STANDING COMMITTEE ON RURAL DEVELOPMENT

(2013-2014)

47

FIFTEENTH LOK SABHA

MINISTRY OF RURAL DEVELOPMENT
(DEPARTMENT OF RURAL DEVELOPMENT)

[Action taken on the recommendations contained in the Forty-First Report (Fifteenth Lok Sabha) on Demands for Grants of the Ministry of Rural Development (Department of Rural Development) for the year 2013-14]

FORTY SEVENTH REPORT

LOK SABHA SECRETARIAT

NEW DELHI

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Presented to Hon'ble Speaker on 04.01.2014

Presented to Lok Sabha on 07.02.2014

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LOK SABHA SECRETARIAT
NEW DELHI

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Shrimati Sumitra Mahajan - *Chairperson*

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2. Shri Thangso Baite
3. Shri Pulin Bihari Baske
4. Dr. Ratna De (Nag)
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31. Prof. Saif-ud-Din Soz

SECRETARIAT

1. Shri Brahm Dutt	-	Joint Secretary
2. Smt. Veena Sharma	-	Director
3. Shri A.K. Shah	-	Additional Director
4. Shri Maneesh Mohan Kamble	-	Committee Officer

*Vacancy caused on account of demise of Shri Mohan Singh from 22.09.2013

INTRODUCTION

I, the Chairperson of the Standing Committee on Rural Development (2013-2014) having been authorised by the Committee to present the Report on their behalf, present the Forty-Seventh Report on the action taken by the Government on the recommendations contained in the Forty-First Report of the Standing Committee on Rural Development (Fifteenth Lok Sabha) on Demands for Grants (2013-14) of the Ministry of Rural Development (Department of Rural Development).

2. The Forty-First Report was presented to Lok Sabha/laid in Rajya Sabha on 30 April, 2013. Replies of the Government to all the recommendations contained in the Report were received on 22 July, 2013.

3. The Draft Report was considered and adopted by the Committee at their sitting held on 27 November, 2013.

4. An analysis of the action taken by the Government on the recommendations contained in the Forty-First Report of the Committee (Fifteenth Lok Sabha) is given in **Appendix-V**.

NEW DELHI;
10 December, 2013
19 Agrahayana, 1935 (Saka)

SUMITRA MAHAJAN
Chairperson,
Standing Committee on Rural Development

REPORT

CHAPTER I

This Report of the Standing Committee on Rural Development (2013-14) deals with the action taken by the Government on the Observations/Recommendations contained in their Forty-First Report (Fifteenth Lok Sabha) on Demands for Grants of the Ministry of Rural Development (Department of Rural Development) for the year 2013-2014.

2. The Forty-First Report was presented to Lok Sabha on 30.04.2013 and was laid on the Table of Rajya Sabha on the same date. The Report contained 38 observations/recommendations.:

3. Action Taken Notes in respect of all the observations/recommendations contained in the Report have been received from the Government. These have been examined and categorized as follows: ----

(i) Observations/recommendations which have been accepted by the Government:
Serial Nos.:1, 2, 3, 4, 5, 6, 7, 9, 13, 14, 15, 16, 18, 19, 20, 21, 22, 23, 24, 25, 27, 28, 32, 35, 36, 37 and 38.
Total: 27
Chapter-II

(ii) Observations/recommendations which the Committee do not desire to pursue in view of replies of the Government:
Serial Nos.: 26
Total: 01
Chapter-III

(iii) Observations/recommendations in respect of which replies of the Government have not been accepted by the Committee:
Serial Nos.: 8, 10 and 12.
Total: 03
Chapter-IV

(iv) Observations/recommendations in respect of which final replies of the Government are still awaited:
Serial Nos. : 11, 17, 29, 30, 31, 33 and 34.
Total: 7
Chapter-V

4. The Committee desire that final replies in respect of observations/recommendations for which only interim replies have been submitted by the Government and Action Taken Notes on the observations/recommendations contained in Chapter-I of the Report may be furnished to the Committee within three months of the presentation of this Report.

5. The Committee will now deal with action taken by the Government on some of their observations/recommendations that require reiteration or merit comments.

I. Data for coverage of rural households under MGNREGA.

Recommendation (Serial No. 8, Para No. 2.8)

6. In the context of maintaining a single data for coverage of rural job card households under MGNREGA, the Committee had recommended as under: ----

> **"**The Committee find wide variance between the NSSO data as reflected its own MGNREGA Sameeksha document showing only 35 percent rural job cards holders households and its own assessment that the data might not reflect real time data instead the DoRD has relied on MIS data maintained by DoRD showing the figure as 60%. The Committee are not convinced with the approach of DoRD of showing two data for coverage of rural households under MGNREGA one by NSSO and other by MIS as it may lead to confusion. They, therefore, feel that a single reliable data for coverage of rural households under MGNREGA be maintained by DoRD."

7. The Department in their action taken reply has stated as under: ----

> "NSSO data are based on survey conducted by them in randomly selected NSSO regions on the basis of the methodology adopted by them whereas the data reflected in MIS is real time data as fed into the system by the States. Since its inception (upto 17.6.2013) 12.72 cr. Rural households have been issued job cards. This indicates that 76% of total rural households [16.85 cr.: Census 2011] have been provided with job cards. Since the data reported is in cumulative figure, the number of households provided employment captured in MIS undergoes constant change. Variance in the data of NSSO and MIS can also be attributed to the fact that in certain states, the number of job cards issued is seen to be more than the number of households indicated. To ensure reliability of data, the Revised Operational Guidelines 2013 have mandated the States/UTs to verify the genuineness of the job cards held by the households in a locality."

8. The Committee while pointing out variation between NSSO data and DoRD's own data collected through MIS for coverage of rural households under MGNREGA had recommended for maintaining a single reliable data for this purpose. In response thereto the DoRD has informed that NSSO data are based on survey conducted by NSSO in randomly selected NSSO regions whereas MIS data is in cumulative figures the number of households provided employment captured in MIS that undergoes constant change. In certain States the number of job cards are greater than number of rural households indicated and as such both the data may vary. DoRD has also informed that for

ensuring reliable data under the Revised Operational Guidelines, 2013 States/UTs have been asked to verify the genuineness of job cards held by the households in a locality. The Committee feel that verifying genuineness of job cards holders under Revised Operational Guidelines is a welcome step. However, Committee's recommendation about maintaining a single reliable data remains unaddressed. They, therefore, reiterate that DoRD should maintain a single reliable data in this regard.

II. Coordination with State Governments for enhancing demand for work under MGNREGA.

Recommendation (Serial No. 10, Para No. 2.10)

9. The Committee had recommended as under:--

> **"**The Committee feel dissatisfied to note that primary objective of MGNREGA for enhancing the livelihood security of the rural household by providing minimum 100 days of guaranteed wage employment in a year to every household on demand for doing unskilled manual work has hardly been achieved in the light of the fact that out of 5.04 crore households and 4.15 crore households who were provided employment during 2011-12 and 2012-13 as low as 40.54 lakh households and 43.65 lakh respectively could get 100 days of employment. The Committee have been informed by DoRD about various steps taken like organising Rozgar Diwas at least once in every month at Gram Panchayat level for increasing awareness about MGNREGA. The Secretary, DoRD also submitted before the Committee that States are being asked to generate demand. The Ministry's contention is that objectives of MGNREGA is also to supplement the income of rural household and it is not intended to be sole means of earning livelihood for rural population and that workers are free to avail any other employment opportunities available to them. The Committee find the contention of DoRD untenable when there is huge gap between employment provided and rural household given 100 days of employment. The Committee feel that the essence of MGNREGA programme is not only to enhance the livelihood security to the rural households by providing them upto 100 days of employment but also entrusted a duty to implementing agency to generate the demand for work. The Committee therefore, feel that DoRD should take urgent steps in coordination with State Governments for providing 100 days of guaranteed employment to maximum households out of 4-5 crore households who demand work."

10. The Department in their action taken reply has stated as under:--

> "The mandate of MGNREGA is to supplement the income of the rural households by providing at least 100 days of wage employment on demand. While various measures like expanding the scope of employment by inclusion of more works in Schedule-1, increasing the administrative expenditure, grievance redressal mechanism, awareness generation etc., have been taken up by the Ministry, the responsibility of providing employment to the job seekers lie with the

respective State Government/implementing agencies, whereas the onus of demanding work lie with the job card holders. Adequate provisions are also enshrined in the Act wherein the job seekers are entitled to unemployment allowance in the event of work not being provided within the specified period. Similarly, delay in payment of wages, within the specified period is required to be compensated. These provisions in the MGNREGA, act as a deterrent to States in denying employment or in delaying payment of wages. However, the employment generation of a minimum 100 days would depend on the realistic projection of labour demand by the States and the actual demand from the job card holders."

11. While expressing their dissatisfaction over the non-achievement of primary objective of MGNREGA of providing 100 days of guaranteed wage employment in previous years i.e. 2011-12 and 2012-13 as compared to number of households who demanded wage employment under MGNREGA, the Committee had recommended the DoRD to take urgent steps in coordination with State Governments/UT Administration for providing 100 days of wage employment. In action taken reply, the DoRD, has *inter-alia* stated that responsibility for generation of demand for work in MGNREGA lies with State Governments/UT Administration whereas onus of demand for work lies with the job card holders. However, the employment generation of a minimum 100 days would depend on realistic projection of labour demand and the actual demand from State Governments.

The Committee feel that although the generation of demand for work and realistic projection of labour budgets are within the domain of State Governments/UT Administrations, yet the Central Ministry of Rural Development can play a significant role in taking up these issues at the level of Chief Ministers/Chief Administrators of different State Governments/UT Administrations by holding regular review meetings with the representatives of State Governments/UT Administrations. The Committee, therefore, reiterate their recommendation that DoRD should take urgent steps in coordination with State Governments/UTs for providing 100 days of guaranteed employment as per provisions of the Act.

III. Assessment about utility and durability of assets under MGNREGA.

Recommendation (Serial No. 12, Para No. 2.12)

12. The Committee had recommended as under:-

> “The Committee are constrained to note that there are two independent assessments available in DoRD on the issue of durability and availability of assets created under MGNREGA across the States. The Committee also find that whatever assessment about utility and durability of assets under MGNREGA has been made available to the Committee are from the few States of Andhra Pradesh, Madhya Pradesh, Rajasthan, Bihar, Gujarat and Kerala. The Committee feel that although these assessment though confirmed by NSSO, yet may not hold true in respect of other States. The Committee, therefore, recommend a nationwide assessment in this regard to be made by DoRD.”

13. The Department in their action taken reply has stated as under:-

> "Para 2 of Schedule I of MGNREGA 2005 stipulates that creation of durable assets and strengthening the livelihood resource base of the rural poor shall be an important objective of the Scheme. Effective implementation of the scheme has the potential to transform rural areas by creating durable assets that would not only enhance the livelihood security of rural poor but result in substantial infrastructural development in rural areas. While Schedule-I of the Act stipulates the permissible works that can be taken up, it was felt that there may still be doubts in the minds of the implementing agencies as to its interpretation. Accordingly the revised Operational Guidelines 2013 delineates a negative list of works under MGNREGA. It explicitly mentions that items of expenditure that are recurring in nature and/or do not lead to creation of durable assets, are not permitted under MGNREGA. A detailed negative list of such works are indicated in Para 7.3 and Appendix 2 of the guidelines. Impact of these recent revised guidelines on creation of durable assets is yet to be assessed/quantified."

14. **In the light of two independent assessments on the issue of durability and availability of assets created under MGNREGA across the States, the Committee had recommended a nationwide assessment by DoRD in this regard. In response thereto the DoRD has referred to Para 2 of Schedule I of MGNREGA, 2005 stipulating creation of durable assets and has stated that Revised Operational Guidelines explicitly mention the negative list of works under MGNREGA containing items of expenditure that do not lead to creation of durable assets and are not enlisted under MGNREGA. However, impact of these Revised Operational Guidelines on creation of durable assets is yet to be assessed/quantified. The Committee are of the strong view that efficacy of the Revised**

Guidelines for creation of durable assets under MGNREGA can be determined only through scientific assessment of durable assets created under MGNREGA. The Committee, therefore, reiterate their recommendation for having nationwide assessment of durability and availability of assets created under MGNREGA.

IV. Irregularities in PMGSY in UT of Andaman and Nicobar Islands.

Recommendation (Serial No. 17, Para No. 2.17)

15. The Committee had recommended as under:--

> "The Committee find that under PMGSY in Andaman & Nicobar Islands, the Department has cleared 18 proposals of the value of Rs. 18 crore upto December, 2012. However, Administration of Andaman & Nicobar Islands has failed to construct any road till date. The Committee also note that special audit of PMGSY works conducted by the Department has brought out many irregularities such as non-imposition of penalty for delay, non-revalidation of Performance Bank Guarantee, upward revision of cost estimates without the approval of MoRD, diversion of funds to other Departments/Sectors, non- maintenance of cash books , submission of final bills not signed by the Engineer concerned etc. The Committee has also been informed that Department is still awaiting response of Andaman & Nicobar Islands Administration on special audit report. The Committee are of strong view that irregularities under PMGSY work in A & N islands as reported the special audit are of serious nature. The Committee, therefore, recommend the Department to take the matter with the Ministry of Home Affairs to initiate steps to lodge criminal cases against those found responsible for such gross irregularities and inform the Committee accordingly. At the same time, the Committee also recommend the Department to impress upon the local administration for speedy submission of fresh proposals for construction of roads in rural areas of A & N Islands."

16. The Department in their action taken reply has stated as under:--

> "A Central Team has visited UT of Andaman & Nicobar Islands on 9-12th April, 2013 to review the implementation of PMGSY including the quality of roads. The report of the Central Team has been received and discussed with Chief Secretary of A&N Islands in the meeting held on 29th April, 2013 at New Delhi. During the meeting, the UT was impressed upon the need for completing all PMGSY roads immediately. UT was further advised to send an Action Taken Report on the report of the special audit undertaken by the Ministry.'
>
> "The Ministry *vide* their communication dated 22 November, 2013, further informed that Action Taken Report on the Report of the Special Audit is still awaited from the Union Territory. The matter has also been brought to the notice of Ministry of Home Affairs for taking follow up action."

17. **The Committee while reviewing the performance of PMGSY Scheme in UT of Andaman & Nicobar Islands had noticed various irregularities of serious nature and had recommended DoRD to**

take up the matter with the Ministry of Home Affairs to initiate steps for lodging criminal cases against those found guilty and also recommended the DoRD to impress upon local administration for expeditious submission of fresh proposals for construction of roads in rural areas of UT of Andaman & Nicobar Islands. The DoRD in their action taken reply has stated that a Central Team has visited the UT of Andaman & Nicobar Islands on this issue on 9-12th April, 2013 and the Report of the Central Team was discussed with the Chief Secretary of UT of Andaman & Nicobar Islands on 29th April, 2013, wherein UT was impressed upon the need for completing all PMGSY road works immediately and UT Administration has been advised to send an Action Taken Report on Special audit undertaken by the Ministry.

The Committee have also been informed by the Department of Rural Development that the report on Social Audit was still awaited and the matter of bringing the culprits responsible for committing irregularities of serious nature to book has been brought to the notice of the Ministry of Home Affairs for taking follow up action. The Committee expect the Department of Rural Development to apprise the Committee about the latest update in this regard.

V. Implementation of IAY.

Recommendation (Serial No. 28, Para No. 2.28)

18. The Committee had recommended as under:--

> "The Committee note that IAY beneficiary can take a loan upto Rs. 20,000/- per housing unit @ 4% per annum under differential rate of interest (DRI) Scheme. However, the Committee examination has revealed that only 26,131 beneficiaries have availed loan under DRI till date. The Committee have been informed that difficulties such as eligibility of only SC/ST category for loan under DRI, consideration of eligibility of income ceiling and land-holdings applicable to other beneficiaries of DRI being applied for IAY beneficiaries desirous of taking loan under DRI is leading to such bad performance. The Committee have also been informed that matter is being taken with Ministry of Finance/RBI for directing all banks to allow beneficiaries of IAY to avail loan facilities under DRI Scheme irrespective of income ceiling and eligibility criteria. The Committee are of view that apart from reason mentioned by the Department, failure of the Department to increase awareness about these provision of IAY is main reason for such bad performance of loan disbursal under DRI Scheme to IAY beneficiaries. The Committee, therefore, recommend the Department to

start aggressive awareness campaign for benefits available under IAY including facilities of loan in order to provide relief to large section of poor people in rural areas."

19. The Department in their action taken reply has stated as under:--

"In revised IAY guidelines new strategy has been adopted to make beneficiary aware of the Scheme and help the beneficiary in getting the loan. Following provisions have been made:-

(i) Mobilisation of DRI Loans

Nationalized Banks have been instructed by the RBI to provide loans upto Rs.20,000/ - per house at an interest rate of 4% per annum under the Differential Rate of Interest (DRI) Scheme to SC/ST beneficiaries. To ensure its implementation, the following methodology is suggested:

(a) Hold a meeting of State Level Bankers Committees (SLBC) to discuss the Scheme and take collective decision on modalities;
(b) Assign responsibilities to the DLBC as per district level targets;
(c) At the district level, bank-wise targets may be finalized according to their service area;
(d) Once the beneficiary selection is finalized, in the initial meeting of the beneficiaries, applications for DRI loan should be collected and submitted in the bank branch concerned. A functionary may be assigned the task of following up these applications.
(e) Monitoring of the sanction of DRI loans should be done at the block, district and state levels including at BLBC/DLBC/SLBC levels. At the district and state level, a senior officer should be made responsible for responding to grievances related to non-sanction of DRI loans and sort them out in consultation with the banks concerned.

(ii) Mobilisation of other loans

States may also arrange loans from banks, including cooperative banks to IAY beneficiaries, to supplement the grant assistance, in a schematic manner. The maximum amount of such loan could be Rs.50,000/- and the rate of interest could be subsidized on prompt payment. Detailed guidelines may be issued after working out the Scheme in consultation with the banks and cooperatives. Wherever such loans are provided, the beneficiaries have to be sensitized on repayment requirements and their willingness obtained.

