

FIFTY-NINTH REPORT
PUBLIC ACCOUNTS COMMITTEE
(1986-87)

(EIGHTH LOK SABHA)

DROUGHT PRONE AREA PROGRAMME

MINISTRY OF FINANCE
(DEPARTMENT OF REVENUE)

MINISTRY OF AGRICULTURAL AND RURAL DEVELOPMENT
(DEPARTMENT OF RURAL DEVELOPMENT)

[Action Taken on the 175th Report (7th Lok Sabha)]



Presented in Lok Sabha on 12.12.1986

Laid in Rajya Sabha on 12.12.1986

LOK SABHA SECRETARIAT
NEW DELHI

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COR.IGENDA TO THE 59TH REPORT (8TH LOK
SABHA) OF PUBLIC ACCOUNTS COMMITTEE
PRESENTED TO LOK SABHA ON 2.12.1986...

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PUBLIC ACCOUNTS COMMITTEE

(1986-87)

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INTRODUCTION

1. The Chairman of the Public Accounts Committee, as authorised by the Committee, do present on their behalf this Fifty-Ninth Report on action taken by Government on the recommendations of the Public Accounts Committee contained in their Hundred and Seventy-Fifth Report (Seventh Lok Sabha) on Drought Prone Area Programme.

2. In their 175th Report the Committee had pinpointed a number of shortcoming in planning, implementation and monitoring of the Drought Prone Area Programme. These were non-existence of separate agencies in some States for monitoring and implementation of this Programme, inadequate delegation of financial and administrative powers to these agencies where they have been set up. The schemes were formulated without adequate survey and examination of the suitability of the receptive area. In their action taken reply, the Government have stated that although the Department are conscious of the shortcomings of the Programme, they regard that shortcomings are innate in the scheme of dual responsibility underlying the Programme. The Committee are not wholly in agreement with this view. Remedy to all the shortcomings in planning and implementation of the Programme, in Committee's view, lies in strengthening the District Rural Development Agencies in all DPAP districts so that they are able to take up formulation and implementation of the Programme with an overall perspective of development of the area as a whole. The Committee have therefore, recommended that DRDA should be made fully responsible for formulation and implementation of the schemes under the Programme.

3. In their earlier Report the Committee had also pointed out substantial shortfalls in the utilisation of funds meant for Drought Prone Area

Programme. The Department of Rural Development stated in their Action Taken Notes, that under utilisation of financial allocations by the State was due to general constraint of resources in some of the States as a result of which they had not been able to make even the budgetary provisions which would have entitled them to take advantage of the Centre's share. Financial constraint is reported to have affected many of the programmes in these States. This being a question of basic policy relating to the funding of programmes involving joint responsibility of the Central and State Governments, the Committee have recommended that this matter should be examined in greater depth to evolve a more realistic policy on this issue.

4. As a large number of Programmes have been initiated in rural areas and a large number of assets have been created and are being created, the States are reluctant to take up responsibility for maintenance of all these assets on a permanent basis. The Committee have urged that a policy for maintenance of assets created under DPAP on a permanent basis should be evolved expeditiously. Since the question of maintenance of assets under this particular Programme cannot be viewed in isolation, they have suggested that an overall policy on this issue may be devised simultaneously to settle this problem in its entirety.

5. In this Report, the Committee have also reiterated their earlier recommendation of taking up a comprehensive review of the Programme.

6. The Committee considered and adopted this Report at their sitting held on 8 September, 1986. Minutes of the sitting form Part II of the Report.

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

(vii)

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

NEW DELHI;
November 11, 1986

Kartika 20, 1908 (S)

E. AYYAPU REDDY,
Chairman,
Public Accounts Committee.

REPORT

CHAPTER I

1. The Report of the Committee deals with the action taken by Government on the Committee's recommendations and observations contained in their 175th Report (Seventh Lok Sabha) on paragraph 11 of the Report of the Comptroller and Auditor General of India for the year 1980-81, Union Government (Civil) relating to Drought Prone Area Programme.

2. The 175th Report which was presented to Lok Sabha on 28 February 1984 contained 30 recommendations. Action Taken Notes have been received in respect of all the recommendations/observations and these have been broadly categorised as follows :

(i) Recommendations and observations which have been accepted by Government.

Sl. No 2-3, 8,9,10,12,14,16,17,20-21,25,26 and 28.

(ii) Recommendations and Observations which the Committee do not desire to pursue in the light of the replies received from Government.

Sl. No. 7,11,13,23 and 29-30.

(iii) Recommendations and observations replies to which have not been accepted by the Committee and which requires reiteration.

Sl. No. 1,4,5,15 and 24.

(iv) Recommendations and Observations in respect of which Government have furnished interim replies.

Sl. No 6,18,19,22 and 27.

3. The Committee are unhappy to note that Department of Rural Development has not been able to furnish final Action Taken Notes on some of their recommendations till date. The Action Taken Notes were required to be furnished within six months of the presentation of the original Report i.e. by 29 August, 1984. In the instant case, the Action taken Notes have been received on 29 April, 1985. In spite of the extended time-limit, five Action Taken Notes are found to be of interim nature. It is highly deplorable. The Committee desire that final replies to the recommendations included in Chapter V, duly vetted by audit may be furnished to the Committee at an early date.

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

Implementation of the Programme

5. Commenting on the faulty implementation of various schemes under the Drought Prone Area Programme, the Committee in Para 1.17 (S.No. 1) of their Report had observed :

“The Committee’s examination of the programme, has revealed many a shortcoming. In many States separate agencies to chalk out the programme and monitor its implementation have not been set up. In some states though these agencies have been set up, adequate financial and administrative powers have not been delegated to them. The work of the programme is being carried on by the officers who have already been entrusted with multifarious duties with the result that these officers have not been able to devote adequate attention to the programme. In many cases subject matter departments have tended to look at their work in isolation, not keeping in view the basic objectives of the programme as a whole. Schemes under the programme have in some cases been formulated without adequate survey and examining the suitability of the area for these schemes. Moreover, there have been inordinate delays in the completion, the benefits of the schemes have not accrued to the intended beneficiaries. It is, therefore, no surprise that there have been heavy shortfalls in the achievement of targets in such vital

sectors like minor irrigation, command area development, cattle and dairy development, establishment of poultry units, etc."

6. In their Action Taken Note the Department of Rural Development have explained the position as under :

"The Deptt. is fully conscious of the fact that the programme in its present form and manner of implementation suffers from many short-comings. Some of them are innate in the schemes of dual responsibility underlying the programme. While the broad design and methodology of implementation are formulated in consultation with the Central Government, all the details of the programme must necessarily be worked out by the authority on the spot namely the State Government and project agencies. The schemes taken up under the programme are usually small, intended to serve comparatively small areas. The physical conditions of these areas, their resource endowment, the specific problems experienced by them and sought to be overcome by the scheme are such as cannot be assessed by the Government of India, why, for the matter, even by the concerned State Government. It is only the project authority which is directly in touch with the local conditions that can objectively assess the problems, the resources and development potentials of the area, formulate suitable schemes⁶ of development and implement them.

II. In all the the project districts, agencies have since been established for the implementation of this programme. These agencies periodically review the progress of implementation of different schemes under the programme and suggest suitable measures to be taken wherever necessary, by the department (s) concerned. The issues usually discussed relate to expeditious completion of the schemes approved, filling up of vacancies of staff arrangement for materials and equipments and tie-ing up of forward and backward linkages. As examples, the sequencing of activities—like raising of nurseries before actual planting operations commence under thye forestry sector and, developing a milk shed before going in for a chilling plant under the dairy sector, can be cited.

- III. The Deptt. of Rural Development has been concerned over the fact that until recently the project level set up for formulation of project blue-prints and their implementation were inadequate in many project areas. Many project authorities did not even appear to be fully conversant with the details of this programme, pre-occupied as they were with other rural development programmes of larger coverage. The Deptt. has, therefore, urged the State Governments to take certain corrective measures. While the discretion has been left to the concerned state Government to decide whether the agency for formulation and implementation of the DPAP/DDP should be the DRDA or some other separate body, a certain basic set-up is to be ensured for this task in every project area. In pursuance of this policy, a circular letter was issued to the state governments in October, 1983 Annexure-I (copy enclosed)* in which a certain model set-up has been suggested for each project area. It has been pointed out that within the budgetary limits provided for expenditure on personnel and administration, it would be possible for an average project area to find adequate staff for manning this set-up. It should also be possible for the project authorities to employ technical personnel for those sectors of activity which are preponderant in any project area.
- IV. The methodology of monitoring the implementation of the programme has also been scrutinised in detail in the recent past. The old set of proforma used for monitoring has been replaced by a more streamlined set which provides for a regular flow of authentic information on various aspects of the programme (Annex-II). It is expected to enable the state Government and the Government of India to assess periodically the progress not only in financial terms but also in physical terms, sector-wise, for that matter, even schemes-wise.
- V. It is true that the programme is by and large being implemented by the personnel of the line departments of the State Governments and that as a result, it does not always receive

* See Chapter IV

the attention and priority that it is expected to, had it been possible to provide a separate set of personnel exclusively for this purpose. It may, however, be appreciated that such exclusive personnel, earmarked only for schemes under the DPAP, may not be possible, indeed desirable, for most project areas. There are important financial considerations standing in the way of making provision for exclusive personnel for the programme. In the first place, the size of the programme and its schemes contents may not justify the employment of additional staff in every project area. In the second place the staff will be needed for a project area only for a limited period. If too many people are employed for programme which admittedly has a limited life-span the state government will have to find means for supporting permanently a large number of additional hands who may not have adequate work to do. Therefore, a practicable balance between the two extremes of total dependence on the state government's line departments and provision for exclusive personnel has been struck. The project authorities have been advised to employ or take on deputation additional hands, particularly technical personnel, for those sectors of the programme which have a preponderance in any project area.

- VI. It is a fact that schemes have been taken up in many project areas without adequate survey and assessment of their suitability for the concerned area. The Deptt. of Rural development has been repeatedly urging the project authorities to make a bench mark survey of the project areas with reference to their resource endowment, the problems experienced and the potentials for development. Some states have taken some steps for this purpose. Unfortunately, the programme underwent some structural change midway during the current plan, the state governments did not have adequate time to undertake such basic work. It is expected that before the seventh Five Year Plan is launched a beginning will be made for such bench mark surveys. The Deptt. has urged (Annex-I) the state governments for taking immediate preparatory steps for this purpose so that the programme can be launched under the seventh Plan period on a sounder footing.

VII. The ad-hoc selection of schemes in many project areas has indeed led to failure of many of them to take off. The Deptt. noted with concern that certain types of schemes, which had gone well in a particular area, tended to be taken in larger numbers without reference to the resource base that could sustain them and their relevance to the needs of the population of the area. This has prompted this Deptt. to cut down during the past two years many proposals for establishment of chilling plants suggested by several project authorities without reference to the availability of milk and the absorptive capacity of the market. Each scheme is examined by this Department from the relevant points of view when the annual action plans are submitted to it for clearance. It may, however, be appreciated that since the schemes are location-specific, intended to serve a very small area, may be a collection of villages or even a miniwatershed covering just a few hundred hectares, the Central Government has of necessity to depend upon the assessment of the State Government and particularly the project authorities concerned, of such matters as the resource-base, the feasibility of the scheme etc.

VIII. It is true that inordinate delay has occurred in the completion of many works and that the expected benefit has not accrued to the intended beneficiaries. This state of affairs has prevailed largely due to *ad hoc* formulation of schemes without reference to the resource endowment of the area, the assessment of the needs of the area and the potential for its development. All these problems are expected to be minimised, if not eliminated, once the surveys, referred to above, are made enabling the formulation of schemes on a more scientific basis with a long term perspective of 5 or 10 years. The State Governments have already been advised to take steps in this direction (Annex. I). However, the Department is not depending only on improvement of things in the long run. More attention is being given now on assessing the viability of each scheme in terms of the time set down in the blue-print for its completion, the estimate of expenditure and the cost benefit ratio.

