

**HUNDRED AND SEVENTY-THIRD
REPORT**

**PUBLIC ACCOUNTS COMMITTEE
(1983-84)**

(SEVENTH LOK SABHA)

FOOD FOR WORK PROGRAMME

MINISTRY OF RURAL DEVELOPMENT

**[Action taken by Government on the recommendations
of the Public Accounts Committee contained in their
90th Report (Seventh Lok Sabha)]**



Presented in Lok Sabha on

Laid in Rajya Sabha on

**LOK SABHA SECRETARIAT
NEW DELHI**

September, 1983/Bhadra, 1905 (Saka)

Price : Rs. 3.10

**LIST OF AUTHORISED AGENTS FOR THE SALE OF LOK
SABHA SECRETARIAT PUBLICATIONS**

Sl. No.	Name of Agent	Sl. No.	Name of Agent
BIHAR		8. M&J Services, Publishers, Representative Accounts & Law Book Seller, Mohan Kunj, Ground Floor, 68, Jyotiba Fuele Road, Nalgaum-Dadar, Bombay-14.	
1.	M/s Crown Book Depot, Upper Bazar, Ranchi (Bihar).		
GUJARAT		9. Subscribers Subscription Services India, 21, Raghunath Dadaji St., 2nd Floor, Bombay-1.	
2.	The New Order Book Company, Ellis Bridge, Ahmedabad-6:		
MADHYA PRADESH		TAMIL NADU	
3.	Moderu Book House, Shiv Palace, Indor City.	10. The Manager, M.M. Subscrip- tion Agencies, No. 2, 1st Lay Out Sivananda Colony, Coimbatore-641012.	
MAHARASHTRA		UTTAR PRADESH	
4.	M/s Sunderdas Gian Chand, 601, Girgaum Road, Near Princess Street, Bombay-2	11. Law Publishers, Sardar Patel Marg, P.B. No. 77, Allahabad, U.P.	
5.	The International Book Service, Deccan Gymkhana, Poona-4	WEST BENGAL	
6.	The Current Book House, Maruti Lane. Raghunath Dadaji Street, Bombay-1	12. Mrs. Manimala, Buys and Sells, 128, Bow Bazar Street, Calcutta-12.	
7.	M/s Usha Book Depot, Low Book Seller and Publishers' Government, Agents 585, Chira Bazar, Khan Hous Bombay-2	DEHLI	
		13. Jain Book Agency, Connaught Place, New Dehli.	

C O N T E N T S

	PAGE
COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE	(iii)
INTRODUCTION	(v)
CHAPTER I—Report	1
CHAPTER II—Recommendations or Observations that have been accepted by Government.	12
CHAPTER III—Recommendations or Observations which the Committee do not desire to pursue in the light of the replies received from Government	49
CHAPTER IV—Recommendations or Observations the replies to which have not been accepted by the Committee and which require reiteration	57
CHAPTER V—Recommendations or Observations in respect of which Government have furnished interim replies	58
 PART II 	
Minutes of the sitting of Public Accounts Committee held on 19.10.1983	62
APPENDIX—Conclusions/recommendations	64

PARLIAMENTARY LIBRARY
C O N T E N T S
63679(8)
Date.....29.12.83

PUBLIC ACCOUNTS COMMITTEE
(1983-84)

CHAIRMAN

Shri Sunil Maitra

MEMBERS

Lok Sabha

2. Shri Chitta Basu
3. Shrimati Vidyavati Chaturvedi
4. Shri C.T. Dhandapani
5. Shri G.L. Dogra
6. Shri Bhiku Ram Jain
7. Shri Satyanarayan Jatiya
8. Shri K. Lakkappa
9. Shri Mahavir Prasad
10. Shri Dhanik Lal Mandal
11. Shri Jamilur Rahman
12. Shri Uttam Rathod
13. Shri Harish Rawat
14. Shri G Narsimha Reddy
15. Shri Ram Singh Yadav

Rajya Sabha

16. Dr. Sankata Prasad
17. Shri Syed Rahmat Ali
18. Shrimati Pratibha Singh
19. Dr. (Shrimati) Sathivani Muthu
20. Dr. Harekrushna Millick
21. Shri Nirmal Chatterjee
22. Shri Kalyan Roy

SECRETARIAT

1. Shri T.R. Krishnamachari — *Joint Secretary*
2. Shri H.S. Kohli — *Chief Financial Committee Officer*
3. Shri K.K. Sharma — *Senior Financial Committee Officer*

INTRODUCTION

1. the Chairman of the Public Accounts Committee, as authorised by the Committee, present on their behalf this Hundred and Seventy-Third Report on action taken by Government on the recommendations of the Public Accounts Committee contained in their 90th Report (Seventh Lok Sabha) on Food for Work Programme relating to Ministry of Rural Development.

2. In their 90th Report, the Committee had pointed out that there was a shortfall of nearly 34.5% in the generation of additional employment during the three years of the operation of the Food for Work Programme. They had also pointed out that an altogether different set of statistics had been furnished to Parliament in this regard. While according to the performance budget of the Ministry, the generation of additional employment was shown as 141.77 crore mandays, the figures furnished to the Committee showed it to be only 97.93 crore mandays. From the reply of the Ministry, the Committee find that no instructions/guidelines were issued to the State Governments to distribute the foodgrains at the rate of 2.5 kg. per head per day only with the result that most of the State Governments paid the entire wages in foodgrains. The Committee have cautioned that similar mistakes should not be allowed to recur in the case of NREP with which the Food for Work Programme has been merged.

3. In their earlier report, the Committee had pointed out that one of the basic objectives of the 'Food for Work Programme' was to establish durable community assets. However, the report of the Programme Evaluation Organisation had revealed that as much as 46.6% of the works undertaken, selected for study were non-durable. The Committee had expressed regret at the fact that no data was available with Ministry regarding the value of such non-durable assets. Therefore, they had urged the Ministry to undertake an exercise to assess the value of such non-durable assets immediately and to draw a time-bound programme to convert non-durable works into durable assets and recommended that proper monitoring of the progress in this regard must be done both at the Centre and State levels. In their reply, the Ministry of Rural Development have stated that funds to the extent of Rs. 105 crores were given to the States at the end of the year 1980-81 for the purpose

of converting non-durable works into durable ones. However, information regarding the utilisation of the funds, the extent of works made durable with the use of these funds and the balance amount of works which remained non-durable and the likely financial implications had not yet been received from the States. In this Report the Committee have observed that the non-durable assets created under the programme were mostly in the nature of 'kucha' roads, streets and drainage and the same are likely to be washed away within a period of two or three years leading to wastage of the entire investment made in the creation of these assets unless these are urgently converted into durable assets. They have, therefore, recommended that the matter should be pursued vigorously by the Ministry of Rural Development with the State Government to ensure that all the non-durable assets created under the programme are converted into durable assets at an early date. The Committee have further recommended that the shortage of materials like cement, steel etc., should not be allowed to stand in the way of the programme of conversion of non-durable assets into durable ones.

4. The Committee considered and adopted this Report at their sitting held on 19 October, 1983. Minutes of the sitting form Part II of the Report.

5. For reference facility and convenience, the recommendations and observations of the Committee have been printed in thick type in the body of the Report and have also been reproduced in a consolidated form in the Appendix to the Report.

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

NEW DELHI ;
October 27, 1983
Kartika 5, 1905(S)

SUNIL MAITRA
Chairman,
Public Accounts Committee.

CHAPTER I

REPORT

The Report of the Committee deal with action taken by Government on the Committee's recommendations/observations contained in their Ninetieth Report (Seventh Lok Sabha) on paragraph 6 of the Advance Report of the Comptroller & Auditor General of India for the year 1979-80, Union Government (Civil) relating to Food for Work Programme (Ministry of Rural Development).

1.2 The Committee's 90th Report was presented to the Lok Sabha on 23 April, 1982 and contained 31 recommendations. Action Taken notes have been received in respect of all the recommendations/observations. The Action Taken Notes received from the Government have been broadly categorised as follows :

- (i) Recommendations and observations that have been accepted by Government :
[Sl. No. 1—15, 17—21, 23, 25, 27—29, 30—31].
- (ii) Recommendations and observations which the Committee do not desire to pursue in the light of the replies received from Government :
[Sl. No. 16].
- (iii) Recommendations and observations replies to which have not been accepted by the Committee and which require reiteration :
— Nil—
- (iv) Recommendations/observations in respect of which Government have furnished interim replies :
[Sl. No. 22, 24, 26].

1.3 The Committee desire that the final replies to the recommendations included in Chapter V, duly vetted by audit, may be furnished to the Committee at an early date.

1.4 The Committee will now deal with the action taken by Government on some of their recommendations/observations.

Generation of Additional Employment under the programme

[S. Nos. 13 to 15 Para 6.7 to 6.9]

1.5 Commenting on the failure of the programme to generate employment to the extent anticipated, the Committee had, in paragraphs 6.7 to 6.9 made the following recommendations :

“Audit have pointed out that according to Government's own estimates, generation of additional employment was expected to be at the rate of 2.5 kgs. of wheat per head per day. Since the total quantity of foodgrains utilised during the three years of operation of the Food for Work Programme (1977-78 to 1979-80), was 37.32 lakh tonnes, it should have generated 14930.28 lakh mandays. As per latest figures furnished to the Committee, the actual achievement was 9793.22 lakh mandays, i.e., an overall shortfall of nearly 34.5%. According to the Ministry payment of wages could be made wholly or partly in foodgrains and as such the question of any relationship between the foodgrains supplied and employment generated does not arise and that it was purely on a rough calculation that an estimate for employment likely to be generated was worked out at an average of 2.5 kgs. per day per head. The Secretary, Ministry of Rural Development added in evidence that the State Governments were never told that this would be the basis for calculation. Moreover, the wages paid were also not uniform in all the States.

The Committee observe that an altogether different set of statistics were furnished to Parliament in this regard. The Performance Budget of the Ministry for the year 1980-81 shows that additional employment generated under the programme was to the extent of 4.38 crore mandays in 1977-78, 37.39 crore mandays in 1978-79 and was expected to be around 100 crore mandays in 1979-80 thus making a total of 141.77 crore mandays which is much higher than the figure of 97.93 crore mandays now furnished to the Committee. The Committee consider such a wide discrepancy to be symptomatic of the failure of the monitoring system and would like the matter to be explained to Committee's satisfaction at the earliest. The Committee would also stress that the Ministry should examine in depth the reasons why the programme did not succeed in

generating employment to the extent anticipated. Such a study is essential for avoiding the pitfalls in execution of the present National Rural Employment Programme and in ensuring that substantial dent is made during the Sixth Plan period into the problem of rural employment/under-employment which happens to be one of the items of the new 20-Point Programme announced recently by the Prime Minister. The Committee suggest that the Ministry should set up a study team consisting of officials and eminent economists as members to study the scale and magnitude of rural unemployment/under-employment. The study Group should be asked to submit its report within a reasonable period of time."

1.6 In their Action Taken Note, the Ministry of Rural Development have stated as follows :

"The expected figures of additional employment generated of around 100 crore mandays during the year 1979-80 under Food for Work Programme was worked out on the basis of 2.5 kg. per head per day and utilisation of 25 lakhs metric tonnes of foodgrains. However, the actual utilisation of foodgrains remained at 23.76 lakhs metric tonnes only and most of the State Government paid entire wages to workers in foodgrains. The whole calculation of additional employment likely to be generated during the year 1979-80, was, therefore, upset. The total additional employment generated during the year 1979-80 comes to 59.11 crore mandays. On the basis of actual utilisation of foodgrains of 23.76 lakhs MTS, the employment generated should have been 95.04 crore mandays. As, however, the State Governments were never instructed to distribute food grains as wages @ 2.5 kg per head per day, most of them paid entire wages in foodgrains only, as they could not find enough funds from their own resources. It was in these circumstances that the actual total employment worked out to 59.11 crore mandays. In respect of the year 1977-78 and 1978-79, the employment generation figures come to 44.4 and 35.32 crore mandays respectively. The slight variations in these two figures compared with the figures appearing in the Performance Budget is due to revised information having been received from some of the States. In any case, during these two years also, the employment generation was not on the basis of 2.5 kgs. of foodgrains per manday of employment generation for the reasons already explained above.

The wages of the workers under National Rural Employment Programme are now paid partly in cash and partly in kind. The payment of wages in kind is restricted to only one kg of foodgrains per head per day and rest of the wages are paid in cash. The payment of wages of the workers under the programme is made on the basis of the minimum Agricultural Wages only. It is now being carefully looked into whether there is any shortfall in employment generated on the basis of minimum Agricultural Wages and in cases where shortfall is noticed the States are requested to explain the same. As such, there is no possibility of employment generated falling short of actual quantity of foodgrains and cash funds utilised under the programme now.

