

SIXTY-EIGHTH REPORT

PUBLIC ACCOUNTS COMMITTEE

(2012-2013)

(FIFTEENTH LOK SABHA)

ACCELERATED IRRIGATION BENEFITS

PROGRAMME (AIBP)

[Action Taken by the Government on the Observations/Recommendations of the
Committee contained in their Thirty-first Report (15th Lok Sabha)]

MINISTRY OF WATER RESOURCES

Presented to Hon'ble Speaker on 16th January, 2013

Presented to Lok Sabha on: 26th February, 2013

Laid in Rajya Sabha on: 27th February, 2013



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COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE
(2012-2013)

Dr. Murli Manohar Joshi — *Chairman*

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- | | | |
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| 3. Shri H. R. Kamboj | — | Additional Director |

* Elected *w.e.f.* 6th December, 2012 *vice* Shri Sarvey Sathyanarayana appointed as Minister on 28th October, 2012.

† Elected *w.e.f.* 6th December, 2012 *vice* Dr. Shashi Tharoor appointed as Minister on 28th October, 2012.

INTRODUCTION

I, the Chairman, Public Accounts Committee (2012-13), having been authorized by the Committee, do present this Sixty-eighth Report (Fifteenth Lok Sabha) on Action Taken by the Government on the Observations/Recommendations of the Committee contained in their Thirty-first Report (Fifteenth Lok Sabha) on 'Accelerated Irrigation Benefits Programme (AIBP)' relating to the Ministry of Water Resources.

2. The Thirty-first Report was presented to Lok Sabha/laid in Rajya Sabha on 24 February, 2011. Replies of the Government to the Observations/Recommendations contained in the Report were received on 9th August, 2012. The Public Accounts Committee considered and adopted this Report at their sitting held on 28th December, 2012. Minutes of the sitting are given at **Appendix-I**.

3. For facility of reference and convenience, the Observations and Recommendations to the Committee have been printed in thick type in the body of the Report.

4. The Committee place on record their appreciation of the assistance rendered to them in the matter by the Office of the Comptroller and Auditor General of India.

5. An analysis of the Action Taken by the Government on the Observations/Recommendations contained in the Thirty-first Report (Fifteenth Lok Sabha) is given at **Appendix-II**.

NEW DELHI;
28 December, 2012
7 Pausa 1934 (Saka)

DR. MURLI MANOHAR JOSHI
*Chairman,
Public Accounts Committee.*

CHAPTER I

REPORT

This Report of the Public Accounts Committee deals with the Action Taken by the Government on the Observations/Recommendations of the Committee contained in their Thirty-first Report (Fifteenth Lok Sabha) on '**Accelerated Irrigation Benefits Programme (AIBP)**' based on C&AG's Report No. 4 of 2010-11, Union Government (Civil)-(Performance Audit) relating to the Ministry of Water Resources.

2. The Thirty-first Report (Fifteenth Lok Sabha) was presented to Lok Sabha/laid in Rajya Sabha on 24th February, 2011. The Report contained 24 Observations/Recommendations. Action Taken Notes in respect of all the Observations/Recommendations have been received from the Ministry of Water Resources and categorized as under:

- (i) Observations/Recommendations of the Committee which have been accepted by the Government:

Para Nos. 1-4, 6-10, 12-14, 16-22 and 24

Total: 20

Chapter-II

- (ii) Observations/Recommendations which the Committee do not desire to pursue in view of the replies received from the Government:

Nil

Total: Nil

Chapter-III

- (iii) Observations/Recommendations in respect of which replies of Government have not been accepted by the Committee and which require reiteration:

Para Nos. 5, 11 and 15

Total: 03

Chapter-IV

- (iv) Observations/Recommendations in respect of which Government have furnished interim replies:

Para No. 23

Total: 01

Chapter-V

3. The Committee note that 20 recommendations contained in their Thirty-first report have been accepted by the Government in principle which are reproduced in Chapter-II of this report. The Committee now proceed to make certain observations on the Action Taken Notes furnished by the Ministry of Water Resources.

A. Probe into incomplete/non-commissioned Projects

Recommendation (Para No. 5)

4. The Committee were concerned to note the certification of several incomplete/non-commissioned projects as completed by some State Governments. The Committee had, therefore, recommended that the Ministry of Water Resources should initiate thorough probe into all such cases and should also ensure that there was no diversion or misuse of funds in these projects. The Committee had desired to be intimated about the project-wise details in this regard within six months of the presentation of their report.

5. Commenting on the action taken in this regard, the Ministry of Water Resources assured that the recommendation of the Committee has been—"Noted for compliance".

6. The Committee note the assurance given to them that the Government have noted the irregularities for compliance, but the reply is silent about the corrective or penal measures initiated to book all the concerned who were privy to false certification of incomplete projects. Considering the gravity of the irregularities, the Committee would like to be apprised, within three months of the presentation of this report, of all projects which though incomplete but were declared as complete and the penal action taken against the officers concerned for false certification.

B. Mismatch between the amount of grants released under AIBP to different States and their performance in terms of project completion

Recommendation (Para No. 11)

7. The Committee were concerned to note that as per the analysis of the State-wise grants released under AIBP for Major/Medium Irrigation Projects, 75 to 85 per cent of the AIBP grants released during 2005-06 to 2007-08 were released to just six States (Andhra Pradesh, Gujarat, Karnataka, Madhya Pradesh, Maharashtra and Orissa). These States were obtaining the vast majority of AIBP grants without corresponding performance in terms of project completion, thus providing an incentive for inclusion of fresh AIBP projects driven by construction work. What dismayed the Committee was the fact that the nodal Ministry had failed to enforce the provisions of the AIBP guidelines for converting the grant component into loan in cases of failure to complete the projects in time. The Ministry had informed the Committee that Central assistance is not released for projects, if the project is delayed beyond the time limit specified in the MoU. The State Government is required to explain the delay and seek extension of time by providing detained satisfactory reasons for the delay in project completion and remedial measures taken by them to remove bottlenecks in project completion. The Ministry had asked the State Governments to provide undertaking that any further cost overrun occurring due to time overrun beyond the approved time would have to be borne by the State Governments.

8. The Ministry of Water Resources in their Action Taken Notes stated as under:—

“The recommendations have been noted for strict compliance.”

9. Though assured by the Government that their recommendations have been noted for strict compliance, but the Committee note that no time frame has been given for the compliance. Further, no details have been given about the steps initiated to secure compliance of their recommendation. The Committee would, therefore, like to be apprised of the measures initiated to ensure compliance within three months of the presentation of this report.

C. Mechanism to check diversion of funds, unauthorized expenditure and other financial irregularities

Recommendation (Para No. 12)

10. The Committee had noted the mechanism put in place by the Ministry of Water Resources to check diversion of funds, authorized expenditure and other financial irregularities. The Utilisation Certificates in respect of Central Assistance related to the States are required to be signed by the Principal Secretaries/Secretaries (Water Resources/Irrigation Departments) of the concerned State Departments and works executed under programme are also examined by the CWC with reference to programme furnished by the State Governments with the AIBP proposals. There is a provision in the AIBP guidelines that the State Government will furnish Audit Statement of Expenditure incurred on AIBP to the Ministry of Water Resources with nine months of the completion of the financial year. The provision seeks to ensure financial discipline. The Ministry had informed that in the AIBP review meetings held during July/August, 2010, the States were clearly advised that they will have to furnish the Audited Statement of Expenditure from the next financial year.