IX. As for inadequate application of financial and administrative powers to the field level officials, it may be mentioned here that the state Governments had delegated the powers to them, keeping in view, the prevailing price situation. Due to the general rise in the price-level, most of these powers have been rendered out of date now. The State Governments have now been requested to revise the financial and administrative powers to the field level officials so that the officials can take decisions on the spot. Pursuant such instructions many states have taken up the issue of enhancing financial and administrative powers with the field level officers. For example, Orissa has since revised the powers of the officers of the soil conservation department upwards.

X. It may also be mentioned in the context of delegation of financial and administrative powers that such difficulty experienced in the recent past stemmed from the fact that funds earmarked for the programme were being routed by the state governments through their line departments. At the Deptt.'s insistence, this practice has been dispensed with now and nearly everywhere the fund is being placed at the disposal of the concerned DRDA. This is expected to obviate delay resulting from the routing of funds through the departments and the consequential reference back and forth.

XI. The problem of delegation of administrative power has to be viewed in the context of the administrative set-up, already outlined above, for implementation of schemes. As already noted the actual task of implementation of schemes devolves still largely upon the line departments of the state governments. All these departments have a dual responsibility.

- 1) for the programme to the project authorities
- 2) to the state government for the States' normal development works. Unless an exclusive staff is earmarked for DPAP

schemes only the impracticability of which has been explained above, exclusive control of the staff by the DRDA/project authorities will not be feasible.

XII. The involvement of the DRDA in many project areas has so far been little more than nominal. Under the changed dispensation the DRDA will not only be controlling funds but will also be in an advantageous position to monitor closely the progress of every scheme at every stage. This will also obviate many administrative and financial problems of delegation experienced so far."

7. In their earlier Report the Committee had pinpointed a number of shortcomings in planning, implementation and monitoring of the Drought Prone Area Programme. The action taken reply of the Government only restates the shortcomings already pointed out by the Committee. It is stated that although separate project agencies have been established in all the project districts the project-level set up has been found inadequate for formulation and implementation of the programme. Many project authorities were not even fully Conversant with the programme. Further, by and large, the programme is being implemented by the line departments of the State Government and as such the programme is not receiving adequate attention. This could possible if an exclusive set of personnel could be provided for the programme. However, the Government do not consider it financially feasible to provide for an exclusive set of personnel for fear of having to support a large number of additional hands permanently. Again, schemes were taken up in many project areas without adequate survey and assessment of their suitability for the concerned area. *Ad-hoc* selection of scheme is also stated to have led to failure of many schemes to take off. Further again, inordinate delay has occurred in completion of many works and the benefit as intended has not accrued to the beneficiaries. Inadequate delegation of financial and administrative powers has also been a factor responsible for tardy implementation of the programme.

This state of affairs is unsatisfactory and regrettable. Although the Department are conscious of the shortcomings of the programme they regard that shortcomings are innate in the scheme of dual responsibility

underlying the programme. The Committee are not wholly in agreement with this view. While dual responsibility in the Committee's view, is built in in our politico administrative ethos the bane of our system of planning and implementation is a multiplication of schemes and the organisations to implement those schemes. The result has been very weak planning and administrative set up at the district and local levels incapable of taking an integrated view of development of the area. Remedy to all the shortcomings in planning and implementation of the programme, enumerated in Government's reply, therefore, lies in strengthening the District Rural Development Agencies in all DPAP districts to be able to take up formulation and implementation of the programme. A well-equipped and well organised DRDA will be in a position not only to draw up programmes related to needs and opportunities for development of the area as a whole but will also be in an advantageous position to monitor the progress of every scheme more closely and make the best use of the available resources. The Committee are happy to note that the proposal to have a cell within the DRDA responsible for implementation of the schemes once formulated under the programme has been accepted by many states. The Committee desire that the implementation of the scheme should be pursued vigorously with the remaining states.

8. The Committee, however, find from the reply that involvement of DRDAs in many project areas has not been satisfactory. The Committee strongly recommend that concerted measures should be taken to make DRDA fully responsible for formulation and implementation of the schemes under the programme,

Utilisation of funds released for the Programme

9. Reviewing utilisation of funds released for the Drought Prone Area Programme by the Department of Rural Development, the Committee have in Para 1.22 (S. No. 4) observed in the original Report as follows:

"The Committee are concerned to note that there have been substantial shortfalls in the utilisation of funds meant for drought prone area programme. During 1974-75 to 1980-81, while the Central and State Governments released Rs. 445.80

crores for the programme, the actual expenditure incurred was only Rs. 377.01 crores (84.57%). During the year 1980-81, against the outlay of Rs. 94.41 crores sanctioned, the total expenditure was only Rs. 73.14 crores. Thus only about 78% of funds allotted were actually utilised. The factors which contributed to the shortfall in utilisation are stated to be delay in procurement of material and inputs, delay in posting of staff, greater attention given by the field staff of State Governments to utilisation of funds released under the normal State Plans and frequent changes in staff. The Committee are surprised that while the Ministry of Rural Development are aware of these shortcomings and it has been claimed by the Ministry that necessary remedial measures have been suggested, the position has not shown any improvement. It is indeed a matter of concern that while on one hand there is a constant complaint of inadequate allocation of funds for welfare schemes on the other, even the funds allotted have not been fully utilised. The Committee would like the Ministry of Rural Development to take concrete measures to ensure that the funds allotted for the programme are fully utilised and the bottlenecks responsible for their non-utilisation removed at the earliest."

10. In their Action Taken Reply, the Ministry of Rural Development have stated as under :—

"The Department of Rural Development is seriously concerned about the short-fall in expenditure resulting in the denial of the benefits to the population of the project areas, particularly the weaker sections of the community. It has been repeatedly urging the State Governments to take corrective measures against the possibility of such short-fall recurring in the future. It may, however, be appreciated that the programme is a joint responsibility of the Central and the State Government. The central share is given to the State Governments to the extent the State Government is able to provide the matching contribution. Several states have failed to make even the necessary budgetary provision which would have entitled them to take full advantage of the Centre's share. The failure on

the part of some State Governments to do so is due to their general financial constraint which has reportedly affected many other development works in these states. Besides paucity of funds, are problems of supply of materials and inputs and posting of adequate trained staff to the project area. The State Governments have genuine difficulties in the way of provision of the staff. Under the accepted staffing pattern for the programme, the actual execution of the schemes is to be done mostly by the existing staff of the line departments of the State Government. The supervisory staff at the DDA level is to be provided for out of the project fund. However, there is usually enough provision for induction of additional personnel for those areas of activity which may require additional personnel. Again, provision of staff for the programme has to be made only for the duration of the programme. Once the programme is completed in an area, the responsibility for the staff will permanently devolve upon the State Government. The State Governments are, therefore, understandably chary of recruiting too many additional personnel. For all these reasons, many state governments have so far been unable to work out a satisfactory staffing pattern for the project areas. With the introduction of the IRDP, NREP and RLEGP, which have understandably more obvious appeal, there has been a tendency on the part of the state governments to give priority in the deployment of the staff for them. The Deptt., however, has been trying its best to help the state governments and the project authorities work out happy and practicable balance between the competing needs of different programmes being administered by the DRDAs. At the time of the sanction of the annual action plan for each project, the staffing pattern is scrutinised in detail and corrective measures are suggested to the project authorities wherever necessary. The letter of sanction of the Government of India now specifically mentions the need for additional staff for specific project areas. Although the need for inputs like cement, steel etc. for schemes in any project area is too small to be centrally arranged for, the State Govts. have been advised to let this Deptt. know if they are facing any difficulty in obtaining supplies of them and if so, the Deptt. will take up the matter with the authorities responsible for their supply."

11. In their earlier Report the Committee had noted that there had been substantial shortfalls in the utilisation of funds meant for Drought Prone Area Programme. Under-utilisation of financial allocations by the States under the programme is stated to be due in three broad reasons. First reason is the general constraint of resources in some of the States as a result of which they have not been able to make even the budgetary provisions which would have entitled them to take advantage of the Centre's share. The other two reasons are (1) delay in procurement of materials and inputs and (2) difficulty in providing the necessary staff for the programme. The Committee do not think that the supply of materials should have been a problem of such significance that it could not be overcome through proper planning. As regards the staff for the programme the Department had initiated suitable action for evolving suitable patterns. The position should have further improved with an integrated approach to the problem and with the strengthening of DRDAs as observed elsewhere. However, the Committee note with serious concern the fact that the constraint of financial resources makes it difficult for some of the States even to take advantage of Centre's share. Under the programme, the Central share is given only to those State Governments who are able to provide matching contributions. Financial constraint in fact is reported to have affected many other programmes in these States. Since this is a question of basic policy relating to the funding of programmes involving joint responsibility of the Central and State Governments, the Committee recommend that this matter should be examined in greater depth to evolve a more realistic policy on this issue.

Non-production of records to Audit

12. Commenting on non-production of records of utilisation of assistance of Rs. 19.5 millions provided by the Federal Republic of Germany, the Committee in para 1.24 (Sl. No. 5) of the Report had observed :

"The Committee have been informed by Audit that records of utilisation of assistance of Rs. 19.5 millions provided by the Federal Republic of Germany for financing the drought prone area programme in Bankura district of West Bengal were not

made available to audit nor an appraisal report of this project has been prepared so far. However, the Ministry of Rural Development have stated that monthly and quarterly progress reports for this project are available with the Ministry and can be shown to Audit as and when desired. The Committee are at a loss to understand why records of utilisation should not have been shown to Audit earlier when the same are stated to be available with the Ministry of Rural Development. The Committee would like this matter to be sorted out with Audit. As regards the appraisal of the project, the committee have been informed that the Government of West Bengal have been asked to have the project appraised. The Committee would like to be informed of the progress made in this regard."

13. In their Action Taken Note the Ministry of Agriculture and Rural Development have stated as under:

"During the Fifth Plan the expenditure of Rs. 84.20 million was incurred as per break-up given below:

Sector	Expenditure under DPAP in Bankura [district during the Fifth Plan
	(Rs. in millions)
Agriculture	4.53
Irrigation	53.10
Afforestation	18.02
Animal Husbandry	4.55
Fisheries	9.18
Others	2.38
Project Administration	1.44
Total	84.20

From the above, it may be seen that the entire funds provided by the Federal Republic of Germany have been utilised. This follows from the fact that entire allocation for the project in Bankura under the Fifth Five Year Plan has been utilised. Since the whole has been accounted for the part automatically gets accounted for. As for the evaluation of the programme by the Government of West Bengal, the Government of West Bengal has not yet been able to complete it. The State Government has been requested to complete it expeditiously.

14. The Committee are unhappy to note that the matter regarding supply of records to Audit has not been sorted out although considerable time has elapsed. The project appraisal report is yet to be completed. The Committee would like to be apprised of the further progress made in the matter.

Maintenance of assets

15. Commenting on deterioration of assets created under the DPAP due to inadequate provisions made for their maintenance by various State Governments, the Committee in para 1.54 (Sl. No. 15) of their 175th Report had recommended as under :-

“Assets created under the programme are to be maintained after their transfer from the Plan to the non-Plan sector from the budgetary provisions of the concerned Departments of State. It has, however, been observed that because of financial constraints on the part of State Governments, adequate provision is not being made for the maintenance of the assets with the result that these assets are deterioration over the years and the benefits of the assets are not being fully realised, As huge investments have been made over the years on the creation of such assets, it is imperative that these assets should be maintained properly and full benefits thereof should be maintained properly and full benefits thereof should accrue to the intended beneficiaries. The Committee feel that it would be desirable that the assets created under the DPAP are maintained

and repaired from out of the funds provided for the DPAP so that these assets do not deteriorate merely on account of financial constraints of State Governments. The Committee would like the Ministry of Rural Development to take up the matter with the Planning Commission and take an early decision in the matter."