As regards the suggestion for setting up of a Study team consisting of officials and eminent economists as members to study the scale and magnitude of rural employment and under-employment, it may be mentioned that a Committee on the strategy for full employment in rural areas had already been set up in December, 1981. The composition of the Committee is as under :

- | | |
|---|----------|
| 1. Secretary, Government of India, Ministry of Rural Development | Chairman |
| 2. Adviser (Rural Development) Planning Commission. | Member |
| 3. Additional Secretary, Ministry of Labour. | Member |
| 4. Education Adviser (Technical) Ministry of Education and Culture. | Member |
| 5. Development Commissioner, Small Scale Industries, Ministry of Industry. | Member |
| 6. Additional Secretary, Department of Banking. | Member |
| 7. Executive Director, Reserve Bank of India. | Member |
| 8. Chief Executive Officer, Khadi and Village Industries Commission, Bombay. | Member |
| 9. Dr. R. Lal, Professor (Economics), Regional Institute of Technology, Jamshedpur, | Member |

- | | |
|--|------------------|
| 10. Secretary Labour and Employment Government of Gujarat. | Member |
| 11. Secretary, Rural Development, Government of Maharashtra. | Member |
| 12. Secretary, Forest and Rural Development, Government of Andhra Pradesh. | Member |
| 13. Secretary, Rural Development, Government of Nagaland. | Member |
| 14. Secretary, Rural Development and Cooperation, Government of Karnataka. | Member |
| 15. Commissioner-cum-Secretary, Rural Reconstruction and Panchayati Raj Government of Bihar. | Member |
| 16. Joint Secretary (RE), Ministry of Rural Development. | Member-Secretary |

It has been suggested that the Terms of reference of the Committee should also include the recommendations made by Public Accounts Committee. The matter is under examination. The report of the study team is expected by.....”

1.7 In their earlier Report, the Committee had pointed out that there was a shortfall of nearly 34.5% in the generation of additional employment during the three years of the operation of the Food for Work Programme. While according to the total quantity of foodgrains utilised during this [period the generation of additional employment should have been to the extent of about 149 crore mandays, the actual achievement was only about 98 crore mandays. The Committee had also pointed out that an altogether different set of statistics had been furnished to Parliament in this regard. While according to the performance budget of the Ministry, the generation of additional employment was shown as 141.77 crore mandays, the figures furnished to the Committee showed it to be only 97.93 crore mandays. The explanation for the wide variation between the two sets of figures now furnished by the Ministry is that, the anticipated generation of additional employment was based on the basis of

2.5 kg. of foodgrains per head and this could not be achieved as most of the State Governments paid the entire wages in foodgrains. The Committee are not satisfied with this explanation. As they observe, according to the Ministry's own admission, the State Government were never instructed to distribute foodgrains as wages @ 2.5 kg. per head per day. It is therefore no surprise that some of the State Governments had paid the entire wages in foodgrains only. It is not clear to the Committee why suitable guidelines/instructions in the matter were not issued by the Ministry to the State Governments. The Committee trust that similar mistakes will not be allowed to recur in the case of NREP with which the Food for Work Programme has been merged.

1.8 The Committee note that Government have, in December 1981, appointed a Committee on the strategy for full employment in rural areas. The Committee urge that the study team should be asked to submit their report at the earliest so that the same may facilitate the finalisation of the strategy to mitigate the scourge of rural unemployment in the country.

*Need for conversion of non-durable assets into durable assets
(S. Nos. 8 to 12, Paras 5.10 to 5.15)*

1.9 Emphasising the need for conversion of non-durable assets created under the programme into permanent assets, the Committee in their earlier Report had recommended/observed as follows :

"One of the basic objectives of the Food for Work Programme was to establish durable community assets which however, was not done. The Report of the Programme Evaluation Organisation has revealed that as much as 46.6% of the works undertaken in the blocks/districts selected for study were non-durable. Construction and repair of village roads and streets and drainage programme accounted for the maximum number of non-durable works. This has been explained as due to the reason that while foodgrains were supplied by the Centre, adequate funds were not made available by the State Governments for the material component viz. cement, bricks, steel etc. as well as skilled labour, technical supervision etc.

The Secretary, Ministry of Rural Development stated in evidence that in U.P. for example, as much as 40000 kms. of kutcha roads were constructed as a measure of drought relief "in a most haphazard manner". "We brought it to the notice of the State Government that they should have proper plan, otherwise in one or two rains, earthwork will get washed away and there will be a colossal waste of money.....they will take several years for top dressing and soling. I do not think the State will have resources to make these roads pucca in the next four to five years."

The performance budget of the then Ministry of Rural Reconstruction for the year 1980-81 has also pointed out that for want of adequate financial provision in most of the States for giving a part of the wages in cash and for financing the material components of work, it had become a practice to build kutcha Roads on a large scale. These roads will not be able to survive even one or two monsoons and cannot by any standard be termed as durable assets."

The Committee regret to observe that no data is available with the Ministry as to the value of such non-durable assets. The Ministry have contended that 'In so far as the value of the individual assets created under the programme is concerned, it was for the State Governments/Union Territory Administrations to see that the assets created are commensurate with the quantum of foodgrain and other expenditure incurred on each of these.

The Committee are unable to accept the explanation provided by the Ministry and are of the view that it is an attempt to divest themselves of all responsibility in the matter.

Considering that a large number of non-durable assets were created under the Food for Work Programme, the Committee desire that an assessment should be made of the value of such works to enable a proper cost benefit study to be carried out and also to ascertain the actual state of such works and the requirements of funds for making them durable. The Committee would therefore urge the Ministry to undertake

such an exercise immediately and report back the results thereof. The Ministry of Rural Development should in consultation with the Ministries of Industry and Steel draw up the details of requirements of cement and steel and the Centre should earmark specifically a portion of the allotment in respect of these commodities to the States for use under this programme.

The Committee understand that in 1980-81 special cash grant was given to the State/Union Territories under NREP to make the non-durable assets created under the programme durable. From 1.4.1981 regular material component to the extent of 40% in case of individual works within an overall ceiling of 33% for the State as a whole is being given. It is, therefore, incumbent on the Ministry to ensure that all non-durable works are made durable under a time bound programme. Proper monitoring of the progress in this regard must be done both at the Central and State levels and release of further funds for new schemes made contingent on the progress in the completion of the unfinished works."

1.10 In their action taken reply, the Ministry of Rural Development have stated :

"The problem of non-durable assets under Food for Work Programme arose mostly because no separate funds for material component were given to States/Union Territories under the programme. It was expected that the State Governments/ Union Territory Administrations would be able to manage the necessary funds for the purpose from their own resources. In case of some of the States/Union Territories this expectation was not fulfilled. It was in these circumstances that when the Food for Work Programme was replaced by National Rural Employment Programme, a specific provision was made in NREP guidelines for providing material component. It was also with the intention of converting the non-durable works created in the past into durable ones that funds to the extent of Rs. 105.00 crores were given to the States and Union Territories at the end of the year 1980-81. The State Governments/ Union Territory Administrations were also requested to furnish information in regard to utilization of these funds and also to

indicate the extent of works made durable with the use of these funds. They were also requested to intimate the balance amount of works which remained non-durable and the likely financial resources required for converting them into durable ones. Submission of this information was made one of the conditions for release of funds for the 1st and 2nd quarters of the current financial year. Since, however, most of the States were not able to supply the information in time, and wanted extention, the relaxation has to be given by allowing them to furnish the information before the next release at the end of September, 1982. Complete information in this regard has, however, not been received so far till November, 1982 and the State Government are being reminded to furnish the same positively by the end of year 1982-83. The Public Accounts Committee will be informed of further developments in the matter.

As regard the value of non-durable works, the information is also still awaited from the State Government. They have been reminded again in this regard. The information will be submitted to Public Accounts Committee as soon as received.

The Ministries of Industry and Steel and Mines were approached for making separate allocation of cement and steel for works under the programme. In respect of steel, the Ministry of Steel and Mines have informed that there is no statutory control on distribution of iron and steel material and there is also no system of State-wise allotment of iron and steel materials. The State Governments were, therefore, advised to register their demands for iron and steel with the nearest Branch Sales Office of the main producers and to obtain their requirements from them. Regarding cement, the Industry Ministry expressed a helpful inclination and desired to know the requirements of each State/Union Territory. The State Governments were accordingly requested to intimate their requirements to Ministry of Rural Development quickly. Requirements received from some of the State Governments have been passed on to the Ministry of Industry for necessary action. The remaining State Governments have been reminded in the matter."

1.11 In their earlier report, the Committee had pointed out that one of the basic objectives of the 'Food for Work Programme' was to establish durable community assets. However, the report of the programme Evaluation Organisation had revealed that as much as 46.6% of the works undertaken, selected for study, were non-durable. The Committee had expressed regret at the fact that no data was available with the Ministry as to the value of such non-durable assets, the Committee had not accepted the explanation of the Ministry that it was for the State Governments to see that the assets created were commensurate with the quantum of foodgrains and other expenditure incurred on each of these and expressed the view that it was an attempt to divest themselves of all responsibility in the matter. The Committee had urged the Ministry to undertake an exercise to assess the value of such non-durable assets immediately and to draw a time-bound programme to convert non-durable works into durable assets. The Committee had recommended that proper monitoring of the progress in this regard must be done both at the Centre and State levels and release of further funds for new schemes made contingent on the progress in the completion of the unfinished work. In their reply, the Ministry have stated that funds to the extent of Rs. 105 crores were given to the States at the end of the year 1980-81 for the purpose of converting non-durable works into durable ones. However, information regarding the utilisation of the funds, the extent of work made durable with the use of these funds and the balance amount of works which remained non-durable and the likely financial resources required for the purpose had not yet been received from the States. The information regarding the value of non-durable works was also still awaited from the State Governments. The Committee cannot but express their unhappiness at this state of affairs. As the non-durable assets created under the programme were mostly in the nature of 'kucha' roads, streets and drainage, the same are likely to be washed away within a period of two or three years leading to wastage of the entire investment made in the creation of these assets unless these are urgently converted into durable assets. The Committee are of the view that the matter has not been dealt with the seriousness which it deserves. The Committee, therefore, recommend that the matter should be pursued vigorously by the Ministry of Rural Development with

the State Governments and it must be ensured that all the non-durable assets created under the programme are converted into durable assets at an early date. The Committee, further recommend that the shortage of materials like cement, steel, etc., should not be allowed to stand in the way of the programme of conversion of non-durable assets into durable ones.

CHAPTER II

CONCLUSIONS OR RECOMMENDATIONS THAT HAVE BEEN ACCEPTED BY GOVERNMENT

Recommendation

The Food for Work Programme was launched in April, 1977 with the basic objectives of providing gainful employment opportunities to the poorer sections of the rural community, creating durable community assets and strengthening the rural infrastructure leading to higher production and better living standards in the rural areas. Conceived in the context of comfortable food stock position, the programme was taken up as an integral part of the strategy for a direct attack on the problem of rural unemployment and poverty. It has been claimed that but for this programme, there would have been acute distress in the countryside during 1979-80 which was a year of unprecedented drought. In October, 1980 the programme was replaced by the National Rural Employment Programme (NREP) which is now an integral part of the Sixth Five Year Plan.

Under the scheme, foodgrains were made available to the State Government/Union Territories free of cost for supplementing their budgetary provisions for maintenance of public works on which large investment had been made in the past. As not much headway could be made initially, the scheme was liberalised in December, 1977 to include all ongoing and non-plan works and new items of public and community works which would constitute durable community assets.

The Committee find that no additional staff was provided either at the State level or at the Block level for ensuring proper implementation and monitoring of the programme. At the district level, the work was entrusted to District Development Officer. Since the administrative structure particularly at the grass-root level in the rural areas is known to be very weak, the Committee consider that while launching such a programme, it was imperative that adequate attention was paid to the strengthening of the administrative infrastructure and to provide necessary training and proper orientation to the staff with regard to the problems and needs of the rural community. It was conceded by

the Secretary, Ministry of Rural Development during evidence "that the block administration used to be strong in the 50s and 60s. When the block programme became weak, the department re-established the vertical hierarchy. The result was that the integrated approach, which should have been there at the block level, got destroyed. We are again trying to re-assemble the block team."

[S. No. 1. paras 2.7 to 2.9 of the 90th Report of Public Accounts Committee 7th L.S.]

