

STANDING COMMITTEE ON RURAL DEVELOPMENT

(2011-2012)

32

FIFTEENTH LOK SABHA

MINISTRY OF RURAL DEVELOPMENT

(DEPARTMENT OF RURAL DEVELOPMENT)

Council for Advancement of People's Action and Rural Technology

THIRTY- SECOND REPORT



LOK SABHA SECRETARIAT

NEW DELHI

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Council for Advancement of People's Action and Rural Technology

Presented to Lok Sabha on 28.08.2012

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LOK SABHA SECRETARIAT

NEW DELHI

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COMPOSITION OF THE STANDING COMMITTEE ON RURAL DEVELOPMENT (2011-2012)

Shrimati Sumitra Mahajan - *Chairperson*

MEMBERS

LOK SABHA

2. Shri Gajanan D. Babar
3. Shri Sandeep Dikshit
4. Shri Manikrao Hodlya Gavit
5. Shri Maheshwar Hazari
6. Shri Ramesh Vishwanath Katti
7. Shri P. Kumar
8. Shri Raghuvir Singh Meena
9. Dr. Ratna De (Nag)
10. Shri Rakesh Pandey
11. Shri A. Sai Prathap
12. Shri P.L. Punia
13. Shri A. Venkatarami Reddy
14. Shri Arjun Charan Sethi
15. Shri Bishnu Pada Ray*
16. Dr. Sanjay Singh
17. Smt. Supriya Sule
18. Shri Kodikunnil Suresh
19. Shri Narendra Singh Tomar
20. Shri A.K.S. Vijayan
21. Smt. Vijaya Shanthi M**

RAJYA SABHA

22. Shri Mani Shankar Aiyar
23. Shri Munquad Ali[#]
24. Shri Hussain Dalwai
25. Sardar Sukhdev Singh Dhindsa
26. Dr. Ram Prakash
27. Shri C.P. Narayanan[^]
28. Shri Mohan Singh
29. Smt. Maya Singh
30. Shri Dharmendra Pradhan[@]
31. Shri D. Bandyopadhyay^{\$}

SECRETARIAT

- | | | |
|--------------------------------|---|---------------------|
| 1. Shri Brahm Dutt | - | Joint Secretary |
| 2. Smt. Veena Sharma | - | Director |
| 3. Shri Ravi Kant Prasad Sinha | - | Committee Assistant |

* Nominated to the Committee w.e.f. 03.01.2012 vice Shri Navjot Singh Sidhu.

** Nominated to the Committee w.e.f. 25.11.2011.

Nominated w.e.f. 04.05.2012 vice Shri Ganga Charan ceased to member of Committee on retirement from Rajya Sabha on 02.04.2012.

[^] Nominated to the Committee w.e.f. 13.07.2012 vice Shri P. Rajeeve ceased to be members of the Committee w.e.f. 11.07.2012 consequent in his resignation (Shri P. Rajeeve nominated w.e.f. 02.11.2011 vice Sh. P.R. Rajan ceased to be member of the Committee w.e.f. on 27.10.2011 consequent on his resignation)

[@] Nominated w.e.f. 04.05.2012 vice Ms. Anusuiya Uikey ceased to member of Committee on retirement from Rajya Sabha.

^{\$} Nominated to the Committee w.e.f. 18.04.2012 vice Dr. (Smt.) Kapila Vatsyayan ceased to member of Committee on retirement from Rajya Sabha.

INTRODUCTION

I, the Chairperson, Standing Committee on Rural Development, having been authorized by the Committee to present the Report on their behalf, present this Thirty Second Report on 'Council for Advancement of People's Action and Rural Technology' pertaining to the Ministry of Rural Development (Department of Rural Development).

2. The Committee took evidence of the representatives of the Ministry of Rural Development (Department of Rural Development) on 27th January, 2012. The Committee wish to express their thanks to the representatives of the Ministry for appearing before the Committee for evidence and furnishing the information, desired by the Committee in connection with the issues relating to the subject.

3. The Report was considered and adopted by the Committee at their sitting held on 24th August, 2012.

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

5. For facility of reference and convenience, the observations and recommendations of the Committee have been printed in bold letters in Part-II of the Report.

**NEW DELHI;
27 August, 2012
05 Bhadrapada, 1934 (Saka)**

**SUMITRA MAHAJAN
Chairperson,
Standing Committee on Rural Development.**

REPORT

PART I

NARRATION ANALYSIS

I. Introductory

The Council for Advancement of People's Action and Rural Technology (CAPART) was created in 1986 by merging two organisations namely People's Action in Development India (PADI) and Council for Advancement of Rural Technology (CART). It is registered under the Societies Registration Act, 1860 and functioning as an autonomous body under the aegis of the Ministry of Rural Development. It was setup with a vision to play a dynamic and catalytic role in the many-sided development of rural India through its work with the various Governmental agencies and Non- Governmental organizations (NGOs). CAPART was setup to promote voluntary action in the implementation of projects for enhancement of rural prosperity and to act as a catalyst for development of technologies appropriate for the rural areas.

1.2 The Ministry of Rural Development in their Annual Report have brought out the following objectives of the CAPART:

- Aiding and organizing voluntary bodies for rural upliftment.
- Supporting voluntary organizations in implementing projects for sustainable development in rural areas.
- Facilitating community action for development.
- Building and strengthening village level organisation.
- Strengthening the capacities of voluntary organizations in rural areas.
- Creating community assets and fulfilling basic needs.
- Acting as a nodal point for development and promotion of appropriate rural technologies.
- Overseeing the application or appropriate technologies for the progress of rural areas.
- Promoting and supporting voluntary action and people's participation for rural development through capacity building of voluntary organizations and rural communities.
- Building awareness on critical development issues.

- Creating employment opportunities and economic self reliance.
- Enabling women, persons with disability and other disadvantaged groups to participate in development.

1.3 In addition, CAPART has taken up following schemes to realign its activities with its vision, mission and objectives:-

- Scouting, 'Documentation/Validation' and 'Patenting/Piloting and Up-scaling' of Rural Technologies and Innovations.
- Grow up to lab achieved benchmark
- Value addition for income generation through the assets/infrastructure created under NREGA & SGSY.
- Institutional framework and norms for Gram Shree Melas supported by CAPART.
- IT based comprehensive transformation of CAPART's interaction with stakeholders.

II. Organizational Structure of the CAPART

2.1 CAPART permits the membership of 100, out of which 40 are from Voluntary societies, 25 from other institutions, 25 ex-officio members and 10 per cent individuals. The General Body (GB) is the highest governing body of CAPART comprising all its members presided over by the Minister, Rural Development which gives overall policy guidance, approves the Annual Budget, Balance Sheet, the audited accounts and the Annual Reports, amends the Rules of the Society and the by-laws. The Executive Committee (EC) is chaired by the Hon'ble Minister, Rural Development and is in-charge of the day- to-day functioning. It is the duty of the Chairperson to ensure that the CAPART runs efficiently. The Secretary of the Department is the ex-officio Vice-Chairman of the EC. The Director General(DG) is appointed by the EC and is responsible for proper administration of the Society and its funds, supervision and control over its activities and coordination amongst others. There is also Standing Committee on Finance & Administration headed by the DG which scrutinizes accounts and budget estimates of the Society, considers proposals for new expenditure and scrutinizes re-appropriation statements amongst others.

2.2 CAPART has its Headquarters in New Delhi and has nine Regional Offices spread all over the country viz. Ahmedabad, Bhubaneswar, Chandigarh, Dharwad, Guwahati, Hyderabad, Jaipur, Lucknow and Patna. The jurisdiction of the Regional Centers are as below:-

- (i) The Regional Centre at Ahmedabad covers the States of Gujarat and Maharashtra and the Union Territories of Dadar & Nagar Haveli and Daman & Diu.
- (ii) The jurisdiction of Regional Centre, Bhubaneswar extends to the States of Chattisgarh, Odisha and West Bengal and the Union Territory of Andaman & Nicobar Islands.

- (iii) The Regional Centre at Chandigarh covers States of Jammu & Kashmir, Himachal Pradesh, Punjab and Haryana and the Union Territory of Chandigarh.
- (iv) The Regional Centre at Dharwad covers the States of Karnataka, Kerala and Goa and the Union Territory of Lakshadweep.
- (v) The North East Regional Centre at Guwahati is the largest in area and covers maximum number of states under its jurisdiction. It covers the States of Assam, Meghalaya, Mizoram, Manipur, Sikkim, Tripura, Arunachal Pradesh and Nagaland.
- (vi) The Regional Centre at Hyderabad covers the States of Andhra Pradesh, Tamilnadu and Puducherry.
- (vii) The Regional Centre at Jaipur covers the States of Rajasthan, Madhya Pradesh and Delhi.
- (viii) The Regional Centre at Lucknow covers the States of Uttar Pradesh and Uttarakhand.
- (ix) The Regional Centre at Patna covers the States of Bihar and Jharkhand.

