

28

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

TWELFTH LOK SABHA

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

TWENTY EIGHTH REPORT



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**LOK SABHA SECRETARIAT
NEW DELHI**

Corrigenda to the 28th Report (12th Lok Sabha) of the
Standing Committee on Urban & Rural Development on
'Demands for Grants 1999-2000' of Department of Rural
Employment and Poverty Alleviation

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

(TWELFTH LOK SABHA)

DEMANDS FOR GRANTS OF THE MINISTRY OF
RURAL AREAS & EMPLOYMENT
(DEPARTMENT OF RURAL EMPLOYMENT &
POVERTY ALLEVIATION) FOR THE YEAR 1999-2000

Presented to Lok Sabha on 22 April, 1999

Laid in Rajya Sabha on 23 April, 1999



LOK SABHA SECRETARIAT
NEW DELHI

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

Shri Kishan Singh Sangwan — *Chairman*

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SECRETARIAT

- | | | |
|---------------------------|---|-----------------------------|
| 1. Shri G.C. Malhotra | — | <i>Additional Secretary</i> |
| 2. Shri S.C. Rastogi | — | <i>Director</i> |
| 3. Shrimati Sudesh Luthra | — | <i>Under Secretary</i> |

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
Deptt.	—	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 Co-ordination Committee
HUDCO	—	Housing and Urban Development Corporation Limited
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	—	Schedule 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

1, the Chairman of Standing Committee on Urban & Rural Development (1998-99) having been authorised by the Committee to submit the Report on their behalf, present the Twenty-eighth Report on Demands for Grants 1999-2000 of the 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 30th March, 1999.

4. The Report was considered and approved by the Committee at their sitting held on 9th April, 1999.

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 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;
April 19, 1999
Chaitra 29, 1921 (Saka)

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

CHAPTER I

ANALYSIS OF DEMANDS FOR GRANTS 1999-2000

The Ministry of Rural Areas and Employment through its various Programmes is engaged in bringing about rapid and sustainable development and socio-economic transformation in rural India. It aims towards improving the quality of life of rural poor, ensuring equity and effective people's participation. 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 self-employment and income generation programmes, wage employment and infrastructure development programmes and 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 1999-2000.

DEMAND NUMBER 71

Overall Assessment

(i) Plan Schemes outlay for 1999-2000

As per the written information forwarded to the Committee the outlay for the plan Schemes of the Department of RE&PA, net of recoveries, is as under :—

Year	(Rs. in crore)	% increase
BE 1996-97	6437.00	—
BE 1997-98	6805.70	5.73%
BE 1998-99	7280.94	6.98%
BE 1999-2000	6900.00	(—) 5.23%

1.4 The Summary of the detailed Demands for Grants 1999–2000 of the Department is given at Appendix—I.

1.5 According to the information furnished, for all plan Schemes of the Department the BE 1998–99 was Rs. 7280.94 crore which was reduced to Rs. 6930.94 crore (*i.e.* a reduction of Rs. 350.0 crore). Even the BE 1999–2000 of Rs. 6900.00 crore is Rs. 30.94 crore less than the RE 1998–99 of Rs. 6930.94 crore (*i.e.* minus 0.446%).

As per the written information forwarded to the Committee, the Department has proposed for an outlay of Rs. 10,275.50 crore for the year 1999–2000 for all the programmes and schemes.

When asked as to whether the outlay of Rs. 6900.00 crore would be sufficient to meet the targets fixed for different programmes/schemes of the Department during 1999–2000, the Government have replied that the targets under the different programmes/schemes of the Department are fixed on the basis of Annual Plan outlay approved by the Planning Commission. Accordingly, the targets for the year 1999–2000 have been fixed based on the provision approved in BE 1999–2000. The outlay for self-employment schemes has been increased to some extent to substantiate the proposed uniform funding pattern of 75:25 between Centre and States. Under Indira Awaas Yojana, the outlay has been increased by Rs. 110 crore in BE 1999–2000. This Ministry, however, feel that this outlay is inadequate. The outlay for Employment Assurance Scheme (EAS) has been reduced from Rs. 1990 crore in BE 1998–99 to Rs. 1700 crore in BE 1999–2000, *i.e.* a reduction of Rs. 290 crore. It may be mentioned that EAS has since been extended to all the 5448 rural blocks in the country. A minimum of Rs. 2700 crore are required for providing at least two instalment to all the blocks in a financial year. As it is a demand driven Scheme, the well performing implementing agencies may also come for 3rd instalment of funds during the financial year. Considering the fact that during 1998–99, a large number of D.R.D.As in the country could not be released 2nd instalment of funds out of the budgeted amount of Rs. 1990 crore, the outlay of Rs. 1700 crore under EAS for 1999–2000 is inadequate.

As per the written information forwarded to the Committee the actual expenditure for 1997–98 was Rs. 6368.78 crore. During the year 1996–97 and 1997–98 a sum of Rs. 239.16 crore and Rs. 435.00 crore respectively was reduced at the Revised Estimate stage.

When asked about the reasons for reduction of Rs. 350.00 crore at the RE stage during 1998-99 and how far the physical performance of different programmes/schemes was affected by this reduction, the Government in their reply have stated as under:

“The position regarding requirement of funds for 1998-99 *vis-a-vis* utilisation of funds by the States in the previous year (1997-98) was reviewed by the Ministry of Finance at RE 1998-99 stage. In view of the huge opening balances with the States under various Plan schemes and slow pace of utilisation under the various schemes, Ministry of Finance effected a cut of Rs. 350 crore in RE 1998-99 under various Rural Employment and Poverty Alleviation Programmes.

Even though the RE 1998-99 was reduced by Rs. 350 crore as the total availability of funds with the States (*i.e.* opening balances plus Central share of release during the year) were more or less equal of the original Central allocation (based on BE 1998-99), the physical performance was not substantially affected by this reduction. The slow pace of utilisation and huge opening balances with the States are the main reasons for this reduction of Rs. 350.00 crore.”

1.6 The Committee find that against the proposed outlay of the Department for Rs. 10275.50 crore the Planning Commission have allocated an outlay of Rs. 6900.00 crore for the year 1999-2000. It is further noticed that the outlay allocated is Rs. 30.94 crore less than RE 1998-99. For Million Wells Scheme, Employment Assurance Scheme and Desert Development Programme, the outlay has been reduced. Besides in other programmes/schemes, the outlay has either been marginally increased or status-quo has been maintained. They feel that due to the inadequate outlay provided by the Planning Commission the implementation of the different programmes/schemes would be adversely affected. They would therefore, like that adequate allocation should be made while restructuring the programmes of self-employment and also for other schemes.

1.7 While recommending for higher outlay, the Committee are concerned to note that the outlay allocated during 1997-98 & 1998-99 was reduced at RE stage to the tune of Rs. 435 crore & Rs. 300 crore respectively. They are disturbed to find that the main reason of the reduction as admitted by the Department in their

written replies, is the slow pace of utilisation of funds and huge opening balances with the States/UTs. They further find that as per the replies of the Government, the physical performance of the schemes was not substantially affected by the reduction. The Committee, therefore, conclude that there is huge underspending for different schemes of the Department and they themselves are responsible for getting the lower allocation for different schemes/programmes. The Committee would like to urge the Government that they should impress upon the States and UTs to gear up their existing implementing machinery to ensure 100% utilisation of the funds during 1999-2000.

(ii) Non-Plan Outlay/Expenditure

1.8 As per the written information forwarded to the Committee, the non-plan outlay of the Department of RE&PA, net of recoveries, is as follows :—

Year	Amount (Rupees in crore)	Net Increase	% increase
(i) BE 1997-98	1.39	—	—
BE 1998-99	2.17	0.78	56.12%
BE 1999-2000	2.22	0.05	2.30%
(ii)			
BE 1997-98	1.39	—	—
RE 1997-98	1.86	0.47	33.81%
BE 1998-99	2.17	0.31	16.67%
RE 1998-99	2.14	(—) 0.03	(—) 1.38%
BE 1999-2000	2.22	0.08	3.74%

Under the non-plan expenditure the outlay for BE 1999-2000 has been increased over the outlay of RE 1998-99, as given below:

- (i) Salaries have been increased from Rs. 1.86 crore to Rs. 1.92 crore,

- (ii) Office expenses have been increased from Rs. 9.0 lakh to Rs. 10.0 lakh,
- (iii) Domestic travel expenses have been increased from Rs. 12.20 lakh to Rs. 13.00 lakh, and
- (iv) Over time allowance has been increased from Rs. 2.80 lakh to Rs. 3.00 lakh.

1.9 When asked about the economies/measures the Department propose to initiate during 1999–2000 to contain the increase in the non-plan expenditure, the Government have replied that the hike under non-plan provision of the Department is mainly for meeting expenditure towards salaries. The hike in domestic Travel Expenses and OTA is nominal. However, in order to contain the increase in non-plan expenditure, the Department will ensure that economy instructions issued by the Ministry of Finance from time to time, such as, reduction in telephone expenditure by 10%, reduction in consumption of petrol, economy in use of Staff Cars/government vehicles, ban on air travel and AC 1st Class while on training, STD facilities not below the rank of Joint Secretary, avoiding of hosting of International Conferences, working lunch not to exceed Rs. 25/- per head, ban on creation of new posts and filling up of vacation posts, economy in expenditure on printing calendar, diary, greeting Cards etc. are strictly followed.

During the course of oral evidence, the Secretary of the Department while explaining the steps taken by the Government to reduce the non-plan expenditure stated as under :—

“Even for salaries we are paying only what ever is to be paid towards salaries. There is considerable amount of effort to cut down the expenditure. We are not holding or attending any international Seminars or conferences. Even telephone expenditure and foreign travels have been cut down. The economy instructions issued by the Ministry of Finance is being followed and we are not exceeding the limit.”

1.10 The Committee note the increase in non-plan outlay/ expenditure since 1997–98. They also note the various steps taken by the Ministry to contain the non-plan expenditure. While appreciating the steps taken by the Ministry in this regard they feel that there is

still considerable scope to reduce the non-plan expenditure, viz. office expenses and over time allowance which is increasing in recent years. They would like to impress upon the Department to initiate economies in the non-plan expenditure so that the instructions of Ministry of Finance are complied with.

(iii) Monitoring Mechanism

1.11 As per the Performance Budget 1999-2000, the Area Officers Scheme (AOS) started in 1993-94 aims at giving greater emphasis to physical verification of the implementation of schemes. The scheme has been recently reorganised, with special reference to quality, timeliness and proper achievement of financial and physical targets. The revised guidelines for the scheme have been issued during October 1998. The officers are required to visit the allocated States, once in every quarter and submit comprehensive reports on the implementation of programmes within 10 days of their visit to the State. Based on their recommendations, necessary corrective measures are taken to improve the implementation of programmes. The computerized data base has been prepared for bringing out important issues from their reports for sending to the State Governments and for taking necessary follow up action and submitting the Action Taken Report (ATR) to the Ministry within one month, so that these issues could be resolved.

1.12 When asked about the number of times the area officers visited the North-Eastern States, since the inception of the Area Officers Scheme in 1993-94 and about the report submitted by the Area Officer, corrective measures initiated thereon and the Action Taken Report (ATR) if any, submitted to the Ministry, the Government have replied that the concerned area officer has last visited Assam during November 1997, Meghalaya during December 1996, Mizoram during October 1997 and Sikkim during September 1998. Further the copies of the comprehensive reports have been sent to the concerned State Governments for follow up action.

When asked further as to why the Area Officers are not visiting the allotted States in each quarter, as envisaged in the scheme, the Government have replied that as per the guidelines, the Area Officers are supposed to visit their allocated States in each quarter. However in few cases, Area Officers are not able to adhere to the frequency of visits due to unforeseen circumstances and unavoidable other assignments. Further, in some cases due to transfer of officers and

reallocation of States to the officers, frequency of visits could not be strictly adhered to. However after a review of the operation of the scheme recently, instructions have been issued that officers should visit their designated areas more frequently in accordance with the guidelines.

When asked about the reasons for not covering Meghalaya during their visit in the last two years, the Government have replied that the Area Officer of Meghalaya could not visit the State due to the fact that officers who were allotted the State either remained on long leave or were frequently transferred/changed.

