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STANDING COMMITTEE ON  
URBAN AND RURAL DEVELOPMENT  
(1998-99)

TWELFTH LOK SABHA

MINISTRY OF RURAL AREAS & EMPLOYMENT  
(DEPARTMENT OF RURAL EMPLOYMENT  
& POVERTY ALLEVIATION)

DEMANDS FOR GRANTS  
(1998-99)

FIFTH REPORT



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LOK SABHA SECRETARIAT  
NEW DELHI

# FIFTH REPORT

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POVERTY ALLEVIATION)

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(1998-99)

*Presented to Lok Sabha on 14th July, 1998  
Laid in Rajya Sabha on 14th July, 1998*



LOK SABHA SECRETARIAT  
NEW DELHI

*July, 1998/Asadha, 1920 (Saka)*

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Standing Committee on Urban & Rural Development on  
'Demands for Grants 1998-99' of Department of Rural  
Employment and Poverty Alleviation

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**COMPOSITION OF THE STANDING COMMITTEE ON  
URBAN & RURAL DEVELOPMENT (1998-99)**

**Shri Kishan Singh Sangwan — *Chairman***

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- \*3. Shri Sudip Bandyopadhyay
4. Dr. Shafiqur Rahman Barq
5. Shri Padmanava Behera
6. Shri Sriram Chauhan
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\*Nominated w.e.f. 11.6.98

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45. Shri Suryabhan Patil Vahadane

**SECRETARIAT**

1. Shri G.C. Malhotra — *Additional Secretary*
2. Shri S.C. Rastogi — *Director*
3. Smt. Sudesh Luthra — *Under Secretary*

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③Resigned from the membership of the Committee w.e.f. 04.7.98.

\$Ceased to be a member of the Committee consequent upon his retirement from Rajya Sabha on 29.6.98.

## ACRONYMS

BE	—	Budget Estimate
BLBC	—	Block Level Bankers Committee
BPL	—	Below Poverty Line
CBCS	—	Community Based Convergent Services
CCA	—	Child Care Activities
CLCC	—	Central Level Coordination Committee
DDP	—	Desert Development Programme
Dept.	—	Department
DLCC	—	District Level Coordination Committee
DPAP	—	Drought Prone Areas Programme
DRDA	—	District Rural Development Agency
DWCRA	—	Development of Women and Children in Rural Areas
EAS	—	Employment Assurance Scheme
e.g.	—	for example
GKY	—	Ganga Kalyan Yojana
HLCC	—	High Level Coordination Committee
IAY	—	Indira Awaas Yojana
i.e.	—	that is
IEC	—	Information, Education and Communication
IGA	—	Income Generating Activities
IRDP	—	Integrated Rural Development Programme
JRY	—	Jawahar Rozgar Yojana
MWS	—	Million Wells Scheme
OB	—	Opening Balance

RE	—	Revised Estimate
RE&PA/ REPA	—	Rural Employment & Poverty Alleviation
Rs.	—	Rupees
SCs/STs	—	Scheduled Castes/Scheduled Tribes
SLBC	—	State Level Banker's Committee
SLCC	—	State Level Coordination Committee
SITRA	—	Supply of Improved Tool Kits to Rural Artisans
TRYSEM	—	Training of Rural Youth for Self-Employment
UB	—	Unspent Balance
UT	—	Union Territory
viz.	—	namely

## INTRODUCTION

I, the Chairman of the Standing Committee on Urban & Rural Development (1998-99) having been authorised by the Committee to submit the Report on their behalf, present this Fifth Report on Demands for Grants (1998-99) of Department of Rural Employment & Poverty Alleviation (Ministry of Rural Areas & Employment).

2. Demands for Grants have been examined by the Committee under Rule 331 E(1) (a) of the Rules of Procedure and Conduct of Business in Lok Sabha.

3. The Committee took evidence of the representatives of the Department of Rural Employment & Poverty Alleviation (Ministry of Rural Areas & Employment) on 24th June, 1998.

4. The Report was considered and adopted by the Committee at their sitting held on 7th July, 1998.

5. The Committee wish to express their thanks to the officers of the Department of Rural Employment & Poverty Alleviation (Ministry of Rural Areas & Employment) for placing before them the requisite material in connection with the examination of the subject. They also wish to express their thanks to the officers of the Ministry/Department who appeared before the Committee and placed their considered views.

6. The Committee would like to place on record their sense of deep appreciation for the invaluable assistance rendered to them by the officials of the Lok Sabha Secretariat attached to the Committee.

NEW DELHI;  
July 13, 1998  
Asadha 22, 1920 (Saka)

KISHAN SINGH SANGWAN,  
Chairman,  
Standing Committee on Urban & Rural  
Development.

**REPORT  
CHAPTER I**

**ANALYSIS OF DEMANDS FOR GRANTS 1998-99**

The Ministry of Rural Areas and Employment through it's various Programmes endeavours to, reach out to the last and the most disadvantaged sections of the Society, provide them with avenues for employment and productive assets transfer. The Ministry comprises of the following Departments :—

- A. Department of Rural Development,
- B. Department of Wastelands Development, and
- C. Department of Rural Employment and Poverty Alleviation.

1.2 The Department of Rural Employment and Poverty Alleviation implements the following programmes :—

- (1) Self-employment and income generation programmes,
- (2) Wage employment and infrastructure Development Programmes, and
- (3) Special Area Programmes.

1.3 In the present Report, the Committee have restricted their examination only to the major issues concerning the programmes/ schemes that are being implemented by the Department, in the context of the Demands for Grants 1998-99.

**DEMAND NO. 73  
Overall Assessment**

**(i) Plan Schemes Outlay for 1998-99**

As per the written note furnished by the Department, the details of the Demands for Grants 1998-99 are as under:—

**(Rs. in crore)**

BE 96-97	6437.00
Actuals 1996-97	5997.84
BE 97-98	6805.70
RE 97-98	6305.41
BE 98-99	7280.94

1.4 The summary of the detailed demands for grants 1998-99 of the Department is given at Appendix I.

1.5 According to the information furnished, the plan outlay of the Department of RE&PA, net of recoveries, had an increase of 5.73% in BE 1997-98 over BE 1996-97, while the proposed BE 1998-99 has an increase of 6.98% over BE 1997-98.

There was a net reduction of Rs. 500.29 crore between the revised estimate and budget estimate of 1997-98 in view of the huge opening balances with the states under various plan schemes and slow pace of utilisation under various programmes. The Ministry of Finance, later agreed to restore Rs. 65.0 crore to meet the demand under Employment Assurance Scheme (EAS). Thus, the actual net reduction in RE 1997-98 was Rs. 435.00 crore. Thus the BE 1998-99 of Rs. 7280.94 crore, is actually, has an increase of Rs. 910.53 crore (i.e. 14.29%) over RE 1997-98 of Rs. 6370.41 crore.

1.6 The Committee appreciate the higher allocation of Rs. 910.53 crore for BE 1998-99 over the RE 1997-98. They also note that except for the schemes of Ganga Kalyan Yojana (GKY) and Drought Prone Areas Programme (DPAP), the allocations for all other schemes have been increased for the current year. However, they observe that due to huge opening balances with the States/Union territories and the slow pace of utilisation of funds under various schemes, during 1996-97 and 1997-98 a sum of Rs. 239.16 crore and Rs. 435.00 crore respectively, could not be utilised by the Government. They feel that alleviation of poverty in the rural areas through the creation of more employment opportunities, within a fixed time-frame, should be the goal of the Department. They would therefore, urge the Government to impress upon the States and Union Territories to gear up their existing machinery for implementation of programmes/schemes, so that the entire allocated amount of Rs. 7280.94 crore could be utilised during 1998-99.

#### **(ii) Non-Plan Outlay/Expenditure**

1.7 As per the written information forwarded to the Committee the non-plan outlay of the Department of REPA, net of recoveries, is

as follows:

(a)

Year	Amount (Rs. in crore)	Net increase (Rs. in crore)	%increase
BE 1997-98	1.39	—	—
BE 1998-99	2.17	0.78	56.12%

(b)

BE 1997-98	1.39	—	—
RE 1997-98	1.86	0.47	33.81%
BE 1998-99	2.17	0.31	16.67%

1.8 When asked about the various reasons for the steep hike in non-plan expenditure during recent years and what economies/measures the Deptt. proposes to initiate, to contain the increase in non-plan expenditure to a reasonable level, the Government in their reply have stated as under:—

- “(a) The non-plan expenditure of the Department of Rural Employment & Poverty Alleviation is meant for meeting liability towards payment of salaries and allowances of the officers and staff, deployed in the Ministry. The hike in non-plan expenditure is due to additional requirement of funds as a result of pay scales of officers and staff on the recommendations of Vth Pay Commission.
- “(b) Though non-plan provision of the Department is mainly for meeting expenditure towards pay and allowances, it will be ensured that economy instructions issued by the Ministry of Finance from time to time are strictly followed.”

1.9 The Committee note the increase in non-plan Outlay/Expenditure of the Department since 1997-98. They also note the reply of the Department that the said growth is due to the impact of additional requirement of funds as a result of revision of pay

scales of officers and staff. It is however, observed that the increase in the Non-plan outlay between BE 1997-98 and RE 1997-98, and between RE 1997-98 and BE 1998-99 is uneven. They would like to urge the Department to initiate economies, if needed, so that the instructions of the Ministry of Finance to contain the increase in the non-plan expenditure to a reasonable level are complied with.

**(iii) Unspent/Opening balance**

1.10 As per the information available in the annual Report, Performance Budget and the written notes forwarded to the Committee, accumulated unspent/opening balance of difference programmes as on 01.4.1997 was as follows:—

Programme/Scheme	Unspent/Opening balance As on 01.04.1997 (Rs. in crore)
IRDP	Rs. 332.32
DWCRA (except for CBCS Scheme)	Rs. 55.63
TRYSEM	Rs. 20.03
GKY	Rs. 90.29
SITRA	Rs. 32.04
JRY	Rs. 446.24
IAY	Rs. 241.96
MWS	Rs. 204.13
EAS	Rs. 965.41
DPAP	Rs. 202.69
DDP	Rs. 69.56
<b>Total</b>	<b>Rs. 2660.30</b>

1.11 It is worthwhile to mention that the Department's Plan Scheme allocation for 1998-99 is Rs. 7280.94 crore and the unspent balance as

on 1.4.1997 was 36.54% of the total plan allocation for 1998-99. The opening balance as on 1.4.97 was, 39.08% of the total plan scheme allocation of the Department, for 1997-98, if compared to the plan allocation of that year. When asked about the reasons for above mentioned huge unspent/opening balance, the Department has replied that the latest date for which the opening balance for all programmes/schemes is available, is 1.4.1997, which was due to:—

- (a) The Central and State Share of 2nd instalment was released at the fag end of the year 1996-97, which resulted in accumulation of huge unspent/opening balance with the states,
- (b) It is permissible for DRDAs to carry over the funds to the next financial year, up to a maximum of 25% of allocation.
- (c) Late receipt of proposals from the State Governments,
- (d) The opening balance as on 1.4.1997 for JRY was only 17.2% which was well within the permissible limit of 25% of available funds for JRY,
- (e) EAS is a demand driven scheme under which the subsequent instalment of funds is released as soon as the 50% of available funds is utilised. Thus there is no concept of opening balance and each block can keep up to one instalment of released funds as unutilised balance with them, at any point of time,
- (f) Establishment of an elaborate institutional mechanism at various levels to plan, execute and manage the watershed projects through people's organisations. Project functionaries training in watershed development and extensive community mobilisation activities were taken up by the programme states in the first one or two years before the actual project works were undertaken, which resulted in funds being carried over to the next financial year and the reported opening balances for DPAP and DDP.

**1.12 The Committee note with concern huge accumulation of unspent balance in each of the schemes of the Department. They are constrained to note that during 1997-98 the Opening Balance of**

Rs. 2660.30 crore, as on 1.4.97, is infact, 39.08 percent of the total plan allocation for the Department. They feel huge Unspent Balance/ Opening Balance shows lack of planning, non-satisfactory performance and monitoring of the programmes/schemes. Equally alarming is the fact that huge amount of such unspent balance arise because of (i) late release of 2nd instalment of funds; (ii) it is permissible for DRDAs to carry over upto to a maximum of 25% of the allocation for the next year; and (iii) under EAS where there is no concept of opening balance, each block can keep up to one instalment of released funds as unutilised balance. The tendency to keep huge amount as unspent balance/opening balance is not only an unhealthy practice but also deprives the other projects and schemes which may be in more need of funds. It also weakens the case of the Department for release of more funds for its different projects/schemes during the following financial years. The Committee would therefore, like to recommend that the existing release pattern of instalments should be suitably modified. The Committee also recommend that the rules/guidelines for each scheme should be so revised that the released funds are utilized fully and the unspent balance at the close of the year is kept to the minimum permissible limit.

1.13 When asked about steps to be taken during 1998-99, to check ever-growing tendency of increase in UB/OB, the Department had replied that, over the years, there has been marked increase in the accumulation of opening balance with state level agencies. So, to avoid recurrence of huge opening balance and to ensure proper and timely implementation, the Ministry has introduced an 'Area Officers Scheme' which has been recently reorganised.

The Ministry of Rural Areas & Employment introduced the Area Officer's Scheme in the year 1993.

When asked how far the Area Officer's Scheme, has helped in checking the increase in unspent/opening balance, the Department has replied, the Scheme primarily aims at monitoring the implementation of programmes of the Ministry in the field, with special reference to quality, proper and timely achievement of physical and financial targets and maintenance of accounts including checking the increase in unspent/opening balance. Based on the findings/observations of the Area Officers, State Governments are advised to take necessary corrective measures to improve the implementation/performance of the Programmes which improve overall performance of the schemes.

When asked about the annual expenditure being incurred on the scheme since it's inception, the Department has replied, that there is no earmarked provision for the Area Officer's Scheme. The expenditure incurred, is only by way of Travelling Allowances/Daily Allowances being paid to Area Officers on undertaking visits to States/Districts which is charged to Domestic Travel Expenses Head.

Further it has also been stated that the Area Officers Scheme is reorganised/revised from time to time. The Scheme has been recently reviewed and the list of Area Officers have been revised as number of Officers have changed either due to their postings/transfers and reverting to their respective cadres.

**1.14 The Committee note that the Area Officers' Scheme inspite of its five years of existence has failed to check/stop the tendency on the part of state level implementing agencies to retain huge unspent amount under various schemes. The Committee therefore, recommend that, to check the ever growing figures of unspent balances and to ensure better utilization of funds some better and effective mechanism should be devised.**

#### **(iv) Publicity of Programmes & Schemes**

1.15 As per the written information forwarded to the Committee during 1997-98 the funds for the Information, Education and Communication (IEC), a sub-scheme of DWCRA which has the objective of providing publicity for different programmes of the Department, have not been released to the States and Union Territories. The unspent balance of IEC scheme as on 31.3.97 was Rs. 6.72 crore which is being reconciled from the States/Union Territories.

1.16 When asked why no funds were released for IEC scheme during 1997-98 the Department have replied that the budget under DWCRA, for the year 1997-98, did not provide for IEC activities as it was felt that IEC activities should be handled through media Division in the Ministry. As such no amount was released.