16. In their Action Taken Note, the Ministry of Rural Development have stated as follows ;

"The Deptt. is anxious that assets created under the programme should not be allowed to deteriorate from lack of proper/maintenance. Under the current dispensation, assets created are usually to be maintained out of the project funds for a period of three years after their creation. Within the limited budget for the programme, it is not possible to provide for permanent maintenance of assets. Besides, it may be appreciated that the project is time-bound. Funds allocated for a project cannot provided for permanent maintenance of the assets created. Still, however, the Deptt. of Rural Development has been urging the need for some permanent dispensation for the proper maintenance of assets. The report of the Working Group on Area Development Programmes and L and Reforms, prepared in connection with the preparation of the Seventh Five Years Plan, has emphasised this need and has called for the creation of some permanent arrangements for maintenance of assets. The State Governments have been advised by the Department of Rural Development to prepare a complete inventory of the assets already created. The idea is to see what kind of provision for maintenance needs to be made for each category of assets. Some progress has already been made in the preparation of such inventories."

17. According to the guidelines issued by the Ministry of Rural Development, maintenance of assets created under the programme is financed from the project funds for the first 3 years after completion of a scheme. The Committee understand that these guidelines are not being followed. Since a large number of programmes have been initiated in the rural sector and

a number of assets have been created and are being created the State Governments have been reluctant to take up responsibility for permanent maintenance of the assets created under the Drought Prone Area Programme also. The Committee note that a complete inventory of the assets already created is under preparation in order to determine the nature of provision necessary for meeting the maintenance needs of each category of assets created under the programme. The Committee strongly urge that a policy for maintenance of assets created under DPAP on a permanent basis should be evolved expeditiously. Since the question of maintenance of assets under this particular programme cannot be viewed in isolation they would suggest that an overall policy on this issue may be devised simultaneously to settle this problem in its entirety.

Monitoring and evaluation of the programme

18. Commenting on inadequate monitoring and evaluation of the DPAP, the Committee had observed in another recommendation contained in para 1.98 (Sl. No. 24) of their 175th Report that :

“The Committee are surprised to find that there has been no proper monitoring and evaluation of the Drought Prone Area Programme as a whole. The Task Force in their report submitted in July, 1982, have *inter-alia*, pointed out that monitoring and evaluation of the Drought Prone Area Programme suffered considerable neglect with the result that expenditure is incurred rather routinely and activities that hold considerable promise for an area are seldom identified. The Operations Evaluation Department of the World Bank in their project programmes Audit Report on the projects for which credit was provided by the World Bank submitted in March, 1982 has also pointed out that there was lack of adequate monitoring and evaluation with the result that the magnitude of the project's programme and the impacts of these programmes are partially impressionistic or conjectural. It has also been pointed out in their report that although Central DPAP Unit Commissioned 32 studies to be done by its own personnel or by State

authorities, little comprehensive information on the ultimate impact of the project have been obtained."

19. In their Action Taken Note, the Ministry of Rural Development have replied as follows :

"The overall impact of the programme is difficult to assess at this stage. The long-term effect in terms of, restoration of ecological balance cannot be perceived within the short span of time that the programme has run so far. Besides, the scale of investment under the programme being what it is, only small schemes intended to serve small localities can be taken up in the short-term and their impact perceived. Some of these schemes have been evaluated and their result has been found to be encouraging (Annex—II).^{*} But the area covered under these individual schemes are widely dispersed and the number of schemes taken in any project area is small. It may, therefore, be too early to assess the overall impact of these schemes in any project area."

20. The Drought Prone Area Programme under the nomenclature of Rural Works Programme was started as early as in 1970-71. The Committee are, therefore, unable to subscribe to the view point expressed by Government that it may be too early to assess the overall impact of the programme and that the long-term effect of restoration of ecological balance cannot be perceived in the short span of time that the programme has been in operation. The Department also do not expect much impact of the programme in view of the small investment that has been made so far. The Committee feel that sixteen years should be considered more than a reasonable span of time to be able to show perceptible impact of the programme on ecological balance or for atleast some positive trends and directions. It is to be noted that even if the projects may be individually small they cover as much as 19 per cent of the total land area in the country. They are of the view that such an evaluation will provide the Department with an opportunity to objectively evaluate the impact in a broader perspective and might throw some light on any fresh approach that

^{*}See Chapter IV

might be called for to ensure accelerated achievement of the objectives of the programme. The World Bank Study made in 1982 had also pointed to the need for such a review. The Committee, therefore, reiterate their earlier recommendation for taking up a comprehensive review of the programme at this stage.

NEW DELHI;

November 11, 1986

Kartika 20, 1908 (s)

E. AYYAPU REDDY

Chairman,

Public Accounts Committee.

CHAPTER II

RECOMMENDATIONS OR OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY GOVERNMENT

Recommendation

The Committee cannot but express their unhappiness at the state of affairs. Though implemented by State Governments, the Programme being Centrally Sponsored, it is equally the responsibility of the Centre to ensure that the objectives are fully realised. The programme has a vital bearing on the economic amelioration of the economically backward and hitherto neglected sections of society. The Committee would therefore like the Ministry of Rural Development to do more vigorous monitoring of the programme, take initiative in identifying the weaknesses therein and ensure effective remedial measures. There should be frequent meetings with State Governments both at an all India as well as regional level to have a continuous tab on the progress of the programme.

[Sl. No. 2 Appendix II Para 1.18 of the 175th Report of PAC
(Seventh Lok Sabha)]

Action taken

The Deptt. of Rural Development is aware of the need for effective central participation in the monitoring of the programme so as to see that it is on the track. It is with this end in view that the Deptt. insists on examining, as far as possible, every scheme included in the annual action plan of each project. This is being done, despite the feeling on the part of certain state governments, that once the total provision of funds for a project has been determined, the details of schemes should be left to be worked out by the project authorities, who would do this under the

general supervision of the State Government. It has been found that unless the schemes under different functional sectors in the project area examined by this Deptt. many distortions in the design of the programme and its implementation creep in. However, there are obvious limitations to the examination of schemes that can be done by the Centre. Generally schemes under the DPAP are small. Thus an irrigation scheme may cover only a few hundred hectares; a pasture development scheme may cover 15 or 20 hectares, a soil conservation scheme may cover a group of three or four villages; even integrated watershed programmes cover only mini watersheds comprising just a few hundred hectares. As a result the designing of schemes under the DPAP required highly intimate area-specific knowledge. This can be had not by the Central Government, not even the State Government, but only by the project authorities. Therefore, central participation in the designing of schemes and their implementation has its obvious limitations. The Deptt. has assigned various specialised bodies and institutions a large number of studies of specific project areas or specific schemes. The findings of some of these studies would call for location-specific remedial action. The other findings point to remedial measures for general applicability. These studies are circulated to the State Governments. The Deptt. also analyses them and issues guidelines on their basis from time to time. II Besides this, thorough examination of the progress of schemes is done when the annual plans are sanctioned. From time to time, conferences of officials of the State Governments including Project Directors are convened. Where there are specific problems of an important nature Project Directors and other officials of individual agencies are asked to come for discussion. The experiences of the project authorities of different states are analysed at various workshops and seminars, being regularly organised by this Deptt. in different parts of the country.

[Deptt. of Rural Development O.M. No. 7 (3)/2/84-DPAP Dated
the 29th April, 1985]

Recommendation

The Committee note that non-officials have been associated at the agency level in the planning and review of implementation of the

programme and their association has proved to be useful in identifying the felt needs of the area and its people, in finalising suitable strategy for development and securing better acceptance of the programme by the people. The Committee has been informed that concerned State Governments have been advised to associate specialised agencies also wherever available in formulation of schemes under the programme. It would go a long way to fill in the expertise gap noticed by the Task Force and be of help to States in formulating schemes, particularly those involving multi-disciplinary approach to long term development. The Committee would therefore like this proposal to be pursued vigorously with State Governments.

[Sl. No. 3 Appendix II Para 1.19 of the 17th Report of PAC
(Seventh Lok Sabha)]

Action taken

At the instance of the Department of Rural Development, some state governments have entrusted the work of preparation of plans under the programme to specialised agencies consultants. Further, scientists of the Indian Council of Agricultural Research and its affiliated bodies, agricultural universities have also been associated with the preparation of the twenty two model watershed plans to be implemented under the programme in different states. Also, study teams have been and are being constituted to evaluate certain components/sectors of the programme. Wherever, gap in expertise is noticed, suitable corrective action is also recommended by these study teams. Sheep breeding programme in Gujarat has already been evaluated by a team of experts. Similar teams are being constituted to study the work under Sericulture, Soil and Water Conservation in selected states.

[Department of Rural Development O.M. No : 7 (3)/2/84-DPAP,
Dated the 29th April, 1985.]

Recommendation

It would be obvious from the facts narrated in the foregoing paragraphs that the Programme has not been organised and implemented in a manner that would ensure monitoring on a uniform basis and obtaining reliable accounts in time. The Committee would like the Ministry to

have a detailed review of the programme for appropriate remedial action. Further the form of accounts to be rendered by the States should be laid down on a uniform basis in consultation with the C & AG of India. The Committee would like to know the progress in regard to the rendering of past accounts.

[SI No. 8 Appendix Para 1.33 of the 175th Report of PAC
(Seventh Lok Sabha)]

Action taken

As has already been mentioned a wholesale standardisation of the format for monitoring the programme may not be practicable in view of the diversity of conditions prevalent in different parts of the country and the consequent flexibility that the programme needs for any particular area. However, a revised format for detailed monitoring has already been operative. On the basis of this, data are collected on the financial and physical progress of the programme in different project areas on monthly and quarterly basis respectively. There is another complication involved in a standardised approach to monitoring of the programme in financial terms. In many project areas, the accounting is done taking the DRDA as the unit and covering all rural development programmes. In other areas, the accounting is done programme wise. With a view to ensuring that separate accounts are kept by each DRDA, a set of proformae have been prepared by this Deptt. for consideration by the C & AG. It is expected that their clearance on this point will be available shortly. A copy of the draft proformae is enclosed (Annex V)

As for the progress in regard to rendering of past accounts, the statement annexed to the reply to para 1.31 (S No. 6) be referred to.

[Deptt. of Rural Development O.M. No : 7 (3)/2/84-DPAP Dated
29th April, 1985.]

Accounting Proedure to be followed by DRDA for the DroughtProne Area Programme and the Desert Development Programme.

The outlay for the DPAP and the DDP is being shared equally as per the existing arrangement by the Central Govt. and the State Govts. concerned. The 50% share of the Govt. of India under the DPAP and DDP is being released to the State Govt. This, in turn, is passed on to the DRDAs alongwith the matching share of the State Govt. minus the amount required for the State Cell and for the staff of the implementing agencies which may be released to the Heads of Departments.

The following arrangement is prescribed in regard to the form of accounts and their maintenance by the DRDA as also the nature of audit to be applied and the presentation of accounts for audit under the DPAP and the DDP.

1. The accounts of the Agency will be maintained as double entry system (like other commercial organisation on accrual basis) subject to following guidelines.
2. The following forms and registers shall be maintained by the Society.

- i. Journal.
- ii. Ledger.
- iii. Approved Budget estimate and progress of expenditure.
- iv. Cash Book.
- v. Cheque Issue register (Bank-wise)
- vi. Receipt Books Register.
- vii. Acquittance Register.
- viii. Cheque books Register.
- ix. Register of bank reconciliation (separate folios for each branch of the bank with which balances of DPAP funds kept)

- x. Register of fixed charges.
- xi. Petty Cash Book.
- xii. Recoupment Voucher.
- xiii. Register of Audit & settlement of audit objections,
- xiv. Register of advances.
- xv. Register of subsidy to beneficiaries.
- xvi. Register of Government Grants.
- xvii. Service books of employees.
- xviii. Stock Register.
 - a. Consumable articles.
 - b. Non-consumable articles.
- xix. Register of assets (in CFR Form 19 in terms of Govt. of India decision No. 5 under GFR 149) extracts enclosed.
- xx. Misc. Income Register.
- xxi. Monthly Consolidated Statement of Receipts and Payments.
- xxii. Register of works.
- xxiii. Register for watching the balances with the implementing offices in Personal Ledger Accounts and
- xxiv. Any other Register the maintenance of which may be considered necessary in the day to day work.

