided. The percentage provided for different sub components is only indicative and the same can be charged on a need based approach, considering the necessity of the Watershed community. For example 50% of the amount for project activities is provided in the Government of India guidelines for non-arable land, but in all the watersheds in the State, non-arable land is either nil or very little. Hence this amount set apart for non-arable land required shifting to other works under arable lands. Similarly there is much savings from the sub components under basic activities. 10% of the total project cost is provided in the guidelines for survey/ projectisation, but this amount is not at all required for the purpose. The savings from the component were also utilised for project activities on a need based approach. These minor changes on utilisation of funds for different works, reflects in the total percentage of total project cost utilised for different sub components.

1.51 In the Government of India guidelines WARASA (revised guidelines) for the implementation of the schemes, some broad apportionment of funds to various activities and components were given. But the guidelines enable flexibility to change this according to the actual needs of the location. It is clearly stated that the above mentioned treatments are indicative. The actual details of treatments would be decided in consultation with the beneficiaries in consonance with the capability of land within the overall limits of plain and hilly watersheds. The basic principle is to develop land according to its capability and treat it according to its needs in a manner which will meet the peoples need in the most

sustainable way. Thus the guidelines permit a need based treatment approach without exceeding the per hectare ceiling and deviations from the fixed cost norms are permissible.

Recommendation

(Sl. No. 15, Para No. 51)

1.52 The Committee are of the opinion that the nodal agency implementing National Watershed Development Programme for Rainfed Areas concentrated their attention in construction activities like retaining walls, protection walls etc. without popularising the low cost techniques like vegetative measures. The Committee also notice deviation from the cheapest method to expensive measures causing an extra expenditure amounting to ₹ 36.73 lakh in 27 watersheds in 4 districts. The Committee understand that the lethargic approach of the officers concerned towards this scheme is the sole reason for such extra expenditure. The Committee recommend that Government should enquire into the circumstances that led to the extra expenditure in violation of the norms for implementation and to take steps to recover the loss from officers found responsible as a deterrent measure.

Action Taken

1.53 Maximum efforts were taken in all the watersheds for the popularisation of low cost vegetative measures of soil conservation. Even though the farmers were reluctant to adopt these measures in the initial phase of implementation the Department could achieve this by expensive extension measures. But at certain critical locations the vegetative measures alone cannot effectively prevent soil erosion and structural measures may become essential. At these locations specific works such as retaining wall/rubble protection wall etc. were done, that too in a very small extent on a need based approach.

Recommendation

(Sl. No. 16, Para No. 52)

1.54 It has come to the notice of the Committee that the Central assistance of funds allotted for the centrally sponsored scheme of watershed development programme was diverted from one component to another and for purpose other than those coming under this schemes by violating the guidelines issued by Government of India. During evidence, the Committee could notice several instances of diversion where in the Department has not taken any steps even to ratify the diversion of funds. The Committee also express concern over the diversion of funds earmarked for the National Watershed Development Programme for Rainfed Areas for basic activities like office expenses, travel expenses, purchasing of article etc. The Committee desire to be furnished with the reason for diversion of funds which is not contemplated in the programme.

Action Taken

1.55 During the implementation of the scheme, the percentage of amount expended under different sub components, differs from the percentages provided in the Government of India cost norms due to the reasons stated in answer to recommendation No.14. The Government of India guidelines for the schemes permits usage of 10% of the total project cost for meeting expenses towards establishment and management cost. The expenditure towards the office expenses and travelling expenses of the implementing officers were met from this provision under “establishment/management cost” during the plan period. In this regard I may also report that no separate establishment has been provided for the implementation of the scheme and the service of the existing staff sanctioned under various State sector and Centrally Sponsored Schemes were utilised for the implementation of the scheme. The Office expenses and travelling expenses only of these officers were met from the above mentioned provision of “Establishment/management cost”.

Recommendation

(Sl. No. 17, Para No. 53)

1.56 The Committee note that out of 136 training courses intended to benefit Mitra Kisans (contract farmers) from 1990-91 to 1994-95 only 24 courses were arranged. The low achievements in the targeted training programme and feed back sessions show the lack of earnestness on the part of the Department and it was drawn up without foresight and planning. The Committee point out that without adequate number of trained persons, the project works could not be implemented successfully as envisaged in the guidelines. The Committee are surprised to note that the training programmes had been continued even after completing the implementation of the project. The Committee desire that the department should take adequate steps to arrange institutional training sessions well in a advance for the implementation of Watershed Development Programme during the IX Plan period to avoid the recurrence of such lapses noticed during the period from 1991-95.