**1.17 The Committee note that the Ministry felt that Information, Education and Communication activities should be handled by their Media Division. However, the Ministry have not advanced the reasons due to which IEC activities were being transferred to Media Division. The Committee will therefore, like to be apprised of these reasons. They would also like to be informed of the steps taken by**

**the Ministry to make IEC activities more effective and purposeful, through Media Division. The impact of this change should also be monitored.**

**(v) Evaluation of Programmes/Schemes**

1.18 When asked about the various programmes for which no evaluation has been undertaken by the Department since 1990-91 and the year by which the Department proposes to conduct evaluation for rest of the Programmes/Schemes, the Department has replied:—

"Out of the eleven programmes/Schemes, several rounds of concurrent evaluation of major programmes/schemes viz. 5 rounds of IRDP (1st Round 1985-86, 2nd Round 1987, 3rd Round 1989, 4th Round 1992-93, 5th Round 1995-96: the report of which is still awaited), 2 rounds of JRY (1st Round 1992, 2nd Round: 1993-94) have been conducted. Besides, Quick Evaluation of TRYSEM (1993) has also been conducted. Concurrent Evaluation of MWS and IAY, which could not be started from March 1998 as decided earlier, will start shortly after pretesting of schedules. Further, Planning Commission is to conduct concurrent evaluation of EAS. Concurrent Evaluation of remaining programmes viz. DWCRA, SITRA, DPAP, DDP and GKY are yet to be conducted.

The concurrent evaluation of programmes for which no evaluation has been conducted, will be planned and taken up as soon as the concurrent evaluation of MWS and IAY is over in 1999."

When asked further about the practical difficulties in conducting evaluation of programmes, at regular intervals the Department has replied that:—

"Major Practical difficulties faced in undertaking the Concurrent Evaluation of programmes at regular intervals, is shortage of manpower resources. The other practical difficulties are lack of co-operation from the implementing agencies, climatic conditions, law and order problems, disturbed areas etc. However, the modalities of carrying out the Concurrent Evaluation at regular intervals will be finalised shortly. Due to shortage of staff, we are presently not in a position to take up more than two programmes at the same time."

**1.19** The Committee while noting the practical difficulties explained by the Department for not conducting concurrent evaluation of various schemes, feel that the Department has explained the position in a very casual and routine manner e.g. law and order problem. This feeling of the Committee is further strengthened by the fact that several schemes of the Department were launched more than 10 years ago. The need for evaluation of such schemes cannot be over emphasized.

The Committee note that the Department proposes to conduct evaluation of MWS & IAY during 1999 and evaluation of EAS is to be conducted by the Planning Commission shortly. The Committee feel that the concurrent evaluation of the programmes/schemes should be carried out by reputed agencies. Further the guidelines of each programme/scheme should also be suitably modified so as to make adequate financial provisions for such evaluations.

They hope that these evaluations would be carried out as scheduled. They would like to be informed of the outcome of the said evaluations.

#### **(vi) Below Poverty Line Survey**

**1.20** When asked as to how the poverty line is determined, the Secretary of the Department during the course of his oral evidence replied as under:

"For Eighth Plan it was based on the income criterion. It was finalised in 1991-92. For the Ninth Plan they have shifted to expenditure basis. It is based on the calories requirement of 2400 calories in the rural areas. The per capita expenditure required to keep the people above poverty line is Rs. 266.27 on an average for all India. Again there is variation among States, as determined by the Planning Commission. In Arunachal Pradesh it is Rs. 280.00 and in Lakshadweep it is Rs. 327.00. The below poverty line figures of Assam is replicated for all other North-Eastern States. The Andaman and Nicobar comes under Tamil Nadu. What ever ratio applies to Tamil Nadu we are applying for them also. Kerala is used for Lakshadweep because of geographical similarity. Maharashtra ratio is used for Goa, Diu, Daman and Dadra Nagar Haveli. The said ratio for urban Punjab is used for both rural and urban areas of Chandigarh".

**1.21 The Committee note that the existing practice of replicating the poverty ratio data of Assam for rest of the North-Eastern States; poverty ratio data of Tamil Nadu for Andaman & Nicobar Islands; poverty ratio data of Kerala for Lakshadweep islands; and poverty ratio data of Maharashtra for Goa, Daman, Diu, Dadra & Nagar Haveli for the Below Poverty Line (BPL) survey is not fool proof and justified. In this regard, the Committee recommend that the said BPL survey should take into account the ground realities of existing poverty in each of the States and Union Territories.**

## CHAPTER II

### EVALUATION OF DEMANDS FOR GRANTS FOR SELF-EMPLOYMENT AND INCOME GENERATING PROGRAMMES

The following are the schemes of Department, for self-employment and income generating programmes:

- (i) Integrated Rural Development Programme (IRDP);
- (ii) Development of Women & Children in Rural Areas (DWCR);
- (iii) Training of Rural Youth for Self Employment (TRYSEM);
- (iv) Ganga Kalyan Yojana (GKY);
- (v) Supply of Improved Tool kits to Rural Artisans (SITRA);

#### (i) Integrated Rural Development Programme (IRDP)

2.2 IRDP is in operation since 1978-79. The programme is being implemented in all blocks of the country as a Centrally sponsored scheme. The funding of the programme is being shared on a 50:50 basis between the Centre and the States. The Union Territories are given 100% Central assistance. The budget estimate (i.e. Central share) for the programme during 1997-98 was Rs. 571.00 crores which has been increased to Rs. 740.00 crores this year. Thus, during 1998-99, the proposed Central outlay for the programme has been increased by Rs. 169.0 crore (i.e. 29.60%) over the outlay of 1997-98.

2.3 As per the written information forwarded to the Committee, the following observations about IRDP are made:—

	(Rs. in crore)
Opening Balance as on 1.4.97	332.23
Allocation in 97-98 (Centre+State)	1133.51
Total fund available for 97-98 (Centre+State)	1465.74
%utilisation to total availability 97-98	74.13%

Further, the total allocation of Central share during 1997-98 was Rs. 571.0 crore out of which only Rs. 545.02 crore could be utilised.

When asked about the utilisation of the enhanced amount of Rs. 740.0 crore for IRDP, during 1998-99, keeping in view the fact that the Department could not utilise the allocated central share of Rs. 570.0 crore during 1997-98, the department in its reply has stated, Budget Estimate for IRDP (Central share) during 1997-98 was Rs. 571 crore. This figure was reduced to Rs. 516 crore as part of a general exercise where in the allocation of a number of programmes of Department of Rural Employment and Poverty Alleviation were reduced. The revised estimate was fully utilised.

When asked about the mechanism available for monitoring the IRDP, the Department in its written reply has stated that the Integrated Rural Development Programme is monitored by DRDAs at the District level. At the Block/DRDA level, monitoring is done through field visits and physical verification of assets. At the State level, a State Level Coordination Committee (SLCC) monitors the programme. At the Central level, the Central Level Co-ordination Committee (CLCC) monitors and reviews the implementation of the scheme and lays down policy guidelines. IRDP being credit linked programme, Banks play a crucial role. The performance under IRDP is reviewed at all levels, alongwith the banks. At the Central level a High Level Co-ordination Committee (HLCC) on credit support to IRDP, reviews all aspects relating to credit linkage for IRDP. At the State level, this function is performed by State Level Banker's Committee (SLBC). Similarly at the District level, the District Level Co-ordination Committee (DLCC) and at the block level, the Block Level Banker's Committee (BLBC) monitor credit performance. For the year 1998-99, the performance of States, will continue to be closely monitored and particular attention will be paid to the States where the performance is poor. Since performance under IRDP is also related to the performance by the banks, the Ministry is attempting closer monitoring of the bank's performance. In addition, in order to improve the monitoring of different schemes at the DRDA level, all the DRDAs in the country have been given funds to purchase computers. The State Governments have been advised to oversee that the computers are purchased and installed. Suitably, software is also being developed. It is also proposed to strengthen the DRDAs to perform their task more effectively.

The physical achievement of IRDP since 1995-96, is as below:

Year	Physical Achievement
1995-96	20.89 lakh families
1996-97	19.23 lakh families
1997-98	16.97 lakh families

2.4 The Committee note that financial achievement of the programme during 1997-98, was only 74.13%. They also note that, the physical achievement under IRDP has come down from 20.89 lakh families in 1995-96 to only 16.97 lakh families in 1997-98. The Committee will like to be informed of the reasons for this shortfall and corrective steps, if any, taken by the Department to check the decline in achievement. The Committee note that there are many Committees/Organisations at different levels for the implementation and monitoring of the scheme. It is hoped that the Government would ensure that multiplicity of such agencies is not interfering with the smooth execution of the programme.

2.5 As per the programme guidelines and the performance Budget 1998-99, the ensured coverage of special category of beneficiaries is as under:

Year	Category	Target	Achievement
1996-97	SCs/STs	50%	46.31%
1997-98	SCs/STs	50%	45.87%
1996-97	Women	40%	33.33%
1997-98	Women	40%	34.33%
1996-97	Physically Handicapped	3%	0.23%
1997-98	Physically Handicapped	3%	0.70%

When asked about the reasons for not achieving the targets of ensured coverage of beneficiaries (i.e. SCs/STs., women and physically handicapped) during 1996-97 and 1997-98 and the corrective measures the department proposes to take, to fulfill the above target during 1998-99 the Department has replied that, it constantly monitors the coverage of Scheduled Castes and Scheduled Tribes and Women beneficiaries and Physically Handicapped Persons under IRDP. Department has a system of monitoring the performance of physical coverage for these categories on a monthly basis. The findings are circulated among all the States every month indicating the shortfall and the States/UTs are requested to ensure the coverage of disadvantage groups.

The Department will continue to be vigilant about achievement of the target for the disadvantaged groups. In so far as women are concerned, more than 30 lakh women are organised in to groups. A better linkage between DWCRA Groups and IRDP will be attempted. As regards the Physically Handicapped persons, this Department has issued guidelines for assisting Physically Handicapped Persons 'Viklang Sangam'.

**2.6 The Committee note that the target for ensured coverage of beneficiaries i.e. for SCs/STs, Women and Physically Handicapped, since 1996-97, has not been achieved despite the corrective measures reported to have been taken by the Department. Although the percentage achievement for women and physically handicapped has improved during 1997-98 over that of 1996-97, the Committee would like to urge the Department to fix achievable targets for special category of beneficiaries and should try to achieve 100% success in this regard.**

**2.7 As per the written replies, the below poverty line census was started in 1997-98 and is in progress.**

When asked about the date of commencement and the expected date of completion of survey and the expected date of the publication of the results of BPL census, the Government has replied that this Ministry has issued the instruction to all the States on 21st April, 1997, wherein a time schedule for the timely completion of BPL census, has been prescribed. According to the schedule, the preparation of

draft list of BPL families has to be prepared by December, 1997. After approval of each Gram Sabha, the final list of BPL families was to be completed by March, 1998. However, it has not been possible for the States to stick to this time schedule, primarily on account of the General Election. Many States have reported that the field survey has been completed and the date is being processed. It is expected that, in another two-three months, the results of BPL Census would be ready for most of the States.

**2.8** The Committee note that, as per the programme guidelines, below poverty line census has to be carried out at the beginning of each five year plan. Already more than a year has passed since the beginning of the 9th five year plan, for which the said census is yet to be completed. In view of the above, they would like to urge the Government to impress upon the State Governments/Administrations to complete the publication of census results by the end of this financial year.

**2.9** As per the written information forwarded to the Committee during 1997-98, the total credit achievement was Rs. 1994.18 crore against the target of Rs. 2700.00 crore. Similarly during the same year the per-family-investment, achievement was Rs. 16756.00 per beneficiary as against the target of Rs. 17500.00

When asked about the reasons for not achieving the total credit and investment targets during 1997-98, under IRDP, the department has replied that since 1995-96, this Ministry has started fixing credit mobilisation target in the place of physical target, to improve the quality of investment. For the year 1997-98, credit target was Rs. 2700 crore and a Per-Family-Investment Rs. 17500/- . The provisional figure of the credit mobilisation for the year 1997-98 shows that about Rs. 1995 crore has been mobilised which is higher than corresponding figures for the previous years. This Ministry, in its endeavour to achieve higher credit mobilisation and to involve banks seriously into the effective implementation of the programme, has been assigning a higher target for the bankers. Due to efforts since 1992-93, the Per-Family-Investment has increased from Rs. 7889/- to Rs. 16765/- as on date. The subsidy under IRDP during the past three years remained at the same level whereas credit mobilisation target and achievement have gone up considerably. The subsidy-credit ratio under IRDP has gone up from 1:1.96 (1995-96) to 1: 2.32 (1997-98).

2.10 The Committee note the improvement achieved in the mobilisation of total credit and also in the field of per family investment since 1995-96. However, they are constrained to note that during 1996-97, the total credit achievement was Rs. 1969.02 crore against the target of Rs. 2142.20 crore and per family investment achievement, was Rs. 14943.00 against the target of Rs. 15000.00. Similarly during 1997-98, the credit target and per capita family investment target were not achieved. Now that the allocation for the programme has been increased by Rs. 169.0 crore during 1998-99, they would like to urge the department to initiate necessary steps to achieve the credit and per family investment targets.

2.11 The Committee have their doubts as to whether the existing per family investment to the tune of Rs. 14943.00 during 1996-97 is sufficient to bring a family above the poverty line. They would like to recommend that with a view to bring a family above poverty line the credit advanced should be sufficient enough to set up a financially viable unit to enable them to repay the loan. The Department should accordingly examine the issue and the criterion of per family investment of Rs. 15000/- should be enhanced suitably.

2.12 The Committee appreciate the credit achievement of Rs. 1969.02 crore during 1997-98 against the target of Rs. 2142.20 crore. while appreciating the achievement of financial targets, they observe that the ground realities with regard to advancement of credit by banks are not so satisfactory. They recommend that the Department should take up the matter with Reserve Bank of India and necessary guidelines should be issued to the States and Union Territories to cooperate in advancing the loan under the programme and also to give the maximum permissible advance per beneficiary. They would also like that to make the IRDP more effective in alleviating rural poverty the Department should ensure proper linkage between IRDP and its different components *viz.*, TRYSEM and DWCRA.

#### (ii) Development of Women and Children in Rural Areas (DWCRA)

2.13 DWCRA is an essential component of IRDP. The scheme is in operation since 1982-83. The funds under the scheme are shared on a

50 : 50 basis between the Centre and the States. The Union territories are given 100% central assistance. There are four components of DWCRA *viz*:

- (i) Income Generating Activities (IGA): This sub-scheme is in operation since 1982-83 and is funded on 50 : 50 share basis between the Centre and the States.
- (ii) Community Based Convergent Services (CBCS). This sub-scheme is in existence since 1991-92, for which the Centre provides 100% financial assistance.
- (iii) Child Care Activities (CCA): The sub-scheme was started during 1995-96 for which the funding pattern is 66.67: 33.33 between the Centre and the States.
- (iv) Information, Education and Communication (IEC): The sub-scheme was incorporated in DWCRA during 1995-96 and the funding pattern is 66.67 : 33.33 between the Centre and the States.

2.14 The Budget estimates (*i.e.* Central share) of DWCRA during 1997-98 was Rs. 65.0 crore which has been increased to Rs. 100.0 crore this year. Thus during 1998-99, the proposed Central outlay has been increased by Rs. 35.0 crore (*i.e.* 53.85%).