(iii) Formulation of subsidy-linked projects availing loans from banks/financial institutions:

State Governments are free to formulate projects which would provide subsidy using IAY funds (within the amount permissible), linked to assured loans from banks including cooperative banks or financial institutions like HUDCO. For coordinating implementation, the States could use the services of organizations of repute and meet their service charges from the provision for administrative expenses and if they are not sufficient, from state funds. Such special projects need the prior approval of the Empowered Committee."

20. While noticing very less number of IAY beneficiaries availing housing loans under DRI Scheme from different Banks, the Committee had recommended the DoRD to start aggressive awareness campaign among IAY beneficiaries for availing benefits available under IAY in order to provide relief to large section of poor people in rural areas. In action taken reply the DoRD has informed that under revised IAY Guidelines new strategy has been adopted to make beneficiary aware of the Scheme for which provisions have been made for mobilization of DRI loans from Banks upto 20,000 per household at an interest rate of 4% to SCs/STs, (ii) mobilization of other loans upto 50,000 through State Governments from Banks including Cooperative Banks to IAY beneficiaries for supplementing the grant assistance and allowing State Governments to formulate subsidy linked projects for availing from Banks/Financial Institutions. In this connection the Committee desire that DoRD should monitor steps taken by different State Governments towards annual achievement of targets under the new strategy drawn up under the Revised IAY Guidelines.

VI. Finalization of BPL List.

Recommendation (Serial Nos. 29 and 30, Para Nos. 2.29 and 2.30)

21. The Committee had recommended as under:--

"The Committee note that BPL survey which was due in 2007 has been delayed and started as Socio-Economic and Caste Census (SECC 2011) on 29th June 2011 in the country in a phased manner. The Census was expected to be completed by June 2012, however, later on the Department has extended the deadline to May, 2013. The Committee note that process of enumeration which is first stage of the Survey has been completed in 98.05 percentage of enumerating Blocks in the country. The Committee also note that after the enumeration, the States/UTs would enter the claim & objection stage for publication of the final list. It is expected that for majority of States/UTs, the Final List is likely to be published by the end of September, 2013. The Committee are of view that completion of BPL survey has been inordinately delayed, which must be causing hardship to needy people of rural areas of the country. The Committee, therefore, 132 recommend the Department to make efforts with States concerned to finalise the final BPL list without any further delay so that all tendered benefits reach the BPL population."

(Recommendation Serial No. 29, Para No. 2.29)

"Identification of ineligible families in BPL list is big problem across States. The Committee note that ongoing SECC 2011 has some criterion to exclude household owning Motorized

Two/Three/Four Wheelers/Fishing boats (which require registration)/ tractors/harvester, having Kisan Credit Card with the credit limit of Rs.50,000 and above, households owning refrigerator, households owning landline phones etc. the Committee also note that some inclusion criteria has been adopted to compulsorily include deprived section such as households without shelter, destitute/living on alms, manual scavengers, Primitive Tribal Groups, legally released bonded labourers in BPL list. The Committee also note that a proposal to set up permanent BPL machinery is under consideration by the Department. This would interface with the States to ensure that only genuine BPL families are included in the list of beneficiaries eligible for various Government schemes and that those not satisfying the eligibility requirements are taken out of the list by the States on a continuous basis following transparent and equitable processes which will be set out in guidelines. The Committee has also been informed that a multi-disciplinary committee of experts with Prof. Abhijit Sen, Member, Planning Commission as Chairperson has been constituted to give their suggestions on developing an interim system for updating the existing BPL lists till SECC 2011 is finalized and updating of BPL list in future. 133The Committee are unhappy to note that the progress in finalization of BPL criteria/list has been very slow. The Committee take note of recent initiative taken by the Department to constitute such ongoing mechanism for identification of genuine poor families in BPL list. The Committee are of view that such mechanism will go a long way to address the problem of corruption in programmes for BPL families and enhance productivity of expenditure on programmes for rural development. The Committee, however, of the view that all State Government should be taken on board in initial phase itself so as to reduce time lag in establishment of such mechanism in entire country."

(Recommendation Serial No. 30, Para No. 2.30)

22. The Department in their action taken reply has stated as under:--

"The SECC is being conducted through a comprehensive programmes involving the Ministry of Rural Development, Ministry of Housing and Urban Poverty Alleviation, the Office of the Registrar General and Census Commissioners, India and State Governments. Enumeration is being done by the States/UTs with the help of an electronic handheld device (Tablet PC) supplied by Bharat Electronic Limited (BEL). BEL lead consortium of CPSUs is also providing Data Entry Operators (DEOs), other technical services in connection with software for data collection and data transfer etc. A web-based MIS is put in place to monitor the progress of SECC 2011. A series of measures have been put in place to ensure accuracy and transparency during collection of data for the SECC 2011. Instructions for filing, receiving and disposing claims and objections during the SECC 2011 have also been issued to the States/UTs. The Ministry of Rural Development has been continuously monitoring the progress of SECC with the States/UTs through regular visits, trainings and video conferencing to ensure early completion and sort out various issues with the States. States/UTs specific reviews and assessment of the progress of work was also taken up in the Performance Review Committee (PRC) meeting held on a quarterly basis. Similarly, PRC meetings were also held for the North Eastern States wherein the progress of the SECC was regularly reviewed. Based on the review and decisions taken in the Performance Review Committee, senior official from the Ministry of Rural Development visited the States having specific issues. So far, 4 video conferencing with all the States/UTs have been conducted in connection with the progress of SECC 2011. Secretary (RD) has also written to all the States Chief Secretaries advising them to adhere to the timelines and early completion of the Census in their respective State. Hon'ble Minister (RD) wrote to the Chief Minister of major states intimating them the tentative dates for 'draft list' publication and requested them to adhere to the timelines. All these efforts would result in completion of the SECC project."

(Reply to Recommendation Serial No. 29, Para No. 2.29)

"The Ministry of Rural Development constituted an Expert Group on Socio Economic and Caste Census on 28th December, 2012 under the Chairmanship of Prof. Abhijit Sen to examine the SECC indicators and the data analysis and recommend appropriate methodologies for determining classes of beneficiaries for different rural development programmes. It will consult States, Experts and Civil Society Organizations while arriving at these methodologies. The proposal to set up a permanent mechanism to act as an interface between MoRD and state governments has been referred for inter-ministerial consultation. The States will also be consulted in the matter. The Abhijet Sen Committee for suggesting a methodology for inclusion of eligible families in the existing BPL list, which recently submitted the Report has recommended that the proposal of setting up a permanent mechanism in the MoRD be implemented as early as possible."

"The Ministry *vide* their communication dated 22 November, 2013, further informed that the proposal for setting up a permanent mechanism in the Ministry of Rural Development has been further examined. As of now, it has been decided that the existing BPL unit in the Ministry which looks after the work of SECC/BPL survey will also constitute such mechanism."

(Reply to Recommendation Serial No. 30, Para No. 2.30)

23. While noting that the BPL Survey that was due in 2007 had been inordinately delayed and started as the Socio-Economic and Caste Census (SECC, 2011) that was to be completed in June, 2012 but later on the deadline was extended to May, 2013, the Committee had recommended the DoRD to make efforts in coordination with State Governments concerned to finalize the final BPL list without any further delay. The Committee had also noted that the progress in finalization of criteria for BPL list had been slow and had recommended expeditious setting up of a mechanism for identification of genuine poor in the BPL list. The Committee from the action taken reply find that number of steps have been taken by DORD both at the level of Secretary, DoRD and Hon'ble Minister for Rural Development by emphasizing for adhering to the timelines for expeditious finalization of long pending BPL list. The Committee also find that the proposal to set up a permanent mechanism to act as an interface between DoRD and State Governments has been

referred for inter-Ministerial consultation.

The Committee have also been informed by Department of Rural Development that the matter has been examined by them and a decision has been taken that existing BPL unit in Ministry which looks after the work of SECC/BPL survey will also constitute such mechanism. The Committee regret to note that inspite of stated steps the work regarding the finalization of BPL list is yet to be conclusively accomplished. They, therefore, reiterate their recommendation for expeditious finalization of BPL list at the earliest under intimation to the Committee.

VII. Restructuring of CAPART.

Recommendation (Serial No. 33, Para No. 2.33)

24. The Committee had recommended as under:--

> "On the issue of restructuring process of CAPART, the committee are dismayed to note that it has not been completed yet. The Committee have been informed that Tata Institute of Social Sciences (TISS) has been entrusted with the task of submitting a report on restructuring of CAPART. The Committee also note that inordinate delay in restructuring of CAPART has led to situation where majority of funds allocated to CAPART is being used for meeting expenses of salaries, administrative expenditure, implementation of PM Rural Development Fellow Scheme and other project related expenses. The Committee are of the view that the presence of an apex institution is necessary for promoting public cooperation, research and promotion of technologies aimed for enhancement of standard of life in rural areas. The Committee, therefore, recommend the Department to complete the process of restructuring of CAPART in time bound manner."

25. The Department of Rural Development in their action taken reply has stated as under:--

> "A Project Document outlining a detailed frame work for restructuring of CAPART was prepared by this Ministry and the Institute of Rural Management Anand (IRMA) was requested to help the Ministry in this regard. IRMA submitted its report and made a detailed presentation on the study report on "State of Organisation and Road Map of CAPART" in 54th Executive Committee meeting held on 8th December, 2010. Subsequently, IRMA conveyed their inability for taking up the assignment further. Thereafter, the Ministry decided to engage another agency viz; Tata Institute of Social Sciences (TISS), Mumbai, which may go into specific details of all aspects of the organization and its functioning and render assistance in the restructuring exercise. A draft Terms of Reference (ToR) for the consulting agency had also been finalized by the Committee constituted

under the Chairmanship of Additional Secretary (RD). The first meeting with TISS officials was held on 08.01.2013 wherein broad issues relating to Restructuring of CAPART were discussed. In March, 2013 TISS has further submitted a concept note, highlighting the proposed strategies for restructuring, and the same is under consideration."

(Reply to Recommendation Serial No. 33, Para No. 2.33)

26. Expressing dismay over non-completion of restructuring of Council for Advancement of People's Action and Rural Technology (CAPART) and finding that Tata Institute of Social Services (TISS) had been asked to submit a report on restructuring of CAPART, the Committee had recommended the DoRD to complete the process of restructuring of CAPART in a time bound manner. In action taken reply giving the update on the issue, the DoRD has informed the Committee about finalization of draft Terms of Reference (TOR) for the consulting agency, holdings of discussion on broad issues relating to restructuring with TISS officials on 8th January, 2013 and submission of concept note by TISS in March, 2013 highlighting the proposed strategies for restructuring and has stated that the same is under consideration of DoRD. In this connection the Committee, while drawing the attention of DoRD to Para No. 8 of Forty-Fourth Report of the Committee presented to the Parliament on 14 August, 2013 wherein the Committee had recommended expeditious completion of long pending restructuring of CAPART, reiterate their recommendation that DoRD should complete the restructuring process of CAPART without any further delay.

VIII. Restructuring of District Rural Development Agency (DRDAs).

Recommendation (Serial No. 34, Para No. 2.34)

27. The Committee had recommended as under:--

"On the issue of restructuring of DRDA, the Committee note that Department has analysed and accepted the report and process of consultation with States as a prelude to formulation of EFC note for restructuring of DRDA Scheme has been completed. The Committee have also been informed that EFC note has been prepared and has since been vetted by IFD. The EFC note is likely to be circulated to the concerned Ministries/ Departments of the Government of India during the 1st week of April 2013. The Committee feel that process of revamping of DRDA administration has been inordinately delayed. The Committee, therefore, recommend the Department to complete the process during the 2013 itself."

28. The Department of Rural Development in their action taken reply has stated as under:--

"An EFC Note on restructuring of DRDA Administration Scheme duly incorporating recommendations of V. Ramachandran Committee has been prepared and circulated among the concerned Ministries/Departments of the Government of India seeking their comments."

29. Taking into account the completion of consultation process with States and likely circulation of EFC note to concerned Ministries/Departments in April, 2013, the Committee while expressing their displeasure over inordinate delay in restructuring of DRDA Scheme, had recommended the DoRD to complete the process during 2013 itself. In the action taken reply the Committee find that EFC note on restructuring of DRDA Administration Scheme duly incorporating recommendations of V. Ramachandran Committee, has been prepared and circulated among the concerned Ministries/Departments of the Government of India seeking their comments. The Committee feel DoRD has taken long time in circulation of EFC note to different Ministries/Departments. The Committee, therefore, urge the DoRD to complete the revamping of DRDA scheme expeditiously.

CHAPTER II

RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation (Serial No. 1, Para No. 2.1)

The Committee note that the Demands for Grants of the Department of Rural Development (Demand No. 83) were presented to Lok Sabha on 17 March, 2013. The Demands makes a provision for Rs. 74,477.65 crore (Rs. 74,429.00 for Plan and Rs, 48.65 crore for non-plan). The allocation funds are higher by Rs. 1302.65 crore as compared to the budget provisions made during previous year vis 2012-13. The Committee endorse the same. The Committee have examined the Demands w.r.t. priorities made and utilization of funds during 11th Five Year Plan and also during 2012-13 which was the first year of the 12th Plan. The recommendations of the Committee have been set out in the succeeding paragraphs.

Reply of the Government

No action on the part of the Department.

[O. M. No. H – 11020/03/2013 – GC (P), dated: 22 July, 2013 Department of Rural Development (Ministry of Rural Development)]

Recommendation (Serial No. 2, Para No. 2.2)

The Committee note that budget for rural development ranks fifth largest of the total budget of Government of India only after Finance, Health & Family Welfare, Defence, Food & Consumer Affairs and Public Distribution. The Committee also find that allocation to agriculture ranks at distant tenth place in Central Budget. In this connection, as per DoRD the order of priority of funds for rural development in developed and developing countries have been varying degree. For instance the developed countries like USA and U.K. the order of priority of funds for rural development has been at eleventh place only after defence, health and education. Whereas almost half of EU Budget is still devoted to agriculture with support to rural development increased very recently. The Committee also find that in developed countries this has been done for ensuring good living conditions and opportunities in rural areas and also to ensure that these areas are not depopulated. On the contrary the Committee find that in developing countries in addition to agriculture the focus is on rural poverty. On the issue of inter linking rural development with agriculture in India on the pattern of EU where half of the budget is devoted to agriculture so as to prevent present day exodus of rural population to urban areas. The Committee have been informed by DoRD that based on the independent studies done by MoRD implementation of various rural development schemes like MGNREGA, PMGSY, IAY etc. by creating infrastructure, improved living conditions, have reduced out migration from villages and migration from other than distress migration leads to development. Thus the depopulation of rural areas should not be looked upon negatively in the context of developing countries like India.

The Committee while agreeing with the contention of DoRD that rural development schemes like MGNREGA, IAY, PMGSY might have checked out village migration, they do not subscribe the view of DoRD that migration other than distress migration leads to developments in the light of the fact that reportedly a large number of farmers have committed suicide in rural areas in various parts of the country due to lack of reach by the Central/State schemes intended for them. They, therefore, recommend that Central Budget for rural development should be assessed, keeping in mind budget requirements of agriculture, food security, social justice, drinking water & sanitation and empowerment of panchayats for integrated development of rural India.

Reply of the Government

The Planning Commission assesses the priorities to be accorded to various sectors and the budget outlays of the Government. The recommendation of the Committee has been brought to their notice.

[O. M. No. H – 11020/03/2013 – GC (P), dated: 22 July, 2013 Department of Rural Development (Ministry of Rural Development)]

Recommendation (Serial No. 3, Para No. 2.3)

The Committee find with dismay that there has been big gap at two levels during XIth Plan (2007-12) period. One, between funds proposed and actual allocations and two between Revised Estimates and actual expenditure. The Committee are constrained to note that the gap between funds proposed by DoRD and actual allocation has been as high as Rs. 1.36 lakh crore whereas the gap between R.E. and actual expenditure has been of huge Rs. 12,000 crore. The Committee are constrained to note that reduced outlay has badly affected the important rural development schemes of IAY and PMGSY as a result their physical targets have been lowered considerably. For instance under IAY the targets had to be lowered from 150 lakh houses to 137 lakh houses. Whereas under PMGSY targets for covering habitations as also for connecting new connectively have been brought down from the level of 86,904 habitations to 60,638 habitations and from 1.85 lakh km. of new connectivity to 1.29 lakh km.

The Committee are also constrained to find that at the end of the Plan the DoRD could not utilize as large as Rs. 12,000 crore. In this connection, the Committee recall that they in their Thirtieth Report on Demands for Grants (2012-13) of DoRD had also dealt with the issue and had recommended the DoRD for increasing financial absorption capacity for higher Twelfth Plan allocation. As a follow-up action to this, the Committee have been informed by DoRD that the process for formulation of Twelfth Plan has been started in the Planning Commission by constitution of Special Working Group to deliberate on the strategy and thrust areas and a result enhanced funds for 2013-14 have been proposed plus enhanced XIIth Outlay of Rs. 4.03 lakh crore have been budgeted under different rural development schemes and various scheme-wise measures like enlarging the scope of works under MGNREGA, starting the restructured SGSY programme under NRLM, tackling housing shortage in a big way under Rural housing by way of enhanced per unit assistance under IAY and connecting remaining habitations and strengthening existing rural roads under PMGSY II.

The Committee are, however, constrained to note that BE 2012-13 of Rs. 73,175 crore were reduced to Rs. 52,000 at R.E. stage crore mainly on account of huge unspent balances under PMGSY, IAY, Aajeevika due to slow place of expenditure for various reasons like in-adequate institutions capacity under PMGSY, essentiality of uploading Awassoft for IAY schemes and delay in transition from old SGSY to new NRLM across different States. Further, the Committee unhappy to note that out of RE of Rs. 52,000 crore, the actual expenditure was as low as Rs. 40,754 crore as on 31.01.2013. In this connection, the Committee have been informed by Secretary DoRD that expenditure may improve further as Rs. 48,217.08 crore have been released upto 26.03.2013. The Committee have also been informed that out of RE of Rs. 52,000 crore, Rs. 1357 crore was taken away by the Ministry of Finance on the ground that in last month the total expenditure of the DoRD should not exceed 15% of total budget thus DoRD was left with only Rs. 50,164 crore. The Committee observe that this trend of under-utilisation continued throughout the Eleventh Plan (2007-2012) and the first year of 12th Plan i.e. 2012-13 was not different. They therefore, recommend the that DoRD should put their house in order before blaming the Planning Commission/Ministry of Finance by ensuring uniform utilization of resources throughout the year and avoiding huge unspent balances at the end.

