

**THIRTEENTH KERALA LEGISLATIVE ASSEMBLY**

**COMMITTEE  
ON  
PUBLIC ACCOUNTS  
(2011-2014)**

**FIFTY THIRD REPORT**  
(Presented on 28th January, 2014)



SECRETARIAT OF THE KERALA LEGISLATURE  
THIRUVANANTHAPURAM  
2014

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ON  
PUBLIC ACCOUNTS  
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**FIFTY THIRD REPORT**

**On**

**Action Taken by Government on the Recommendations contained  
in the 89th Report of the Committee on  
Public Accounts (2008-2011)**

356/2014.

## CONTENTS

	<i>Page</i>
Composition of the Committee	.. v
Introduction	.. vii
Report	.. 1-17
Appendix I : Summary of main Conclusion/Recommendation	.. 18

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„ K. Mohandas, Special Secretary

Smt. M. R. Maheswari, Deputy Secretary

Shri G. P. Unnikrishnan, Under Secretary.

## INTRODUCTION

I, the Chairman, Committee on Public Accounts, having been authorised by the Committee to present this Report, on their behalf present the Fifty Third Report on Action Taken by Government on the Recommendations contained in the 89th Report of the Committee on Public Accounts (2008-2011)

The Committee considered and finalised this Report at the meeting held on 22nd January, 2014.

Thiruvananthapuram,  
28th January, 2014.

DR. T. M. THOMAS ISAAC,  
*Chairman,*  
*Committee on Public Accounts.*

## **REPORT**

This Report deals with the action taken by Government on the recommendations contained in the Eighty Ninth Report of the Committee on Public Accounts (2008-2011).

The Eighty Ninth Report of the Committee on Public Accounts (2008-2011) was presented to the House on 29<sup>th</sup> June, 2009. The Report contained eleven recommendations relating to Local Self Government Department. Government were addressed on 6<sup>th</sup> July, 2009 to furnish the statement of Action Taken on the recommendations contained in the report and the final replies were received on 22<sup>nd</sup> June, 2011.

The Committee examined the Statements of Action Taken at its meeting held on 10-4-2012 and decided to consider them during the visit at Attappadi. Accordingly the Committee took evidence from the officials of AHADS on the above SOAT at its meeting held at the Collectorate Conference Hall, Palakkad on 13-3-2013 and then visited the project areas of AHADS. The Committee also decided to pursue further on recommendation No. 5 and 6 (para 59 and 60). This recommendation, Government reply and the further recommendation of the committee are incorporated in Chapter I of this Report.

The Committee decided not to pursue further action on the remaining recommendations in the light of the replies furnished by Government. But on recommendation No. 2 (Para No. 56) the committee approved the Statement of Action Taken with certain remarks. Such recommendation, the replies furnished by Government and the remarks of the Committee are incorporated in Chapter II of this Report.

### **CHAPTER I**

#### **RECOMMENDATION IN RESPECT OF WHICH ACTION TAKEN BY GOVERNMENT ARE NOT SATISFACTORY AND WHICH REQUIRE REITERATION**

##### **LOCAL SELF GOVERNMENT DEPARTMENT**

##### **Recommendation**

*(Sl. No. 5, Para No. 59)*

1.1 Regarding the size of the project area for restoration of waste land, the Committee knows that 245.03 km<sup>2</sup> of land is available for restoration against the 507 km<sup>2</sup> originally projected.

356/2014.

The Committee thinks that the AHADS might have arrived at this figure (507 km<sup>2</sup>) based on certain studies. But it is to be noted that though the projected area has diminished, second restructuring of the project was not done in time. The Committee desires to be furnished with the documents regarding the size of the Attappady Area.