2.3 CAPART has been mandated to work in close cooperation with the rural NGOs and to empower them by engaging them in dialogue, respecting their thoughts and ideas, listening to their voice, harnessing their resources, funding their activities, strengthening their hands, particularly, the weaker sections of rural society and the disabled and the other privileged sections of the rural society and walking hand-in-hand with them on the road to rural prosperity.

III. Schemes being implemented by CAPART

3.1 Following 5 schemes are being implemented through CAPART:-

- A. Public Cooperation (PC);
- B. Advancement of Rural Technology Scheme (ARTS);
- C. Organization of Beneficiaries (OB);
- D. Disability Action Development (DAD); and
- E. Marketing

These are discussed in succeeding paragraphs.

A. Public Cooperation (PC)

3.2 Public Cooperation Scheme is one of the popular and important programmes of CAPART by virtue of its multi-dimensional approach. The thrust of the Scheme is to involve the community in designing, planning, implementation, monitoring and maintenance of assets created under the projects. The activities under the Scheme focus on the disadvantaged sections of the rural community, with a view to promote and strengthen SHGs in need-based skill training, production and marketing of products. In order to facilitate the exposure of the rural community to appropriate technologies, capacity building is considered as an in-built component of the Public Cooperation Scheme. CAPART has stated in its Annual Report that an intensive programme was taken up for conducting workshops by all the Regional Centres of CAPART. The scope of conducting the workshop at the premises of Krishi Vigyan Kendras (KVKs) in 50 identified districts was enhanced to 115 backward districts (as identified by the Planning Commission, Government of India) across the country. 22 such workshops were organized. 34 proposals have been generated as an outcome of the workshops and are at the desk appraisal stage. It is expected that the proposals of convergence under MGNREGS and SGSY programme with the close association of expertise available at KVKs will provide immense benefit to the targeted beneficiaries.

3.3 The SHGs are targeted through the projects sanctioned to the Voluntary Organisations (VOs) to provide need based training to them. The details of the number

of beneficiaries of the scheme from 2001-02 to 2011-12 as furnished by the Ministry of Rural Development are as under:-

| Year | No of Beneficiaries |
|--------------|----------------------------|
| 2001-2002 | 2127 |
| 2002-2003 | 4265 |
| 2003-2004 | 659 |
| 2004-2005 | 410 |
| 2005-2006 | 265 |
| 2006-2007 | 890 |
| 2007-2008 | 6905 |
| 2008-2009 | 9974 |
| 2009-2010 | 860 |
| 2010-2011 | 303 |
| Total | 26658 |

3.4 On being asked about the kind of activities organized by the CAPART under the PC scheme, the Ministry in their written reply stated:

“CAPART, under its Public Cooperation (PC) scheme has sanctioned projects for income generation training in vocational and handicraft activities such as readymade garments, agarbatti making, candle making, pickle making, brush manufacturing work, appliance works, brass trade, leaf cup plate making, computer training, repairing of diesel engine, tractor, mobile, TV, motor to generate livelihood through self employment/wage employment. “

3.5 Further, on being asked about the steps taken to encourage Self Help Groups, the Ministry stated:

“Self Help Groups (SHGs) are targeted through the projects sanctioned to the VOs to provide need based skill training, production and marketing of products.”

3.6 As stated by the CAPART the major outcomes of the PC scheme are providing self employment/ wage employment opportunities, income generation, skill up-gradation and Women empowerment.

3.7 On being asked about the constraint/bottlenecks in implementing the Scheme, the Ministry stated:

“One significant constraint which is faced commonly is the VOs seeking change of beneficiaries, due to migration of beneficiaries looking for employment, women migrating after marriages, and deaths. VOs can’t change beneficiaries without seeking prior permission from CAPART (so as to avoid any malpractices).”

B. Advancement of Rural Technology Scheme (ARTS)

3.8 Appropriate technologies for rural application are designed especially to solve the problems faced by deprived sections of the society, improve their income generating and livelihood capabilities, reduce drudgery and improve habitat and quality of life. These also focus on providing employment through self-sustaining and replicable income-based projects. The thrust of ARTS is also to promote innovative technologies assimilated and introduced in the villages by rural innovators. Such technologies are considered innovative as they are locally designed and assembled to solve a local problem. These are lab-tested to ensure replicability.

3.9 On being asked about the physical performance of various projects sanctioned by the Council under ARTS, the Ministry stated:

“The major technologies supported under ARTS scheme include organic pesticides, soil management, low cost green house, water harvesting, brass vessel making, decorative pottery, medicinal plants nursery, agriculture tools making, food processing, ferro cement water storage tanks and sanitary latrines, cost effective housing, sisal fiber extraction, solar energy, mushroom cultivation benefiting approximately 1000 NGOs.”

3.10 When asked as to how the Council co-ordinates the efforts towards ARTS to ensure that projects are implemented in a desired manner, the Ministry stated:

“In order to ensure that projects are implemented and desired results are achieved, CAPART co-ordinates the efforts by providing funds to the VOs for implementing the project, submission of progress reports and Utilization Certificates etc. by the VOs, deputation of institutional monitors for conducting evaluations of the projects and providing feedback to the VOs.”

3.11 During the year 2010-11, no new projects were approved in ARTS. Sanction letters were issued in 4 projects however, for CAPART's assistance of Rs. 118.06 lakhs for projects which were approved in 2009-10. Further an amount of Rs. 120 lakhs was released towards the new and ongoing projects under the scheme.

3.12 The Department of Rural Development have informed the Committee that dissemination of appropriate technologies to the target groups in rural areas is one of the prime objectives of the CAPART, for which 20 Technology Resource Centre (TRCs) have been established across the country. The TRCs are designed to test technologies suitable for the specific geographical area, make modifications where necessary, and initiate the process of transfer of viable technologies through demonstration, training and manufacture. The unique feature about these Centres is that they are all managed by the voluntary organisations which have high degree of technical competence. Under this programme, voluntary agencies with proven track record of adaptive research and development (R & D) and technology transfer are supported with one-time grant for creation of necessary infrastructure and some recurring expenses.

3.13 In reply to a query as to how the objective of TRCs can be achieved by establishing a meagre number in such a vast country, the Department stated that CAPART has taken a note of this vital observation of the Standing Committee on Rural Development that 23 TRCs have been established in only 13 states of the country. In order to establish more Technology Resource Centers (TRCs) by CAPART, an agenda on this subject was considered by the Executive Committee of CAPART in its 55th meeting held on 29th March, 2011. The Executive Committee has approved that more TRCs should be setup by the Council with at least one TRC in each state, starting with big states going on to the smaller states.

3.14 When the Committee enquired as to what kind of awareness programmes are being conducted by the NGOs on matters relating to Intellectual Property Right (IPR), the Ministry in their note stated:

“Under the scheme of Scouting, Documentation/Validation and patenting/Piloting and Up-scaling of Rural Technologies and Innovations, a capacity building workshop on Dissemination and Incubation of Green Grass Root Innovations was conducted on 7th and 8th June 2010 at IIM, Ahmedabad. This workshop was organized through National Innovation Foundation (NIF), Ahmedabad and was attended by representatives of the voluntary organizations and Science & Technology (S&T) Institutions of the states.”

C. Organization of Beneficiaries (OB)

3.15 Under this scheme, CAPART supports activities for Organization of Beneficiaries to create awareness among the rural poor. The objective of the Scheme is to provide support to poor communities/groups, through voluntary organizations, for just causes and to sustain the campaign for betterment of their economic status and social power. The Scheme also intends to empower people by increasing their awareness and bargaining power to get what is rightfully their benefits in terms of schemes, rights and legal entitlements.

3.16 On being asked about the trajectory adopted by the CAPART to create awareness through OB, the Ministry in their written reply stated:

“The trajectory adopted to create awareness through OB scheme includes training of organizers, organizing of mini camps/preparatory camps, organizing main camps, inviting resource persons from Govt. officers, Panchayati Raj Institutions (PRIs), social workers, development workers, experts on development issues, exposure visits/field visits if required, exposure to media, i.e. films, slide show, demonstrations organized, supply of written material, role playing and socio-drama.”

3.17 When asked as to how the CAPART ensures that the programmes under the scheme actually benefitted the targeted group they in their written note replied:

“Through monitoring/evaluation by Institutional Monitors/CAPART’s staff. The mechanism for effective monitoring of projects sanctioned by CAPART to VO is well defined and explained in the Policy Guidelines of CAPART”

3.18 Further, they informed that from time to time, improvements in monitoring mechanism have been introduced. Earlier, individual monitors were evaluating the projects. This system was done away with in 2007, since then only Institutional monitors are monitoring the projects supported by CAPART. Since 2010, NABCONS (a subsidiary of NABARD) has been empanelled as Institutional Monitor.