3. If any grant has been made by the Government of India or by the State Government to the Society for a specific purpose, the society shall not without the previous sanction of the granting authority, appropriate such grant or sum or any portion thereof to a purpose other than any of the approved purpose.

4. The agency is required to maintain accounts departmentwise. As such it is necessary that against each entry in the Cash Book, names of the departments to which it pertains shall be indicated. The cash book and the Register of Subsidy to Beneficiaries shall be maintained by all the District Rural Development Agencies in the specimen attached (vide Annexure I & II)

5. Subject to para 4 books and forms of accounts shall be maintained in the forms in which it is maintained in State Government/Union Territo-

ries offices connected with the execution of Rural Development Programmes. If some of the Registers and forms are not in use in the Government offices, the forms adopted by the District Board Officers will be followed.

6. At the end of the month, a department-wise abstract shall be prepared showing the monthly expenditure in respect of each department. A consolidated register shall also be maintained indicating the progressive expenditure from month to month in respect of each deptt.

7. The Cash Book shall be closed every day and shall be signed by the Project Officer/Director. In the event of any cheques issued during a month remaining uncashed at the close of the month, there will necessarily be a difference between the balance brought out in the Cash Book and of the Pass Book and of the certificate issued by the Agent of the Bank. This difference shall be explained by a note in the last page of the Cash Book for the month in the following manner:

	Rs.	P.	Rs.	P.
Balance as per Cash Book			2000	75
ADD: Cheques uncashed No. 9	120	10	190	10
dated 10th May 1969.	70	00		
No: 10 dated 15th May 1969.	—————	—————	—————	—————
			2190	85
LESS: amounts deposited but not credited by the bank.			—	—
Date Amount				
Balance as per Pass Book			2190	85

All moneys remitted to the Bank to the Credit of society and all payments made by the Bank on cheques or otherwise on account of the society shall be entered in a Pass Book. The Pass Book shall remain in the custody of the accounts officer and it shall be sent to the Bank on the 10th and also on the last working day of every month, and on any

other day on which the society may require the posting to be done.

8. On receipt of the Pass Book by the Bank the receipt and payments up-to-date, shall be entered therein and when the Book is received on the last working day of the month, the account shall be balanced and signed by the Agency of the Bank, the amount being entered in words as well as in figures. The Book shall be returned to the Office of the Society as soon as the entries prescribed in this rule have been made in it i.e., on the day of receipt of the next opening day at the latest.

9. The Chairman/Project Officer shall examine the Pass Book from time to time and shall immediately call the attention of the Agency of the Bank to any discrepancy that may appear between the credits and debits shown in the Pass Book and those shown in the accounts of the Society.

10. For the payment of the yetty charges, the project Officer shall hold a Permanent Advance as approved by the Governing Body.

11. This Permanent once shall be recouped as often as may be necessary in the following manner:

The project Officer/Accounts Officer shall compare the sub-vouchers with the entries in the permanent advance amount, he shall deface them by stamping "Cancelled" thereon so that they can not be used again. He shall total and initial the column "amount of sub-voucher" in the permanent advance account. The Voucher for recoupment shall be drawn out, in a suitable form and it shall be enfaced with the usual payment order. The project Officer shall draw out a cheque in his own favour for the amount.

12. All payments exceeding Rs. 25/— shall be made by cheque, except in cases where it is not possible to make payment by cheque. The Drawing and Disbursing Officer will satisfy himself about the mode of payment.

13. Cheque books will be supplied by the Bank only; and no other forms shall be used. The Cheque books and the counterfoils of used

cheques shall be kept in the custody of the Accounts Officer/Project Officer.

14. On receipt of a cheque book from the Bank, the Project Officer shall count the cheques and shall record on the back of the cheque book that "this cheque book contains forms". The cheque books will also be entered in the register meant for the purpose.

15. Cheques for sums not exceeding Rs. 25,000/— shall be signed by the Project Officer-cum-Secretary. Cheques for sums exceeding 25,000 will be signed by the Project Officer and the Chairman.

16. No cheque shall be signed unless required for immediate delivery to the person to whom the money is to be paid, nor until the Bill which will discharge has been presented in a complete form and passed for payment.

17. If a cheque, after it has been signed cannot be delivered to the payees on account of his non-appearance on a particular date, it should be lodged in an iron safe the key of which should be kept in the custody of the Accounts Officer.

18. A cheque shall be current for three months only. After the expiry of that period and upto six months from the date on which the cheque was originally issued; payment will be allowed by the Bank provided the cheque has been related. When the person in whose favour it was drawn brings it back to be revalidated a fresh cheque shall not be issued, but the original cheque shall be revalidated by the official whose duty it should be to sign cheque. The fact of revalidation should be noted in the Cash Book as well as in the counterfoil. A cheque remaining unpaid for any reasons for six months from the date of its issue shall be cancelled and its amount written back.

19. Every payment made, either in cash or by cheque shall be covered by a receipt, stamped if necessary, signed by the person to whom the money is due and to whom it has actually been paid.

20. All amounts received in cash or cheque/Draft will be acknowledged by printed receipts which will be signed by the Drawing and Disbursing

Officer or other person authorised to work on his behalf. The receipts with their counterfoils will be machine numbered and their record will be kept in the receipt register.

21. The receipts and payment account, Income and Expenditure Accounts and Balance sheet will be prepared in the prescribed proforma. (Annexure III to V)

22. The Agencies should maintain standard Ledger heads as indicated in Annexure VI. This should conform as far as possible to the Sectoral heads for monitoring.

23. Bills and vouchers which have been paid by cheques shall be divided into the following classes, namely (i) Salary and establishment Bills and (ii) other Bills. Each class of bills should be pasted in a separate guard file and shall be consecutively numbered in order of payment. But sub-vouchers which have been paid in cash out of the Permanent advance, shall be separately filed together with the recoupment vouchers covering them.

24. At the close of each quarterly a consolidated account showing the total receipts and payments during the period under several heads of accounts with opening and closing balances shall be prepared and submitted to the concerned department of the State Govt. and Government of India in the Ministry concerned.

25. A monthly account showing the allotment and expenditure under each item, shall be prepared and put up before the Chairman.

26. The Agency will maintain a stock register separately for consumable and non-consumable articles and shall arrange for their physical verification at least once a year.

27. During the execution of the DPAP and the DDP by departmental authorities, the implementing officers will endorse to the agency a copy of the monthly abstract of cash accounts. Further, the agency shall have the authority to inspect the accounts or vouchers with the implementing authorities during the execution of the programmes. Reconciliation of the accounts between the agencies and the implementing officers may be done on the basis of voucherwise cash account abstracts. On completion of the works or the schemes, the executing depts. shall give utilisation certificates to the agency for the amount granted/

sanctioned by the agency for the purpose, provided that the concerned departments render full accounts and produce the necessary supporting documents if required by the Governing Body, the Chairman or the Project Director.

28. The Governing Body will appoint Chartered Accountant or any other qualified persons or agencies to audit the accounts of the society.

29. The project Director shall cause the annual account of the agency to be prepared by a date not later than 30th June comprising of Receipt and Payments Account, Income & Expenditure Account and Balance Sheet. After approval by the Governing Body he shall have the accounts audited by the Chartered Accountant or any other auditor appointed for the purpose in terms of para 28 by 31st August.

30. A copy of such audit report (duly signed by auditor) alongwith the annual statement of accounts certified by the auditor and the Chairman of the Agency thereon shall be furnished simultaneously to the Govt. of India and the State Government not later than 30th September.

31. (1) The Comptroller and Auditor General and the State Accountant General concerned shall have the right to conduct/audit the accounts of the society, and for this purpose, shall have the right of access to the books of accounts and other relevant records of the society. For this purpose a copy of the annual accounts along with the audit report and comments of the agency thereon shall be sent to the audit office nominated by C & A.G. and the State Accountant General.

31 (2) The implementing departmental officers shall be responsible for furnishing the records for audit at the time of audit by Chartered Accountant, the Accountant General or the Comptroller & Auditor General of India, as the case may be; and

31 (3) wherever the implementing departments have arrangements for internal audit, the scope of such audit should be expanded to cover the DPAP and the DDP works.

32. A statement showing the Schedule of Fixed Assets held by the Agency at the end of the financial year shall be sent to the State Govern-

ment and Government of India with the form prescribed alongwith the annual statement of accounts. No depreciation shall be charged and value of assets to be shown at the original cost in the accounts.

33. All the Agencies shall send a utilisation certificate to the Government of India (Department of Rural Development) in the prescribed proforma (Annexure VII) alongwith annual statement of accounts. The utilisation certificate must be prepared strictly on the basis of the Receipts and Payment Account and the Opening/Closing balances in both receipts and Payment Account and O.C. must also tally.

CASH BOOK

Name of DRDA-----

Date	Particulars	Ledger Head (Classification)	L.F. No.	Office		Cash		Bank	
				Rs.	P.	Rs.	P.	Rs.	P.
1.4.81	To Opening balance	—	—	—	—	—	—	—	—
"	Grant in aid received from Govt. of India								
"	from State Govt.								
"	Transfer (from other Agencies)								
"	Interest received								
"	Other Misc. Receipts								
"	Refund of subsidy								
31.3.82	TOTAL								
	To balance c/d.								
1.4.81	By Office expenses								
"	Salary								
	D.A.								
	H.R.A.								
	Payment of subsidy								
	Purchase of stock								
	Purchase of Stationary								
	Transfer (Other Agencies)								
	Deposits								
31.3.82	Closing Balance								
1.4.82	TOTAL								

ANNEXURE II

REGISTER OF SUBSIDY DRDA

Block : _____ (To be maintained separately for each district) _____

Sr.	Name of Identifi- the Bene- cation fiary with father's Name & address	Extent of land owned	Category					Classification					Purpose for subsidy is granted	
			SF	MF	AL	NAL	RA	Women	SC	ST	Other			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15) (19)

Name of the financing institution	Amount of subsidy Ra. P.	Amount of loan (net) exclusive of subsidy	No. & date of O.M. of DRDA sanctioning subsidy	Cheque No. date & amount	Total subsidy provided on date	Total loan provided on date	Sign. of the A.O.	Remark
(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)

Note : Column 14—19 are meant for items for which subsidy has been given. The column heads may give group classification of assets like Minor Irrigation, Rural Industry, Livestock etc., in the entries below the specific assets given like pumpsets dairy unit, sheep units etc. should be indicated. (2 animals) (20 live)

DISTRICT RURAL DEVELOPMENT AGENCY

Receipts and Payment account for the period from 1.4.79 to 31.3.80

Receipt	Payment
1	2
1. Opening Balance	1. Advance Subsidy to Banks (Less subsidy adjusted)
2. Receipt from Central Govt.	2. Subsidy to State Govt./Coop. Institutions.
(a) Grants	3. Subsidy to beneficiaries
(b) Loan	(a) Agriculture
3. Receipt from State Govt.	(b) Minor Irrigation
(a) Grants	(c) Animal Husbandry
(b) Loan	(d) Sericulture
4. Refund of unutilised Grants/Loans to State Govt./ Coop. Institution	(e) Fisheries Development
5. Interest on	4. Expenses on Administration
(a) Loans to State Govt./Coop.	(A) Agency Office
(b) Advances to others	(a) Salaries and Allowances
(c) Bank Account	(b) Travelling Expenses
(d) Investment	(c) Rent, Rates and Taxes
	(d) Printing and Stationery

6. *Suspense*

- (i) G.P.F. Adv./recovery
- (ii) Income Tax recovery
- (iii) HBA/MCA or other advances
- (iv) Other recoveries from staff.