Reply of the Government

MGNREGA

MGNREGA is a demand driven wage-employment programme. The Act guarantees at least 100 days of employment to every rural household whose adult members demand unskilled manual work. Thus, in case of sudden rise in the labour demand, there is a legal onus on the Central Govt. to ensure adequate flow of funds to the States to execute the schemes under the Act. The legal onus to ensure sufficient funds with the State has led the Central Govt. to earmark adequate resources at the BE/RE stage under MGNREGA.

2. The Budget Estimate (BE), Revised Estimate (RE) and Central Releases made under MGNREGA during 11th Five Year Plan (2007-12) and the first two years of 12th Five Year Plan (2012-17) are depicted in the Table below.

BE/RE and Release under MGNREGA 11th and 12th Five Year Plans

(Rs. Cr.)

SN	Year	BE	RE	Central Release	Central Release as per cent to Revised Estimates (%)
1	2	3	4	5	6
1	2007-08	12,000.00	12,000.00	12,661.22	105.5%
2	2008-09	16,000.00	30,000.19	30,000.19	100.0%
3	2009-10	39,100.00	39,100.00	33,539.38	85.7%
4	2010-11	40,100.00	40,100.00	35,841.49	89.4%
5	2011-12	40,000.00	31,000.00	29,215.05	94.2%
11th Plan Total		1,47,200.00	1,52,200.19	1,41,257.33	92.8%
6	2012-13	33,000.00	30,287.00	30,274.00	99.9%
7	2013-14	33,000.00	-	18,660.40*	56.5%
1st Two Years of 12th Plan		66,000.00	-	48,934.4	74.1%
Release as on 03.06.2013					

As is observed from the above table, against an RE provision of Rs. 1, 52,200.19 cr., around 93 per cent (i.e. Rs. 1, 41,257.33 cr.) has been utilised during the 11th Plan (2007-12). The annual Central Releases as per cent to the Revised Estimates under MGNREGA is in the range between 85.7 % and 105.5 % during the 11th Plan period i.e. 2007-08 to 2011-12. The first year of 12th Five Year Plan (2012-13) witnessed 99.95% utilization of resources as projected in the Revised Estimates of Rs. 30,287 cr. Similarly, during the second year of the 12th Plan (i.e. FY 2013-14), against a BE of Rs. 33,000 cr. 56.5% have been utilised as on 03.06.2013.

PMGSY

During the 11th Plan period, the target was to cover 60,638 habitations and construction of 2,30,447 km road length, against which 45,412 habitations were covered by constructing 2,20,612 km of road length. As implementation of PMGSY is through concerned State/UT governments, the pace of implementation depends on various factors, including absorption capacity, contracting capacity and area-specific issues faced during construction/upgradation of rural roads under the programme. Funds, in accordance to programme guidelines, are released to State/UT government based on their absorption capacity and utilization of available unspent balance.

The unspent balance on 1st April, 2012 was Rs. 8,884.55 crore, which reduced to Rs. 4,761 crore as on 1st April, 2013. As per the release procedure under PMGSY guidelines, the first installment is 50% of cleared value, though these funds are not idle, as they are part of pool of Programme Funds available with SRRDAs. As such these funds are to meet the cost of all ongoing works including those nearing completion.

IAY

Total outlay in the 11th Five Year Plan (2007-2012) under Rural Housing was initially Rs.26882.21 crore, against which Rs.41997.50 crore were provided. The 11th Plan document envisaged construction of 150 lakh houses over a period of five years from 2007-2012. However, with an allocation of Rs. 26882.21 crore for total 11th Plan Period and with the prevailing financial assistance of Rs.25,000/- (plain areas) and Rs.27,500 (difficult and hilly areas), only 137 lakh houses could have been constructed as fund allocation was not according to the physical target. Further, with the increase in financial assistance twice over last four years from Rs. 25000 (plain areas) and Rs.27500 (hilly areas) to Rs. 35,000/- (Plain areas) and Rs.37500 (for hilly and difficult areas) w.e.f. 1st April, 2008 and to Rs.45,000/- in plain areas and Rs.48,500/- (for hilly and difficult areas) w.e.f. 1st April, 2010, the physical target got reduced further. Therefore, only 139.83 lakh houses were expected to be completed over 11th Plan period against target of 150 lakh houses. The initial allocation of Rs.26882.21 crore for 11th Plan actually turned out to be Rs.41977.50 crore. The physical target got further reduced as 78 Left Wing Extremism affected Districts (LWE) (35 LWE vide order dated 7-10-2010, 25 LWE vide order dated 23-5-2011 and 18 LWE vide order dated 10-4-2012) were treated as difficult areas and were made eligible for higher rate of unit assistance provided to hilly/difficult areas.

The final report of the Working Group for Rural Housing for the Twelfth Five Year Plan was submitted to the Planning Commission on 13-10-2011. The Working Group had proposed to enhance unit assistance for house construction under IAY to Rs.75,000/- and had proposed that unit assistance be enhanced incrementally each year to absorb escalation in cost of material and labour.

The issue of enhancement of allocation for Indira Awaas Yojana for the 12th Five Year Plan was placed before the Planning Commission. The budget proposed for the year 2012-13 i.e. the first year of 12th Five Year Plan was Rs.25869.90 crore (as grant for 15 million houses and subsidy for 5 million houses). However, against this, Planning Commission had allocated Rs.11075 crore for Indira Awaas Yojana which was further reduced to Rs. 9024.00 crore at R.E. stage. The unit assistance for IAY has also been enhanced from Rs. 45,000/- to Rs.70,000/-(plain areas) and Rs.48,500/- to Rs.75,000/- (hilly, difficult, IAP areas).

As regards unspent balances under IAY, during the year 2012-13 an amount of Rs.4646.98 crore has been lying as unspent balance with the States and UTs (upto December 31, 2012). This is mainly due to release of funds in the third quarter of 2012-13 (Rs.546.46 crore) and special package sanctioned to the states amounting to Rs.1157.93 crores as well as slow implementation of the programme in many districts.

The release of funds under IAY are linked to stages of construction of house. IAY beneficiaries are provided assistance in three instalments by the District Administration. The construction of houses in IAY usually spill over to next financial year.

In order to reduce the unspent balances and to ensure timely disbursement and sound financial management, Ministry has been constantly pursuing with the State Governments and DRDA Administration to minimize the unspent balances through Performance Review Committee Meetings, State Coordinating Officers Meetings from time to time. To ensure that States incur expenditure on the scheme efficiently and timely during the year, there is provision of deduction, if more than 10% of the available funds are carried forward. However, such deductions are restored when performance improves. It is expected that the allocations will be fully utilized during the current financial year.

SGSY/NRLM

As already submitted before the committee, during 2012-2013, most states were in the process of meeting the transition conditions for transiting to Aajeevika. while there has been considerable progress in this respect in the States, the institution building process under Aajeevika, i.e. formation of SHGs of rural poor women, has just been initiated in most states in the selected first phase blocks. Therefore, expenditures in most States remained low and, as a result, off-take of funds from the Centre remained low. This Department is taking all steps to build the capacities of the States for programme implementation. For the purpose, the National Mission Management Unit (NMMU) has been set up at the Central level which is staffed with qualified professionals and their mandate is to help build the capacities of the State teams along with providing need-based technical assistance to them.

[O. M. No. H – 11020/03/2013 – GC (P), dated: 22 July, 2013 Department of Rural Development (Ministry of Rural Development)]

Recommendation (Serial No. 4, Para No. 2.4)

The Committee are constrained to note the scheme wise short comings identified in Mid-Term Review of Eleventh Plan (2007-2012) *inter-alia* pertain to urgency for a clear set of Guidelines for using 6% administrative cost, deployment of cluster approach, strengthening of IT system, Technical support of better convergence etc. under MGNREGA, restructuring of SGSY under NRLM, addressing housing shortage under IAY, e-procurement under PMGSY etc. have not been addressed in toto. In this connection, the DoRD have tried to convince the Committee that various steps like issuing of instructions for setting up of Ombudsman for bringing transparency, notification of rules for social audit, recommending States to appoint Panchayat personnel from 6% of administrative cost, adoption of integrated approach for convergence mechanisms, enhancing per unit assistance under IAY, increasing the contracting capacity of the contractors, simplification of forest clearance etc. under PMGSY have been outlined.

Keeping in view, the vast and diverse country with large regional disparities in term of development would depend to a great extent on the institutional capacities of State Governments being the implementing agencies. The Committee, therefore, feel that DoRD cannot shy away their primary responsibility of persuading and guiding the State Governments to move on scheme-wise findings of Mid Term Review of Eleventh Plan. The Committee expect the DoRD to take up these issues with State Governments more seriously so that these are adequately addressed.

Reply of the Government

MGNREGA

'MGNREGA Operational Guidelines, 2013' have been issued to State Governments which consolidates all relevant instructions for effective implementation of the scheme. Para 12.5 of the guidelines provides in detail the expenses of activities that are permissible under the 6% administrative expenses the States can incur. It also provides list of items whose expenses are not allowed to be met from administrative expenses under any condition. Para 4.2.3 of the guidelines stipulates the constitution of Cluster Facilitation Team (CFT) to serve cluster of Gram Panchayats. Each cluster would cover around 15,000 job cards or an area of about 15000 ha. and would have four experts namely, community mobilization, soil and moisture conservation, agriculture and allied and MIS & ICT.

ICT facilities in GPs is one of the permissible activities under the Administrative expense. In all relevant chapters of the Guidelines, work flow has been provided explaining methods for data entry in MIS. The Guidelines also has a dedicated chapter on MIS (Chapter 11) providing illustration of all required details. The chapter on "Framework for Convergence between MGNREGA and other Programmes" discuss in detail modes of convergence, operationalizing convergence, modalities for convergence, maintenance of accounts in convergence projects etc.

PMGSY

The approved outlay for PMGSY during the 12th Five Year Plan is Rs. 1,05,000 crore. The BE for the current financial year 2013-14 is Rs. 21,700 crore, out of which Rs. 4,000 crore has been earmarked for PMGSY-II to upgrade the existing road network during the year. Letters have also been sent by Hon'ble Minister of Rural Development to Hon'ble Chief Ministers of States indicating their absorption capacity with an urge to improve the pace of implementation of PMGSY in difficult terrains. The Annual Allocation for 2013-14 has been shared in advance by Ministry and also discussed in the presence of Planning Commission in the beginning of the financial year with State/UT governments. Further, as advised by the Committee, it is to submit that National Rural Roads Development Agency (NRRDA) is also focusing on Capacity Building with a target to provide training to at least 1,200 personnel of SRRDAs/PIUs and other functionaries and contractors each year to enhance the capacity of personnel involved in execution of the programme.

<u>IAY</u>

The findings of the Mid Term appraisal of the 11th Plan of IAY scheme were discussed in the various fora with the State Governments /UT administration. In order to strengthen the implementation capacity of the State/District administration, 4% funds have been provided from 2013-14 to meet the administrative expenditure. As per the recommendation of the MTA, unit assistance has been enhanced w.e.f. 1-04-2013, convergence with Nirmal Bharat Abhiyan (NBA) has been ensured for construction of toilets with IAY houses. A joint circular has been issued by the Ministry of Drinking Water & Sanitation and M/o Rural Development on 16-05-2013.

<u>SGSY/NRLM</u>

Based on the findings of the mid-term review and recommendations of various committees including the steering committee of the Planning commission, the Swarnjyanti Gram Swarozgar Yojana(SGSY) has been restructured as Aajeevika. Aajeevika has been designed to address the shortcomings of SGSY. Several workshops have been organized for all the State personnel involved in Aajeevika implementation for their induction into the basics of Aajeevika. Besides, the State teams have been advised to visit the best practice sites in a few States for first hand understanding of the programme implementation. Most State teams have already undertaken such immersion in the best practice sites.

[O. M. No. H – 11020/03/2013 – GC (P), dated: 22 July, 2013 Department of Rural Development (Ministry of Rural Development)]

Recommendation (Serial No. 5, Para No. 2.5)

The Committee note with dismay that like Eleventh Plan the DoRD could not get the level of funds proposed by DoRD for Twelfth Plan (2012-17) period. In this connection, the Committee are constrained to note that as against the proposed outlay of DoRD of Rs. 8.21 lakh crore the outlay as communicated by the Planning Commission to DoRD is as low as Rs. 4.03 lakh crore. The Committee also find that reduced level of fund according to DoRD may not be adequate to achieve the targets proposed for different schemes for Twelfth Plan period. In this context the Committee find that Twelfth Plan document lays emphasis on reversing the observed deceleration to growth by generation of higher revenue necessary for funding rural development schemes like MGNERGA, PMGSY etc. for inclusive growth.

However, the Committee note with dismay that the first year of the Twelfth Plan i.e. 2012-13 has experienced a severe reduction of Rs. 20,000 crore of RE stage reflecting a reduction of as high as Rs. 14000 crore under PMGSY, Rs. 3613 crore under MGNREGA, Rs. 2051 crore under IAY and Rs. 1315 crore under NRLM programmes.

The Committee also note that allocation for 2014-15, 2015-16 and 2015-17 for DoRD are to be made in consultation with the Planning Commission. The Committee trust that the Planning Commission would replenish the above huge reduction in subsequent years of the current Plan so that targets under different schemes are not lowered subsequently and the plan funds allocation of Rs. 4.03 lakh for 12th Plan is not subject to reduction at any cost.

Reply of the Government

DoRD would take up the matter with Planning Commission at the appropriate time for allocation of 2014-15 etc.

[O. M. No. H – 11020/03/2013 – GC (P), dated: 22 July, 2013 Department of Rural Development (Ministry of Rural Development)]

Recommendation (Serial No. 6, Para No. 2.6)

The Committee note that out of the total XIIth Plan (2012-2017) outlay of Rs. 1.63 lakh crore for MGNREGA in the first two years of the Plan i.e. 2012-13 and 2013-14 a total of 0.66 lakh crore have been made available to DoRD and the Committee have been informed that DoRD is hopeful of getting the remaining outlay in remaining three years of the current Plan. In this connection, the Committee are constrained to find that during 2011-12 i.e. the terminal year of XI Plan (2007-12) the outlay for MGNREGA was Rs. 40,000 crore and which during 2012-13 i.e. first year of XIIth Plan was reduced to Rs. 33,000 crore indicating a steep reduction of Rs. 7000 crore. The Committee note that for the next 3 years also the level of funds would remain in the range of Rs. 30,000 crore to Rs. 35,000 crore. Considering the annual revision in wages and stagnant budget the number of days/beneficiaries is likely to go down substantially. The Committee, therefore, would like the DoRD to look into this aspect and seek enhanced budget in keeping view the objectives of the scheme.

Reply of the Government

MGNREGA is a demand driven programme and no targets are fixed. The outlay projected for MGNREGA depends on the projected likely labour demand in the states and the trend observed during the preceding years. The States are legally bound to provide 100 days of wage employment on demand in a financial year to the willing adult members of the rural households and funds are released accordingly. Keeping in view the low absorption capacity due to less labour demand in States/UTs, the BE of 2011-12 (Rs 40,000 cr.) was revised to Rs.31,000 cr. during RE stage of budgetary process. The BE and RE of MGNREGA in FY 2012-13 – the first year of 12th Five Year Plan, were Rs.33000.00 cr. and Rs.29387.00 cr. respectively. Peak labour demand during last quarter of 2012-13 led to further revision of the allocation to Rs.30287.00 cr. The BE for 2013-14 under MGNREGA is Rs.33,000 cr. Since the demand driven programme of MGNREGA is backed by legislation and the Government is committed to provide funds as per labour demand, Ministry is hopeful of getting adequate funds in remaining three years of the current Plan period. The requirement of funds for remaining 3 years of the X1Ith Plan period will be assessed at the time of submission of annual plans each year and requirement of funds will be revised, if needed.

[O. M. No. H – 11020/03/2013 – GC (P), dated: 22 July, 2013 Department of Rural Development (Ministry of Rural Development)]

Recommendation (Serial No. 7, Para No. 2.7)

The Committee are constrained to note that no updated data is available with DoRD for reporting releases and actual expenditure under MGNREGA and there is a time lag of one and half month. As a result the status of releases and expenditure has underwent significant change from the figures earlier submitted before the Committee. The Committee, therefore, recommend the DoRD to strengthen its MIS programme so that updated figures are made available.

Reply of the Government

Para 13(a) of Schedule-I of the Act stipulates that all information relating to the implementation of MGNREGA shall be pro-actively put in public domain. Data as captured in MIS of MGNGEGA is uploaded by the respective States/UTs. While releasing of central share of funds, the Ministry examines Utilisation Certificates (UC) as submitted by the States/UTs concerned and information on physical progress in terms of employment generated, advance projection of labour demand etc. The data reflected in UCs as submitted by the States/UTs are compared with the data as uploaded in the MIS. In cases of substantial difference in two data sets, advisories are issued to the State Governments/UTs concerned. Lack of connectivity (IT) and poor supply of electricity in remote areas restricts MIS data entry. However, the Ministry in the revised Operational Guidelines 2013 has provided detailed process and procedures on MIS to ensure timely and correct data entry in to NREGA soft.