2.15 The Budget Estimate, Revised Estimate and Actual expenditure out of the Central allocation for DWCRA during the last three years is as follows:

Year	Budget Estimates	Revised Estimates	Actual Expenditure	(Rs. in crore)
1995-96	65.00	65.00	63.65	
1996-97	65.00	65.00	56.96	
1997-98	65.00	62.00	41.45	

Under DWCRA the physical target is in terms of number of groups. Accordingly number of groups targeted and covered, during the last three years is given below:

Year	Target (Number of Groups)	Achievement (No. of Groups formed)	Number of beneficiaries
1995-96	30,000	37,576	6,97,088
1996-97	30,000	41,345	5,80,434
1997-98	30,000	34,445 (provisional)	4,31,751 (provisional)

2.16 The Committee are constrained to note that both the actual expenditure out of the releases made by the Centre and the number of beneficiaries covered under the scheme of DWCRA are decreasing since 1995-96. The actual expenditure during 1995-96 was Rs. 63.65 crore, whereas the same was only Rs. 41.45 crore during 1997-98. Similarly the number of beneficiaries covered under the scheme has reduced from 6,97,008 beneficiaries during 1995-96 to 4,31,751 beneficiaries during 1997-98. The Committee recommend, now that the allocation for the scheme has been increased by Rs. 35.0 crore during this year, the Department should try to achieve the financial and physical targets.

2.17 When asked what is the unspent balance in respect of four sub-schemes of DWCRA, the Department has replied that the figures of unspent balances as on 1.4.98 in respect of one of the sub-scheme namely Community Based Convergent Services (CBCS) are not available with them because expenditure reports have not yet been received from States. In the case of Information, Education and Communication (IEC), another sub-scheme, expenditure reports have not been received from the Districts from 1995-96 onwards and no funds were released during 1997-98. When asked about the assessment of the number of families/groups actually been brought above poverty line by the assistance made by the scheme of DWCRA and the number of such families/groups brought above the poverty line during the last three years, the Government has replied that the primary objective of DWCRA is to organise women members of rural families below poverty

line into groups and creating self-employment opportunities. The group approach is aimed at empowerment of women. Thus the return from the DWCRA interventions are tangible as well as non-tangible to the members. As regards economic gains they depend upon the nature of the economic activity undertaken, local conditions as well as the potential of the group as well as individual beneficiary. Accordingly, with respect to the members of such groups crossing the poverty line, it is submitted that no individual/group specific monitoring is done. However evaluation studies conducted in 12 states indicate that members are earning about Rs. 101-300 p.m. on average.

When asked further that, do you think the said Rs. 101 to Rs. 300 earning per month by the DWCRA groups is sufficient to make the beneficiaries, cross the poverty line in one go the Government has replied further that, under DWCRA, groups of 10-15 (minimum of 5 in the remote areas) women are formed. Each group is given a revolving fund of Rs. 25,000 which the group uses for income generating activities. The per capita investment being of a modest nature, the income generated per-head is also limited and is in the nature of supplementary income. Higher order income would be possible through linkage with IRDP.

2.18 The Committee note that the average earning per DWCRA group is in the nature of supplementary income. However, an average earning of Rs. 101 to Rs. 300 per month per group, is too little to achieve the objective of the scheme. They note that, the optimum linkage between DWCRA & IRDP is yet to be achieved and non-receipt of expenditure reports from the districts, for sub-schemes of DWCRA, points out to non-satisfactory monitoring of the scheme. In view of the above, they recommend that appropriate measures should be introduced by the Department to substantially increase the per capita investment and thereby per group earning per month.

2.19 When asked about the number of groups assisted under DWCRA for taking up economic activities found to be defunct during the last two years and whether any steps are taken to check this tendency to revive the defunct groups the Government has replied that the number of groups assisted becoming defunct is not monitored on regular basis. The implementing Agencies have been advised to change the economic activities and provide additional training to the members of the defunct groups so that the defunct groups may be revived.

However it has been observed through evaluation studies, that groups have become inactive due to wrong choice of economic activities, lack of training, lack of marketing avenues/facilities etc.

2.20 The Committee note that at present the Department does not monitor individual/group specific performance of the groups started under DWCRA. They feel, in the absence of such monitoring it is very difficult to know about the existence and functioning of DWCRA groups in the States/UTs. The Committee therefore recommend that the Department should further step up the monitoring of the scheme at the District and State level so that the number of DWCRA groups becoming defunct can be detected at an early stage and corrective steps be taken accordingly.

### (iii) Training of Rural Youth for Self-employment (TRYSEM)

2.21 TRYSEM is an allied scheme of IRDP. This scheme is in operation since 15th August 1979. The funding pattern of the scheme is 50 : 50 between the Centre and the States. Union territories are given 100% Central assistance. Under the scheme, two types of financial assistance are provided, such as:

- (a) Recurring expenses on TRYSEM training,
- (b) Non-recurring expenses for infrastructural Development under TRYSEM.

The Budget Estimate (i.e. Central share) of TRYSEM was Rs. 59.0 crore during 1997-98 which has been increased to Rs. 60.0 crore during 1998-99. Thus, the Central allocation for TRYSEM during the current year has been increased by Rs. 1.0 crore (i.e. an increase of 1.69%).

2.22 When asked about the physical progress of the scheme and the number of families which have been brought above the poverty line by the assistance under TRYSEM during the last three years, the department has replied:

- (i) The objective of TRYSEM is to provide basic technical and managerial skills to rural youth below poverty line to enable them to take up self/wage employment. This programme, *per se*, does not attempt to bring the beneficiaries above the poverty line.

(ii) From the year 1995-96, the Government of India is not prescribing any physical targets with a view to giving more freedom to the States/UTs in fixing their targets in accordance with the availability of resources and local potential for training. The allocation for Central share and the physical progress of the scheme (Recurring Expenses) since 1995-96 is as below:

**Physical Progress (Recurring Expenses)**

Year	Allocation Central Share (Rs. in crore)	No. of youth trained		
		Target	Achievement	%Achievement
1995-96	59.25	353980	291450	82.34%
1996-97	59.25	290079	364337	125.60%
1997-98	59.25	304129	242025	79.58%

When asked about the expenditure reported from the States separately for recurring and non-recurring expenses under TRYSEM during 1997-98, the Government has replied that expenditure under TRYSEM reported by the States during 1997-98 is as follows:

TRYSEM Recurring Expenses — Rs. 79.10 crores

TRYSEM Non-recurring Expenses — Not Reported by States

Asked further as to how is it that, in spite of existing monitoring system which also includes Area Officer's Scheme, the Department could not obtain the requisite information on TRYSEM non-recurring expenses from the States, the Government has replied that TRYSEM infrastructure funds are released as a one time grant to the States. Utilisation is reported by the State Governments at the time of requesting the release of grants for the next year. Funds were released only to those States, which have furnished the expenditure report for the funds released to them during 1996-97. The expenditure of the releases made during 1997-98, will be furnished by the States while requesting for

releases during 1998-99. However, State Governments have been requested to furnish the expenditure report with respect to Non-recurring expenses.

2.23 The Committee observe that with the Central allocation of Rs. 59.25 crore during 1995-96, the physical achievement under the scheme is reported to be 82.34% whereas with the same allocation during 1996-97, a physical achievement of 125.60% could be achieved. The Committee are unable to appreciate the wide difference between the physical achievements under the scheme during 1995-96 and 1996-97 with the same allocation. They recommend that the Government should find out the reasons for such variation in the achievement of targets and take corrective steps, wherever necessary.

The Committee also recommend that the Government should impress upon the State Governments/UT Administrations to furnish the requisite performance/progress reports as per schedule, so that the funds allocated to the scheme are utilised fully and properly.

2.24 The response to the query that how far the training imparted under TRYSEM take into account the specific skill and resources available in the area, in which it is imparted and whether any review of curriculum and training programme recently been undertaken for TRYSEM, the Government has replied that the "(i) training programme under TRYSEM is designed taking into account. The specific skills and resources available in the area where it is implemented. DRDA identifies the necessary vocations in consultations with the district level officers of different departments. DRDAs conduct the area skill surveys in their districts. (ii) No such review has been undertaken."

Asked further as to how many DRDAs in the country have so far conducted area skill surveys by 31 March 1998, the Government has replied that, the guidelines issue by this Ministry under TRYSEM, provide for identification of vocations and area skill surveys of the districts for various skills by the concerned DRDAs. However, this Department has not been monitoring this aspect. The State Governments are being requested to furnish the information.

2.25 The Committee note that with a view to give more freedom to the States/UTs in fixing the targets as per the availability of resources and local potential for the training, the practice of fixing physical targets was discontinued during 1995-96. They further note that as per guidelines, DRDAs were required to identify vocations and to conduct area skill surveys of the districts for various skills. However, the Department has not monitoring this aspect. The

Committee regret to observe that the Department has not been monitoring the observance of guidelines by States/UTs in letter and spirit. They recommend that wherever guidelines are issued by the Government about a Central scheme they should ensure that the same are followed by States/UTs scrupulously.

(iv) **Ganga Kalyan Yojana (GKY)**

2.26 GKY was introduced during 1996-97, as a sub-scheme of IRDP. From the year 1997-98 the Yojana was made an independent scheme. The funding pattern of GKY is shared on a 80 : 20 basis between the Centre and the States. Union Territories are given 100% Central assistance.

The Budget Estimates (i.e. the Central share of GKY) during 1997-98 was Rs. 200.0 crore which has been reduced to Rs. 0.94 crore during this year. Thus Central allocation for GKY has been reduced by Rs. 199.06 crore (i.e. minus 99.53%).

2.27 As per the information given in the Annual Report of the Ministry, so far, Rs. 181.81 crore (Rs. 90.82 crore during 1996-97 and Rs. 99.99 crore during 1997-98) has been released as the Central share for the scheme.

As per the written information furnished to the Committee, during 1996-97 no amount under the scheme was either released or utilised by any State/UT other than Tripura (because the fund was released at the fag end of the year). The said State had utilised Rs. 68165.00 out of Rs. 70000.00 released from the Central share and Rs. 15165.00 from the State share. During 1997-98 the States/UTs which released State share *vis-a-vis* the Central share are as below:

**Physical Progress**

Year	Target Achievement	%Achievement	
		Individual Projects	Group Projects
1996-97	NA	Nil	Nil
1997-98	NA	1515	22
1998-99	NA	NA	—

### Financial Progress (Central Share)

(Rupees in crore)

Year	Total Allocation	Release		Total Expenditure	Opening Balance as on 1.4.97
		Centre	State		
1996-97	113.53	90.82	0.15	0.6	85.52
1997-98	124.99	99.99	1.47	5.63	109.07
1998-99	0.94	—	—	—	—

The physical target achievement by the utilisation of released funds and the financial target achievement of the Central share of funds under GKY, since 1996-97 is as below:

### State-wise Financial Progress of the Scheme

(in Rupees only)

State/UT	Total Allocation (in Rs. lakh)	Central Release	State Release	Total OB	Expenditure as on 1.4.98
Assam	532.78	426220	66255	394500	97975
Haryana	86.06	68850	17230	6190	79890
Manipur	51.09	40870	3200	3200	40870
Mizoram	22.93	18345	4586	22095	836
Punjab	61.20	48960	5905	12145	42720
Tripura	141.23	112980	50000	125305	37675
All India	12499.38	9999500	147176	563435	9583241

**Statement of physical progress of the scheme during 1997-98**

State/UT	Individual Projects	Group Projects
Himachal Pradesh	22	—
Meghalaya	4	22
Nagaland	194	—
Rajasthan	135	—
Uttar Pradesh	1160	—
<b>Total All India</b>	<b>1515</b>	<b>22</b>

When asked about the various reasons for poor physical performance of GKY, since its inception in 1996-97, the Department in its reply has stated that the physical performance under Ganga Kalyan Yojana (GKY) has been poor so far. Ganga Kalyan Yojana was formulated and launched with effect from 1 February 1997 throughout the country. Before the introduction of GKY, irrigation facilities through borewells/tubewells were being developed through IRDP and Million Wells Scheme (MWS). With the introduction of GKY the borewell/tubewell schemes under IRDP and MWS were subsumed under GKY. GKY was intended to provide irrigation through exploitation of ground water (borewells & tubewells) to individuals and groups of beneficiaries who are small and marginal farmers and are living below the poverty line.

Ever since the launching of GKY, several States have been representing about the problems with regard to implementation of this scheme. During the meeting of the State Secretaries in May 1997 and November, 1997 there was an unanimous view that it is not possible to implement the scheme in its present form and that, it is better to continue with the old arrangement of providing for minor irrigation under IRDP.

The problems associated with GKY are also coming in the way of bankers extending loans to the beneficiaries. The result is that, the scheme has not made headway in most of the States.

The GKY was launched as a sub-scheme of IRDP during 1996-97. It was made a separate programme during 1997-98. The Central allocation for the programme has been reduced from Rs. 200.00 crore during 1997-98 to Rs. 0.94 crore in 1998-99. Again from this year, the Government is considering a proposal to merge GKY with IRDP. The funding pattern i.e. sharing of funds between Centre and the State is 50 : 50 for IRDP 80 : 20 for MWS and GKY.

As per the written replies, the Government is considering the Committee's recommendation made in the 10th Report to merge GKY and irrigation component of IRDP with MWS.

When asked whether is it not a fact that frequent changing of implementation of GKY since it's inception, show lack of planning on the part of the Department, to implement the programme, the Government replied that Ganga Kalyan Yojana (GKY) was launched in February 1997. It was formulated as a credit-linked scheme.

Asked whether that, do not you think, by merging GKY with IRDP there will be operational problems as IRDP is funded on 50 : 50 share and GKY 80 : 20 basis between the Centre and the State the Government has replied in negative.

According to them, the provision under IRDP are found to be better than the provisions under GKY and the general view is in favour of merging GKY with IRDP.

When asked whether there would be any operational problem due to merger of GKY with IRDP, the Department in its written replies has stated as under:

"The Million Wells Scheme is primarily oriented towards generation of employment. Its focus is on open wells. This Scheme will continue in its present form. GKY is proposed to be merged with IRDP and the provisions for irrigation under IRDP, which was found to be superior to those under GKY, will be followed. As such no operational problems are anticipated even in the event of the proposed merger of GKY with IRDP. "

When asked about the reasons for not assessing the physical and financial performance of Ganga Kalyan Yojana (GKY) in the performance Budget 1998-99 of the Department, although GKY was started during 1996-97, the Government has replied that GKY was

launched only in February, 1997. As such, no progress was made during the remaining part of the year 1996-97. Again due to difficulties explained earlier, the progress in 1997-98 was also unsatisfactory. Progress report was also not fully available from all the States.

**2.28** The Committee are constrained to note the non-satisfactory performance of GKY since it's inception in 1996-97. The poor physical and financial performance of the scheme so far, in general, and very few State's interest in the scheme as indicated from the meager state releases, in particular, point out to the fact that the Department could not utilise it's existing experience of implementing as many as 10 different programmes. They note that an expenditure of Rs. 68165.00 in Tripura during 1996-97 and Rs. 563435.00 in six States during 1997-98 have given rise to a poor physical performance of 1515 individual projects and 22 group projects and huge unspent balance left unutilised. They fail to understand as to why the Department has failed to fix the physical targets of the Scheme. The Committee strongly feel that the Department should fix the physical targets for the scheme and should assess the physical and financial performance of the Scheme in the forthcoming performance Budget 1999-2000 of the Department. Further they recommend that, instead of frequently changing the existence of the Scheme, the Department should try to integrate irrigation component of IRDP with GKY and MWS, since the primary objective of each of these programmes is to facilitate irrigation. The Committee strongly feel the new programme so created can have two sub-schemes under it, which can separately be targeted for generation of employment and the other with the provision for repayment of term-credit from the financial institutions.

**2.29** The Committee recommend that for a better and effective implementation of a new central scheme, the Centre should, in consultation with State Governments assess the existing capabilities of the implementing machineries at the field level.