#### ACTION TAKEN

##### **Size of the project area–furnishing of related documents**

1.2 The overall project area is 745 Sq.Km. The geographical break-up of data as appearing in the GIS maintained at AHADS. From the break-up, the area covering under the following heads are classified as wastelands as per the suggestion of the consultants:

- |                           |   |                     |
|---------------------------|---|---------------------|
| (1) Forest Scrub          | : | (Forest Wasteland)  |
| (2) Blank Forest          | : | (Forest Wasteland)  |
| (3) Degraded Forest       | : | (Forest Wasteland)  |
| (4) Open deciduous Forest | : | (Forest Wasteland)  |
| (5) Open evergreen Forest | : | (Forest Wasteland)  |
| (6) Permanent Fallow      | : | (Private Wasteland) |
| (7) Wasteland Scrub       | : | (Private Wasteland) |
| (8) Single Crop           | : | (Private Wasteland) |

Based on the classification, the total wasteland identified as Forest Wasteland is 17122 hectares and Private Wasteland is 20121 hectares, totaling 37243 hectares. The area provided in the original proposal of M/s CWRDM was on Development Unit (DU) basis and the micro level break-up of the area was not available. Hence, the two figures could not be reconciled.

#### **Recommendation**

*(Sl. No. 6, Para No. 60)*

1.3 The Committee notes that the project will greatly influence the livelihood of the tribals dwelling there. While enquiring about the number of Income Generating Activity (IGA) groups functioning in Attappadi, the

Committee wants to be furnished with a detailed report regarding the situation prevailed there before the implementation of the project. The present position of the imposition of “betterment levy”, should also be informed.

#### ACTION TAKEN

#### **(a) No. of Income Generating Activity Groups and the situation before implementation**

1.4 The history of previous efforts at providing IGA commences from about 50 years back. The indigenous crafts practiced by the tribal people were mainly weaving bamboo splits into baskets and mats. These were used in their own households and not for sale. Government organized training establishments where the tribal people were ‘trained’ in making baskets and mats that could be sold to ‘outside’ markets. The trainees used to be paid monthly stipends, and would be organized into “Industrial Co-operative Societies” at the end of the training. These efforts failed because of the lack of continuity of management, failure to internalize the entrepreneurial skills required, inexpert management of working capital and inventories, and failure in marketing. More ambitious schemes were then tried, imparting new skills like carpentry, furniture making, etc., but they also failed, for more or less the same reasons.

1.5 Private entrepreneurial efforts notice in 80s. A successful enterprise in the arid regions of eastern Attappady was the making of bricks. That was widely spread in the adjacent areas in Tamil Nadu, and to other areas. The Vattulukki Co-operative Society of tribal people had been in the business, with a fair amount of success. The industry was labour intensive, but ecologically very hurtful. It removed vast quantities of the topsoil, and consumed lot of fuel-wood. The market was mainly for the construction industry of the booming businesses in Tamil Nadu. From the point of view of ecological restoration, this industry has been very hurtful.

1.6 Private business has also entered the tertiary sector activities of imparting tutorial and parallel education. The enterprise that has shown the most dramatic growth has been that of retailing merchandise, with a lot of little shops springing up all over the place. Transportation has increased, but there has not been a proportionate increase in the organized “workshops” for maintaining the vehicles.



### **Small Scale Industries/Business in the Project Area**

1.7 No proper mechanism for farm produces in the Project Area. Little processing facilities based on the locally available produces like fruits, vegetable, groundnut, sugarcane, coconut, ginger, pepper, coffee are currently available in the study area. Only a few SSIs are seen in the Attappady area such as mat-making unit under women's industrial programme in Agali, Agarbatti (incense stick) and broom making business and a private cotton dying plant in Kottathara. Kurumba Scheduled Tribes Co-operative Society founded in 1975 is operating 15 collection centres all over the Attappady, whose main source of income is the collection and sales of Non-timber Forest Produce (NTFP). The small scale industries/business running in the project area such as the Tribal Co-operatives for collection of NTFPs, Vetiver and Agarbathi making, have been found to include some exploitative elements with over-involvement of external people.