D. Disability Action Development (DAD)

3.19 The Disability Action Division was set up in 1995 to facilitate equal job opportunities for people with disabilities while working for rural development. The thrust of the programme is to generate awareness through formation of Self Help Groups (SHGs) and to take up economic support activities so that the disabled people not only become self-supporting but also equal partners in the development process. The emphasis is on community based rehabilitation programmes through voluntary organizations, to enable people who have the capacity to work in this field and to focus on development of disabled people.

3.20 The Committee have been informed that CAPART is the first national agency to act on the mandate of the "Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation)" Act, 1995 and to earmark three percent of its resources for people with disabilities.

3.21 Goals and Focus areas of the scheme are:

- Community Based Rehabilitation Projects (CBR) are based on local conditions and cultures which enable the expansion of CBR coverage as an important means of achieving equalization of opportunities for people with disabilities in rural areas.
- CAPART has recognized seven established organizations in the field as Facilitation Centres for aiding the CBR programme.
- Elimination of attitudinal, cultural and physical barriers, which limit the access of rural people with disabilities to facilities, services, information and development programme in the rural areas is one of the key objectives of the Disability Action Scheme Administered by CAPART.

3.22 About the strategy adopted by the CAPART for upliftment/ rehabilitation of extremely vulnerable people with disability in rural areas, the Ministry stated:

“CAPART is the first national agency to act on the mandate of the “Persons with Disability (equal opportunities, protection of rights and full participation)” Act., 1995. The thrust of the programme is to generate awareness through formation of Self Help Groups (SHGs), Social mobilization, Awareness generation, Capacity building, Building of Village Level Organizations of vulnerable people, Activities for economic development, enhancement and income generation, Promotion and distribution of appropriate and low cost technology i.e. assistive devices, Initiating and supporting rural community network, Education and Community Health Action so that the disabled people not only become self supporting but also equal partners in the development process.”

3.23 The Council also informed that approximately 10,000 disabled persons have been benefited under the programme.

E. Marketing

3.24 CAPART set up its marketing Division in 1989 with a view to providing opportunities, exposure and sustainable market linkages to rural producers covered under various income generation schemes of the Council and Ministry of Rural Development. The major activities of Marketing Division of CAPART are as under:-

- (i) Organise Gram Shree Melas
- (ii) Participate in National/ International Melas
- (iii) Organizing and participating in national level Exhibitions by CII, FICCI and other International Organisations.
- (iv) Organize SARAS Melas at Dilli Haat, near INA Market and during India International Trade Fair (IITF) at Pragati Maidan.
- (v) Management of RD Pavilion at Pragati Maidan.
- (vi) Management of 44 SARAS stalls at Dilli Haat, Pitampura.

Gram Shree Mela (GSM)

3.25 The first step towards establishing an overall marketing development linkage was the organization of 'Gram Shree Melas' (GSM-BSM) which literally means 'wealth of villages'. GSM provide an opportunity to rural producers to sell their products directly in major markets, to interact with the buyers, to study and comprehend consumer tastes, preferences and choice. Thus it helps them to upgrade and improve their products and marketing skills and provide a better service to the consumer while benefiting from a larger marketing opportunity. Gram Shree Mela has been decentralized and the Regional Committees (RC) are authorized to sanction and release funds after calling of Expressions of Interest from the VOs. Empowered Committees at state level sanction these melas.

3.26 In reply to a query, the Ministry stated that during the Eleventh Five Year Plan, the Council has organized 96 Gram Shree Melas and in these melas 5317 NGOs/ VOs have participated. The details of the Gram Shree Melas organized during 2001-02 to 2011-12 are given at **Appendix-I**.

3.27 When asked why Gram Shree Melas have never been organized in Arunachal Pradesh, Meghalaya, Andaman & Nicobar Islands, Dadra & Nagar Haveli, Daman & Diu, Delhi, Lakshadweep and Puducherry the Department stated that the event is demand driven and it is likely that no demand has been received from those states. However, CAPART has invited those states to participate in IITF SARAS, Delhi but they

did not participate in the mela. Meghalaya state now participated in SHISHIR SARAS Mela Delhi Haat Delhi. Despite of our repeated request and follow up, the union territories are not participating in these melas. However, CAPART is organising SARAS (IITF) and SHISHIR SARAS every year and inviting SHGs from all the states and union territories on behalf of the Ministry of Rural Development, Govt. of India. Efforts are being made to organise mela in every state/UTs.

3.28 The Department of Rural Development further stated that the Council adopts the following criteria for holding Gram Shree Melas:-

- a. The VO must be a registered organization under the Societies Registration Act 1860 or a state amendment thereof, the India Trust Act 1882 or the Religious or Charitable Institution Registration Act 1920.
- b. Should have completed 3 years with proven track record.
- c. VOs organizing Melas should have undertaken projects/activities in income generation/production/marketing of rural crafts etc.
- d. VO should be financially sound and should have had an average annual turnover (income and expenditure) of at least Rs.15 lakh per year during the preceding three years for organizing State level Melas and Rs.7 lakh per year during the preceding three years for the Melas for organizing District level Melas. Thus for this purpose the total turnover (income and expenditure) of 3 preceding years shall be taken and then divided by 3 to get the average. This average should be Rs. 7 lakh for District level mela and Rs. 15 lakh for a state level mela.
- e. Should have organizational ability to handle events such as workshops, seminars, market promotion activities, publicity and public relations.
- f. Should have adequate manpower and resources to undertake the responsibilities.

- g. Have a cordial and effective working relationship with the local government, line departments of the state/district and enjoy a good reputation with the local people and the groups.
- h. The NGO should have some physical presence in the State/Union Territory where the Mela is proposed to be organized.
- i. VO shall not be sanctioned more than two Melas in a block period of five years anywhere. However in places where good NGOs with requisite experience and turn over are not available, this may be relaxed to two melas in a block of 3 years with the approval of Director General, CAPART.
- j. The site of the GSM apart from the State Capitals can be organized in any major town/city of the state or any prime rural location also. Efforts should be made to synchronize dates of Melas with local festivals/major traditional Melas.
- k. The Gram Shree Mela can coincide with major religious occasions or social/ cultural events, adding a fillip to the objective of organizing the Mela.
- l. Depending upon the appropriateness of timing of the event a place authorized for organizing a State level GSM can be sanctioned a District level GSM if the respective Regional Committee deems fit.

3.29 On being asked as to what additional measures have been initiated by the CAPART to ensure that talented artisans are not deprived of opportunities to participate in melas, the Ministry stated:

"The voluntary agency is providing the following amenities to the participating NGOs/DRDAs/SHGs in the Mela:

- I. CAPART supported voluntary agencies will be provided expenses incurred by them on the freight of the material for onward journey. It would be limited to the actual amount paid not exceeding Rs. 3000, to the railways/road transport and would be payable only on the production of the original/ photocopy receipt. The expenses on local transport will not be paid by CAPART.
- II. Two persons from each voluntary agency/DRDA will be provided Dormitory style simply furnished accommodation free of cost. The participants would also be free to make alternative arrangements at their own cost.
- III. In case of CAPART supported voluntary agencies, daily allowance of Rs.100/- (Rupees One Hundred Only) per day per person for the duration of the mela will be paid to a maximum of two representatives of each participating agency.
- IV. Each participating organization shall be provided with a stall measuring approximately 75 sq ft with two long tables for display of products and two chairs.
- V. Proper security arrangements at the Mela site.
- VI. Proper sanitation facilities and temporary toilets.
- VII. Safe drinking water & Fire Safety
- VIII. First aid facilities to meet with emergencies like minor accidents/ mishaps/ ailments etc.
- IX. Few stalls exclusively for local cuisine/ethnic food items."

F. Young Professional Scheme (YP Scheme)

3.33 In addition to the aforementioned schemes, the Young Professionals Scheme was introduced in CAPART in 1988 for creating a training platform for youth drawn from diverse academic streams with the express objective of grooming them as potential rural managers for achieving the objective of

introducing professionalism in the rural development sector. CAPART selects post graduates from various discipline related to rural development such as Social work, Rural management, Engineering and Marketing. The selection of the candidates is done through a process of rigorous campus level selection undertaken by CAPART in premier educational institutions across the country. The selected candidates are provided with 15 days' orientation training programme at selected resource institutes including an exposure visit to a well established VO before their placement with CAPART Headquarters and RCs, Ministry of Rural Development, DRDAs and VOs across the country. The scheme endeavours to apportion the YP's tenure equally between CAPART/MoRD and DRDAs/VOs so as to expose them to the widest possible spectrum of working environments and challenges related to the rural development sector. CAPART imparts five days Refresher training to Young Professionals for experience sharing and updating their knowledge with the latest developments. Two one day exposure college visits are also organized by CAPART with the basic aim to disseminate knowledge about various scheme of CAPART i.e., Public Cooperation, Rural Technology, Disability, YP Scheme etc.

