

Chapter 7

Monitoring and Evaluation

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7.1 Overview of monitoring

As per the scheme guidelines, a Steering Committee under Secretary (Power) was to sanction projects including modification or revision of estimates, monitor and review the implementation of the scheme. At the State level, a Distribution Reforms Committee (DRC) under the Chairmanship of the Chief Secretary/Principal Secretary/Secretary (Power/Energy) constituted by the State was to monitor the Scheme.

Para 14 of the QA, *inter-alia*, stipulated that the State Utility shall make available for the inspection of the Central Government / Nodal Agency or its nominated Agency, all the books of accounts and other documents maintained by it. Further, the sanction letters issued by PFC also required the borrowers to maintain proper accounts, furnish unaudited annual accounts within three months and audited accounts within seven months of the close of the year of accounts. Further, Para 12 (h) of the QA, *inter-alia*, stipulated that the Utility would be required to submit monthly progress report to the PFC / MOP through its web portal in respect of progress of execution of the project and fund utilisation. As per Para 3.8 of the QA, PFC was to design monitoring formats for Part A and Part B projects, analyse the reports, monitor the implementation against identified milestones and deliverables in Part A and Part B projects for consideration of the MOP.

From the records examined in Audit, it appears that details of project – wise expenditure were not collected and / or verified. Despite monthly review meetings, UCs were received for only around 50 *per cent* of the disbursement, only the first instalment had been released in a significant number of cases, there were variation in quantities during execution, overlapping of schemes, diversion of funds, increase in AT&C losses as highlighted in the preceding chapters of this report.

The observations of Audit in this regard are presented in the following paragraphs:

7.2 Non-monitoring of milestones and targets etc. by DRC

According to Para 10.2 of the R-APDRP Guidelines, Distribution Reforms Committee (DRC) at the State level under the Chairmanship of the Chief Secretary/Principal Secretary/Secretary (Power/Energy) would monitor the Scheme at the State level. These DRCs had been setup under the Memorandum of Agreement signed by the States for implementation of the X Plan APDRP. DRC was to recommend the project proposals of the distribution companies to the MOP after ensuring that all the required formalities had been complied with, monitor compliance to the conditionalities and monitor the achievement of milestones and targets under the R-APDRP scheme. States were to decide on the periodicity of the meetings of the DRC to ensure the effective discharge of the above functions.

Audit observed that:

- The periodicity of meetings of the DRC varied from once in a fortnight to once in a year across States.
- DRC did not monitor milestones and targets under the scheme or compliance to conditionalities in seven³³ States.
- DRC met twice in **Puducherry** and **Jammu & Kashmir**; three times in **Assam**, **Tripura** and **Manipur**; seven times in **Bihar**; and ten times in **Tamil Nadu** since inception.

MOP (March 2016) did not offer any comments on these observations.

7.3 Other issues observed at the state level

Audit analysed the effectiveness of monitoring of projects at the state level apart from the procedures prescribed in the guidelines. The findings are discussed below:

- There was no system for monitoring the implementation of projects in **Sikkim**.
- In **Assam**, though the projects were being monitored by the officials of the Utility as per requirement, no procedure / system for monitoring had been prescribed.
- In **Manipur**, the Utility created a Project Monitoring Unit (June 2014) to streamline project monitoring with the requirement of fortnightly meetings to be

³³ Andhra Pradesh, Chhattisgarh, Haryana, Himachal Pradesh, Meghalaya, Sikkim and Telangana.

mandatorily taken up at the level of Deputy General Managers (DGMs) with the Turn Key Firms (TKFs). The DGMs were to send copies of the minutes of Fortnightly Meetings to the General Managers, Executive Director (Tech) and Managing Director. Further, the TKFs were to increase their manpower and also induct staff with managerial capabilities and furnish the list of manpower deployed along with the work execution schedule to the DGMs. Test check of records of Divisional offices did not indicate any documentary evidence that fortnightly meetings were conducted or manpower deployed by the TKFs and work execution schedule were collected from the TKFs.

- In **West Bengal**, West Bengal State Electricity Distribution Company Limited (WBSEDCL) constituted (August 2007) Project Appraisal and Monitoring Committee (PAMC) to control the different types of projects executed by WBSEDCL including R-APDRP scheme. Between January 2009 and March 2015, PAMC met on 23 occasions. From a scrutiny of the minutes of PAMC meetings, it was observed that R-APDRP was discussed only perfunctorily.
- The performance parameters of the projects had not been identified in five States³⁴.
- In **Uttar Pradesh**, the minutes of the meetings conducted at Chief Executive Officer (CEO) level had not been maintained due to which remedial action suggested in CEO level monitoring meeting and action taken there against could not be vouchsafed in audit.
- No comparison with benchmarks of performance parameters was carried out and remedial/ corrective action taken in four States³⁵.
- In **Punjab**, as per reply of PSPCL, review meetings with contractors were regularly conducted. No record was, however, produced in respect of comparison sheets of progress *vis-à-vis* benchmark parameters.
- In **Jammu & Kashmir**, representative of PFC did not attend the DRC meeting / review meeting held by the department for monitoring the progress of the implementation of the programme. Though the nodal officer from PFC had been visiting the State, there were no documented observations/ instructions on record.

³⁴ Meghalaya, Mizoram, Nagaland, Rajasthan and Sikkim .

³⁵ Maharashtra, Mizoram, Nagaland and Sikkim.

- In **Jharkhand**, it was seen that commitments made by the utilities in review meeting remained unfulfilled (September 2015).

MOP did not offer any comments on the observation (March 2016).

Recommendation

6. Monitoring and evaluation process, at the level of the Distribution Reforms Committee and Steering / Review Committee, needs to be strengthened to ensure that projects are completed in time.