[O. M. No. H – 11020/03/2013 – GC (P), dated: 22 July, 2013 Department of Rural Development (Ministry of Rural Development)]

Recommendation (Serial No. 9, Para No. 2.9)

The Committee find that as against the cumulative number of jobs cards of 12.38 crore and 12.58 during 2011-12 and 2012-13 as low as 5.09 crore and 4.19 crore rural household demanded employment and further as low as 5.04 crore and 4.15 crore of rural household were given employment. The Committee have been informed by DoRD that this decline may not necessarily be bad indicator as it may suggest that MGNREGA beneficiaries might have moved away from the scheme and as per MIS data around 50% of beneficiaries from SCs; STs, BPL or beneficiaries of land reform or IAY, small and Marginal Farmers (SMF) have not sought employment under MGNREGA because of work on their land as a result of land development under MGNREGA by reason of enlarging the scope of work in Schedule 1, Paragraph No.1 of MGNREGA notification dated 22nd July, 2009 to provide for irrigation facility, horticulture plantation, land development, belonging to SCs, STs, BPL, beneficiaries and land reforms, or beneficiaries under IAY. The Committee are not convinced of the reasons for low level of employment given. Since the scheme has been enlarged to cover works of other areas like Railways and its convergence to other rural schemes like IAY, construction of roads, agriculture, the Committee expect that this number should rise substantially.

Reply of the Government

The cumulative number of job cards issued, as reported by the states during 2012-13, has since increased to 12.70 crore, whereas the number of rural households provided employment has increased to 4.93 crore as reported by the States/UTs, against a demand from 5.10 crore rural households. The figures are likely to go up when the final figures are captured. The MGNREGA is a self-selecting wage employment programme with high participation from marginalized groups including women, Scheduled Castes (SCs) and Scheduled Tribes (STs). While lack of robust demand management system under MGNREGA has an adverse impact on the prospective workers to turn to MGNREGA works, the decline in the demand of rural households under the scheme could be due to a myriad of factors external to programme management viz. available alternative and remunerative employment opportunities outside MGNREGA, rainfall pattern, prevailing unskilled wage rate in rural, semi-urban/urban areas, better connectivity to semi-urban/peri-urban/urban areas, distance of the offered workplace from their dwelling, preference for a particular work etc.

[O. M. No. H – 11020/03/2013 – GC (P), dated: 22 July, 2013 Department of Rural Development (Ministry of Rural Development)]

Recommendation (Serial No. 13, Para No. 2.13)

The Committee's examination has revealed even though convergence of MGNREGA with other Schemes was set in motion after issue of convergence Guidelines in 2005 by DoRD and then subsequently amended in 2011 not much progress has been made in this regard. In this connection, from the State-wise details regarding number of works under convergence on-going and completed the Committee find that whatever progress that has done is only in few States of Uttar Pradesh, Karnataka, Madhya Pradesh, Rajasthan and Odisha. The Committee also find that a token activity is visible in a few more States of Maharashtra, Sikkim, West Bengal, Andaman & Nicobar, Assam, etc. They, therefore, desire convergence of MGNREGA with other schemes should be done in big way particularly when most of convergence is to be done under different schemes of MoRD and MoDWS, so that it does not remain on paper only.

Reply of the Government

In the year 2009, the Ministry developed and disseminated convergence guidelines with different Schemes and specific programmes viz., Indian Council of Agricultural Research, National Afforestation Programme and other schemes of the Ministry of Environment & Forest, Schemes of the Ministry of Water Resources, PMGSY (Department of Rural Development), SGSY (Department of Rural Development), Watershed Development Programmes (Department of Land Resources, Ministry of Rural Development) and schemes of Ministry of Agriculture. In the year 2011 Ministry vide notification dated 30. 9.2011 made amendment in the schedule to MGNREG Act about access to sanitation facilities in convergence with the Total Sanitation Campaign of the Ministry of Drinking water and Sanitation. Recently on 13th June 2013 Ministry of Rural Development has issued an advisory for better convergence between MGNREGA and schemes of Ministry of Agriculture. In the Operational Guideline, 2013 a separate chapter on the intersectoral convergence is added.

In the last three years after issue of convergence guidelines between MGNREGA and different programmes like Watershed Programmes, National Agriculture Development Programme (Rashtriya Krishi Vikas Yojana), National Horticulture Mission, Scheme of Artificial Recharge of Ground Water through Dug well and Backward Region Grant Fund has brought in synergies between different government programmes/schemes in terms of planning, process and implementation. Convergence also helps in creation of durable assets.

Different good practice model were documented and professional institutions were engaged by the Ministry to monitor the convergence initiative by different ministries. Ministry of Rural Development reviews the convergence initiatives during internal review meeting with other partner Ministries and also during the performance review meeting with the State Rural Development secretaries. Ministry engages NIRD/SIRD for training and capacity building for planning with convergence of difference schemes. Ministry has advised state governments to update data on convergence project on online (MIS). Details of the number of works taken up under convergence are indicated as under:

Number of works under convergence with MGNREGA

No	Year	Number of works under convergence with MGNREGA	Number of completed convergence projects	Number of ongoing convergence projects
1	2010-11	2931	450	2481
2	2011-12	16021	7820	8201
3	2012-13	77239	15143	62096
4	2013-14	67511	745	66766

The details of Individual Household Latrines (IHHL) taken up through convergence between MGNREGA and Nirmal Bharat Abhiyan (NBA) of Ministry of Drinking water and sanitation is as follows:

Number of Rural Sanitation works

Sl. No.	State	Rural Sanitation works taken up since 2012-13	
		No. of Works started	Completed works
1	ANDHRA PRADESH	1062185	17742
2	ARUNACHAL PRADESH	9	0
3	ASSAM	504	77
4	BIHAR	15	0
5	CHHATTISGARH	2723	229
6	GUJARAT	5186	1741
7	HARYANA	966	495
8	HIMACHAL PRADESH	458	119
9	JAMMU AND KASHMIR	2988	735
10	JHARKHAND	174	8
11	KARNATAKA	74880	15883
12	KERALA	361	122
13	MADHYA PRADESH	47497	7683
14	MAHARASHTRA	12830	1915
15	MANIPUR	239	214
16	ODISHA	818	76
17	PUNJAB	35	0
18	RAJASTHAN	17318	1014

19	TAMIL NADU	2095	1515
20	TRIPURA	960	706
21	UTTAR PRADESH	155751	20427
22	UTTARAKHAND	395	147
23	WEST BENGAL	20	1
24	ANDAMAN AND NICOBAR	6	0
	Total	1388413	70849

[O. M. No. H – 11020/03/2013 – GC (P), dated: 22 July, 2013 Department of Rural Development (Ministry of Rural Development)]

Recommendation (Serial No. 14, Para No. 2.14)

The Committee find that demand to revise the limit of 100 days or more under MGNREGA has often been raised by beneficiaries in different States. The Committee note that there was no such specific proposal under consideration by the Department to revise the limit of 100 days of employment per household to 150 days or more under MGNREGA. The Committee also note that in accordance with section 22 of MGNREGA 2005, the Central Government had decided to fund additional 50 days of employment upon completion of 100 days of employment to households registered in drought affected Talukas/Blocks as notified by the State Governments during 2012-13. This special dispensation terminates w.e.f. 31.03.2013. The Committee are of view that genuine demand of beneficiaries for additional employment under MGNREGA in poverty stricken and backward areas of the country should be given compassionate consideration. The Committee, therefore, recommend the Department to use provision of section 22 of MGNREGA 2005 liberally to allow demand for additional employment under MGNREGA as and when required to address the problem of hunger and destitute in rural areas of the country.

Reply of the Government

The representations received in this regard were examined in totality considering the trend of employment generation in the country since inception of the scheme. Since the average number of persondays of employment generated per household in the country had been below 50 days during the preceding 3 years, there is no adequate justification for the Government to move any such proposal for the present. However, the Act has inherent provision under Section 3(4) read with Section 22 of the Act to increase the mandated 100 days of wage employment in any such eventuality.

[O. M. No. H – 11020/03/2013 – GC (P), dated: 22 July, 2013 Department of Rural Development (Ministry of Rural Development)]

Recommendation (Serial No. 15, Para No. 2.15)

The Committee note that Outlay for PMGSY during XIIth Plan (2012-2017) is Rs. 1.05 lakh crore out of which the outlay for first two years of current Plan is only Rs. 45,700 crore. The Committee also note that during 2012-13, outlay for PMGSY has been reduced to Rs. 8884.66 crore as compared to BE of Rs. 24,000 crore. The Committee have also been informed that implementing agencies in States/UTs have been able to utilize Rs.6472.86 crore till 28.02.2013. The Committee find that issues such as availability of unspent balance of Rs. 8,885 crore of previous financial years and slow pace of implementation has led to huge reduction of funds to PMGSY at RE stage. The Committee is aware that apart from budgetary support and cess on High Speed Diesel, loan from Asian Development Bank, World Bank and NABARD are current source of funding of PMGSY. The Committee are of view that the Department is not following policy of prudent financial management while forecasting need of funds for PMGSY that might led to borrowing more funds from external sources. The Department, therefore, recommend the Department to assess expenditure pattern of States/UTs, capacities of implementing agencies etc. before finalizing proposal for funds for next financial year.

Reply of the Government

It is informed that the approved outlay for PMGSY for the 12^{th} Five Year Plan is Rs. 1,05,000 crore. The BE for the current Financial Year 2013-14 is Rs. 21,700 crore, out of which Rs. 4,000 crore have been earmarked for PMGSY-II for upgradation of existing road network and Rs. 4,447.05 crore is earmarked for repayment of Principal and Interest amount due against NABARD loan. As the Advisory of 12^{th} June, 2009 has been revised on 19^{th} July, 2012 accordingly, it has been decided to consider proposals of upgradation in respect of those States where New Connectivity proposals are largely sanctioned. The Ministry is likely to receive more proposals for upgradation from the States/UTs during the current Financial Year. The project proposals amounting to Rs. 27,014 crore have been sanctioned by the Ministry during last Financial Year 2012-13. Annual Allocation for 2013-14 has also been communicated to the States and discussed during the Annual Plan discussion jointly organized by this Ministry and Planning Commission on 5^{th} April, 2013. A letter has also been sent by Hon'ble Minister of Rural Development to Chief Ministers of all the States to indicate their absorption capacity and improve the pace of implementation of PMGSY. Further, as advised by the Committee, it is to inform that the Result Framework Document (RFD) 2013-14 has a component of Capacity Building with a target to provide training to 1,200 personnel of SRRDAs/PIUs and other functionaries and contractors to enhance the capacity of personnel involved in execution of programme. However, taking into consideration the absorption capacity of States/UTs and other commitments i.e. launch of PMGSY-II and repayment against NABARD loan, it was assessed by the Programme Division that an allocation of Rs. 17,000 crore would be sufficient for the current Financial Year 2013-14.

[O. M. No. H – 11020/03/2013 – GC (P), dated: 22 July, 2013 Department of Rural Development (Ministry of Rural Development)]

Recommendation (Serial No. 16, Para No. 2.16)

Speedy construction of roads under PMGSY is vital for providing critical link for rural communities to access markets, education, health and other facilities. The Committee note that only 80,577 habitations have been connected out of eligible 1,27,708 habitations of population 500 and above (as per 2001 census) till February, 2013. The Committee also note that pace of construction of roads in States such as Andhra Pradesh, Assam, Bihar, Jharkhand and Madhya Pradesh is very slow. The Committee find that inadequate implementation capacities, non-availability of construction material, limited contractual capacities, inadequate institutional capacities, law & order problem in LWEs Districts, delay in obtaining forest clearance etc. has been cited as reason for slow pace of construction of roads under PMGSY. The Committee are of view that some of the problems such as non-availability of construction material, limited contractual capacities, inadequate institutional capacities etc. could be assessed and steps could be taken to solve these while planning for construction of roads. The Committee are also of the view that National Rural Roads Development agencies and State Rural Roads Development agencies which aremandated for scrutiny of project proposals and human resources development under the project may be delegated the responsibility for assessing these difficulties in advance and suggest ways for overcoming these. The Committee, therefore, recommend the Department to direct NRDDA and SRDDA through State Concerned for making efforts for devising better projects planning & implementing mechanism for construction of roads utilizing locally available materials. At the same time, they may take initiatives to start training programmes in order to encourage young professionals to become entrepreneurs in the field of construction of roads. The Committee hope that these initiatives will go a long way not only to enhance speed of construction of roads under PMGSY but also help the country to maintain these roads in years to come.

Reply of the Government

It is informed that the Execution Capacity of the States are worked out and discussed in the Regional Review Meetings and Empowered Committee Meetings of the States. The States are requested to increase the execution capacity and to use the local materials available in the State. Training is also being imparted to Contractors and their staff. These steps are being followed in the States as these are the implementing agencies of PMGSY; and are regularly being monitored by NRRDA.

[O. M. No. H – 11020/03/2013 – GC (P), dated: 22 July, 2013 Department of Rural Development (Ministry of Rural Development)]

Recommendation (Serial No. 18, Para No. 2.18)

The Committee note that Rs. 8,000 crore has been allocated during 2012-13 and 2013-14 for NRLM-Ajeevika out of Rs. 29,000 crore approved for XIIth Plan period. The committee also note that allocation for 2012-13 has been reduced to Rs. 2600 crore as compared to approved outlay of Rs. 3915 crore. The Committee find that the implementing agencies in States/UTs have been able to uilise Rs. 1765.85 crore (upto January 2013). The Committee have been informed that as implementation of NRLM-Ajeevika is being done in phased manner, States/UTs are in process to put in place necessary administrative, financial and training mechanism for smooth implementation of the Programme. The Committee have also been informed that momentum of implementation will now pick up and expenditures will rise substantially over the next two years as 19 States accounting for more than 95% of the NRLM budget have transited to the Mission and have undertaken recruitment for their State units and first phase District and sub-District units. The Committee are of view that smooth implementation of NRLM- Ajeevika is key to encourage rural entrepreneurship. The Committee, therefore recommend the Department to make adequate provision for funds in next financial year based upon demand and preparedness of States for implementation of NRLM- Ajeevika.

Reply of the Government

For 2013-14, an allocation of Rs. 4000 crores has been made for NRLM- Aajeevika, after making a careful assessment of the requirements of the States, based on their level of preparedness. An assessment of the physical and financial performance of the States will be made in the middle of the year and, if required, more funds will be sought through supplementary Demands for Grants.

[O. M. No. H – 11020/03/2013 – GC (P), dated: 22 July, 2013 Department of Rural Development (Ministry of Rural Development)]

Recommendation (Serial No. 19, Para No. 2.19)

The implementation of NRLM- Ajeevika is being done in phased manner which involve setting of State societies, identification of intensive District/Blocks, submission of State project implementation programme, submission of Annual Action Plan, establishment of SHGs federation at different level etc. The Committee note that most of the States have completed the process of recruitment of full time State Mission Management Units core team, Identification of Intensive Districts/blocks completed, approval of Annual Action Plan, approval for recruitment of staff for SPMUs and intensive DPMUs and BPMUs and Identification of Resource Blocks. However, process of preparation and submission of State project implementation programme and signing of MoU with resource organisation have been completed in very few States. The Committee also note that many States such as Himachal Pradesh, Uttarakhand, Nagaland, Manipur, Sikkim, Arunachal Pradesh, Tripura, Uttar Pradesh, Goa are still lagging behind to establish necessary mechanism for implementation of NRLM- Ajeevika. The Committee are satisfied to note the progress made in States towards implementation of NRLM- Ajeevika. However, pace of establishing of necessary mechanism in laggard Sates required to be enhanced in order to benefit people of rural areas of these Sates. The Committee, therefore, recommend the Department to take the issue with states concerned to establish necessary mechanism for smooth implementation of NRLM- Ajeevika.

Reply of the Government

All efforts are being made to support the laggard States to establish necessary mechanism for smooth implementation of Aajeevika. It is expected that all the remaining States will transit to NRLM within this Financial Year.

[O. M. No. H – 11020/03/2013 – GC (P), dated: 22 July, 2013 Department of Rural Development (Ministry of Rural Development)]

Recommendation (Serial No. 20, Para No. 2.20)

Establishment of SHGs federations at different levels is stated objective of Ajeevika-NRLM. The Committee note that the process of formation of SHGs federation has not been started under Ajeevika-NRLM. However, SHGs federations have been formed under the rural livelihoods programmes implemented by State Governments in Andhra Pradesh, Tamilnadu, Kerala, Bihar and Odisha. The Committee have been informed that federations are the next level institutions of the poor and can be formed only after a substantial number of primary institutions, i.e. SHGs have been formed and have attained a certain level of maturity. The Committee are astonished to know that Department has not been able to encourage establishment of sufficient number of SHGs in different States even after implementation of Swarnjayanti Grammeen Swarojgar Yojna (SGSY) since 1999 which has been pre-cursor of NRLM-Ajeevika. The Committee are of view that existence of federation at the grass root level i.e. village and Block level is pre-requisite for promoting and making SHGs financially viable. The Committee, therefore, recommend the Department to take all necessary steps to encourage States to establish SHGs federation at different level as proposed under NRLM- Ajeevika.

Reply of the Government

As per the figures reported by the States under SGSY, more than 44.31 lakh SHGs have been formed under Swarnjayanti Gram Swarojgar Yojana (SGSY) since 1999. However, it is not known how many of the SHGs formed are still functional. SGSY had certain shortcomings like lack of sufficient and professional manpower for implementing the programme leading to practically no long term handholding of the SHGs, lack of focus on the programme by States etc. Due to these shortcomings, many SHGs became defunct or were not of good quality. Under NRLM, it is proposed to do a mapping of the existing SHGs, and wherever possible, strengthen them through long term handholding by NRLM professionals and thereby ensure their effectiveness and sustainability. Once sufficient number of good quality SHGs are available, they will be federated at village level initially and subsequently at higher levels. Forming institutions of the poor, including federations of the SHGs at various levels, is the key focus area of NRLM. Federations are expected to play a major role in the community in terms of financial intermediation on behalf of its members and also provide voice and space to the rural poor women. Hence all states will be encouraged to ensure that federations of SHGs at various levels are formed in the States.