When asked about follow up action taken by the States based on the recommendations of Area Officers the Government have replied that the Programme Divisions take the follow up action in consultation with the State Governments and resolve the issues. Only two State Governments, namely, Tamil Nadu and Punjab have taken follow up actions and revised the guide-lines and submitted their Action Taken Reports (ATR). However, the Ministry is pursuing the State Governments vigorously to take follow up actions and submit their ATRs within one month of forwarding of the issues raised by Area Officers.

When asked about the Action Taken Report (ATR) relating to the States of the North-Eastern region, submitted to the Ministry, the Government have replied that so far no Action Taken Report (ATR) relating to the States of North-Eastern region has been submitted to the Ministry since the inception of the scheme in 1993-94. However, since the revised guide-lines have been issued in October, 1998, the Ministry is taking the matter with the State Governments seriously and requesting them to submit ATR within one month of the receipt of issues raised by the Area Officer.

1.13 The Committee note with concern that the Government is not adhering to the various provisions of Area Officers Scheme which aims at better implementation of all the Programmes of the Department. They are surprised to know that the concerned Area Officers do not visit the allotted States in each quarter due to one reason or the other and State Governments do not take appropriate corrective steps and do not submit Action Taken Reports. They feel that the inadequate importance given by the Government to the Area Officer scheme has resulted in poor utilisation of funds and

serious lapses in the proper implementation of the schemes/programmes. They, therefore, strongly recommend that the Government should take necessary corrective steps so that the respective provisions of the Area Officers Scheme are followed strictly.

(iv) Integration of Programmes and Schemes

1.14 As per the written information forwarded to the Committee, the Ministry is considering proposals to restructure the self-employment programmes, based on the recommendations made in the Report of the Committee to review and rationalise centrally sponsored Schemes under the Chairmanship of Prof. S. R. Hashim which has submitted its report to the Planning Commission in April 1997. Similarly JRY is also likely to be restructured and EAS will be the single wage employment programme. Further as per the Performance Budget 1999-2000 there is a proposal to change the funding pattern between the Centre and States in the ratio of 75:25 uniformly for all the schemes.

1.15 When asked about the views of the Government on merging all the programmes/schemes being implemented at present by the Department of RE&PA, in the following 3 broad categories :-

- (i) Programmes which provide self-employment (like IRDP, TRYSEM, DWCRA, SITRA, MWS, IAY etc.);
- (ii) Programmes which provide wage employment (like EAS and JRY); and
- (iii) Programmes which provide special area development should be merged with the specific Programme of Department of Wastelands Development;

The Department in its written note has submitted as under:—

“Government have decided to merge the Self-employment programmes of IRDP, TRYSEM, DWCRA, SITRA and GKY as well as MWS into one Self-employment programme which will be known as Swarn Jayanti Gram Swarozgar Yojana (SGSY) w.e.f. 1st April, 1999.

- (ii) Government have also decided to streamline Jawahar Rozgar Yojana, which will henceforth be known as Gram Samridhi

Yojana (GSY). This programme will be implemented only at the village level. EAS is also being redesigned. It will be the single wage employment programme, and will be implemented at the block and district level.

In this Ministry, three programmes namely, Drought Prone Areas Programme (DPAP), Desert Development Programme (DDP) and Integrated Wastelands Development Programme (IWDP) are being implemented on watershed basis. The proposal to integrate them is under consideration of the Government. Some of the works for Watershed development are taken up under Employment Assurance Scheme (EAS) and Jawahar Rozgar Yojana (JRY)."

At present the Integrated Wastelands Development Project Scheme which is being implemented by the Department of Wastelands Developments (Ministry of Rural Areas & Employment) is being funded cent per cent by the Central Government. During the course of oral evidence, the representative of the Ministry has stated as under:—

"The DPAP and DDP are funded on 50:50 basis. Whereas under the EAS, watershed development can be taken up on 80:20 basis. Therefore the States are not too keen to take up the Watershed development under DPAP and DDP because they have to put in more money".

When asked about the integration of watershed development programmes/area development programmes, the Secretary of the Department, during the course of oral evidence stated as under:—

"Watershed development programme is not being looked after only by our Department. It is being taken up by the Department of Agriculture, by the Forest Department, by the Environment Department and the State Governments themselves are doing it. Besides they are directly funding the Programme. As the Finance Minister has rightly mentioned in his Budget speech, it is right time that all of them must be brought together and have a uniform guideline. We are working towards it".

1.16 The Committee appreciate the integration of self employment programmes. They note that the Government have taken no action to merge the two wage-employment schemes viz. JRY and EAS. They

agree with the recommendations made by the Hashim Committee Report (April 1997) to unify JRY and EAS Schemes and recommend the Government to evolve a rational criterion for apportioning the funds among three tiers of Panchayat Raj Institutions for the unified wage employment scheme.

Besides they would also like that while restructuring the wage-employment schemes the Government should ensure that Panchayats are actively involved in selection of beneficiaries and works and also in the implementation of the new self-employment schemes.

1.17 The Committee further note that different watershed works are being under taken under several schemes viz. EAS, JRY, DPAP, DDP and IWDP of the Ministry of RA&E and these Schemes have different funding pattern. They are surprised to note that, State Governments are not too keen to accept these watershed Schemes under DPAP, DDP, EAS etc. for which they have to provide larger share. The Committee therefore recommend that the Ministry should unify all schemes which are being implemented on watershed approach without any delay. They would like that the unified Watershed Development Programme, so created may be merged with the specific programme of Department of Wastelands Development.

1.18 When asked about the need for imparting training to the officials responsible for implementing the new Schemes being launched by the Ministry, w.e.f. 1.4.1999 the Secretary during the course of oral evidence replied as under:—

“These programmes are implemented by the State Governments and the local three-tier Panchayat system. We are requesting the State Governments to kindly see that mindsets are first of all changed. Training programmes are organised. We have special budget, which is a significant amount, for the information, education and communication. We are bringing in media. As you are aware, we are also recommending to the States that the people who are engaged in this work are not transferred very frequently. At least, keep them for two years so that they can be trained to do the job. Frequent transfers are also going against the continuity to the entire programme. We are taking initiatives but we will certainly step up this activity which is the key in the entire programme.”

1.19 The Committee note that the officials who are entrusted the task of implementing the new Scheme have not been given any training as yet. They also note that the training is an important element for successful implementation of rural employment schemes. They therefore recommend that all officers associated with the implementation of the new Schemes should be imparted proper training to have a better attitude and better mindset which is an essential pre-requisite for the success of the new Scheme.

CHAPTER II

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

The following programmes are being implemented by the Department as the Self Employment and Income Generation programmes :

- (i) Integrated Rural Development Programme (IRDP);
- (ii) Development of Women & Children in Rural Areas (DWCRA);
- (iii) Training of Rural Youth for Self Employment (TRYSEM); and
- (iv) Supply of Improved Tool kits to Rural Artisans (SITRA).

The analysis of Demands for Grants of each of the Programmes mentioned above is as below:

(i) Integrated Rural Development Programme (IRDP)

2.2 IRDP is in operation since 1978-79. The programme is being implemented through District Rural Development Agencies (DRDAs) in all blocks of the country as a Centrally sponsored scheme. The funds for the programme are being shared on a 50:50 basis between the Centre and the States. The Union territories are given 100% Central assistance. The budget estimates (*i.e.* the Central share) for the programme during 1998-99 was Rs. 740.00 crore which has been increased to Rs. 859.00 crore this year. Thus, during 1999-2000, the proposed Central outlay for IRDP has been increased by Rs. 119.00 crore over the outlay of 1998-99 (*i.e.* an increase of 16.08% over BF 1998-99).

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

(Rs. in crore)

1	2
OB as on 1.4.98	260.65
Total allocation for 98-99 (Centre + State)	1456.28
Total funds available in 1998-99	1716.93
Funds utilised (C+S) up to Dec. 1998	671.45
% utilisation of funds to the total availability	46.11%

Further, the total allocation of Central share for subsidy to the DRDAs during 1998-99 was Rs. 729.15 crore out of which Rs. 489.44 crore (i.e. 67.12%) has been released. It has also been stated that some of the States could not claim the amount allocated to them under IRDP during 1998-99 for different reasons.

When asked as to how the Department propose to utilise the enhanced amount of Rs. 859.00 crore for IRDP during 1999-2000, keeping in view the fact that the Department has utilised only 46.11% of the allocated money upto December, 1998, the Department have replied that the performance of IRDP usually picks up during the last quarter of the financial year and the self-employment programmes are being restructured.

When asked as to the reasons submitted by the States/UTs for the poor utilisation of funds under IRDP, the Department have replied that no separate reasons for shortfall in the utilisation by individual States/Union territories are available at present.

When asked as to what will be the cut-off line for a family assisted under IRDP, to cross the poverty line, during 1999-2000, the Government have replied that in September 1997, the Planning Commission communicated State specific poverty line. The All India average poverty line works out to a monthly per capita expenditure of Rs. 266.27. These figures will be applicable for the ninth Plan period.

When asked as to what are the reasons of non-satisfactory achievement of the credit target set for IRDP during 1998-99, the

Department have replied that till January, 1999, credit mobilisation has Rs. 1431.68 crore which is only 45% of the target. Further, credit mobilisation target is deliberately fixed at a higher level in order to encourage banks to provide a higher level of finance to the IRDP beneficiaries.

When asked further about the total credit and per family investment targets fixed for IRDP during 1999–2000, the Government have replied that State-wise credit target under IRDP (now restructured as Swarnjayanti Gram Swarozgar Yojana—(SGSY) is to be fixed by a Committee headed by Joint Secretary (IRD), Ministry of Rural Areas and Employment and representatives from the RBI, NABARD, SBI and Ministry of Finance. The total credit target for IRDP during 1999–2000 is yet to be worked out.

2.4 The Committee note the increase of Rs. 119.00 crore in the financial allocation (Central share) for IRDP during 1999–2000. They also note that the percentage utilisation of the total available funds during 1998–99 was only 46.11%. However, they are constrained to note the reply of the Government that the performance of IRDP usually picks up during the last quarter and the States and Union territories have not so far forwarded any reason for poor utilisation of funds. The Committee therefore recommend that, since all the programmes for self-employment are being unified, the Government should take necessary steps to ensure better utilisation of funds and timely submission of progress reports.

2.5 The Committee note with concern the non-satisfactory achievement of the credit mobilisation target under IRDP during 1998–99 which has stated to be only 45% of the target. They also note that during this year, the per family investment is only Rs. 17863.00, which is not adequate enough to bring a family above the poverty line.

They note that due to inadequate per family investment the beneficiary is not able to repay the loan advanced under IRDP which result in poor recovery of loans. The Committee would like to recommend that Government should increase the per family investment while restructuring the self-employment programme. This will not only ensure the beneficiary to cross the poverty line but would also help him to repay the loan.

2.6 As per the written information forwarded to the Committee the percentage of recovery of bank loans to the demand, during 1996-97 and 1997-98 was only 30.0% and 37.6% respectively.

When asked about the existing machinery involved for the recovery of Bank loans provided under IRDP and the views of the Government for involving the sponsoring agency (*i.e.* DRDA) for the recovery of loans in addition to the banks, the Government have replied that as per the existing guidelines the State Governments are required to render all possible assistance to Bank officials in recovering dues from the IRDP beneficiaries. The DRDAs may organize credit-cum-recovery camps periodically where the beneficiaries are impressed upon to pay their dues promptly. The recovery performance is also discussed in Block Level Consultative Committee (BLCC) and District Level Consultative Committee (DLCC). A programme of action is finalised between bank officials and district, block and tehsil officials about the action to be taken to tackle the difficult cases. Besides above, the State Governments have also been advised to appoint APO (Credit) in each district to establish close liaison with the financial institutions and implementing agencies to improve recovery performance under IRDP. The sponsoring agencies (*i.e.* DRDA) are already involved in the recovery of IRDP loans.

2.7 During the recent study-visit of the Committee to various parts of the country, it was found that sponsoring agencies and the officials of the Government responsible for implementation of the programme are not being involved for the recovery of loans, as per the provisions of the existing guidelines.