IV. Utilisation of funds

4.1 Under assistance to CAPART, the Government provides a Grant of Rs. 100 crore to CAPART for its various activities including administrative expenses. The details of grant received from MoRD and its utilization are as under:

(Rs. in crores)

| Year | Opening Balance | Funds allocated | Interest + refund from project | Total | Financial Target (utilisation) | Unspent Balance |
|-----------|-----------------|-----------------|--------------------------------|-------|--------------------------------|-----------------|
| 2007-08 | 15.94 | 58.54 | 1.93 | 76.41 | 50.06 | 26.35 |
| 2008-09 | 26.35 | 52.20 | 1.59 | 80.14 | 65.61 | 14.53 |
| 2009-10 | 14.53 | 50.00 | 1.31 | 65.84 | 37.20 | 28.64 |
| 2010-11 | 28.64 | 50.00 | 2.99 | 81.63 | 20.38 | 61.25 |
| 2011-12 * | 61.25 | - | - | 61.25 | 11.22 | 50.03 |

*till 30.11.2011

4.2 When asked as to what mechanism is being contemplated by the Department of Rural Development to ensure proper and full utilization of funds allocated to CAPART, the Department stated that efforts are being made by the Ministry for restructuring of CAPART. When the ban is lifted, it will ensure proper and full utilization of funds allocated to CAPART.

V. Monitoring Mechanism for funded NGOs/VOs

5.1 Monitoring is a systematic collection and analysis of information as a project progresses. It is aimed at improving efficiency and effectiveness of a project. CAPART has a unique in-built system of monitoring and evaluation of projects, through institutions of national and international repute. Monitoring of the CAPART-supported projects is a detailed exercise carried out in three stages: the pre-funding appraisal (PFA) of a project is carried out prior to sanction, mid-term appraisal is carried out before the release of the second installment of the sanctioned amount, and post-completion evaluation is undertaken on completion of the project. The entire process is carried out through institutional monitors by the regional offices and the project divisions at CAPART headquarters. During the financial year 2010-11, the CAPART had obtained 51 PFAs, 471 mid-term evaluations and 74 post-completion evaluations of projects. A special drive was undertaken by CAPART to close the project files where sanctioned amount was released and the project was completed by the VO. As a result, during the financial year 2010-11, CAPART project divisions and regional offices have closed 808 project files subject to technical formalities.

5.2 CAPART's objective is to facilitate implementation of projects with timely conduct of the monitoring and evaluation exercise. A need has been felt to empanel an Institutional Monitor who has a presence all over the country. Accordingly in addition to the existing 210 Institutional Monitors, during the year 2010-11, CAPART has empaneled NABARD Consultancy Services Pvt. Ltd. which has a pan-Indian presence. In the current year, 123 evaluation work assignments were given by various divisions at CAPART Headquarters against which Nabcons has already submitted 64 evaluation reports in 2010-11.

5.3 As informed by the Ministry the mechanism of effective monitoring of projects sanctioned by CAPART to a voluntary organisation (vo) is defined in the Policy guidelines. CAPART has empanelled 211 Institutional Monitors to evaluate the projects off the VOs at three stages. The extract of relevant portion of Guidelines is given below:

5.4 Stage – I Pre-Funding Appraisal

After the desk-appraisal of the proposal, CAPART will depute its empanelled FCEs for pre-funding appraisal to look into the following aspects:-

- Adherence to the statutory requirements – periodic filing of reports and returns with the registration authorities, filing of income tax returns, if any, compliance with the FCRA requirements, etc.
- Verification of Account from Bank/Post Office and Registration Certificate from the office of the Registrar, Societies.
- Maintenance of basic records – Executive Committee, General Body minutes books, books of accounts, etc.
- Consultation with the members of the society for assessment of transparency in managing the society.
- Capacity, expertise and infrastructure to implement the project.
- Rapport established by the VO with the people, Panchayats, the local administration, Bank etc.
- Consultations held by the VO with the proposed beneficiaries, villagers, panchayat functionaries, Block officials, Bankers while formulating the project proposal.
- Consultations by the VO with the line departments, banks, etc. for ensuring sustainability of the project.

5.5 Stage–II Mid-term appraisal by CAPART Monitors and release of second instalment.

Decision to depute FCE for conducting mid-term evaluation will be based on the following:-

- Progress Report received from the VO.

- Utilisation of funds made available/local contributions mobilised in proportion to the release made.
- Failure on the part of the VO to submit the requisite documents in time. Based on the findings by the FCE, second and subsequent instalments will be released. A project may be subjected to one or more mid-term/concurrent evaluations depending upon the nature, duration & seasonality involved in the implementation of the project.

5.6 During the course of mid-term evaluation, the monitor is expected to look into the following:-

- Management of the affairs of the society, fulfilling the legal requirements, etc.
- The authenticity/correctness of the progress report made available in comparison to the field work done.
- Assessment of the quality of physical work, beneficiaries involvement, reasonableness of the amount spent, etc.
- Withdrawal of project fund from the bank and its utilisation.
- Checking of the vouchers and books of accounts.
- Assessment of beneficiaries satisfaction and their participation.
- Assessment of the benefits accruing from the progress made in the implementation of the project.

5.7 Based on these factors, the monitor is expected to make his recommendation for release of the next instalment.

5.8 The evaluation report will be submitted by the FCE to CAPART within 45 days from the date of receipt of the assignment. The Evaluation report will be examined by CAPART, keeping in view the progress reported by the project holder. After examination of the progress report, Receipt & Payment Account, utilisation certificate

and the mid-term evaluation report, decision will be taken in regard to the release of second/subsequent instalment within 15 days.

5.9 The balance grant will be considered for release in six monthly instalments keeping in view the satisfactory performance and utilisation of grant released in previous installments and mid-term/concurrent evaluation reports.

5.10 10% of the total grant will be retained/withheld and will be reimbursed to the organization after receipt of satisfactory completion/final progress report/audited receipt & payment and income and expenditure statements of accounts and utilisation certificate. The project holder need not furnish separate utilisation certificate for this 10% amount if utilisation Certificate for the same has been submitted in the final accounts.

5.11 Stage – III Post Evaluation

On receipt of the completion report and other final documents, CAPART will appoint FC for post evaluation within 15 days which will be carried out to obtain information on the following:-

- To verify whether all the stipulated work has been carried out as per the terms of the sanction order.
- To ascertain beneficiaries' satisfaction in the implementation/creation of the assets.
- To verify the books of accounts and other related documents to ensure proper utilisation of funds.
- To assess the impact of the project and arrangements made for sustainability of the project.

5.12 As informed by the Department, comprehensive evaluations of VOs are conducted by CAPART in addition to the periodic evaluations. Such evaluations are normally conducted through professional institutions or teams of experts in the following cases:-

- VOs which have received assistance over Rs.50 lakh for a single project; or
- VOs which have received assistance over Rs.1 crore for different projects during a period of 4 years.

Procedure for funding restrictions and blacklisting

5.13 During the financial year 2010-11, CAPART placed 117 VOs under the "Financial Assistance Stopped"(FAS) category. If a VO is found to have indulged in financial misappropriation of the grant from CAPART or has exhibited recalcitrant behavior, it can be placed under black listing (BLA) as per the laid down guidelines and procedures. During the financial year 2010-11, CAPART has black-listed 4 VOs; however, 8 VOs have been placed under the BLA category on the recommendation of other Governmental funding organizations.

5.14 VOs can be placed under funding restrictions on the following grounds:-

- i. If the project holder do not cooperate with the monitor for conducting evaluation of the project.
- ii. If the project holder does not submit progress report, audited statement of accounts and utilisation certificate.
- iii. If the project holder diverts the funds/change the beneficiaries/change the location of the project without approval of CAPART.

5.15 The organisation will be kept informed of the restrictions imposed in writing by CAPART. It will also be given an opportunity to rectify the defect(s) within a period of three months failing which the prescribed procedure for blacklisting of the organisation will be initiated. VOs complying with the requirements will be removed from the restricted category.

5.16 On the receipt of complaint, on the functioning of a organisation where there is prima-facie evidence of any of the points stated above, restrictions on the sanctions and

the release of funds will be imposed on the said organisation till the complaint is investigated/outcome decided.