Action Taken

1.57 As per the guidelines from the Government of India the Mitra Kisans have to be given training to integrated watershed management by sending them to the nearest KVK/KARs of ICAR. The Mitra Kisans are actually contract farmers who were supposed to have a higher level of influence among the farming community. The practice followed in the districts for the training of the Mitra Kisans is that the Mitra Kisans from 3 or 4 watersheds in a district in batches of 15 to 20 in number were sent to the nearest Training Centres of Indian Council of Agricultural Research for imparting training to them. All the Mitra Kisans of the 114 watersheds were given proper training during the VIII plan.

1.58 Even though the number of training programmes conducted in the earlier years of the project period were less, the department could organize more number of training programmes during the second half of the project period. The total number of Mithra kisans selected in a watershed were about 3 to 9 in number. These Mitra Kisans were given training on integrated watershed management at the nearest ICAR/RARS stations. The Mitra Kisans thus trained at the ICAR/RARS stations has in turn given training to other farmers of the watershed. The Mitra Kisans from 3 to 4 watersheds in a district were sent to the ICAR/RARS stations in batches of 15-20. During the VII plan period such 191 training programmes were organised at the ICAR stations for Mitra Kisan.

1.59 Also as directed by the PAC more emphasis was given for farmers training during IX plan and a total number of 738 training programmes were arranged for the farmers at the ICAR/RARS/various stations.

Recommendation

(Sl. No. 18, Para No. 54)

1.60 The Committee understand that the funds earmarked as per guidelines for the engagement of full-time project workers were not utilised for that purpose. The Committee did not accept the view of the department that qualified hands were not available in the employment exchange for appointment as project workers. The Committee vehemently criticise the routine manner in which the appointment of project workers was dealt within the Agriculture Department. Therefore, the Committee urge the Government to ensure measures to appoint full-time project workers through employment exchanges well in advance during the implementation of National Watershed Development Programme for Rainfed Areas during IX plan period.

Action Taken

1.61 Steps have been taken to appoint P.G. Apprentices in all the watersheds.

Recommendation

(Sl. No. 19, Para No. 55)

1.62 The Committee understand that soil conservation works which constitute a major component of National Watershed Development Programme for Rainfed Areas were to be executed through selection of beneficiaries based on a socio-economic survey. The Committee notice that in certain watershed projects the list of beneficiaries had not been completed in the year 1995. The Committee feel that the intention behind the direction is that the local beneficiaries should get themselves involved in the implementation of the project so that the works would

be carried out carefully and at comparatively lesser cost. The Committee view the engagement of contractors in the guise of nominees as highly improper in view of the specific guidelines issued by Government of India and urge the Government to fix responsibility for the delay in identifying the beneficiaries. They also urge that active participation of beneficiaries in the watershed development works should be ensured rather than engaging contractors as nominees.

Action Taken

1.63 The basic details on the socio-economic status of the watersheds were collected in all the watersheds by conducting socio-economic surveys. The Government of India have prescribed a form under the name 'Family index card' for the collection of these data, and these data were collected only for the purpose of getting information and statistics on the socio-economic status of the watershed for the preparation of project reports and planning the activities to be undertaken in the watersheds.

1.64 The selection of beneficiaries for different work programmes were carried out by inviting applications from the beneficiaries themselves by the sectoral department implementing the work. Wide publicity such as printed notices, notices on public places and notice boards etc. are also given for inviting application. From the applicants, the Watershed Development Committee selects the most eligible beneficiaries considering different parameters and also the provision of funds for that work.

1.65 The works on individual land holdings were carried out by the beneficiaries themselves and assistance was given to them directly. For common works such as drainage line treatment, works on public land etc. the works were carried out by Watershed Development Committee, and payments are given to the Chairman of the Committee.

1.66 The system followed for the implementation of the schemes during VIII plan was that, works under arable land were done by the farmers themselves and assistance were given directly to them. For works under common property resources management such as drainage line treatment, development of Public places etc. beneficiary Committees are selected for the implementation of such works and the works were done through the convener of such beneficiary Committee. The works were arranged by the convener of beneficiary Committee. These conveners may engage some workers for executing the works and they cannot be called contractors. The fact that no contractor profit was allowed for the works carried out may also be noted. Also strict directions were again given by the then Minister for Agriculture, during IX plan, prohibiting the engagement of any sort of contract system during IX plan.