2.8 The Committee note the non-satisfactory recovery of Bank loans provided under IRDP during 1996-97 and 1997-98 which is stated to be only 30.0% and 37.6% respectively. They also note that in addition to the recovery of loans, to the tune of Rs. 260.79 crore and Rs. 204.86 crore respectively, subsidy of Rs. 905.89 crore and Rs. 863.11 crore has also been disbursed to the Banks during these years. However they find that the sponsoring agency and the implementing machinery at the field level are not being involved in the recovery of Bank loans. They therefore recommend that the Government should take necessary corrective steps for involving the sponsoring agency and the implementing machinery in the recovery of Bank loans.

2.9 The Committee further note that there have been complaints of the beneficiaries about the non-cooperative attitude of the banks. Inspite of recommending repeatedly by the Committee and issuance of the revised guidelines of Reserve Bank of India, there is no considerable improvement in their attitude. While the Government is restructuring the self-employment programme, the Committee would like that the following aspects should be taken care of:

- (i) There should not be rejection of loan application of the beneficiaries on flimsy grounds like the incomplete forms etc. While sanctioning the loan, it should be taken note that the beneficiaries belong to the poorest of the poor and are not even literate. The forms required should be very simple and the bank staff should help the beneficiary in completing the formalities;**
- (ii) The applications should be disposed of within the specified time. While rejecting an application, the reasons for rejection should be communicated to the beneficiary;**
- (iii) Maximum loan as per the guidelines should be given to the beneficiaries;**
- (iv) More stress should be given on group activity;**
- (v) It should be ensured that the number of beneficiaries selected for the disbursement of loan is not reduced further while actual disbursement is made by the banks specially when the Banks are being involved in the selection of beneficiaries;**
- (vi) It is understood that at present Bank loans are being provided under the Prime Minister's Rozgar Yojana for the establishment of viable ventures by some other Ministry. While restructuring the self-employment schemes it should be ensured that there should not be any overlapping and duplication between PMRY and the new self-employment programme.**

The Committee would like that the above mentioned facts should be included in the revised guidelines to be circulated to State Governments and Banks.

(ii) Development of Women & Children in Rural Areas (DWCRA)

2.10 DWCRA is an essential component of IRDP. The scheme is in operation since 1982-83 and is being implemented through DRDAs in all blocks of the country as a Centrally sponsored scheme. 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. The Union territories are given 100% Central assistance.
- (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):** This sub-scheme was started during 1995-96 for which the funding pattern 66.67:33.33 between the Centre and the States. The Union territories are given 100% Central assistance.
- (iv) **Information, Education and Communication (IEC):** This sub-scheme was incorporated during 1995-96 and the funding pattern is 66.67:33.33 between the Centre and the States. The Union territories are given 100% Central assistance.

2.11 The budget estimates (*i.e.* the Central share) of DWCRA during 1998-99 was Rs. 100.00 crore which has been increased to Rs. 116.00 crore this year. Thus, during 1999-2000, the proposed Central outlay for DWCRA has been increased by Rs. 16.00 crore (*i.e.* 16.00%) over the outlay of 1998-99.

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

(Rs. in crore)			
Year	Budget Estimate	Revised Estimate	Actual Expenditure
1996-97	65.00	65.00	56.96
1997-98	65.00	62.00	41.45
1998-99 (upto Dec. 1998)	100.00	70.00	44.03

Under DWCRA the physical target is fixed in terms of number of groups. Accordingly, the 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
1996-97	30000	41345	581944
1997-98	30000	36436	460409
1998-99	61850	32101	407334

As per the written information forwarded to the Committee, the financial achievement has been stated to be 63.77% against the physical achievement of 121.45% during 1997-98.

When asked about the justification of the above mentioned mismatch between the financial and physical achievement of DWCRA during 1997-98, the Government in their reply have stated that total amount available with the State Governments for the implementation of this scheme alone may include unspent balance and the interest accrued on available fund over the period. Secondly, after the formation

of the Groups, the money is released to groups after certain time lag which is essential for nurturing and proper functioning of groups.

As per the written information forwarded to the Committee during 1998-99 (as per the reports received till 15.2.99) the financial achievement and physical performance under DWCRA has been stated to be 44.03% and 37.85% respectively.

When asked about the reasons for poor financial and physical performance under DWCRA during 1998-99, the Ministry have replied that the group formation is a time consuming process and the information giving the financial and physical achievement is based on the Monthly Progress Reports up to December 1998.

2.12 The Committee note with concern the mismatch between financial and physical achievement under DWCRA during 1997-98. They found that the financial achievement was 63.77% against the physical achievement of 121.45%. The Committee would like to know the reasons for such a mismatch. They desire that the Government should fix reasonable targets which may be achieved in any given year.

Notwithstanding the overall success of DWCRA they also note the non-satisfactory physical and financial achievement under the scheme during 1998-99 which is stated to be 37.58% and 44.03% respectively. They, therefore would like to recommend that the Government should impress upon the implementing agencies to take necessary steps for the better performance of the Scheme.

2.13 As per the written replies, the performance of different components of DWCRA was as below:

Component	%age of fund utilisation to total availability	
	1997-98	1998-99
Income Generating Activities	79.84%	46.42%
Community Based Convergent Services	12.94%	funds not released
Child Care Activities	21.70%	35.94%
Information, Education & Communication Not released Rs. 50.0 lakh released		

Further it has also been stated that the fund provided under IEC at the district level is not adequate and it is not utilised effectively at the district level.

When asked about the various reasons for the poor financial achievement of various components of DWCRA during 1997-98 and 1998-99 and about monitoring the physical performance of Rs. 50.0 lakh released for IEC during 1998-99, the Government have replied that during 1997-98, the percentage of fund utilisation to total availability under Income Generating Activities is 79.84%. It appears to be a good achievement.

As regards CBCS programme, one time central assistance is given for this programme for the selected districts and DRDAs are required to take up activities spread over a period of time and it is also a time consuming process. Hence the percentage of utilisation of funds to total availability under CBCS during 1997-98 is 12.94%.

The objectives of Child Care Activities are to provide creche services for children of working DWCRA women, setting up literacy centres for DWCRA women with specific emphasis on girl child drop outs and illiterate members of DWCRA groups, filling in critical gaps in the area of immunisation, nutrition etc. for children of DWCRA members with a special focus and emphasis on the girl child to reduce gender disparities in the infant girl child care, to provide some relief to the physically handicapped children of DWCRA members and to provide immediate relief and pay for legal assistance in case redressal of physical abuse of the girl child. It may be observed that Child Care Activities are in the nature of supplementary activities and in unorganised sector in rural areas. Wherever regular provision exists for Child Care Activities like ICDS and State Government's Child Care Activities, fund under CCA is utilised to fill up the gaps and cover the uncovered areas. Hence the utilisation of funds under CCA during 1997-98 is 21.70%.

Fund for IEC activities could not be released during 1997-98 as a policy change was expected during 1997-98 about the mode of implementation of this activity.

The percentage of utilisation of fund to total availability under IGA during 1998-99 is 46.42%. This is provisional as it is based upon the monthly progress reports received upto December, 1998. A clear

picture of utilization of funds under IGA during 1998-99 will be available when the monthly progress reports upto the month of March, 1999 are received.

During 1998-99 funds were not released for CBCS programme, as it was decided to merge DWCRA programme into IRDP as a single self employment programme.

As per the written note of the Department the percentage of utilisation of funds to total availability under CCA during 1998-99 is 35.94%. This is provisional as it is based upon the monthly progress reports received upto December, 1998. A clear picture of utilisation of funds under CCA during 1998-99 will be available when the monthly progress reports upto the month of March, 1999 are received.

Rs. 50.00 lakh has been released under IEC during 1998-99. More funds for IEC activities could not be released during 1998-99 as a policy change was expected during 1998-99 about the mode of implementation of this activity.

As regards better financial achievement and implementation of programme, it has been decided to merge DWCRA programme into a restructured IRD programme.

Rs. 50.00 lakh was released to the Directorate of Advertisement & Visual Publicity (DAVP) for meeting the expenditure on the telecast of video spots in Hindi and 11 regional languages.

During the on-the-spot study visit of this Committee to some of the North-Eastern States it was found that there is lack of awareness about the DWCRA and its sub-schemes.

As per the written information forwarded to the Committee during 1997-98 in the State of Tamil Nadu out of the 1463 groups formed during the year, 53 DWCRA Groups have been found to be defunct out of the 1463 groups formed during the year and the information about the defunct DWCRA groups is being obtained from other States and Union territories.

2.14 The Committee are at a loss to understand the poor financial performance of all the sub-schemes of DWCRA during 1997-98 and 1998-99. They note that except for the IGA component which has achieved 79.84% financial achievement during 1997-98, the financial

utilisation of the rest of sub-schemes has either been very poor or the funds have not been released. For example during 1997-98 utilisation of funds for CBCS and CCA was only 12.94% and 21.70% respectively. Further the funds for IEC during 1997-98 and CBCS during 1998-99 were not released. Further more there is lack of awareness about the various sub-schemes of DWCRA, as has been found during the study visit of the Committee. The Committee would like to recommend that the government should keep the factors responsible for non-satisfactory financial achievement of all the sub-schemes of DWCRA in view, while restructuring the self employment schemes.

2.15 The Committee note that out of 1463 DWCRA groups started during 1997-98 in the State of Tamil Nadu, 53 groups have been found to be defunct. They also note that the Government have yet to obtain the information on defunct DWCRA groups from the States/ Union territories. The Committee would like to be apprised of the steps taken by the Tamil Nadu Government to revive the DWCRA groups and to check the tendency of the groups from becoming defunct. They would also like to know the information supplied by the other States and Union territories about the defunct DWCRA groups. The Government should also try to ascertain the reasons which force a Group to become defunct so that corrective steps could be taken by them to save other Groups from becoming defunct.

(iii) Training of Rural Youth for Self Employment (TRYSEM)

2.16 TRYSEM is an allied scheme of IRDP. This scheme is in operation since 15th August 1979 and is being implemented through DRDAs in all blocks of the country as a centrally sponsored scheme. The funds for the programme are being shared on a 50:50 basis between the Centre and the States. The 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; and

(b) Non-recurring expenses for infrastructure development under TRYSEM.

2.17 The budget estimate (i.e. the Central share) of TRYSEM during 1998-99 was Rs. 60.0 crore which has been increased to Rs. 70.00 crore this year. Thus during 1999-2000, the proposed central outlay for

TRYSEM has been increased by Rs. 10.0 crore (i.e. 16.67%) over the outlay of 1998-99.

Information regarding allocation for Central share and the physical progress of the scheme (Recurring Expenses) since 1996-97 is as below:

Financial and Physical Progress (Recurring Expenses)

Year	Allocation Central Share (Rs. in crore)	No. of youth trained		
		Target	Achievement	%age achievement
1996-97	59.25	290079	364337	125.60%
1997-98	59.25	304129	251387	82.66%
1998-99	60.00	283566	115860	40.86%

When asked about the expenditure reported from the States and Union territories separately for recurring and non-recurring expenses under TRYSEM during 1998-99, the Government have replied that expenditure under TRYSEM reported by the States and Union territories during 1998-99 is as follows :—

TRYSEM Recurring Expenses — Rs. 54.02 crore

TRYSEM Non-recurring Expenses – not reported by the States since 1997-98.

As per the written information forwarded to the Committee, for recurring expenses only an amount of Rs. 30.98 crore (i.e. 34.51%) has been released (up to 11.2.99) against the total allocation of Rs. 89.76 crore whereas for TRYSEM infrastructure no amount has been released (upto 11.2.99) against the Budget estimates of Rs. 15.0 crore. Moreover, according to the reports received from the States/UTs only 0.66 lakh trainees (i.e. only 22.57%) were trained by December, 1998.

When asked about the reasons for the poor financial performance of TRYSEM during 1998-99, the Government have replied that during 1998-99 upto the end of January 1999, 42.68% of the funds have been utilised. Since many of the training courses start in the middle of the financial year or by the end of the financial year, the performance improves considerably towards the end of the financial year.