[O. M. No. H – 11020/03/2013 – GC (P), dated: 22 July, 2013 Department of Rural Development (Ministry of Rural Development)]

Recommendation (Serial No. 21, Para No. 2.21)

The Committee note that establishment of Rural Self Employment Training Institutes (RSETIs) in every District of the Country is stated objective of NRLM-Ajeevika. The Committee find that 535 RSETIs have been established out of 608 Districts of the country till date. Out of these 535 RSETIs, 319 have been established by banks and rest 216 RSETIs have established by MoRD grant. The Committee also note that 5.47 lakh beneficiaries has been trained by these RSETIs during the period of 2010 to 2013. The Committee are of opinion that establishment of RSETIs will go a long way to professionalise training under NRLM-Ajeevika. The Committee, therefore, recommend the Department to constitute RSETIs in States where these have not been set up. The Committee also recommend the Department to enhance target of training of rural youth by RSETIs. The Committee may be apprised about the steps taken in this regard.

Reply of the Government

The recommendations of the Committee have been noted for compliance. As on 31.3.2013, 565 Rural Self Employment Training Institutes (RSETIs) have started functioning in the country. During the year 2013-14 an enhanced training target of 2,55,200 has been fixed for the RSETIs. It is also planned to focus on settlement of candidates with bank linkages.

[O. M. No. H – 11020/03/2013 – GC (P), dated: 22 July, 2013 Department of Rural Development (Ministry of Rural Development)]

Recommendation (Serial No. 22, Para No. 2.22)

The Committee note that 5% of the Central allocation under Aajeevika is earmarked for innovations which have the potential for reaching out specifically to the poorest or for reaching out to the largest number of poor and having maximum impact with limited resources. The Committee have been informed that no funds have been earmarked for innovations under NRLM during the last two years and Rs. 67.39 crore have been utilized for innovations for innovation projects in 13 States and one multi-State project during the period of 2010-13. The Committee are astonished to know that the Department has incurred expenditure on projects for innovations despite not earmarking funds for the same. The Committee would like to be apprised of the exact situation on this anomaly. At the same time, the Committee also recommend the Department to encourage the reputed organisations working in field of rural development for submitting proposal under innovation component of Ajeevika.

Reply of the Government

This Ministry released Rs. 67.39 crores towards Central share in respect of Special Projects (Innovative) which were sanctioned under Swaranjayanti Gram Swarojgar Yojana (SGSY). SGSY has been restructured into National Rural Livelihoods Mission (NRLM) and 5% of total allocation under NRLM is earmarked for Innovative projects. This Ministry is finalizing/formulating the Guidelines for the projects to be considered under innovative theme keeping in view the aims and objectives of NRLM. The projects under Innovative component will be invited after the finalization of Guidelines.

[O. M. No. H – 11020/03/2013 – GC (P), dated: 22 July, 2013 Department of Rural Development (Ministry of Rural Development)]

Recommendation (Serial No. 23, Para No. 2.23)

The Committee note that "Mahila Kisan Sashaktikaran Pariyojana" (MKSP) as a sub component of the Aajeevika is being implemented to meet the specific needs of women farmers and achieve socio-economic and technical empowerment of rural women farmers. The Committee note that 47 projects under MKSP from the States of Andhra Pradesh, Assam, Bihar, Kerala, Madhya Pradesh, Karnataka, Maharashtra, Odisha, Rajasthan, Himachal Pradesh, Gujarat West Bengal including one multi State project from Central Silk Board has been sanctioned by the Department. The Committee have been informed that 33 projects covering 22, 38,700 women farmers under MKSP are being implemented in 7 States with total project cost of Rs. 573.47 crore. The Committee are of view that encouragement to women farmers is urgent necessity for their empowerment and MKSP is a good step towards that goal. However, there is need to enhance number of projects under the scheme. The Committee, therefore, recommend the Department to enhance awareness towards this critical component of NRLM- Ajeevika and encourage rural women SHGs and reputed organizations to submit more proposals.

Reply of the Government

All States are being encouraged to submit proposals for funding through MKSP component. The Ministry has already organized three workshops at regional levels and proposes to organize more, particularly in the North East region in order to familiarize the States and likely MKSP partners with the concept of MKSP and to support them in project formulation. In fact, the States are now being encouraged to undertake MKSP projects through the State Rural Livelihoods Missions (SRLMs) for which they are required to formulate their Action plan for funding support by MoRD. This will enable larger number of projects to be taken up in the country and hence larger coverage of women farmers.

[O. M. No. H – 11020/03/2013 – GC (P), dated: 22 July, 2013 Department of Rural Development (Ministry of Rural Development)]

Recommendation (Serial No. 24, Para No. 2.24)

The Committee note that 100% central assistance scheme "Himayat" has been launched in Jammu & Kashmir for Skill Empowerment and Employment of youth. It envisages covering one lakh youth from rural & urban areas during 2011-16s. It will cover all youth with diverse education background i.e school dropout, under graduate etc. 70% of the funds will be utilized for skilled wage employment and remaining 30% for self employment. The Committee find that 7793 beneficiaries have been trained till 31.01.2013 under the scheme against the target of 9000. The Committee have also been informed that 5228 trained youth have been given placement in various sector such as BPO, garment sector etc. The Committee also note that two senior Officers have been positioned in J & K for effective monitoring of the scheme. The Committee appreciate the steps taken by the Department to provide training and employment to youth in J &K. The Committee would like the Department to take steps to increase awareness about the Scheme among youth in the State. The Committee, therefore, recommend the Department must take every action to achieve the objective and target as set under the scheme under intimation to the Committee.

Reply of the Government

Mandate under HIMAYAT is to train and place 100,000 youth from J&K in organized sectors over a five year period (2011-12 to 2016-17). Priority will be given to youth who are school drop-outs, have studied up to 10th class or 12th class and those who are college drop-outs.

ii. The year wise target to be achieved under HIMAYAT is as given below:

Financial Year	Number of Youth to be trained
2013-14	19000
2014-15	22000
2015-16	25000
2016-17	25000

iii. As on 10th May, 2013, 7929 youth have been trained by the four PIAs (IL&FS, India Can, Don Bosco and Cap Foundation) and 5434 have been placed in jobs.
iv. To further ensure that the intended target for the year 2013-14 is achieved, MoRD has sanctioned 5 new projects to Project Implementing Agencies (PIAs) under HIMAYAT, and these new PIAs are likely to start implementation of the project in 2013-14.
v. Projects for imparting training under Self Employment Training components have been received by the Ministry and soon training for self employment would also be initiated in J&K under HIMAYAT.

vi. To ensure effective implementation of HIMAYAT, MoRD, GoI has signed an MoU with Govt of J&K. Accordingly, Govt of J&K has designated JKEDI as the Himayat Mission Management Unit (HMMU) and MoRD will extend all technical and budgetary support to the HMMU for implementation of HIMAYAT.

The Project is being implemented in Mission mode with focus on retention of youth at jobs. With new PIAs and effective implementation arrangement in the State of J&K, focused efforts are on to achieve the desired targets under HIMAYAT.

[O. M. No. H – 11020/03/2013 – GC (P), dated: 22 July, 2013 Department of Rural Development
(Ministry of Rural Development)]

Recommendation (Serial No. 25, Para No. 2.25)

The Committee note that Rs.26,259 crore were allocated during first two years out of 80,085 crore have been approved by Planning Commission for implementation of IAY during the twelfth Plan period. The Committee also note that during 2012-13, allocation for IAY was reduced to Rs. 9024 crore at RE stage as against BE of Rs. 11,075 crore. The Committee are dismayed to note that allocation for IAY has been reduced due to failure of States to fulfil essential condition of uploading data on the MIS Awaassoft before the release of 2nd installment. The Committee are of view that the Department should take proactive steps to enable States to fulfill essential condition for release of funds under IAY as failure of doing so cause immense hardship to needy people in rural areas. The Committee would like to apprise about the steps taken in this regard.

Reply of the Government

Indira Awaas Yojana is being continuously reviewed on the basis of Monthly and Annual Reports received from the States/UTs. An online monitoring mechanism has been put in place to enable DRDAs to upload their monthly progress reports onto the website of the Ministry, called 'AwaasSoft' which is a local language enabled workflow based transaction level Management Information System to facilitate e-governance in the System. The System is designed for all the Stakeholders of IAY including the beneficiaries of the scheme. The portal http://iay.nic.in is accessible to all including the national/international Community. The objectives of AwaasSoft are work flow automation, transparency in the system, information exchange thereby empowering the stakeholders. Data of beneficiaries is being uploaded in this software by the States. Photographs of the houses under various stages of construction are also being uploaded.

The programme is also reviewed at the meetings with the state Secretaries of Rural Development and with the Project Directors of DRDAs every year. The provision of 0.5%of total allocation as administrative expenditure from current year will help State Governments to organize workshops at State/District level and train officials to upload the IAY data on AwaasSoft efficiently thereby enabling timely release of fund to achieve targets. To ensure that all States/DRDAs are on board to upload data on MIS, a series of workshops were organized. States/UTs have nominated Nodal Officer for AwaasSoft.

[O. M. No. H – 11020/03/2013 – GC (P), dated: 22 July, 2013 Department of Rural Development (Ministry of Rural Development)]

Recommendation (Serial No. 27, Para No. 2.27)

The Committee find that Homestead Scheme has been launched as Demand driven sub-componenet under IAY aims to provide land to rural BPL households who do not have any land to construct houses. The Committee dismayed to note that funds allocated to 8 States for purchase/acquisition of 6,94,933 homestead sites during 2009-10 and 2010-11 were not utilized and amount released during 2009-10 and 2010-11has been adjusted against normal IAY grants of respective States. The Committee also find that no release has been made under the scheme after 2010-11. The Committee recall that in their Thirtieth Report while criticizing "Demand driven" nature of scheme, they have recommended the Department to initiate a quick study to pragmatically analyse the shortcomings of the demand driven approach of scheme so that timely action for re-transforming the scheme to target-oriented approach may be taken. The Committee once again reiterate their recommendation and desire the Department to make homestead scheme a regular scheme. At the same time, funding ratio of 50:50 should be suitably changed in consultation with all States.

Reply of the Government

The Homestead scheme was launched on 24th August, 2009 as part of IAY, for providing homestead sites to those rural BPL households whose names are included in the Permanent IAY Waitlists but who have neither agricultural land nor house site. Assistance under the scheme has been increased from Rs.10,000/- to Rs.20,000/- per homestead site w.e.f. 1.4.2013. Funding is shared by the Centre and the States in the ratio of 50:50.

IAY guidelines have been revised and provisions, which address the concern of the Committee, regarding the Homestead Scheme are indicated below:-

Para 3.2.3: Provision of house sites

1. State Governments may notify the entitlements for house sites in their respective states. If justified, this could vary within the State. Different extents of land may be prescribed for different localities based on the availability of land and its cost. Ideally 10 cents of land should be provided.
2. For the house sites component, the District Collector should identify public lands available in the habitations and allot them to the eligible landless. In case public land is not available the required land may be purchased by following the procedure prescribed by the State government. If this is not possible, land acquisition may be undertaken as the last resort.
3. If money provided under the scheme is not sufficient, additional funds may be provided by the State Government. If the beneficiary is willing to purchase the land she may be reimbursed the eligible amount after due verification. States should issue detailed guidelines for this component.

The States may prepare projects for providing houses to all such landless people who have been given land sites and give special priority to them under IAY. Once the details of such landless people to be given housing sites are available, Ministry of Rural Development would earmark a stream of IAY funds exclusively for the benefit of this group based on a formula and this amount would be non-divertible.

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[O. M. No. H – 11020/03/2013 – GC (P), dated: 22 July, 2013 Department of Rural Development (Ministry of Rural Development)]

Recommendation (Serial No. 28, Para No. 2.28)

The Committee note that IAY beneficiary can take a loan upto Rs. 20,000/-per housing unit @ 4% per annum under differential rate of interest (DRI) scheme. However, the Committee examination has revealed that only 26,131 beneficiaries have availed loan under DRI till date. The Committee have been informed that difficulties such as eligibility of only SC/ST category for loan under DRI, consideration of eligibility of income ceiling and land-holdings applicable to other beneficiaries of DRI being applied for IAY beneficiaries desirous of taking loan under DRI is leading to such bad performance. The Committee have also been informed that matter is being taken with Ministry of Finance/RBI for directing all banks to allow beneficiaries of IAY to avail loan facilities under DRI 131 scheme irrespective of income ceiling and eligibility criteria. The Committee are of view that apart from reason mentioned by the Department, failure of the Department to increase awareness about these provision of IAY is main reason for such bad performance of loan disbursal under DRI scheme to IAY beneficiaries. The Committee, therefore, recommend the Department to start aggressive awareness campaign for benefits available under IAY including facilities of loan in order to provide relief to large section of poor people in rural areas.

Reply of the Government

In revised IAY guidelines new strategy has been adopted to make beneficiary aware of the scheme and help the beneficiary in getting the loan. Following provisions have been made:-

(iv) Mobilisation of DRI Loans

Nationalized Banks have been instructed by the RBI to provide loans upto Rs.20,000/ - per house at an interest rate of 4% per annum under the Differential Rate of Interest (DRI) Scheme to SC/ST beneficiaries. To ensure its implementation, the following methodology is suggested:

(a) Hold a meeting of State Level Bankers Committees (SLBC) to discuss the scheme and take collective decision on modalities;
(b) Assign responsibilities to the DLBC as per district level targets;
(c) At the district level, bank-wise targets may be finalized according to their service area;
(d) Once the beneficiary selection is finalized, in the initial meeting of the beneficiaries, applications for DRI loan should be collected and submitted in the bank branch concerned. A functionary may be assigned the task of following up these applications.
(e) Monitoring of the sanction of DRI loans should be done at the block, district and state levels including at BLBC/DLBC/SLBC levels. At the district and state level, a senior officer should be made responsible for responding to grievances related to non-sanction of DRI loans and sort them out in consultation with the banks concerned.

(v) Mobilisation of other loans

States may also arrange loans from banks, including cooperative banks to IAY beneficiaries, to supplement the grant assistance, in a schematic manner. The maximum amount of such loan could be Rs.50,000/- and the rate of interest could be subsidized on prompt payment. Detailed guidelines may be issued after working out the scheme in consultation with the banks and cooperatives. Wherever such loans are provided, the beneficiaries have to be sensitized on repayment requirements and their willingness obtained.

(vi) Formulation of subsidy-linked projects availing loans from banks/financial institutions:

State Governments are free to formulate projects which would provide subsidy using IAY funds (within the amount permissible), linked to assured loans from banks including cooperative banks or financial institutions like HUDCO. For coordinating implementation, the States could use the services of organizations of repute and meet their service charges from the provision for administrative expenses and if they are not sufficient, from state funds. Such special projects need the prior approval of the Empowered Committee.

[O. M. No. H – 11020/03/2013 – GC (P), dated: 22 July, 2013 Department of Rural Development (Ministry of Rural Development)]

Comments of the Committee

(Please *see* Paragraph No. 20 of Chapter I of the Report)

Recommendation (Serial No. 32, Para No. 2.32)

On the issue of restructuring of PURA scheme which is being implemented on Public private participation (PPP) mode since 2010, the Committee note that the two pilot projects launched in Malappuram and Thrissur Districts of Kerala during 2012 are yet to take off as Private developer i.e. INKEL is still in the process of getting local level approvals and is reworking the work schedule to start actual construction. The Committee note that Department is also evaluating proposals received from private sector for next set of 10-15 pilots during Twelfth Plan under PURA. The Committee have also been informed that there is a proposal to up-scale the scheme by carrying out appropriate modifications in the scheme to include more areas during the 12th Five Year Plan and making a funding pattern for PURA Grant in the ratio of 80:20 between Central and State Governments. The Committee are of the view that the Department has inordinately delayed the execution of projects as envisaged under noble concept of PURA and nothing worthwhile has been put up on the ground even after incurring considerable expenditure. The Committee have brought this failure of the Department in their earlier reports. At the same time by adopting PPP mode, the Department is not promoting Panchayati Raj Institutions to participate actively in execution of these projects as they were not encouraged to put up proposals under restructured PURA scheme. The Committee are of considered view that there is enough talent and ability among many PRIs in different parts of the country and those, if given opportunity and support may not only successfully implement such projects but also enlist popular participation under programmes for rural development. The Committee, therefore, recommend the Department to take steps to make provision for participation of PRIs as implementing agencies for the program and make efforts to encourage them to submit proposal. The Department may also take steps to provide them necessary technical and financial support through NIRD and respective SIRDs. The Committee would like to apprise the steps taken in this regard.

Reply of the Government

The concept of Public Private Partnership (PPP) in rural development is a new paradigm. The process of implementing the Scheme under PPP mode involved understanding the concept itself by all stakeholders which include State Governments, Gram Panchayats, other Ministries/Departments of the Government of India, besides calling for Expression of Interest from potential private developers, evaluating the EOIs and short-listing of private developers. In addition, the PURA envisages convergence of various schemes of MoRD and other Ministries besides bringing in private capital for rural development in an earmarked cluster of gram panchayats. Mandatory requirements of support of the State Governments and the concerned Panchayat(s) for the PURA projects and ensuring coordination between multiple-agencies are the other major aspects that have to be tackled before a project is approved for implementation. Thus, it may be seen that the scheme is more process oriented.

The Scheme Guidelines provide for an agreement between Gram Panchayat and the private partner that makes the restructured PURA a model for empowerment of Gram Panchayats and public accountability. The Training and Capacity Building under PURA envisages enhancing the knowledge and capacity of various stakeholders including the Gram Panchayats.

