Conclusion

Jalayagnam is the most ambitious programme taken up by the State Government for benefiting an ayacut of over 97 lakh acres and drinking water to over 2 crore population, with enormous financial implications. The programme is commendable for the socio-economic reach envisaged and the priority accorded by the Government for providing irrigation and drinking water in the arid uplands in the most backward areas of the State. However, the programme is marred by poor planning and hindrances in execution of the projects due to delays in acquisition of the requisite land, clearances from CWC/MoEF/MoTA/Planning commission, rehabilitation and resettlement activities etc.

Projects were taken up without feasibility study on basic aspects such as availability of adequate water (for the projects on Krishna and Pennar rivers), adequate power (for the Lift Irrigation Schemes), and inadequate delineation of the targeted ayacut in some cases. Specific concerns of CWC on ensuring availability of adequate water sources were ignored.

The EPC mode of contracting, as adopted by the State Government, did not ensure commensurate benefits to the State. Several contracts were awarded on single tender basis, and sufficient time was not given for ensuring adequate competition. Technical sanctions were obtained after the receipt and opening of bids in several cases and there were instances of delays in finalization of IBMs and post tender changes to IBMs. With fixed price contracting involving detailed survey and investigation, design and execution, absence of appropriate clauses in the agreements to deal with variation to specifications led to a situation where the benefits (in terms of reduced project scope, quantities etc.) accrued to the contractors in several cases.

Instead of taking up 74 irrigation projects simultaneously without establishing the feasibility of some of these and tendering without preparing the DPRs and necessary clearances for several of these, the Government should have prioritized projects over a medium to a long term time frame, and concentrated its attention on few projects at a time, ensuring that adequate resources are allocated, land

acquired for their timely completion to ensure reaping of the envisaged benefits by farmers and public. The Government is now saddled with a huge number of projects whose completion will take long with sustainability of many projects becoming doubtful on account of inadequate availability of water and power. The financial burden of these incomplete projects (and associated contracts) on the State Exchequer will be felt for a long time to come.

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(VANI SRIRAM) Principal Accountant General (G&SSA) Andhra Pradesh

Hyderabad The 24 Jan 2013

Countersigned

Vila

(VINOD RAI) Comptroller and Auditor General of India

New Delhi The 1 Feb 2013 Chapter-6 Conclusion