### **Present position of the IGA groups**

1.8 The IGA groups formed under AHADS is now fully integrated with Kudumbasree. There are now 1026 Neighbourhood groups under the IGA Kudumbasree Scheme and have a thrift savings of ₹ 360 lakhs and their combined lending is ₹ 856 lakhs. The groups include 102 tribal groups with 1020 families.

### **(b) The present position of "Betterment Levy"**

1.9 The 7<sup>th</sup> High Power Committee meeting held on 9-11-2005 has decided to do away with the imposition of Betterment Levy, as the farmers were facing acute difficulties.

### **Further Recommendation**

*(Para Nos. 59 and 60)*

1.10 The Committee wanted to settle the restoration issue at an early date and recommend the department to acquire vested forest area for the distribution to the eligible tribes as provided in the Forest Act.

## CHAPTER II

RECOMMENDATIONS WHICH THE COMMITTEE DOES NOT  
DESIRE TO PURSUE IN THE LIGHT OF REPLIES  
FURNISHED BY GOVERNMENT

LOCAL SELF GOVERNMENT DEPARTMENT

**Recommendation***(Sl. No.1, Para No. 55)*

2.1 The Committee notes that the project cost of Attappady Wasteland Comprehensive Environment Conservation Project, which was started in the year 1996 has enhanced to ₹ 219.30 crore from ₹ 91.05 crore. The Committee notices that the tribal population there has now been reduced to 42% mainly due to massive influx of settlers from both Tamil Nadu and other parts of Kerala and this resulted in environmental degradation. The Committee opines that this type of massive influx of settlers to the area should have been stopped.

## ACTION TAKEN

**(a) Enhancement of Project Cost**

2.2 The Project proposal by name “Integrated and Sustainable Economic Development of Attappady Wastelands” was prepared by the CWRDM, Kozhikode in the year 1993 and submitted before the external funding agency for financial assistance in the year 1994. The original proposal had work components valued at ₹ 93 crores. Subsequently, various discussions were held at different levels of the Government and the funding agencies and the proposal modified. The decisions during the meeting held on 3-4-1995 decided on the following:

2.3 There should be provision for fencing to protect the vegetative measures since large herds of cattle and sheep are driven across the border from Tamil Nadu to Attappady. Tribals would be employed on large scale in the construction of all works envisaged in the project. Various income generating scheme would be taken up for their benefit. The areas afforested by Forest Department under “compensatory afforestation” could be regarded as part of 15% contribution of the State Government and to be earmarked in advance.

2.4 Discussion conducted on 17-5-1995 on the draft minutes prepared by the Overseas Economic Co-operation Fund appraisal mission agreed that OECF could fund 85% of the project cost, the rest to be borne by the State Government.

2.5 Further, as per the condition agreed on 26<sup>th</sup> May, 1995, provisions were to be made for the appointment of International Consultant and local consultants. Considering all the above factors, the project cost was revised to ₹ 219 crores as detailed below:

<i>Category</i>	<i>Head of Item</i>	<i>Amount in Japan Yen (In million)</i>	<i>Amount in Rupees (In crores)</i>
A	Construction and procurement of equipment/materials	3998	137.99
B	Consultancy services for detailed survey planning and designing	30	1.05
C	International Consultancy services	216	7.48
D	Interest during construction	476	16.47
E	Contingencies	402	13.91
	Total Reimbursable amount	5,112	176.90
	Non-reimbursable State Govt. share	1,226	42.40
	<b>Total Project Cost</b>	<b>6,338</b>	<b>219.30</b>

2.6 Of the above, the work category items are included in Category (A) for a value of ₹ 137.99 crores against the proposal submitted by M/s CWRDM for ₹ 93 crores. The break-up of expenditure included in Category (A) comprise of the following:

(I) Soil, Water and Biomass Management :	
(a) Land Development	: ₹ 46.85 Crores
(b) Afforestation	: ₹ 12.24 Crores
(c) Agro forestry	: ₹ 30.19 Crores
(d) Valley Cropping	: ₹ 4.70 Crores
(II) Water Resources development	: ₹ 1.03 Crores
(III) Infrastructure facilities	: <u>₹ 2.85 Crores</u>
Sub Total	: <u>₹ 97.86 Crores</u>
(IV) Contingencies	: <u>₹ 40.13 Crores</u>
Total for Category (A)	: <u>₹ 137.99 Crores</u>

2.7 From the above details, it can be seen that the original proposal for the value of works costing ₹ 93 crores was revised to ₹ 97.86 crores only and provision for contingencies were given a major part. With the addition of cost of consultancy and interest during construction etc., the total cost of the project was fixed at 219 crores, which at the time of the signing of the Loan agreement was 6338 million yen.

2.8 The Loan Agreement ID-P/111 between the Government of India and Overseas Economic Co-operation Fund, Japan was signed on 25-1-1996 for the total project cost of 6338 Million Yen, of which 5112 Million Yen would be reimbursed as Loan.

**(b) Influx of settlers and environment degradation**

2.9 Large-scale migration of settlers had taken place during the period from 1940-1980 when there were many development efforts initiated in Attappady. People came in search of employment and eventually stayed in Attappady and obtaining lands from the poor and tribes at very marginal prices. Settlers from Kerala occupied lands in Western Part of Attappady, which has better rainfall and settlers from Tamil Nadu occupied lands in eastern part of Attappady, which has less rainfall. The unscientific cultivation led to soil erosion and there were large scale felling of trees during that period. There was an organized contractor political nexus prevailing at that time, preventing the poor and tribal people to obtain intended benefits of the development efforts. The realization that unconventional method should be adopted for implementation of development purposes led to the formation of an autonomous society—the Attappady Hills Area Development Society (AHADS).

2.10 During the initial stages of the project, the main concerns focused on prevention of influx of outside labour for project implementation and peoples participation in planning and execution of project components. Keeping these aspects in view, the system of project implementation was designed in consultation with the project consultants. The management of the field implementation was directly carried out by the People Institutions, under the overall technical and management guidance of AHADS. Only local people would have the right of participation in the development efforts. A large pool of local people, with a large representation of tribals and women were engaged as Volunteers and Consultants to assist in the implementation and to work as social mobilizers.

2.11 Through this method, the migration of outside labour to the project area was stopped. Considering the available labour in Attappady, the International Consultants prepared the overall schedule of project implementation and the same

was approved in February 2000 in which implementation of some of the project components has been extended up to November 2012.

**Recommendation**

*(Sl. No. 2, Para No. 56)*

2.12 The Committee further observes that there are a lot of drawbacks in the implementation of the project. The first one being the delay of 3 years occurred in the appointment of consultant which in turn resulted in delay in the commencement of the project. Enhancement of project cost was mainly due to incorrect assessments. Though the project was to be completed by the year 2003, it is still going on. Extension of the project results in unnecessary expenditure in terms of escalation in project cost itself and payment of huge consultancy fee. Though it is informed that the project is a 'learning by doing' process, the Committee is of the view that perfection in the implementation could have been achieved if some kind of preconceivedness was applied. After all the restoration of degraded wasteland and ensuring better livelihood to tribal people which were the motives envisaged in the project have not been achieved in their full sense.