Action Taken

A number of steps have been taken to streamline the administrative machinery at State/District and Block Levels for effective implementation of all rural development programmes like integrated Rural Development Programme (IRDP), Drought Prone Area Development Programme (DPAP), Special Live-stock Production Programme (SLPP) and National Rural Employment Programme (NREP) etc.

At the State level, it has been suggested on 20.3.1982 to the State Governments that all rural development programmes should be dealt with by one Department, which has the control over block machinery. There should be a separate post of the rank of Commissioner for dealing with all special programmes. This officer should be suitably assisted by middle level officers of the rank of Joint Secretary/Deputy Secretary. For effective implementation and monitoring of the programmes. State Governments have been advised to set up inter-disciplinary cells consisting of officers drawn from various concerned departments. The Government of India have agreed to bear 50% cost of such monitoring cells at the State level consisting of one Economist/Statistician and one or two Technical Officers of the grade of Joint Director. Some States like Rajasthan have a Special Scheme Organisation equipped with experts drawn from various disciplines. The Government of Gujarat have also recently set up a Commissionarate of Rural Development on the lines of Special Scheme Organisation of Rajasthan. Monitoring Cells have been set up/approved under the scheme mentioned above in the case of 14 States.

At the District Level, DRDAs have been set up for dealing with all rural development programmes. This agency is headed by the Collector/Chief Executive Officer of the Zila Parishad. It has a planning team,

subject matter specialists and monitoring and accounting staff. Representation is provided on the Government Body of the agency to MLAs/MPs of the area, financing institutions, the weaker sections and also women. In order to give the Project Director effective control over the Block Development Officers, it has been suggested to the State Government that the posts should be manned by Senior Officer of the IAS or State Civil Service who should also be declared as *ex-officio* Additional Deputy Commissioner.

At the Block Level, it was found that the block machinery has been completely eroded over the years in most of the States due to more than one reason. A scheme was therefore introduced to strengthen the block machinery so as to ensure a minimum complement of 10 Village Level Workers, Extension Officers, for Industry, Women and Children Programme, and Cooperation and a progress assistant. For looking after the technical and accounting work involved in the implementation of NREP, it has been agreed to in principle that one post of Junior Engineer and one post of Junior Accountant should also be created in each block and similarly one post of Assistant Project Officer (Technical) or Assistant Engineer and one post of Accountant be created at the DRDA level. For senior level supervision, the existing technical staff available in other departments is to be utilised.

It has also been allowed that for the supervision of each work, one educated village youth may be employed on work charge basis for supervisory work involving maintenance of muster rolls etc.

[Ministry of Rural Dev. O.M. No. G. 25011/5/82—NREP dated
135-1983]

Recommendation

The Committee understand that a decision has been taken recently by the Central Government to provide funds to the extent of 50 per cent to the State Governments for strengthening the staff at the block level. The estimated outlay under the new National Rural Employment Programme during the Sixth Plan is as high as Rs. 4500 crores. It is obvious that the implementation machinery would have to be attuned to the challenging task by providing to it necessary skills and orientation, which is essentially a management task, so as to ensure successful implementation of the programme. The Committee, therefore, consider that Government must face this problem squarely and persuade State Government to take concerted steps to develop a cadre of rural managers drawn

largely from rural areas for planning and execution of the development schemes for the poor and unemployed sections of the rural community under the National Rural Employment Programme. The Committee consider that the Union and State Governments have distinctive roles to play in this sphere. While senior executives who belong to All India Services are to be trained and given the necessary orientation in Central institutions, it is equally important that the supporting staff who are employees of the State Governments are also properly equipped for the task. The Committee trust that the training facilities available in the National Institute of Rural Development, Hyderabad and other similar institutions in the country would be made full use of, Mention has been made in the annual report of the then Ministry of Rural Reconstruction for the year 1980-81 a new Centrally sponsored scheme for establishment or strengthening of State centres for training and research in rural development. The Committee desire that the matter should be pursued vigorously with the State Governments with a view to expediting the setting up of such centres. The Committee would like to be appraised of the precise steps taken in this direction.

[Sl. No. 2, para 2.10 of 90th Report of Public Accounts Committee (Seventh Lok Sabha)].

Action Taken

In regard to training of the personnel deployed, it is to being provided in the guidelines that for the senior functionaries both at State and district levels, training could be provided through workshops/seminars and conferences held at Delhi/State Headquarters or by deputing them for a short period to Central institutions like National Institute of Rural Development, Hyderabad and other similar institutions in the country. For the benefit of the field level functionaries, it is necessary that the DRDAs arrange training programme at the District/Block levels. State Governments are accordingly being requested to organise these programmes and provide training materials in the local language.

Regarding the new Centrally Sponsored Scheme for establishing/strengthening of State centres for training and research in Rural Development, the present position is that only three State Governments, viz. Andhra Pradesh, Assam and Uttar Pradesh, have sent their proposals which are under active consideration. The remaining States are being reminded to send their proposals.

[Ministry of Rural Dev. O.M. No. G. 25011/5/82—NREP dated 13.5.1983].

Recommendation

The Committee note with dismay that the 'Food for Work Programme' was initiated without carrying out any specific survey with regard to the scale and magnitude of rural unemployment/under-employment. The Committee are surprised to note that no efforts were made to draw up a shelf of projects based on the needs of the rural community after carrying out detailed field surveys and collecting the requisite data. Since these schemes were meant for the rural poor it was also necessary that those who were to be the beneficiaries of the scheme were chosen in a more careful manner.

The Evaluation Report of the Programme Evaluation Organisation has also pointed out that the departmental projects undertaken were chosen by the States in a casual manner out of on-going projects without going into the basic needs and priorities of the village community

The Committee understand that it is only recently that instructions have been issued making it obligatory for the States to prepare a shelf of projects based on the felt needs of the people. The Committee expect that the Ministry of Rural Development as the nodal Ministry in charge of the rural developmental programme would ensure that funds are released to the States only after satisfying themselves that well thought out shelves of projects have been prepared by the agencies concerned with the implementation of the programme.

[Sl. No. 3 and 4, Para Nos. 3.10 and 3.11 of 90th Report of Public Accounts Committee (Seventh Lok Sabha)].

Action Taken

The preparation of shelf of projects for each district/block has since been made obligatory. These shelves of projects are to be prepared on a sufficiently dispersed scale for each district/block so that all the felt needs of the rural community particularly of the economically and socially handicapped get catered to on a planned and priority basis. A suitable system for periodic review of projects included in the shelf is also required to be evolved by the States/Union Territories. The works to be executed during a given year out of the shelf of projects depend upon the resources made available to each district/block for the year. The works to be included in the Annual Plan have to be selected out of the shelf of projects only in the beginning of the year itself on the basis of the pre-determined priorities. The Annual Action Plans are approved by DRDAs

before the works included therein can be taken up for execution. No works outside the shelf of projects are allowed to be taken up under any circumstances under this programme.

The preparation of shelf of projects was made an essential condition for release of funds during the year 1982-83 (A copy of Secretary (RD)'s D.O. letter No. M-13015/4/82-NREP dt. 13.5.82 as Annexure-I is enclosed). The shelf of projects has since been prepared in almost all the States on block/district basis. States have now been intimated on 6.11.82 that funds for the third and fourth quarters of the current year will in no case be released unless and until the shelf of projects in respect of all their blocks/districts in the prescribed proforma have been prepared.

[Ministry of Rural Dev. O.M. No. G. 25011/5/82-NREP dated 13.5.1983].

Recommendation

The committee find that constitution of State District Level Steering Committee was delayed in some States while in certain others such committees were not set up at all. The Committee are dismayed to find that even in States where State Level Steering Committees were set up, these Committees met very infrequently. Thereafter, the inescapable conclusion seems to be that the task of ensuring efficient implementation of the programme through a system of close monitoring and supervision was not taken seriously by the State Governments concerned or insisted upon by the Central Government. At the District Level, the identification of works under the programme was to be done by the District Level Steering Committees. The report of the Programme Evaluation Organisation points out that these Committees had not been set up in all districts and wherever they had been set up, they were not quite active except in a very few cases. In certain places, the district committees did not meet even once after their constitution. The Committee consider that activation of Steering Committee both at the State and District levels is essential for effective monitoring and for devising on course corrective measures as may be called for from time to time. The Committee consider that the rural poor and their organisations must be represented on these Committees. Voluntary agencies should also be involved in the task of rural development. The Committee recommend that instructions in this behalf should be integrated into the directives/guidelines given to the States for compliance.

[S. No. 5, para 4.6 of the 90th Report of Public Accounts Committee (Seventh Lok Sabha)].

Action Taken

It has since been emphasised *vide* Ministry of Rural Development letter No. M. 13014/32/81-NREP, dated 22.3.82 (Annexure II) on the State Governments/Union Territory Administrations that the meeting of the State Level Steering Committees should be held regularly and according to schedule. At the district level, the DRDAs have to hold meetings to review the position of implementation of NREP every month. With the help of the separate monitoring unit which has been created in the Ministry of Rural Development, this aspect is being fully looked after now. Separate area officers have also been appointed for each State and they also pay frequent visits to the States allotted to them and thereby ensure that the meetings of the State Level Steering Committees and the DRDAs for constant reviewing progress of implementation of NREP are not unduly delayed. There is marked improvement now in holding of State Level Steering Committees and the DRDAs meetings to review the implementation of the programme now.

In regard to the representation of the rural poor and their organisations on the State Level Steering Committee as well as the DRDAs, it may be mentioned that the Members of Parliament not exceeding 7 are represented on the Advisory Committee, which is a policy guidance body. At the district level, all the MLAs/MLCs, and MPs represented at the State Level Steering Committee are made the members of the DRDAs. As such, the people's representatives are fully represented on these bodies.

The voluntary agencies of repute and standing were allowed to be entrusted with the execution of works under FW/NREP from the year 1978-79. In the revised guidelines specific provision for this purpose is being made.

[Ministry of Rural Dev. O.M. No. 23011/5/82-NREP dated 13.5 1983].

Recommendation

The guidelines laid down by the Central Government provided for submission of monthly and quarterly progress reports to serve the

needs of planning and administration of the schemes to enable the authorities both at the Centre and in the States to keep a close watch on trends and to apply corrective steps. They were also to form the basis for further release of foodgrains under the scheme. The details furnished to the Committee in this regard reveal a very sorry state of affairs. Almost all the States defaulted in furnishing these reports in time. The monthly progress reports for 1979-80 were delayed by as many as 2 to 21 months by Andhra Pradesh, 2 to 13 months by Assam and 4 to 15 months by Arunachal Pradesh. Quarterly reports were also delayed by 3 to 10 months by Assam and 4 to 13 months by Himachal Pradesh-in fact both these States had been consistent defaulters throughout the period of operation of the programme. What is worse, certain States like Jammu & Kashmir and Manipur did not file any quarterly reports at all. The Committee fail to appreciate why foodgrains were released to the defaulting States in disregard of the guidelines consistently over a period of time. Obviously, the Ministry themselves did not take those defaults seriously and allow not only the guidelines to be violated but the monitoring system itself to get vitiated and diluted. This is indeed unfortunate. The Committee need hardly point out that for the States themselves, timely receipt of progress reports would have helped better monitoring of the programme.

[Sl. No. 6, Para 4.7 of 90th Report of Public Accounts Committee
(seventh Lok Sabha)].

Action Taken

Submission of monthly and quarterly reports has been made more strict. With the inclusion of the National Rural Employment Programme in the 20 Point Programme, the monitoring of the progress of implementation of the programme has been made more effective. The monitoring cell of the programme having been strengthened a strict watch is now kept to ensure that monthly and quarterly reports are not unduly delayed. There are of course a few States/Union Territories who still do not furnish the reports well in time. But, by and large, the position in this regard has improved considerably. It is hoped that in the months to come every State/Union Territory will be furnishing the monitoring reports/returns without any delay.

Incidentally, it may be mentioned that physical monitoring has also considerably been improved. Regular and frequent field visits are now made to all the States by the officers of the Ministry of Rural

Development. The State Governments/Union Territories are being requested to see that their officers at all levels including State, District, and Block make regular field visits and communicate their impressions including the shortcomings noticed in implementation of the programme to higher levels. In the guidelines which are being revised it is being provided that it would be desirable to have a schedule of inspections for officers from State Level to Block Level prescribed as done under Revenue Departments in each State. Separate provision is also being made for maintenance of accounts at different levels and separate proforma for the purpose are also being prescribed. This will also help in quick submission of reports and returns and improving the overall monitoring system.

[Ministry of Rural Dev. O.M. No. 25011/5/82-NREP dated 13.5.1983].