[O. M. No. H – 11020/03/2013 – GC (P), dated: 22 July, 2013 Department of Rural Development (Ministry of Rural Development)]

Recommendation (Serial No. 35, Para No. 2.35)

The Committee are constrained to note that most important Schemes of DoRD of Management support to Rural Development Programmes and Strengthening of District Planning Committee has seen experiencing big gap between releases and utilization of funds during 2011-12 and 2012-13. For instance the Committee find that as against the total release of Rs. 7706.26 lakh the utilization was only Rs. 4650.28 lakh during 2011-12. From the state-wise details of releases and utilization the Committee find that in respect of J&K no funds have been utilized out of total releases of Rs. 760.15 lakh. Also in respect of Tamil Nadu of Rs. 1337.78 lakh releases, the utilization is as low as Rs. 101.17 lakh. Similarly, in respect of other States like Chhattisgarh, Kerala, Odisha, Punjab, Uttarakhand there are huge gap between releases and utilization. During 2012-13, the Committee find that out of releases of Rs. 6886.81 lakh only Rs.48.50 lakh have been shown as amount utilized only in one State i.e. Andhra Pradesh. The Committee find an explanation has been given by DoRD stating that the utilization certificates for the grant released in 2012-13 will be submitted by SIRDs and ETCs alongwith the fresh proposals. The Committee are not of all satisfied with the overall fund releases and utilization of this scheme across the States. The Committee, therefore, desire that DoRD should have a proper vigil on utilization of funds through regular video conferencing in all States and by sending Central teams in States like J&K and Tamil Nadu where there has been no utilization so far.

Reply of the Government

Under the Scheme “Management Support to RD Programmes and Strengthening of District Planning Process”, non-recurring grants, by way of 100% funding support, are provided by Department for infrastructural development of SIRDs and ETCs. SIRDs are also given 100% funding support for placement of five core faculty members and 50% of other recurring and administrative expenses. In case of ETCs, a maximum amount of Rs.20.00 lakh per annum is provided to each ETC towards recurring expenditure. Funds are also provided under the scheme of OTC for conducting seminars, workshops etc. to train the rural development functionaries in the implementation of rural development programmes in States/UTs. An updated statement showing State-wise release of funds and Utilization thereof in 2011-12 and 2012-13 is given in **Appendix - III**. Out of a total of Rs.2706.31 lakh released to SIRDs and ETCs as recurring grants and for OTCs during 2011-12, the unutilized amount is only Rs.5.00 lakh. The grants for non-recurring expenditure are to be utilized within a period of 18 months. States of Andhra Pradesh, Arunachal Pradesh, J&K, Kerala, Odisha, Punjab and Uttarakhand who have not utilized these grants given in 2011-12 within the stipulated period of 18 months have been asked to return the unutilized moneys or seek extension of time for reasons of merit. SIRD in the State of Tamil Nadu has reported that the non-utilization was due to delay in finalization of tenders etc. for civil works. A team from the Department has already visited SIRD, Tamil Nadu and has reported that the tender process has been completed and the work is expected to pick up fast.

2. Major share of the non-recurring grants are for civil works. The progress of civil works is regularly monitored by NIRD through frequent visits of technical consultants and their reports are taken into account while considering requests for release of further installments.

3. All the States which have not reported full utilization of recurring grants and funds for OTCs released during the year 2012-13 have been requested to furnish updated reports and reasons for non-utilization, if any. Utilization Certificates and Audit Reports in respect of funds released in the previous year are invariably considered before release of funds. Therefore, the States even though have not reported expenditure so far, will have to utilize the funds to become entitled for further funds in 2013-14.

[O. M. No. H – 11020/03/2013 – GC (P), dated: 22 July, 2013 Department of Rural Development
(Ministry of Rural Development)]

Recommendation (Serial No. 36, Para No. 2.36)

The Committee observe that meetings of both State and District level V&MCs are not being held quarterly as provided in the guidelines of V&MCs. The Committee note that none of the States have held the stipulated number of meetings of State V&MCs except West Bengal during the last two years, whereas the Committee have been informed that major hurdles in achieving the target of holding quarterly meetings as reported by the States/Districts include delay on the part of Chairman in indicating the date for the Meeting, postponement due to inability of the Chairman to attend the Meeting, elections, preoccupation of Member Secretary, etc. However, the Committee examination has revealed that Members of Parliament are not getting adequate co-operation of State and local administration in holding meetings of V & MCs at State and District level. In this connection the issue of non-holding of V&MC meetings in Kacheepuram and Shivaganga Districts in Tamil Nadu for a very long time came up before the Committee. The Committee have been informed that the Department has communicated and interacted with Chief Secretary of Tamil Nadu for holding V&MC meetings in these Districts. The Committee have also been informed that the Ministry has so far not withheld release of funds to any District for failure to convene meetings of V&MCs regularly. The Committee are of view that V&MCs are important mechanism for monitoring of programmes of rural development and it help to enhance speedy implementation of scheme at ground level alongwith reducing corruption in the scheme. The Committee, therefore, recommend the Department to vigorously take the matter with State Governments concerned in order to ensure regular meetings of V &MCs.

Reply of the Government

After the formation of XV Lok Sabha, the Ministry advised all State Governments/district administrations to reconstitute the Committees vide order dated 26th August 2009 and nominated Chairman/Co-Chairman for district Vigilance and Monitoring Committees (VMCs). The guidelines have subsequently been revised and a provision has also been made in the guidelines to make the Member Secretary of the Committees personally responsible for convening the Meetings. The importance of re-constitution of VMCs at State and district levels and holding regular Meetings, at stipulated intervals, is invariably stressed in the Performance Review Committee Meetings, which are held on a quarterly basis, with State Secretaries of Rural Development. The matter regarding VMC meetings in Tamil Nadu was taken up with the Chief Secretary, Tamil Nadu by the Union Secretary (Rural Development) on 16-11-2011. The States/UTs have also been reminded on 5.06.2012, that the guidelines allow the Member Secretaries to convene the Meeting within 15 days of end of each quarter, in consultation with Co-Chairman, if the Chairman failed to indicate a date for the Meeting during the quarter. They have also been reminded on 19.12.2012, that the Member Secretary shall be personally responsible for convening Meetings.

The Ministry has been pursuing the matter regarding regular meetings of VMCs with all the States. Recently, on 22.05.2013, the Hon'ble Minister of Rural Development has again addressed the Chief Minister of all States advising them to impress upon the concerned officials for holding meetings of State and District level VMCs in their State in accordance with the guidelines.

[O. M. No. H – 11020/03/2013 – GC (P), dated: 22 July, 2013 Department of Rural Development (Ministry of Rural Development)]

Recommendation (Serial No. 37, Para No. 2.37)

The Committee are constrained to note that DoRD has reflected a huge amount of Rs. 26,363.03 crore as unspent balances in their outcome Budget (2013-14) laid before Parliament showing Rs. 14,545.47 crore as unspent in MGNREGA, Rs. 5,788.58 crore under PMGSY, Rs. 4,646.99 crore under IAY and Rs. 1,387.99 crore under Aajeevika programme. With respect of unspent funds under MGNREGA, the Committee have been informed that these reflect a sustainable flow of funds towards meeting any eventuality and any unsurge of labour demand during the last quarter. The Committee have been further informed that as on 28.03.2013 the States/UTs have reported an unspent balances of Rs. 8,473.89 crore including committed liabilities of Rs. 3,019.66 crore. Similarly, for unspent balance under PMGSY the Committee have been informed that these funds can be utilized against on going works of any phase. For unspent balance under IAY the Committee have been informed that these are mainly due to release of funds in the third quarter of 2012-13 of Rs. 546.46 crore and special package sanctioned to States amounting to Rs. 1157.99 crore as well as slow implementation of IAY in may districts. The Committee have also been informed that construction of houses under IAY usually spill over to next year and it is expected that allocation will be fully utilized. Meanwhile for ensuring better flow of funds to States Revised Guidelines for IAY are being formulated that may be fnzlized by 2013-14. In the case of NRLM the Committee find that DoRD have candidly admitted before the Committee that unspent balance are large and these would be utilized in last quarter of 2012-13. In this connection, the Committee recall that they during the last years examination of Demands for Grants of DoRD had revealed non-receipt of proposals for second installment from State Governments with necessary financial documents after reaching prescribed expenditure of 60% of toal available funds, the Committee had recommended to set up a study to go into the reasons behind accumulation & unspent balance with States. In this connection, the Committee find that the issue is under consideration with DoRD and though an agency viz. the National Institute of Public Finance and Policy (NIPFP) has submitted a proposal to undertake the study, the sameis yet to be entrusted to NIPFP. The Committee disapprove the delay on the part of DoRD to set up the study as recommended by the Committee and desire that DoRD to go for it without any further delay so that its findings are made available in time for wiping out unspent balances under different schemes of DoRD.

Reply of the Government

<u>MGNREGA</u>

One of the reasons for large amount of unspent balances in MGNREGA is the architecture of the scheme. At least 50% of the funds are required to be spent by Panchayats. The total number of Implementing agencies in the country is more than 2,50,000. Even small amounts remaining unspent with these implementing agencies add up to a huge number.

In spite of this constraint, the Ministry has focused on this problem, as a result of which, unspent balances with the states have come down.

The following table gives the figures of unspent balances as reported by States/UTs for the last three years:

S. No.	Year	Unspent Balance (Rs. in crores)
1.	2010-11	Rs. 15450.13
2.	2011-12	Rs. 10009.09
3.	2012-13	Rs. 4274.65

PMGSY

Funds, in accordance to programme guidelines, are released to State/UT government based on their absorption capacity and utilization of available unspent balance. The unspent balance on 1st April, 2012 was Rs. 8,884.55 crore, which is reduced to the tune of Rs. 4,761 crore as on 1st April, 2013. As per the release procedure under PMGSY guidelines, the first installment is 50% of cleared value, though these funds are not idle, as they are part of pool of Programme Funds available with SRRDAs. As such these funds are to meet the cost of all ongoing works including those nearing completion; therefore, availability of some levels of unspent balance at SRRDAs level is a necessity as per programme guidelines.

IAY

In IAY during the year 2012-13 an amount of Rs.4646.98 crore has been lying as unspent balance with the States and UTs (upto December 31st, 2012). This is mainly due to release of funds in the third quarter of 2012-13 (Rs.546.46 crore) and special package sanctioned to the states amounting to Rs.1157.93 crores as well as slow implementation of the programme in many districts.

The releases of funds under IAY are linked to stages of construction of the house. IAY beneficiaries are provided assistance in three instalments by the District Administration. The construction of houses in IAY usually spill over to next year.

In order to utilize the unspent balances available with the State Governments the Ministry of Rural Development has taken a number of initiatives in the recent past.

1. Constant monitoring of implementation of scheme through MIS Awaassoft.
2. The states are provided additional incentives in terms of physical targets, keeping in view the availability of funds annually, for better physical performance and gainful utilization of central assistance.
3. To ensure that States incur expenditure on the scheme efficiently and timely during the year, second installment is released only when 60% of total available funds are utilized by the district.
4. To maintain financial discipline, a mandatory deduction (s) on account of late submission of proposal by the state government shall be imposed depending upon the date of receipt of complete proposal for release of second instalment under IAY. Under the system, there will be progressive deductions for proposal(s) received in the month of January and February @10% and 20% respectively on the total central allocation for the year. Incomplete proposals will not be accepted. The date on which last information is received from the State shall be treated as date of receipt of the proposal.
5. The performance of the IAY scheme of the states is reviewed through quarterly Performance Review Committee Meetings, State Coordinating Officers Meeting from time to time.
6. The officers of the Ministry visit states at regular interval to review physical and financial performance of Indira Awaas Yojana.

In order to make the guidelines more effective the Ministry undertook a consultative process where experts, state governments and other stakeholder were invited to give their inputs. Based on the inputs/suggestions received, Ministry has finalized the revision of IAY guidelines. Revised guidelines for IAY are likely to facilitate better fund flow to state governments as well as coordinated implementation at state level.

Following the recommendation of the Committee, the National Institute of Public Finance and Policy (NIPFP) has been entrusted a study titled "Understanding High Unspent Balances and Fund Flow Mechanism in Major Rural Development Programmes" on 13th June, 2013. NIPFP is to submit the report in nine months.

[O. M. No. H – 11020/03/2013 – GC (P), dated: 22 July, 2013 Department of Rural Development (Ministry of Rural Development]

Recommendation (Serial No. 38, Para No. 2.38)

The Committee are unhappy to note that due to under-utilisation of funds DoRD has been surrendering funds year after year. For instance during 2011-12, the level of funds surrendered was as high as Rs. 12,153.34 crore which by 2012-13 rose to the level of Rs.23,012 crore i.e. nearly double than the previous year. The Committee have been informed by DoRD that surrender of funds is largely due to large opening balances of the year and also due to slow pace of expenditure. The Committee also find that of Rs.23,013 crore funds surrendered during 2012-13 major funds are under PMGSY over Rs. 15,000.00 crore, followed by relatively lesser funds under MGNREGA, SGSY, PURA and other DoRD schemes. The Committee find that factors like absorption capacity, contracting capacity, areas specific issues etc. in PMGSY and other factor have been shown as reasons for surrender of funds under IAY, Aajeevika Schemes. The Committee also find that under DoRD non-receipt of utilization certificates of 2011-12 has been attributed surrender of Rs. 112 crore during 2012-13. Similarly non-requirement of funds under PURA due to lack of required approvals of projects was reason for surrender of Rs. 150 crore under PURA. As recommended earlier in the Report the Committee recommend that DoRD should take necessary action in coordination with States to utilize the funds right from Start of the financial year. For this the Planning process has to be initiated well before start of the year.

Reply of the Government

Noted for compliance.

[O. M. No. H – 11020/03/2013 – GC (P), dated: 22 July, 2013 Department of Rural Development (Ministry of Rural Development)]

CHAPTER III

RECOMMENDATIONS WHICH THE COMMITTEE DONOT DESIRE TO PURSUE IN VIEW OF REPLIES OF THE GOVERNMENT

Recommendation (Serial No. 26, Para No. 2.26)

On the issue of enhancement of per unit assistance in hilly and difficult areas, the Committee have been informed that per unit assistance grant to BPL families under IAY has been enhanced from Rs. 48,500 Rs.75,000 respectively for difficult/ hilly areas. The Committee have also been informed that it would not be feasible to go in further enhancement at this juncture. The Committee are of considered view that cost of construction material and labour in hilly and difficult areas are much higher than plain areas and any Government scheme should always be formulated keeping these difficulties in mind. The Committee, therefore, recommend the Department to re-examine this issue for enhancing suitably per unit assistance under IAY for hilly and difficult areas.

Reply of the Government

The unit assistance under IAY has been enhanced recently by the Cabinet. It is not possible to enhance the unit assistance further at this stage. However, the Ministry will consider the same at appropriate time.

[O. M. No. H – 11020/03/2013 – GC (P), dated: 22 July, 2013 Department of Rural Development (Ministry of Rural Development)]

CHAPTER IV

RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE

Recommendation (Serial No. 8, Para No. 2.8)

The Committee find wide variance between the NSSO data as reflected its own MGNREGA Sameeksha document showing only 35 percent rural job cards holders households and its own assessment that the data might not reflect real time data instead the DoRD has relied on MIS data maintained by DoRD showing the figure as 60%. The Committee are not convinced with the approach of DoRD of showing two data for coverage of rural households under MGNREGA one by NSSO and other by MIS as it may lead to confusion. They, therefore, feel that a single reliable data for coverage of rural households under MGNREGA be maintained by DoRD.

Reply of the Government

NSSO data are based on survey conducted by them in randomly selected NSSO regions on the basis of the methodology adopted by them whereas the data reflected in MIS is real time data as fed into the system by the States. Since its inception (upto 17.6.2013) 12.72 cr. Rural households have been issued job cards. This indicates that 76% of total rural households [16.85 cr.: Census 2011] have been provided with job cards. Since the data reported is in cumulative figure, the number of households provided employment captured in MIS undergoes constant change. Variance in the data of NSSO and MIS can also be attributed to the fact that in certain states, the number of job cards issued is seen to be more than the number of households indicated. To ensure reliability of data, the revised Operational Guidelines 2013 have mandated the States/UTs to verify the genuineness of the job cards held by the households in a locality.

[O. M. No. H – 11020/03/2013 – GC (P), dated: 22 July, 2013 Department of Rural Development (Ministry of Rural Development)]

Comments of the Committee

(Please *see* Paragraph No. 8 of Chapter I of the Report)

Recommendation (Serial No. 10, Para No. 2.10)

The Committee feel dissatisfied to note that primary objective of MGNREGA for enhancing the livelihood security of the rural household by providing minimum 100 days of guaranteed wage employment in a year to every household on demand for doing unskilled manual work has hardly been achieved in the light of the fact that out of 5.04 crore households and 4.15 crore households who were provided employment during 2011-12 and 2012-13 as low as 40.54 lakh households and 43.65 lakh respectively could get 100 days of employment. The Committee have been informed by DoRD about various steps taken like organising Rozgar Diwas at least once in every month at Gram Panchayat level for increasing awareness about MGNREGA. The Secretary, DoRD also submitted before the Committee that States are being asked to generate demand. The Ministry's contention is that objectives of MGNREGA is also to supplement the income of rural household and it is not intended to be sole means of earning livelihood for rural population and that workers are free to avail any other employment opportunities available to them. The Committee find the contention of DoRD untenable when there is huge gap between employment provided and rural household given 100 days of employment. The Committee feel that the essence of MGNREGA programme is not only to enhance the livelihood security to the rural households by providing them upto 100 days of employment but also entrusted a duty to implementing agency to generate the demand for work. The Committee therefore, feel that DoRD should take urgent steps in coordination with State Governments for providing 100 days of guaranteed employment to maximum households out of 4-5 crore households who demand work.

Reply of the Government

The mandate of MGNREGA is to supplement the income of the rural households by providing at least 100 days of wage employment on demand. While various measures like expanding the scope of employment by inclusion of more works in Schedule-1, increasing the administrative expenditure, grievance redressal mechanism, awareness generation etc., have been taken up by the Ministry, the responsibility of providing employment to the job seekers lie with the respective State Government/implementing agencies, whereas the onus of demanding work lie with the job card holders. Adequate provisions are also enshrined in the Act wherein the job seekers are entitled to unemployment allowance in the event of work not being provided within the specified period. Similarly, delay in payment of wages, within the specified period is required to be compensated. These provisions in the MGNREGA, act as a deterrent to States in denying employment or in delaying payment of wages. However, the employment generation of a minimum 100 days would depend on the realistic projection of labour demand by the States and the actual demand from the job card holders.