7. **Advances**

8. **Loans repaid**

9. **Investments**

10. **Miscellaneous**

(e) Publicity and Propaganda

(f) Postage

(g) Telephone

(h) Leave salary and Pension contribution

(i) Motor vehicles maintenance & repairs

(j) Office contingencies

(k) Dead stock

(l) Audit fee

(B) Managerial subsidy

5. *Suspense*

(i) GPF Advance/Recovery

(ii) Income Tax Recovery

(iii) HBA/MCA or other advances

(iv) Other recoveries from Staff.

6. **Loans/Advances to State Govt./Coop. Institutions.**

7. **Investments.**

8. **Miscellaneous.**

9. **Closing Balance**

(i) Cash in Banks

(ii) Cash in hand

(1) Current Account

(2) Short Term Deposits

DISTRICT RURAL DEVELOPMENT AGENCY

Income and Expenditure Account

Expenditure	Income
1	2
1. Subsidies paid to State Govt./Cooperative Institutions.	1. Grants-in-aid received from Central Govt.
2. Interest on loans paid to Central Government.	2. Grants-in-aid received from State Govt.
(a) Paid during the year	3. Interest on
(b) Add accrued during the year	(a) Loans to State Govt./Coop. Institutions.
(c) Less accrued in the previous year	(i) Received during the year.
3. Expenses on Administration :	(ii) Add accrued during the year.
(A) Agency Office:	(iii) Less accrued during the year.
(a) Salary and allowances.	(b) Others
(b) Travelling expenses.	(c) Bank accounts.
(c) Rent rates and taxes.	(i) Received during the year.
(d) Printing and Stationery.	(ii) Add accrued during the year.
(e) Publicity and Propaganda.	(iii) Less accrued during the previous year.
(f) Postage.	4. Dividends on investments.
(g) Telephone.	(a) Received during the year.
(h) Leave Salary & Pension contribution.	(b) Add accrued during the year.
(i) Motor vehicles maintenance & repairs.	(c) Less accrued during the previous year.

BALANCE SHEET

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Liabilities

Assets

Liabilities		Assets	
1. Opening Balance		1. Value of fixed assets and dead stock (Less depreciation) <i>vide</i> schedule attached (Statement-I)	
2. Transfer from income & expenditure accounts.		2. Loans paid to State Govt./Coop. Institutions.	
3. Loans received from the Central Govt.		(a) Outstanding as on 1.4.1972.	
(a) Outstanding as on 1.4.19		(b) Add paid during the year.	
(b) Add received during the year		(c) Less prepaid	
(c) Less repaid during the year		Refunded during the year.	
Refund during the year		(d) Outstanding as on 1.4.1972	
(d) Outstanding as on 31.3.19.		3. Investment in share capital to cooperatives.	
4. Other liabilities:		(a) Opening Balance.	
(a) Interest payable to Central Govt.		(b) Current year.	
(b) Subsidy refundable to Central Govt.		4. Advances to staff:	
(c) Loan refundable to Central Govt.		(a) Outstanding as on 1.4.1972.	
(d) Expenses outstanding.		(b) Add paid during the year.	
		(c) Less repaid during the year.	
		(d) Outstanding as on 31.3.1972.	
		5. Interest accrued and due from:	
		(i) State Govts/Cooperative Institutions.	
		(ii) Bank Account.	
		(iii) Investment.	
		6. Closing Balance:	
		(a) Cash in hand.	
		(b) Cash at Bank.	

TOTAL

(STANDARD LEDGER HEADS)

(ILLUSTRATIVE)

Receipts

- (i) Grants from Government of India.
- (ii) Grants from State Government.
- (iii) Refund of unutilised/underutilised subsidy.
- (iz) Miscellaneous receipts.
- (v) Interest on investment of balances in banks.
- (vi) Interest realised on unutilised/underutilised subsidy.
- (vii) Racovery of share capital loan.
- (viii) Suspense :
 - (a) GPF recoveries from staff creditable to Govt.
 - (b) I.T. recoveries from staff creditable to Govt.
 - (c) HBA/MCA or other recoveries from staff creditable to Government.
- (ix) Recovery of loans given to staff out of the Agency's funds (a separate head may be opened for each type of loan such as festival advance, cyclone advance etc.)

Payments

- (II) Administrative Expenses :
 - (a) Salaries
 - (b) Travel Expenses
 - (c) Leave Salary & Pension Contribution of borrowed staff
 - (d) Medical expenses of staff.
 - (e) Other cahrges :
 - (i) Stationary
 - (ii) Printing
 - (iii) Electricity and Water charges
 - (iv) Rent
 - (v) Postage & Telegraphs
 - (vi) Telephones & Trunkcalls
 - (vii) Maintenance & Repairs of office vehicle
 - (viii) Maintenance & Repairs of office equipment

(ix) Maintenance & Repairs of furnitures.

(x) Purchase of furnitures & fixtures.

(xi) Purchase of books

(xii) Purchase of vehicle

(f) Advance to staff (will not include T.A. advance which may be taken under Travel Expenses, and adjustment watched through T.A. advance register).

(A separate head for each type of advance may be opened)

(g) Suspense

(Corresponding to the suspense head on the receipt opened)

(II) Subsidy

A. Agriculture :

(a) Inputs

(b) Agriculture Demonstrations

(c) Implements & Sprayers

(d) Storage

(e) Land Development and soil Conservation.

(f) Soil reclamation & improvement

(g) Plough Bullock

(h) Bullock Carts

(i) Threshing floor

B. Minor Irrigation Schemes :

(a) Dugwell

(b) Staining wells

(c) Oil engine , and electric motors & pumps

C. Community minor irrigation works :

(a) Community Irrigation wells

(b) Renovation of tanks

(c) Percolation tanks

(d) Check dams

(e) Community minor irrigation work

D. Animal Husbandry :

- (a) Breeding Programme
- (b) Health cover
- (c) Infrastructural developments
- (d) Pasture and Fodder development

E. Horticulture

F: Sericulture

G. Dairy Development :

- (i) Establishment of Chilling Plants
- (ii) Establishment of milk Cooperatives
- (iii) Infrastructural Developments

H. Fisheries :

- (a) Inland Fisheries

I. Farm Forestry

For journal entries at the end of the year :

- (i) Outstanding expenses account
- (ii) Prepaid expenses
- (iii) Income received in advance
- (iv) Sundry Debtors

STATEMENT

42

SCHEDULE OF FIXED ASSETS AND DEAD STOCK AS ON

Item	Cost 1st April	Addition during the year	Sold/Transferred Written off during the year (at cost)	Gross Block (3 + 4 - 5)	Balance as on 31.3.
(1)	(2)	(3)	(4)	(5)	(6)
					(7)

1. Vehicle

2. Plant and Machinery

3. Library

4. Furniture

5. Office equipment

TOTAL:

Opening balance Additions.
Less sold during the year.

TOTAL:

Note: Depreciation not to be charged and value of Assets shown at original cost.

**DISTRICT RURAL DEVELOPMENT AGENCY
UTILISATION CERTIFICATE FOR THE YEAR
FOR DPAP/DDP (as the case may be)**

B/F from previous Amount year Certified that a sum (Rupees _____ only) was paid to the DRDA.

S.No. Letter No. _____ as
& date Grant-in-aid during _____ under
State Govt.s letter No. & date given in the
margin. Further a sum of Rs. _____
(i) (Rupees _____ only being
(ii) unspent balance of the previous year
_____ was allowed to be brought forward
for utilisation during the current year
(iii) _____. The miscellaneous receipts of the
Agency during the year were Rs. _____

Miscellaneous receipts Certified also that out of the total sum
of the Agency (recovery of Rs. _____ (Rupees _____ only)
of loan, interest as per details given in the margin a sum
deposits etc.) of Rs. _____ (Rupees _____ only)
was actually spent for the purpose
of _____.

Total: _____
_____ for which it was sanctioned and that the
balance of Rs. _____ (Rupees
_____ only, remaining
unutilised at the end of the year will be
adjusted towards the grants-in-aid payable
during the next year i.e. _____

2. Certified that we have satisfied ourselves that the conditions on which the grants-in-aid was sanctioned have been duly fulfilled and that we have exercised the following checks to see that the money was actually utilised for the purpose for which it was sanctioned.

Kinds of Check exercised

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

5. Project Officer,

DRDA—————

—————District

—————State

Date—————

Chairman

DRDA—————

—————District

—————State

Date———

Note: The U.C. should be strictly based on the corresponding "Receipts & Payments Account" as prepared by the Chartered Account and the opening/closing balance in U.C. & Receipts & Payments Account should agree with each other.

FORM G.F.R. 19

Register maintained by grantee institutions

Block Account maintained by Sanctioning Authorities

Name of Sanctioning Authority

Name of Grantee institutions	No. and date of sanction	Amount of the sanctioned grant	Brief of the purpose of the grant	Whether any condition regarding the right of ownership or sharehip of Govt. in the property or other assets acquired out of the grant was incorporated in the grant-in-aid sanction	Particulars of assets as on — —	Value of the assets — —	Purpose for which utilised at pre-sent	Encumbered or not	Reasons if encumbered	Disposed of or not	Reasons and authority if any for disposal	Amount realised on disposal
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1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.
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Recommendation

The Committee are concerned to note that there have been heavy shortfalls in achieving physical targets of the drought Prone area programme during 1979-80 and 1980-81. Though provision of irrigation facilities is the first prerequisite for the development of any drought prone area, the achievement in regard to surface irrigation works was only 29.50 per cent and 24.14 per cent of the target during 1979-80 and 1980-81. Similarly, in the field of ground water development, the achievement was only 63.6 per cent and 60.45 per cent respectively. Another sector where substantial shortfalls have occurred is cattle and dairy development. The distribution of milch animal was only 58.8 per cent and 42.38 per cent of the targets during 1979-80 and 1980-81. Only 17.2 per cent of the target was achieved in the fields of establishment of poultry units during 1980-81. All these clearly show that the progress of the programme particularly in the vital sectors has been far from satisfactory. This is a matter of serious concern.

[Sl. No. 9, Appendix II, Para 1.40 of the 175th Report of PAC
(Seventh Lok Sabha)]

Action Taken

The large gap between the targets set and realisation in schemes of irrigation, cattle and dairy development etc., has been due to faulty planning based on insufficient assessment of the resource potential for these schemes, delay in execution etc. As already observed, schemes under DPAP all need to be drawn up on the basis of integrated area planning. In actual practice most project authorities have failed to draw up integrated area plans within the framework of which individual schemes of irrigation, soil conservation, cattle and dairy development and so on could be fitted in. The basic malady, therefore, can be remedied only if area based integrated planning is taken as the starting point. While there are serious hurdles in the way of readily adopting such an integrated approach to area development taking mini watersheds as units, greater emphasis is being laid on covering more and more of DPAP areas under this approach. Within the ambit of these limitations some progress has been made in ensuring more scientific planning of irrigation schemes so that the targets set are not unrealistic and, therefore, eventually achieved. Since the receipt of the observations of the PAC a fresh review has been made of the extent of realisation of the

targets for surface irrigation schemes. In 1981-82, 40.65 per cent of the targets were achieved. This is far from satisfactory, no doubt. However, it may be appreciated that the targets originally set for realisation under schemes often turn out to be unrealistic since the potentials for irrigation in a given area have not been fully assessed.

The same deficiencies in planning and execution of programmes still exist in other sectors mentioned in the report. Steps have been taken to overcome them while each scheme is analysed. The concerned officials are advised to ensure that the targets set are realistic and achievable.

It may be noted that cattle and dairy development schemes earlier taken up under the DPAP and intended to benefit individuals and families have since been taken out of the purview of the programme. They are largely covered under the IRDP now.

[Department of Rural Development O.M. No. 7 (3)/2/84-DPAP
dated 19th April, 1985.]

Recommendation

The Committee find that some of the factors responsible for slow progress of work, e.g., shortage of cement and labourers, slow progress in the acquisition of land, non-availability of suitable agency for carrying canal construction and lack of adequate facilities for transport of construction materials are such as could have been foreseen and provided for by better planning and concerted efforts on the part of the executing agencies. The Committee hope that concrete measures will now be taken by the Ministry of Rural Development to ensure that the executing agencies take timely action to avoid such shortfalls in achievement of targets in future.