11. The Ministry of Water Resources in their Action Taken Notes stated as under:—

"As mentioned in respect to the recommendations at para 5, the recommendations have been noted for strict compliance."

12. The Committee are unhappy to note the stock reply given by the Ministry that their recommendation to check diversion of funds, unauthorized expenditure and other financial irregularities have been noted for strict compliance. Worse, the action taken replies are silent about compliance by the State Governments regarding submission of audited Statement of Expenditure in pursuance of the AIBP review meetings held in July/August, 2010 and its impact on checking financial irregularities. The Committee would like to be apprised in the matter within three months from the presentation of this report.

D. Three level arrangement and the maintenance of projects under AIBP

Recommendation (Para No. 15)

13. Noting with concern, the Committee had observed that three level arrangement *i.e.* Water User Associations, Distributory Level Associations and Minor Irrigation Project Level Councils which were to play an important role in the execution and post completion maintenance of the projects were either absent or practically non-functional

in 18 major, 12 medium and 194 minor irrigation projects test checked in 21 States. The assets created under AIBP were not being accorded due priority and arrangements for handing over completed projects to farmers/water user associations had not been operationalised with respect to many projects. It was proposed that Central assistance under AIBP will be released *pari-passu* land acquisition required for carrying out work of the coming year. In this regard, the Committee had desired to be apprised of corrective measures initiated to address the existing deficiencies and the assurances given to the Committee.

14. The Ministry of Water Resources in their Action Taken notes stated as under:

"As desired by Committee, the Action Taken Note is being submitted."

15. The Committee deplore the inordinate delay in furnishing the action taken note indicating the corrective measures initiated to address the deficiencies and delays in handing over the completed projects to Water Users' Associations and the related aspects. The Committee reiterate their recommendation and desire that the details of the corrective measures initiated to address the deficiencies be furnished to the Committee within three months of the presentation of this report. The Committee may also be apprised about the final outcome of the proposal of releasing Central assistance under AIBP *pari-passu* land acquisition required for carrying out the works/projects.

CHAPTER II

OBSERVATIONS/RECOMMENDATIONS OF THE COMMITTEE WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Observations/Recommendations

The Committee notes that irrigation infrastructure forms the lifeline of the Indian agricultural productivity and key to food security. The creation of irrigation potential both conventional as well as modern infrastructure play a crucial role in increasing the agricultural productivity in the country. Nevertheless, the Committee is distressed to note that the rate of creation of additional irrigation potential, which was 2.04 million h.a. per annum from the beginning of the 6th plan in 1980 till the end of the rolling plan in 1992 came down sharply to 1.03 million h.a. per annum during the 8th plan. Further, there was a sudden decline in the rate of creation of irrigation potential as well as allocation of funds to the irrigation sector in the States. The Committee also note that the Government of India launched the Accelerated Irrigation Benefits Programme (AIBP) in 1996-97 as an Additional Central Assistance (ACA) Programme for accelerating the implementation of large, major and multipurpose irrigation projects which were beyond the resource capability of the States, and to complete the ongoing major and medium irrigation projects which were in an advanced stage of completion. This programme was later extended to cover surface water Minor Irrigation (MI) projects in Special Category (SC) States and also to projects in other States satisfying the special criteria. The special category States are North Eastern Region (including Sikkim), Jammu & Kashmir, Uttarakhand & Himachal Pradesh. On examination of the subject, the Committee has found that from 1996-97 to 2007-08, 253 major, medium and Extension, Renovation & Modernization (ERM) projects and 6855 MI projects were approved under AIBP and the Ultimate Irrigation Potential (UIP) of these projects was 10.49 million hectare, which represented about 8 per cent of the country's total UBP. During the period stated above, the Government of India provided funding of Rs. 26,719 crore for such projects, out of which Rs. 16,720 crore were disbursed in the form of Central Loan Assistance (CLA) and Rs. 9,999 crore as grant. However, *w.e.f.* December, 2006, the AIBP was made a fully grant based programme.

The Committee are constrained to note that several deficiencies have been found in the implementation of the Accelerated Irrigation Benefits Programme (AIBP) and as such the implementation is fraught with several deficiencies and inadequacies. Succinctly, these deficiencies are the poor status of completion of projects, reporting of incomplete or non-commissioned projects as complete, non-accomplishment of the targeted irrigation potential, non-utilization of the created potential and commencement of project execution without ensuring fulfilment of essential pre-requisites such as land acquisition and obtaining statutory clearances and non-availability of irrigation

benefits to the targeted beneficiaries even after incurring substantial expenditure. Other important deficiencies pertain to obtaining of vast majority of AIBP grants by six States without corresponding performance in terms of project completion, failure of the Ministry to enforce the provision of converting the grant component into loan in case of delay in timely completion of projects and rush of expenditure on AIBP projects in the last quarter of the financial year. Lacunae have also been noticed in carrying out monitoring visits by the Ministry, non-circulation of material of the evaluation study of AIBP projects conducted by Ministry of Statistics and Programme Implementation (MOSPI) to States/implementing Agencies for necessary remedial action and an inadequate use of the Remote Sensing Technology (RST) in most of the States to monitor the progress of AIBP projects. These deficiencies, accepted by the representative of the Ministry as correct during evidence, have been discussed in detail in the succeeding paragraphs.

[Sl. No. 1 Appendix, Part II, Para 1 of the Thirty First Report of the Public Accounts Committee (15th Lok Sabha)]

Action Taken

No comments.

Sd/-
Joint Secretary

Observations/Recommendations

The Committee's examination of the subject has revealed substantial deficiencies in planning, approval and implementation of AIBP. They found that many projects were approved and investment clearances granted based on incomplete reports and improper assessments. The Committee note that preliminary reports were prepared even without conducting field surveys, investigations, working out anticipated benefits and expected outcomes. The Committee also found that in terms of the "Guidelines for submission, appraisal and clearance of Irrigation and Multipurpose Projects—2002" issued by the CWC the Detailed Project Reports (DPRs) should have been prepared in accordance with the applicable Indian standards and guidelines issued by the Ministry of Water Resources and Central Water Commission incorporating essential aspects such as physical features, inter-State/international aspects, surveys and investigations, hydrology, revenues. Benefit-Cost Ratio and financial returns, environmental and ecological aspects, financial resources and estimates, Flood control and drainage, irrigation planning, etc. However, the Detailed Projects Reports. (DPRs) were not only found to be deficient on several counts but also were not available on record. According to the Committee, the Benefit Cost Ratio (BCR) analysis of projects, so critical for the assessment of economic viability of the various projects approved under AIBP, was conspicuously not conducted for many projects. (A) The Committee take a serious view of the deficiencies in the areas of planning and approval of AIBP Projects as brought out in the above paragraph. The Committee, therefore, recommend that comprehensive survey and investigations should be initiated immediately in regard to all preliminary reports received for investment clearance. In the opinion of the