[O. M. No. H – 11020/03/2013 – GC (P), dated: 22 July, 2013 Department of Rural Development (Ministry of Rural Development)]

Comments of the Committee

(Please *see* Paragraph No. 11 of Chapter I of the Report)

Recommendation (Serial No. 12, Para No. 2.12)

The Committee are constrained to note that there are two independent assessments available in DoRD on the issue of durability and availability of assets created under MGNREGA across the States. The Committee also find that whatever assessment about utility and durability of assets under MGNREGA has been made available to the Committee are from the few States of Andhra Pradesh, Madhya Pradesh, Rajasthan, Bihar, Gujarat and Kerala. The Committee feel that although these assessment though confirmed by NSSO, yet may not hold true in respect of other States. The Committee, therefore, recommend a nationwide assessment in this regard to be made by DoRD.

Reply of the Government

Para 2 of Schedule I of MGNREGA 2005 stipulates that creation of durable assets and strengthening the livelihood resource base of the rural poor shall be an important objective of the Scheme.

Effective implementation of the scheme has the potential to transform rural areas by creating durable assets that would not only enhance the livelihood security of rural poor but result in substantial infrastructural development in rural areas. While Schedule-I of the Act stipulates the permissible works that can be taken up, it was felt that there may still be doubts in the minds of the implementing agencies as to its interpretation. Accordingly the revised Operational Guidelines 2013 delineates a negative list of works under MGNREGA. It explicitly mentions that items of expenditure that are recurring in nature and/or do not lead to creation of durable assets, are not permitted under MGNREGA. A detailed negative list of such works are indicated in Para 7.3 and Appendix 2 of the guidelines. Impact of these recent revised guidelines on creation of durable assets is yet to be assessed /quantified.

[O. M. No. H – 11020/03/2013 – GC (P), dated: 22 July, 2013 Department of Rural Development (Ministry of Rural Development)]

Comments of the Committee

(Please *see* Paragraph No. 14 of Chapter I of the Report)

CHAPTER V

RECOMMENDATIONS IN RESPECT OF WHICH FINAL REPLIES OF THE GOVERNMENT ARESTILL AWAITED

Recommendation (Serial No. 11, Para No. 2.11)

The Committee are constrained to note that for timely payment of wages under MGNREGA not much progress has been made with regard to Electronic Fund Management System e-FMS under MGNREGA by use of crore Banking System of Banks and NEFT/RTGS/ECS system in several States. The Committee find only 19 States have started Total Fund Transfer Orders (FTO). The Committee also find that good progress has been made in the States of Gujarat, Karnataka, Odisha and Rajasthan. In this connection, the Committee find that DoRD had recommended all States to disburse wages through Post Offices and Banks. The Committee recommend that DoRD should ensure that other States the work of e FMS must pick up as has been done in from States of Gujarat, Karnataka, Odisha and Rajasthan so that timely payment of wages is ensured to beneficiaries under MGNREGA.

Reply of the Government

The Ministry has already chalked out a tentative schedule for the States to shift over to e-FMS by March, 2014. By end of June, 2013 all districts of Karnataka, Gujarat, Orissa and Rajasthan are required to shift over to e-FMS for making all types of payments viz. wages, material and administrative expenses at all locations. All 46 districts identified for Direct Benefit Transfer (DBT) shall also start payments through Aadhaar Payment Bridge (APB). All remaining States excluding North-Eastern states are to switch over to e-FMS in September, 2013 and NE states by December, 2013. By March, 2014, it is expected that all the States would be switching over to e-FMS for all types of payments under MGNREGA.

[O. M. No. H – 11020/03/2013 – GC (P), dated: 22 July, 2013 Department of Rural Development (Ministry of Rural Development)]

Recommendation (Serial No. 17, Para No. 2.17)

The Committee find that under PMGSY in Andaman & Nicobar Islands, the Department has cleared 18 proposals of the value of Rs. 18 crore upto December, 2012. However, Administration of Andaman & Nicobar Islands has failed to construct any road till date. The Committee also note that special audit of PMGSY works conducted by the Department has brought out many irregularities such as non-imposition of penalty for delay, non-revalidation of Performance Bank Guarantee, upward revision of cost estimates without the approval of MoRD, diversion of funds to other Departments/Sectors, non-maintenance of cash books , submission of final bills not signed by the Engineer concerned etc. The Committee has also been informed that Department is still awaiting response of Andaman & Nicobar Islands Administration on special audit report. The Committee are of strong view that irregularities under PMGSY work in A & N islands as reported the special audit are of serious nature. The Committee, therefore, recommend the Department to take the matter with the Ministry of Home Affairs to initiate steps to lodge criminal cases against those found responsible for such gross irregularities and inform the

Committee accordingly. At the same time, the Committee also recommend the Department to impress upon the local administration for speedy submission of fresh proposals for construction of roads in rural areas of A & N Islands.

Reply of the Government

A Central Team has visited UT of Andaman & Nicobar Island on 9-12th April, 2013 to review the implementation of PMGSY including the quality of roads. The report of the Central Team has been received and discussed with Chief Secretary of A&N Island in the meeting held on 29th April, 2013 at New Delhi. The minutes of the meeting is given at **Appendix - I**. During the meeting, the UT was impressed upon the need for completing all PMGSY roads immediately. UT was further advised to send an Action Taken Report on the report of the special audit undertaken by the Ministry.

[O. M. No. H – 11020/03/2013 – GC (P), dated: 22 July, 2013 Department of Rural Development (Ministry of Rural Development)]

Comments of the Committee

(Please *see* Paragraph No. 17 of Chapter I of the Report)

Recommendation (Serial No. 29, Para No. 2.29)

The Committee note that BPL survey which was due in 2007 has been delayed and started as Socio-Economic and Caste Census (SECC 2011) on 29th June 2011 in the country in a phased manner. The Census was expected to be completed by June 2012, however, later on the Department has extended the deadline to May, 2013. The Committee note that process of enumeration which is first stage of the Survey has been completed in 98.05 percentage of enumerating Blocks in the country. The Committee also note that after the enumeration, the States/UTs would enter the claim & objection stage for publication of the final list. It is expected that for majority of States/UTs, the Final List is likely to be published by the end of September, 2013. The Committee are of view that completion of BPL survey has been inordinately delayed, which must be causing hardship to needy people of rural areas of the country. The Committee, therefore, 132 recommend the Department to make efforts with States concerned to finalise the final BPL list without any further delay so that all tendered benefits reach the BPL population.

Reply of the Government

The SECC is being conducted through a comprehensive programmes involving the Ministry of Rural Development, Ministry of Housing and Urban Poverty Alleviation, the Office of the Registrar General and Census Commissioners, India and State Governments. Enumeration is being done by the States/UTs with the help of an electronic handheld device (Tablet PC) supplied by Bharat Electronic Limited (BEL). BEL lead consortium of CPSUs is also providing Data Entry Operators (DEOs), other technical services in connection with software for data collection and data transfer etc. A web-based MIS is put in place to monitor the progress of SECC 2011. A series of measures have been put in place to ensure accuracy and transparency during collection of data for the SECC 2011. Instructions for filing, receiving and disposing claims and objections during the SECC 2011 have also been issued to the States/UTs. The Ministry of Rural Development has been continuously monitoring the progress of SECC with the States/UTs through regular visits, trainings and video conferencing to ensure early completion and sort out various issues with the States. States/UTs specific reviews and assessment of the progress of work was also taken up in the Performance Review Committee (PRC) meeting held on a quarterly basis. Similarly, PRC meetings were also held for the North Eastern States wherein the progress of the SECC was regularly reviewed. Based on the review and decisions taken in the Performance Review Committee, senior official from the Ministry of Rural Development visited the States having specific issues. So far, 4 video conferencing with all the States/UTs have been conducted in connection with the progress of SECC 2011. Secretary (RD) has also written to all the States Chief Secretaries advising them to adhere to the timelines and early completion of the Census in their respective State. Hon'ble Minister (RD) wrote to the Chief Minister of major states intimating them the tentative dates for 'draft list' publication and requested them to adhere to the timelines. All these efforts would result in completion of the SECC project. The sequence of events of follow-up with states is given in the **Appendix - II**.

[O. M. No. H – 11020/03/2013 – GC (P), dated: 22 July, 2013 Department of Rural Development (Ministry of Rural Development)]

Comments of the Committee

(Please *see* Paragraph No. 23 of Chapter I of the Report)

Recommendation (Serial No. 30, Para No. 2.30)

Identification of ineligible families in BPL list is big problem across States. The Committee note that ongoing SECC 2011 has some criterion to exclude household owning Motorized Two/Three/Four Wheelers/Fishing boats (which require registration)/ tractors/harvester, having Kisan Credit Card with the credit limit of Rs.50,000 and above, households owning refrigerator, households owning landline phones etc. the Committee also note that some inclusion criteria has been adopted to compulsorily include deprived section such as households without shelter, destitute/living on alms, manual scavengers, Primitive Tribal Groups, legally released bonded labourers in BPL list. The Committee also note that a proposal to set up permanent BPL machinery is under consideration by the Department. This would interface with the States to ensure that only genuine BPL families are included in the list of beneficiaries eligible for various Government schemes and that those not satisfying the eligibility requirements are taken out of the list by the States on a continuous basis following transparent and equitable processes which will be set out in guidelines. The Committee has also been informed that a multi-disciplinary committee of experts with Prof. Abhijit Sen, Member, Planning Commission as Chairperson has been constituted to give their suggestions on developing an interim system for updating the existing BPL lists till SECC 2011 is finalized and updating of BPL list in future. 133The Committee are unhappy to note that the progress in finalization of BPL criteria/list has been very slow. The Committee take note of recent initiative taken by the Department to constitute such ongoing mechanism for identification of genuine poor families in BPL list. The Committee are of view that such mechanism will go a long way to address the problem of corruption in programmes for BPL families and enhance productivity of expenditure on programmes for rural development. The Committee, however, of the view that all State Government should be taken on board in initial phase itself so as to reduce time lag in establishment of such mechanism in entire country.

Reply of the Government

The Ministry of Rural Development constituted an Expert Group on Socio Economic and Caste Census on 28th December, 2012 under the Chairmanship of Prof. Abhijit Sen to examine the SECC indicators and the data analysis and recommend appropriate methodologies for determining classes of beneficiaries for different rural development programmes. It will consult States, Experts and Civil Society Organizations while arriving at these methodologies. The proposal to set up a permanent mechanism to act as an interface between MoRD and state governments has been referred for inter-ministerial consultation. The States will also be consulted in the matter. The Abhijet Sen Committee for suggesting a methodology for inclusion of eligible families in the existing BPL list, which recently submitted the Report has recommended that the proposal of setting up a permanent mechanism in the MoRD be implemented as early as possible.

[O. M. No. H – 11020/03/2013 – GC (P), dated: 22 July, 2013 Department of Rural Development (Ministry of Rural Development)]

Comments of the Committee

(Please *see* Paragraph No. 23 of Chapter I of the Report)

Recommendation (Serial No. 31, Para No. 2.31)

The Committee note that Rs. 200 crore has been allocated during 2013-14 out of Rs. 1325 crore earmarked for implementation of PURA scheme during 12th Plan. However, the Committee are dismayed to note that expenditure under the scheme during 2012-13 were nil due to lack of approval at various level for implementation of PURA on PPP mode. The Committee are anguished to know that utilization certificate of expenditure of expenditure during 2010-11 and 2011-12 have not been submitted by the implementing agencies concerned. The Committee have been informed that under restructured PURA, the implementing agency is not the DRDA but the private sector entity who is supposed to provide the UC. The funds released to DRDAs are kept in a separate account and are 134 transferred further to the projects accounts of private sector entities based on the progress reported. The Committee have also been informed that under restructured PURA, no funds has so far been transferred to project account of any of the private sector entities from whom the UCs can be obtained and once the funds are transferred to project accounts, submission of UCs would become due and would be insisted as provided under General Financial Rules. The Committee are of view that availability of updated information regarding utilization of funds is first canon of financial prudency. However, the Department do not seem very keen on this issue in case of PURA scheme. At the same time, keeping unutilized funds under the scheme with DRDA also cause stress on finance of the Government. The Committee, therefore, recommend the Department to analyse the reasons for such sorry state of affairs of utilization of funds under PURA. The Committee would like to be apprised of steps taken by the Department in this regard.

Reply of the Government

The approved allocation for the year 2013-14 is Rs.50 crore. As per Scheme Guidelines, funds available with DRDAs can be transferred to the project accounts of the private sector entities only on approval of project by the Inter-Ministerial Empowered Committee [EC], signing of Concession and State Support Agreement and on the private sector entity successfully fulfilling all ‘conditions precedent’. In respect of the two Kerala project, the private sector entity M/s INKEL has not fulfilled all the ‘conditions precedent’. One more project at Krishna District of Andhra Pradesh was launched on 5th May, 2013 for which the Concession and State Support Agreements are being processed for signing. The remaining projects have not reached the level of consideration by the EC. Therefore, no funds could be transferred to the project accounts in respect of any of the projects. Hence, no utilization certificate has become due. Concerted efforts will be made to ensure the private sector entity fulfills conditions precedent in time.

[O. M. No. H – 11020/03/2013 – GC (P), dated: 22 July, 2013 Department of Rural Development (Ministry of Rural Development)]

Recommendation (Serial No. 33, Para No. 2.33)

On the issue of restructuring process of CAPART, the committee are dismayed to note that it has not been completed yet. The Committee have been informed that Tata Institute of Social Sciences (TISS) has been entrusted with the task of submitting a report on restructuring of CAPART. The Committee also note that inordinate delay in restructuring of CAPART has led to situation where majority of funds allocated to CAPART is being used for meeting expenses of salaries, administrative expenditure, implementation of PM Rural Development Fellow Scheme and other project related expenses. The Committee are of the view that the presence of an apex institution is necessary for promoting public cooperation, research and promotion of technologies aimed for enhancement of standard of life in rural areas. The Committee, therefore, recommend the Department to complete the process of restructuring of CAPART in time bound manner.

Reply of the Government

A Project Document outlining a detailed frame work for restructuring of CAPART was prepared by this Ministry and the Institute of Rural Management Anand (IRMA) was requested to help the Ministry in this regard. IRMA submitted its report and made a detailed presentation on the study report on “State of Organisation and Road Map of CAPART” in 54th Executive Committee meeting held on 8th December, 2010. Subsequently, IRMA conveyed their inability for taking up the assignment further. Thereafter, the Ministry decided to engage another agency viz; Tata Institute of Social Sciences (TISS), Mumbai, which may go into specific details of all aspects of the organization and its functioning and render assistance in the restructuring exercise. A draft Terms of Reference (ToR) for the consulting agency had also been finalized by the Committee constituted under the Chairmanship of Additional Secretary (RD). The first meeting with TISS officials was held on 08.01.2013 wherein broad issues relating to Restructuring of CAPART were discussed. In March, 2013 TISS has further submitted a concept note, highlighting the proposed strategies for restructuring, and the same is under consideration.

[O. M. No. H – 11020/03/2013 – GC (P), dated: 22 July, 2013 Department of Rural Development (Ministry of Rural Development)]

Comments of the Committee

(Please *see* Paragraph No. 26 of Chapter I of the Report)

Recommendation (Serial No. 34, Para No. 2.34)

On the issue of restructuring of DRDA, the Committee note that Department has analysed and accepted the report and process of consultation with States as a prelude to formulation of EFC note for restructuring of DRDA Scheme has been completed. The Committee have also been informed that EFC note has been prepared and has since been vetted by IFD. The EFC note is likely to be circulated to the concerned Ministries/ Departments of the Government of India during the 1st week of April 2013. The Committee feel that process of revamping of DRDA administration has been inordinately delayed. The Committee, therefore, recommend the Department to complete the process during the 2013 itself.

Reply of the Government

An EFC Note on restructuring of DRDA Administration Scheme duly incorporating recommendations of V. Ramachandran Committee has been prepared and circulated among the concerned Ministries/Departments of the Government of India seeking their comments.

[O. M. No. H – 11020/03/2013 – GC (P), dated: 22 July, 2013 Department of Rural Development (Ministry of Rural Development)]

Comments of the Committee

(Please *see* Paragraph No. 29 of Chapter I of the Report)

NEW DELHI	**SUMITRA MAHAJAN**
10 December, 2013	***Chairperson***
19 Agrahayana,* 1935 *(Saka)	***Standing Committee on Rural Development***

APPENDIX - I

MINUTES OF THE MEETING HELD ON 29.4.2013 UNDER THE CHAIRMANSHIP OF SECRETARY (RD), MINISTRY OF RURAL DEVELOPMENT TO DISCUSS ISSUES REGARDING IMPLEMENTATION OF PMGSY IN ANDAMAN & NICOBAR ISLANDS

A meeting was held under the Chairmanship of Secretary (RD), Ministry of Rural Development at 11.30 AM on 29.4.2013 at “Unnati”, Krishi Bhavan, New Delhi, with the Chief Secretary UT Administration to discuss issues regarding implementation of Pradhan Mantri Gram Sadak Yojana (PMGSY) in A&N Islands. List of participants is given at **Annexure-I**.

2. At the outset, Secretary (RD) welcomed the Chief Secretary, UT Administration and other officers from the UT and the Ministry and apprised the urgency of the Meeting. Secretary (RD) informed that the Parliamentary Standing Committee on Rural Development in its meeting held on 1.4.2013, inter alia, discussed the progress of works under Pardhan Mantri Gram Sadak Yojana (PMGSY) in the UT of A&N Islands and commented upon the poor performance of the UT in the implementation of the Scheme. He further stated that the Committee has made the same remarks in two consecutive financial years, which is a matter of serious concern. Further, C&AG had raised an audit para No.17.1 of C&AG report No. 16 of 2011-12 concerning “Abnormal delay in execution of scheme work”, A&N Administration.

3. Keeping in view the importance of the matter, the Ministry of Rural Development undertook a special audit of implementation of PMGSY in A&N Islands through the Office of Chief Controller of Accounts, MoRD during 20.12.2012 to 28.12.2012 and a copy of the report has been sent to UT for furnishing Action Taken Report (ATR). However, the ATR is still awaited.