#### **(v) Supply of Improved Tool Kits to Rural Artisans**

**2.30** The scheme of SITRA was launched in July 1992. The beneficiaries of the scheme (artisans) are required to contribute 10 per cent of the cost of the tool kits provided under the scheme, as their contribution and the balance 90 per cent is provided as subsidy by the Central Government.

The Budget Estimates (i.e. subsidy from the Central Government) for SITRA scheme was Rs.40.00 crore during 1997-98 which has been increased to Rs. 60.00 crore for the current financial year. Thus, during 1998-99, the contribution of the Central Government for the scheme has been increased by Rs. 20.00 crore (i.e. 50.00%).

As per the written information forwarded to the Committee the following observation about SITRA are made:

	(Rs. in crore)
Opening Balance as on 1.4.97	32.05
Allocation in 1997-98	35.00
Total available fund in 1997-98	67.05
Total utilisation of funds 1997-98	33.02
% utilisation to total availability (1997-98)	49.25 %
Opening Balance as on 1.4.98	29.84
Allocation for 1998-99	60.00
Total available fund for 1998-99	89.84

As per the written information forwarded to the Committee, an achievement of 84.85% in financial terms and 66.0% in physical terms has been achieved for SITRA during 1997-98.

2.31 When asked about the reasons for the mis-match between the financial and physical achievement during 1997-98 and whether the proposed outlay of Rs. 60.00 crore will be sufficient to meet the physical target of 3.28 lakh tool kits supply during 1997-98 the Government has replied that:

“ The process of purchase of Tool kits and the selection of beneficiaries may not always be simultaneous, leading to a difference in achievement in physical and financial terms. Besides, the physical targets are fixed in terms of hand driven tools and the average cost is being calculated at Rs. 2000. Since the actual performance may also involve power driven tools, the physical

achievement may not tally exactly with the financial achievement. The average cost of a hand driven Tool kit is Rs. 2000 and 90 per cent of this cost is subsidy from Government of India and 10 per cent is the contribution of the beneficiary. The proposed outlay will be sufficient to achieve the target."

**2.32 The Committee note that the financial and physical performance of SITRA has not been satisfactory as during 1997-98 out of a total allocation of Rs. 67.05 crore only a sum of Rs. 33.02 crore (i.e. 49.25%) could be utilized under the scheme. With an opening balance of Rs. 29.84 crore and fresh allocation of Rs.60 crore during 1998-99, the Government will be having Rs. 90 crore (approximately) at their disposal under the scheme. The Committee recommend that all out efforts should be made to utilize the available funds fully.**

**2.33 As per the written information forwarded to the Committee one of the objectives of SITRA is to reduce the migration of rural artisans to cities.**

On a query, how far the SITRA has succeeded in checking the migration of rural artisans to cities, since its inception in 1992-93, the Government has replied that specific study on the effect of SITRA in checking the migration of rural artisans to cities has not been conducted.

**2.34 The Committee note that the main objective of the SITRA, which has been in existence for the last six years, is to reduce the migration of rural artisans to cities. However, no study has been made so far, of SITRA to assess its impact on checking the migration of rural artisans to cities. The Committee therefore, recommend that Government should at least conduct some sample survey to assess the impact of SITRA on this aspect.**

## **CHAPTER III**

### **DEMANDS FOR GRANTS OF WAGE EMPLOYMENT AND INFRASTRUCTURE DEVELOPMENT PROGRAMMES**

The following wage-employment and infra-structure development programmes are being implemented by the Department:

- (i) Jawahar Rozgar Yojana (JRY)
- (ii) Indira Awaas Yojana (IAY)
- (iii) Million Wells Scheme (MWS) and,
- (iv) Employment Assurance Scheme (EAS)

#### **(i) Jawahar Rozgar Yojana (JRY)**

3.2 The Jawahar Rozgar Yojana was launched during 1989-90. The funding pattern for the programme is shared on a 80:20 basis between the Centre and the States. Expenditure made under the programme in the Union Territories is borne by the Centre on 100% basis. The released funds (out of both the Central share and States share) are distributed in the ratio of 70:15:15 amongst Village Panchayats, Intermediate Panchayats and DRDAs/Zilla Parishads. The Budget Estimate (i.e. contribution from the Centre) for the Programme during 1997-98 was Rs. 2077.70 crores which was increased to Rs. 2095.00 crore during 1998-99. Thus, there is an increase of Rs.18.0 crore (i.e. 0.83%) in the Central Outlay during the current year.

3.3 As per the written information forwarded to the Committee, the following observations about JRY can be made:

<b>Opening Balance as on 1-4-97</b>	<b>Rs. 446.24 crore</b>
<b>Allocation released (Centre + States) during 1997-98</b>	<b>Rs. 2425.79 crore</b>
<b>Funds available 1997-98</b>	<b>Rs. 2872.03 crore</b>
<b>Funds utilised during 1997-98</b>	<b>78%</b>
<b>BE 1998-99 (Central share)</b>	<b>Rs. 2095.00 crore</b>

When asked as to whether Rs. 2095.0 crore can be spent during 1998-99 for JRY especially when financial utilisation during the past years under the Yojana was not satisfactory, the Government in the written reply has stated that the utilisation of funds during 1997-98 is 84.67% which is considered to be satisfactory (The observation made earlier are on the basis of the reports upto February 1998). As per the guidelines, the States are permitted to carry over 25% of available funds to the next financial year. The opening balance as on 1-4-98 with the States is only 15.33%, (i.e. Rs. 440.24 crore).

**3.4 The Committee note that Rs. 2431.78 crore of the available fund was utilised during 1997-98 out of the Central & States share, which comes to 84.67%. They further note the opening balance of the scheme as on 1.4.98 is only 15.3% of the allocation of 1997-98 which comes to Rs. 440.24 crore. They further note that during 1998-99 an amount of Rs. 2954.24 crore (i.e. Rs. 2095.00 crore as Central share + Rs. 419.0 crore as State share + O.B. of Rs. 440.24 crore as on 1.4.98) is likely to be available for the Scheme. The Committee would like to urge the Department to further strengthen the existing implementing machinery of the Scheme so that the entire available fund is utilised during 1998-99.**

3.5 As per the performance Budget 1998-99, during the year 1997-98 (upto February 1998) utilisation of total Funds including the State-share was 78% (i.e. Rs. 2242.82 crore were utilised out of the available Rs. 2872.03 crore) whereas the physical achievement was 94.4% [i.e. 364.83 million mandays (employment) were generated out of the target of 386.49 million mandays]. Similarly during 1996-97, physical achievement was 96.74% against the financial utilisation of 83.79 %.

When asked about the justification for the mismatch between financial and physical target achievement during 1996-97 and 1997-98, the Government has replied that it may be mentioned that utilisation of total funds as per latest available reports, including States share is 84.67% (i.e. Rs. 2431.78 crore were utilised out of the available Rs. 2872.03 crore) The mis-match between financial and physical target during 1996-97 & 1997-98 is because the targets are fixed on the basis of allocation made to States in a particular year as against an average cost of creating one mandays of labour. In actual implementation, the average cost may be less and more mandays are created. Due to this reason some times physical achievements exceeded the targets. The

other reason for mis-match between financial and physical target is that under JRY at least 60% of the funds are to be utilised for payment of wages and 40% on material. The higher physical achievements indicates that more labour intensive works are taken up by the implementing agency by spending more funds on wages.

When asked further that is it a fact that the financial target has been over estimated in relation to the physical target fixed, the Government has replied that the financial targets are not over estimated. The physical targets are fixed on the basis of budget allocation for the programmes. The State-wise targets are fixed by taking the weighted average of the minimum wages fixed by the concerned States and likely expenditure on material keeping in view 60:40 wage material ratio.

**3.6 The Committee note that during 1997-98 the fund utilisation was 84.67% of the total availability. However, they fail to understand as to why the physical performance of the scheme as reported for February 1998 has not been added by the Department while sending the said information. They feel as per the information supplied to the Committee, the existing system of fixing the physical target *vis-a-vis* the financial target is not fool proof. Therefore, they urge the Department to adopt a better method for fixing the physical target *vis-a-vis* the financial target for the scheme of JRY.**

3.7 As per the Annual Report 1997-98 the concurrent evaluation of JRY, from June 1993 to May 1994, has revealed the following inadequacies.

- (i) Elected panchayat heads were not imparted training for implementation of JRY works;
- (ii) Share of employment generation was less than the prescribed 30%;
- (iii) Nearly half of the works under JRY could not be completed due do shortage of funds; and
- (iv) Discrepancies were observed in the rate of payment of wage to male and female workers.

When asked about the corrective steps taken by the Department to recover the above discrepancies the Government has replied that:

"All the State Governments have been requested to take necessary steps to remove the discrepancies pointed out in the concurrent evaluation report. In addition, the programme is strictly monitored through monthly and quarterly returns, field visits by the officers of the Centre and State Governments. The programme is also reviewed periodically with the State Secretaries and Project Directors of DRDAs/ZPs."

When asked further, as to why the discrepancies (even though occurred by May 1994) could not be detected earlier as four years has been passed since then, the Government has replied that "Field Survey was conducted from June '94 to May '94 for concurrent evaluation by the field institutions in which 45 independent Research Institutions located in different parts of the country were involved. Data was processed and compiled first at the regional level and then at State and all India level and the Report submitted in 1997. After the report was received it was sent to State Governments for immediate follow up measures."

**3.8 The Committee are concerned to note that the findings of the JRY evaluation for the reference period June 1993 to May 1994 could only be known in 1997 and the corrective measures were initiated in 1998. The Committee feel that this delay in getting the findings of the concurrent evaluation is very long and not justifiable. They would like to urge the Department to take necessary initiative to reduce this long period for conducting the evaluation surveys and initiating the corrective actions. They would also like to be informed about the action taken by the concerned Governments against each of the above discrepancies.**

#### **(ii) Indira Awaas Yojana (IAY)**

**3.9** Indira Awaas Yojana is in operation since 1989-90. The funding pattern for the scheme is shared on a 80:20 basis, between the Centre and the States. Union Territories are provided 100% Central assistance. The Budget Estimate (i.e. Central share) for 1997-98 of the scheme was Rs. 1190.0 crore which has been increased to Rs. 1600.0 crore during the current year. Thus, during 1998-99 there is an increase of Central share funds to the tune of Rs. 410.0 crore (i.e. 34.45%).

3.10 As per the information given in the Annual Report 1997-98 and Performance Budget 1998-99, a total of 4362171 houses were built against an expenditure of Rs.6375.00 crore (out of both Central & State shares) between 1985-86 to 1997-98 period. Similarly with the same expenditure, the number of house construction under progress since 1995-96 was, as under:

Year	Target	House construction under progress (in numbers)	House constructed	Total House construction attempted
1995-96	1147489	427648	862836	1290484
1996-97	1123560	394116	806290	1200406
1997-98	718326	348285	641325	989610

When asked about the number of houses for which construction was under progress under IAY since 1985-86 the Ministry has replied that Indira Awaas Yojana was initially started as a sub-scheme of Jawahar Rozgar Yojana. It became an independent scheme w.e.f. 1.1.96 and hence separate data of Houses under progress since 1985-86 to 1995-96 period is not available. However, during 1996-97, 394116 houses and during 1997-98, 348285 houses (provisional) were reported to be under various stages of construction.

When asked further, as to why the physical target of construction of 1123560 houses during 1998-99 has been kept when construction of only 989610 houses could be taken up during 1997-98, the Ministry has replied that, Physical Target for the year 1998-99, is yet to be finalised. However, the physical target for the year 1996-97 was fixed at 1123560 houses against which achievement was 806290 houses. This shortfall was due to an increase in the ceiling of assistance under Indira Awaas Yojana w.e.f. 1.8.96 from Rs.14,000 / Rs.15,800 to Rs. Rs.20,000 / Rs. 22,000 for the plain and hill/difficult areas respectively.

When asked for the reasons for decreasing the physical target from 989610 during 1997-98 to 718326 during 1998-99, specifically when the central share of allocation between these years has been increased by Rs. 410 crore, the Government has replied that during 1997-98 the

physical target fixed under Indira Awaas Yojana was 718326 houses against the allocation of Rs.1190 crore. During 1998-99 the allocation under Rural Housing is Rs.1600 crore against which physical target is tentatively fixed at 8.5 lakh houses. As per the performance Budget 1998-99, the financial utilisation during 1996-97 was Rs.1385.92 crore against the availability of Rs.1677.90 crore (i.e. 82.60%) and during 1997-98 an utilisation of Rs.1345.80 crore was made against the total availability of Rs.1637.95 crore (i.e. 82.16%). When asked for the reasons for shortfall in expenditure during 1996-97 and 1997-98, the Government has replied that during 1996-97 against the total availability of Rs.1677.90 crore the utilization reported was Rs.1385.92 crore which was 82.60% only. Rs.341.21 crore was released as late as March, 1997 due to the late/non receipt of proposals under Indira Awaas Yojana from the State Governments. During 1997-98 against the availability of Rs.1637.95 crore, the utilization reported is Rs.1345.80 crore, which is 82.16%. Rs. 90.29 crore was released in March 1998. However it is submitted that the aggregate opening balance for the country, under Indira Awaas Yojana is generally within the permissible limits. When asked about the need to strengthen the implementing machinery for the IAY for full utilization of funds during 1998-99, it has been stated by the Government that the level of utilisation under Indira Awaas Yojana is fairly satisfactory. However, it is our continuous endeavour to bring about greater accountability, objectivity, transparency and efficiency in the implementation of the scheme. A proposal to strengthen the District Rural Development Agencies (DRDAs) is under consideration of Government.

During the course of oral evidence, the Secretary of the Department while clarifying the physical target for IAY during 1998-99 stated as under:

"We want to build another 13 lakh houses this year. We are in touch with the Urban Development people also. We are requesting Housing and Urban Development Corporation (HUDCO) to have a dedicated subsidiary for housing development in rural areas. Right now, they are only doing mostly in urban areas. We would also like that some loan should be given to the rural areas by those who can really pay the loan".

**3.11 The Committee are concerned to note that under IAY since 1995-96 — the earliest year for which the information has been made**

available to the Committee, the total house construction attempted has always exceeded the target set for the scheme, which finally resulted in leaving several houses under "Construction-under-progress" category. During 1997-98, total house construction attempted was 989610 houses against the target of 718326 houses, which resulted in leaving 348285 houses for which the construction was under progress. The Committee apprehend that this practice of the Government to sanction more houses to be built, in excess of the target set for the scheme, left several houses under various stages of completion at the end of the each financial year.

3.12 The Committee further note that the data furnished by the Ministry in respect of physical targets for 1998-99 under IAY, in response to different queries is not uniform and is varying between 11.24 lakh and 8.5 lakh. The Committee would like the Ministry to clarify the correct position available in this regard.

The Committee note that the Department does not appear to have the exact number of physical targets as could be seen from different figures furnished to the Committee in this regard for the current year. Further, there is no proper planning on the part of the Government to achieve the target fixed if any, as reflected in the reply of the Secretary of the Department of Rural Employment & Poverty Alleviation during the course of oral evidence. The Committee have their own doubts as to whether the Department will be able to complete the targets in the priority sector i.e. housing, in such a scenario.

3.13 The Committee strongly recommend that the Department should take necessary measures to achieve the targets so that the higher allocation of Rs. 410.00 crore is fully utilised during 1998-99.