Committee, the reports based on simple desk study and without sufficient ground work do not constitute adequate material on record for according due clearance to the projects. Apparently, the projects so cleared would be unviable in the long run and prove to be in fructuous without any benefits to the end users. (B) They also recommend that Detailed Project Reports (DPRs) forming the basis for techno-economic scrutiny and approval of major/medium projects must also be insisted upon for all the projects as concept papers or simple project proposals should not be treated as sufficient for such a scrutiny. Further, the AIBP guidelines and the investment clearance of Planning Commission lay great emphasis on Benefit Cost Ratio (BCR) as a critical tool to assess the economic viability of the project. (C) In this regard, the Committee recommend that the Ministry of Water Resources must ensure that BCRs for all projects are properly worked out, based OR validated and verifiable data and assumptions relating to cost, revenues and cropping patterns etc. The Committee have taken a serious view of the deficiencies in the areas of planning and approval of AIBP Projects as brought above. (D) The Committee recommend that survey and investigations should be ensured for all preliminary reports, since reports based on simple desk study without sufficient ground work are not adequate for decisions on clearance. Further, DPRs must be insisted on for all minor irrigation projects, as in the case of major and medium projects, and concept papers or simple project proposals should not be treated as sufficient for such scrutiny.

[Sl. No. 2, Appendix/Part II, Para 2 of the Thirty First Report of the Public Accounts Committee (15th Lok Sabha)]

Action Taken

- (A) As recommended, no project is being cleared on the basis of preliminary report. State Governments are instructed to prepare Detailed Project Report (DPR) as per Guidelines of Ministry of Water Resources. These are then examined by Central Water Commission (CWC) in consultation with all related agencies including Ministry of Environment and Forests, Ministry of Agriculture, Ministry of Tribal Affairs, etc.

Further, in case of minor irrigation project, the State Governments have been asked to essentially include a representative of regional office of Central Water Commission as a member, so that the DPR can be examined more thoroughly.

The State TAC's have been formed in 14 States, and remaining States have been requested to expedite the formation of the State TACs.

- (B) As indicated above in response to recommendations at Para 2 in the preceding paragraphs/Page (2).
- (C) The Ministry would ensure that the detailed examination of the project report submitted by State Government *inter-alia* includes the analysis for benefit cost ratio. In this regard, data related to cropping pattern, productivity, rate of produce etc. has to be duly vetted by State Agriculture Department. Further, during the course of examination by CWC, copy of the

DPR is also forwarded to Ministry of Agriculture for their suggestions/endorsements.

- (D) The recommendations are duly covered under the specific action points identified in response to the recommendations at Para 2 on page 2.

Sd/-
Joint Secretary

Observations/Recommendations

Tardy rate of completion of projects under AIBP is another area of concern for the Committee. Out of 253 major, medium and Extension Renovation Maintenance (ERM) projects sanctioned under AIBP between October 1996 and March 2008, only 100 projects were reported as completed. The Committee feel that the most disquieting fact about these projects is that 12 of these "reportedly complete" projects were found to be actually incomplete or non-commissioned. Apart from this, the project-wise data regarding actual utilization of irrigation potential reportedly created was not furnished by the Ministry. Consequently, the contribution of AIBP in terms of created potential which was actually utilized (*i.e.* irrigation water actually reaching the targeted beneficiaries), could not be ascertained. The Committee is strongly of the view that the Ministry's responsibility does not end with mere creation of dams, canals and other irrigation structures and reported creation of irrigation potential. Since large amounts of Government of India funds are involved, it is the Ministry's solemn duty to monitor and verify actual utilization of such irrigation potential, without which the benefits of irrigation water will not reach the farmers. (A) Consequently, the Committee recommend that the Ministry continue to treat projects, where the structures are completed but actual utilization of the targeted irrigation potential is not confirmed, as non-commissioned. The photographs of the incomplete projects alongwith brief description have been appended in the Part-1 of this Report.

As regards minor irrigation projects, while about 37 per cent of the projects sanctioned under AIBP were reportedly complete, the authenticity of completion of individual Minor Irrigation projects could not be verified due to non availability of detailed project-wise data for creation/utilization of Irrigation Potential of Minor projects with the Ministry. The Ministry have informed the Committee that with effect from December, 2006, the Performa of Memorandum of Understanding (MoU) to be provided by the State Government for availing Central Assistance under AIBP has been modified. According to them, the State Governments are now required to provide year-wise irrigation potential target till the completion of the project in the MoI. The AIBP guidelines further provide that in case targeted irrigation potential is not achieved during the year, further Central Assistance will be provided only on achieving the cumulative irrigation potential targeted upto the previous year. The Committee have been apprised by the Ministry that on certain occasions there are constraints in

achieving physical targets which are enumerated in the MoU signed with the States. Such constraints are stated to be mainly related to land acquisition problems, contractual problems, geological surprises, litigations, resettlement and rehabilitation problems, works required to be executed by the agencies other than Irrigation Departments such as railway crossing, highway crossings, shifting of utility lines etc. In this connection, the Ministry have explained that in such cases it becomes inevitable to grant extension of time and such extension is granted in cases where the delay has occurred due to reasons beyond the control of the project authorities. However, the State Governments are required to provide full justification for delay in project implementation and details of remedial measures taken to tackle the bottlenecks. The Ministry have also brought to the notice of the Committee that the State Governments are required to give undertaking that in case of delay in project completion beyond the approved time limit, the cost overrun, if any, will be borne by the State Government. The Committee would take to be apprised of the tangible outcome of such initiatives/efforts.

[Sl. No.3 Appendix/Part II, Para 3 of the Thirty First Report of the
Public Accounts Committee (15th Lok Sabha)]

Action Taken

- (A) The actual utilisation of the targeted irrigation potential starts only after the Command Area Development (CAD) works have been completed. Ministry of Water Resources has initiated action for taking up the project under CAD&WM *pari passu* with AIBP with a view to ensure early utilisation of created irrigation potential.

Sd./
Joint Secretary

Observations/Recommendations

Notwithstanding the fact that the Ministry have shifted the responsibility on the State Governments for the delays that occurred in the timely implementation and completion of the projects. (A) The Committee feel that Ministry cannot absolve themselves of the responsibility of putting up a well devised mechanism in place so that the delays are brought to the minimum and projects are completed in time. The field visits undertaken by the Ministry should invariably take due cognizance of the delays in project implementation and suggest all out concerted measures to obviate the same.

[Sl. No.4 Appendix/Part II, Para 4 of the Thirty First Report of the
Public Accounts Committee (15th Lok Sabha)]

Action Taken

- (A) The process of monitoring by CWC and its field offices is being critically reviewed with a view to put in place a revised process for monitoring which lays due emphasis on identification of the bottlenecks and recommending the measures for minimizing the delays. Further, with a view to ensure that

the frequency of the monitoring of projects are adhered to as per the guidelines, it is proposed to associate independent experts/organisation (Retired senior officials from Projects/Water Resources Department, WALMIs/NERIWALM/IMTI/WALMTRI, etc.) in the process of monitoring.