As per the written replies forwarded to the Committee, for non-recurring expenses under TRYSEM no State or Union territory has released funds during 1997-98 and 1998-99. Although the Central Government had released Rs. 893.01 lakh during 1997-98, no expenditure has been reported.

As per the Annual Report 1998-1999 of the Ministry, some States/UTs have submitted monthly and quarterly progress reports for TRYSEM latest up to April or May 1998. For example, Meghalaya has submitted MPR & QPR up to April 1998, Karnataka up to May 1998, Rajasthan up to June 1998 and Tamil Nadu, Daman & Diu up to August 1998.

As per the written replies, during 1996-97, 364337 youths were trained under TRYSEM. Similarly during 1997-98 and 1998-99, 251387 and 115860 youths have been trained, respectively.

When asked about the reasons for not releasing the State's share for the non-recurring expenses, the reduction of the number of youths being trained under TRYSEM since 1996-97, the Government have replied that under TRYSEM (Infrastructure) funds are released to States/UTs after the receipt of Progress Reports from States. None of the States could furnish the physical and financial report for the funds released by the Ministry during 1997-98. As a result of this, information regarding release of States share is not available. The States have been requested to send the progress reports to this Ministry. Because of the failure on the part of the States to furnish the physical and financial progress reports the Ministry have not released any funds to the States during 1998-99 under TRYSEM (Non-recurring expenses). Targets for training under TRYSEM are not fixed by the Ministry. The States/UTs fix the targets depending on the available resources and local requirements. During 1996-97, an amount of Rs. 100.27 crore was utilised by the States/UTs on training of 364337 of youths where as during 1997-98, an amount of Rs. 80.74 crore was utilised on the training of 251387 number of youths. During 1997-98, according to the latest available reports an amount of Rs. 48.89 crore has been utilised on the training of 127205 number of youths. However, final reports are yet to be received from the States/UTs. It is expected that after the final reports are received for the period ending March, 99, the achievement will show a significant improvement.

2.18 The Committee note with concern that only 42.68% of the funds under TRYSEM recurring expenses had been reported to be utilised by the end of January 1999. They have their own doubts as to how the implementing machinery at the field level would be able to achieve a satisfactory financial achievement during 1998-99. Further, they are constrained to note that none of States and Union territories has so far furnished the physical and financial report in respect of the release of funds meant for TRYSEM infrastructure funds (Non recurring expenses) for 1997-98. The Committee recommend that the Government should impress upon the States and Union territories to furnish the requisite performance/progress reports without any further delay. Further they would like to recommend that the Government should take necessary precautions while implementing the new scheme for self-employment programme so that the above mentioned lapses are not repeated.

2.19 The Committee would like to know the existing linkage between TRYSEM and IRDP. They desire that the said linkage should be maintained while implementing the new self employment scheme. Further the training provided under the new self-employment scheme should cater to the local needs of a particular area so that the local talent available can be harnessed and subsequently gainfully employed.

(iv) Supply of Improved Tool Kits to Rural Artisans (SITRA)

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

The Budget Estimates (i.e. subsidy from the Central Government) for SITRA programme was Rs. 60.00 crore during 1998-99 which has been increased to Rs. 70.00 crore for the current financial year. Thus, for the year 1999-2000, the contribution of the Central Government for the scheme has been increased by Rs. 10.00 crore (i.e. an increase of 16.67% over 1998-99).

2.21 As per the Annual Report 1998-99 of the Ministry, the following observations about SITRA are made:

Item	(Rs. in crore)
Opening balance as on 1.4.98	25.00
Allocation (RE) 1998-99 (for Subsidy)	49.50
Total available funds during 1998-99	74.50
Funds utilised (up to December 98)	23.09
% utilisation of available fund (up to December, 1998)	30.99%
RE for R&D of toolkits and evaluation	0.50
% utilisation for R&D and evaluation	Nil
B.E. 1999-2000	70.0

As per the written information forwarded to the Committee by the Department, the physical achievement of SITRA during 1998-99 was only 41.09%.

When asked about the reasons for the poor financial performance of SITRA during 1998-99 especially when the States/UTs are left with huge opening balance the Government have replied that SITRA is a programme for rural artisans as a whole. Unless beneficiaries are selected and the requirement of trade (as per beneficiaries) is finalised, orders can not be placed for tool kits and tool kits obtained. As such, the process takes some time. It is expected that the progress would be rapid towards the end of the financial year.

When asked as to whether Rs. 70.0 crore proposed for 1999-2000 would be sufficient to meet the physical target of supporting 3.72 lakh units, the Government have replied that the Budget estimates will be sufficient to meet the physical target during the year.

2.22 The Committee note that the financial and physical performance of SITRA has not been satisfactory as during 1998-99

out of a total available fund of Rs. 74.50 crore, only a sum of Rs. 23.09 crore (i.e. 30.99%) could be utilized under the scheme. They further note that the physical achievement of the scheme was a mere 41.09% during the current year. They therefore, recommend that all out efforts should be made to utilize the available funds fully, when the scheme merges itself with the new self-employment programme.

2.23 As per the Annual Report 1998-99 of the Ministry the MPRs and QPRs from several States like Assam, Goa, Jammu & Kashmir, Nagaland, Manipur and Meghalaya are yet to be received.

When asked for the need to further strengthen the monitoring of SITRA, so that the defaulter States can be impressed upon to furnish MPRs and QPRs in time, the Department in their reply have stated that there is scope for more intensive monitoring.

As per the Annual Report 1998-99, Daman & Diu has an O.B. of Rs. 14.30 lakh for SITRA as on 1.4.1998 and the Union territory does not require funds under the scheme.

When asked about the steps the Ministry have taken so far to recover the O.B. of Rs. 14.30 lakh left with the Daman & Diu Administration, the Government in their reply have stated that there is no provision under the guidelines of SITRA to recover the grant-in-aid once released to the States/Union territory. However with the proper merger of self-employment programmes, the balance will automatically get incorporated with the restructured programme.

2.24 The Committee note that many States and Union territories do not furnish the progress reports in time. They note the reply of the Government that there is scope for more intensive monitoring to impress upon the States and Union territories to forward the progress reports. They hope that the Government will look into the issue and will further strengthen the monitoring mechanism.

2.25 The Committee further note that an amount of Rs. 14.30 lakh has been left as opening balance with Daman & Diu, which is not interested in receiving further funds under the scheme. They also note that the same amount will be submitted under the new self-employment programme and there is no provision under the

guidelines to recover the released grant-in-aid from the Union territory. The Committee would like to know, how the amount was released to Daman and Diu without obtaining the demand for the same. They would also like to impress upon the Government to examine the issue and suitably amend the existing guidelines so that the funds not utilised by a State/UT are recovered so as to ensure their better utilization for other parts of the Scheme.

CHAPTER III

DEMANDS FOR GRANTS OF WAGE EMPLOYMENT AND INFRASTRUCTURE DEVELOPMENT PROGRAMMES

The following wage – employment and infrastructure 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)

The analysis of Demands for Grants for 1999–2000 of each of the programme is as below:

(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 1998–99 was Rs. 2095.00 crore which has remained at the same level for 1999–2000.

3.3 As per the written information forwarded to the Committee and the Performance Budget 1999–2000 the following observation about JRY can be made:

Item	(Rs. in crore)
1	2
O.B. as on 1.4.97	446.24
Funds utilised in 1997–98	2431.78
O.B. as on 1.4.98	482.65
Total Release (upto Dec. 98)	1934.17

1	2
Total Funds available (upto Dec. 98)	2416.82
Total Funds utilised (upto Dec. 98)	1562.11
% utilisation of funds (upto Dec. 98)	64.63%
BE 1999-2000 (Central share)	2095.00

As per the written replies, it has also been stated that the physical achievement (upto Dec. 98) is 64.63% (i.e. 2394.19 lakh mandays achieved against the target of 3966.57 lakh mandays)

3.4 The Committee note that Rs. 2416.82 crore of the available fund was utilised during 1998-99 out of the Central & States share, which comes to 64.63%. They further note the opening balance of the scheme as on 1.4.98 was only 15.3% of the allocation of 1997-98 which comes to Rs. 482.65 crore. They also note that during 1997-98, Rs. 2431.78 crore was utilized in the Scheme. Since the BE 1999-2000 has been fixed at Rs. 2095.00 crore (Central share) the Committee would like to urge the Department to further strengthen the existing implementing machinery of the scheme so that the entire available fund are utilised during 1999-2000.

3.5 As per the written replies, it has been decided to restructure and streamline the JRY. The funding pattern of the programme is also being changed from 80:20 to 75:25. As per the existing provision, the village panchayats get 70% of the overall budget of JRY. It will be ensured that there would be an increase in the flow of funds to the Panchayats. The funds under the scheme would be utilized by the Village Panchayats for creation of village infrastructure and accordingly, 60:40 wage-material ratio would be relaxed suitably. In addition, the Finance Minister had, in this budget speech, mentioned that the scope of Rural Infrastructure Development Fund (RIDF) will also be widened to allow lending to the Gram Panchayats among others for implementing village level infrastructure projects.

3.6 While explaining about the funds needed for the scheme the Secretary of the Department during the course of oral evidence stated as under:

"For 2500 lakh panchayats about Rs. 5000.00 crore will be needed. Of that the share of the States will be Rs. 350 crore per annum. the Finance Commission also mentioned that devolving of funds

will be there. In addition, the Panchayats can get money from the centre and they can be self-sustaining”.

When asked further whether the Government think that the Panchayats will be able to raise the funds, the representative of the Ministry stated:

“The position at present is that many State Governments have assigned to Panchayats the powers of fixation of taxes. Under these powers the Panchayats can raise the taxes and their resources”.

3.7 The Committee note with concern that the opening balance of JRY left with the implementing agencies i.e. Panchayats as on 1.4.97 and 1.4.98 was Rs. 446.24 crore and Rs. 482.65 crore, respectively and is increasing over the years. They note the recent changes brought about in the implementation of JRY by which the Panchayats are expected to be self sustaining by raising taxes and resources at their end.

Besides the Committee also appreciate the initiatives taken by the Central Finance Commission whereby the funds could be devolved to Panchayats to strengthen their capabilities. In addition, the funds will also be given by the Central Government. The Committee would like that such funds should be made available to the respective States/UTs/Panchayats for the better implementation of the Centrally Sponsored Schemes.

(ii) Indira Awaas Yojana (IAY) and Rural housing

3.8 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 Estimates (i.e. Central share) for IAY during 1998-99 was Rs. 1600.00 crore which has been increased to Rs. 1710.00 crore during the current year. Thus, during 1999-2000 there is an increase of Central share to the tune of Rs. 110.00 crore (i.e. 6.88%).

3.9 As per the Performance Budget 1999-2000, the following observation about IAY is made:

Item	(Rs. in crore)
1	2
O.B. as on 1.4.98	352.41
Total Release (upto Dec. 98) (Central & State share)	1588.86

1	2
Total funds available 1998-99	1941.27
Total funds utilised 1998-99 (as on 31.1.1999)	981.31
%age utilisation of funds (as on 31.1.99)	50.55%
BE 1999-2000 (Central share)	2095.00

Further it has also been stated that as on 31.1.99 only 4,37,090 houses have been built against the target of 9,87,466 houses the physical achievement is only 44.26%.

When asked about the reasons for the poor financial and physical performance of IAY so far during 1998-99 (upto December, 1998) the Government have replied that the working season all over the country starts mainly after monsoon and as per the trend of reports now available from State Governments, the progress under IAY is in full swing, and the physical & financial targets are likely to be achieved. As per the written replies forwarded to Committee during 1997-98 percentage utilization of funds was 90.28%. The release of 2nd installment is dependent on the receipt of 2nd installment proposals from State Governments. But some State Governments are slow in sending 2nd installment proposals to the Ministry.

3.10 The Committee appreciate the higher allocation made for IAY during 1999-2000. However they note that during 1998-99 the physical achievement was only 44.26% and the percentage utilisation of funds to the total availability was only 50.55%. They also note that during 1997-98 the total utilization of fund was Rs. 1345.80 crore against the total availability of Rs. 1637.95 crore. The Committee have their own doubts as to whether the Department would achieve the physical and financial targets under the Scheme during 1998-99. They would therefore, like to urge the Government to take necessary steps for full utilization of funds under the scheme during 1999-2000.