4. Further, a Central Team was constituted to visit the UT to assess the physical and financial status of implementation of the scheme in the UT and the report has been received and examined in the Ministry. Secretary (RD) requested Chief Secretary to take immediate action to furnish ATR on the observations of special audit and also on the observations of the Central Team. He further requested Chief Secretary to prepare a road map to complete all incomplete works sanctioned under PMGSY.

5. Chief Secretary, Andaman & Nicobar Islands, informed that unlike in most of the main land, the houses/habitations in Andaman & Nicobar Islands are scattered as such the PMGSY norms generally do not fit in for the UT. He informed that out of 18 works sanctioned under PMGSY during 2000-01 and 2001-02, 6 works have been completed, and a few works are proposed to be dropped due to issues like forest clearance, land availability, etc., and balance works are under progress. He assured that all possible steps will be taken to complete the road works as per the PMGSY guidelines.

6. On the visit of the Central Team to A&N Islands during 9-12 April, 2013, Director, (P-III), NRRDA made a presentation and highlighted the following observations regarding implementation of PMGSY.

i) Rural Development Department is acting as the Nodal Department and APWD is the acting as implementing agency for PMGSY.

ii) Total road works cleared by the Ministry under PMGSY were 18 with a cost of Rs. 32.97 crore (7 road works at a cost of Rs. 10.59 crore in Phase I during the year 2000-01 and 11 road works at a cost of Rs.22.38 crore in Phase II during the year 2001-02).

iii) An amount of Rs.10 crores each was made available to A & N Admn. during the financial year 2000-01 and 2001-02 for the road works under PMGSY as an Additional Central Assistance (ACA) by the Planning Commission.

iv) Out of 18 road works covering 37.40 Km sanctioned, 6 road works (Phase-I- 3, Phase-II- 3) have been completed incurring an expenditure of Rs.11.69 crores. The balance funds available with the UT are Rs.14.93 crores including interest.

v) Rs.25.5 lakh were transferred to Rajiv Gandhi Relief Rehabilitation Package during the financial year 2006-07 and the same were credited back during the same financial year.

vi) The NQMs have assessed the overall quality of the 7 inspected roads (6 completed and one partially completed) was found to be “Satisfactory”. All the road works have been found to be “overdesigned”

vii) 7 incomplete works initially handled by Zilla Parishad North and Middle Andaman have been transferred to APWD along with the funds for implementation.

viii) The Administration has not prepared DRRP and Core Network for PMGSY.

ix) No time limit has been set by the A&N Admn. for completing the balance works.

x) Adequate Implementation capacity in APWD and RD.

xi) Reasons as reported by the UT for delay in implementation include: Delay or Non-receipt of Forest clearance, non-availability of land, issues related to transportation of material or non-availability of material, limited working season, more focus on Tsunami relief works, lack of interest among contractors due to the fact that contractors have an impression that the qualification criterion for bidding are very difficult and the road is to be maintained for 5 years without any payment.

7. The Meeting also reviewed the road-wise progress and the status of all 18 road works along with the proposed action for each road incomplete is as follows.

Sl. No.	**Package**	**Number of road works**	**Status of work**	**Proposed action as reported by UT**
1.	C/oRural road at Havelock to provide connection to Vijay Nagar and Radha Nagar. SW: C/o Rural road from Camp No. 5, Kalapathar, Vijay Nagar at Havelock Ph-II (4.27 km) under PMGSY scheme and C/o Link road to Radha Nagar Revenue village at Havelock under PMGSY scheme	2	100% completed	--

2	C/o Rural Road from Chidyatapu to bada Nallah (4.24 km) i/c cross drainage and culvert and C/o Rural Road from Kodiya Ghat to Bada Nallah (1.327 km) i/c cross drainage and culvert under PMGSY	2	80% completed	Work will be completed after reviewing the cost estimates
3.	C/o Rural Road from Kalighat to Jagannath Dera under PMGSY	1	100% Completed	--
4	C/o Rural Road from Karmatang to Paiket Bay 4 km Phase-I (10-2 Km) including culvert and c/o Rural Road from Pinaki nagar to Kamalapur (1.1-2.3 Km) SW:-C/o Rural Road for a length of 1.2 km. under PMGSY (Revised Estimate)	2	Earthwork/collection of material in progess	Work will be completed after reviewing the cost estimates
5.	C/o Rural Road from ATR to Rani Sai's House via V.D. Plantation (1.30 km) at Beodnabad Panchayat in South Andaman i/c cross drainage and culvert under PMGSY.	1	100% completed	--
6.	C/o Rural road from New Wandoor to Shri Natai Biswas house at Humphrygunj South Andaman under PMGSY	1	100% completed	--
7	C/o Rural Road from New Bimblitan school to new Bimblitan village for a length of 1.5 km under PMGSY	1	100% completed	--
8	C/o Rural Road from Chunna Bhatta to North Bay, South Andaman (3.00 Kms)	1	Proposed to be dropped	UT to send a proposal for dropping
9.	C/o Rural Road from SS Shibpur to Kalipur, North Andaman, (2.00 Kms).	1	Proposed to be dropped	UT to send a proposal for dropping
10.	C/o Rural Road from Kalighat to Nischintapur in North Andaman (1.20 Kms)	1	Proposed to be dropped	UT to send a proposal for dropping
11	C/o Rural Road from Sitanagar to Nayadera via Krishnapuri in North Andaman (5.00 kms).	1	Proposed to be dropped	UT to send a proposal for dropping
12	C/o Rural Road from DB Gram School to Laxmipur main road via 7 family (4.00 kms) in North Andaman.	1	Incomplete	Work will be completed after reviewing the cost estimates.
13	C/o Rural Road ATR Suchadhan's House to Thoratang forest camp (Ganapath Baraks house in North Andaman). (2.00 kms)	1	Incomplete	Work will be completed after reviewing the cost

				estimates
14	C/o Rural Road from main road to Lal Bahadur's house at Tugapur including Bridge & Culvert in Mayabunde Tehsil No. 7 (2.40 kms)	1	Incomplete	Work will be completed after reviewing the cost estimates
15	C/o Rural Road from Chainpur to Hanspuri (12.00 kms)	1	Proposed to be dropped	UT to submit the proposal for dropping

The detailed road-wise status is given at **Annexure-II.**

8. It was observed that on some of the roads, the UT has incurred higher expenditure than the amount sanctioned. It was clarified that the amount of interest of the programme funds has been utilized for completing those roads. Secretary (RD) advised the UT to send a proposal in this regard indicating the detailed justification. The Officers of UT further requested the Ministry to enhance the cost estimates of the incomplete roads considering the cost inflation as the estimates were finalized 10 years back. UT was advised to prepare a detailed cost estimates along with redesigning of the roads, wherever required, in consultation with NRRDA and send to the Ministry for consideration.

9. While summing up, Secretary (RD) stressed the need for completion of all incomplete road works (other than proposed for dropping) and advised the UT to prepare completion plan/road map and to send to the Ministry immediately . He further emphasized the need for maintaining the roads constructed under PMGSY by earmarking separate provision of funds.

10. Issues related to other Schemes of the Ministry

10.1**.** National Rural Livelihood Mission (NRLM) :Director NRLM, MoRD, informed that the UT Administration is yet to register any progress in the implementation of NRLM. Chief Secretary, UT of A&N opined that considering the special difficulties and requirements of the Islands, it would be ideal if a team from the Ministry visits the Islands and see the ground reality before taking a decision about the required flexibility and applicability of AJEEVIKA in place of erstwhile SGSY. Secretary (RD) directed that a team of officers from the Division should visit the UT and hold discussions with the UT officials to adopt a strategy for the effective implementation of the programme.

10.2. Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) :Director MGNREGA, MoRD informed that UT Admn. is far behind in updating the Management Information System (MIS) under MGNREGS. Also the UT is yet to settle the accounts of Central funds released in the past, which is delaying the further release to the UT under the programme. As MIS is an important tool to monitor and review the pace of implementation of MGNREGA, the UT should take necessary corrective measures for rectifying the updation of MIS and settling accounts of Central fund to avoid Audit para.

11. The following decisions emerged in the Meeting:

i. ATR on all issues raised in the special audit conducted by the Ministry should be sent to the Ministry within two weeks.

(Action: UT)

ii. Road Map/Action Plan should be prepared and completion plan for incomplete works and sent to the Ministry within three weeks.

(Action: UT)

iii. A proposal should be sent to the Ministry for seeking ex-post facto approval for availing the interest on programme fund for construction of the roads.

(Action: UT)

iv. A detailed cost estimates along with re-designing of the roads, wherever required, should be prepared in consultation with NRRDA and sent to the Ministry for consideration. The re-designing of the road should be carried out using IRC SP-72:2007 and Rural Road Manual IRC SP 20:2002.

(Action: UT/NRRDA)

v. DRRP and Core Network under PMGSY should be prepared in consultation with NRRDA.

(Action: UT/NRRDA)

vi. Provision of at least 10 % for five years for maintenance of roads should be made

(Action: UT)

vii. Monitoring Mechanism as per PMGSY guidelines should be put in place.

(Action: UT)

viii Separate account for PMGSY (separately for Programme fund & Admn. fund) should be opened. The UT should provide a list of officers along with their designations, contract details of nodal department implementing PMGSY and details of contractors, in order to provide training to the field officers and contractors.

(Action: UT)

ix. Proposal for dropping of roads should be sent to the Ministry in the prescribed format (format at **Annexure-III**).

(Action: UT)

x. NRRDA should conduct orientation training to the field level functionaries of the implementing agency and the Contractors in consultation with the UT.

(Action: NRRDA)

xi. Regarding AJEEVIKA, a Team of officers in the Division should visit UT and hold discussions with the UT officials to adopt a strategy for the effective implementation of the programme.

(Action: RL Division)

12. The meeting ended with vote of thanks to the chair.

Annexure-I

LIST OF PARTICIPANTS

Ministry of Rural Development

1. Shri S. Vijay Kumar, Secretary (RD) ….. ….. …. In Chair
2. Dr. P.K Anand, JS (RC)
3. Shri C.R.K. Nair, Adviser (Stat.)
4. Shri Y.S. Dwivedi, Director(RC)
5. Shri . P. Manoj Kumar, Director(RC)
6. Shri . K.K.Tripathi, Director (MGNREGA)
7. Smt Nita Kejriwal, Director (RL)
8. Shri L.D. Saraswati, Deputy Controller of Accounts
9. Shri M. Jayachandran, Under Secretary, RC

Union Territory of Andaman & Nicobar Islands

1. Shri Anand Prakash, Chief Secretary
2. Shri D.N. Singh, Secretary , Secretary (RD)
3. Ms. Puniya Srivasta, Secretary (PWD)
4. Shri S. Tej Bahadur, Superintendent Engineer
5. Shri Jose P. John , AE(W)

National Rural Roads Development Agency

1. Shri Prabha Kant Katare, Director(P-III)
2. Shri N.C. Salonki, Director(P-I)
3. Shri (Dr.) I.K.Pateriya, Director(Tech)
4. Shri Bhupal Nanda, Director (F&A)

APPENDIX - II

Sequence of events of follow up with States for Socio Economic & Caste Census

S. No.	Dates	Particulars
1	13-Mar-12	Video Conference (VC) from 13th March and 03rd April 2012
2	31-May-12	Performance Review Committee (PRC) meeting
3	31-May-12	Secretary issued letter to All States / UTs in two lots 31st May and 06th June 2012
4	6-Jun-12	Secretary issued letter to All States / UTs in two lots 31st May and 06th June 2012
5	23-Jun-12	Performance Review Committee (PRC) meeting North East at Shillong
6	18-Jul-12	Video Conference (VC) from 18th July to 07th August 2012
7	15-Oct-12	Performance Review Committee (PRC) meeting
8	30-Oct-12	Performance Review Committee (PRC) meeting North East at Guwahati
9	17-Nov-12	Performance Review Committee (PRC) meeting
10	21-Nov-12	Video Conference (VC) from 21st November to 27th November 2012
11	15-Jan-13	Performance Review Committee (PRC) meeting (15, 16 and)
12	18-Jan-13	Performance Review Committee (PRC) meeting North East at Aizwal
13	28-Mar-13	Regional Review meeting for SECC on 28th March 2013 at Kolkata
14	3-Apr-13	Regional Review meeting for SECC on 3rd April 2013 Bangaluru
15	8-Apr-13	Regional Review meeting for SECC on 8th April 2013 Chandigarh
16	10-Apr-13	Regional Review meeting for SECC on 10th April 2013 Delhi
17	12-Apr-13	Regional Review meeting for SECC on 12th April 2013 Mumbai
18	16-Apr-13	Regional Review meeting for SECC on 16th April 2013 Bhopal
19	29-Apr-13	Video Conference (VC) from 29th April 2013
20	21-May-13	Minister issued letter to 17 States / UTs for SECC Draft List Publication
21	28-May-13	Performance Review Committee (PRC) meeting (27th and 28th May 2013) at Delhi
22	7-Jun-13	Performance Review Committee (PRC) meeting North East at Kohima

APPENDIX - III

Statement showing release made to States and Utilization of funds during 2011-12 and 2012-13.

(Rs. In lakh)

S.No.	Name of State	2011-12		2012-13	
		Released	Utilised	Released	Utilised
1.	Andhra Pradesh	215.50	128.02	342.20	48.50
2.	Arunachal Pradesh	152.00	78.97	79.07	79.07
3.	Assam	844.19	844.19	699.67	422.17
4.	Bihar	23.50	23.50	0.00	0.00
5.	Chhattishgarh	159.45	110.80	67.85	NR
6.	Goa	26.09	26.09	29.13	NR
7.	Gujarat	57.22	57.22	338.95	48.53
8.	Haryana	233.65	180.36	496.42	78.40
9.	Himachal Pradesh	57.47	57.47	71.90	71.90
10.	Jammu & Kashmir	760.15	760.15	44.12	NR
11.	Jharkhand	82.30	82.30	36.30	23.81
12.	Karnataka	104.65	104.65	131.10	115.11
13.	Kerala	303.57	103.96	129.25	74.25
14.	Madhya Pradesh	125.87	125.87	195.44	113.85
15.	Maharashtra	347.09	248.71	335.61	20.00
16.	Manipur	239.79	136.97	378.37	NR
17.	Meghalaya	343.09	343.09	583.75	417.73
18.	Mizoram	208.65	208.65	177.22	177.22
19.	Nagaland	299.69	299.19	227.10	227.10
20.	Odisha	98.52	15.95	89.79	NR
21.	Punjab	151.16	71.94	92.35	NR
22.	Rajasthan	73.84	73.84	92.08	92.08
23.	Sikkim	202.06	180.82	171.16	155.79
24.	Tamil Nadu	1337.78	210.49	108.59	NR
25.	Tripura	56.12	56.12	145.94	NR
26.	Uttar Pradesh	850.81	827.46	1135.10	20.00
27.	Uttarakhand	235.11	110.56	1359.31	74.52
28.	West Bengal	116.94	116.94	128.20	NR
	Total	7706.26	5584.28	7685.97	2260.03

APPENDIX – IV

STANDING COMMITTEE ON RURAL DEVELOPMENT
(2013-2014)

MINUTES OF THE FIFTH SITTING OF THE COMMITTEE HELD ON WEDNESDAY, THE 27 NOVEMBER 2013

The Committee sat from 1100 hrs. to 1215 hrs. in Committee Room No. 'G-074', Ground Floor, Parliament Library Building, New Delhi.

PRESENT

Shrimati Sumitra Mahajan - Chairperson

Members

Lok Sabha

2. Shri Thangso Baite
3. Shri Premchand Guddu
4. Shri Maheshwar Hazari
5. Shri Nimmala Kristappa
6. Dr. Sanjay Singh
7. Smt. Annu Tandon
8. Smt. Usha Verma
9. Shri Madhu Goud Yaskhi

Rajya Sabha

10. Shri Mani Shankar Aiyar
11. Shri Munqad Ali
12. Shri Vinay Katiyar
13. Shri Faggan Singh Kulaste
14. Shri Mahendra Singh Mahra
15. Prof. Saif-ud-Din-Soz

SECRETARIAT

1. Shri A.K.Shah — Additional Director
2. Smt. Meenakshi Sharma — Deputy Secretary

**** **** *** ***** ****

2. At the outset, the Chairperson welcomed the members of the Committee to the sitting convened **** **** **** **** **** and to adopt Draft Report on Action Taken by the Government on the recommendations contained in the 41st Report on Demands for Grants (2013-14) of the Department of Rural Development (Ministry of Rural Development).

**** **** *** ***** ****

4. The Committee thereafter took up for consideration Memorandum No. 2 regarding action taken by the Government on the recommendations contained in the Forty First Report on Demands for Grants (2013-14) of the Department of Rural Development (Ministry of Rural Development). The Committee considered and adopted the Draft Report without any modification. The Committee also authorized the Chairperson to finalize the Draft Report and present the same to both the Houses of Parliament.

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

The Committee then adjourned.

APPENDIX – V

[*Vide* Para 4 of Introduction of Report]

ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON THE RECOMMENDATIONS CONTAINED IN THE FORTY-FIRST REPORT (15TH LOK SABHA) OF THE STANDING COMMITTEE ON RURAL DEVELOPMENT

I.	Total number of recommendations	38
II.	Recommendations that have been accepted by the Government:	
	Serial Nos. 1, 2, 3, 4, 5, 6, 7, 9, 13, 14, 15, 16, 18, 19, 20, 21, 22, 23, 24, 25, 27, 28, 32, 35, 36, 37 and 38	
	Total :	27
	Percentage:	71%
III.	Recommendations which the Committee do not desire to pursue in view of the Government's Replies:	
	Serial Nos. 26	
	Total:	1
	Percentage:	3%
IV	Recommendations in respect of which replies of the Government have not been accepted by the Committee:	
	Serial Nos. 8, 10 and 12	
	Total:	3
	Percentage:	8%
V.	Recommendations in respect of which final replies of the Government are still awaited:	
	Serial Nos. 11, 17, 29, 30, 31, 33 and 34	
	Total:	7
	Percentage:	18%