Recommendation

The Committee trust that in such Centrally sponsored programmes which are in fact national programmes, due vigilance will be exercised by the beneficiary States. The Central Government on their part should also devise in built checks to ensure that further release of funds or assistance in kind is not permitted unless the requisite progress reports are forthcoming in time. The Committee would like to be apprised of the specific steps taken in this regard.

[SL. No. 7, 90th Para 4.8 of Report of Public Accounts Committee Seventh Lok Sabha].

Action Taken

Submission of monthly/quarterly reports have now been made a strict condition for further releases. Releases are now being generally made when monthly and quarterly reports have been received.

[Ministry of Rural Dev. O.M. No. 25011/5/82-NREP dated 13.5.1983]

Recommendation

One of the basic objectives of the 'Food for Work Programme' was of establish durable community assets which however, was not done. The Report of the Programme Evaluation Organisation has revealed that as much as 46.6% of the works undertaken in the blocks/districts selected for study were non-durable. Construction and repair of village

roads and streets and drainage programme accounted for the maximum number of non-durable works. This has been explained as due to the reason that while foodgrains were supplied by the Centre, adequate funds were not made available by the State Governments for the material component *viz.* cement, bricks, steel etc. as well as skilled labour, technical supervision etc.

The Secretary, Ministry of Rural Development stated in evidence that in U.P. for example, as much as 40000 kms. of kutch roads were constructed as a measure of drought relief "in a most haphazard manner". We brought it to the notice of the State Government that they should have proper plan, otherwise in one or two rains, earthwork will get washed away and there will be a colossal waste of money..... they will take several years for top dressing and soiling. I do not think the State will have resources to make these roads pucca in the next four to five years."

"The performance budget of the then Ministry of Rural Reconstruction for the year 1980-81 has also pointed out that for want of adequate financial provision in most of the States for giving a part of the wages in cash and for financing the material components of work, it had become a practice to build kutch Roads on a large scale. These roads will not be able to survive even one or two monsoons and cannot by any standard be termed as durable assets."

The Committee regret to observe that no data is available with the Ministry as to the value of such non-durable assets. The Ministry have contended that 'In so far as the value of the individual assets created under the programme is concerned, it was for the State Governments/Union Territory Administrations to see that the assets created are commensurate with the quantum of foodgrains other expenditure incurred on each of these."

The Committee are unable to accept the explanation provided by the Ministry and are of the view that it is an attempt to divest themselves of all responsibility in the matter.

Considering that a large number of non-durable assets were created under the Food for Work Programme, the Committee desire that an assessment should be made of the value of such works to

enable a proper cost benefit study to be carried out and also to ascertain the actual State of such works and the requirements of funds for making them durable. The Committee would therefore urge the Ministry to undertake such an exercise immediately and report back the results thereof. The Ministry of Rural Development should in consultation with the Ministries of Industry and Steel draw up the details of requirements of cement and steel and the Centre should earmark specifically a portion of the allotment in respect of these commodities to the States for use under this programme.

The Committee understand that in 1980-81 special cash grant was given to the States/Union Territories under NREP to make the non-durable assets created under the programme durable. From 1.4.1981 regular material component to the extent of 40% in case of individual works within an overall ceiling of 33% for the State as a whole is being given. It is, therefore, incumbent on the Ministry to ensure that all non-durable work are made durable under a time bound programme. Proper monitoring of the progress in this regard must be done both at the Central and State levels and release of further funds for new schemes made contingent on the progress in the completion of the unfinished works.

[Sl. No. 8 to 12 (Para Nos. 5.10 to 5.15) of Ninetieth Report of Public Accounts Committee (Seventh Lok Sabha)].

Action Taken

The problem of non-durable assets under Food for Work Programme arose mostly because no separate funds for material component were given to States/Union Territories under the programme. It was expected that the State Governments/Union Territory Administrations would be able to manage the necessary funds for the purpose from their own resources. In case of some of the States/Union Territories this expectation was not fulfilled. It was in these circumstances that when the Food for Work Programme was replaced by National Rural Employment Programme, a specific provision was made in NREP guidelines for providing material component. It was also with the intention of converting the non-durable works created in the past into durable ones that funds to the extent of Rs. 105.00 crores were given to the States and Union Territories at the end of the year 1980-81. The State Governments/Union Territory Administrations were also requested to furnish information in regard to utilisation of these funds and also to

indicate the extent of works made durable with the use of these funds. They were also requested to intimate the balance amount of works which remained non-durable and the likely financial resources required for converting them into durable ones. Submission of this information was made one of the conditions for release of funds for the 1st and 2nd quarters of the current financial year. Since, however, most of the States were not able to supply the information in time, and wanted extension, the relaxation has to be given by allowing them to furnish the information before the next release at the end of September, 1982. Complete information in this regard has, however, not been received so far till November, 1982 and the State Government are being reminded to furnish the same positively by the end of year 1982-83. The Public Accounts Committee will be informed of further developments in the matter.

As regard the value of non durable works, the information is also still awaited from the State Government. They have been reminded again in this regard. The information will be submitted to Public Accounts Committee as soon as received.

The Ministries of Industry and Steel and Mines were approached for making separate allocation of cement and steel for works under the programme. In respect of steel, the Ministry of Steel and Mines have informed that there is no statutory control on distribution of iron and steel material and there is also no system of State-wise allotment of iron and steel materials. The State Governments were, therefore, advised to register their demands for iron and steel with the nearest Branch Sales Office of the main producers and to obtain their requirements from them. Regarding cement, the Industry Ministry expressed a helpful inclination and desired to know the requirements of each State/Union Territory. The State Governments were accordingly requested to intimate their requirements to Ministry of Rural Development quickly. Requirements received from some of the State Governments have been passed on to the Ministry of Industry for necessary action. The remaining State Governments have been reminded in the matter.

[Ministry of Rural Dev. O.M. No. G 25011/5/82-NREP dated
13.5.1983.]

Recommendation

Audit have pointed out that according to Government's own estimates, generation of additional employment was expected to be at

the rate of 2.5 kgs. of wheat per head per day. Since the total quantity of foodgrains utilised during the three years of operation of the food for work programme (1977-78 to 1979-80), was 37.32 lakh tonnes, it should have generated 14930.28 lakhs mandays. As per latest figures furnished to the Committee, the actual achievement was 9793.22 lakh mandays *i.e.* an overall shortfall of nearly 34.5%. According to the Ministry, payment of wages could be made wholly or partly in foodgrains and as such the question of any relationship between the foodgrains supplied and employment generated does not arise and that it was purely on a rough calculation that an estimate for employment likely to be generated was worked out at an average of 2.5 kg. per day per head. The Secretary, Ministry of Rural Development added in evidence that the State Governments were never told that this would be the basis for calculation. Moreover, the wages paid were also not uniform in all the States.

The Committee observe that an altogether different set of statistics were furnished to Parliament in this regard. The Performance Budget of the Ministry for the year 1980-81, shows that additional employment generated under the programme was to the extent of 4.33 crore mandays in 1977-78, 37.39 crores mandays in 1978-79 and was expected to be around 100 crore mandays in 1979-80 thus making a total of 141.77 crore mandays which is much higher than the figure of 97.93 crore mandays now furnished to the Committee. The Committee consider such a wide discrepancy to be symptomatic of the failure of the monitoring system and would like the matter to be explained to Committee's satisfaction at the earliest.

[S. Nos. 13 and 14 (paras 6.7 and 6.8) of the 90th Report of PAC
(7th L.S.)]

Action Taken

The expected figures of additional employment generated of around 100 crores mandays during the year 1979-80 under Food for Work Programme was worked out on the basis of 2.5 kg. per head per day and utilisation of 25 lakhs metric tonnes of foodgrains. However, the actual utilisation of foodgrains remained at 23.76 lakhs metric tonnes only and most of the State Government paid entire wages to workers in foodgrains. The whole calculation of additional employment likely to be generated during the year 1979-80, was, therefore, upset. The total additional employment generated during the year 1979-80 comes to 59.11 crores mandays. On the basis of actual utilisation of foodgrains of

23.76 lakhs MTs. the employment generated should have been 95.04 crores mandays. As, however, the State Governments were never instructed to distribute foodgrains as wages @ 2.5 kg. per head per day, most of them paid entire wages in foodgrains only, as they could not find enough funds from their own resources. It was in these circumstances that the actual total employment worked out to 59.11 crores mandays. In respect of the year 1977-78 and 1978-79, the employment generation figures come to 4.44 and 35.32 crore mandays respectively. The slight variations in these two figures compared with the figures appearing in the Performance Budget is due to revised information having been received from some of the States. In any case, during these two years also, the employment generation was not on the basis of 2.5 kgs. of foodgrains per manday of employment generation for the reasons already explained above.

[Ministry of Rural Dev. O.M. No. G. 250 11/5/82-NREP dated 13.5.83].

Recommendation

The Committee would also stress that the Ministry should examine in depth the reasons why the programme did not succeed in generating employment to the extent anticipated. Such a study is essential for avoiding the pitfalls in execution of the present National Rural Employment Programme and in ensuring that substantial dent is made during the sixth Plan period into the problem of rural employment/under-employment which happens to be one of the items of the new 20 Point Programme announced recently by the Prime Minister. The Committee suggest that the Ministry should set up a study team consisting of officials and eminent economists as members to study the scale and magnitude of rural unemployment/under employment. The study Group should be asked to submit its report within a reasonable period of time.

[Sl. No. 15 (Para No. 6.9) of 90th Report of Public Accounts Committee (Seventh Lok Sabha)].

Action Taken

The wages of the workers under National Rural Employment Programme are now paid partly in cash and partly in kind. The payment of wages in kind is restricted to only onekg. of food grains per head per day and rest of the wages are paid in cash. The payment of wages of the wor-

kers under the programme is made on the basis of the minimum Agricultural Wages only. It is now being carefully looked into whether there is any shortfall in employment generated on the basis of minimum Agricultural Wages and in cases where shortfall is noticed the States are requested to explain the same. As such, there is no possibility of employment generated falling short of the actual quantity of foodgrains and cash funds utilised under the programme now.

As regards the suggestion for setting up of a Study team consisting of officials and eminent economists as members to study the scale and magnitude of rural employment and under employment, it may be mentioned that a committee on the strategy for full employment in rural areas had already been set up in December, 1981. The composition of the Committee is as under :

- | | |
|--|----------|
| 1. Secretary, Government of India,
Ministry of Rural Development | Chairman |
| 2. Adviser (Rural Development)
Planning Commission | Member |
| 3. Additional Secretary,
Ministry of Labour | Member |
| 4. Education Adviser (Technical)
Ministry of Education and Culture | Member |
| 5. Development Commissioner,
Small Scale Industries,
Ministry of Industry | Member |
| 6. Additional Secretary,
Department of Banking | Member |
| 7. Executive Director,
Reserve Bank of India | Member |
| 8. Chief Executive Officer,
Khadi and Village Industries
Commission, Bombay | Member. |
| 9. Dr. R. Lall, Professor (Economics)
Regional Institute of Technology,
Jamshedpur | Member |

- | | |
|---|----------------------|
| 10. Secretary, Labour and Employment,
Government of Gujarat | Member |
| 11. Secretary, Rural Development,
Government of Maharashtra | Member |
| 12. Secretary, Forest and Rural Development,
Government of Andhra Pradesh | Member |
| 13. Secretary, Rural Development,
Government of Nagaland | Member |
| 14. Secretary, Rural Development and
Cooperation, Government of
Karnataka | Member |
| 15. Commissioner-cum-Secretary,
Rural Reconstruction and Panchayati Raj,
Government of Bihar. | Member |
| 16. Joint Secretary (RE),
Ministry of Rural Development | Member-
Secretary |

It has been suggested that the Terms of reference of the Committee should also include the recommendations made by Public Accounts Committee. The matter is under examination. The report of the study team is expected by.....

[Ministry of Rural Dev. O.M. No. G. 250 11/5/82-NREP dated 13.5.1983].

Recommendation

The Committee find that there have been wide variations in the quantity of foodgrains allocated vis-a-vis those released by the Food Corporation of India and utilised by the States, Union Territories. While on the one hand, allocations, which were to have been made on the basis of utilisation reports, continued to be made irrespective of the receipt of such reports, supplies from Food Corporation of India depended on the other hand, on the availability of foodgrains in various godowns spread all over the country. Besides, supply of foodgrains particularly to Andhra Pradesh and Karnataka and Punjab. The Ministry have admitted that "this certainly caused innumerable problems in smooth execution of works under the programme"

The Committee appreciate that movement of foodgrains from the North to far flung areas in the South during 1979-80 which was the year of unprecedented drought, did pose difficult problems. However, complaints continue to be voiced about delayed and faulty distribution of foodgrains by the Food Corporation of India. The Committee, therefore, consider that streamlining of operations on the part of FCI is essential for the successful implementation of such programme. The Ministry of Agriculture and Rural Development should set up a standing coordinating machinery comprising the representatives of the Food Corporation of India as well as the Railways to sort out the day to day problems in movement of foodgrains by rail.