Sd./
Joint Secretary

Observations/Recommendations

The Committee are aware that the process involved in the land acquisition for a project is no doubt of a complex and socially sensitive nature. The Committee strongly feel that the State Governments should be persuaded by the Ministry to resolve such issues with due despatch with the avowed objective of achieving the full benefits of the Accelerated Irrigated Benefits Programme (AIBP). It goes without saying that funds should be released by the Ministry only after the State Governments certify that major portion of the land required for the project has already been acquired and future release of funds should invariably be linked with the satisfactory progress in land acquisition process. The Committee would also recommend that an effective institutional mechanism should be instituted to coordinate with various authorities concerned such as the Indian Railways and the National Highway Authority of India etc. for the speedy completion of rail and road crossings.

[Sl. No.6 Appendix/Part II, Para 6 of the Thirty First Report of the
Public Accounts Committee (15th Lok Sabha)]

Action Taken

It has now been decided that further release of funds for a particular year will be made only when land required for work of that year is in possession of the State Government and a certificate to that effect duly signed by the Secretary (WR)/Irrigation is appended with the proposal. On the issue of coordination with various authorities concerned, the States have been requested to form Project/State level committees to monitor the projects which would take care of such issues. Further, it is also proposed to lay due emphasis on these issues during the process of monitoring.

Sd./
Joint Secretary

Observations/Recommendations

The Committee note that out of 70 major/medium and 346 minor irrigation projects test checked, the targeted irrigation potential was not created in 63 per cent of the major/medium and 55 per cent of the minor irrigation projects. Even the Irrigation Potential reported as created was not being utilized fully. The Committee also note that Ministry of Water Resources have provided the year-wise targets of irrigation potential created since 2004-05. In this connection, Irrigation Potential (including the shortfall of previous years in lakh hectares) created between 2004-05 and 2008-09, the Committee found that Irrigation Potential has been decreasing year after year. (A) The Committee strongly recommended that the shortfall of irrigation potential, being a matter of serious concern, should be addressed to at the highest level so that optimum utilization of irrigation potential may be realized at the earliest under this programme.

[Sl. No.7 Appendix/Part II, Para 7 of the Thirty First Report of the Public Accounts Committee (15th Lok Sabha)]

Action Taken

- (A) Ministry of Water Resources has initiated action for taking up the project under CAD&WM *pari passu* with AIBP with a view to ensure early utilization of created irrigation potential. Further, the issue is also under consideration of the Working Group constituted by the Planning Commission for XIIth Plan. It is also proposed to take up the related issues with concerned State Governments. Further, State Governments will also be requested/advised not to divert irrigated agriculture land to non-agriculture purposes.

Sd./
Joint Secretary

Observations/Recommendations

In addition to the delayed work execution, one of the main reasons for short creation/non-utilisation of Irrigation Potential was lack of synchronization among various project components (*i.e.* dam & head-works, main branches and canals, distributaries and water courses). During the examination of the subject, the Committee also noted several instances where the representatives of the Ministry and CWC indicated that projects had been "deemed" to be completed on the basis of 90/95 per cent completion, and the balance work was left to the State Government for completion. It was also deposed by the CWC representatives that this was done to facilitate granting of approvals for fresh projects from the State. The Committee strongly disapprove of this practice. (A) Once Government of India funding under AIBP has been initiated, it is the Ministry's responsibility to pursue and monitor its final completion, and projects cannot be "deemed" to be completed, until the Ministry is satisfied that the full benefits of irrigation water are reaching the targeted farmers. (B) While the Committee reiterate that new irrigation projects should be sanctioned to

meet the needs and demands of farmers and funding constraints should not be allowed to come in its way, "deemed" completion of projects is not an appropriate solution.

Such unsynchronised project execution, despite clear guidelines of the Planning Commission, lead to the construction of irrigation structures without the benefit of irrigation water. (C) The Committee recommend that the Ministry take immediate steps to ensure that the State Governments execute irrigation projects in phases in a synchronized manner, so that the benefits of irrigation water can flow to the farmer when one phase (including dam and head works, main and branch canals, and distributaries) are fully completed.

Action Taken

- (A) The recommendation of the Committee is accepted. The benefits of the created potential start flowing to the fields only after the Command Area Development (CAD) works have been completed. Ministry of Water Resources has initiated action for taking up the project under CAD&WM *pari passu* with AIBP with a view to ensure early utilization of created irrigation potential.
- (B) Noted for compliance.
- (C) State Governments have been told to lay due emphasis on construction, planning and strictly adhere to the approved Plan. Further, it is also proposed that these aspects would be looked into during the monitoring of the project.

[Sl. No.8 Appendix/Part II, Para 8 of the Thirty First Report of the Public Accounts Committee (15th Lok Sabha)]

Sd/-
Joint Secretary

Observations/Recommendations

The Committee also note that Remote Sensing Technology is an important tool in assessing and confirming the creation of Irrigation Potential of the selected projects. The National Remote Sensing Centre, (NRSC, Hyderabad) helps in assessing the actual irrigation potential created by the project authorities. NRSC through its study and survey has pointed out certain gaps in the irrigation canal network leading to non-continuity of the irrigation water delivery. So far, only 50 projects have been awarded to NRSC for assisting the ongoing projects. Various bottlenecks/constraints

have also been noticed in the creation of irrigation potential in various States such as no supporting ayacut registers, non-completion of canal system, delay in land acquisition, land disputes, non-completion of branch canals and distributaries, non construction of canal bridges under rail and State/National highways crossings, delays in forest and environmental clearances, slippage of embankments, high vegetation, breakage in canal's and defective canal crossings etc. The Committee are pained to observe that all these constraints are hindering an optimum utilization of the created Irrigation potential of various projects. Subsequent to the commencement of the examination of the subject, the Committee were informed by the Ministry that once the irrigation potential is created for full utilization of the potential, the Command Area Development Programme helps in creation of the infrastructure for field channels. According to the Ministry, consultations have been initiated with the Planning Commission on this issue that every irrigation project must have the Command Area Development component. There is a gap between potential created and utilization as the Command Area Development has a small budget provision of Rs. 600 crore only whereas the budget of AIBP is Rs. 9000 crore. (A) The Committee therefore feel that the provision of an equal matching budgetary provision for the AIBP and CAD programmes would go a long way in making both the programmes successful.

[Sl. No. 9 Appendix/Part II, Para 9 of the Thirty First Report of the
Public Accounts Committee (15th Lok Sabha)]

Action Taken

(A) Budgetary requirements for CAD programme may not be as large as AIBP as former takes care of on farm development including field channel/drains, etc. whereas latter takes care of dams/barrages/main canal/branch canal/distributor. States would be requested to provide requisite matching budgetary provision. Further, as indicated in response to recommendation at Para 7, Ministry of Water Resources has initiated action for taking up activities related to command area development (under CAD&WM) *pari passu* with the works related to the project under AIBP.

Sd/-
Joint Secretary

Observations/Recommendations

The Committee note that the Command Area Development Programme (CADP) is absolutely essential for availing the true benefits by the farmers which also helps in the last phase/tail and connectivity *i.e.*, field channel connectivity. They do not agree with the assertion of the Ministry that the responsibility of the last phase connectivity

of water's supply lies with the State Governments. The Committee has now been informed by the Ministry that CADP has been restructured and renamed as Command Area Development and Water Management (CADWM) Programme with effect from 1st April, 2004 and matching budgetary provision has been ensured for the Twelfth Five Year Plan. (A) They thus, recommend that Ministry should leave no stone unturned in ensuring that the potential created is gainfully utilized by the State Governments and the farmers.