3.11 When asked about the insurance cover for IAY houses, the Secretary of the Department, during the course of oral evidence replied as under:

"Actually at the moment, we do not have this insurance cover. But we are having dialogue with the Department of Insurance so that the damaged IAY houses can be rebuilt with that cover".

3.12 The Committee note that at present houses built under IAY are not insured against damage that may be caused due to any natural calamity. Since a very small amount will be required for insuring a house built under IAY, they recommend that it should be made obligatory on the part of beneficiary/implementing agency to get the house insured. They would also like to be informed of the issues being discussed by the Government with the Department of Insurance and also the outcome of the discussion.

The Committee find that adequate weightage is not being given to local MPs in the selection of beneficiaries and allotment of houses under IAY. They would like to recommend that Government should issue necessary guidelines to the States/UTs to involve local MPs in the selection of beneficiaries and allotment of houses under IAY.

(iii) Million Wells Scheme (MWS)

3.13 Million Wells Scheme is in operation since 1988-89. The funds for the scheme are shared on a 80:20 basis between the Centre and the States. The Union territories are given 100% central assistance. During the year 1999-2000, the Budget Estimates for the scheme (i.e. the Central share of funds for MWS) was Rs. 450.00 crore during 1998-99 which has been reduced to Rs. 100.00 crore during the current year. Thus, there is a reduction of Rs. 350.00 crore (i.e. minus 77.78%) in the Central Central share during 1999-2000.

3.14 As per the written information forwarded to the Committee the following observation about the performance of MWS can be made:

Item	(Rs. in crore)
OB as on 1.4.1998	201.48
Total availability 1998-99	486.63
Total expenditure (upto Nov. 98)	225.89
%age utilisation against availability (upto Nov. 98)	46.42%

Further, BE 1999-2000 have been reduced to Rs. 100 crore (i.e. minus 77.78%)

When asked about the reasons for the non satisfactory financial performance of MWS during 1998-99, the Government have replied that the financial progress usually picks up during the last quarter of the financial year. During 1997-98 also the expenditure (Rs. 233.80 crore) up to November, 1997 was 49% of the total available fund (Rs. 476.86 crore). The total expenditure during the financial year however, was 88.65% against the total available fund.

The MPRs from the States suggest that although the expenditure upto November 1998 was 46% of available fund, it was as much as 56% at the end of January, 99.

When asked as to how far the reduction of 77.87% in BE 1999-2000 will affect the physical performance of the scheme, the Government have replied that physical targets are fixed on the basis of available funds. From 1999-2000 MWS will cease to exist as an independent programme.

3.15 The Committee note that the allocation for MWS has been reduced to Rs. 100.00 crore during 1999-2000. They also note that the percentage utilisation of available funds during the period upto November 1997 was only 49% as compared to 46.42% fund utilisation achieved during the period upto November 1998. They have their own doubts as to how the Department would achieve satisfactory physical and financial performance under the scheme during 1998-99. The Committee would therefore, like to recommend that the Government should impress upon the implementing agencies to fully utilise the funds under the scheme during 1999-2000

3.16 As per Annual Report 1998-99 of the Ministry, the following observations about the MWS are made:

- (1) In the Union territory of Daman and Diu during 1998-99 only one well has been constructed and the corresponding expenditure has been shown as Rs. 0.52 lakh.
- (2) Pondicherry Government has shown an expenditure of Rs. 0.06 lakh during 1998-99 without giving the corresponding physical achievement.
- (3) Several State Governments/UTs are forwarding MPR/QPRs quite late. For example, Meghalaya and Pondicherry Governments have forwarded the MPR/QPR upto July 1998.

Similarly, Andhra Pradesh has also send their utilization only for the period up to September 1998.

When asked about the comments of the Government on each of the above observation, the Government have replied that in case of Pondicherry, as informed orally by the officials of the UT, the expenditure of Rs. 6,000/- is for desilting of one channel of about a kilometre at Darialdippa village in the Yanam region of Pondicherry.

As regards the delay in Monthly Progress Report (MPR), it has been mentioned in the written note that the reports are expected to be furnished by the State/UT Governments by 10th of the succeeding month. While this is so, delays are noticed in case of some States/UTs. This is largely due to the fact that the districts first receive the reports from the field and compile and send the same to the State headquarters for onward transmission to be forwarded further to the Ministry. As on date, the Ministry have received MPRs from 24 States/UTs, upto January, 1999.

The practice of monitoring of progress through QPR has been discontinued since monitoring of physical progress on half-yearly basis and is considered to be more relevant in view of the fact that a quarter may be too short a time span to show any meaningful physical achievement.

The Ministry is conscious of the delay in receiving the progress reports. They have requested the State Governments, at the level of Secretary (RE&PA) to maintain punctuality in sending the reports. Further efforts will be made to ensure the receipts of the progress reports in time.

3.17 When asked about the expenditure of Rs. 0.52 lakh for constructing a well in Daman and Diu, the Secretary during the course of oral evidence replied as under :

"The Director, DRDA, Daman & Diu has informed that the expenditure is incurred on digging of one Panchayat Pond and not well."

When asked further whether the expenditure of Rs. 52,000.00 for digging a pond is permissible under the Scheme the Secretary clarified as below :

“Wherever the wells are not feasible due to geological factors, the amount allotted for MWS may be utilised for other schemes of minor irrigation. The people have suggested the work and the local Committee have confirmed the norms, cost and House said that it is reasonable. I think we should go by that.”

(iv) Employment Assurance Scheme (EAS)

3.18 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 1998–99 was Rs. 1990.00 crore which has been reduced to Rs. 1700.00 crore for the current year. Thus, the proposed Central outlay for the scheme has been reduced by Rs. 290.00 crore (i.e. minus 14.57%) during 1999–2000.

3.19 As per the Performance Budget 1999–2000 the following observations about EAS are made:

Item	(Rs. in crore)
O.B. as on 1.4.98	869.62
Total release (C+S) 1998–99	2279.30
Total funds available 1998–99	3148.92
Total funds utilised 1998–99 (upto January, 1999)	2149.40
% age utilisation of funds 1998–99 (upto January, 1999)	68.39%

As per the written information forwarded to the Committee the central allocation for EAS during 1999–2000 has been reduced by 14.57% (i.e. from Rs. 1950.00 crore during 1998–99 to Rs. 1770.00 crore for

1999–2000). The utilisation of funds during 1997–98 was only 84.81% and in 1998–99 it is only 68.39%.

When asked about the reasons for low utilisation of financial resources available with the implementing agencies during 1998–99 so far, especially when they are left with huge unspent balances at the beginning of the year, the Department in their written note have submitted that:

“Employment Assurance Schemes (EAS) is a demand driven scheme and there is no concept of annual opening balance as there is no fixed annual allocation either State-wise or District-wise or Block-wise. There is also no physical or financial target fixed to be achieved within any given year. It is a continuous scheme. Moreover, the release procedure is such that a district becomes eligible for next instalment, the moment it utilises 50% of available funds. Therefore, at any point a district can have 50% of available funds even as it becomes eligible for the next instalment. This provision is made so that the district can meet the requirement of demand for wage employment by the rural poor during the period when the proposal for next instalment is under process. Thus, theoretically at any moment, the balance available with the districts could be minimum of Rs. 677 crore, which is fifty percent of one instalment receivable by all the blocks (Rs. 1354 crore). Moreover, the funds are to be utilised only when there is a demand for wage employment during the lean agriculture season.

During the year 1998–99, an amount of Rs. 399.50 crore of Central share was released during October and November only and that too a bulk to the flood affected districts of UP. Alongwith the State’s share, this comes to nearly Rs. 500 crore. In the field situation even if the amount is spent, the figures are not available due to the time lag in reporting. This is also a relevant factor to be noted while considering the percentage of expenditure to available funds.”

3.20 The Committee note that the expenditure made under EAS by the end of January 1999 was Rs. 2149.40 crore, amounts to 68.39% of the available funds. They also note that during the current year the Central share of funds has been fixed at Rs. 1700.00 crore which is 14.57% less than the BE 1998–99. The Committee note the reply of

the Department that theoretically at any point of time the balance available with the districts could be a minimum of Rs. 677.00 crore. They also note that the opening balance of Rs. 869.62 crore as on 1.4.1998 was definitely higher than the minimum requirement of Rs. 677.00 crore. However, while noting the practical difficulties they would like to impress upon the Government to utilise the entire allocation made for the current year.

3.21 The Committee note that EAS is being implemented in 5448 blocks of the country. To provide atleast two instalments to all the blocks during any year an amount of Rs. 2700 crore is required. Considering the fact that only Rs. 1700.00 crore has been provided by the Planning Commission for 1999-2000 they would like to impress upon the Government to show better physical achievement under the scheme so that the required amount could be provided by the Planning Commission.

3.22 As per the written replies, the States have been requested to evolve and publish "Rural Standard Schedule of Rates" as has been done by some States to eliminate the role of contractors in EAS works.

3.23 When asked to furnish the names of the States which have so far evolved and published the "Rural Standard Schedule of Rates", and whether the remaining States and Union territories have been given a deadline by which they can evolve and publish such a "Rural Standard Schedule of Rates" the Government have replied that during the meeting of State Secretaries of Rural Development held on November 21-22, 1997, the Secretary from Rajasthan informed that they have "Rural Standard Schedule of Rates" for the rural development works. Based on this other States were also requested to evolve and publish such schedule of rates. This was only an advice to the States as the guidelines already provided that no contractor should be used in execution of EAS works and also that every State/Department has its own standard schedule of rates. In view of this no deadline was fixed.

3.24 The Committee note that the role of contractor in EAS works can be minimised by evolving and publishing a 'Rural Standard Schedule of Rates'. They also note that except for Rajasthan, no other State or Union territory has published the said document as yet. They therefore, would like to recommend that since the scheme is being restructured, the Government should consider to fix a deadline by which the remaining States could evolve and publish 'Rural Standard Schedule of Rates.'

CHAPTER IV

DEMANDS FOR GRANTS OF SPECIAL AREA PROGRAMMES

At present two special area programmes are being implemented by the Department of Rural Employment & Poverty Alleviation viz (i) Drought Prone Areas Programme (DPAP) (ii) Desert Development Programme. The analysis of Demands for Grants 1999-2000 for these programmes is as follows:

(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 Estimates of DPAP (i.e. Central share) for 1998-99 was Rs. 95.00 crore which has been kept at the same level for this year.

As per the budget proposals for DPAP during 1999-2000 the following observation can be made

	Central Sector allocation (Rupees in crore)	Increase	% increase
BE 1995-96	125.00	—	—
BE 1996-97	125.00	Nil	Nil
BE 1997-98	115.00	(—)10.00	(—) 0.06%
BE 1998-99	95.00	(—)20.00	(—) 17.39%
BE 1999-2000	95.00	Nil	Nil

4.3 As per the written information forwarded to the Committee and on the basis of the information given in the Annual Report

1998-99 the following observation about DPAP are made:—

	(Rs. in crore)
B.E. 1998-99 (Central share)	95.00
R.E. 1998-99 (Central share)	73.00
O.B. as on 1.4.98	162.83
Total available funds 1998-99	279.29
Expenditure 1998-99	143.88
%age of utilization of fund 1998-99	51.52%

Further, as per the Performance Budget 1999-2000 of the Department the percentage of expenditure to allocation during 1997-98 was only 38.46%.

When asked about the reasons for the poor financial performance of DPAP during 1997-98 and 1998-99, the Government in their written note have stated that considering the fact that the revised guidelines for watershed development have made it a people's programme, where local communities have to be associated right from the stage of planning to the actual execution of works and maintenance of assets and hence the financial performance in the initial years has been slow. However the performance is now picking up.

As per the written replies, 7000 new watershed projects have been proposed to be sanctioned during 1999-2000 with an estimated budget allocation of Rs. 100.00 crore.

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 the scheme as on 1.4.98 was Rs. 162.83 crore which is more than double of the revised estimates (Central share) for the scheme during 1998-99 (i.e. Rs. 73.00 crore)

They also note the reply of the Government that 51.52% of the available funds have been utilised upto the period ending December 1998. The Committee would like that all the available funds for the scheme should be utilised fully during 1999-2000.