[S. No. 17 paras 7.14 and 7.15 of the 90th Report of PAC (7th L.S.)].

Action Taken

As already explained, the payment of wages in foodgrains has now been restricted to one kg. per head per day only. The total quantity of foodgrains involved every year in the implementation of the National Rural Employment programme now is around 3 lakhs tonnes. With a view to stream-lining the procedure, fresh instructions have been issued in regard to supply and distribution of foodgrains. A copy of the instructions dated 31.5.1982 is enclosed for ready reference (Annexure III). As regards the setting up of a standing coordinating machinery comprising representatives of Food Corporation of India, Railways etc. to sort out day to day problem it may be stated that Department of Food have already set up a monitoring group for reviewing the position of movement of foodgrains to different States/UTs under the Chairmanship of Additional Secretary (Food). Officers from the Ministry of Railways, Food Corporation of India and Liaison Commissioners of the State Government together with one officer from the Ministry of Rural Development are represented on this Monitoring Group. Meetings of the Monitoring Groups were earlier held every week. But these are now held monthly to review the position in respect of movement of foodgrains.

[Min. of Rural Dev. O.M. No. G. 25011/5/82-NREP dated 13 5. 1983].

Recommendation

The Committee find that in terms of money value, the Ministry paid Rs. 511.91 crores to the Food Corporation of India for the foodgrains released under the programme during the year 1977-78 to 1979-80.

Audit have pointed out that the records did not show the quantity for which payment was made and that no reconciliation was made of the quantity of foodgrains released to the State Governments with those actually received by them.

The Committee have been informed that while the accounts for 1977-78 were finalised some months back, the reconciliation in respect of 1978-79 is in progress. Only two States *viz.*, Gujarat and Tamil Nadu have been able to furnish reconciled figures for all the three years. Timely submission of monthly and quarterly reports having been in a state of disarray, it is no surprise that reconciliation of figures of foodgrains released by FCI and those actually received/utilised by the State Governments have become so difficult. What is still more surprising is the fact that even the second check whereby the bills submitted by the FCI were required to be accompanied by consignee receipts has also proved to be of little avail. Obviously, the prescribed procedures have not been followed by the FCI also. It was admitted in evidence by the representative of the Ministry of Rural Development that accounting errors do take place since Food Corporation of India godowns are located at hundreds of places in the country while regional offices are located at the State Capitals. The accounts in regard to food for work programme also sometimes got mixed up with those of special food for work programme. It was also admitted in evidence that 'the accounting instructions were issued very late almost 8 or 9 months after the circular was issued. That was the mistake made by us. We should have issued accounting instructions immediately'.

The Committee desire that the question of reconciliation of accounts should be pursued vigorously with the Food Corporation of India and the State Governments at a high level and finalised expeditiously in consultation with the Accountant General of the State concerned. It should also be ensured that the lacunae and deficiencies noticed in the present system are remedied without delay so that the National Rural Employment Programme is not faced with similar problem.

[Sl. Nos. 18 and 19 (Para Nos. 7.16 to 7.18) of 90th Report of Public Accounts Committee (Seventh Lok Sabha)].

Action Taken

For reconciliation of the figures of foodgrains released and actually lifted by various State Governments for the year 1977-78, 1978-79 and

1979-80, the matter has been taken up with the State Governments as well as with the Food Corporation of India on 24-8-1982. The reconciled figures from Haryana have been received in addition to those of Tamil Nadu and Gujarat. Most of the other States have indicated that they are still doing the reconciliation with Food Corporation of India and will be able to furnish the reconciled figures shortly. The matter is now being pursued vigorously with the defaulting States/Union Territories who have been requested to complete the reconciliation work in consultation with State Accountant General very quickly. Public Accounts Committee will be apprised of further development in the matter. In respect of N.R.E.P. figures of lifting of foodgrains are being obtained both from the Food Corporation of India and the States in a prescribed proforma to avoid any confusion in this regard in future.

[Ministry of Rural Dev. O.M. No. G. 25011/5/82-NREP dated 31-5-1983].

Recommendation

The State Government/Union Territories Administrations had to intimate clearly that expenditure on existing plan and Non-Plan schemes etc., had been augmented to the extent of the amount of additional resources made available to them in the shape of foodgrains calculated at specified rates. In case the total expenditure including the value of foodgrains was only equal to or less than the financial provisions which already existed in respect of the works undertaken under the programme, the value of foodgrains released was recoverable from the State Governments. The Committee are concerned to note that the cases of determination of additionality in respect of many State Governments have taken a long time to finalise on account of either non-submission or delay in furnishing of relevant information by them.

[S. No. 20 paras 8.16 and 8.17 of 90th Report of PAC (7th L.S.).

Action Taken

It is true that in determining the additionality in respect of some of the States it has taken a long time. It will, however, be agreed that unless complete information is received from the State concerned, finalisation of additionality achieved by them cannot be determined. All the States whose additionality cases have not been finalised have accordingly been requested (September, 1982) to furnish the information failing which necessary deductions will have to be made from their next released.

It is expected that all the additionality cases will now be finalised shortly.

[Ministry of Rural Dev. O.M. No. G. 25011/5/82-NREP dated 6-6-1983].

Recommendation

The Committee observe that so far as the year 1977-78 is concerned, the condition of additionality is reported to have since been fulfilled or broadly fulfilled by all the States whose cases have been commented upon by Audit, viz , Kerala, Arunachal Pradesh, Uttar Pradesh, Maharashtra and Karnataka. In the case of West Bengal, there was a shortfall of Rs. 1.14 crores (as against Rs. 2.03 crores mentioned in the Evaluation Report Budget) due to failure of the implementing agencies to make arrangements for purchase/collection of road-rollers, building materials etc. It has been decided to waive the condition of additionality in this case in consultation with the Integrated Finance Division. The discrepancy-in figures however needs to be explained to the Committee.

[S. No. 21 para 8.18 of the 90th Report of Public Accounts Committee (7th L.S.)]

Action Taken

As explained earlier the condition of additionality in respect of 1977-78 has been fulfilled in respect of all the States. There were some variations in respect of Uttar Pradesh. These are being sorted out with the State Government. Deductions, if any, found due will be made from the released to be made in future to the State under National Rural Employment Programme.

According to the guidelines, the condition of additionality could be relaxed if a State Government explains the shortfall on account of unforeseen circumstances/reasons beyond their control, in case of department like Public Works Department, where provision in the budget exists for purchase of road rollers, but the same are not available or cannot be acquired for any reasons. The relaxation to be given however, depended upon the reasons to be furnished in each case. As already explained in para 8.8 of 90th Report of the Public Accounts Committee (7th Lok Sabha).

Government of West Bengal explained in unequivocal terms that the shortfall in additionality was due to failure on the part of the implementing agencies to make arrangements for purchase/collection of road

rollers, building material like bricks, boulders etc. The matter was examined in details in consultation with Finance and it was decided to waive the condition of additionality in case of West Bengal. The shortfall was of Rs. 1.14 crores and not Rs. 2.03 crores as mentioned in the Evaluation Report. The latter figures quoted in the Programme Evaluation Organisation Report seem to be based on incomplete information.

[Ministry of Rural Deve. O.M. No. G. 25011/5/82-NREP dated 6-6-1983].

Recommendation

The Committee are shocked to learn that Bihar Government which was supplied foodgrains worth Rs. 74.09 crores during the year 1978-79 to 1979-80 did not show any records to Audit during their inspection on the basis of which additionality and actual expenditure were reported. The Secretary, Ministry of Rural Development stated in evidence that a reference made to the State Government in this regard as soon as the audit observations contained in their first review report were received, did not elicit any response. Subsequent reminder sent by the Ministry has also not been replied to (December, 1981)

[S.No 23 Para 8.20 of the 90th Report of PAC (7th L.S.)]

Action Taken

As regards Bihar Government not showing the records to Audit, the matter was taken up with the State Government Officers who stated that there seems to be some misunderstanding in the matter and that their records could be inspected any time.

[Min. of Rural Dev. O.M. No. G 25011/5/82-NREP dated 6.6.1983.]

Recommendation

In the case of Maharashtra, the Committee find that separate records were not kept by the State Government regarding the utilisation of foodgrains under the Food for Work Programme and the Employment Guarantee Scheme of the State Government since the former was dovetailed into the latter. The figures in regard to generation of employment and creation of assets are "presumably" based on the proportionate expenditure met from the resources provided under the Scheme. According to the Ministry 'there is no reason to dispute the methodology adopted by the State Govt. in this regard'.

Secretary, Ministry of Rural Development stated in evidence that 'it is not necessary (for the State Governments) to make Budget provision to establish additionality, but we have to carry out a check. When we given then money, they should not withdraw their own money, just because Central assistance is available, otherwise there would be no gain to the community.'

The Committee consider that in the light of the experience of operation of Food for Work Programme, the matter needs to be considered further so that situation of the type encountered in Bihar, Jammu & Kashmir, West Bengal, Maharashtra etc. can be obviated. If necessary, revised guidelines may be issued in this regard.

[S.No. 25 paras 8.22 to 8.24 of the 90th Report of PAC (7th L.S.)]

Action Taken

In case of Maharashtra, the State Government started utilising foodgrains under Food for Work Programme from the year 1978-79. The cases of additionality in respect of both the years 1978-79 and 1979-80 in so far as Maharashtra is concerned have since been finalised. The State Government have given a certificate to the effect that foodgrains assistance was utilised only on permissible items of works under Food for Work Programme. The State Government have also now informed that under National Rural Employment Programme, separate accounts are being maintained from October, 1982 and the NREP funds are being routed through District Rural Development Agencies which is not the practice under Employment Guarantee Scheme. In future, therefore, the accounts for NREP expenditure will be maintained separately.

As already indicated in Sl. No. 22, NREP having become part of the Sixth Year Plan and the expenditure on the implementation of the programme being shared on 50 : 50 basis between the Centre and the States from the year 1981-82, it is no more necessary to calculate the additionality in respect of expenditure incurred under the programme.

[Ministry of Rural Dev. O.M. No. G. 25011/5/82-NREP dated 6.6.1983.]

Recommendation

The Committee consider it imperative that the reporting as well as monitoring system is adequately strengthened and streamlined at all

levels. The Committee would like the Ministry to examine the matter in all its aspects in consultation with the Planning Commission and the State Governments and take concrete measures to rectify the shortcomings without delay.

[Sl. No. 27 (Para 8.26) of 90th Report of the Public Accounts Committee (Seventh Lok Sabha)]

Action Taken

As already explained under Sl. No. 6 steps have been taken to strengthen the reporting and monitoring system and to streamline the same at all levels. Necessary reference to Planning Commission has been made in this regard. In so far as consultation with the State Governments are concerned, the issue was discussed at the last meeting of the Secretaries incharge of the N.R.E.P. held on 28th and 29th May, 1982. Necessary provision in the draft revised guidelines are being made on the basis of these discussions. They are as under :

(i) Submission of monthly and quarterly reports has been made more strict. With the inclusion of the National Rural Employment Programme in the 20 Point Programme, the monitoring of the progress of implementation of the programme has been made more effective. The monitoring cell of the programme having been strengthened, a strict watch is now kept to ensure that monthly and quarterly reports are not unduly delayed.

(ii) Physical monitoring has also considerably been improved. Regular and frequent field visits are made to all the States by the officers of the Ministry of Rural Development. The State Governments Union Territories are being requested to see that their officers at all levels including States, District and Block make regular field visits and communicate their impressions including the shortcomings noticed in implementation of the programme to higher levels. In the revised guidelines, it is being provided that it would be desirable to have a schedule of inspections for officers from State Level to Block Level.

(iii) Separate provision is also being made for maintenance of account at different levels and separate proforma for the purpose are also being prescribed. This will also help in quick submission of reports and returns and improving the overall monitoring of the programme.

(iv) Submission of monthly/quarterly reports have now been made a strict condition for further releases. No releases are now being made without complete monthly and quarterly reports having been received.

Recommendation

A large variety of cases of misutilisation of foodgrains and/or their diversion for unauthorised purposes have come to light as a result of the probings made by the Audit and the Programme Evaluation Organisation of the Planning Commission. The officials of the Ministry of Rural Development during their field visits had also noticed several shortcomings in the actual implementation of the programme. Erratic distribution of foodgrains, malpractices in distribution particularly by contractors, poor quality of foodgrains, delays in payment due to inadequate arrangements for measurement of earthwork inflation of muster rolls, sale of foodgrains in open market etc. were some of the common complaints. The Committee apprehend that the irregularities, malpractices in distribution of foodgrains etc. that have come to light represent only a tip of the iceberg. Considering that the country suffered from a severe drought in 1979-80, there can be no doubt that misuse of foodgrains was on a scale much larger than what has been officially admitted.