[Sl. No. 10 Appendix/Part II, Para 10 of the Thirty First Report of the Public Accounts Committee (15th Lok Sabha)]

Action Taken

- (A) As indicated in response to the recommendations at Para 3, Para 4, and Para 9, Ministry of Water Resources has initiated action for:
- (a) Taking up the command area development *pari passu* with project construction;
 - (b) More vigorous and focussed monitoring of the project; and
 - (c) Further, State Governments will also be requested/advised not to divert irrigated agriculture land to non-agriculture purposes.

Sd/-
Joint Secretary

Observations/Recommendations

(A) The Committee have learnt that Ministry of Water Resources have put in place a mechanism to check diversion of funds, unauthorized expenditure and other financial irregularities. The Utilization Certificates in respect of Central Assistance related to the States are required to be signed by the Principal Secretaries/Secretaries (Water Resources/Irrigation Departments) of the concerned State Departments and works executed under programme are also examined by the CWC with reference to programme furnished by the State Governments with the AIBP proposals. There is a provision in the AIBP guidelines that the State Government will furnish Audit Statement of Expenditure incurred on AIBP to the Ministry of Water Resources within nine months of the completion of the financial year. The provision seeks to ensure financial discipline. The Ministry has informed that in the AIBP review meetings held during July/August, 2010, the States were clearly advised that they will have to furnish the Audited Statement of Expenditure from the next financial year.

[Sl. No. 12 Appendix/Part II, Para 12 of the Thirty First Report of the Public Accounts Committee (15th Lok Sabha)]

Action Taken

- (A) As mentioned in respect to the recommendations at para 5, the recommendations have been noted for strict compliance.

Sd/-
Joint Secretary

Observations/Recommendations

(A) Further, the Committee, recommend that the Ministry must ensure the equitable distribution of Central funds to the Staff based on the predefined criteria *i.e.* population dependent on agriculture Ultimate Irrigation Potential (UIP) yet to be fulfilled, the past performance of the States in completion/commissioning of projects and utilization of targeted irrigation potential under AIBP. Stringent enforcement of the conversion of the grant component into a loan must be given top priority as provided in the MoUs with the States. The institutional mechanism as set up by the Ministry must be strengthened to check diversion of funds, unauthorized expenditure and other financial irregularities. (B) The Committee further recommends that (ensure the sanctity of the budgeting process, the Ministry of Water Resources and the Central Water Commission must release the AIBP fund well in time much before the closing month of the financial year *i.e.* March.

[Sl. No. 13 Appendix/Part II, Para 13 of the Thirty First Report of the Public Accounts Committee (15th Lok Sabha)]

Action Taken

- (A) The issues related to equitable distribution of available financial resources are suitably addressed by way of fixation of ceiling of Central Assistance by the Planning Commission in respect of various States. However, with a view to ensure that the allocated funds for the schemes are gainfully utilized, the project proposals received from various State Governments are duly considered.
- (B) Efforts are made by Ministry of Water Resources to seek the proposals from State Governments and processing the same for forwarding to Ministry of Finance for release of funds in time. However, the projects authorities and the respective State Governments have a major role. Therefore, all the State

Governments are being requested for appropriate timely action in this regard.

Sd/-
Joint Secretary

Observations/Recommendations

The Committee are concerned to note that 11 major, 10 medium and 22 Minor Irrigation projects were taken up for execution without ensuring the fulfillment of the prerequisites such as land acquisition, clearance from forest and environmental departments in 12 States. Apart from this, there have been numerous Instances of Incorrect phasing of project components i.e. dam section was incomplete, but main/branch canals were completed/nearly completed; main/branch canals were completed, but work of distributaries and water courses had not been taken up; main MI branch canals had been constructed in patches, with gaps (particularly in the initial reaches). Consequently, despite incurring substantial expenditure, the benefits of irrigation water were not fully available to the targeted beneficiaries. All these aspects need to be thoroughly looked into and necessary correctives applied.

[Sl. No. 14 Appendix/Part II, Para 14 of the Thirty First Report of the Public Accounts Committee (15th Lok Sabha)]

Action Taken

It is submitted that only those projects which have got investment clearance from Planning Commission are considered for inclusion under AIBP. Clearance of Ministry of Environment and Forest is no doubt a pre-requisite for investment clearance. However in this context, it is clarified that for any irrigation project involving diversion of forest land, the Ministry of Environment and Forest approves the project in two stages:—

1. In-principle or 1st Stage approval is accorded with certain conditions depending upon the case.
2. 2nd Stage *i.e.* final approval is accorded after the compliance report of the conditions stipulated in the 1st stage of approval received by Ministry of Environment and Forest, Government of India by State Forest Department.

For consideration and acceptance of the project proposal by Advisory Committee of MoWR for Irrigation, Flood Control and Multipurpose Projects and subsequently for investment clearance by Planning Commission only first stage clearance is required to be obtained by the respective State Governments from Ministry of

Environment and Forest at the time of construction of such project components. Similarly, the process of land acquisition is initiated by the respective States at the time of construction. Different States have varying process and time schedule for land acquisition. However, States have been informed that to avail central assistance in respect of AIBP projects they would have to acquire the land required for works one financial year in advance *w.e.f.* 1.4.2012.

Sd/-
Joint Secretary

Observations/Recommendations

The Committee has also been informed that two States namely Maharashtra and Uttar Pradesh have set up Water Resources Regulatory Authority/Commission. The Government of Andhra Pradesh has enacted the Andhra Pradesh Water Resources Regulatory Commission Act and the process of setting up of the Regulatory Commission has been initiated. The matter is being pursued with other States. Further, the Ministry pursued to incorporate a clause on maintenance of assets created under AIBP in the Moll being signed by the State Government for availing central assistance under AIBP to the effect that they will make an adequate provision in the State Budget for O&M of the project. Moreover, the aspects of participatory irrigation management and constitution of water users association are not covered under AIBP but they are covered under CADWM programme. The Ministry has circulated a model bill to all the States for enactment of a law on participatory irrigation management and constitution of water users associations. 15 States have already enacted the law and 56,934 water users associations have so far been formed. The matter is being pursued with other State Governments. The State legislations provide for 3-tier mechanism for major/medium projects except in Goa and Sikkim in which only single tier mechanism has been provided and in Bihar only 2-tier mechanism has been provided. The Committee would like to be apprised of the outcome of these efforts with respect to each of the States.

[Sl. No. 16 Appendix/Part II, Para 16 of the Thirty First Report of the Public Accounts Committee (15th Lok Sabha)]

Action Taken

As a result of various initiatives taken by MoWR, the State Governments in general have expressed willingness to adopt participatory approach in irrigation management. So, far 15 states of India have either enacted exclusive legislation or amended their irrigation Acts. Grant is being provided to States for organizing state level and project level trainings/demonstrations/adaptive trials for farmers and field functionaries. Further, one time functional grant @ Rs. 1000/-ha. is being provided under CAD&WM programme which is to be shared by Centre, State and farmers

@ Rs. 450: 450: 100 respectively for formation of Water Users' Associations (WUAs). Further, as indicated in response to recommendation at Para 7, Ministry of Water Resources has initiated action for taking up the project under CAD&WM *pari passu* with AIBP.