3.14 When asked whether the Government has ever verified physically, the 4362171 houses constructed under IAY and their result of such verification, the Government has replied that the Government of India has not done 100% verification of the 4362171 houses constructed under Indira Awaas Yojana. The scheme is implemented by the State Governments and the identification of the beneficiaries is the responsibility of Gram Sabhas. However, Government of India monitors all Rural Development Programmes including Indira Awaas Yojana through Area Officers Scheme. Officers visit the allotted States/ UTs from time to time and inspect the actual implementation of the

programme in the field. They also participate in the State level Coordination Committee Meetings providing thereby, a source of effective link between the policy makers (Govt. of India) and the implementing agencies (States/Union Territory Governments). The programme is also reviewed at the meetings with the State Secretaries of Rural Development and with the Project Directors of the DRDAs in the workshops generally held in June-July every year.

3.15 The Committee are concerned to note that the Government has not yet done physical verification of the 4362171 houses, reported to have been constructed under the scheme by the end of 1997-98. They would like to urge the Government to have a physical verification of these houses, at least on test check basis. They would also like to be informed of the result of such verification.

3.16 As per the written replies, the plan outlay for IAY during 1998-99 has been increased by Rs.410 crores. Similarly, the allocation during 1998-99 under Rural Housing is Rs.1600 crores against which the physical target of 8.5 lakh houses has been fixed. The 8th Five Year Plan (1992-97) had allocated Rs.350 crores for Rural Housing Programme, the performance of which was not satisfactory and the said scheme was ultimately merged with IAY from 1.1.1996.

When asked about the reasons due to which the Rural Housing Scheme, launched in 1993-94 failed and had to be merged with IAY during 1995-96 and in what way the present scheme of Rural Housing is different from the earlier Rural Housing Scheme, the Government has replied that the Centrally Sponsored Rural Housing Scheme came into effect during 1993-94. The allocation for the year 1993-94 was Rs. 11.00 crore. The same was fully utilized. During 1994-95, an allocation of Rs. 80 crore was made and the same was utilized. During 1995-96, an allocation of Rs. 45.0 crore was made but the same was utilized under IAY due to merger of the scheme with IAY with effect from 1.1.96. The objective of Indira Awaas Yojana (IAY) and Rural Housing Scheme was to provide houses to rural poor. Since the Ministry was implementing two different schemes with the same objective, it was felt necessary to merge the two schemes into one i.e. Indira Awaas Yojana with effect from 1.1.96.

Under Rural Housing Scheme funds were provided by Government of India to strengthen and enhance the efforts of various State Governments to provide housing for people belonging to weaker

sections and the people living below poverty line in rural areas under the State sponsored Rural Housing Schemes. Funding under this scheme was dependent on the allocation made by the State Government under their Rural Housing Scheme whereas Indira Awaas Yojana is an independent scheme and is being implemented all over the country on 80:20 sharing basis between the Central and the State with an objective providing housing to the rural poor living Below Poverty Line (BPL).

3.17 The Committee while appreciating the overall increase in the allocation for the scheme, would like to remind the Government that during 1997-98 the fund utilisation of the scheme was only Rs.1345.80 crore against the total availability of Rs.1637.95 crore. Thus for the current year, apart from the releases from the States an amount of Rs.1689.07 crore (i.e. the provisional opening balance of Rs.89.07 crore as on 1.4.98 + Rs.1600.00 crore allocated for 1998-99) is available with the Department. The Committee would like to urge that, the Government should take necessary steps for full utilisation of funds under the scheme during 1998-99.

### (iii) Million Wells Scheme (MWS)

3.18 Million Wells Scheme is in operation since 1988-89. The funds for the scheme is shared on a 80:20 basis between the Centre and the States. The Union Territories are given 100% Central assistance. During the year 1997-98, the Budget Estimates for the scheme (i.e. the Central share of funds for MWS) was Rs.448.0 crore which has been increased to Rs. 450.0 crore during the current year. Thus, there is an increase of Rs. 2.0 crore (i.e. 0.45%) for the Central share during 1998-99.

3.19 As per Performance Budget 1998-99, during 1996-97, total fund utilisation was only 74.49 % which has further been reduced to 67.33% during 1997-98. Further, Central allocation for MWS during 1998-99 has been increased to Rs.450.00 crore from Rs.448.00 crore during 1997-98.

When asked about the reasons for unsatisfactory financial performance of the MWS during 1996-97 and 1997-98 alongwith the need for the further strengthening of implementing machinery for MWS to ensure full-utilisation of available funds during 1998-99, the Government has replied that the latest position of utilisation of funds under MWS during 1997-98 was Rs. 495.16 crore which amounts to 72% of the available funds. The States are permitted to have an opening

balance upto 25%. For effective implementation of the programme, physical monitoring through field inspections is important. It has been decided in consultation with State Governments that officers dealing with MWS at the State headquarters shall visit districts regularly and ascertain through field visits that the programme is being implemented satisfactorily and according to specifications.

3.20 The Committee are constrained to note that during 1997-98 only 72% of the available funds i.e. Rs.449.16 crore was utilised for the scheme leaving a balance of 28% of the available funds unutilised. Thus the balance of unspent amount is definitely more than the permissible level of 25%. As per the provisional information, opening balance of the scheme as on 1.4.98 was Rs. 192.61 crore and the allocation (Central share of funds for 1998-99) is Rs. 450.0 crore. Thus, for the current year apart from the available Rs. 542.61 crore for the scheme the States are also required to release their share of funds. The Committee recommend that the Government should impress upon the implementing agencies, to fully utilise the funds available under the scheme during 1998-99.

3.21 The year-wise information on total wells constructed, wells under construction and total wells construction attempted since 1988-89 *vis-a-vis* the total utilisation of funds (out of both Central & State shares) under MWS since 1995-96 is at *Appendix-II*.

On a query whether the Government has ever verified physically, the construction of total 12.13 lakh wells dug under MWS since 1988-89, the Government in its reply has stated that, as regard verification, the scheme is implemented at district level by Zilla Parishad/DRDA. At State level, there is State Level Coordination Committee under the Chairmanship of the Chief Secretary. Concurrent evaluation of MWS is being taken up by the Ministry in 1998-99.

3.22 When asked, in the absence of any physical verification how these figures could be taken as correct the Government has replied that MWS was a sub-scheme of JRY until 31.12.1995. From 1.1.96 it has become an independent scheme. In our earlier reply we stated that Concurrent Evaluation of MWS is being taken up by the Ministry in 1998-99. It has also been clarified that though no physical verification has been undertaken by the Ministry, but at the State level physical verification is being done. Each well/irrigation source constructed under MWS is located in the holding of beneficiary and an entry to that

effect is made in the revenue records. Funds are released to the beneficiaries in instalments depending upon the stage of completion of the work and beneficiaries themselves, undertake construction of wells through their own labour and by hiring local labour for which they are paid. Vigilance Committees have been constituted at block, district and State levels for implementation and supervision. At the Central level the scheme is being monitored through monthly and annual progress reports.

**3.23** The Committee note that, so far 12.13 lakh wells have been dug under the Scheme since it's inception in 1988-89. They also note that, 401410 wells were under construction in addition to the wells dug, during 1995-96 to 1997-98 period. They are concerned to note that so far the Department has not verified the existence of 12.13 lakh wells dug during the period 1988-89 to 1997-98 in addition to 401410 wells which were under construction during the 1995-96 to 1997-98 period. The Committee recommend that the Department should physically verify the existence of wells for which construction has been attempted in addition to the physical achievement of other schemes of minor irrigation, without any further delay.

**3.24** When asked whether the scheme has been successful in all the States and which are the States where scheme has not been successful and the corrective steps taken, if any, the Government has replied that a total of about 12.13 lakhs wells have been constructed under the MWS between the period 1988-89 to 1997-98. The feed back received from the States and field visit of Area Officers confirm success of MWS in many areas of States like Orissa, Bihar, Maharashtra, Andhra Pradesh, Kerala, Madhya Pradesh etc. A comprehensive evaluation of MWS, however, is being done during 1998-99 for an assessment of overall success of the Scheme in all the States.

As per the Annual Report 1997-98, an expenditure of Rs.1.38 lakh was spent in Pondicherry against which no physical achievement has been shown.

When asked for the justification of the expenditure of Rs.1.38 lakh made in Pondicherry during 1997-98 with no physical achievement the Government in their reply have stated as per the report received from Union Territory of Pondicherry, against the total availability of

funds to the tune of Rs.10.32 lakh during 1997-98 an expenditure of Rs. 1.38 lakh was incurred. The Union Territory has not reported physical achievement and is being asked to furnish requisite information.

During 1996-97 and 1997-98 an expenditure of Rs. 46.09 lakh and Rs.61.53 lakh respectively was incurred on levelling of land etc. in the State of Punjab.

As per the Central guidelines of the Scheme, where wells are not feasible due to geological factors, funds under the scheme may be utilised for other works of minor irrigation like irrigation tanks, water harvesting structures etc. and also for the development of land belonging to the target group.

On a query, whether the digging of well was not feasible in Punjab and if so, why other alternative projects for irrigation were not taken up instead of spending funds on development of land the reply was, most of the agricultural land in Punjab is already under irrigation either through canals and tubewell. There is, therefore, no scope for taking up open wells in Punjab. We are in communication with the State Government on the possibility of utilisation of MWS for the other activity.

When asked further that whether the guidelines for implementation of MWS have been violated in Punjab particularly when the guidelines provide such levelling can be taken up only when digging of wells are not feasible due to geographical factors and why the existing monitoring mechanism for the scheme, could not detect such lapse, the Government in their reply have stated that the State of Punjab has 92% to 95% irrigated land either through canals or through tube-wells. There is little scope for utilisation of MWS funds for open dug wells. The State Government, therefore, have expressed their intention to undertake land levelling and development, in specific MWS districts which is permissible under MWS in place of open dug wells. The districts identified by the State for this purpose are in 'KANDI' area comprising of Roopnagar (Ropar), Hoshiarpur, Nawanshahar,

Gurdaspur and water logged district of Bhatinda, Mansa and Muktsar. The matter is under consideration in consultation with the State Government. As such, there is no lapse in the existing monitoring mechanism.

3.25 During the course of oral evidence the representative of the Department has stated that the land levelling work done under the scheme, in Punjab is not violation of the guidelines, because this work is permissible for small and marginal farmers.

3.26 The Committee are distressed to note that the existing monitoring mechanism for the scheme at the Central Level could not obtain the physical performance of the scheme in the Union Territory of Pondicherry during 1997-98 despite several attempts. The Committee would like to know the response of the Pondicherry administration, in this regard.

3.27 The Committee are surprised to note that Punjab Government was permitted to level land when the digging of wells was feasible in that State. As per the existing guidelines of the scheme such levelling should have been permitted, only if the digging of wells is not feasible due to the geographical factors. The Committee find that the existing provisions of guidelines were violated in the implementation of MWS in that State because (i) digging of wells were possible and (ii) the Ministry permitted the spending of funds on development of land permissible under the scheme, without exploring the possibility of alternative projects for irrigation. The Committee would like to know the result of the said consultation with the Government of Punjab. They would like that, the Department should ensure that, provisions of the guidelines for MWS are not violated while implementing the scheme in any State/ Union Territory.

#### **(iv) Employment Assurance Scheme (EAS)**

3.28 EAS was launched on 2nd October, 1993. The expenditure under the scheme is shared between the Centre and the States on a 80:20 basis. Union territories are provided 100% Central assistance.

The Budget Estimates (i.e. the Central Share) for the Scheme during 1997-98 was Rs. 1970.0 crore which has been increased to Rs. 1990.0 crore for the current year. Thus the proposed Central outlay for the scheme has been increased by Rs.20.0 crore (i.e. 1.02%) during 1998-99.

3.29 As per the Performance Budget, 1998-99, the following observations regarding EAS can be made :—

#### Financial Performance

Year	Opening Balance	Total Release	Available Funds (Rs. in crore)	Expenditure	%age Achievement
1996-97	959.55	2423.79	3383.34	2160.41	63.85%
1997-98	965.41	2460.48	3425.89	2718.29	79.35%

1997-98 BE proposed Central share Rs. 2077.70 crores.

1998-99 BE proposed Central share Rs. 2095.00 crores.

#### Physical Performance

Year	Total mandays Generated (in lakh)	No. of works completed in progress	Total Works undertaken
1996-97	4030.02	277014	287508
1997-98	4454.76	151652	154864

1997-98 BE proposed Central share was Rs. 1970 crores.

1998-99 BE proposed Central share is Rs. 1990 crores.

Given the slow financial achievement at the rate of 63.85% during 1996-97, under EAS, when asked how the Department proposes to spend the allocation of Rs.2095.00 crore during 1998-99 keeping in view the fact that utilization during 1997-98 was only 79.35% the Government has replied that, during 1995-96 and in previous years, central assistance was released taking the district as a primary unit. However, from 1996-97 the primary unit of considering release of funds under the scheme is a Block. A district becomes eligible for further Grants only when its blocks utilise more than 50% of the available funds. Unspent balance at the time of applying for the last instalment for each block is taken into account for release of central assistance whereby, at the time to release of each instalment, the unspent balance is monitored. Due to the changes mentioned, in a number of cases, districts did not furnish the required information in the first instance necessitating correspondence and resulting in the release of funds during the first half of 1996-97 being slower than in the previous year. However, in the second half of 1996-97 the procedure stabilised and

funds were released as per the demand. This resulted in release of huge funds in the last quarter of 1996-97 and therefore the percentage of utilisation of funds during 1996-97 was 63.85. Since EAS is a continuing scheme, the funds available with the district were utilised in the next financial year. Under Employment Assurance Scheme (EAS) a district can apply for release of next instalment for a block, after utilising 50% of the available funds.

It means that a district is supposed to have upto 50% of the allocation at its disposal at any point of time for taking up EAS works where there is demand for wage employment. The budget allocation for 1997-98 was Rs. 1970 crore which was not sufficient to meet the demand for funds from a large number of blocks. Proposals for Rs.380.00 crore were pending as on 31.3.98 for want of funds. The budget allocation for 1998-99 will not be sufficient to meet the demand from the districts. An amount of Rs.2700.00 crore is required for providing two instalments to all the blocks of the country. Though some blocks do not come forward for second instalment, yet some States come forward with the request for release of third instalment which cannot be entertained with budget allocation of Rs.1990 crore.

**3.30** The Committee note that during the current year, an amount of Rs. 2665.12 crore (i.e. the provisional opening balance of Rs. 675.12 crore as on 1.4.98 + Rs. 1990.0 crore of Central share) excluding the contribution of the State Government to be released, is available to the implementing agencies of the scheme. They are surprised to note that without calculating the funds available for EAS, the Department felt a requirement of Rs.2700.00 crore for providing two instalments to all the blocks of the country. They recommend that the Department should first take necessary steps to utilise the available funds during 1998-99.

**3.31** When asked for the reasons for decrease in total works undertaken, from 564522 during 1996-97 to 306516 during 1997-98 and for decreasing the number of works undertaken as given above against the increasing mandays from 4030.02 during 1996-97 to 4454.76 during 1997-98, the Ministry in their reply have stated that the weighted average minimum wage paid under JRY and EAS was Rs.29.77 per day during 1996-97 and Rs. 36.88 during 1997-98 because a number of States revised the minimum wages. With the increase in minimum

wage in a number of States the districts took up comparatively lesser number of works. The total expenditure under EAS during 1996-97 was Rs. 2160.41 crore (63.85%) which increased to Rs. 2887.62 crore (84.29%) during 1997-98 resulting in the increasing mandays from 4030.02 lakh mandays during 1996-97 to 4454.76 lakh mandays during 1997-98. From 1997-98, States were requested to spend 50% of the EAS funds on watershed projects in Drought Prone and Desert Areas. The States took up more watershed works which are big works under EAS during 1997-98 as compared to in 1996-97. Another reason would be that districts had started taking up comparatively bigger works under EAS, since the scheme was grounded well in all blocks of the country in 1997-98.