As for diversion of foodgrains for unauthorised purchases such as taking up of individual beneficiary works-payment of part of salary in kind to the work charge staff and labour, misutilisation of foodgrains for repair and maintenance of office buildings, purchase of crockery, furniture etc. referred to in the C&AG's Report the Secretary, Ministry of Rural Development admitted that irregularities had been committed by almost all State Governments. He assured the Committee that the Ministry would not accept this kind of expenditure to be debited to this programme.

The Committee find that it was as late as in March, 1979, that instructions were issued to stop distribution of foodgrains through

tractors or middlemen. It would appear that no supervision was exercised to ensure proper maintenance of accounts by the contractors nor action was taken to open sufficient number of fair price shops at the work sites. The method of distribution of foodgrains on the basis of coupons issued by the Officer-in-charge of the work was also not followed by several States. The Committee are of the opinion that individual cases of default should be processed by the appropriate agencies for remedial action. The Committee recommend that the various deficiencies in the distribution system, maintenance of accounts etc. should be examined in depth by the Ministry of Rural Development and necessary steps taken to streamline the system.

The Committee are to the view that the net work of fair price shops in the rural areas needs to be augmented so that foodgrains are within the easy reach of the people and malpractices are minimised.

[SL. Nos. 28 to 30 (Paras 9.12 to 9.14) of 90th Report of Public Accounts Committee (Seventh Lok Sabha)]

Action Taken

As payment of wages in foodgrains under NREP has been restricted to one kg. per head per day, the quantity of foodgrains involved in implementation of the programme now comes to around 3 lakhs tonnes per year. In the NREP guidelines which are being revised, it is being specifically provided that distribution of foodgrains should be done through the Fair Price Shops as far as possible. In view of the fact that the quantity of foodgrains is comparatively small and the distribution of foodgrains through Fair Price Shops is being insisted upon, there appears to be no possibility of any malpractices in distribution of the foodgrains to the workers. With the strengthening of the monitoring system and issue of revised instructions regarding supply and distribution of foodgrains, it is hoped that there would be hardly any scope of misutilisation of foodgrains etc. Proforma for maintenance of records of receipt and distribution of foodgrains are also being prescribed to be maintained at different levels, which will also help in removing any likely malpractices and misutilisation of foodgrains.

As regards the question of diversion of foodgrains for unauthorised purpose, deductions have been made in case of Assam. In other cases appropriate action will be taken.

Regarding processing the individual cases of default by the appropriate agencies for remedial action the State Governments Union Territories Administrations have been advised on 13.5.1982 to take necessary action in the matter.

For augmentation of the net works of Fair Price Shops in rural areas, a reference has been made to the Ministry of Civil Supply for taking necessary action.

[Ministry of Rural Dev. O. M. NO. G. 25011/5/82-NREP dated
13.5. 83]

Annexure

S.C. VERMA,
Secretary

D.O. NO. M 13015/4/82-NREP
Government of India
Minister of Rural Development,
Ksishi Bhavan, New Delhi,
May 13, 1982

My Dear Chief Secretary,

As you are aware, the national rural employment programme is being implemented as a centrally sponsored scheme on 50 : 50 sharing basis between the centre and the States. A provision of Rs. 190 crores has been made in the central budget for implementation of the programme. It has been decided that for the first two quarters of the current year, an amount of Rs. 90 crores only may be allocated for the present. A total quantity of 1.50 lakh tonnes of foodgrains has also been made available for the first two quarters of the year. The payment of the cost of foodgrains to be supplied under the programme will be made by the Government of India direct to the FCI after deducting the value of the foodgrains allocated to each state/U.T. from their cash allocation under the programme. It has also been decided that 10% funds for social forestry works and another 10% for works directly benefiting the scheduled castes and scheduled tribes will be earmarked for these purposes and will not be transferable for utilisation for other purposes. On this basis, the allocations made will be divided into four parts, i.e. (i) value of foodgrains allocated, (ii) amount earmarked for social forestry, (iii) amount earmarked for works directly benefiting the scheduled castes/scheduled tribes and (iv) the balance amount for meeting the expenditure on rest of the works.

2. On the basis of the above, the allocations of cash funds and foodgrains made in favour of your state/U.T. Administration for the first two quarters of the year 1982-83 is as under :—

Cash funds

- (i) Value of foodgrains
- (ii) Funds earmarked for social forestry
- (iii) Funds earmarked for SC/ST works
- (iv) Funds for other works
- Total :

Foodgrains :

3. The releases against the allocations indicated above will be made after the following information/certificates have been received from the states/U.Ts. :—

- (a) all monthly progress reports up to March, 1982 ;
- (b) all quarterly progress reports upto the quarter ending December, 1981 ;
- (c) information in proforma I regarding the programme of works (districtwise and categorywise) to be taken up during the year 1982-83 ;
- (d) information regarding the works already executed having been made durable till the end of the year 1981-82 and the details of works still to be made durable in the prescribed proforma circulated vide this Ministry's letter No. G 25011/1/80-FWP dated 13.4.1982 ;
- (e) complete information regarding the utilisation of 10% funds earmarked for social forestry and another 10% of funds earmarked for works directly benefiting the scheduled castes and scheduled tribes during the years 1980-81 and 1981-82 ;
- (f) information about the unutilised amount of material component and wage component at the end of 1981-82 out of the funds released during 1980-81 ;
- (g) information regarding preparation of shelf of projects ;
- (h) a certificate that the state government have made necessary provision of their matching contribution in the state's budget for the year 1982-83 ;
- (i) confirmation that the funds will be utilised strictly in accordance with the basic norms laid down in the guidelines.

4. I am now to request that the above information/certificates may be furnished immediately so that the funds allocated may be released to your state/U.T. without delay. It may also please be ensured

that the progress reports/returns are sent to us in future regularly in the prescribed proforma and within the prescribed time limits.

With regards,

Yours sincerely,

Sd/-

(S.C. Varma)

Shri

Chief Secretary to the Government of
All States/UTs.

Copy to :—

1. Secretary in charge of implementation of National Rural Employment Programme.
2. Secretary in-charge of Food & Civil Supplies Deptt.

Sd/- S.C. Verma

Secretary to the Govt. of India

Annexure II

**No. M 13014/32/81-NREP
Government of India
Ministry of Rural Development
Krishi Bhavan, New Delhi
Dated 22nd March, 1982.**

To

**The Secretaries incharge of
implementation of National Rural
Employment Programme in all the States/UTs.**

**Subject :—State Level Steering Committees-Organisation of
meetings thereof at regular intervals.**

Sir,

I am directed to say that during the recent visits made by the officers of this Ministry to some of the States, it has been observed that the State Level Steering Committee on National Rural Employment Programme are not meeting regularly. In some of the States not even the first meeting of this Committee could be held during the year. It has further been observed that the main constraint in the way of holding the meetings of these committees is the extreme pre-occupation of the Chief Minister in his other multifarious responsibilities as he is presently the Chairman of this Committee in many States. At times, the meeting had to be postponed or cancelled at short notice on account of some other more important engagement coming up at the last moment.

2. As you are aware, the State Level Steering Committee is the most important agency for effective monitoring of the implementation of National Rural Employment Programme in the State. This Committee is supposed to plan, guide, supervise and review the programme in the State with a view to removing the bottlenecks that may arise from time to time. It is, therefore, absolutely essential that time Committee meets atleast once in a quarter.

3. In the light of the above, the matter has been examined at our end and it has been decided that in the event the Chief Minister is busy otherwise, the Committee should meet under the Chairmanship of the Minister Incharge of the Deptt. implementing the National Rural Employment Programme in the State and its meeting should not be postponed indefinitely merely because the Chief Minister is unable to find time to chair the meeting due to his preoccupations. It is accordingly requested that immediate steps may be taken to implement this guideline in order to ensure that State Level Committee meets regularly atleast once in three months.

Yours faithfully,

Sd/-

(N.P. Singh)

Director (NREP)

Annexure III

No. M 13015 (1)/82-NREP
Government of India
Ministry of Rural Development
Krishi Bhavan, New Delhi
Dated 31st May, 1982

To

The Secretaries-in-charge of
implementation of NREP,
All States/UTs.

Subject :—Supply and distribution of foodgrains under
National Rural Employment Programme
procedure relating to

Sir,

During the visits of the officers from the Ministry of Rural Development to various States/UTs. it was observed that some of the State Governments/U.T. Administrations were not utilising foodgrains for payment of wages to workers engaged on works under National Rural Employment Programme. The payment of wages in some of the States was being made entirely in cash. This practice is not in accordance with NREP guidelines. The whole matter relating to supply and distribution of foodgrains under NREP has, therefore been examined at length and it has been decided that :—

- (i) One KG. of foodgrains will have to be essentially paid to the workers as part of their wages. No. exemption from this condition will be granted to any of the States/UTs ;
- (ii) the rate at which the foodgrains are distributed to workers will not be lower than the issue price prescribed by the Food Corporation of India ;
- (iii) from 1.4.1982 cash assistance to States/UTs. out of the overall allocation made in the central budget will be released only after deducting the value of foodgrains to be released to them ;

- (iv) on the basis of a quarterly estimate to be prepared by the Ministry of Rural Development of the cost of foodgrains likely to be released to States/UTs. an advance amounting to 75% of the same will be paid to FCI in the beginning of the quarter. The advance for the second quarter will be paid only after the advance for the first quarter is completely accounted for through vouchers supported by consignee's receipts and a similar procedure will be followed for the subsequent quarters ;
- (v) the Food Corporation of India will issue foodgrains to the executing agencies under NREP from all the sale depots of the Food Corporation of India from which supplies under Public Distribution System are being effected and will ensure that the required quantity of foodgrains is moved to each godown in advance so that there is no problem in supply of foodgrains to the executing agencies and payment of wages to the workers ;
- (vi) the Food Corporation of India will also have to ensure that timely supplies of the required quantities of foodgrains are effected and delays in the issue of foodgrains are avoided at all costs ;
- (vii) to ensure the quality of foodgrains supplied under the programme, joint inspections of the stocks may be made by the authorised officers of the executing agencies and a representative of the Food Corporation of India. The foodgrains below 'Fair Average Quality' will in no case be supplied' accepted under the programme ;
- (viii) the lifting of the foodgrains from the Food Corporation of India's depots and its transportation to the work sites will be so arranged as to keep transport cost to the minimum. Collectors/Deputy Commissioners will pay personal attention to this problem and see to it that wherever the quantities of foodgrains to be lifted under NREP are smaller than one full truck load, the foodgrains released for NREP and those for the public Distribution System will be transported together in the same vehicle which could unload the required quantities at different places ;
- (ix) the transportation, handling and storage charges at the minimum rates in respect of N.R.E.P. foodgrains will be debitable to the material component of the cash funds ;

- (x) coarse grains like Jowar, Bajra; Ragi etc. which are popular among the rural people in the respective States may be utilised under the programme provided the State Governments/UTs. concerned can procure the same locally at the issue price fixed by the Food Corporation of India. The utilisation of coarse grains shall be in lieu of Food Corporation of India foodgrains and would be possible only after issue of sanction by the Ministry of Rural Development to this effect. The bills thereof will have to be separately submitted to the Ministry of Rural Development for payment ; and
- (xi) sales tax or any local tax, if levied, by any of the States on foodgrains supplied by Food Corporation of India for NREP will have to be borne by the State Governments concerned from out-side the NREP resources.

It is requested that the above decision may be brought to the notice of all concerned so that any violations of these instructions could be avoided in future.

The receipt of this letter may please be acknowledged.

Yours faithfully,
Sd/-
(N.P. Singh)
Director (NREP)

Copy forwarded to :—

1. The Food Corporation of India, 16-20 Barakhama Lane, New Delhi.
2. The Deptt. of Food, Krishi Bhavan, New Delhi.

Sd/-
(N.P. Singh)
Director (NREP)

**Action Taken by
Ministry of Civil Supplies**

A comprehensive public distribution system is functioning in the country covering the rural and urban areas. Public Distribution forms

a very important part of the New 20-Point Programme and under Point No. 17, action is being taken to expand the public distribution system by opening more fair price shops, including mobile shops in far-flung areas and also shops to cater to industrial workers, students hostels etc. This is a continuing process. Presently, over 2.83 lakh fair-price shops are reported to be functioning in the country, of which over 2.20 lakh fair-price shops are in the rural areas.