ACTION TAKEN

**Delay in the appointment of Consultants**

2.13 Following is the chronological details in connection with the appointment of consultants for kind reference :

<i>Sl. No.</i>	<i>Details of procedures</i>	<i>Date of completion</i>
(1)	(2)	(3)
1	Date of issuance of LOI for short listing of candidate consultants	27-12-1997
2	Date of preparation of short list of Consultants	22-1-1998
3	Date of preparation of REP document on the basis of IICA sample documents	31-1-1998
4	Date of submission of short list of consultants, REP documents and TOR to JICA for concurrence	31-1-1998
5	Date of issue of RFP document with TOR to short list consultants	28-10-1998

(1)	(2)	(3)
6	Date of Receipt of Tender	29-12-1998
7	Date of technical evaluation of bids by executing agencies for ranking of candidates	The evaluation completed as per G.O (Ms.) No. 27/99/RDD dated: 14-7-1999
8	Date of submission of Technical Evaluation results to JICA	
9	Date on which JICA gives its concurrence	
10	Date of inviting price proposal from the highest ranked bidder	
11	Date of receipt of price bids	
12	Date of price/contract negotiation with highest ranked bidder	
13	Date of finalization and signing of the contract	14-7-1999
14	Date of sending the contract to JICA for concurrence	14-7-1999
15	Date of JICA concurrence	23-7-1999
16	Date of advance payment released to the consultant	25-2-2000
17	Date of award of work order	31-7-1999

2.14 It can be seen from the above details that the procedure for the selection and appointment of international consultant has been elaborate and approval were to be obtained from the funding agency at various stages—in short listing, evaluation, contract concurrence etc. Due to these mandatory processes involved in the appointment of consultants it took about 2 years to complete.

**(b) Extension of project results in unnecessary expenditure**

2.15 Attappady Wasteland Environmental Conservation Project is an eco-restoration project linked with a livelihood improvement focus. A period of 10 to 20 years is a required time frame for an eco-restoration project of such magnitude to bring about required social changes. The term ecological regeneration or the concept of ecologically compatible development, particularly in tribal areas require longer gestation period. The upkeep of the created assets in terms of biomass creation or improvement and self sustainable belief of the tribals are to be nurtured for at least another decade to make the efforts a sustainable one.

2.16 The overall schedule of implementation was provided by the Project Consultants in December 1999, with the period of implementation extending up to November 2012. Considering the reduced targeted wasteland area from 509 Sq.km. to 372 Sq.km., it was estimated that the actual expenditure for the identified works in the reduced project area would be lower than the agreed project cost. The project progress and the objective of the project were reviewed in the year 2000. Many social development components, justifying integrated area development and therefore relevant for the successful outcome of the project objective were identified. A restructuring plan was prepared explaining the relevance of the social components to the Japan Bank for International Co-operation (JBIC). The project restructuring plan was approved by JBIC in the year 2002, incorporating many socio-economic developmental components like the construction of a bridge across the river Bhavani, the Total Hamlet Development Programme (THDP), improving education facilities, improving health facilities and development programmes to benefit mainly the tribal communities. The Honourable President of India, formally inaugurated the special components of the project on 17<sup>th</sup> day of November, 2002.

2.17 Systems and procedures for the implementation programme with a local governance perspective were developed and put in place. Due to various factors associated with difficulties in implementing participative programme, only 30% of the total project cost could be utilized by 2005. However recognizing the indicators of a successful project, the external funding agency approved the conditional extension of the project up to 2010. Upon satisfactory review of the physical and financial progress by the external funding agency during 2006 and 2007, the project was approved up to 2010. The JBIC review mission in August 2008, pointed out that the project would end up with a saving of 700 Million Japan Yen considering the current pace of implementation and advised the project to submit proposals for the utilization of the likely surplus funds. Accordingly, a drinking water supply scheme for Agali at a value of ₹ 8 crores and the expansion of the Total Hamlet Development Programme (THDP) to 31 more hamlets with a cost of ₹ 22 crores were approved by the funding agency. The amount of THDP was subsequently enhanced to ₹ 31 crores subject to the condition that the assistance will be limited to 23 hamlets. The Government approved the Agali Drinking Water Supply Scheme vide G.O.(Ms.) No. 319/2008/

LSGD dated: 2-12-2008 and the Total Hamlet Development Programme. As can be seen, the project activities are now at a more satisfactory stage than what has been observed by PAC and the additional works proposed for 2009 are an indication of achievement beyond the envisaged original targets.