**3.32** The Committee note that during 1996-97 and 1997-98, the number of total works undertaken under EAS has been decreasing. Now that a higher amount of Rs. 2665.12 crore (excluding the contribution from States) for expenditure during 1998-99 is available, the Department should take necessary steps to achieve a higher number of total works and generation of more mandays, without involving the agency of a contractor.

**3.33** As per the written information forwarded to the Committee, to supervise the implementation of EAS, the States are required to constitute a District EAS Committee in each District and a Block EAS Committee in each Block. On a query how many districts and blocks of the country have so far constituted the said District EAS Committee & Block EAS Committee the Department has stated that so far, nine States namely, Andhra Pradesh, Bihar, Gujarat, Madhya Pradesh, Manipur, Punjab, Rajasthan, Tamil nadu and Tripura and 3 Union Territories viz. Andaman & Nicobar Islands, Daman & Diu and Pondicherry have not reported the formation of such Committees while the Government of West Bengal opposes the move for a separate Committee for EAS as Vigilance and Monitoring Committees for all the rural development/employment schemes exist in that State. All of the rest of the States and Union Territories have constituted the said Committees.

**3.34** The Committee note that as on date 10 States and 3 Union Territories are yet to constitute the District and block EAS

Committees which are required to be constituted under the guidelines. The Committee accepts the explanation forwarded by the Government of West Bengal for not forming the said EAS Committees because the State has already constituted the vigilance and monitoring Committees. To avoid multiplicity of authorities, the Committee recommend that the Government should issue standard guidelines to authorise the existing vigilance and monitoring Committees at the district and block levels, to perform the functions of District and Block EAS Committees and should modify the guidelines, if necessary.

## CHAPTER IV

### DEMANDS FOR GRANTS OF SPECIAL AREA PROGRAMMES

The following Special Area Programmes are being implemented by the Department of Rural Employment & Poverty Alleviation

(i) Drought Prone Areas Programme (DPAP) (ii) Desert Development Programme (DDP).

#### (i) Drought Prone Areas Programme (DPAP)

4.2 The DPAP was started in 1973-74. The funds under the programme are shared on a 50:50 basis between the Centre and the States. The budget estimate of DPAP (i.e. central share) for 1997-98 was Rs. 115.0 crore which has been reduced to Rs. 95.0 crore this year. Thus, there is a reduction of Rs. 20.0 crore (i.e. minus 17.39%) during 1998-99, for the Central share.

4.3 As per the budget proposals for DPAP during 1998-99 the following observations can be made :

Year	Central Sector allocation	Increase	% increase
BE 1995-96	Rs. 125.00 crore	—	—
BE 1996-97	Rs. 125.00 crore	Nil	Nil
BE 1997-98	Rs. 115.00 crore	(-) 10.00	(-) 0.06%
BE 1998-99	Rs. 095.00 crore	(-) 20.00	(-) 17.39%

Similarly as per the new watershed guidelines, area development on watershed basis, has been made compulsory (from 1995-96). Under common guidelines, the project sanctioned, should last for four years. The first batch of such projects sanctioned in 1995-96 is due for completion at the end of 1999-2000.

When asked for the justification of the reduced allocation by the centre, made since 1996-97 for DPAP, keeping in view the big challenge of developing the watersheds in the country, the Ministry in it's reply has stated that due to financial constraints, allocation of funds for the

Drought Prone Areas Programme, is also getting reduced, even though higher allocation of funds was proposed for implementation of the programme. When further asked, that DPAP's new watersheds have completed 3 years of existence, can be it be stated that the physical performance during the last 3 years is satisfactory, the Department in its reply has stated that since funds for the projects undertaken are being released on completion of the prescribed activities and fulfilment of financial norms, the performance of the Programme, in general, is satisfactory. Regarding physical targets, the projects started in 1995-96 are expected to be completed by 1999-2000 A.D.

As per the performance Budget 1998-99, the percentage expenditure to available funds under DPAP during 1996-97 was 56.34% and during 1997-98 it was 51.32%, whereas so far watershed works of 4364 watershed projects have been taken up against the target of 5622 watershed projects. On the query what are the reasons for poor physical and financial performance of DPAP during the above mentioned years and the corrective steps the department proposes to undertake for better financial & physical achievement under the programme, the reply was, this people driven programme has picked up and initial difficulties in operationalising the Guidelines for Watershed Development, have been overcome. As such, against the targetted number of 5622 projects, 4364 have been taken up so far. For improvement in the financial and physical performance, the progress of the programme is being closely monitored through review meetings with the concerned State Secretaries and suitable instructions issued to them. Efforts are being made to accommodate the specific local situations by relaxing the guidelines suitably. Field visits are also being undertaken by officials of this Ministry to those areas where performance is not satisfactory and remedial measures to improve the performance are being evolved in consultation with the State Governments and local people.

**4.4 The Committee are concerned to note that the utilisation of funds under DPAP is not at all satisfactory since the introduction of new watershed guidelines w.e.f. 1.4.95. They are constrained to note that the provisional unspent balance of scheme as on 1.4.98 was Rs. 171.72 crore which is nearly the double of the allocation (central share) for the scheme for 1998-99 (i.e. Rs. 95.0 crore). The Committee would like that all the available funds for the scheme should be utilised fully during 1998-99.**

**4.5 They recommend that all the watershed projects completed so far, should be properly maintained.**

**(ii) Desert Development Programme (DDP) .**

4.6 The DDP is in operation since 1997-98. The funds under the programme are shared between the Centre and the States in the following manner.

Area	Funding Pattern
Hot Desert Areas	75:25
Hot Arid (Sandy) Areas	100% by the Centre
Cold Arid — Areas	100% by the Centre

The budget estimate (*i.e.* the Central share) for the programme during 1997-98 was Rs. 70.0 crore which has been increased to Rs.90.0 crore this year. Thus, during 1998-99, the proposed central outlay for the Programme has been increased by Rs. 20.0 crore (*i.e.* 28.57%) over that of 1997-98.

4.7 As per the Annual Report 1997-98, under DDP during 1996-97 and 1997-98 the percentage expenditure to available funds was only 36.99% and 41.33% respectively, whereas, as per the performance Budget 1998-99, works related to 1947 watershed projects could be taken up against the target of 1996 projects (*i.e.* 87.53%).

When asked about the physical and financial performance of the Programme, the Department has replied as under :

"During 1995-96, 1,695 projects were sanctioned for implementation. In addition 16 projects were sanctioned in 1996-97 and 36 projects in 1997-98. From the information available, it is clear that percentage expenditure under Desert Development Programme is increasing year to year, which was 36.99% in 1996-97, 41.30% in 1997-98 (upto February' 1998) and the latest expenditure figure available shows that during 1997-98, it is now increased to 51.32%. This does not include the latest figures of Jammu & Kashmir and Himachal Pradesh as March 1998 Quarterly Progress Reports from these States are awaited. This clearly shows that this people driven programme has picked up and initial difficulties in operationalizing the Guidelines for Watershed Development have been overcome.

During last two years, this Ministry has initiated several steps to popularize and operationalise the Guidelines for Watershed Development. More emphasis on training and orientation to local people, Watershed Committee members, Watershed Development Team members and Project Implementing Agencies, are given. The physical and financial progress of watershed projects is monitored on monthly and quarterly basis. The progress reports are collected from programme districts/States and information is analyzed. For continuous monitoring and improving the achievement under DDP, for a group of States, programme officers have been appointed by this Ministry. They visit the watershed project areas/districts and review the programme.

Further, at the time of release of every instalment of these four years project, it is seen that along with completion of institutional arrangement and physical achievement, more than 50% expenditure of total available fund has been made. We are also ensuring that before releasing 2nd instalment, all institutional arrangements are complete. Area Officers Scheme of this Ministry also help in reviewing and improving the achievements under DDP in the programme States. All these steps have improved the achievement under DDP."

When asked whether the existing implementing agencies can utilise the available Rs. 169.17 crore during 1998-99, to achieve the desired results and whether the financial and physical target set for DDP would be achieved by the end of the stipulated four year period, i.e. by 1999-2000 AD, the Department has replied that, as all these projects are of four year period and due to delay in initial take-off, the actual implementation of these watershed projects was started in 1996-97. During 1998-99, obviously works under watershed projects are on peak. In fact, during current financial year, there is huge demand of funds for the ongoing watershed projects. As, after a long and continuous effort, now these guidelines have taken firm roots, demand for such work is going to increase further.

During 1997-98, we had total available funds to the extent of Rs. 149.17 crore (Opening Balance Rs. 79.17 crore and allocation Rs. 70.00 crore) out of which about 76.58 crore (51.32%) have already been spent as reported by the State Governments except Jammu and Kashmir which have reported expenditure upto January, 1998 and Himachal Pradesh upto December, 1997. It is hoped that the expenditure would be much more during 1997-98 when the information is received from these two States. We have only about Rs. 72.59 crore

as Opening Balance on 1.4.1998 and Rs. 90.00 crore budget estimate in 1998-99. Thus, the total amount available under DDP during 1998-99 will be to the tune of Rs. 162.59 crore. 1998-99 is the fourth year of the project started in 1995-96. During the said year, 1695 projects were taken up. As already mentioned above, 16 projects were sanctioned in 1996-97 and 36 projects in 1997-98. The committed liability of these ongoing watershed projects in 1998-99 has to be met on priority basis. Over and above, from programme States, we have received a proposal for sanctioning 2,911 projects to different programme districts. This alone requires an amount of Rs. 171.38 crore during 1998-99. In view of this, it is obvious that the amount of Rs. 162.59 crore will be fully exhausted during 1998-99. Under the new Guidelines, a watershed project is required to be developed in four years period. 1,695 projects have been sanctioned in 1995-96, 16 in 1997-98. It is hoped that if budgetary support is available, there is all likelihood of achieving the physical and financial targets by the end of 1999-2000.

**4.8** The Committee note that since 1995-96, the utilisation of funds under DDP is not at all satisfactory. Further, only 51.32% of the available funds were utilised in the programme during 1997-98. This shows that the rest 48.68% of the available funds remained unspent during the year. The Committee would like that the entire available funds of Rs. 162.59 crore should be utilised in the Programme during 1998-99.

**4.9** The Committee would like to know the present status of 1695 projects sanctioned for implementation during 1995-96.

**4.10** The Committee note that as per the funding pattern of DDP for 'Hot Desert Areas' the funds are shared on a 75 : 25% basis between the Centre and the States whereas the rest of the areas receive 100% Central assistance. The Committee are unable to appreciate the logic behind this funding pattern which discriminate against the hot desert areas in sanction of funds under the scheme. They, therefore, recommend that the funds under DDP for the 'Hot Desert Areas' should be entirely met by the Central Government as in the case of hot arid (Sandy) areas and cold arid areas. The Committee desire that the existing guidelines of the DDP should be suitably modified.

NEW DELHI;  
July 13, 1998  
Asadha 22, 1920 (Saka)

KISHAN SINGH SANGWAN,  
*Chairman,*  
*Standing Committee on Urban*  
*& Rural Development.*

**APPENDIX-I**

**SUMMARY OF THE DETAILED DEMANDS FOR GRANTS OF THE DEPARTMENT  
OF RURAL EMPLOYMENT AND POVERTY ALLEVIATION**

(Rupees in lakhs)

Sl. No.	Name of the Scheme	Major Head of Account	Budget Estimates 1997-98	Revised Estimates 1997-98		Budget Estimates 1998-99	
				Revenue	Capital/ Loan	Total	Revenue
1	2	3	4	5	6	7	8
<b>PLAN SCHEMES</b>							
<b>Special Programmes for Rural Development</b>							
1. Integrated Rural Development Programme							
(a) Subsidy to District Rural Development Agencies							
(b) Other Integrated Rural Development Programmes							
<b>Total—I.R.D.P.</b>							
			57100.00	51600.00	74000.00		74000.00

1	2	3	4	5	6	7	8
2. Rural Artisans		2501	4000.00	3600.00	6000.00	—	6000.00
3. Ganga Kalyan Yojana (GKY)		2501	20000.00 0.00	10000.00 0.00	94.00 0.00	—	94.00 0.00
4. Training of Rural Youth for Self Employment (TRYSEM)		2501	4505.00	3705.00	4504.00	—	4504.00
		3601	1393.00	893.00	1495.00	—	1495.00
		3602	2.00	2.00	1.00	—	1.00
			5900.00	4600.00	6000.00	—	6000.00
5. Drought Prone Areas Programme (DPAP)		2501	11500.00	10075.00	9500.00	—	9500.00
6. Desert Development Programme (DDP)		2501	7000.00	7000.00	9000.00	—	9000.00
Total—Special Programmes for Rural Development			105500.00	86875.00	104594.00	—	104594.00

1	2	3	4	5	6	7	8
<b>Rural Employment</b>							
7. Jawahar Rozgar Yojana (JRY)							
	2505	163395.00	153695.00	164870.00	—	164870.00	
	3601	44300.00	41500.00	44555.00	—	44555.00	
	3602	75.00	75.00	75.00	—	75.00	
		207770.00	195270.00	209500.00	—	209500.00	
8. Employment Assurance Scheme							
	2501	197000.00	190521.00	199000.00	—	199000.00	
<b>Total — Rural Employment</b>		404770.00	385791.00	408500.00	—	408500.00	
<b>Other Rural Development Programmes</b>							
9. Million Wells Scheme (MWS)							
	2515	44800.00	37300.00	45000.00	—	45000.00	
	3601				—		
	3602				—		
		44800.00	37300.00	45000.00	—	45000.00	

1	2	3	4	5	6	7	8
<b>10. Development of Women and Children in Rural Areas (DWCRAs)</b>	<b>2515</b>	<b>6500.00</b>	<b>6200.00</b>	<b>10000.00</b>	<b>—</b>	<b>10000.00</b>	
<b>Total—Other Rural Development Programmes</b>	<b>51300.00</b>	<b>43500.00</b>	<b>55000.00</b>	<b>55000.00</b>	<b>—</b>	<b>55000.00</b>	
<b>Housing</b>							
<b>11. Indira Awaas Yojana (IAY)</b>	<b>2216</b>	<b>118500.00</b>	<b>114365.00</b>	<b>160000.00</b>	<b>—</b>	<b>160000.00</b>	
	<b>3601</b>	<b>500.00</b>	<b>10.00</b>	<b>—</b>	<b>—</b>	<b>—</b>	
		<b>119000.00</b>	<b>114375.00</b>	<b>160000.00</b>	<b>—</b>	<b>160000.00</b>	
<b>Total Plan</b>	<b>690570.00</b>	<b>630541.00</b>	<b>728094.00</b>	<b>—</b>	<b>728094.00</b>		
<b>Non-Plan</b>							
<b>12. Headquarters—Estd. of Department of Rural Employment &amp; Poverty Alleviation</b>	<b>3451</b>	<b>139.00</b>	<b>186.00</b>	<b>217.00</b>	<b>—</b>	<b>217.00</b>	

**APPENDIX-II**  
**FINANCIAL AND PHYSICAL PERFORMANCE OF MWS**

*The year-wise information on total wells constructed, wells under construction and total well's construction-attempted vis-a-vis the total utilisation of funds (out of both Central & State shares) under MWS since the inception of the scheme in 1988-89*

Year	Fund Available	Fund utilised	Total Wells constructed	(Rs. in crore)	
				Wells under construction	Total wells construction attempted
1	2	3	4	5	6
1988-89	NA	NA	50315	NA	NA
1989-90	NA	NA	87585	NA	NA
1990-91	NA	NA	56433	NA	NA
1991-92	NA	NA	172328	NA	NA
1992-93	NA	NA	180995	NA	NA

	1	2	3	4	5	6
1993-94		NA	NA	151673	NA	NA
1995-96		NA	47779	142635	158877	301562
1996-97		674.34	502.33	108897	114718	223615
1997-98		671.59	452.17	92689	132822	225111
<b>Total</b>		—	—	<b>1213186</b>	<b>401410</b>	<b>1614596</b> (For 3 years since 1995-96)

### **APPENDIX-III**

#### **MINUTES OF THE SIXTH SITTING OF THE COMMITTEE HELD ON WEDNESDAY 24TH JUNE, 1998**

The Committee sat from 1100 hrs. to 1330 hrs. in Committee Room 'D', Parliament House Annex, New Delhi.