[Sl. No. 10, Appendix II, Para 1.41 of the 175th Report of PAC
(Seventh Lok Sabha).]

Action taken

As mentioned earlier, schemes taken up under the programme are usually small in size. Consequently, the inputs required for their implementation, the labour to be employed and other factors like these have necessarily to be estimated and provided for at the local level. It will not

be practicable to estimate the requirements of materials and labour at hundreds of local areas covered under the programme all over the country by a central agency like the Deptt. of Rural Development. However, there is need for ensuring that while schemes are drawn up, advance action is taken for land acquisition, estimates of raw-materials like cement, steel, etc. are made and that timely action is taken for obtaining their supply. The Deptt. has been advising the project authorities of the need for ensuring this when the annual action of plan for each project is cleared by the Department.

[Department of Rural Development O.M. No. 7 (3)/2/84-DPAP dated the 29th April, 1985.]

Recommendation

The Ministry of Rural Development have not ensured timely availability of inputs like cement and steel for the implementation of the programme. The programme in many areas has suffered heavily because of shortage of these inputs. The Committee would like the Ministry of Rural Development to take up the question of supply of inputs for the programme with the concerned Ministries and make every effort to ensure that the implementation of programme does not suffer for want of these vital inputs.

[Sl. No. 12, Appendix II, Para 1.43 of the 175th Report of PAC
(Seventh Lok Sabha)]

Action taken

As has already been mentioned in reply to paragraphs 1.22 and 1.41 the need for inputs like cement and steel for any project area is small and uncertain. It cannot be assessed in advance by this Deptt. The project authorities have to make realistic assessment of their requirements, which are small for any project area and ensure that these are obtained with the help of the district administration and the state government. However, the need for action on these lines has been reiterated to the project authorities. In specific cases when such shortages have been brought to the notice of this Deptt., it has intervened on behalf of the project authorities with the concerned Ministries and agencies for obtaining expeditious supply of materials. For instance, on one occasion,

Deptt. at the behest of the Govt. of U.P., had moved the Director, Explosives, Govt. of India for the expeditious supply of explosives to the Irrigation Deptt. of the State Govt. for the expeditious implementation of medium irrigation works taken up under the programme in the Mirzapur distt.

[Department of Rural Development O.M.No: 7 (3)/2/84-DPAP,
Dated the 29th April, 1985.]

Recommendation

It has been urged before the Committee in extenuation that the State's resources being limited and subject to pressure from other areas and also the capacity for productively absorbing investment being limited in a project area, a rigid insistence on the continuance of normal development expenditure in that area may not be possible. The Committee are unable to accept this plea. They need hardly point out that the very objective of the DPAP is to supplement the efforts made by State Governments for the development of drought-prone areas with the aim of making the areas drought-proof and to supplant the efforts already being made by the State Governments. The Committee would therefore, like the Ministry of Rural Development to re-emphasise on State Governments that works undertaken under DPAP should not result in the substitution or slowing down of normal development programmes in drought-prone areas.

[SI No. 14 Appendix II Para 1.50 of the 175th Report of the PAC
(Seventh Lok Sabha)]

Action taken

The Deptt. fully agrees with this view and has been reiterating this to the State Governments from time to time.

[Department of Rural Development O.M. No. 7(3)/2/84-DPAP,
Dated the 29th April, 1985.]

Recommendation

According to the procedure prescribed by the Central Government

in July 1975, the DPAP agencies were to act as a central payment office. However, the Committee find that the control over utilisation of Government assistance was not adequate.

[Sl. No. 16 Appendix II Para 1.61 of the 175th Report of P.A.C.
(Seventh Lok Sabha)]

Action taken

The procedure prescribed in the July 1975 circular could not be followed in serveral states for a variety of reasons. No special agency for the programme was set up in several states; in serveral others no provision was made by the State Government for placing funds at the disposal of the agency created for the project. However, by now the DRDAs have been set up, for all practical purposes, in all project areas.

The matter relating to release of central funds and their utilisation has been examined. Funds are placed by the State Government at the disposal of the agencies. The agencies in turn place them at the disposal of the implementing line departments of the State Government. Release of funds is now regulated according to submission of the audited statments of accounts and certificates of utilisation of funds released during the preceding year. Guidelines have been issued on how to report an expenditure. As mentioned in reply to paragraph No. 1.33 a uniform/accounting procedure has been drawn up and will be introduced after obtaining clearance from the C&AG.

[Deptt. of Rural Development O.M.No. 7(3)/2/84-DPAP dated the 29th April, 1985.]

Recommendation

In many cases paid vouchers have not been received by the concerned agencies and varification of works executed under the DPAP have not been done and the lump-sum advances made to the departments were treated as utilised. The audit para bringe out a number of stances of financial irregularities. In Utter Pradesh Rs. 9.90 lakhs advanced by an agency have been lying blocked with Prayag Chitrakoot Krishi Evem Godhan Vikas Nigam while in Madhya Pradesh funds amounting to Rs. 155.42 lakhs were released to the Dairy Development Corporation in advance in

March, 1978 against the requirement of Rs. 78.65 lakhs for the first year for a dairy scheme. A total of Rs. 108.51 lakhs had been expended upto May, 1982 and original programme is under revision. In Andhra Pradesh an amount of Rs. 50.40 lakhs is pending, settlement out of Rs. 780.90 lakhs advanced to departmental officers for execution of schemes upto 1980-81.

In Rajasthan, Rs. 23.28 lakhs had been advanced for setting up a milk chilling centre and the project could not take off due to defective survey reports with regard to prospects of availability of milk. The Committee are surprised how the programme for setting up Milk Chilling centre was taken up without fully ensuring availability of milk. This is a clear instance of the casual and indifferent manner in which the programme is actually being implemented. The Committee are not happy with this position.

[Sl. No. 17 Appendix II Paras 1.62 and 1.63 of the 175th Report of PAC (Seventh Lok Sabha)].

Action taken

According to the earlier procedure laid down for regulation of flow of funds from the District Rural Development Agency to the executing departments, the former was required to pay lump-sum advances to the latter in accordance with the required outlay for approved schemes. The District Rural Development Agency was, however, expected to regulate the release of funds according to the progress of expenditure. But when it was found that in some cases full amount of estimated outlay was transferred to the executing departments which failed to use it to any satisfactory extent, instructions were issued to release funds only in instalments in tune with the progress of work.

The project authorities in Andhra Pradesh have since informed that the amount of Rs. 50.40 lakhs has since been settled. This Deptt. is also now regulating the release of funds to the States on the basis of actual utilisation of funds released earlier. Advances are treated as unspent balance, so long as their proper utilisation is not intimated by the departmental officers to the project authorities.

The Drought Prone Areas Programme agency of Allahabad advanced Rs. 9.90 lakhs to the Prayag Chitrakoot Krishi Evam Godhan Vikas Nigam for taking up a cross-breeding programme through the BAIF, Pune. The State Government has been not able to furnish yet full details of the utilisation of the money. Suitable action will be taken in the light of information received from the State Government.

The Government of Madhya Pradesh had incurred an expenditure of Rs. 158.42 lakhs on the implementation of dairy schemes in four districts of the State namely, Betul, Dhar, Khargone and Jhabua during 1977-78 to 1982-83. The M.P. Cooperative Dairy Federation had been advanced money amounting to Rs. 159.486 lakhs for this purpose in 1977-78. Money required for the subsequent years also was given at the same time. This caused, what may be called the excess release. The MPCDF had incurred expenditure on certain items not earlier included in the approved scheme. On the basis of detailed examination of the items, ex post facto approval for them has since been given.

An additional amount of Rs. 106.58 lakhs has also been approved during 1983-84 and 1984-85 for completion of the scheme.

The proposal for setting up a chilling plant at Rajgarh in the Churu district had been submitted by the Rajasthan Dairy Corporation on the basis of a survey. Sanction of Rs. 23.28 lakhs for the project was accorded by the State Government after examining the project report prepared on the basis. A subsequent survey revealed that inadequate collection of milk was not due to non-availability of sufficient milk but the farmers' reluctance to take part in the business offered by the chilling plant. The Government has now accorded sanction for locating the chilling plant at Dungargarh in the Churu district.

The Deptt. is highly concerned over the fact that in several places chilling plants have been set-up without scientifically assessing the availability of raw-materials and the prospect for a market for the finished products. As a matter of fact, under the programme as revised in the light of the Task Force's recommendations setting up of fresh chilling plants has been severely restricted.

[Deptt. of Rural Development O.M. No. 7 (3)/2/84-DPAP Dated the 29th April, 1985.]

Recommendation

The Committee have been informed by the Ministry that the information collected in respect of specific spill-over schemes is being analysed with a view to finding out the most common factors causing delay and necessary guidelines will be issued to the States in the light of its analysis. The Committee desire that the exercise taken up belatedly should be carried out expeditiously. The Committee would await the results of the analysis and the action taken on the basis thereof.

[Sl. No. 20 Appendix II Para 1.68 of the 175th Report of the PAC
(Seventh Lok Sabha)].

Action taken

Irrigation, soil conservation and dairy schemes have mostly been carried over to the Sixth Plan. The execution of irrigation schemes was delayed largely due to problems faced in the acquisition of land, as well as obtaining supplies of cement and other materials, want of transport for carrying construction materials to the sites, shortage in supply of electricity for energisation of ground water development schemes etc. For several schemes, the initial cost estimates were based on preliminary surveys which turned out to be defective. The revised estimates were substantially high. Full funds could not be provided to the executing department which also contributed to the delay in the execution of these schemes.

The dairy schemes spilled over largely due to the delay in the procurement of machinery and construction of civil works.

The soil conservation schemes could not be completed mainly due to non-availability of institutional finance for the beneficiaries. In the past, a part of the project fund used to be lent to individual beneficiaries who failed to obtain institutional credit for schemes like soil conservation. But due to the limited project fund being committed to other schemes already taken up, it often became difficult to use any part of it for purposes of lending to the beneficiaries (Incidentally the Task Force also recommended against the use of project fund for purposes that are expected to be met by credit institutions). However, since for want of

credit, schemes of soil conservation remained incomplete, the project authorities subsequently advanced credit to the beneficiaries so as to enable them to complete hitherto incomplete soil conservation schemes.

Instructions issued for the preparation of the 1984-85 plan clearly indicate that, as far as possible, funds available under the programme should be utilised primarily for on-going schemes, and schemes of short gestation so that most of them can be completed within the Sixth plan period. Attention of the State Governments has also been drawn to the gaps and weaknesses pointed out by the C & AG in the implementation of this programme. They have also been advised to revamp the administrative machinery to prevent the recurrence of these gaps. The State Governments and Project Authorities have been forewarned to ensure that no scheme carried over from the Fifth Plan is left incomplete at the end of the Sixth Plan (Annex VII).

[Department of Rural Development O.M. No. 7(3)/2/84-DPAP dated the 29th April, 1985].

ANNEXURE-VII

No. 1 (1)/18/83-DPAP GOVERNMENT OF INDIA MINISTRY OF RURAL DEVELOPMENT

**Krishi Bhavan, New Delhi
Dated the 23rd April, 84**

To

**The Secretary,
All DPAP/DDP States**

SUBJECT :— Preparation of Annual Action Plan for the DPAP/DDP for 1984-85.

Sir,

As you know, implementation of the Drought Prone Areas Programme and the Desert Development Programme requires continuing monitoring and evaluation of the schemes taken up under these programmes. Past experience brings into bold relief several weaknesses

in the present system of planning and implementation. Much correspondence on this subject has already been made. Without going into all the issues raised in the past, certain specific suggestions are being made here in below, primarily keeping in view the preparation of the annual plans for 1984-85, the terminal year of the Sixth Five Year Plan.

(i) As far as possible funds available under the programme should be drawn and utilised fully for approved schemes, without, however, compromising on their quality. Steps should be taken to make appropriate provisions for these programmes in the State's budget.

(ii) Each annual action plan for 1984-85 should be divided into two parts.