Recommendation

(Sl. No. 20, Para No. 56)

1.67 The Committee understand lack of effective co-ordination between the sectoral Department like Animal Husbandry, Dairy Development, Fisheries, Forest etc. and lack of regular attendance of officials and other members in the meetings of watershed development team leaders, seriously affected the evaluation of the progress at watershed level. The Committee recommend that the Agriculture Department should take initiative to convene the meeting of Watershed Development. Team Leaders ensuring participation of all Sectoral Departments concerned so as to discuss the problems and to take remedial measures for the implementation of the programme during IX plan period.

Action Taken

1.68 While giving Administrative sanction for implementation of the scheme during IX plan, the State Government have given strict directions to the team leaders as conveners of all the watersheds to convene the Watershed Development Committee meeting regularly on first Monday of every month, and such meetings are being conducted in all the watersheds [copy of G.O. (Ms.) 186/98/AD dated 2-9-1998 attached as AppendixI].

1.69 The other sectoral departments are also actively participating in the implementation of the scheme in all Watersheds. The work programmes carried out in the watersheds are also being closely monitored by the District Level Implementation Committee.

1.70 Considering the experience in conducting the schemes during VIII plan, the State Government have modified the implementation guidelines and also have reconstituted the various Committees.

Recommendation

(Sl. No. 24, Para No. 57)

1.71 The Committee find no justification for the purchase of TV, Computer, VCR etc. costing ₹ 13.50 lakh by inviting sealed quotations from local firms, violating the existing Store Purchase Rules. The Department had thrown away all standards of financial propriety and overlooked the specific provisions in the Stores Purchase Manual which stipulate that all purchase valued at ₹ 20,000 and above should be made only after inviting competitive tenders. From the evidence tendered before the Committee as well as from the reply furnished to the audit, the Committee are made to understand the disciplinary action had been initiated against Shri Abdul Azeez, former Director of Agriculture (SC) and his DCRG was released to him based on a court order. The Committee note with displeasure that there was inordinate delay in ordering an enquiry into the illegal purchases before his retirement from service. The Committee therefore

recommend that the Department should take up the matter seriously and the disciplinary proceedings against the delinquent officer, shall be completed within three years of his retirement so that the loss can be recovered from him. The Committee desire that the copy of the judgment and the present position of the action initiated to recover the loss from him shall be furnished to the Committee.

Action Taken

1.72 Government have examined the issues in detail in consultation with the Law Department. The Hon'ble High Court in its judgment have set aside the views of Government and have restrained Government from taking any action to recover the amount. The Hon'ble High Court has also found that the objection raised by the Audit Party is untenable. Now, Shri Abdul Azeez is no more. Hence no further action is possible.

Recommendation

(Sl. No. 22, Para No. 58)

1.73 The Committee feel that whatever had been done by the Agriculture Department the implementation of National Watershed Development Programme for Rainfed Areas (NWDPR) could not achieve the desired result due to lack of foresight and absence of an efficient monitoring system. The Committee wish to stress the importance of an effective evaluation of all schemes implemented in watershed project. The Agriculture Department should make a detailed evaluation and keep graphic details of target vis-a-vis achievement and shorfalls in every project for the successful implementation of NWDPR during IX Plan period. The Committee understand that the Department had since decided to request the Land Use Board to conduct an evaluation study. The Committee, however strongly recommend that Government should taken immediate steps to conduct exhaustive study by an external agency so that the lapses and drawbacks can be avoided in future.

Action Taken

1.74 System at State, District and Watershed level were set-up for regular monitoring of the programme.

1.75 Post Project Impact Evaluation Studies of IX Plan Watersheds in Kerala were taken up by three agencies viz., Kerala Agricultural University, Central Soil and Water Conservation Research and Training Institute (CSWCRTI), Agricultural Finance Corporation Ltd. and the reports thereupon were obtained.

1.76 The following are the impacts as observed by the evaluators:

**Agricultural Finance Corporation Ltd.,
Northern Regional Office, New Delhi & CSWCRTI**

1. Rise in ground water table
2. Increase in agricultural production
3. Growth in agro forestry
4. Increase in area under irrigation and irrigation intensity.
5. Improvement in livestock management.

Kerala Agricultural University

1. Increase in ground water status.
2. Higher crop productivity
3. Drainage line treatments were largely effective
4. Quality of works satisfactory
5. Change in income generation
6. Increase in employment
7. Reduced Soil Erosion
8. Enhanced water harvesting
9. Increase in fodder production
10. Effective training programmes.