5.17 VOs can be blacklisted on the following grounds:-

- i. If the project holder has received or receives funds from more than one source or applies for receiving any funds, either completely or partially from any other governmental/non-governmental, international or any other agency, for the same project covering the same beneficiaries.
- ii. Principal office bearers involved in criminal conduct/misappropriation of public funds.
- iii. For submission of falsified accounts/documents.
- iv. For not accomplishing the stipulated work even after giving sufficient opportunities.
- v. Refusal to hand over the assets created/acquired under the project to the community/beneficiaries
- vi. Failure to return the savings/unspent balance/refundable grant available/extended under the project.
- vii. Principal office bearers are serving government servants and the organisation conceals the fact.
- viii. If more than two members of the Executive/Governing/Managing Body of the organisation are relatives/family members or two from these are cosignatory in bank account operations and the VO conceals the facts.
- ix. VOs blacklisted by other Governmental Organisations etc.

5.18 After the organisation is blacklisted, it will be served with notice for recovery of the fund in question within a period of one month. On the failure of the organisation to comply with the notice, suitable legal action for recovery of the said amount will be initiated by CAPART. The organisation will have an opportunity to appeal against the

order of blacklisting within 3 months from the date of issue of the order. This appeal will be considered by the Executive Committee of CAPART for decision. The decision will be communicated to the organisation.

5.19 CAPART has blacklisted 634 organisations since 2001. The ground on which these have been blacklisted is given below:

| Particulars | Number of VOs |
|---|----------------------|
| Non response/non submission of documents/non cooperation to evaluators. | 380 |
| Fake and fabricated documents | 54 |
| Blacklisted by other organisations | 138 |
| Others | 62 |
| Total | 634 |

5.20 Further, on being asked by the Committee about the occasion when the VO have been subsequently taken out of the blacklisted category and released funds, the Department in their note submitted:

“6 voluntary organisations have been taken out from the blacklist category and Rs.8.05 lakh have been released under 14 projects to these 6 VOs.”

5.21 On being asked about the action taken to recover the funds from the defaulter voluntary organizations/ NGOs, the Department in their note stated:

“It would be appropriate to mention that all blacklisted VOs do not necessarily fall under the category of defaulter, as in all these cases there may not be a financial angle involved. VOs have been blacklisted for non-submission of documents, non-response, blacklisted by other Govt. funding agencies and even non-co-operation shown toward Monitors, etc. These are the various reasons, other than default, for blacklisting the VOs. As per records, out of the total of 634 VOs blacklisted, CAPART has not released funds/grants to 192 Blacklisted Voluntary Organizations (including the 138 VOs blacklisted by other Govt. funding agencies), and hence no action is required in respect of those cases. Actions such as lodging of FIRs referring cases to CBI and Police have been initiated in 62 cases for recovery.”

5.22 Further, on being asked about the status of those 62 cases where the CAPART has lodged FIR cases to CBI and Police for recovery, the Department in their note stated:

- “(i) Legal action by lodging FIR by respective Regional Office is at various stages in 44 cases.
- (ii) CBI investigation against VOs was done and 10 cases are at various stages of prosecution in Patna.
- (iii) Legal action was taken by Special Haryana Police in 8 cases which are sub-judice in Court at different stages.”

5.23 On being asked about the quantum of funds recovered from the blacklisted VOs the Department stated that the recovery from the blacklisted VOs stands to the tune of Rs. 25.22 lakh.

VI. Restructuring of CAPART

6.1 CAPART has had a troubled existence right from the beginning. According to the Ministry the organization is suffering from:

- (i) Poor image;
- (ii) strong perception ineffectiveness, inefficiency and mission dissipation;
- (iii) rent seeking behavior/corruption;
- (iv) gross indiscipline and disregard of the objective;
- (v) failure to build up financial self sufficiency and a healthy corpus;
- (vi) no organisation focus; and
- (vii) no networking at any level except with clientele institutions.

6.2 The working/organizational structure of CAPART has been reviewed by a number of Committees from 1996 onwards which *inter-alia* includes TCS Study and Organisation review (1996), Short-term review of the structure (2000), Secretary (RD) Committee (2002), Vitthal Committee Report (2005), Vinay Shankar Committee (2005-06), Syeeda Hameed Report (2005-06), Sevottam (2008-09), Strategic Planning and Result Framework (2010).

6.3 Also in the year 2009, 6 Sub-Committees of the Executive Committee (EC) were constituted to suggest reforms in CAPART and their Reports have since been submitted.

6.4 The Executive Committee meeting convened on 30 April, 2010 decided to appoint Institute of Rural Management (IRMA) for a third party evaluation of the reports submitted by the Sub-Groups. The Report of IRMA has since been submitted.

6.5 The Ministry had done an in-depth examination of the reports submitted by the Sub-Groups and report of the IRMA. Based on that, a restructuring proposal is under consideration of the Ministry. The measures suggested range from creating a new focus for CAPART on Capacity development, focus on Marketing, creating institutional networking of stakeholders organisations, structural reorganization including open selection of DG's post etc.

6.6 The proposed measures for reforming CAPART based on IRMA Report under consideration are as below:

i. Creating a New Focus

- a. Capacity development of PRIs;
- b. SHGs and their federations;
- c. Sustainable development of natural resources;
- d. Capacity development of voluntary organisations;
- e. Learning from the people's models;

ii. CAPART should revert to its original role of development/dissemination of appropriate rural technologies wherein a focus is required on the following:-

- a. Collect, audit, store and disseminate technologies;
- b. To act as a platform for technology producing, users and marketing institutions;
- c. To provide the technological input for NREGS, NRLM, IAY and other programmes of the Ministry;
- d. Youth Employability Skill Development and Placement: the Kaarigar Scheme (Group3);
- e. Engagement with Appropriate Technologies and Knowledge Systems for enhancing nature based livelihoods (formerly ARTS) (Group 2);
- f. Strengthening Institutional Base for enhancing Technical Competencies in CSOs (TRCs) (Group 2).

iii. Marketing of Rural Produce: - Holds the key to the success of the RD and other initiatives.

The rural produce do not find adequate markets on account of distances, costs and access to electronic media. It is, therefore, necessary that the rural produce must be provided this access so that the terms of trade are corrected. This focus could be brought in the following ways:-

- a. Organise haats/melas at the national/all States capital on permanent basis;
- b. Organise an e-marketing network for all rural produce;
- c. Induct SHGs and other rural producers for this network;
- d. Evolve a revenue model for the scheme;
- e. Gradually spread the marketing network internationally.

iv. Grassroots Planning: -

One of the major problems identified is regarding the lack of involvement of the people with the programmes. This is because the planning process does not involve the people and despite all protestations grassroots planning is not being practised. Here, grassroots planning becomes an imperative with focus on following subjects:

- a. Capability building of the people in the tools of grassroots planning;
- b. Capacity development of the PRIs and other people's institutions in grassroots planning;
- c. Creating awareness of different models that have emerged in grassroots planning;
- d. Helping people to evolve their own formats and appropriate models;
- e. Creating linkages through local and regional networks;

v. Process Support:-

Apart from huge investments Government has much stake in the success of its programmes in the rural areas. The following focus needs to be created:

- a. CAPART to be the principal institution to provide process support to the Government programme structure;
- b. Process support to include grassroots planning, implementation, resource mobilisation and social-audit;
- c. To provide legal literacy, mobilisational and other issue based support to the Panchayats;

- d. Enable realization of Rights: Forest rights, RTI, MGNREGA, Right to Food etc (Sub-Group 1);
- e. Fill up the missing link between institutions like DRDAs, RSETIs and the PRIs and the people;
- f. Also to undertake process design, documentation and module development;

vi. Marketing Support:-

With initiatives like SHGs marketing support to rural products is vital for any exercise in resuscitation. CAPART will fulfil this role with focus on the following:

- a. To network with State-led endeavours like NRLM, SHGS and their Federations, PURA, Khadi Board and other enterprises in the rural areas;
- b. To create a platform of the marketing institutions;
- c. To expand the scope of the Gram Shree Melas to create an universal coverage;
- d. To undertake and promote e-marketing for the constituent units;
- e. Research including Action Research into the marketing needs of the constituent units;
- f. Networking with the other initiatives of the Government and the voluntary sector;

vii. Networking:-

A major failure on part of the Voluntary Organisations is their incapacity to network together on major issues. CAPART is ideally placed to play this role with a clear focus on:

- a. Create robust institutional network;

- b. To act as platform of national and international funding agencies, Government, other institutions, PRIs and VOs;
- c. Representation and advocacy on behalf of VOs;
- d. Create partnership with Anchor Organisations in different regions;
- e. Bring all such organizations into a network to support the Government and other endeavours in rural areas;

viii. Structural Reorganisation:-

Selection of DG/DDGs:

- a. Organisation created for a different time and context. CAPART is structurally not able to cope with the requirements of workload. An antiquated organisational structure has become a constraint to the growth of CAPART;
- b. The process of selection of the CEO and the top executive a key process. The upper management is monopolised by IAS cadre. Not every IAS officer is capable of handling the workload in CAPART. It is essential that the process of selection of the CEO and the top executive needs to be broadened.
- c. The DG should be selected through a transparent broadbased selection process from the open market. A Search Committee headed by an eminent person like Deputy Chairman/Member Planning Commission needs to be constituted. The post of DG/DDGs should have a fixed term of 5 years extendable by another term.
- d. One DDG should be from the Voluntary Sector while the third could be from the open market.
- e. The emolument of the DG should be fixed at Rs 1.5 L while the DDGs should get 1L fixed.
- f. All other staff should be recruited from the open market for fixed terms;

- g. Continuation should be on the basis of annual appraisal by independent machinery.

ix. Change in Funding Pattern:-

- a. There can be no functional autonomy without financial autonomy. CAPART needs to delink from its dependence upon the Government for its day-to-day existence. [IRMA Report]
- b. A Corpus of Funds of Rs. 1,000 C to be created at CAPART.
- c. CAPART should service all Central/State Governemnt organisations international funding agencies, industrial houses and should seek project based support from them;
- d. CAPART should access multiple sources of funding;
- e. The Ministry would undertake project based funding to CAPART. This would help the organisation to get its acts together.
- f. CAPART may develop into a Federation of funding organisations and could even become a clearing house for FCRA proposals;

x. Change in the Internal Processes:-

- a. Any change in CAPART has to be preceded by change in its internal processes of invitation of application, appraisal, funding, monitoring and evaluation. These processes have to acquire objectivity, transparency and have to adhere to time lines.

- b. The processes have to be made IT based and human interface have to be minimised to the extent possible. The movement of the project proposals have to be on-line through the web so that there is transparency.
- c. There has to be a process of registration of organisations along with evaluation at the entry points.
- d. The vigilance process to be reconsidered. The present system of vigilance has done least to check the behaviour in rent seeking.
- e. We could think in terms of having a Standing Committee on Vigilance in place of the Director Vigilance.
- f. The filing, storage and retrieval of information have to made totally electrophonic based.

xi. Changes in the Governing Structure:-

The major stakeholders including the NGOs, the staff, the PRIs, other Ministries to acquire a real stake in the governance process. Internal autonomy is a sine qua non for the organisation but it is not to be equated with license to indulge in non-objective related behavior.

- a. While the Minister (Rural Development) may continue to be the President of the General Council of CAPART Member (RD) of Planning Commission or the Deputy Chairman himself be the Chairman of the Executive Committee.
- b. Members of the alliance of funding institutions could be included in the governing process in the EC or the GC.
- c. It is necessary the Regional Centres need to be developed, vested with greater autonomy and financial and other powers. They need to be made functional.
- d. We need to put together a transparent process for nomination to the GC/EC of CAPART.

- e. Some of the Regional Centres could also be managed in PPP mode with the help of the organizations.
- f. There is urgent need to get away from the Government processes.

xii. Stages of Restructuring

- I. In Stage I, the organisational changes would be made including the proposed pattern of the appointment of the DG/DDG and the rest of the top management.
- II. Conduct a series of workshops for firming up the Vision, Mission and the Strategies.
- III. In Stage II put the financial processes in place and start working it out.
- IV. Create Networking;
- V. Many of these actions will take place simultaneously.

6.7 During the evidence the Committee pointed out that inspite of the fact that the working of CAPART has been reviewed by a number of Committees appointed on regular intervals since 1996 no action has been taken to revive or re-orient the CAPART particularly with reference to increased role of Panchayati Raj Institutions (PRIs) which was strengthened through 73rd & 74th Constitutional Amendments. The Secretary MoRD in response stated:

“I will say there is a Government sector and there is a private sector. There is also a non-Government sector which is away from these two. There are N number of people at the grassroots level who are doing outstanding work on their own. Nobody is supporting them. All the hon. Members are aware that at the grassroots level there are many people who are doing outstanding work out of their own volition. In fact, there is a theory that, ‘where there is a Government failure, there is an increase in people’s action and people’s participation’. In these programmes, people take over. This factor cannot be denied that there is a spirit of voluntarism. We have come out with another programme of Bharat Nirman volunteers which is not even one year old, but is doing outstanding work. It is totally voluntary and unpaid. In every village society, there are youths who are under employed or disguisedly employed.. We are harnessing them for taking the rural development programmes down to the people and for supporting the panchayats. I went to a village in Andhra Pradesh and found that there is electrifying experience. The Bharat Nirman volunteers and panchayats sat together. In a village of 999 people, there were four liquor shops and their daily

sale was Rs. 10,000. The *Gram Sabha* decided that there will be no sale of liquor and the sale of liquor was stopped. The sarpanch said that previously the office would not open for five or six days together. But now from morning to evening it is humming with activity. Therefore, to have proper development people's initiatives, people's desires have to be harnessed for rural development purposes....."

6.8 He further stated:

" Article 243 (g) has designated the panchayats as institutions of self-governance at the local level. Kutumbasri is a very good example. When we drafted our NRLM, we inducted Shri Vijay Anand from Kerala to draft our chapter for integration with the panchayats. We seek integration with panchayats. We do not deny the panchayats. We also admit that they are the Government at the local level. In our NGOs also, it has been rightly mentioned that in 1986 the panchayats were not in very good shape and they were moribund. Since then a lot of activity has come. So, we are also looking ways by which they can be dovetailed to the Gram Sabha, how the Gram Sabhas can be supported and how the panchayats can be supported. Therefore, I assure this hon. Committee, our intention is not to bypass the panchayat, is not to weaken the panchayat. Our intention is to strengthen the panchayats. The National Capacity Building Framework which was drafted by the Ministry of Panchayatiraj, I was also involved in that. I had a minor contribution to that. We are taking it forward. Now, our premium institution, the National Institute of Rural Development has become the National Institute of Rural Development and Panchayatiraj and the Secretary, Ministry of Panchayatiraj has been inducted as a co-chair of all institutions. It is my firm opinion that you need some institution to harness the creative energies of the people."

6.9 On being pointed out by the Committee that the CAPART has failed on all fronts and enquired as to why it was necessary to continue, the Secretary, MoRD stated that there was no compulsion to continue and if there were recommendations of the Parliamentary Committee to close it, the Government would consider the same.

PART-II

OBSERVATIONS/RECOMMENDATIONS OF THE COMMITTEE

1. The Council for Advancement of People's Action and Rural Technology (CAPART) set up in 1986 by merging two organizations, viz., People's Action and Development India (PADI) and Council for Advancement of Rural Technology (CART) has been functioning as an autonomous body under the aegis of the Ministry of Rural Development. It was set up with the vision to play a dynamic and catalytic role in the many-sided development of rural India through its network with the various Governmental agencies and Non-Governmental Organisations (NGOs). Even though the objectives of CAPART are laudable which, *inter alia*, include to encourage, promote and assist voluntary action for implementation of projects for rural prosperity, promote voluntary efforts in rural development and dissemination of technologies suitably modified for serving rural population, to promote, plan, undertake projects through Self Help Groups (SHGs) and to create awareness amongst rural people, etc., the Committee's examination has revealed that CAPART has hardly achieved any of its objectives. The Department of Rural Development themselves have conceded that there have been problems in the organization since its beginning and it is plagued by poor image, ineffectiveness and inefficiency. Further admittedly, it is suffering from

corruption, gross indiscipline and disregard of the objectives. The Committee's findings are detailed in succeeding paragraphs.

(Recommendation Sl. No. 1, Para No. 1)

2. The organizational structure of CAPART is a broad spectrum consisting of 100 members out of which 40 are from voluntary societies, 20 from other institutions, 25 ex-officio members and 10% individuals. The General Body is the highest governing body of CAPART comprising of its members presided over by the Hon'ble Minister of Rural Development which gives overall policy guidelines and approves the annual budget, balance sheet, etc. Besides it has Executive Committee Chaired by the Hon'ble Minister of Rural Development, Director General of CAPART being the Secretary to the Executive Committee, and the Secretary of the Ministry its ex-officio vice-Chairman. Also there is a Standing Committee on Finance and Administration headed by Director General. The Committee are unhappy to find that an institution entrusted with rural development under the overall control of the Minister of Rural Development and the Secretary of Rural Development, has been allowed to die a silent death. It is high time that it is taken out of slumber to make this institution vibrant, so as to achieve its stated objectives. The Committee feel that there is also a need to review the membership of General Body to make this body slim and efficient to enable it to take timely effective decisions. The Committee also recommend that the Chairman of CAPART should be a professional

person with proven track record of rural development work. The Committee would like to be apprised of the specific action taken by the Government in regard to reorganization of CAPART's General Body/Executive Committee, its Chairman and composition of other Committees.