#### **PRESENT**

*Shri Kishan Singh Sangwan — Chairman*

#### **MEMBERS**

*Lok Sabha*

2. Shri D.S. Ahire
3. Dr. Shafiqur Rahman Barq
4. Shri Sriram Chauhan
5. Shrimati Malti Devi
6. Shri Vinod Khanna
7. Shri Subhash Maharia
8. Shri Bir Singh Mahato
9. Shrimati Ranee Narah
10. Shri Rameshwar Patidar
11. Shri Mullappally Ramachandran
12. Shri Gaddam Ganga Reddy
13. Shri Chatin Singh Samaon
14. Shri Nikhilananda Sar
15. Shri I.M. Jayaram Shetty
16. Dr. Ram Vilas Vedanti

*Rajya Sabha*

17. Shri Nilotpal Basu
18. Shri C. Apok Jamir
19. Shri Onkar Singh Lakhawat
20. Prof. A. Lakshmisagar
21. Shri Jagdambi Mandal
22. Shri Suryabhan Patil Vahadane

**SECRETARIAT**

1. Shri S.C. Rastogi	—	<i>Director</i>
2. Shrimati Sudesh Luthra	—	<i>Under Secretary</i>
3. Shri PVNL Murthy	—	<i>Assistant Director</i>

*Representatives of Ministry of Rural Areas & Employment  
(Department of Rural Employment & Poverty Alleviation)*

1. Dr. P.L. Sanjeev Reddy, Secretary (RE&PA)
2. Shri M. Shankar, AS & FA
3. Shri Satish Chandra, Jt. Secretary
4. Shrimati Sushma Singh, Jt. Secretary
5. Shri J.S. Sarma, Jt. Secretary

2. At the outset the Chairman welcomed the representatives of the Ministry of Rural Areas and Employment (Department of Rural Employment & Poverty Alleviation) and members of the Committee to the sitting. He also drew the attention of the representatives of Ministry to the provisions of direction 55(1) of the Directions by the Speaker.

3. The Secretary, Department of RE&PA briefed the Committee about the various programmes and schemes of the Department.

4. Thereafter the Committee took up for consideration Demands for Grants 1998-99 of the Department of RE&PA and took the evidence of the representatives of the Department on the concerned Demands for Grants.

5. A verbatim record of the proceedings was kept.

*The Committee then adjourned.*

## **APPENDIX-IV**

### **MINUTES OF THE 14TH SITTING OF THE COMMITTEE HELD ON SATURDAY, THE 4TH JULY, 1998**

The Committee sat from 1700 hrs. to 1920 hrs. in Committee Room 'D', Parliament House Annexe, New Delhi.

#### **PRESENT**

*Shri Kishan Singh Sangwan — Chairman*

#### **MEMBERS**

*Lok Sabha*

2. Shri D.S. Ahire
3. Dr. Shafiqur Rahman Barq
4. Shri Sriram Chauhan
5. Shri Shivraj Singh Chouhan
6. Shrimati Malti Devi
7. Shri Vinod Khanna
8. Shri Subhash Maharia
9. Shri Bir Singh Mahato
10. Shri Subrata Mukherjee
11. Shri Rameshwar Patidar
12. Shrimati Jayanti Patnaik
13. Shri Gaddam Ganga Reddy
14. Shri Chatin Singh Samaon
15. Dr. Ram Vilas Vedanti
16. Shri K. Venugopal

*Rajya Sabha*

17. Shrimati Shabana Azmi
18. Shri Nilotpal Basu

19. Shri N.R. Dasari
20. Shri Onkar Singh Lakhawat
21. Shri Jagdambi Mandal
22. Shri O.S. Manian

**SECRETARIAT**

1. Shri S.C. Rastogi — *Director*
2. Shrimati Sudesh Luthra — *Under Secretary*

2. The Committee took up for consideration the draft Report on Demands for Grants (1998-99) of the Department of Rural Employment and Poverty Alleviation.

3. The Committee then adopted the Report on Demands for Grants (1998-99) of the Department of Rural Employment & Poverty Alleviation with certain modifications as indicated in *Annexure*.

4. The Committee then authorised the Chairman to finalise the Report after getting it factually verified from the concerned Department/ Ministry and present the same to the Houses of Parliament.

*The Committee then adjourned.*

**ANNEXURE**

**(See Para 3 of the Minutes dated 4.7.98)**

Page No.	Para No.	Modifications
1	2	3
12	1.19	<p><i>For</i></p> <p><b>"They would like to be informed of the outcome of the said evaluations".</b></p> <p><i>Substitute the following:</i></p> <p><b>"The Committee feel that the concurrent evaluation of the Programmes/Schemes should be carried out by reputed agencies. Further, the guidelines of each Programme/Scheme should also be suitably modified so as to make adequate financial provisions for such evaluation. They would like to be informed of the outcome of the said evaluations".</b></p>
12	1.19	<p><i>After para 1.19 add the following:</i></p> <p><b>"1.20 (v) Below Poverty Line Survey</b></p> <p>When asked as to how the poverty line is determined, the Secretary of the Department during the course of his oral evidence replied as under:</p> <p><b>"For Eighth Plan it was based on the income criteria. It was finalised in 1991-92. For the Ninth</b></p>

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Plan they have shifted to expenditure basis. It is based on the calories requirement of 2400 calories in the rural areas. The per capita expenditure required to keep the people above poverty line is Rs. 266.27 on an average for all India. Again there is variation among States, as determined by the Planning Commission. In Arunachal Pradesh it is Rs. 280.00 and in Lakshadweep it is Rs. 327.00. The below poverty line figures of Assam is replicated for all other North-Eastern States. The Andaman and Nicobar comes under Tamil Nadu. What ever ratio applies to Tamil Nadu we are applying for them also. Kerala is used for Lakshadweep because of geographical similarity. Maharashtra ratio is used for Goa, Diu, Daman and Dadra—Nagar Haveli. The said ratio for urban Punjab is used for both rural and urban areas of Chandigarh".

1.21 The Committee note that the existing practice of replicating the poverty ratio data of Assam for rest of the North-Eastern States; poverty ratio data of Tamil Nadu for Andaman & Nicobar Islands; poverty ratio data of Kerala for Lakshadweep Islands; and poverty ratio data of Maharashtra for Goa, Daman, Diu, Dadra & Nagar Haveli for the below poverty line (BPL)

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survey is not fool proof and justified. In this regard, the Committee recommend that the said BPL survey should take into account the ground realities of existing poverty in each of the States and Union Territories."

19. 2.10

*After para 2.10 add the following:*

"2.11 The Committee have their doubts as to whether the existing per family investment to the tune of Rs. 14943.00 during 1996-97 is sufficient to bring a family above the poverty line. They would like to recommend that with a view to bring a family above poverty line the credit advanced should be sufficient enough to set up a financially viable unit to enable them to repay the loan. The Department should accordingly examine the issue and the criterion of per family investment of Rs. 15000/- should be enhanced suitably."

45. 3.10

*After para 3.10 add the following:*

"During the course of oral evidence, the Secretary of the Department while clarifying the physical target for LAY during 1998-99 stated as under:

We want to build another 13 lakh houses this year. We are in touch with the Urban Development

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people also. We are requesting Housing and Urban Development Corporation (HUDCO) to have a dedicated subsidiary for housing development in rural areas. Right now, they are only doing mostly in urban areas. We would also like that some loan should be given to the rural areas by those who can really pay the loan."

46.

3.12

*For the following:*

"The Committee strongly feel that in view of the increased allocation of Rs. 410.00 crore for 1998-99 the physical targets should be correspondingly increased over the targets fixed for 1997-98, at the same time taking into account the last year's physical achievement of 989610 houses. The Committee would like to be apprised of the steps taken in this regard."

*Substitute the following:*

"The Committee note that the Department does not appear to have the exact number of physical targets as could be seen from different figures furnished to the Committee in this regard for the current year. Further, there is no proper planning on the part of the Government to achieve the target fixed if any, as reflected in the reply of the Secretary of the Department of Rural Employment & Poverty

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Alleviation during the course of oral evidence. The Committee have their own doubts as to whether the Department will be able to complete the targets in the priority sector i.e. housing, in such a scenario.

The Committee strongly recommend that the Department should take necessary measures to achieve the targets so that the higher allocation of Rs. 410.00 crore is fully utilised during 1998-99."

68.

4.9

*After para 4.9 add the following:*

"4.11 The Committee note that as per the funding pattern of DDP for 'Hot Desert Areas' the funds are shared on a 75 : 25% basis between the Centre and the States whereas the rest of the areas receive 100% Central assistance. The Committee are unable to appreciate the logic behind this funding pattern which discriminate against the hot desert areas in sanction of funds under the scheme. They, therefore, recommend that the funds under DDP for the 'Hot Desert areas' should be entirely met by the Central Government as in the case of hot arid (Sandy) areas and cold arid areas. The Committee desire that the existing guidelines of the DDP should be suitably modified."

## APPENDIX-V

### SUMMARY OF OBSERVATIONS, CONCLUSIONS AND RECOMMENDATIONS

Sl. No.	Para No.	Observations, Conclusions and Recommendations
1	2	3
1.	1.6	<p>The Committee appreciate the higher allocation of Rs. 910.53 crore for BE 1998-99 over the RE 1997-98. They also note that except for the schemes of Ganga Kalyan Yojana (GKY) and Drought Prone Areas Programme (DPAP), the allocations for all other schemes have been increased for the current year. However, they observe that due to huge opening balances with the States/Union territories and the slow pace of utilisation of funds under various schemes, during 1996-97 and 1997-98 a sum of Rs. 239.16 crore and Rs. 435.00 crore respectively, could not be utilised by the Government. They feel that alleviation of poverty in the rural areas through the creation of more employment opportunities, within a fixed time-frame, should be the goal of the Department. They would therefore, urge the Government to impress upon the States and Union Territories to gear up their existing machinery for implementation of programmes/</p>

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schemes, so that the entire allocated amount of Rs. 7280.94 crore could be utilised during 1998-99.

2. 1.9 The Committee note the increase in non-plan Outlay/Expenditure of the Department since 1997-98. They also note the reply of the Department that the said growth is due to the impact of additional requirement of funds as a result of revision of pay scales of officers and staff. It is however, observed that the increase in the Non-plan outlay between BE 1997-98 and RE 1997-98, and between RE 1997-98 and BE 1998-99 is uneven. They would like to urge the Department to initiate economies, if needed, so that the instructions of the Ministry of Finance to contain the increase in the non-plan expenditure to a reasonable level are complied with.

3. 1.12 The Committee note with concern huge accumulation of unspent balance in each of the schemes of the Department. They are constrained to note that during 1997-98 the Opening Balance of Rs. 2660.30 crore, as on 1.4.97, is in fact, 39.08 per cent of the total plan allocation for the Department. They feel huge unspent Balance/ Opening Balance shows lack of planning, non-satisfactory performance and monitoring of the

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programmes/schemes. Equally alarming is the fact that huge amount of such unspent balance arise because of (i) late release of 2nd instalment of funds; (ii) it is permissible for DRDAs to carry over upto to a maximum of 25% of the allocation for the next year; and (iii) under EAS where there is no concept of opening balance, each block can keep up to one instalment of released funds as unutilised balance. The tendency to keep huge amount as unspent balance/opening balance is not only an unhealthy practice but also deprives the other projects and schemes which may be in more need of funds. It also weakens the case of the Department for release of more funds for its different projects/schemes during the following financial years. The Committee would therefore, like to recommend that the existing release pattern of instalments should be suitably modified. The Committee also recommend that the rules/guidelines for each scheme should be so revised that the released funds are utilized fully and the unspent balance at the close of the year is kept to the minimum permissible limit.

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1.14

The Committee note that the Area Officer's Scheme inspite of its five years of existence has failed to

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check/stop the tendency on the part of State level implementing agencies to retain huge unspent amount under various schemes. The Committee therefore, recommend that, to check the ever growing figures of unspent balances and to ensure better utilization of funds some better and effective mechanism should be devised.

5. 1.17 The Committee note that the Ministry felt that Information, Education and Communication activities should be handled by their Media Division. However, the Ministry have not advanced the reasons due to which IEC activities were being transferred to Media Division. The Committee, will therefore, like to be apprised of these reasons. They would also like to be informed of the steps taken by the Ministry to make IEC activities more effective and purposeful, through Media Division. The impact of this change should also be monitored.

6. 1.19 The Committee while noting the practical difficulties explained by the Department for not conducting concurrent evaluation of various schemes, feel that the Department has explained the position in a very casual and routine manner e.g. law and order problem. This

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feeling of the Committee is further strengthened by the fact that several schemes of the Department were launched more than 10 years ago. The need for evaluation of such schemes cannot be over emphasized.

The Committee note that the Department proposes to conduct evaluation of MWS & IAY during 1999 and evaluation of EAS is to be conducted by the Planning Commission shortly. The Committee feel that the concurrent evaluation of the programmes/ schemes should be carried out by reputed agencies. Further the guidelines of each programme/ scheme should also be suitably modified so as to make adequate financial provisions for such evaluations.

They hope that these evaluations would be carried out as scheduled. They would like to be informed of the outcome of the said evaluations.

7.

1.21

The Committee note that the existing practice of replicating the poverty ratio data of Assam for rest of the North-Eastern States; poverty ratio data of Tamil Nadu for Andaman & Nicobar Islands; poverty ratio data of Kerala for Lakshadweep Islands; and poverty

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ratio data of Maharashtra for Goa, Daman, Diu, Dadra & Nagar Haveli for the Below Poverty Line (BPL) survey is not fool proof and justified. In this regard, the Committee recommend that the said BPL survey should take into account the ground realities of existing poverty in each of the States and Union Territories.

8. 2.4 The Committee note that financial achievement of the programme during 1997-98, was only 74.13%. They also note that, the physical achievement under IRDP has come down from 20.89 lakh families in 1995-96 to only 16.97 lakh families in 1997-98. The Committee will like to be informed of the reasons for this shortfall and corrective steps, if any, taken by the Department to check the decline in achievement. The Committee note that there are many Committees/Organisations at different levels for the implementation and monitoring of the scheme. It is hoped that the Government would ensure that multiplicity of such agencies is not interfering with the smooth execution of the programme.

9. 2.6 The Committee note that the target for ensured coverage of beneficiaries *i.e.* for SCs/STs, Women and Physically Handicapped, since 1996-97, has

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not been achieved despite the corrective measures reported to have been taken by the Department. Although the percentage achievement for women and physically handicapped has improved during 1997-98 over that of 1996-97, the Committee would like to urge the Department to fix achievable targets for special category of beneficiaries and should try to achieve 100% success in this regard.

10.

