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# CAG reports once again flag inconsistencies in central irrigation programme

CAG indicts government for including irrigation projects and schemes under Accelerated Irrigation Benefit Programme, resulting in irregular release of Rs 3,718.71 crore

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By Himanshu Upadhyaya (<https://www.downtoearth.org.in/author/himanshu-upadhyaya-392>)

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The Central government decided to table five audit reports by the Comptroller and Auditor General of India (CAG) that were received by government in July, 2018 (one on July 10 and two on July 31) and September, 2018 (one on September 25 and another on September 27) on the second-last day of Parliament's winter session.

The most prominent one, made during the year marked by the agrarian distress, was the performance audit report on Accelerated Irrigation Benefit Programme (AIBP) for the period between 2008 and 2017.

AIBP was launched during 1996-97 as a central assistance programme to accelerate implementation of large projects which were beyond the resource capability of the states, and completion of other irrigation projects which were at an advanced stage but were delayed due to resource constraints faced by state governments.

This flagship scheme in irrigation sector has been examined by the CAG twice before the recent performance audit. The first performance audit (<http://www.indiatogether.org/aibpcorr-government>) was part of the CAG's report number 15 of 2004. The following one was reported in report number 4 of 2010-11. One can read the full report here ([https://cag.gov.in/sites/default/files/audit\\_report\\_files/Union\\_Performance\\_Civil\\_AIBP\\_Ministry\\_of\\_Water\\_Resources\\_4\\_2010.pdf](https://cag.gov.in/sites/default/files/audit_report_files/Union_Performance_Civil_AIBP_Ministry_of_Water_Resources_4_2010.pdf)).

That performance audit report had also highlighted how controversial projects like Sardar Sarovar dam on the Narmada river had received AIBP funds in violation of the programme guidelines and how project authorities were fudging expenditure accounts (<http://www.indiatogether.org/ssp-economy>).

Earlier last year, CAG's performance audit report on national projects was tabled in Parliament. This author had wondered (<http://www.indiatogether.org/cag-past-irrigation-reports-agriculture>) why CAG auditors did not look at their own past work and write these performance audits in a style that makes it transparent for their readers to see that their earlier recommendations have fallen on deaf ears.

The latest performance audit reveals several deficiencies in the planning, implementation and monitoring of the scheme. CAG has once again indicted the government for including irrigation projects and schemes under AIBP in violation of the programme guidelines, resulting in irregular release of Rs 3,718.71 crore.

Auditors also came across deficiency in preparation and processing of Detailed Project Reports (DPRs) such as inadequate surveys, inaccurate assessment of water availability, Irrigation Potential (IP) and Command Area (CA), lack of activity-wise construction plans.

They noted that incorrect benefit-cost ratio of the projects led to modifications in design and scope of the work and revision in cost estimates after commencement of work. All this adversely affected the schedule of implementation of the projects.

The CAG audit observed that implementation of projects under AIBP was tardy, with delays in completion of projects ranging from one to 18 years.

Out of the sampled 118 major and medium irrigation (MMI) projects and 335 minor irrigation (MI) schemes, only 30 MMI projects and 231 MI schemes were completed as of March 2017.

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The delays were attributed to shortfall in land acquisition, inability to obtain statutory clearances in advance, changes in design and scope of the work etc.

The delays in implementation of projects together with inefficient work management led to cost overruns in the projects. The total cost overruns in 84 MMI projects, including 16 completed and 68 ongoing, was Rs 1,20,772.05 crore, which amounted to 295 per cent of their original cost.

The CAG also pointed out deficiencies in work management such as delays in award of work, splitting of works, incorrect phasing of project implementation, execution of sub-standard work, undue benefits to contractors etc.

The extra financial implications, seen in the audit, were to the tune of Rs 1,337.81 crore towards irregular/ wasteful/ avoidable/ extra expenditure and Rs 303.36 crore as undue favour to the contractor.

Monitoring by the Centre and states was lax. There were shortfalls in number of monitoring visits by the Central Water Commission (CWC)—which was also indicted by the CAG for failing to prepare reports in all projects evaluated.

Further, the CAG criticised the agency for failing to ensure compliance to issues highlighted in the CWC report. CAG auditors found that state-level monitoring committees were not formed in all states.

The CAG observed that monitoring through Remote Sensing Technology by National Remote Sensing Centre (NRSC), Hyderabad was “very limited due to low resolution of imageries

CAG reports once again flag inconsistencies in central irrigation programme and other limitation attributed to the Ministry”.

This performance audit has once again brought to the surface the very low-level of irrigation efficiency in India. CAG auditors observed that the realisation of IP creation was only 68 per cent in MMI projects and 39 per cent in MI Schemes. The utilisation of IP created was just 65 per cent for MMI Projects and the same was 72 per cent in the case of MI schemes.

There gaps in IP were highlighted by NRSC and variance in IP data of the NRSC and the Ministry. Participatory irrigation management through water users’ associations suffered from serious limitations due to limited number, status and the resources at their command affecting the operation and maintenance of projects.

Financial management for AIBP was inefficient, as there were cases of non/short release of funds, delays in release of funds at various levels, releases at the fag-end of the financial year and non-adjustment of unutilised balance of funds in the subsequent releases.

Utilisation certificates for funds amounting to Rs 2,187.40 crore, constituting 37 per cent of the total central assistance received by the state agencies were not submitted to the Ministry in time.

Other financial irregularities such as diversion of funds amounting to Rs 1,578.55 crore, parking of funds amounting to Rs 1,112.56 crore and fictitious and fraudulent expenditure amounting to Rs 7.58 crore were also observed. There were also instances of short/non-realisation of revenue amounting to Rs 1,251.39 crore.

*The author is faculty at Azim Premji University, Bangalore*

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