The primary responsibility for the administration and implementation of the public distribution system rests with the concerned State Governments and their local authorities. It has already been stressed upon them to take appropriate action to expand and strengthen the system by opening more fair-price shops, particularly in the hitherto unserved and under-served areas. It is expected that during the year 1982-83, additional fair-price shops in considerable number would be opened in the country, depending on the respective needs felt by the State Government.

Besides the fair-price shops, the requirements of rural areas for distribution of consumer articles are met also by about 24,031 primary marketing societies and village level service cooperatives. For the Sixth Five-Year Plan period, an outlay of Rs. 30 crores has been earmarked for providing margin money assistance to about 80,000 to 1,00,000 primary marketing societies and village-level service cooperative societies in rural areas.

[Ministry of Civil Supplies O.M. No. 6 (4)/82-PD dated 23.2.83]

Recommendation

Audit have pointed out that even though the Ministry of Rural Development paid the price of gunny bags-440.7 lakhs in number to the Food Corporation of India, the sale proceeds of the empty bags were not remitted to the Government of India. The Committee finds that the unintended benefit to the distributing agencies works out to be much higher than the figure of Rs. 11.02 crores, mentioned by Audit. The figures furnished by the Ministry show that the average value of the used bags ranged between Rs. 3.63 and Rs. 4.56 perpag during the period in question. Computed on the average of Rs. 4/-per bag (instead of Rs. 2.5) per bag adopted by Audit), the total cost of the empty bags works out to nearly Rs. 17.62 crores. The Ministry have explained that the foodgrains were passed on to the States with gunny

bags "with the expectation that bags will remain with the Panchayats who were supposed to execute the works".

The Committee understand that instructions have since been issued that empty gunny bags will become the property of the Gram Panchayat in whose jurisdiction the works are executed so that their resources can be augmented to the extent of the value of the empty gunny bags. The committee are of the view that these instructions should have been issued much earlier. This was clearly a lapse on the part of the Ministry which could have been easily avoided. The Committee would like to be apprised as to what percentage of foodgrains were actually distributed by Panchayats or other Government agencies and the extent to which the expectation of the Ministry that the sale proceeds of the empty bags would be utilised to augment the resources under the programme was in fact realised.

[SL. No.31 (Paras 10.6 and 10.7) of 90th Report of Public Accoudts Committee (Seventh Lok Sabha)]

Action Taken

In the revised guidelines, a provision has been made that the gunny bags in which the foodgrains are received for distribution under the programme have to be suitably accounted for. The District Rural Development Agencies (DRDAs) which have since been entrusted with the planning, coordination, review and monitoring of the programme have been made responsible to ensure that the gunny bags given to various executing agencies such as departments/panchayats etc. shall be disposed of in accordance with the procedure prescribed by the DRDAs and the sale proceeds of the same will be deposited in the NREP account of the DRDA to meet the extra cost of the material component where necessary over and above the prescribed ratio of 40 per cent material component with a view to ensure durability of works.

The information in regard to percentage of foodgrains distributed by panchayats or other Government Agencies and the extent to which the sale proceeds of the empty gunny bags could be utilised to augment the resources under the programme is being collected from the States and will be furnished to the Public Accounts Committee in due course.

Some of the States have already furnished the information and the same is given as under :—

S. No.	Name of the State	Distributed through			Contracter Convenors
		Fair price shops	Village Panchayats	Panchayat Samities	
1.	Gujarat	100%	—	—	—
2.	Sikkim	—	100%	—	—
3.	Maharashtra	100%	—	—	—
4.	Jammu & Kashmir	—	100%	—	—
5.	West Bengal	100%	—	—	—
6.	Tripura	100%	—	—	—

[Ministry of Rural Dev. O.M. No. G. 25011/5/82 NREP dated 6.6.1983]

CHAPTER III

CONCLUSIONS OR RECOMMENDATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE REPLIES RECEIVED FROM GOVERNMENTS

Recommendation

The Committee observe that during 1977-78 heavy shortfalls in utilisation of foodgrains occurred in practically all the 12 States participating in the Programme. Maharashtra in fact showed nil utilisation against an allocation of 11940 tonnes and actual release of 9358 tonnes. In 1978-79, 16 out of 19 States/Union Territories reported under utilisation the shortfall being heavy in Karnataka, Andhra Pradesh, Assam, Bihar, Kerala, Orissa, Rajasthan, Uttar Pradesh and West Bengal. Certain other States such as Gujarat, Jammu & Kashmir and Tripura reported over utilisation by drawing extra foodgrains from the public distribution system. In 1979-80 all the States/Union Territories excepting four reported under utilisation. The above mentioned 9 States again accounted for most of the shortfall. For the entire period of 3 years taken as a whole, there was a shortfall of 7.07 lakhs tonnes *vis-a-vis* the total released of the order of 44.07 lakh tonnes.

[Sl. No. 16 (Para 7.13) of Ninetieth Report of Public Accounts Committee (Seventh Lok Sabha)].

Action Taken

Releases of foodgrains were dependent upon the utilisations reported by the States and actual supply upon the availability of foodgrains in various depots of the Food Corporation of India. Also some time gap had to be allowed between the allocations of foodgrains and their final utilisation by the executing agencies. Part of the quantities of the foodgrains, therefore, had to be allowed to remain in the pipeline. The unutilised quantities of foodgrains, were, however, allowed to be utilised in the succeeding year and revalidated orders were issued from year to year *i.e.*, from the year 1977-78 to 1979-80. A total quantity of 46,27,280 tonnes of foodgrains was allocated under the Programme. Out of this, the releases made were to the extent of 44,07,905 tonnes of foodgrains. The

total utilisation till 31-3-1980 was 37,50,844 tonnes of foodgrains. The release fell short of allocation by 2,19,375 tonnes of foodgrains and the variation between the releases and utilisation was only 6,57,061 tonnes is about 15%. Such a variation is perhaps unavoidable in a programme like Food for Work Programme. Detailed position State-wise has been indicated in enclosed Statements, I, II, and III.

[Ministry of Rural Dev. O.M. No. G. 25011/5/82 dated 6-6-1983].

Statement—I

**Statement showing information regarding foodgrains released and utilised under
Food for Work Programme during 1977-78**

Sl. No.	Name of State	Quantity of food-grains released during 1977-78 (MTs.)	Quantity of food-grains reported utilised (MTs.)	Balance as on 1-4-1978
(1)	(2)	(3)	(4)	(5)
1.	Andhra Pradesh	—	—	—
2.	Assam	7,500	3718.00	3,782.00
3.	Bihar	30,000	7735.44	22,264.56
4.	Gujarat	—	—	—
5.	Haryana	—	—	—
6.	Himachal Pradesh	940	303. 0	636.50
7.	Jammu & Kashmir	—	—	—
8.	Karnataka	1,000	563.00	437.00
9.	Kerala	6,000	3760.84	2,239.16
10.	Madhya Pradesh	10,000	8780.00	1,220.00

(1)	(2)	(3)	(4)	(5)
11.	Maharashtra	11,940	—	11,940.00
12.	Manipur	—	—	—
13.	Nagaland	—	—	—
14.	Orissa	30,000	23106.18	6,893.82
15.	Punjab	8,000	297.41	7,702.59
16.	Rajasthan	6,000	3928.00	2,072.00
17.	Sikkim	—	—	—
18.	Tamil Nadu	—	—	—
19.	Meghalaya	—	—	—
20.	Tripura	—	—	—
21.	Uttar Pradesh	42,000	32684.00	9,316.00
22.	West Bengal	51,200	44959.00	6,241.00
23.	Andaman & Nicobar	—	—	—
24.	Arunachal Pradesh	—	—	—
25.	Chandigarh	—	—	—
26.	Mizoram	—	—	—
27.	Pondicherry	—	—	—
Total		2,40,580	129835.37	74,744.63

Statement - II

**Statement showing information regarding foodgrains released and utilised
under Food for Work Programme during 1978-79**

(Figures in MTs.)

Sl. No.	Name of the State/UTs.	Unutilised balance from last year	Quantity of foodgrains released during 1978-79	Total foodgrains made available during 1978-79 (Total Col. 3 to 4)	Quantity of foodgrains reported utilised	Balance as on 1-4-1978
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	Andhra Pradesh	—	1,26,000	1,26,000.00	93,430.00	32,370.00
2.	Assam	3,782.00	10,000	13,782.00	2,445.00	13,337.00
3.	Bihar	22,264.56	2,00,000	2,22,264.56	1,82,140.00	40,124.56
4.	Gujarat	—	15,000	15,000.00	*17,041.00	(—)*2,041.00
5.	Haryana	—	20,000	20,000.00	15,903.00	4,097.00
6.	Himachal Pradesh	636.50	1,500	2,136.50	1,434.04	702.46
7.	Jammu & Kashmir	—	6,000	6,000.00	6,000.00	—
8.	Karnataka	437.00	15,000	15,437.00	4,459.00	10,978.00

(1)	(2)	(3)	(4)	(5)	(6)	(7)
9.	Kerala	2,239.16	26,000	28,239.16	11,997.05	16,242.11
10.	Madhya Pradesh	1,220.00	1,25,000	1,26,220.00	1,25,000.00	1,220.00
11.	Maharashtra	11,940.00	65,000	76,940.00	52,240.00	24,700.00
12.	Nagaland	—	1,500	1,500.00	—	1,500.00
13.	Orissa	6,893.82	2,00,000	2,06,893.82	1,80,745.67	26,148.15
14.	Punjab	7,702.59	32,000	39,702.59	36,713.60	2,988.99
15.	Rajasthan	2,072.00	1,61,000	2,63,072.00	2,50,379.00	12,693.00
16.	Tripura	—	8,000	8,000.00	*8,214.00	(—)*214.00
17.	Uttar Pradesh	9,316.00	1,36,000	1,45,316.00	1,31,436.00	13,880.00
18.	West Bengal	6,241.00	1,50,000	1,56,241.00	1,26,356.00	29,885.00
19.	Mizoram	—	1,200	1,200.00	1,200.00	—
Total		74,744.63	13,99,200	14,73,944.63	12,43,878.36	2,29,066.27

*The excess utilisation has not been taken into account.

Statement—III

Statement showing information regarding foodgrains allotted/released and utilised under normal as well as special Food for Work Programme during 1979-80.

Sl. No.	State/Union Territory	Foodgrains allocated under normal FWP (Lakh MTs.)	Foodgrains allocated under special FWP (Lakh MTs.)	Unutilised balance from the last year (MTs.)	Total of col. 3 to 5 (MTs.)	Total food grains released including last year's balance (MTs.)	Total quantity of foodgrains utilised upto 31st March, 1980 (MTs.)	Balance as on 1-4-1980 (Cols. 7-8) MTs.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1.	Andhra Pradesh	1.28	0.97	32570.00	257570.00	257570.00	196680.00	60880.00
2.	Assam	0.05	—	11337.00	16337.00	16337.00	9372.00	6965.00
3.	Bihar	1.96	1.50	40124.56	386124.56	386124.56	301355.24	84769.32
4.	Gujarat	0.430	0.075 (—)*	2041.00	50541.00	50541.00	46345.20	4195.80
5.	Haryana	0.25	0.45	4097.00	74097.00	74097.00	71542.48	2554.52
6.	Himachal Pradesh	0.07	0.225	702.46	30202.46	30202.46	29355.27	847.09
7.	Jammu & Kashmir	0.15	0.30	—	45000.00	45000.00	33388.86	11611.16
8.	Karnataka	0.46	—	10978.00	56978.00	56978.00	30653.00	26315.00
9.	Kerala	0.327	—	16242.11	48901.11	48901.11	36099.61	12801.50
10.	Madhya Pradesh	1.38	2.20	1220.00	351220.00	351220.00	291762.00	59458.00
11.	Maharashtra	0.81	0.55	24700.00	160700.00	160700.00	170540.00	(—)*9840.00
12.	Manipur	0.02	0.02	—	4000.00	4000.00	456.70	3543.00
13.	Meghalaya	—	—	—	—	—	—	—

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
14.	Nagaland	0.02	0.25	1500.00	8500.00	8500.00	1480.34	7019.66
15.	Orissa	1.50	0.81	26148.15	257148.15	257148.15	209888.03	47260.12
16.	Punjab	0.29	—	2978.99	31988.99	31988.99	23849.60	6139.39
17.	Rajasthan	1.81	1.25	12693.00	318693.00	318693.00	225458.00	93235.00
18.	Sikkim	—	—	—	—	—	—	—
19.	Tamil Nadu	0.73	—	—	73000.00	73000.00	58231.82	14768.18
20.	Tripura	0.08	0.14	(—)*214.00	22000.00	22000.00	23056.00	(—)*1056.00
21.	Uttar Pradesh	2.04	3.75	13880.00	592880.00	592880.00	463912.89	128967.11
22.	West Beagal	1.40	0.75	29845.00	244885.00	244885.00	149597.00	95288.00
Union Territories								
23.	Andaman & Nicobar Islands	0.0005	0.005	—	550.00	175.00	216.57	(—)*41.57
24.	Arunachal Pradesh	0.005	—	—	500.00	500.00	180.00	320.00
25.	Chandigarh	0.0005	—	—	50.00	50.00	—	50.00
26.	Mizoram	0.01	—	—	1000.00	1000.00	149.75	850.43
27.	Pondicherry	0.007	—	—	700.00	700.00	550.02	149.98
Total		15.0000	13.045	229066.27	3033566.27	3033191.27	2376130.28	667998.56*

(—)* The excess utilisation has not been taken into account.