Sd/-
Joint Secretary

Observations/Recommendations

Committee note that the steps initiated by the Ministry in strengthening AIBP and for increasing the participation of State Governments as well as the end-users is in a very rudimentary stage. Since concerted efforts are required by the Ministry in concretizing the proposals as stated above, the Committee recommends that the Ministry of Water Resources should ensure that 6 State Governments expedite setting up Water Resources Regulatory Authorities/Commissions and make adequate provisions in their respective State budgets for the maintenance of infrastructural assets of the project. (A) The Committee feels that it is obligatory on the part of the Ministry to oversee and ensure that all the State Governments enact laws on participatory irrigation management and constitution of water users associations for the effective implementation of the AIBP Projects.

[Sl. No. 17 Appendix/Part II, Para 17 of the Thirty First Report of the Public Accounts Committee (15th Lok Sabha)]

Action Taken

(A) As indicated in response to Para 16.

Sd/-
Joint Secretary

Observations/Recommendations

The Committee observe that the Central Water Commission (CWC) is required to carry out monitoring/field visits to major/medium projects at least twice a year but the actual percentage of monitoring visits ranged from 66 to 73 per cent during 2002-08. As regards the Surface Water Minor Irrigation Projects, the monitoring needs to be carried out by the respective State Governments. However, the samples of such projects are still required to be checked by the Central Water Commission as well as Ministry of Water Resources. Another instance where the Committee have found that Ministry

have not exercised adequate monitoring is the case where CWC had made monitoring visits to only 57 minor irrigation projects out of the total of 8699 minor irrigation projects sanctioned under AIBP. The Committee find such symbolic monitoring grossly insufficient for mounting effective oversight. (A) The Committee, therefore, recommend that the monitoring visits must be augmented suitably in consonance with the instant guidelines and the detailed inspection reports on such visits must be submitted to the Union as well as State Governments for immediate necessary action so that the bottlenecks and shortcomings are removed and the implementation of the projects speeded up. (B) Further, the Remote Sensing Technology needs to be harnessed and effectively used to monitor the progress of the AIBP Projects in 22 States.

[Sl. No. 18 Appendix/Part II, Para 18 of the Thirty First Report of the Public Accounts Committee (15th Lok Sabha)]

Action Taken

- (A) As indicated in response to the recommendation at Para 4, the process of monitoring by CWC and its field offices is being critically reviewed. Independent agencies like, National Remote Sensing Centre (NRSC) and other agencies have been contacted for assistance in monitoring and evaluation.
- (B) It is proposed to organize workshops on use of Remote Sensing technology for assessing the progress of AIBP projects in which officials of the State water resources department and state remote sensing department would be invited. Further, it is to state that action in this regard has already been initiated and the first workshop was held in May, 2011 at Hyderabad.

Sd/-
Joint Secretary

Observations/Recommendations

The Committee have also been informed by the Ministry that the suggestions contained in the monitoring reports are to be followed by the respective State Governments and for this, the copies of the reports are sent to all the important officers associated with the project planning and execution. The implementation of suggestions is reviewed by the CWC from time to time and particularly during subsequent visits to the project. However, the Committee note with concern that there is no institutional arrangement in place for coordination amongst the State Governments, Planning Commission and CWC etc. Nevertheless, the Ministry have assured that compliance of the suggestions made in the monitoring reports will be pursued vigorously. The reports of the NRSC are sent to the respective State Governments for action in cases where deficiencies have been found by the NRSC.

The rectification of deficiencies is also monitored and pursued with States. Out of 53 projects monitored so far, deficiencies were found in 17 projects out of those, rectification has been done in 9 projects. Although, the Committee have taken note of all the existing mechanism and procedures that have been devised by the Ministry in regard to monitoring of the projects, the Committee feel tint the task of bringing about the desired results of all these procedures.

[Sl. No. 19 Appendix/Part II, Para 19 of the Thirty First Report of the Public Accounts Committee (15th Lok Sabha)]

Action Taken

As indicated in response to the recommendation at Para 4, the process of monitoring by CWC and its field offices is being critically reviewed. Independent agencies like, National Remote Sensing Centre (NRSC) and other agencies have been contacted for assistance in monitoring and evaluation.

Sd/-
Joint Secretary

Observations/Recommendations

The Ministry should bear in mind that this task of coordination is complex as several organisations such as Ministry, CWC, State Governments and Water Users Associations are involved to bring all these efforts to fruition. The Committee, accordingly, recommends that the Ministry should also engage independent agencies such as engineering colleges for monitoring and an impartial assessment of the projects implementation. (A) The Ministry should also ensure that the suggestions made in the Inspection Reports of the C&AG, and other independent agencies are strictly complied with by the State Governments. (B) the rectification of gaps and deficiencies found by the National Remote Sensing Centre must also be pursued vigorously with the State Governments. (C) The Committee are of the view that monitoring should be enhanced not only in quantitative terms (*i.e.* by increasing number of visits/inspections) but in qualitative terms (*i.e.* outcome oriented) as well so that progress of projects is steady and continuous and bottlenecks are removed by timely interventions.

[Sl. No. 20 Appendix/Part II, Para 20 of the Thirty First Report of the Public Accounts Committee (15th Lok Sabha)]

Action Taken

- (A) Necessary actions have already been initiated in respect of implementation of the recommendation made by CAG in its report. Ministry of Water Resources has identified specific action points and all State Governments have been requested for appropriate action. Further, CWC has planned organization of series of workshop in different parts of the country on project preparation, appraisal and monitoring to adequately train the working level professionals.

- (B) As submitted earlier, the report in respect of 17 projects were conveyed to respective State Governments. So far, implementation of corrective measures in respect of nine projects namely Gundlakamma (Andhra Pradesh), Dhansiri (Assam), Shivnath Diversion (Chhattisgarh), Shahnehar (HP), Malaprabha (Karnataka), Khuga (Manipur), Thoubal (Manipur), Khowai (Tripura) and Teesta Barrage (West Bengal) has been reported by the respective State Governments. The matter is being pursued with the State Governments in respect of remaining 8 projects.
- (C) As mentioned in response to the recommendation at Para 4, the process of monitoring is being critically reviewed with due emphasis on Qualitative aspects also. Further, involvement of independent experts/organization is also envisaged to supplement the efforts of CWC.