2.18 From the above it may kindly be noted that the total project cost was not exceeded and the project could bring about major changes in the development scenario of Attappady with a new system of community governance of resources.

**(c) The objectives envisaged in the project—the restoration of degraded wasteland and ensuring better livelihood to tribal people have not been achieved in their full sense**

2.19 The project could bring about a total change in the State forestland in Attappady regenerating forests over 12000 hectares with new plantations raised with about of 25 lakh seedlings. Consequently, the ground water level has largely improved, thereby bringing in many of the farmers back to cultivation in the wasteland region. Total Hamlet Development Programme will be completed in 24 hamlets as part of Phase-I and 31 hamlets are being taken additionally as Phase-II. Hence more than 2000 houses for tribals would be constructed under project support. Efforts are in progress to sustain People Institutions for maintaining the assets created under the project, so that the process of development can be continued as an institutional mechanism even after the withdrawal of AHADS.

2.20 The success of the project can be seen from the JBIC Review Mission Report, which visited the project from 1<sup>st</sup> to 4<sup>th</sup> August, 2008, which says that AHADS has gained significant experience, knowledge and expertise as an institution for planning and execution of participatory eco-restoration, watershed management and community development works. The meticulously build systems and methodologies with the highly competent talent pool of AHADS, thereby uniquely positioned to emerge as an institution of excellence in participatory techniques. The Mission highly recommended taking urgent steps to preserve and further develop AHADS as an institution of excellence in the interest of nation-wide or region-wide dissemination and replication of participatory techniques.



### **Delay in appointment of Consultants**

2.21 During the witness examination the Committee was informed that though the project was launched in 1996, the implementation was started in 2000 and due to the time lag in executing the agreement with the consultant and in entrusting the work to the contractor the Project could be implemented only in 2006.

### **Remarks of the Committee**

2.22 The Committee remarked that the time lag could have been avoided.

### **Recommendation**

*(Sl. No. 3, Para No. 57)*

2.23 It is to be noted that by the introduction of “Kerala Private Forests (Vesting and Assignment) Act” 1971, all these forest areas come under Government control. The Committee stress the need for strict enforcement of law prohibiting deforestation and intrusion of settlers, thereby strengthening the ecological balance of that area.

### **ACTION TAKEN**

Strict enforcement of law prohibiting deforestation and intrusion of settlers there by strengthening the ecological balance of this area:

2.24 Afforestation works are carried out by Joint Forest Management Committees (JFMCs) through fresh plantations and biomass conservation methods in the degraded forestlands. Plants are well protected in the forestland area, where the afforestation works are carried out. Protection of forest plantations is done through barbed wire fencing and engaging local tribal people to work as protective watchers to patrol during night times. A total of 180.33 Km. barbed wire fencing completed and 782 Km. fire protection lines were built. About 12000 ha. forestland areas brought under vegetation cover. Attappady has vast areas of degraded land and the participation of the local people is essential for the maintenance of the forest without loss. If the watchers, mainly of tribal community working under the project can be continued post-project, the upkeep and maintenance of forest assets can be ensured.

2.25 The results of a study of the University of Kerala in July 2007 gives ample evidence of the regeneration and return of the ecological balance indicating positive impacts of in both forest and private lands.