4.5 As per the new Watershed guide lines, area development on watershed basis, has been made compulsory (from 1995-96). Under

common guide lines, 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. During 1995-96, 4626 watershed projects were started which are due for completion by March 1999.

4.6 When asked about the present status of these projects, the Government have replied that out of the sanctioned projects only 1810 watershed projects (i.e. nearly 39.13%) are expected to be completed shortly and the balance 2816 projects have been given one year extension.

When asked about the reasons for the delay in the completion of 2816 projects, the Government have replied that consequent to the review of DPAP by the technical Committee headed by Dr. C.H. Hanumantha Rao, the implementation of the programme has completely been revamped through operationalisation of the new guide lines for Watershed development w.e.f. April 1995. Under the new guidelines of the programme, States/districts are required to implement DPAP exclusively on watershed basis for which an elaborate institutional mechanism at the project level and district level is required to be set up for ensuring active participation of the people living in the project areas. This process involves considerable amount of time and effort. Since the programme switched over from the old practice of implementation through Government agencies to that of people's organisation in April 1995 with no lead time for agencies for grounding the above mentioned institutional mechanism, the first batch of watershed projects sanctioned in 1995-96 obviously took more time for adjustment.

4.7 The committee note with concern that only 39.13 percent watershed projects i.e. 1810 projects out of 4626 projects started during 1995-96 have been completed within the stipulated period of four years. They feel that the poor physical performance might have been a factor for the reduced budgetary allocation for the DPAP. They would like to recommend that the Government should ensure proper maintenance of these completed projects through their respective watershed Development Fund created by the respective Watershed Committees. They would also like to recommend that the Government should impress upon the implementing agencies to complete the remaining watershed projects as early as possible, in any case within the extended period.

(ii) Desert Development Programme (DDP)

4.8 The DDP is in operation since 1977-78. 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 estimates (i.e. the Central share) for the programme during 1998-99 was Rs. 90.00 crore which have been reduced to Rs. 85.00 crore this year. Thus, during 1999-2000, the proposed Central outlay for the programme has been reduced by Rs. 5.00 crore (i.e.) minus 5.56%) over that of 1998-99.

4.9 As per the written information forwarded to the Committee and the Performance Budget 1999-2000 of the Department, the following observations about DDP are made:

Item	(In Rs. crore)
B.E. 1998-99 (Central share)	90.0
R.E. 1998-99 (Central share)	80.0
O.B as on 1.4.98	66.49
Total available funds 1998-99	135.43
Expenditure 1998-99	55.20
%age of utilization of fund 1998-99	40.76%

Further as against the available fund of Rs. 142.96 crore with the States, the expenditure during 1997-98 was Rs. 109.36 crore (76.49%).

When asked about the reasons for the non-satisfactory financial performance of DDP as mentioned above during 1997-98 and 1998-99, the Department have replied that considering the fact that the revised guide lines for watershed development have made it a people's programme where local communities have to be associated right from the stage of planning to the actual execution of works and maintenance

of assets created, motivating and training the people to undertake this responsibility took a lot of time and hence the financial performance in the initial years of the new programme has been slow. However, the performance is now picking up.

As per the written information forwarded to the Committee, 5063 villages are targeted to be covered in the Ninth Five Year Plan.

When asked about the physical target set for DDP for 1999–2000, the Department have replied that about 1700 new watershed projects are expected to be sanctioned during the year.

4.10 As per the Annual Report 1997-98, under DDP during 1996-97 and 1997-98 the percentage expenditure to total 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%).

4.11 The Committee note that the utilisation of funds under DDP is not at all satisfactory since 1995–96. Further only 40.76% of the available funds were utilised in the programme during 1998–99. This shows that the rest 59.24% of the available funds are left with the implementing agencies during the year. The Committee would like that the entire funds available for the DDP should be utilised in the programme during 1999–2000.

4.12 As per the written replies 1695 watershed projects which were started during 1995–96 were expected to be completed by the end of March 1999. As per the existing guide lines each watershed project should have an in-built provision for the maintenance of assets from the Watershed Development Fund created through contributions made by the beneficiaries.

4.13 The Committee note that 1695 watershed projects were started during 1995–96 under the Desert Development Programme. They hope that the said projects would have been completed by 1st March 1999. They would like to recommend that the Government should ensure proper maintenance of these projects through their respective Watershed Development Fund created by the respective Watershed Committees.

CHAPTER V

GENERAL RECOMMENDATION

During their interaction with field level agencies and State Government officials, it was represented to the Committee that due to resource crunch, the State Governments were not able to release their required contribution under different schemes on time. The delay in release of State's share not only resulted in poor achievement under the Schemes but also resulted in non-utilization/under utilization of Central Funds. To meet this situation, it was suggested that the Central Government should release State share alongwith its own share. However, the amount released as State share may be treated as loan.

The fact that the delay in release/non-release of State share adversely affect the implementation of various Centrally funded scheme is established beyond doubt by the facts and figures supplied to the Committee by the Government through written information as well as during evidence before the Committee. Since the various schemes are being restructured or are to be restructured by the Government, the Committee recommend that the suggestion of the State Governments should be considered, within the overall allocation of funds for a particular scheme. Though it may result in lesser allocation for each State, but it may result in better utilization of funds and improved physical achievements under the schemes.

NEW DELHI;
April 19, 1999
Chaitra 29, 1921 (Saka)

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

APPENDIX I

SUMMARY OF THE DETAILED DEMANDS FOR GRANTS 1999-2000 OF THE DEPARTMENT OF RURAL EMPLOYMENT AND POVERTY ALLEVIATION

(Rupees in lakhs)

Sl. No.	Name of the Scheme	Major Head of Account	Budget Estimates, 1998-99	Revised Estimates, 1998-99	Budget Estimates 1999-2000		Total
					Revenue	Capital/ Loan	
1	2	3	4	5	6	7	8
Plan Schemes							
<i>Special Programmes for Rural Development</i>							
1	Integrated Rural Development Programme:						
	(a) Subsidy to District Rural Development Agencies	2501	72915.00	64824.00	84815.00		84815.00
	(b) Other Integrated Rural Development Programmes	2501 3601 3602	1054.00 31.00	239.00 31.00	1054.00 31.00	1054.00 31.00
Total - I.R.D.P.			74000.00	65094.00	85900.00		85900.00

1	2	3	4	5	6	7	8
2	Rural Artisans	2501	6000.00	5000.00	7000.00		7000.00
3	Ganga Kalyan Yojana (GKY)	2501	94.00				
4.	Training of Rural Youth for Self Employment (TRYSEM)	2501	4504.00	4500.00	5500.00		5500.00
		3601	1495.00	495.00	1500.00		1500.00
		3602	1.00	5.00	..		
			6000.00	5000.00	7000.00	..	7000.00
5	Drought Prone Areas Programme (DPAP)	2501	9500.00	7300.00	9500.00		9500.00
6	Desert Development Programme (DDP)	2501	9000.00	8000.00	8500.00		8500.00
Total-Special Programmes for Rural Development			104594.00	90394.00	117900.00	..	117900.00

1	2	3	4	5	6	7	8
<i>Rural Employment</i>							
7	Jawahar Rozgar Yojana (JRY)	2505	164870.00	169925.00	171425.00		171425.00
		3601	44555.00	36000.00	38000.00		38000.00
		3602	75.00	75.00	75.00	..	75.00
			209500.00	206000.00	20950.00	—	209500.00
8	Employment Assurance Scheme	2501	199000.00	199000.00	170000.00		170000.00
	Total-Rural Employment		408500.00	405000.00	379500.00	..	379500.00
<i>Other Rural Development Programmes</i>							
9	Million Wells Scheme (MWS)	2515	45000.00	37500.00	10000.00	..	10000.00
		3601				..	
		3602				..	
			45000.00	37500.00	10000.00		10000.00

1	2	3	4	5	6	7	8
10	Development of Women and Children in Rural Areas (DWCRA)	2515	10000.00	7000.00	11600.00		11600.00
<hr/>							
Total-Other Rural Development Programmes			55000.00	44500.00	21600.00	..	21600.00
<hr/>							
<i>Housing</i>							
11	Indira Awaas Yojana (IAY)	2216	160000.00	148200.00	161000.00		161000.00
		4216	..	5000.00	10000.00	..	10000.00
<hr/>							
			160000.00	153200.00	171000.00	..	171000.00
<hr/>							
Total-Plan			728094.00	693094.00	690000.00	..	690000.00
<hr/>							
Non-Plan							
1	Headquarters-Estt. of Department of Rural Employment & Poverty Alleviation	3451	217.00	214.00	222.00		222.00

APPENDIX II

COMMITTEE ON URBAN & RURAL DEVELOPMENT (1998-99)

EXTRACTS OF THE MINUTES OF THE THIRTY EIGHTH SITTING OF THE COMMITTEE HELD ON WEDNESDAY 30TH MARCH, 1999

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

PRESENT

Shri Kishan Singh Sangwan — *Chairman*

MEMBERS

Lok Sabha

2. Shri Tariq Anwar
3. Shri Padmanava Behera
4. Shrimati Malti Devi
5. Shri Ramkrushna Suryabhan Gavai
6. Shri Mitha Lal Jain
7. Shri Rameshwar Patidar
8. Shrimati Jayanti Patnaik
9. Shri Gaddam Ganga Reddy
10. Dr. Y.S. Rajasekhar Reddy
11. Shri Nikhilananda Sar
12. Shri I. M. Jayaram Shetty
13. Shri Vithal Baburao Tupe
14. Dr. Ram Vilas Vedanti
15. Shri K. Venugopal

Rajya Sabha

16. Shrimati Shabana Azmi
17. Shri Nilotpal Basu
18. Shri John F. Fernandes
19. Prof. A. Lakshmisagar
20. Shri Jagadambi Mandal
21. Shri O. S. Manian

SECRETARIAT

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

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

1. Dr. P.L. Sanjeev Reddy, Secretary (RE&PA)
2. Shri Satish Chandra, Joint Secretary
3. Shrimati Sudha Pillai, Joint Secretary
4. Dr. J.S. Sarma, Joint Secretary
5. Shri P.S. Rana, Joint Secretary

2. At the outset the Chairman welcomed the representatives of the Ministry of Rural Areas & Employment (Department of Rural Employment & Poverty Alleviation) and members of the Committee to the sitting. He also drew the attention of the representatives of the 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 1999-2000 of the Department of RE&PA and took the evidence of the representatives of the Department on the concerned Demands for Grants relating to the following programmes:

- (i) Integrated Rural Development Programme (IRDP),
 - (ii) Training of Rural Youth for Self-Employment (TRYSEM),
 - (iii) Development of Women and Children in Rural Areas (DWCRA), and
 - (iv) Supply of Improved Tool Kits to Rural Artisans (SITRA).
5. A verbatim record of the proceedings was kept.

The Committee then adjourned to meet again at 1430 hrs. to consider the Demands for Grants relating to the remaining Programmes/schemes of the Department.

APPENDIX III

COMMITTEE ON URBAN & RURAL DEVELOPMENT (1998-99)

EXTRACTS OF THE MINUTES OF THE THIRTY NINTH SITTING OF THE COMMITTEE HELD ON WEDNESDAY 30TH MARCH, 1999

The Committee sat from 1430 hrs. to 1600 hrs. in Committee Room 'E', Parliament House Annexe, New Delhi.

Shri Kishan Singh Sangwan – *Chairman*

MEMBERS

Lok Sabha

2. Shri Tariq Anwar
3. Shri Padmanava Behera
4. Shrimati Malti Devi
5. Shri Ramkrushna Suryabhan Gavai
6. Shri Mitha Lal Jain
7. Shri Rameshwar Patidar
8. Shrimati Jayanti Patnaik
9. Shri Gaddam Ganga Reddy
10. Dr. Y.S. Rajasekhar Reddy
11. Shri Nikhilananda Sar
12. Shri I.M. Jayaram Shetty
13. Shri Vithal Baburao Tupe
14. Dr. Ram Vilas Vedanti
15. Shri K. Venugopal

Rajya Sabha

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17. Shri Nilotpal Basu

18. Shri John F. Fernandes
19. Prof. A. Lakshmisagar
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SECRETARIAT

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**Representatives of the Ministry of Rural Areas & Employment
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1. Dr. P.L. Sanjeev Reddy, Secretary (RE&PA)
2. Shri Satish Chandra, Joint Secretary
3. Shrimati Sudha Pillai, Joint Secretary
4. Dr. J.S. Sarma, Joint Secretary
5. Shri P.S. Rana, Joint Secretary

2. The Committee resumed discussion on the remaining schemes of the Department of Rural Employment and Poverty Alleviation.