2.8

The Committee note that, as per the programme guidelines, below poverty line census have to be carried out at the beginning of each five year plan. Already more than a year has been passed since the beginning of the 9th five year plan, for which the said census is yet to be completed. In view of the above, they would like to urge the Government to impress upon the State Governments/ Administrations to complete the publication of census results by the end of this financial year.

11.

2.10

The Committee note the improvement achieved in the mobilisation of total credit and also in the field of per family investment since 1995-96. However, they are constrained to note that during 1996-97, the total credit achievement was Rs. 1969.02 crore

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against the target of Rs. 2142.20 crore and per family investment achievement, was Rs. 14943.00 against the target of Rs. 15000.00. Similarly during 1997-98, the credit target and per capita family investment target were not achieved. Now that the allocation for the programme has been increased by Rs. 169.00 crore during 1998-99, they would like to urge the department to initiate necessary steps to achieve the credit and per family investment targets.

12.

2.11

The Committee have their doubts as to whether the existing per family investment to the tune of Rs. 14943.00 during 1996-97 is sufficient to bring a family above the poverty line. They would like to recommend that with a view to bring a family above poverty line the credit advanced should be sufficient enough to set up a financially viable unit to enable them to repay the loan. The Department should accordingly examine the issue and the criterion of per family investment of Rs. 15000/- should be enhanced suitably.

13.

2.12

The Committee appreciate the credit achievement of Rs. 1969.02 crore during 1997-98 against the target of Rs. 2142.20 crore. While appreciating the achievement of

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financial targets, they observe that the ground realities with regard to advancement of credit by banks are not so satisfactory. They recommend that the Department should take up the matter with Reserve Bank of India and necessary guidelines should be issued to the States and Union Territories to cooperate in advancing the loan under the programme and also to give the maximum permissible advance per beneficiary. They would also like that to make the IRDP more effective in alleviating rural poverty the Department should ensure proper linkage between IRDP and its different components *viz.*, TRYSEM and DWCRA.

14.

2.16

The Committee are constrained to note that both the actual expenditure out of the releases made by the centre and the number of beneficiaries covered under the scheme of DWCRA are decreasing since 1995-96. The actual expenditure during 1995-96 was Rs. 63.65 crore, where as the same was only Rs. 41.45 crore during 1997-98. Similarly the number of beneficiaries covered under the scheme has reduced from 6,97,008 beneficiaries during 1995-96 to 4,31,751 beneficiaries during 1997-98. The Committee recommend,

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now that the allocation for the scheme has been increased by Rs. 35.00 crore during this year, the department should try to achieve the financial and physical targets.

15. 2.18

The Committee note that the average earning per DWCRA group is in the nature of supplementary income. However, an average earning of Rs. 101 to Rs. 300 per month per group, is to little to achieve the objective of the scheme. They note that, the optimum linkage between DWCRA & IRDP is yet to be achieved and non-receipt of expenditure reports from the districts, for sub schemes of DWCRA, points out to non-satisfactory monitoring of the scheme. In view of the above, they recommend that appropriate measures should be introduced by the Department to substantially increase the per capita investment and there by per group earning per month.

16. 2.20

The Committee note that at present the Department does not monitor individual/group specific performance of the groups started under DWCRA. They feel, in the absence of such monitoring it is very difficult to know about the existence and functioning of DWCRA groups in the States/UTs. The Committee therefore

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recommend that the Department should further step up the monitoring of the scheme at the District and State level so that the number of DWCRA groups becoming defunct can be detected at an early stage and corrective steps be taken accordingly.

17.

2.23

The Committee observe that with the central allocation of Rs. 59.25 crore during 1995-96, the physical achievement under the scheme is reported to be 82.34% whereas with the same allocation during 1996-97, a physical achievement of 125.60% could be achieved. The Committee are unable to appreciate the wide difference between the physical achievements under the scheme during 1995-96 and 1996-97 with the same allocation. They recommend that the Government should find out the reasons for such variation in the achievement of targets and take corrective steps, wherever necessary.

The Committee also recommend that the Government should impress upon the State Governments/UT Administrations to furnish the requisite performance/progress reports as per schedule, so that the funds allocated to the scheme are utilised fully and properly.

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18. 2.25

The Committee note that with a view to give more freedom to the States/UTs in fixing the targets as per the availability of resources and local potential for the training, the practice of fixing physical targets was discontinued during 1995-96. They further note that as per guidelines, DRDAs were required to identify vocations and to conduct area skill surveys of the districts for various skills. However, the department has not been monitoring this aspect. The Committee regret to observe that the Department has not been monitoring the observance of guidelines by States/UTs in letter and spirit. They recommend that wherever guidelines are issued by the Government about a central scheme they should ensure that the same are followed by States/UTs scrupulously.

19. 2.28

The Committee are constrained to note the non-satisfactory performance of GKY since its inception in 1996-97. The poor physical and financial performance of the scheme so far, in general, and very few State's interest in the scheme as indicated from the meagre state releases, in particular, point out to the fact that the Department could not utilise its existing experience of implementing

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as many as 10 different programmes. They note that an expenditure of Rs. 68165.00 in Tripura during 1996-97 and Rs. 563435.00 in six States during 1997-98 have given rise to a poor physical performance of 1515 individual projects and 22 group projects and huge unspent balance left unutilised. They fail to understand as to why the Department has failed to fix the physical targets of the Scheme. The Committee strongly feel that the Department should fix the physical targets for the scheme and should assess the physical and financial performance of the Scheme in the forth coming performance Budget 1999-2000 of the Department. Further they recommend that, instead of frequently changing the existence of the Scheme, the Department should try to integrate irrigation component of IRDP with GKY and MWS, since the primary objective of each of these programmes is to facilitate irrigation. The Committee strongly feel the new programme so created can have two sub-schemes under it, which can separately be targeted for generation of employment and the other with the provision for repayment of term-credit from the financial institutions.

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20.	2.29	<p>The Committee recommend that for a better and effective implementation of a new central scheme, the Centre should, in consultation with State Governments assess the existing capabilities of the implementing machineries at the field level.</p>
21.	2.32	<p>The Committee note that the financial and physical performance of SITRA has not been satisfactory as during 1997-98 out of a total allocation of Rs.67.05 crore only a sum of Rs.33.02 crore (<i>i.e.</i> 49.25%) could be utilized under the scheme. With an opening balance of Rs. 29.84 crore and fresh allocation of Rs. 60.00 crore during 1998-99, the Government will be having Rs. 90.00 crore (approximately) at their disposal under the scheme. The Committee recommend that all out efforts should be made to utilize the available funds fully.</p>
22.	2.34	<p>The Committee note that the main objective of the SITRA, which has been in existence for the last six years, is to reduce the migration of rural artisans to cities. However, no study has been made so far, of SITRA to assess its impact on checking the migration of rural artisans to cities. The Committee therefore, recommend that Government should at least conduct some sample survey to</p>

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assess the impact of SITRA on this aspect.

23.           3.4           The Committee note that Rs. 2431.78 crore of the available fund was utilised during 1997-98 out of the Central and States share, which comes to 84.67%. They further note the opening balance of the scheme as on 1.4.98 is only 15.3% of the allocation of 1997-98 which comes to Rs. 440.24 crore. They further note that during 1998-99 an amount of Rs. 2954.24 crore (i.e. Rs. 2095.00 crore as Central share + Rs. 419.0 crore as State share + O.B. of Rs. 440.24 crore as on 1.4.98) is likely to be available for the Scheme.

The Committee would like to urge the Department to further strengthen the existing implementing machinery of the Scheme so that the entire available fund is utilised during 1998-99.

24.           3.6           The Committee note that during 1997-98 the fund utilisation was 84.67% of the total availability. However, they fail to understand as to why the physical performance of the scheme as reported for February 1998 has not been added by the Department while sending the said information. They feel as per the information supplied to the Committee, the existing system of

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fixing the physical target *vis-a-vis* the financial target is not fool proof. Therefore, they urge the Department to adopt a better method for fixing the physical target *vis-a-vis* the financial target for the scheme of JRY.

25. 3.8 The Committee are concerned to note that the findings of the JRY evaluation for the reference period June 1993 to May 1994 could only be known in 1997 and the corrective measures were initiated in 1998. The Committee feel that this delay in getting the findings of the concurrent evaluation is very long and not justifiable. They would like to urge the Department to take necessary initiative to reduce this long period for conducting the evaluation surveys and initiating the corrective actions. They would also like to be informed about the action taken by the concerned Governments against each of the above discrepancies.

26. 3.11 The Committee are concerned to note that under IAY since 1995-96—the earliest year for which the information has been made available to the Committee, the total house construction attempted has always exceeded the target set for the scheme, which finally resulted in leaving several houses under 'Construction-under-

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progress' category. During 1997-98, total house construction attempted was 989610 houses against the target of 718326 houses, which resulted in leaving 348285 houses for which the construction was under progress. The Committee apprehend that this practice of the Government to sanction more houses to be built, in excess of the target set for the scheme, left several houses under various stages of completion at the end of the each financial year.

27.

3.12

The Committee further note that the data furnished by the Ministry in respect of physical targets for 1998-99 under IAY, in response to different queries is not uniform and is varying between 11.24 lakh and 8.5 lakh. The Committee would like the Ministry to clarify the correct position available in this regard.

The Committee note that the Department does not appear to have the exact number of physical targets as could be seen from different figures furnished to the Committee in this regard for the current year. Further, there is no proper planning on the part of the Government to achieve the target fixed, if any, as reflected in the reply of the Secretary of the Department of Rural Employment & Poverty Alleviation during the

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course of oral evidence. The Committee have their own doubts as to whether the Department will be able to complete the targets in the priority sector i.e. housing, in such a scenario.

28. 3.13 The Committee strongly recommend that the Department should take necessary measures to achieve the targets so that the higher allocation of Rs. 410.00 crore is fully utilised during 1998-99.

29. 3.15 The Committee are concerned to note that the Government has not yet done physical verification of the 4362171 houses, reported to have been constructed under the scheme by the end of 1997-98. They would like to urge the Government to have a physical verification of these houses, at least on test check basis. They would also like to be informed of the result of such verification.

30. 3.17 The Committee while appreciating the overall increase in the allocation for the scheme, would like to remind the Government that during 1997-98 the fund utilisation of the scheme was only Rs. 1345.80 crore against the total availability of Rs. 1637.95 crore. Thus for the current year, apart from the releases from the States an amount of Rs. 1689.07 crore (i.e. the

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provisional opening balance of Rs. 89.07 crore as on 1.4.98 + Rs.1600.00 crore allocated for 1998-99) is available with the Department. The Committee would like to urge that, the Government should take necessary steps for full utilisation of funds under the scheme during 1998-99.

31. 3.20

The Committee are constrained to note that during 1997-98 only 72% of the available funds *i.e.* Rs. 449.16 crore was utilised for the scheme leaving a balance of 28% of the available funds unutilised. Thus the balance of unspent amount is definitely more than the permissible level of 25%. As per the provisional information opening balance of the scheme as on 1.4.98 was Rs. 192.61 crore and the allocation (Central share of funds for 1998-99) is Rs. 450.0 crore. Thus, for the current year apart from the available Rs. 542.61 crore for the scheme the States are also required to release their share of funds. The Committee recommend that the Government should impress upon the implementing agencies, to fully utilise the funds available under the scheme during 1998-99.

32. 3.23

The Committee note that, so far 12.13 lakh wells have been dug under the Scheme since it's

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inception in 1988-89. They also note that, 401410 wells were under construction in addition to the wells dug, during 1995-96 to 1997-98 period. They are concerned to note that so far the Department has not verified the existence of 12.13 lakh dug wells during the period 1988-89 to 1997-98 in addition to 401410 wells which were under construction during the 1995-96 to 1997-98 period. The Committee recommend that the Department should physically verify the existence of wells for which construction has been attempted in addition to the physical achievement of other schemes of minor irrigation, without any further delay.

33. 3.26 The Committee are distressed to note that the existing monitoring mechanism for the scheme at the Central Level could not obtain the physical performance of the scheme in the Union territory of Pondicherry during 1997-98 despite several attempts. The Committee would like to know the response of the Pondicherry administration, in this regard.

34. 3.27 The Committee are surprised to note that Punjab Government was permitted to level land when the digging of wells was feasible in that State. As per the existing

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guidelines of the scheme such levelling should have been permitted, only if the digging of wells is not feasible due to the geographical factors. The Committee find that the existing provisions of guidelines were violated in the implementation of MWS in that State because (i) digging of wells were possible and (ii) the Ministry permitted the spending of funds on development of land permissible under the scheme, without exploring the possibility of alternate projects for irrigation. The Committee would like to know the result of the said consultation with the Government of Punjab. They would like that, the Department should ensure that, provisions of the guidelines for MWS are not violated while implementing the scheme in any State/Union Territory.

35.

3.30

The Committee note that during the current year, an amount of Rs. 2665.12 crore (*i.e.* the provisional opening balance of Rs. 675.12 crore as on 1.4.98 + Rs. 1990.00 crore of Central share) excluding the contribution of the State Government to be released, is available to the implementing agencies of the scheme. They are surprised to note that without calculating the funds available for

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EAS, the Department felt a requirement of Rs. 2700.00 crore for providing two instalments to all the blocks of the country. They recommend that the Department should first take necessary steps to utilise the available funds during 1998-99.

36. 3.32 The Committee note that during 1996-97 and 1997-98, the number of total works undertaken under EAS has been decreasing. Now that a higher amount of Rs. 2665.12 crore (excluding the contribution from States) for expenditure during 1998-99 is available, the Department should take necessary steps to achieve a higher number of total works and generation of more mandays, without involving the agency of a contractor.

37. 3.34 The Committee note that as on date 10 States and 3 Union Territories are yet to constitute the District and Block EAS Committees which are required to be constituted under the guidelines. The Committee accepts the explanation forwarded by the Government of West Bengal for not forming the said EAS Committees because the State has already constituted the vigilance and monitoring Committees. To avoid multiplicity of authorities, the Committee recommend that the

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Government should issue standard guidelines to authorise the existing vigilance and monitoring Committees at the district and block levels, to perform the functions of District and Block EAS Committees and should modify the guidelines, if necessary.

38.           4.4           The Committee are concerned to note that the utilisation of funds under DPAP is not at all satisfactory since the introduction of new watershed guidelines w.e.f. 1.4.95. They are constrained to note that the provisional unspent balance of scheme as on 1.4.98 was Rs. 171.72 crore which is nearly the double of the allocation (central share) for the scheme for 1998-99 (*i.e.* Rs. 95.00 crore). The Committee would like that all the available funds for the scheme should be utilised fully during 1998-99.

39.           4.5           They recommend that all the watershed projects completed so far, should be properly maintained.

40.           4.8           The Committee note that since 1995-96, the utilisation of funds under DDP is not at all satisfactory. Further only 51.32% of the available funds were utilised in the programme during 1997-98. This shows that the rest 48.68% of the available funds remained unspent during the year. The Committee would like that the entire available

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funds of Rs. 162.59 crore should be utilised in the Programme during 1998-99.

41. 4.9 The Committee would like to know the present status of 1695 projects sanctioned for implementation during 1995-96.

42 4.10 The Committee note that as per the funding pattern of DDP for 'Hot Desert Areas' the funds are shared on a 75 : 25% basis between the Centre and the States whereas the rest of the areas receive 100% Central assistance. The Committee are unable to appreciate the logic behind this funding pattern which discriminate against the hot desert areas in sanction of funds under the scheme. They, therefore, recommend that the funds under DDP for the 'Hot Desert areas' should be entirely met by the Central Government as in the case of hot arid (Sandy) areas and cold arid areas. The Committee desire that the existing guidelines of the DDP should be suitably modified.

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