Sd/-
Joint Secretary

Observations/Recommendations

The Committee has noticed many irregularities in the works of individual projects as well. (A) In regard to the Agra Canal Project, the Ministry should take responsibility for ensuring water quality. They should also expand AIBP guidelines to incorporate in them the significant issues such as water quality, growth of weeds, completion of bridges etc. (B) The Ministry should also devise a mechanism where multiple stake-holders could be brought to a common platform to resolve the issues such as the public objections as mentioned in the Tapkara Reservoir Project (Jharkhand). (C) The Committee also takes a strong exception to the assertions of the Ministry in regard to the Mahi Bajaj Sagar Project (Rajasthan) that they have no existing mechanism for ensuring water availability till the tail end in post-completion of the project. The Committee views such an assertion highly irresponsible and lopsided as it questions the very basis of the existence of this national level programme. They, therefore, recommend in unequivocal terms that in all kinds of projects *i.e.* major/medium/minor irrigation projects, the availability of water should invariably be ensured till the tail end. The Committee further feels that instead of shifting the responsibilities on the States, the Ministry should devise a mechanism whereby water is invariably available till the tail end in post-completion of the projects not only for this project but also for all the projects where any kind of Central assistance is provided to the States. The Committee also desire that the new mechanism should be such that ultimate users *i.e.* the farmers do not suffer on account of lack of water availability at the tail end of the projects. The Committee would also like to have project-wise details to be furnished to them after incorporating the new mechanism. The actual site photographs at the

time of finalization of the Audit Report have been appended to this Report along with brief description of the respective prefect.

[Sl. No. 21 Appendix/Part II, Para 21 of the Thirty-First Report of the Public Accounts Committee (15th Lok Sabha)]

Action Taken

- (A) The observations of the Committee in respect of Agra Canal have been noted. In this regard, it is submitted that issues related to water quality were duly reflected in the report of the monitoring visit carried out by CWC from time to time (Monitoring report dated September, 2005 and February, 2006). Accordingly the State Governments were requested for appropriate action. The matter is being pursued vigorously with the State Governments.
- (B) As indicated in the response to recommendation at Para 4 regarding monitoring mechanism the process of monitoring is being reviewed to effectively address quantitative as well as qualitative aspects. However, with respect to the involvement of multiple stakeholders it is submitted that the process of preparation of DPR, etc. is undertaken by respective State Governments in close cooperation with the respective departments particularly Department of Agriculture and Department of Environment and Forests. The process of involvement of multi stakeholder constitutes an integral part of environmental impact assessment.
- (C) It is submitted promotion of Participatory Irrigation Management, through formation of Water Users Association, in different command of the project is being encouraged in all States to take care of distribution of water in all parts of the command. 15 States have enacted legislation for this purpose while similar action by other States is under progress. States have also been requested to form Project Level Committees for early execution of project. Further, as indicated in response to recommendation at Para 7 Ministry of Water Resources has initiated action for taking up the project under CAD & WM *pari passu* with AIBP which would ensure full utilization of the created irrigation potential.

Sd/-
Joint Secretary

Observations/Recommendations

- (A) The Committee would also like to recommend that in regard to the Indira Gandhi Nahar Project Stage-II, the proposal received from the State Government for inclusion of sprinkler irrigation system should be cleared within a fixed time frame under intimation to the Committee. (B) The Bansagar Canal (U.P.) draws attention of the Committee as two years have elapsed and no progress has been registered to take necessary corrective measures to address the problems of

underground water sprouting up in Maja-Jergo Link Canal (MJLK) during the visit to the project in February, 2009. The Committee would recommend that this problem should be addressed immediately to remedy the situation. (C) In regard to Velligallu Reservoir Project (Andhra Pradesh), the Committee recommends the Ministry to submit the final status of the project within 3 months of the presentation of this report to Parliament.

[Sl. No. 22 Appendix/Part II, Para 22 of the Thirty-First Report of the Public Accounts Committee (15th Lok Sabha)]

Action Taken

- (A) It is submitted that the revised cost estimate was considered in the 108th meeting of the Advisory Committee of MoWR for Irrigation. Flood Control and Multipurpose Projects held on 4.1.2011 and investment clearance is awaited from Planning Commission. The scheme accepted by the Advisory Committee of MoWR for Irrigation, Flood Control and Multipurpose Projects during its meeting held on 4th January, 2011, *inter alia* includes provision for Diggi and Pressure piped system for sprinkler irrigation system.
- (B) It is submitted that Government of Uttar Pradesh has been requested to take care of this specific problem and report about action taken in this regard.
- (C) In this regard it is submitted that the latest status of the project has been collected from the State Government and has already been submitted to Lok Sabha Secretariat.

Sd/-
Joint Secretary

Observations/Recommendations

In view of the complex web of deficiencies, irregularities and inherent infirmities in the conception, design and implementation of the scheme and considering the huge wastage of public funds, the Committee would like a basic restructuring of this programme. While restructuring the AIBP Scheme, mindful of the aggregate benefits expected to accrue and the limitations of monitoring/inspection mechanism available, the Union Government need to ensure that the funds released to the States under the AIBP are rigorously monitored in a sustained manner by the Planning Commission and the Ministry of Water Resources by evolving a sound institutional mechanism, within six months of the presentation of this report, in consultation with the C&AG and Ministry of Finance for fruition of the intended objectives without time and cost overrun.

[Sl. No. 24 Appendix/Part II, Para 24 of the Thirty-First Report of the Public Accounts Committee (15th Lok Sabha)]

Action Taken

As indicated in response to the recommendation at Para 4, the process of monitoring by CWC and its field offices is being critically reviewed and necessary steps are being taken to revitalize the monitoring mechanism.

Sd/-
Joint Secretary

CHAPTER III

OBSERVATIONS/RECOMMENDATIONS WHICH THE COMMITTEE DO NOT
DESIRE TO PURSUE IN VIEW OF THE REPLIES RECEIVED FROM
THE GOVERNMENT

-Nil-

CHAPTER IV

OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND WHICH REQUIRE REITERATION

Observations/Recommendations

The Committee are concerned to note that there have been several instances where the incomplete/non-commissioned projects have been certified as completed projects by the State Government authorities. (A) In this context, the Committee recommend that the Ministry of Water Resources should initiate thorough probe into all such cases and should also ensure that there is no diversion or misuse of funds in these projects. The Committee would like to be intimated about the project-wise details in this regard within six months of the presentation of this report.

[Sl. No. 5 Appendix/Part II, Para 2 of the Thirty-First Report of the
Public Accounts Committee (15th Lok Sabha)]

Action Taken

(A) Noted for compliance.

Sd/-
Joint Secretary

Observations/Recommendations

The Committee is concerned to note that as per the analysis of the State-wise grants released under AIBP for Major/Medium Irrigation Projects, 75 to 85 per cent of the AIBP grants released during 2005-06 to 2007-08 were released to just six States (Andhra Pradesh, Gujarat, Karnataka, Madhya Pradesh, Maharashtra and Orissa). These States were obtaining the vast majority of AIBP grants without corresponding performance in terms of project completion, thus providing an incentive for inclusion of fresh AIBP projects driven by construction work. What dismayed the Committee is the fact that the Nodal Ministry had failed to enforce the provisions of the AIBP guidelines for converting the grant component into loan in cases of failure to complete the projects in time. In this context, during examination of the subject, the Ministry has informed the Committee that Central Assistance is not released for projects, if the project is delayed beyond the time limit specified in the MoU. The State Government is required to explain the delay and seek extension of time by providing detailed satisfactory reasons for the delay in project completion and remedial measures taken

by them to remove bottlenecks in projects completion. (A) The Ministry has now asked the State Governments to provide undertaking that any further overrun occurring due to time overrun beyond the approved time will have to be borne by the State Governments. This calls for close monitoring and follow up.

[Sl. No. 11 Appendix/Part II, Para 11 of the Thirty-First Report of the Public Accounts Committee (15th Lok Sabha)]

Action Taken

(A) The recommendations have been noted for strict compliance.