3. The Secretary, Department of RE&PA briefed the Committee about the following programmes:

- (i) Jawahar Rozgar Yojana (JRY),
- (ii) Indira Awaas Yojana (IAY),
- (iii) Million Wells Scheme (MWS),
- (iv) Employment Assurance Scheme (EAS),
- (v) Drought Prone Areas Programme (DPAP), and
- (vi) Desert Development Programme (DDP).

4. Thereafter the Committee took up for consideration Demands for Grants 1999-2000 of the Department of RE&PA with regard to the above mentioned Programmes/Schemes and took the evidence of the

representatives of the Department on the concerned Demands for Grants.

The representatives of the Ministry then withdrew.

5. (i) *****
- (ii) *****

6. A verbatim record of the proceedings was kept.

The Committee then adjourned.

*****Evidence proceedings not related to the subject have been kept separately.

APPENDIX IV

COMMITTEE ON URBAN & RURAL DEVELOPMENT (1998-99)

EXTRACTS OF THE MINUTES OF THE FORTY-FIFTH SITTING OF THE COMMITTEE ON URBAN & RURAL DEVELOPMENT HELD ON FRIDAY, 9TH APRIL, 1999.

The Committee sat from 1100 hrs. to 1315 hrs. in Committee Room No. "62", Parliament House, New Delhi.

PRESENT

Shri Kishan Singh Sangwan — *Chairman*

MEMBERS

Lok Sabha

2. Shri Tariq Anwar
3. Shri Ramkrushna Suryabhan Gavai
4. Shri Vinod Khanna
5. Shrimati Ranee Narah
6. Shri Rameshwar Patidar
7. Shrimati Jayanti Patnaik
8. Shri Mullappally Ramachandran
9. Shri Vithal Baburao Tupe

Rajya Sabha

10. Shrimati Shabana Azmi
11. Shri Nilotpal Basu
12. Shri N.R. Dasari
13. Shri C. Apok Jamir
14. Shri Onkar Singh Lakhawat
15. Prof. A. Lakshmisagar
16. Shri Jagdambi Mandal

SECRETARIAT

- | | | |
|---------------------------|------|------------------------|
| 1. Shri S.C. Rastogi | — | <i>Director</i> |
| 2. Shrimati Sudesh Luthra | — | <i>Under Secretary</i> |
| 2. | **** | **** |
| 3. | **** | **** |

4. The Committee thereafter took up for consideration the draft Report on Demands for Grants (1999-2000) of the Department of Rural Employment & Poverty Alleviation of the Ministry of Rural Areas & Employment.

5. The Committee adopted the Report on Demands for Grants (1999-2000) of the Department of Rural Employment & Poverty Alleviation with certain modifications as indicated in *Annexure*.

6. The Committee then authorised the Chairman to finalise both 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.

****Evidence proceedings not related to the subject have been kept separately.

(See para 5 of the Minutes of the sitting held on 9.4.99)

Page No.	Para No.	Modification
1	2	3
13	1.16	<p><i>After para 1.16 add the following:</i></p> <p>"Besides they would also like that while restructuring the wage-employment schemes the Government should ensure that Panchayats are actively involved in selection of beneficiaries and works and also in the implementation of the new self-employment scheme."</p>
20	2.9	<p><i>After para 2.9 (iv) add the following:</i></p> <p>"(v) it should be ensured that the number of beneficiaries selected for the disbursement of loan is not reduced further while actual disbursement is made by the Banks specially when the Banks are being involved in the selection of beneficiaries.</p> <p>(vi) It is understood that at present Bank loans are being provided under the Prime Minister's Rozgar Yojana for the establishment of viable ventures by some other Ministry. While restructuring the self-employment schemes it should be ensured that there should not be any overlapping and duplication between PMRY and the new self employment programme."</p>

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32	2.17	<i>After para 2.17 add the following:</i>
		<p>"2.18 The Committee would like to know the existing linkage between TRYSEM and IRDP. They desire that the said linkage should be maintained while implementing the new self employment scheme. Further the training provided under the new self-employment scheme should cater to the local needs of a particular area so that the local talent available can be harnessed and subsequently gainfully employed."</p>
40	3.7	<i>For the following:</i>
		<p>"The Committee have their own doubts regarding the sustainability of tax raising powers by the Panchayats. They feel that the suggestion does not appear to be practicable as several Municipalities of urban areas having possibilities of raising taxes are not even becoming self-sustainable. They therefore, urge the Government to think over the issue and would like that while restructuring the wage employment schemes enough precaution is taken so that the share of Panchayats does not get reduced."</p>
		<i>Substitute the following:</i>
		<p>"Besides, the Committee also appreciate the initiatives taken by the Central Finance Commission whereby the funds could be devolved to Panchayats to strengthen their capabilities. In addition, the funds will also be given by the Central Government. The Committee would like that such funds should be made available to the respective States/UTs/Panchayats for the better implementation of the Centrally Sponsored Schemes."</p>

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<hr/>		
43	3.12	<i>After para 3.12 add the following:</i> "The Committee find that adequate weightage is not being given to local MPs in the selection of beneficiaries and allotment of houses under IAY. They would like to recommend that Government should issue necessary guidelines to the States/UTs to involve local MPs in the selection of beneficiaries and allotment of houses under IAY."

APPENDIX V

SUMMARY OF OBSERVATIONS, CONCLUSIONS AND RECOMMENDATIONS

Sl. No.	Para No.	Observation/Conclusion/ Recommendation
1	2	3
1.	1.6	The Committee find that against the proposed outlay of the Department for Rs. 10275.50 crore the Planning Commission have allocated an outlay of Rs. 6900.00 crore for the year 1999-2000. It is further noticed that the outlay allocated is Rs. 30.94 crore, less than RE 1998-99. For Million Wells Scheme, Employment Assurance Scheme and Desert Development Programme, the outlay has been reduced. Besides in other programmes/schemes, the outlay has either been marginally increased or <i>status-quo</i> has been maintained. They feel that due to the inadequate outlay provided by the Planning Commission the implementation of the different programmes/schemes would be adversely affected. They would therefore, like that adequate allocation should be made while restructuring the programmes of self-employment and also for other schemes.
2	1.7	While recommending for higher outlay, the Committee are concerned to note that the outlay allocated during 1997-98 & 1998-99 was reduced at RE stage to the tune of Rs. 435 crore & Rs. 300 crore respectively. They are disturbed to find that the main reason of the reduction as admitted by the

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Department in their written replies, is the slow pace of utilisation of funds and huge opening balances with the States/UTs. They further find that as per the replies of the Government, the physical performance of the schemes was not substantially affected by the reduction. The Committee, therefore, conclude that there is huge underspending for different schemes of the Department and they themselves are responsible for getting the lower allocation for different schemes/programmes. The Committee would like to urge the Government that they should impress upon the States and UTs to gear up their existing implementing machinery to ensure 100% utilisation of the funds during 1999-2000.

3.

1.10

The Committee note the increase in non-plan outlay/expenditure since 1997-98. They also note the various steps taken by the Ministry to contain the non-plan expenditure. While appreciating the steps taken by the Ministry in this regard they feel that there is still considerable scope to reduce the non-plan expenditure, viz. office expenses and over time allowance which is increasing in recent years. They would like to impress upon the Department to initiate economies in the non-plan expenditure so that the instructions of Ministry of Finance are complied with.

4.

1.13

The Committee note with concern that the Government is not adhering to the various provisions of Area Officers Scheme which aims at better implementation of all the Programmes of the Department. They are surprised to know that the concerned Area

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Officers do not visit the allotted States in each quarter due to one reason or the other and State Governments do not take appropriate corrective steps and do not submit Action Taken Reports. They feel that the inadequate importance given by the Government to the Area Officer scheme has resulted in poor utilisation of funds and serious lapses in the proper implementation of the schemes/programmes. They, therefore, strongly recommend that the Government should take necessary corrective steps so that the respective provisions of the Area Officers Scheme are followed strictly.

5.

1.16

The Committee appreciate the integration of self employment programmes. They note that the Government have taken no action to merge the two wage-employment schemes viz. JRY and EAS. They agree with the recommendations made by the Hashim Committee Report (April 1997) to unify JRY and EAS Schemes and recommend the Government to evolve a rational criterion for apportioning the funds among three tiers of Panchayat Raj Institutions for the unified wage employment scheme.

Besides they would also like that while restructuring the wage-employment schemes the Government should ensure that Panchayats are actively involved in selection of beneficiaries and works and also in the implementation of the new self-employment schemes.

6.

1.17

The Committee further note that different watershed works are being undertaken under

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		<p>several schemes viz. EAS, JRY, DPAP, DDP and IWDP of the Ministry of RA&E and these Schemes have different funding pattern. They are surprised to note that, State Governments are not too keen to accept these watershed Schemes under DPAP, DDP, EAS etc. for which they have to provide larger share. The Committee therefore recommend that the Ministry should unify all schemes which are being implemented on watershed approach without any delay. They would like that the unified Watershed Development Programme, so created may be merged with the specific programme of Department of Wastelands Development.</p>
7.	1.19	<p>The Committee note that the officials who are entrusted the task of implementing the new Scheme have not been given any training as yet. They also note that the training is an important element for successful implementation of rural employment schemes. They therefore recommend that all officers associated with the implementation of the new Schemes should be imparted proper training to have a better attitude and better mindset which is an essential pre-requisite for the success of the new Scheme.</p>
8.	2.4	<p>The Committee note the increase of Rs. 119.00 crore in the financial allocation (Central share) for IRDP during 1999-2000. They also note that the percentage utilisation of the total available funds during 1998-99 was only 46.11%. However, they are constrained to note the reply of the Government that the performance of IRDP usually picks up during</p>

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		<p>the last quarter and the States and Union territories have not so far forwarded any reason for poor utilisation of funds. The Committee therefore recommend that, since all the programmes for self employment are being unified, the Government should take necessary steps to ensure better utilisation of funds and timely submission of progress reports.</p>
9.	2.5	<p>The Committee note with concern the non-satisfactory achievement of the credit mobilisation target under IRDP during 1998-99 which was stated to be only 45% of the target. They also note that during this year, the per family investment is only Rs. 17863.00 which is not adequate enough to bring a family above the poverty line.</p> <p>They note that due to inadequate per family investment the beneficiary is not able to repay the loan advanced under IRDP which result in poor recovery of loans. The Committee would like to recommend that Government should increase the per family investment while restructuring the self-employment programmes. This will not only ensure the beneficiary to cross the poverty line but would also help him to repay the loan.</p>
10.	2.8	<p>The Committee note the non-satisfactory recovery of Bank loans provided under IRDP during 1996-97 and 1997-98 which is stated to be only 30.0% and 37.6% respectively. They also note that in addition to the recovery of loans, to the tune of Rs. 260.79 crore and Rs. 204.86 crore respectively,</p>

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subsidy of Rs. 905.89 crore and Rs. 863.11 crore has also been disbursed to the Banks during these years. However they find that the sponsoring agency and the implementing machinery at the field level are not being involved in the recovery of Bank loans. They therefore recommend that the Government should take necessary corrective steps for involving the sponsoring agency and the implementing machinery in the recovery of Bank loans.

11.