## LAND USE CHANGES FROM 2001 TO 2005

<i>Land use</i>	<i>Land use in 2001(km<sup>2</sup>)</i>	<i>Land use in 2005(km<sup>2</sup>)</i>	<i>Change in land use from 2001-2005(km<sup>2</sup>)</i>	<i>Percentage of change in land use over total land area</i>	<i>Impact</i>
<b>(A) Forest Lands</b>					
Evergreen forest	117.00	124.73	7.73	1.03	Positive
Open evergreen forest	23.97	8.87	15.10	2.04	Negative
Deciduous forest	80.85	85.20	4.35	0.58	Positive
Open deciduous forest	99.36	144.23	44.87	6.04	Positive
Degraded forest	57.21	20.07	37.22	4.98	Positive
Forest Blank	0.09	0.27	0.18	0.02	Negative
Forest Plantation	8.36	17.95	9.59	1.28	Positive
<b>(B) Agriculture Lands</b>					
Single Crop	33.05	51.00	17.95	2.40	Positive
Double Crop	6.82	11.10	4.28	0.57	Positive
Agricultural Plantations	79.68	101.94	22.26	2.98	Positive
<b>(C) Other Degraded Lands</b>					
Scrub land	132.85	107.73	25.12	3.36	Positive
Barren rocky	0.75	2.71	1.96	0.26	Negative
Permanent fallow	104.58	69.08	35.50	4.76	Positive

**Recommendation***(Sl. No. 4, Para No. 58)*

2.26 The Committee views that lack of continuity due to frequent transfers of Project Directors is another main hindrance in the completion of the project and stress the need for continuity of staff in the implementation of the project.

## ACTION TAKEN

2.27 Frequent transfer of Project Directors. The Present Project Director has been in service for the past 4 years from 2005.

**Recommendation**

*(Sl. No. 7, Para No. 61)*

2.28 The Committee understands that during 2002-2003 a project was envisaged for constructing 722 new houses and repairing of 134 dwelling units. The Committee urges the department to furnish the details regarding the cost estimated for each house during the initial stages of implementation and the enhanced cost, the amount spent for constructing or repairing the houses, the amount needed for completing the remaining houses etc.

## ACTION TAKEN

2.29 The total Hamlet Development Programme (THDP) carried out under the project in two phases. In the 1st phase, THDP proposed in 26 hamlets with construction of 925 new houses and modification of 72 houses. The total cost estimated for ₹ 23.67 crores and the actual expenditure for the construction has been ₹ 21.64 crores. Construction in the Phase-I completed. No further expenditure anticipated for the construction activities of THDP Phase-I.

2.30 30 hamlets were approved for the implementation of 2nd phase THDP activities. Due to insufficient fund for the scheme, the work could be started in 25 hamlets only and are nearing completion. In these 25 hamlets, the construction of 60 houses could not be started due to the delay in getting NOC from local bodies, non-availability of land for construction and other issues among beneficiaries. In order to avoid all allegations of partial discrimination for construction of these houses, an amount of ₹ 2.00 crores only would be required.

2.31 The Detailed Project Reports (DPR) for the remaining five hamlets in the 2nd phase THDP list are ready. AHADS and Government committed the construction of THDP in these hamlets and the beneficiaries could not apply for other Government schemes like EMS Housing, IAY etc. As per the DPR prepared for these 5 hamlets, estimate for the construction of 215 houses worked out to ₹ 7.80 crores only.

2.32 Further, vide G.O. (Ms.) No. 2451/2010/LSGD dated 27-7-2010, Government of Kerala permitted AHADS to carry out THDP activity in Kunnanchala hamlet using Palakkad District Panchayat Fund. There are 96

families in the hamlet, but Palakkad District Panchayat has allotted ₹ 1.35 crore only. With the allocated fund, construction could be started in 40 houses only. This may adversely affect the unity and social structure of the hamlet. So in order to avoid possible issues within the hamlet, the remaining 56 houses to be included in the 2nd phase THDP, for which a further ₹ 1.96 crores only is required.

2.33 The Total estimated cost for THDP Phase-II for which construction started in 2nd phase was 31.66 crores and an amount of ₹ 25.36 crores was paid up to 31-3-2011 against the estimate. The construction activities are in various stages of completion. It is hoped that the construction activities of THDP Phase-II shall be completed before 30th September, 2011 to meet the balance cost of construction in Phase-II, an amount of ₹ 3.50 crores would be provided against the budget provision of the FY 2011-12. It is hoped that the construction activities of THDP Phase-II, where work has been started can be completed within the budget provisions.