Sd/-
Joint Secretary

Observations/Recommendations

The Committee also note that three level arrangements *i.e.* Water User Associations, Distributory Level Associations and Minor Irrigation Project Level Councils play an important role in the execution and post-completion maintenance of the projects. However, they are appalled to note that such an arrangement was either absent or practically non-functional in 18 major, 12 medium and 194 minor irrigation projects test checked in 21 States. Astoundingly, assets created under AIBP were not being accorded due priority, and arrangements for handing over completed projects to farmers/water user association had not been operationalised with respect to many projects. In this regard, the Ministry have informed that land acquisition is not a pre-requisite for according techno-economic clearance to the project. Now it is proposed that Central assistance under AIBP will be released *pari-passu* with land acquisition required for carrying out work of the coming year. According to the Ministry, no techno-economic clearance is now-a-days accorded without State Government furnishing all the required statutory clearances such as forest, environment, wild life and R&R plan. (A) Committee would like to be apprised of corrective measures initiated to address their concerns over the forgoing deficiencies and the assurances given to them.

[Sl. No. 15 Appendix/Part II, Para 15 of the Thirty First Report of the Public Accounts Committee (15th Lok Sabha)]

Action Taken

(A) As desired by Committee that the Action Taken Note is being submitted.

Sd/-
Joint Secretary

CHAPTER V

OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH GOVERNMENT HAVE FURNISHED INTERIM REPLIES

Observation/Recommendation

The Committee has been informed by the Ministry that drought-prone and desert areas of the country are in the dire need of augmentation of irrigation facilities. Specific programmes have been developed for these areas and categorized as Drought Prone Area Programme (DPAP) and Desert Development Programme (DDP) by the Ministry of Rural Development. The Committee also notes that specific provisions have been made in the AIBP guidelines for providing irrigation facilities on priority basis for DPAP. In addition, creating irrigation potential for the drought-prone and desert areas need a special attention. (A) The Committee, therefore, recommends that the matter should be taken with other related Ministries such as Ministry of Rural Development, Ministry of Environment and Forests by the Ministry of Water Resources and vigorous efforts should be made for creating irrigation potential for these areas in a time bound manner. This would in turn, bring food security not only for these areas but also for the entire country as well.

[Sl. No. 23 Appendix/Part II, Para 23 of the Thirty-First Report of the
Public Accounts Committee (15th Lok Sabha)]

Action Taken

(A) It is submitted that as per present AIBP guidelines drought prone area projects are eligible for 90% Central assistance as against the projects in normal areas which are eligible for 25% grant. The projects benefiting DDP areas are presently on a par with the projects of normal areas and eligible for 25% grant.

The MoWR has recently moved a Note for consideration and seeking the approval of the Cabinet (CCI) for funding of ongoing as well as new projects under AIBP benefitting DDP areas on a par with DPAP areas *i.e.* 90% Central assistance to the eligible cost of works.

Sd/-
Joint Secretary

NEW DELHI;
28 December, 2012
7 Pausa, 1934 (Saka)

DR. MURLI MANOHAR JOSHI
Chairman,
Public Accounts Committee.

APPENDIX I

MINUTES OF THE TWENTIETH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE (2012-13) HELD ON 28TH DECEMBER, 2012

The Committee sat on Friday, the 28th December, 2012 from 1500 hrs to 1610 hrs. in Room No. '62', Parliament House, New Delhi.

PRESENT

Dr. Murli Manohar Joshi — *Chairman*

MEMBERS

Lok Sabha

2. Shri Anandrao Vithoba Adsul
3. Dr. Baliram
4. Shri Bhartruhari Mahtab
5. Shri Shripad Yesso Naik
6. Sh. Abhijit Mukherjee

Rajya Sabha

7. Shri Prasanta Chatterjee
8. Shri Satish Chandra Misra
9. Shri Sukhendu Sekhar Roy
10. Shri J.D. Seelam
11. Shri N.K. Singh
12. Prof. Saif-ud-Din Soz

SECRETARIAT

1. Shri Devender Singh — *Joint Secretary*
2. Shri Abhijit Kumar — *Director*
3. Ms. Miranda Ingudam — *Under Secretary*
4. Shri A.K. Yadav — *Under Secretary*

Representatives of the Office of the Comptroller and Auditor General of India

- | | | |
|-------------------------|---|-------------------------|
| 1. Shri P. Sesh Kumar | — | Director General (c) |
| 2. Shri Nand Keyolar S. | — | Director General |
| 3. Ms. R. Rajalakshmi | — | Director General |
| 4. Ms. Divya Malhotra | — | Director General |
| 5. Shri Jayant Sinha | — | Principal Director (RC) |
| 6. Ms. Geetali Tare | — | Principal Director |
| 7. Shri Maneesh Kumar | — | Principal Director |

2. At the outset, the Chairman welcomed the Members and the representatives of the Office of the Comptroller and Auditor General of India to the sitting of the Committee. The Chairman, then, apprised that the meeting was convened to consider and adopt the six Draft Reports circulated to them by the Secretariat.

3. The Committee then took-up the following Draft Reports one by one for consideration:

- | | | | |
|-------|-----|-----|-----|
| (i) | *** | *** | *** |
| (ii) | *** | *** | *** |
| (iii) | *** | *** | *** |
| (iv) | *** | *** | *** |

(v) Draft Report on Action taken on the 31st Report (15th Lok Sabha) on the subject "Accelerated Irrigation Benefits Programme (AIBP)"; and

- | | | | |
|------|-----|-----|-----|
| (vi) | *** | *** | *** |
|------|-----|-----|-----|

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|----|-----|-----|-----|
| 4. | *** | *** | *** |
|----|-----|-----|-----|

5. During the further course of consideration, some Members suggested minor modifications in the draft Original Reports. After some discussions and deliberations, the Committee adopted all the Draft Reports and authorized the Chairman to finalise these Reports in light of the factual verifications received from the Audit, if any and present the same to the Hon'ble Speaker on a date convenient to him.

6. The Chairman thanked the Members for their valuable suggestions on the Draft Reports and active participation in the consideration and adoption of the reports.

The Committee, then, adjourned.

*** not related to this Report.

APPENDIX II

(Vide para 5 of Introduction)

ANALYSIS OF THE ACTION TAKEN BY THE GOVERNMENT ON THE OBSERVATIONS/RECOMMENDATIONS OF THE PUBLIC ACCOUNTS COMMITTEE CONTAINED IN THEIR THIRTY-FIRST REPORT (FIFTEENTH LOK SABHA)

(i) Total No. of Observations/Recommendations	24
(ii) Observations/Recommendations of the Committee which have been accepted by the Government: Para Nos. 1-4, 6-10, 12-14, 16-22 and 24	Total : 20 Percentage - 83%
(iii) Observations/Recommendations which the Committee do not desire to pursue in view of the replies received from the Government: - Nil -	Total : 0 Percentage - 0%
(iv) Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee, and which require reiteration: Para Nos. 5, 11 and 15	Total : 3 Percentage - 12%
(v) Observations/Recommendations in respect of which Government have furnished interim replies : Para No. 23.	Total : 1 Percentage - 5%