(Recommendation Sl. No. 2, Para No. 2)

3. CAPART's headquarters are located at New Delhi and it has 9 Regional Offices spread across the country, viz., Ahmedabad, Bhubaneswar, Chandigarh, Dharwad, Guwahati, Hyderabad, Jaipur, Lucknow and Patna. The Committee regret to find that in spite of spread of the organization across the country, the various activities carried out by CAPART are declining year after year. The Committee strongly recommend that these Regional offices should be strengthened so that they focus in their respective regions to have wider reach to the rural areas across the country. Besides, there should be small advisory committees at Regional level having elected representatives on board for wider and meaningful consultations.

The Committee would also like the Government to engage institutions of national importance like IIMs/ IRMA, etc. geographically located near to the respective Regional Centres in evaluation of the working of Regional Centres of CAPART so that timely remedial/corrective measures are taken on the shortcomings pointed out during such review/evaluation.

(Recommendation Sl. No. 3, Para No.3)

4. The Committee express their unhappiness to find that there have been frequent changes in the post of Director General, the Chief Executive of the organisation. During the last 7 years there have been as many as seven incumbents to this post. The non-continuity of the Chief Executive has affected the working of CAPART in a big way. The Committee expect that henceforth the post will carry a fixed tenure so as to carry out the plans and programmes of the CAPART in an organized and systematic manner. This would also ensure accountability of the Chief Executive of the organisation.

(Recommendation Sl. No. 4, Para No. 4)

5. CAPART has been carrying out 6 Schemes, viz., Public Cooperation (help to Self Help Groups), Advancement of Rural Technology Scheme (ARTS), Organization of Beneficiaries, Help to Disabled, Marketing of Rural Products and Extending Help to Young Professionals. From the information furnished to the Committee by the Ministry it is seen that during the last 3 years, i.e., after 2008-09 activities of CAPART have almost been standstill. For instance, in the Scheme for Helping Self Help Groups, the number of beneficiaries during 2010-11 has come down to 303 from 9974 in 2008-09. Similarly, under Advancement of Rural Technology Scheme and Disability Action, Marketing, Gram Shree Melas, etc., the activities have come down drastically. The Committee are of the opinion that the Ministry should not take refuge of the impending restructuring of

the CAPART which is under planning process for the years together. The CAPART should have motivated the States to participate in the Gram Shree Melas which is a wonderful platform for the rural artisans to showcase their talent and products to the outer world. Similarly the CAPART should have assisted the VOs who are doing credible work in enhancing the skills and living conditions of the rural masses. Similarly, CAPART should have utilised the allocated funds fully. The Committee are anguished to find that the Ministry also failed in guiding the CAPART to carry out its given responsibilities efficiently. The Committee deplore such casual approach on the part of the Ministry.

(Recommendation Sl. No. 5, Para No. 5)

6. The Committee note that CAPART has a number of guidelines for monitoring the implementation of the projects by the funded NGOs/VOs before sanction of the projects, during execution of the projects and post implementation of the projects. The Committee, however, find that CAPART has blacklisted as many as 634 organisations since 2001 on account of non-furnishing of account documents, fake documents, etc. This shows the magnitude of misappropriation of funds by the funded NGOs/VOs whereby the impact of CAPART schemes has turned out to be invisible. The Committee feel that merely blacklisting of VOs/NGOs would not suffice. Strict action needs to be taken against them which may serve as a deterrent to others. Moreover, the monitoring mechanism of CAPART also

needs to be strengthened. The Committee therefore, would like the Ministry to ensure that CAPART takes action against corrupt organizations/ individuals and also against its own Officers found guilty of malpractice/ connivance with NGOs/VOs, inefficiency etc. Also the list of black-listed NGOs/VOs should be made available to other Central Ministries/State Governments so that these black-listed organizations do not get assistance from other Government sources.

(Recommendation Sl. No. 6, Para No. 6)

7. The Government has been providing a grant of Rs.100 crore to CAPART to carry out its various activities including administrative expenses. However, in the recent years it has never utilized its funds fully. For instance, against the target of Rs.50 crore in 2007-08 there was unspent balance of Rs.26 crore which increased to Rs. 61 crore and Rs. 50 crore in 2010-11 and 2011-12 respectively. It appears that during the last three years instead of giving any assistance for rural activities or to Self Help Groups, the CAPART has been incurring expenditure on the salary of its employees and other administrative expenditure only. The reason put forth by the Ministry that pending restructuring of CAPART, the funding of new projects has been kept in abeyance is not convincing to the Committee. The Committee feel that this step has only hampered the development of the rural populace. The Committee therefore, desire that the ongoing projects should continue to be funded till the final decision of restructuring of

CAPART is taken, so that the developmental activities in rural areas are not stopped altogether.

(Recommendation Sl. No. 7, Para No. 7)

8. The Committee find that since 1996 onwards there have been a number of reviews carried out by various Committees to improve the working of the CAPART and to bring efficiency and accountability in the working of CAPART. These Committees, *inter- alia*, include Strategy and Organisation Review (TCS) (1996), Short review of the Structure (2000), Review of Secretary RD (2005), Vittal Committee Review (2005), Vinay Shankar Committee (2005-06), Sayeed Hameed Report (2005-06) and Sevottam (2008-09). The Committee are surprised to note that with so many reviews carried out by various Committees on the working of CAPART and visible non-functioning of the system coupled with corruption and black listing of several NGOs, did not prompt the Ministry of Rural Development to take any action or initiative to root out the inefficiency in the institution. It was only in 2009 that 6 Sub-Committees of the Executive Committee (EC) were constituted to suggest reforms in CAPART and the reports submitted by these Sub -Committees have been evaluated by a third party viz. the Institute of Rural Management Anand (IRMA). The Committee have now been informed that based on IRMA Study Report, the Government is in the process of taking a decision in regard to restructuring of the CAPART. The measures suggested in the Report range from creating a new focus for

CAPART on capacity building, focus on marketing, creating institutional networking of stakeholder organizations, structural reorganization including open selection of DG's post, etc. The Committee hope that the measures suggested in the Reports of Sub-Committees will help CAPART to come out of slumber and give it a new life. The Committee, therefore, recommend the Government to take a final decision in regard to future, restructuring of CAPART without further delay.

(Recommendation Sl. No. 8, Para No. 8)

9. The Committee are anguished to find that the CAPART though associated with the rural activities, does not have any coordination with the Panchayati Raj Institutions so far and it mainly has been dealing directly with the NGOs/VOs. Even though the Panchayati Raj Institutions were strengthened by the 73rd and 74th Constitution Amendments as far back as 1992, which made Panchayati Raj Institutions as institutions of Self Government, CAPART did not find it necessary to associate PRIs with its activities. Under article 243G read with Schedule XI of the Constitution, the State Government, may, by law, endow the Panchayats with powers to function as institutions of self government in the areas of agriculture, land improvement, minor irrigation, water management/watershed development, fisheries, minor forest produce, drinking water, roads, culverts, bridges, education, technical training, library, market and fairs, health and sanitation, womanand child development, PDS, social welfare

including welfare of the handicapped and mentally retarded, etc. While the CAPART has lost valuable time of over two decades in searching right module for helping the rural populace, the role of Panchayati Raj Institutions (PRIs) has increased substantially during this period. Similarly, from the information made available to the Committee, it is seen that CAPART has hardly any presence in backward regions/scheduled areas for carrying out welfare activities. The Committee are of the strong view that while taking a final decision in regard to future of the CAPART, role of PRIs should be considered of prime importance so that CAPART assist the PRIs in terms of capacity building, training and providing necessary technology inputs in implementation of various schemes. Since Panchayati Raj Institutions are getting direct funding from the Central Schemes as also the State's share in some of the schemes, the pro-active role of CAPART can help the PRIs in a big way. The Committee therefore, desire that CAPART apart from assisting NGOs/VOs should also co-ordinate with PRIs in implementing its various schemes/ programmes. The Committee would await the final decision of the Government in the matter within three months of the presentation of the Report to the Parliament.