2.34 In order to complete all the committed construction works a further amount of ₹ 11.76 crores would be required.

**Recommendation**

*(Sl. No. 7, Para No. 62)*

2.35 Regarding the latest position of the Hydel Project proposed to be set up at Karuvari, it was informed that certain technical problems occurred during the plan preparation. The Committee points out that it will be more profitable if 2 MW electricity can be produced at ₹ 8 crore, as Rs.6 crore is required to produce 1 MW electricity. The Committee recommends to implement the project. The Committee also suggests that if AHADS is not in a position to implement the project, it must be handed over to the State Electricity Board.

ACTION TAKEN

**Latest Position of Hydel Project**

2.36 Since there were no funds provided under the project by funding agency, the report of the Hydel Project was handed over to the Government vide letter No. 2397/2002/WRD dated: 26-3-2009.

**Recommendation**

*(Sl. No. 9, Para No. 63)*

2.37 The Committee opines that though diversion of Project surplus funds to other works such as Housing, Public Works, Water Supply etc., are not justifiable since Government Departments undertake such works in the area, it can be justified if the poor tribal people in the area is benefited.

## ACTION TAKEN

**Diversion of Project Funds to the other area for the benefit of the tribal people**

2.38 There is no diversion of funds per se. However, due to restructuring of the project, many socially relevant components were added within the overall objective of sustainable development of the local people with special focus on the tribal population. The original project report did not give adequate provision for social development and it was later recognized that without addressing the social aspects, the holistic eco-restoration may not be addressed fully. However, it is a fact that there are separate departments operating under the State Government to undertake the additional components included as part of the social development objective. But in Attappady, the development efforts by various Government Departments needed additional support to make the efforts more meaningful. By implementing the activities through the people bodies, the project could impart the skill development and provided a senses of belonging, particularly to the tribal people.

2.39 The additional components mainly focused on the development of the tribal people, namely Hamlet based development, Construction of access roads to hamlets, Human Resources Development focused on education infrastructure development for all Government schools, where tribal students are studying, Programmes for tribal orientation to education to address dropouts, programme on gender development, programme for sports training and promotion of tribal arts and conduct of environmental literacy classes for the tribals were added. By improving the public health care facilities, the efforts could bring about much needed change in the society. By the construction of the Chavadiyoor Bridge across the river Bhavani, the long felt difficulties experienced by the people belonging to the Mulli and Pudur areas have been addressed.

**Recommendation**

*(Sl. No. 10, Para No. 64)*

2.40 As far as the misappropriation of funds amounting to ₹ 5.10 lakh, the Committee suggests that revenue recovery action should be expedited for realizing the amount.

ACTION TAKEN

Misappropriation of ₹ 5.1 Lakhs—Committees suggestion on revenue recovery:

2.41 Legal cases have been registered against the incumbents involved in the misappropriation of funds from the peoples institutions and recovery proceedings are being taken up with the assistance of the police authorities.

**Recommendation**

*(Sl. No. 11, Para No. 65)*

2.42 The Committee further suggests that the recommendations put forward by Audit for the smooth functioning of the project must be implemented in their full sense.

ACTION TAKEN

**Implementation of Committee recommendation**

2.43 The Committee recommendations are given due weightage and appropriate actions are taken.

Thiruvananthapuram,  
28th January, 2014.

DR. T. M. THOMAS ISAAC,  
*Chairman,*  
*Committee on Public Accounts.*

## APPENDIX I

## SUMMARY OF MAIN CONCLUSION/RECOMMENDATION

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<i>Sl. No.</i>	<i>Paragraph No.</i>	<i>Department Concerned</i>	<i>Conclusion/Recommendation</i>
1	1.10	Local Self Government	The Committee wanted to settle the restoration issue at an early date and recommend the department to acquire vested forest area for the distribution to the eligible tribes as provided in the Forest Act.

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