(a) In Part-I, the progress of the programmes as implemented so far should be spelt out in physical and financial terms. This should be accompanied by a brief note assessing their impact. Bottlenecks identified and curative measures taken may also be detailed. This may be given in a separate section of part I.

(b) The action plans for 1984-85 may be given in Part-II. The works spilling over from 1983-84 or earlier years, have to be clearly mentioned. Similarly details of all unspent balances carried over to the new year should be given. Category-I (on-going schemes) and Category-II (schemes of the approved category) schemes have to be clearly outlined and financial outlay indicated for each scheme. In the same way details of staff expenditure under the Project Administration should also be given.

(iii) Since the Sixth Plan project reports have not yet been submitted, the targets for the Sixth Plan are not known. Even the annual targets have not been fixed in many cases. As the appraisal of the programmes is to be made on annual and five yearly basis, it is necessary that the targets for the Sixth Plan and their annual break up are clearly indicated in the annual plan for 1984-85. The annual achievements should invariably be set against these targets. The targets which may spill over beyond the Sixth Plan period may also be indicated along with the time required for their fulfilment.

(iv) Targets for the Sixth Plan will include two types of schemes :

- (a) incomplete schemes carried over from the Fifth Plan or earlier period,
- (b) new schemes taken during the Sixth Plan up to date.

The physical targets set and achievements made so far have to be clearly indicated against each scheme. Efforts should be made to ensure that no scheme of item(a) above spills over beyond the Sixth Plan. Should any such scheme happen to spill over, it may be noted that no central assistance is available for it beyond the Sixth Plan period. For all incomplete schemes due for completion by 1984-85, the year of approval of the scheme should be mentioned along with other relevant details of the scheme.

(v) Many gaps and weaknesses in the performance of the programmes have been highlighted by the Comptroller and Auditor General of India in his report for 1980-81. The State Governments have already been informed of them. This Ministry is not aware of what steps, if any, have been taken by the State Governments to remove them and to revamp the administrative machinery to prevent their recurrence. In a number of states there is no separate machinery within the DRDAs for the planning and implementation of these programmes. This has been pointed out to the State Governments a number of times in the past. More recently, their attention was drawn to various administrative problems in the D.O. letter No. 1 (1)/11/82-DPAP, dated the 11th October, 1983 from Shri A.R. Bandyopadhyay, Joint Secretary, in this Ministry. While a few states have formulated proposals for an exclusive set-up for the planning and administration of these programmes at the DRDA (district) level, there are still many others which have not yet initiated any action for this. Unless this is done, it will not be feasible to formulate area specific plans and monitor their implementation effectively.

Specific proposal should be drawn up under the annual plan for 1984-85 for strengthening the project administration at the (a) state; (b) project; and (c) implementing (line department) levels. At the

project level, one Project Director or Additional Project Director, one Economist, one Accounts Officer and the supporting staff should be provided for. Technical posts can also be created at the project level for those sectors which have a preponderance in the programme for the area. At the state level, senior supervisory staff who can guide the project authorities in planning, implementation, monitoring and evaluation ought to be provided for. This state level cell should consist of experts in such major sectors as forestry, minor irrigation, animal husbandry, dairy development, soil conservation and dryland farming. It is not necessary to represent each discipline in each cell. Only such disciplines need to be represented as preponderate in the projects in the state. The line departments should fully utilise the existing staff. Wherever additional line staff is absolutely necessary, the requisite posts can be created and, as far as possible, this should be made in the annual plan. 18% of the project fund—the ceiling laid down for expenditure on the staff, should, by and large, be adequate for all the personnel mentioned above. It is clarified once again that this ceiling represents the maximum that can be reached. On no account should posts be created just because they can be financed without fully verifying the absolute necessity for it.

(vi) The nature of the programmes and the system of release of funds make it inevitable that some funds will lie unspent at the beginning of the financial year. These funds can be used without any fresh sanction for the approved schemes. Mention should be made of the specific schemes for which the unspent balances are to be utilised in the annual plan for the succeeding year.

Unspent balances may result from savings, non-implementation of certain components of a scheme, interest earnings on the deposits of the DRD's with the banks etc. Whatever amount is not spent has to be treated as unspent. This amount may be lying either with the DRDA or with the line departments or in the treasury. The unspent balance standing as on 1.4.84 should be clearly mentioned in the annual plan for 1984-85 and schemes covered by it specified. In certain cases it is possible that there may not be adequate number of approved schemes on which this amount can be spent. In such cases this amount can be utilised for

new schemes, but such proposals will have to be shown as new schemes under category-II.

(vii) The requirement of funds for certain on-going approved schemes scheduled for completion in more than one year's time, may be more than the unspent balance lying with the project authorities. For these schemes, the entire requirement of funds likely to be needed during the year should be clearly indicated so that the necessary amount is pre-empted from the current year's allocation.

(viii) As regards new schemes of category-II, only those should be taken up which can be completed during 1984-85. If no shelf of such schemes is available, the funds may be left uncommitted.

(ix) A copy of the plan as prepared by the DRDAs should be sent to this Ministry immediately so that it can be examined here. Separately the comments of the State Government on these plans should be sent to this Ministry as soon thereafter as possible, so that they are taken into account before finally formulating this Ministry's views on them. Thereafter they should be submitted for approval of the State Level Sanctioning Committee.

(x) In the past plans were submitted too late to be properly scrutinised, much less implemented in time. It is, therefore, necessary that plans are prepared and approved in the early part of the year itself and not later than June 30, 1984. In the meantime, the work on the approved schemes should go ahead utilising the balance money left with the project authorities.

It will be highly appreciated if the State Government indicates by May 15, 1984 the time by which the draft plans of the project authorities together with the State Govt's comments on them are expected to be sent to this Ministry so that a suitable schedule for the examination of there plans here may be worked out.

The receipt of this letter may kindly be acknowledged.

Yours faithfully,

Sd/-

(A.R. Bandyopadhyay)

23.4.84

Copy to:

All Project Directors

Recommendation

Another disquieting feature of the planning and execution of Drought Prone Area Programme has been faulty designs and substandard quality of works in many States. The Committee observe that due to these benefits of 19 projects could not accrue to the intended beneficiaries even after spending a huge sum of Rs. 368.11 lakhs. In Karnataka out of 4.52 lakh fruit seedlings distributed at a cost of Rs. 17.39 lakhs, only 1.88 lakh seedlings survived due to their distribution at a wrong time and in an area climatically unsuitable. In another case in Rajasthan, an expenditure of Rs. 13.02 lakhs has been incurred on the construction of a tank but irrigation benefits there of have not yet accrued. The Secretary, Ministry of Rural Development pleaded in extenuation that in a programme of this magnitude covering drought prone areas all over country and large number of programmes the possibility of such types of cases cannot be ruled out. He further pointed out that the Ministry of Rural Development do not have any expertise to examine the various projects before technical clearance. While granting that it may not be possible for the Ministry of Rural Development to technically scrutinise each and every scheme, the Committee would like the Ministry to immediately take up with the concerned State Governments all such

cases of faulty designs and sub-standard works and ensure that necessary corrective steps are initiated at the earliest.

[Sl. No. 2/ Appendix II Para 1.81 of the 175th Report of PAC
(Seventh Lok Sabha)].

Action taken

The suggestions of the Committee in regard to proper technical scrutiny of works and action against faulty designs and sub-standard works have been noted. These have also been circulated on 12.6.84 to all the State Governments so that effective measures are taken by them for better designing of schemes and maintenance of standards in their execution. The Ministry also insists on submission to it of annual action plans well in time for it to scrutinise them thoroughly. In a number of cases the State Level Sanctioning Committees in the past have accorded sanction to many schemes in anticipation of their technical approval but such schemes as were found technically infeasible and economically unviable are being turned down by this Ministry. Further guidelines have been given to the effect that schemes should be implemented only after receiving the necessary technical and other clearance from the competent authorities. In pursuance of these guidelines. The schemes under annual action plans a or now being submitted by the State Government/District Rural Development Agencies usually after being technically cleared by the concerned authorities emphasis is being laid on more rigorous scrutiny of schemes on the basis of their estimated cost benefit ratio. Detailed scrutiny of these issues is done in collaboration with the officials of the State Governments when they bring the annual action plans for clearance by the Government of India. It may, however, be appreciated that in the nature of things the Government of India has to depend upon the project authorities for the correction of the basic data and the basic assessments.

According to information received from the Govt. of Karnataka the species of plants were fairly drought resistant and were distributed at the right time. Some plants such as jack fruits were found unsuitable to the black soil of the area. The survival rate for seedlings was low due to adverse climatic conditions and lack of care on the part of small and marginal farmers who were apparently pre-occupied with jobs off their farm.

In Rajasthan: one tank (Bisalpur tank) in Jodhpur district has remained incomplete due to delay in the acquisition of part of the land owned by a former Jagirdar. Excepting this portion, work in the remaining part of the tank has been completed. Some part of this tank had been damaged last year and was repaired under the famine relief programmes. This scheme is now likely to be included under the minor irrigation programme.

[Department of Rural Development O.M.No. 7 (3)/2/84-DPAP,
dated the 29th April, 1985].

Recommendation

The Committee have been informed that some evaluation studies on planning and implementation of Drought Prone Area Programme in certain areas have been carried out by some institutions. But, according to the Ministry's own admission "institutions which are expected to undertake evaluation have limited expertise and the quality of evaluation done by them in the past was found wanting in many cases". In view of this, the evaluation made by these institutions is necessarily of limited value. The Committee need hardly emphasise that monitoring and evaluation of a programme of multi-disciplinary nature like DPAP on a continuing basis is essential in order to find out not only how far the objectives of the programme in different areas have actually been achieved but also to identify the lacunae/weaknesses in different areas with a view to initiating corrective action at the earliest. In view of the fact that the progress of the programme in different States has been uneven, it is all the more necessary that such monitoring and evaluation should be done on a priority basis in the case of those States whose performance has not been found encouraging.

[Sl. No. 25 Appendix II Para 1.99 of the 175th Report of PAC
(Seventh Lok Sabha)].

Action taken

The need for continuous monitoring and evaluation of the programme has been uppermost in the mind of this Ministry ever since the inception of the programme. It may not be out of place to mention

here that as many as 39 studies (list at annex VII) of various schemes and facets of the programme in different parts of the country have already been completed. These studies cover every important aspect of the programme—planning, implementation, the system of monitoring and evaluation and so on.

The summary of findings and recommendations of some evaluation studies are given in annex-IX.

[Department of Rural Development O.M. No. 7(3)/2/84-DPAP
dated the 29th April, 1985].

ANNEXURE-VIII

List showing names of completed Research/Evaluation Studies

Sl. No.	Name of the study	Organisation
1	2	3
1.	Evaluation of Drought Prone Area Programme.	Operation Research Group, Baroda.
2.	DPAP in Kurnool	NIRD, Hyderabad.
3.	Feasibility study for raising the Socio-Economic level of 500 Marginal Farmers in Panchayat Samiti, Jawaja, Ajmer Distt.	The Social Work and Research Centre, Tilonia, Ajmer Distt., Rajasthan.
4.	Bankura Block I-A Plan for Development.	Society for Developing Gramdan, New Delhi.
5.	State Regional Strategies for IRD in the Drought Prone Areas of Mehboobnagar Distt.	Council for Social Development, New Delhi.
6.	Dairy as an Instrument of Growth in DPAP Areas.	Progressive Agro-Industrial Consultants.
7.	Management of Rural Development—A Study on the Organisational structure for Management of DPAP.	Indian Instt. of Management, Bangalore.