1.77 So also they have made certain suggestion of improving the programme in its future course. The suggestions for improvement made by the evaluators were taken into consideration for incorporating into the programme under the next plan as it was a Post Project Evaluation. The delay occurred in furnishing the reply is solely due to administrative reasons which may please be condoned.

Remarks of the Committee

1.78 The Committee expresses dissatisfaction on the ambiguous reply and observes that Watershed Development Programme was not included in the succeeding five year plans even after the lapse of ten years which is very serious. The Committee also comments that no desired benefits were achieved through the evaluation studies specified in the Government reply due to the non-inclusion of the programme in the Five Year Plan.

Recommendation

(Sl. No. 23, Para No. 61)

1.79 The Committee find that there is lapse on the part of the officers in the Agriculture Department who failed to examine the financial stability and organisational potential (to collect and supply seeds) of the Horticultural Products Development Corporation, the agency and entrusted for the distribution of seeds of farmers in flood affected areas. The Committee also understand that there was reprehensible negligence on the part of the officers in ensuring the supply of seeds by the corporation for distribution among the victims of natural calamity. There is also no justification for not initiating urgent steps to recover ₹ 3.94 crore from the Corporation which gave them unintended benefit in the form of interest on the amount retained. The Committee desire that action should be taken against the officers whose failure resulted in unintended benefits to the Horticultural products Development Corporation rather than assisting the farmers in flood prone areas.

Action Taken

1.80 An amount of ₹ 550 lakh was allotted to Kerala Horticultural Products Development Corporation for the procurement and supply of seeds and seedlings to farmers affected by Flood sanctioned as per G.O. (Rt.) 1488/92 dated 22-10-1992.

1.81 Out of this, ₹ 155.75213 lakh was spent by KHPDC for the procurement and supply of 1710.684 MT of paddy seeds, 53.37 MT of pulses seeds and 556667 packets of vegetable seeds. The full amount could not be utilised due to the non-availability of bulk quantity of quality seeds and other seedlings. Orders allotting funds to KHPDC was issued by Government.

1.82 The balance amount of ₹ 394.24757 lakh was received back as per direction from Government. An interest of ₹ 15.56 lakh due to Government was also received from the KHPDC as per G.O. (Rt.) No. 507/95/AD dated 25-3-1995. Thus the corporation has not derived any unintended benefits in this regard.

1.83 The detailed statement of amount advanced to KHPDC and balance amount returned to Director of Agriculture is as follows:

A. Amount advanced to the KHPDC by the Director of Agriculture

(1) 30-11-1992	.. ₹ 125 lakh
(2) 15-12-1992	.. ₹ 20 lakh
(3) 29-3-1993	.. ₹ 405 lakh

Total ₹ 550 lakh

B. Amount received from the KHPDC by the Director of Agriculture

(₹ in lakh)

(1) Amount appended by the Corporation towards the procurement of seeds and seedlings	..	₹ 155.75213
(2) Amount paid to KLDC on 15-6-1993	..	₹ 30.00
(3) Amount paid to the Principal Agricultural Officer, Ernakulam, on 13-10-1993 for disbursement of relief assistance under Natural Calamity	..	₹ 30.00
(4) Amount returned to the Director of Agriculture for the disbursement of relief assistance to the Principal Agricultural Officers	..	₹ 82.00
(a) on 17-8-1994 to Principal Agriculture Officers	..	₹ 140.00
(b) on 9-5-1995 to do.	..	₹ 112.00
(c) on 3-12-1994 to do.	..	₹ 0.24787
	Total	<u>₹ 550 lakh</u>

1.84 Moreover the interest was also returned to the Director of Agriculture.

1.85 The amount of interest worth ₹ 15.56 lakh due to Government given by KHPDC, was ordered to pass on to the Joint Director of Agriculture, Alappuzha for carrying out the Flood Relief work vide G.O. (Rt.) No. 507/95/AD dated 25-3-1995.

1.86 The amount received from KHPDC was utilised for giving compensation to farmers who suffered crop loss due to Natural Calamity as per Government directions from time to time. The interest portion was also utilised for assisting farmers in the flood-prone areas.

1.87 From the facts mentioned above, it is evident that the Government fund was utilised only for bonafide purpose and no unintended benefits had been enjoyed by the Officers.

Thiruvananthapuram,
23rd February 2011.

ARYADAN MUHAMMED,
Chairman,
Committee on Public Accounts.