CHAPTER IV

**CONCLUSIONS OR RECOMMENDATIONS REPLIES
TO WHICH HAVE NOT BEEN ACCEPTED
BY THE COMMITTEE AND WHICH
REQUIRE REITERATION**

Recommendation

—NIL—

CHAPTER V
CONCLUSIONS OR RECOMMENDATIONS IN RESPECT
OF WHICH GOVERNMENT HAVE FURNISHED
INTERIM REPLIES

Recommendation

In regard to the year 1978-79, the Committee observe from the Performance Budget of the Ministry of Rural Reconstruction that two States viz. Gujarat and Uttar Pradesh showed negative additionality to the tune of Rs. 5.60 crores and Rs. 2.83 crores respectively whereas according to the information now furnished to the Committee, the condition has been fulfilled or 'broadly fulfilled' by all the States. In regard to the State of Jammu and Kashmir, the Ministry, have, however, stated that the State Government have not furnished complete information inspite of repeated reminders. They have been asked to refund the cost of foodgrains utilised during the year 1978-79 or also else the same will be deducted from their current year's share.

[S. No. 22 para 8.19 of 90th Report of PAC (7th L.S.)].

Action Taken

As regards the condition of additionality for the year 1978-79, it has been fulfilled in case of almost all the States. In respect of the States of Madhya Pradesh, Rajasthan, Uttar Pradesh, West Bengal and Mizoram some minor information clarifications have been sought. Broadly in their cases also additionality condition has been fulfilled.

In case of Gujarat the condition of additional has already been fulfilled as against the budget provision of Rs. 10,679.31 lakhs and the value of foodgrains supplied under Food for Work Programme Rs. 157.50 lakhs, the total expenditure incurred on implementation of the programme during 1978-79 came to Rs. 12,203.20 lakhs.

As regards Uttar Pradesh the variation is because of different figures have been shown in the annual budget of the State for the year '978-79 and the amount of provision shown in the quarterly report.

A certificate from the State Government duly accepted by their Finance Department in regard to the actual provision made in the State Budget for the 1978-79 has been called for (in April, 1983).

In so far as the specific case of Jammu & Kashmir State is concerned, it may be stated that the State Government later on had furnished complete information and on examination it was found that they satisfactorily fulfilled the condition of additionality for the year 1978-79. As such the question of making deductions from their future allocations or asking them for any refund would not arise.

Regarding the condition of additionality for the year 1979-80 the States of Andhra Pradesh, Gujarat, Himachal Pradesh, Karnataka, Orissa, Punjab, Kerala, Maharashtra and Tripura have fulfilled the condition of additionality. In case of the States of Assam, Bihar, Haryana, Jammu & Kashmir, Madhya Pradesh, Manipur Rajasthan, Tamil Nadu, Uttar Pradesh and West Bengal and Union Territory Administrations of Andaman & Nicobar Islands, Arunachal Pradesh, Mizoram, and Pondicherry, necessary certificates from State Finance Department confirming that the items of works for which expenditure has been exhibited in the quarterly progress report are those for which foodgrains have been utilised have been called for (in March-April, 1983). The State Governments have been told to finalise the pending issues quickly. It is hoped that all the pending additionality cases will be finally settled shortly.

National Rural Employment Programme having become a part of the 6th Five Year Plan and the expenditure on the implementation of the programme being shared on 50:50 basis between the Centre and the States from the year 1981-82, it is more necessary to calculate the additionality in respect of the expenditure incurred under National Rural Employment Programme.

[Ministry of Rural Dev. O.M. No. G. 25011/5/82 dated 6-6-1983].

Recommendation

The Committee urge that a time limit may be set for finalisation of cases of additionality in respect of these two States and in cases the requisite information is still not forthcoming, the shortfall should be made good by adjusting the same against further allocations.

[S. No. 24 para 8.21 of the 90th Report of PAC (7thLS.)].

Action Taken

As indicated in Sl. No. 22, the additionality in cases of Gujarat for the year 1978-79 has already been finalised. As regards the additionality achieved in Uttar Pradesh for the year 1978-79, the same will be finalised shortly in view of the latest discussions held with Secretary, Department of Rural Development, Government of Uttar Pradesh. The position will be intimated to Public Accounts Committee in due course.

[Ministry of Rural Dev. O.M. No. G. 25011/5/82 dated 6-6-198].

Recommendation

No information has been furnished to the Committee with regard to pending cases of additionality for the year 1979-80. The Committee expect that these cases will be finalised expeditiously. The Committee would like to be apprised of the position in this regard within three months.

[Sl. No. 26 para 8.25 of the 90th Report of PAC (7th L.S.)].

Action Taken

The position in regard to the pending additionality cases for the year 1979-80 has already been explained in Sl. No. 22. As would be seen therefrom, States of Andhra Pradesh, Gujarat, Himachal Pradesh, Karnataka, Orissa, Punjab, Tripura, Kerala and Maharashtra have already fulfilled the condition. In case of Assam, Bihar, Haryana, Jammu & Kashmir, Madhya Pradesh, Manipur, Rajasthan, Tamil Nadu, Uttar Pradesh, West Bengal and Union Territories of Andaman and Nicobar Islands, Arunachal Pradesh, Mizoram and Pondicherry, necessary certificates from the State Finance Department confirming that the items of works for which expenditure has been exhibited in the report are those for which foodgrains have been utilised are yet to be received. The main reason for delay in receipt of this information is the discrepancy between the figures of expenditure maintained by the State Governments and

the Accountant General concerned. Secretaries-in-charge of implementation of NREP have been requested (in March-April, 1983) to expedite. A further report will be submitted to Public Accounts Committee.

[Ministry of Rural Dev. O.M. No. G. 25011/5/82 dated 6-6-1983].

NEW DELHI ;

October 27, 1983

Kartika 5, 1905(S)

SUNIL MAITRA

Chairman,

Public Accounts Committee.

PART II

**Minutes of the 30th Sitting of the Public
Accounts Committee (1983-84) held
on 19 October 1983**

The Committee sat from 1100 to 1300 hours.

PRESENT

Shri Sunil Maitra—*Chairman*

MEMBERS

Lok Sabha

2. Smt. Vidyavati Chaturvedi
3. Shri G.L. Dogra
4. Shri Bhiku Ram Jain
5. Shri Satyanarayan Jatiya
6. Shri K. Lakkappa
7. Shri Mahavir Prasad
8. Shri Jamilur Rahman
9. Shri Harish Rawat
10. Shri Ram Singh Yadav

Rajya Sabha

11. Dr. Sankata Prasad
12. Shri Syed Rahmat Ali
13. Smt. Pratibha Singh
14. Shri Nimal Chatterjee
15. Shri Kalyan Roy

SECRETARIAT

**Shri K.K. Sharma—*Senior Financial Committee
Officer***

**Shri R.C. Anand—*Senior Financial Committee
Officer***

REPRESENTATIVES OF AUDIT

Shri R.K. Chandrasekharan	— <i>Addl. Dy. Comptroller and Auditor General of India.</i>
Shri S.R. Mukherji	— <i>Director of Audit, Commerce, Works and Misc.</i>
Shri A.N. Mukhopadhyay	— <i>Joint Director, Reports (Central).</i>

The Committee considered and adopted the draft Action Taken Report on 90th Report of Public Accounts Committee (7th Lok Sabha) on Food for Works Programme with the following modifications :

<i>Pages</i>	<i>Line</i>	<i>For</i>	<i>Modifications/Amendments</i>
8	9-11		Study team to.....under employment'
		<i>Read</i>	Committee on the strategy for full employment in rural areas'
2.	×	×	×
3. The Committee then also approved some minor modifications/ amendments arising out of factual verification of the draft Report by Audit.			
4.	×	×	×

The Committee then Adjourned.

APPENDIX

Conclusions/Recommendations

Sl. No.	Page No.	Ministry/Department concerned	Recommendation
1	2	3	4
1	1.3	Rural Development	The Committee desire that the final replies to the recommendations included in Chapter V, duly vetted by audit, may be furnished to the Committee at an early date.
2	1.7	--do--	In their earlier Report, the Committee had pointed out that there was a shortfall of nearly 34.5% in the generation of additional employment during the three years of the operation of the Food for Work Programme. While according to the total quantity of foodgrains utilised during this period the generation of

additional employment should have been to the extent of about 149 crore mandays, the actual achievement was only about 98 crore mandays. The Committee had also pointed out that an altogether different set of statistics had been furnished to Parliament in this regard. While according to the performance budget of the Ministry, the generation of additional employment was shown as 141.77 crore mandays, the figures furnished to the Committee showed it to be only 97.93 crore mandays. The explanation for the wide variation between the two sets of figures now furnished by the Ministry is that the anticipated generation of additional employment was based on the basis of 2.5 kg. of foodgrains per head and this could not be achieved as most of the State Governments paid the entire wages in foodgrains. The Committee are not satisfied with this explanation. As they observe, according to the Ministry's own admission, the State Governments were never instructed to distribute foodgrains as wages @ 2.5 kg. per head per day. It is therefore no surprise that some of the State Governments had paid the entire wages in foodgrains only. It

1	2	3	4
---	---	---	---

is not clear to the Committee why suitable guidelines/ instructions in the matter were not issued by the Ministry to the State Governments. The Committee trust that similar mistakes will not be allowed to recur in the case of National Rural Employment Programme with which the Food for Work Programme has been merged.

3 1.8 Rural Development

The Committee note that Government have, in December 1981, appointed a Committee on the strategy for full employment in rural areas. The Committee urge that the study team should be asked to submit their report at the earliest so that the same may facilitate the finalisation of the strategy to mitigate the scourge of rural unemployment in the country.

86

4 1.11 —do—

In their earlier report, the Committee had pointed out that one of the basic objectives of the 'Food for Work Programme' was to establish durable community assets. However, the report of the Programme Evaluation Organisation had revealed that as much 46.6% of the

works under taken, selected for study, were non-durable. The Committee had expressed regret at the fact that no data was available with the Ministry as to the value of such non-durable assets. The Committee had not accepted the explanation of the Ministry that it was for the State Governments to see that the assets created were commensurate with the quantum of foodgrains and other expenditure incurred on each of these and expressed the view that it was an attempt to divest themselves of all responsibility in the matter. The Committee had urged the Ministry to undertake an exercise to assess the value of such non-durable assets immediately and to draw a time-bound programme to convert non-durable works into durable assets. The Committee had recommended that proper monitoring of the progress in this regard must be done both at the Centre and State levels and release of further funds for new schemes made contingent on the progress in the completion of the unfinished work. In their reply, the Ministry have stated that funds to the extent of Rs. 105 crores were given to the States at the

end of the year 1980-81 for the purpose of converting non-durable works into durable ones. However, information regarding the utilisation of the funds, the extent of work made durable with the use of these funds and the balance amount of works which remained non-durable and the likely financial resources required for the purpose had not yet been received from the States. The information regarding the value of non-durable work was also still awaited from the State Governments. The Committee cannot but express their unhappiness at this state of affairs. As the non-durable assets created under the programme were mostly in the nature of 'kucha' roads, streets and drainage, the same are likely to be washed away within a period of two or three years leading to wastage of the entire investment made in the creation of these assets unless these are urgently converted into durable assets. The Committee are of the view that the matter has not been dealt with the seriousness

which it deserves. The Committee, therefore, recommend that the matter should be pursued vigorously by the Ministry of Rural Development with the State Governments and it must be ensured that all the non-durable assets created under the programme are converted into durable assets at an early date. The Committee, further recommend that the shortage of materials like cement, steel, etc., should not be allowed to stand in the way of the programme of conversion of non-durable assets into durable ones.