2.9

The Committee further note that there have been complaints of the beneficiaries about the non-cooperative attitude of the banks. In spite of recommending repeatedly by the Committee and issuance of the revised guidelines of Reserve Bank of India, there is no considerable improvement in their attitude. While the Government is restructuring the self employment programme, the Committee would like that the following aspects should be taken care of:

- (i) There should not be rejection of loan application of the beneficiaries on flimsy grounds like the incomplete forms etc. While sanctioning the loan, it should be taken note that the beneficiaries belong to the poorest of the poor and are not even literate. The forms required should be very simple and the bank staff should help the beneficiary in completing the formalities;
- (ii) The applications should be disposed of within the specified time. While

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		<p>rejecting an application, the reasons for rejection should be communicated to the beneficiary;</p> <p>(iii) Maximum loan as per the guidelines should be given to the beneficiaries;</p> <p>(iv) More stress should be given to the group activity.</p> <p>(v) It should be ensured that the number; of beneficiaries selected for the disbursement of loan is not reduced further while actual disbursement is made by the Banks specially when the Banks are being involved in the selection of beneficiaries;</p> <p>(vi) It is understood that at present, Bank loans are being provided under the Prime Minister's Rozgar Yojana for the establishment of viable ventures by some other Ministry. While restructuring the self-employment schemes it should be ensured that there should not be any overlapping and duplication between PMRY and the new self employment programme.</p> <p>The Committee would like that the above mentioned facts should be included in the revised guidelines to be circulated to State Governments and Banks.</p>
12.	2.12	<p>The Committee note with concern the mismatch between financial and physical achievement under DWCRA during 1997-98. They found that the financial achievement was 63.77% against the physical achievement</p>

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of 121.45%. The Committee would like to know the reasons for such a mismatch. They desire that the Government should fix reasonable targets which may be achieved in any given year.

Notwithstanding the overall success of DWCRA they also note the non-satisfactory physical and financial achievement under the scheme during 1998-99 which is stated to be 37.58% and 44.03% respectively. They, therefore would like to recommend that the Government should impress upon the implementing agencies to take necessary steps for the better performance of the Scheme.

13.

2.14

The Committee are at a loss to understand the poor financial performance of all the sub-schemes of DWCRA during 1997-98 and 1998-99. They note that except for the IGA component which has achieved 79.84% financial achievement during 1997-98, the financial utilisation of the rest of sub-schemes has either been very poor or the funds have not been released. For example during 1997-98 utilisation of funds for CBCS and CCA was only 12.94% and 21.70% respectively. Further the funds for IEC during 1997-98 and CBCS during 1998-99 were not released. Further more there is lack of awareness about the various sub-schemes of DWCRA, as has been found during the study visit of the Committee. The Committee would like to recommend that the Government should keep the factors responsible for non-satisfactory financial achievement of all the sub-schemes of DWCRA in view, while restructuring the self employment schemes.

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14.	2.15	<p>The Committee note that out of 1463 DWCRA groups started during 1997-98 in the State of Tamil Nadu, 53 groups have been found to be defunct. They also note that the Government have yet to obtain the information on defunct DWCRA groups from the States/Union territories. The Committee would like to be apprised of the steps taken by the Tamil Nadu Government to revive the DWCRA groups and to check the tendency of the groups from becoming defunct. They would also like to know the information supplied by the other States and Union territories about the defunct DWCRA groups. The Government should also try to ascertain the reasons which force a Group to become defunct so that corrective steps could be taken by them to save other Groups from becoming defunct.</p>
15.	2.18	<p>The Committee note with concern that only 42.68% of the funds under TRYSEM recurring expenses had been reported to be utilised by the end of January 1999. They have their own doubts as to how the implementing machinery at the field level would be able to achieve a satisfactory financial achievement during 1998-99. Further, they are constrained to note that none of States and Union territories has so far furnished the physical and financial report in respect of the release of funds meant for TRYSEM infrastructure funds (Non recurring expenses) for 1997-98. The Committee recommend that the Government should impress upon the States and Union territories to furnish the requisite performance/progress reports without any further delay. Further they</p>

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		<p>would like to recommend the Government should take necessary precautions while implementing the new scheme for self-employment programme so that the above mentioned lapses are not repeated.</p>
16.	2.19	<p>The Committee would like to know the existing linkage between TRYSEM and IRDP. They desire that the said linkage should be maintained while implementing the new self-employment scheme. Further the training provided under the new self-employment scheme should cater to the local needs of a particular area so that the local talent available can be harnessed and subsequently gainfully employed.</p>
17.	2.21	<p>The Committee note that the financial and physical performance of SITRA has not been satisfactory as during 1998-99 out of a total available fund of Rs. 74.50 crore, only a sum of Rs. 23.09 crore (<i>i.e.</i> 30.99%) could be utilized under the scheme. They further note that the physical achievement of the scheme was a mere 41.09% during the current year. They therefore, recommend that all out efforts should be made to utilize the available funds fully, when the scheme merges itself with the new self-employment programme.</p>
18.	2.24	<p>The Committee note that many States and Union territories do not furnish the progress reports in time. They note the reply of the Government that there is scope for more intensive monitoring to impress upon the States and Union territories to forward the progress reports. They hope that the</p>

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		Government will look into the issue and will further strengthen the monitoring mechanism.
19.	2.25	The Committee further note that an amount of Rs. 14.30 lakh has been left as opening balance with Daman & Diu, which is not interested in receiving further funds under the scheme. They also note that the same amount will be submitted under the new self-employment programme and there is no provision under the guidelines to recover the released grant-in-aid from the UT. The Committee would like to know how the amount was released to Daman and Diu without obtaining the demand for the same. They would also like to impress upon the Government to examine the issue and suitably amend the existing guidelines so that the funds not utilised by a State/UT are recovered so as to ensure their better utilization for other parts of the Scheme.
20.	3.4	The Committee note that Rs. 2416.82 crore of the available fund was utilised during 1998-99 out of the Central & States share, which comes to 64.63%. They further note the opening balance of the scheme as on 1.4.98 was only 15.3% of the allocation of 1997-98 which comes to Rs. 482.65 crore. They also note that during 1997-98, Rs. 2431.78 crore was utilized in the Scheme. Since the B.E. 1999-2000 has been fixed at Rs. 2095.00 crore (Central share) the Committee would like to urge the Department to further strengthen the existing implementing machinery of the scheme so that the entire available funds are utilised during 1999-2000.

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21.	3.7	<p>The Committee note with concern that the opening balance of JRY left with the implementing agencies <i>i.e.</i> Panchayats as on 1.4.97 and 1.4.98 was Rs. 446.24 crore and Rs. 482.65 crore, respectively and is increasing over the years. They note the recent changes brought about in the implementation of JRY by which the Panchayats are expected to be self sustaining by raising taxes and resources at their end.</p> <p>Besides the Committee also appreciate the initiatives taken by the Central Finance Commission whereby the funds could be devolved to Panchayats to strengthen their capabilities. In addition, the funds will also be given by the Central Government. The Committee would like that such funds should be made available to the respective States/UTs/Panchayats for the better implementation of the Centrally Sponsored Schemes.</p>
22.	3.10	<p>The Committee appreciate the higher allocation made for IAY during 1999–2000. However they note that during 1998–99 the physical achievement was only 44.26% and the percentage utilisation of funds to the total availability was only 50.55%. They also note that during 1997–98 the total utilization of fund was Rs. 1345.80 crore against the total availability of Rs. 1637.95 crore. The Committee have their own doubts as to whether the Department would achieve the physical and financial targets under the Scheme during 1998–99. They would therefore, like to urge the Government to</p>

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		take necessary steps for full utilization of funds under the scheme during 1999–2000.
23.	3.12	<p>The Committee note that at present houses built under IAY are not insured against damage that may be caused due to any natural calamity. Since a very small amount will be required for insuring a house built under IAY, they recommend that it should be made obligatory on the part of beneficiary/implementing agency to get the house insured. They would also like to be informed of the issues being discussed by the Government with the Department of Insurance and also the outcome of the discussion.</p> <p>The Committee find that adequate weightage is not being given to local MPs in the selection of beneficiaries and allotment of houses under IAY. They would like to recommend that Government should issue necessary guidelines to the States/UTs to involve local MPs in the selection of beneficiaries and allotment of houses under IAY.</p>
24.	3.15	<p>The Committee note that the allocation for MWS has been reduced to Rs. 100.00 crore during 1999–2000. They also note that the percentage utilisation of available funds during the period upto November 1997 was only 49% as compared to 46.42% fund utilisation achieved during the period upto November 1998. They have their own doubts as to how the Department would achieve satisfactory physical and financial performance under the scheme during</p>

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		1998-99. The Committee would therefore, like to recommend that the Government should impress upon the implementing agencies to fully utilise the funds under the scheme during 1999-2000.
25.	3.20	The Committee note that the expenditure made under EAS by the end of January 1999 was Rs. 2149.40 crore amounts to 68.39% of the available funds. They also note that during the current year the Central share of funds has been fixed at Rs. 1700.00 crore which is 14.57% less than the BE 1998-99. The Committee note the reply of the Department that theoretically at any point of time the balance available with the districts could be a minimum of Rs. 677.00 crore. They also note that the opening balance of Rs. 869.62 crore as on 1.4.1998 was definitely higher than the minimum requirement of Rs. 677.00 crore. However, while noting the practical difficulties they would like to impress upon the Government to utilise the entire allocation made for the current year.
26.	3.21	The Committee note that EAS is being implemented in 5448 blocks of the country. To provide atleast two instalments to all the blocks during any year an amount of Rs. 2700 crore is required. Considering the fact that only Rs. 1700.00 crore has been provided by the Planning Commission for 1999-2000 they would like to impress upon the Government to show better physical achievement under the scheme so that the required amount could be provided by the Planning Commission.

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27.	3.24	<p>The Committee note that the role of contractor in EAS works can be minimised by evolving and publishing a 'Rural Standard Schedule of Rates'. They also note that except for Rajasthan, no other State or Union territory has published the said document as yet. They therefore, would like to recommend that since the scheme is being restructured, the Government should consider to fix a deadline by which the remaining States could evolve and publish 'Rural Standard schedule of Rates'.</p>
28.	4.4	<p>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 the scheme as on 1.4.98 was Rs. 162.83 crore which is more than double of the revised estimates (central share) for the scheme for 1998-99 (i.e. Rs. 73.00 crore)</p> <p>They also note the reply of the Government that 51.52% of the available funds have been utilised upto the period ending December, 1998. The Committee would like that all the available funds for the scheme should be utilised fully during 1999-2000.</p>
29.	4.7	<p>The Committee note with concern that only 39.13 percent watershed projects i.e. 1810 projects out of 4626 projects started during 1995-96 have been completed within the stipulated period of four years. They feel that the poor physical performance might have been a factor for the reduced budgetary</p>

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allocation for the DPAP. They would like to recommend that the Government should ensure proper maintenance of these completed projects through their respective watershed Development Fund created by the respective Watershed Committees. They would also like to recommend that the Government should impress upon the implementing agencies to complete the remaining watershed projects as early as possible, in any case within the extended period.

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4.11

The Committee note that the utilisation of funds under DDP is not at all satisfactory since 1995–96. Further only 40.76% of the available funds were utilised in the programme during 1998–99. This shows that the rest 59.24% of the available funds are left with the implementing agencies during the year. The Committee would like that the entire funds available for the DDP should be utilised in the programme during 1999–2000.

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4.13

The Committee note that 1695 watershed projects were started during 1995–96 under the Desert Development Programme. They hope that the said projects would have been completed by 1st March, 1999. They would like to recommend that the Government should ensure proper maintenance of these projects through their respective watershed Development Fund created by the respective Watershed Committees.

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During their interaction with field level agencies and State Government officials, it

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was represented to the Committee that due to resource crunch, the State Governments were not able to release their required contribution under different schemes on time. The delay in release of State's share not only resulted in poor achievement under the Schemes but also resulted in non-utilization/under utilization of Central Funds. To meet this situation, it was suggested that the Central Government should release State share alongwith its own share. However, the amount released as State share may be treated as loan.

The fact that the delay in release/non-release of State share adversely affect the implementation of various Centrally funded scheme is established beyond doubt by the facts and figures supplied to the Committee by the Government through written information as well as during evidence before the Committee. Since the various schemes are being restructured or are to be restructured by the Government, the Committee recommend that the suggestion of the State Governments should be considered, within the overall allocation of funds for a particular scheme. Though it may result in lesser allocation for each State, but it may result in better utilization of funds and improved physical achievements under the schemes.