(Recommendation Sl. No. 9, Para No. 9)

NEW DELHI;
27 August, 2012
05 Bhadrapada, 1934 (Saka)

SUMITRA MAHAJAN
Chairperson,
Standing Committee on Rural Development

Appendix - I

Number of Gram Shree Melas organized during 2001-02 to 2011-12

(vide Para 3.26)

| Year | State | No of Melas Organised |
|-----------|------------------|-----------------------|
| 2001-2002 | Karnataka | 1 |
| | Sikkim | 1 |
| | Andhra Pradesh | 1 |
| | Jammu & Kashmir | 1 |
| | Maharashtra | 1 |
| | Assam | 1 |
| | Total | 6 |
| 2002-2003 | Maharashtra | 1 |
| | Tamil Nadu | 1 |
| | Gujarat | 1 |
| | Orissa | 1 |
| | Assam | 1 |
| | Uttar Pradesh | 1 |
| | Jharkhand | 1 |
| | Chandigarh | 1 |
| | Himachal Pradesh | 1 |
| | Total | 9 |
| 2003-2004 | Gujarat | 1 |
| | Maharashtra | 3 |
| | Rajasthan | 1 |
| | Uttar Pradesh | 6 |
| | Himachal Pradesh | 1 |
| | Haryana | 1 |
| | Andhra Pradesh | 3 |
| | Jammu & Kashmir | 1 |
| | Karnataka | 1 |
| | Assam | 3 |
| | Uttarakhand | 2 |
| | Bihar | 6 |
| | Goa | 1 |
| | Mizoram | 1 |
| | Manipur | 1 |
| | Nagaland | 1 |
| | Tamil Nadu | 1 |
| | Jharkhand | 1 |
| | Tripura | 1 |
| | Total | 36 |

| | | |
|-----------|------------------|----|
| 2004-2005 | Jammu & Kashmir | 1 |
| | Uttarakhand | 1 |
| | Kerala | 1 |
| | Uttar Pradesh | 2 |
| | Orissa | 1 |
| | Bihar | 1 |
| | Jharkhand | 2 |
| | Chhattisgarh | 1 |
| | Maharashtra | 2 |
| | Sikkim | 1 |
| | Tamil Nadu | 2 |
| | Assam | 2 |
| | Rajasthan | 1 |
| | Madhya Pradesh | 1 |
| | Manipur | 1 |
| | Karnataka | 1 |
| | Kerala | 1 |
| | Andhra Pradesh | 3 |
| | Total | 25 |
| 2005-2006 | Jammu & Kashmir | 2 |
| | Himachal Pradesh | 1 |
| | Gujarat | 1 |
| | Andhra Pradesh | 1 |
| | Uttar Pradesh | 3 |
| | Madhya Pradesh | 2 |
| | Chandigarh | 2 |
| | Uttarakhand | 1 |
| | Orissa | 1 |
| | Rajasthan | 1 |
| | Bihar | 1 |
| | West Bengal | 1 |
| | Punjab | 1 |
| | Total | 18 |
| 2006-2007 | Assam | 1 |
| | Nagaland | 1 |
| | Tripura | 1 |
| | Bihar | 5 |
| | Jharkhand | 1 |
| | Karnataka | 1 |
| | Kerala | 2 |
| | Tamil Nadu | 2 |
| | Andhra Pradesh | 1 |
| | Rajasthan | 1 |
| | Total | 16 |

| | | |
|--------------|----------------|------------|
| 2007-2008 | Uttar Pradesh | 9 |
| | Rajasthan | 1 |
| | Assam | 9 |
| | Tripura | 1 |
| | Mizoram | 1 |
| | Manipur | 1 |
| | Bihar | 7 |
| | Jharkhand | 8 |
| | Karnataka | 2 |
| | Kerala | 2 |
| | Gujarat | 2 |
| | Maharashtra | 4 |
| | Andhra Pradesh | 4 |
| | Tamil Nadu | 4 |
| | Total | 55 |
| 2008-2009 | Uttar Pradesh | 1 |
| | Uttarakhand | 1 |
| | Madhya Pradesh | 2 |
| | Rajasthan | 3 |
| | Bihar | 10 |
| | Jharkhand | 5 |
| | Karnataka | 3 |
| | Kerala | 2 |
| | Gujarat | 4 |
| | Maharashtra | 5 |
| | Total | 36 |
| 2009-2010 | Bihar | 1 |
| | Kerala | 1 |
| | Andhra Pradesh | 3 |
| | Tamil Nadu | 1 |
| | Total | 6 |
| 2010-2011 | Jharkhand | 1 |
| | Rajasthan | 1 |
| | Andhra Pradesh | 1 |
| | Karnataka | 1 |
| | Kerala | 1 |
| | Total | 5 |
| 2011-2012 | NIL | NIL |
| TOTAL | | 212 |

STANDING COMMITTEE ON RURAL DEVELOPMENT (2011-12)

**MINUTES OF THE THIRTEENTH SITTING OF THE COMMITTEE HELD ON
FRIDAY, THE 27 JANUARY, 2012**

The Committee sat from 1100 hrs. to 1245 hrs. in Committee Room No. 'D', Ground Floor, Parliament House Annexe, New Delhi.

PRESENT

Shrimati Sumitra Mahajan - *Chairperson*

MEMBERS

Lok Sabha

2. Shri Sandeep Dikshit
3. Shri Maheshwar Hazari
4. Shri P. Kumar
5. Dr. (Smt.) Ratna De (Nag)
6. Shri Bishnu Pada Ray

Rajya Sabha

7. Shri Mani Shankar Aiyar
8. Shri Ganga Charan
9. Shri P. Rajeeve
10. Smt. Maya Singh

Secretariat

- | | | | |
|----|----------------------|---|------------------|
| 1. | Shri Brahm Dutt | - | Joint Secretary |
| 2. | Shri Raju Srivastava | - | Deputy Secretary |

**Representatives of Department of Rural Development
(Ministry of Rural Development)**

- | | | | |
|----|---------------------|---|---------------------------|
| 1. | Shri B.K. Sinha | - | Secretary |
| 2. | Shri S. Vijay Kumar | - | OSD |
| 3. | Shri Arvind Mayaram | - | Additional Secretary & FA |
| 4. | Shri A.K. Singh | - | Director-General, CAPART |

2. At the outset, the Chairperson welcomed the members of the Committee to the sitting convened to take evidence of the representatives of the Department of Rural Development (Ministry of Rural Development) in connection with examination of working of 'the Council for Advancement of People's Action and Rural Technology (CAPART)'.

[Witnesses were then called in]

3. After welcoming the witnesses, the Chairperson read out Direction 55 (1) regarding confidentiality of the proceedings. The Chairperson then highlighted the various issues of schemes/programmes being implemented by the CAPART viz. poor image of CAPART, reorientation of the existing schemes in synchronization with emerging trends in rural sector, non-utilization of budget for the last five years, stipulated time for finalization of the restructuring process, appointment of regular Director-General etc. Thereafter, the representative of the Department of Rural Development made a power point presentation on issues related to the implementation and review of restructuring of the Council for Advancement of People's Action and Rural Technology (CAPART). They also informed the Committee about the various difficulties being faced in the implementation of the schemes/programmes of the CAPART as well as measures taken by the Government for its effective implementation. The witnesses then responded to the clarifications sought by the Members of the Committee.

4. On some of the queries raised by Members, on which the information was not readily available, they were requested to send the written replies to the Secretariat at the earliest.

[The representatives of Department of Rural Development withdrew]

5. A verbatim record of the proceedings has been kept.

The Committee then adjourned.

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COMMITTEE ON RURAL DEVELOPMENT (2011-2012)

MINUTES OF THE THIRTY-FIRST SITTING OF THE COMMITTEE HELD ON

FRIDAY, THE 24 AUGUST, 2012

The Committee sat from 1000 hrs. to 1040 hrs. in Committee Room No. 'D', Ground Floor, Parliament House Annexe, New Delhi.

Shrimati Sumitra Mahajan - *Chairperson*

MEMBERS

LOK SABHA

2. Shri Ramesh Vishwanath Katti
3. Shri Raghuvir Singh Meena
4. Dr. Ratna De (Nag)
5. Shri P.L. Punia
6. Dr. Sanjay Singh
7. Smt. Supriya Sule

RAJYA SABHA

8. Shri Hussain Dalwai
9. Dr. Ram Prakash
10. Shri C.P. Narayanan
11. Shri D. Bandyopadhyay

SECRETARIAT

- | | | | |
|----|-----------------------|---|------------------|
| 1. | Shri Brahm Dutt | - | Joint Secretary |
| 2. | Smt. Veena Sharma | - | Director |
| 3. | Smt. Meenakshi Sharma | - | Deputy Secretary |

2. At the outset, the Chairperson welcomed the members to the sitting of the Committee. The Committee then took up for consideration the Draft Reports on 'Council for Advancement off People's Action and Rural Technology', Department of Rural Development (Ministry of Rural

Development) and Computerization of Land Records', Department of Land Resources (Ministry of Rural Development). After discussing the Draft Reports in detail the Committee adopted the Draft Reports with slight modifications.

3. The Committee also authorized the Chairperson to finalize the above mentioned Draft Reports taking into consideration consequential changes arising out of factual verification, if any, by the concerned Ministry/Department and to present the same to both the Houses of Parliament.

4. Thereafter, the Chairperson apprised the members that term of present Committee comes to end on 31 August, 2012 and appreciated the members for their valuable contribution made in the working of the Committee and in finalisation of 11 Reports during the present tenure of the Committee.

5. The Committee also placed on record their deep sense of appreciation of the invaluable assistance rendered to them by the officials of Lok Sabha Secretariat attached to the Committee.

The Committee then adjourned.