1	2	3
8.	Economy of Sheep-Rearing— A Study in Sholapur.	National Institute of Community Development, Hyderabad.
9.	Effects of Drought on Rural Population.—A Study in Jhaj- jar, Haryana.	Shri Ram Centre for Industrial Relations and Human Resources, New Delhi.
10.	Design of Monitoring System for the DPAP.	Systems Research Instt., Pune.
11.	Farm Structure and Resource— use in Drought Prone Vol. I.	National Instt. of Bank Manage- ment, Bombay.
12.	DPAP on India—a Select Bibliography.	Indian Institute of Public Adminis- tration, New Delhi.
13.	Credit Plan for DPAP Mohendragarh, Haryana.	Agriculture Finance Corporation Ltd., Bombay.
4.	Drought Prone Area Program- me, Mirzapur, U.P. (Water- shed Planning and Management, Belan, Jharia sub-watershed)	Agriculture Finance Corporation Ltd., Bombay.
15.	Management of Dairy Development Project under IDA—Assisted DPAP in Bijapur.	Indian Instt. of Management, Bangalore.
16.	Techno-Economic Feasibility of Dairy Development in Dharmapuri Distt.	Indian Instt. of Management, Bangalore.
17.	Watershed Management Plan (Watershed Usaipuria Khal XIII/34 Teh. Thana, Distt. Jhabua (M.P.)	Deptt. of Agriculture (Soil and Water Conservation), Madhya Pradesh, Bhopal.

1	2	3
18.	Micro-level Planning and Development Process Vol. I —do— Vol. II —do— Vol. III	Instt. of Development Studies, University of Mysore, Mysore. —do— —do—
19.	Planning and Implementation of DPAP in Banda Distt., U.P.	Centre for Research and Training Instt. of Public Admn., University of Lucknow, Lucknow.
20.	Evaluation of the Drought Prone Areas Programme, Pali Distt., Rajasthan.	I.I.P.A., New Delhi.
21.	Evaluation of DPAP in Palamau (Bihar).	A.N.S. Instt. of Social Studies, Patna.
22.	Design of Water Use under Tank Irrigation	Indian Institute of Economics, Hyderabad.
23.	Efficiency of production inputs individually and in Combination.	All India Coordinated Research Project for Dryland Agriculture (ICAR), Hyderabad.
24.	Farm Planning in Drought Prone Areas.	—do—
25.	Adoption and Diffusion of Recommended Technology in Dryland Areas.	All India Coordinated Research Project for Dryland Agriculture, Hyderabad.
26.	A Study on Economics of Recommended Practices for Dryland Agriculture.	All India Coordinated Research Project for Dryland Agriculture (ICAR), Hyderabad.
27.	Farm Structure Studies	All India Coordinated Research on Dryland Agriculture, Hyderabad.

1	2	3
<hr/>		
28.	Promising Pasture Legumes for Semi-arid Drylands of India.	All India Coordinated Research Project for Dryland Agriculture (ICAR), Hyderabad.
29.	Pastures for Drought Prone Areas in India.	—do—
30.	Estt. of Planning Cells in Selected DPAP Distt.	Indian Institute of Public Administration, New Delhi.
31.	District Planning Cell, Purulia, West Bengal.	IIPA, New Delhi.
32.	A Study of Technological Information Gaps and Developing a Training Strategy for DPAP Areas of Haryana	Extension Education Instt., Nilokheri (Haryana)
33.	Ground Water Research, Jawaja Panchayat Samiti.	The Social Work and Research Centre, Tillonia, Ajmer Distt., Rajasthan.
34.	Working of Soil Conservation Programme in the DPAP Areas of Eastern India.	Operations Research Group, Bhubaneswar.
35.	Methodology for Watershed Management (Identification of Water Sheds and Planning for agriculture Development in Rural Areas)	Indian Instt. of Management, Bangalore.
36.	Cooperative Credit Agency in Drought Prone Distt. of Ramanathapuram & Dharmapuri.	Institute for Techno Economic Studies, Madras.

1	2	3
37.	Distt. Planning and Management of DPAP in Dharmapuri Distt.	Indian Instt. of Management Bangalore.
38.	Report on the PEER Group Rural Development Project Kherawara (Rajasthan)	Seva Mandir Udaipur.
39.	Planning for full employment Main bazar (Block I) Purulia Distt. (W.B.)	Gram Niyojan Kendra Ghaziabad and Gandhi * peace Foundation, New Delhi.

ANNEXURE IX

Summary of the assessments of the reviews and studies on the impact of the Drought Prone Areas Programme

No comprehensive evaluation of the impact of the drought prone areas programme has yet been made over the entire area covered under the programme. A number of studies have, however, been sponsored by the Ministry to assess the impact of some or all the components of the programme in selected areas. This programme has also been reviewed by two Task Forces, a National Committee on the Development of Backward Areas and the Public Accounts Committee. International agencies such as the International Development Association (IDA) and the European Economic Community (EEC) have also assessed specific projects financed by them. A number of State Governments and research organisations have also evaluated some specific schemes. The assessments of these Committees/institutions are briefly given below :

1. *Report of the Task Force on Integrated Rural Development, June 1973 (Chairman—Dr. R. S. Minhas, former Member, Planning Commission)*

(i) *During the Fourth Plan there were significant variations in the contents of the programme in different States. In some States such as Haryana, West Bengal no soil conservation programme was taken up and only medium/minor irrigation and afforestation schemes were taken up under the programme. In Jammu & Kashmir and Tamil Nadu etc. about half of the funds were approved for roads. A large soil conservation programme was taken up by the State of Karnataka and Maharashtra.*

(ii) *On account of initial preoccupations of the Programme with rural works, the programme in several districts tended to lack appropriate order of priorities. For a number of districts, some sort of Master Plans were drawn up but these were often found to be collation*

of different departmental schemes and programmes. Schemes were some time proposed and subsequently dropped due to their infeasibility.

(iii) There has been lack of a close watch on the physical performance in respect of various programmes. The norms [and yardsticks adopted at the time of the formulation of the scheme have sizeably deviated from those initially proposed.

(iv) This programme was conceived as an additional programme to the normal State Plan activity in each district. There is no clear indication of this additionality of funds to have been materialised substantially.

2. *Report of the National Committee on the Development of Backward Areas—September 1981 (Chairman—Shri B. Sivaraman, former Member, Planning Commission).*

(i) The present approach is mainly on the development of agriculture and allied sectors with its major focus on restoration of ecological balance. Without providing alternative source of income any attempt to promote optimum use of land and water cannot succeed in spite of improved dry land agricultural practices.

(ii) Comprehensive planning aiming at all-round development of an area has yet to be taken up. Even the basic surveys of the existing resources have not been completed. There has been lack of coordination between various agencies and programmes for development in the district.

(iii) In most cases, sectoral officers conceded this programme only as a source of additional funds. They intensified their activities without any attempt for integrated watershed development. The objective of restoring ecological balance was thus not given the due attention. Plans were not drawn up on watershed approach.

(iv) The present system of funding this area development programme on a certain fixed amount repeated every year has left [much] to be desired.

(v) Sufficient technology is available for increasing productivity in the drought prone areas of the country except in extremely difficult land and water situations but an aggressive adoptive research and technology transfer programme, through a proper extension machinery is lacking.

3. *Report of the Task Force on the Drought Prone Areas Programme and Desert Development Programme, January 1982 (Chairman—Dr. M.S. Swaminathan, former Member, Planning Commission).*

(i) The programme has successfully supported activities relating to development of irrigation, soil conservation, animal husbandry, dairy development and subsidiary occupations.

(ii) Maintenance of irrigation works has not received the desired attention. More useful but less impressive works have been neglected in favour of more impressive but less cost effective projects. In many cases, actual irrigation was a mere 20% of what was indicated at the stage of sanction.

(iii) The quality of maintenance of soil conservation works put up at a considerable cost, has been extremely poor and these works have in many cases totally disappeared.

(iv) A clear and conscious effort towards the watershed approach has not been made.

Evaluation Studies

1. *Evaluation of Drought Prone Areas Programme in Panchmahal District (Gujarat)*

This study was undertaken by the Operations Research Group, Baroda. Its assessment is as follows :

(i) There was no district plan, nor was there any working plan for sectors other than forestry and minor irrigation. No bench

mark survey of the project areas was carried out. There was no systematic monitoring of the project.

- (ii) In areas where schemes have been completed, the financial gains have been sizeable.
- (iii) Development of irrigation facilities has helped in increasing the intensity of cropping by 150%. The income of farmers has gone up by 50% to 70%. The actual cost of irrigation was, however, considerably higher than the cost approved.
- (iv) The returns from crop demonstrations laid out were negative in many cases. No follow-up action was taken to change the cropping pattern and ensure productivity of the demonstrations plots.

2. *Drought Prone Areas Programme in Kurnool District—Andhra Pradesh*

The study was conducted by the National Institute of Rural Development, Hyderabad. Its assessment was as follows :

- (i) There was no coordination between the activities of the soil conservation and agriculture divisions and between the activities of soil conservation and the forest departments. Contour bunds were not maintained and most of the old bunds were in bad shape.
- (ii) The performance of the agriculture sector was poor due to (a) delays in the technical clearance of the schemes at the state-level, (b) non-adoption of guidelines for organising crop demonstrations by the district level staff etc. The crop demonstrations organised were of a routine nature, intended to show superiority of the high-yielding varieties of Jowar and Bajra over the local varieties. The cropping patterns were not adjusted according to local rainfall conditions. The demonstrations laid out did not emphasise on adoption of appropriate dry land technology.

- (iii) Livestock development schemes made a good impact as they improved the income of the farmers. As a result of dairy schemes, the average daily income per household increased by about Rs. 4/- per day. Strengthening of infrastructure such as dairy, sheep growers cooperative societies, ram multiplication farm etc. helped in raising production and income.
- (iv) The implementation of irrigation schemes was slow due to delay in obtaining technical and administrative clearances, appointment of contractors, land acquisition etc. Irrigation potential created was not utilised for want of command area development.
- (v) Farm forestry schemes did not progress due to lack of any scheme to motivate the people to plant and protect trees. The panchayats were not involved in the afforestation activity. The scheme to develop pasture did not succeed as the villagers did not perceive any long-term benefit from it. There was also no alternative facility for grazing in the area. Instead of giving priority to hard-core drought affected areas, plantations were taken up along the sides of canal and avenues.
- (vi) Different departments implemented their sectoral schemes without linking their activities with each other, although all the development departments were brought under the authority i.e. the District Development Authority.
- (vii) Technical departments considered this programme as a source of additional funding rather than as a programme for integrating activities of different sectors.
- (viii) There was not much involvement of the local Community Development Blocks, village panchayats and the village Level Workers. Normal extension staff was only casually involved with this programme.

3. *Evaluation of Drought Prone Areas Programme in Pali District (Rajasthan) by the IIPA New Delhi*

- (i) After the creation of the district development agency and implementation of the drought prone areas programme, a big boost was

provided to the development programme. However, various programmes in different sectors lacked either the desirable technical competence foresight, coordinated action, timely formulation and implementation of the programmes or proper planning. The work in the agriculture sector suffered due to some trivial issues such as lack of adequate field staff, lack of vehicles etc.

(ii) The district had not got any plan forum of its own. Even single scheme implemented in the district was tailored at the Special Schemes Organisation, Jaipur. For any change in the Plan, the district had to look forward to the State Government which affected speedy implementation and instant decision. Lack of proper resource data of the district also hampered the work.

(iii) The process of entire planning exercise seemed to be *ad hoc* in nature. No proper bench mark surveys were carried out. There were no time series data.

(iv) The Collector who has to settle the bulk of the cases relating to the programme had hardly any time to look into the small and big matters alike.

(v) Many crucial posts remained vacant for long or the various crucial officials were transferred very rapidly. This also hampered the work of the agency.

(vi) As regards implementation, the sectoral people had to take sanction first from the Desert Development Commissioner's office and then from their sectoral heads. Many trivial matters affected the working of the milk chilling units. For instance, at times milk had not been collected because milk cans could not be washed. Due to official apathy milk collection suffered on account of delay in the development of milk routes, although funds for implementation of these schemes had already provided.

4. *Evaluation of the Drought Prone Areas Programme in Palamau District (Bihar)*

The A.N. Sinha Institute of Social Studies, Patna conducted this study. The main findings are :—

(i) Coordination was found lacking among the soil conservation, afforestation and irrigation departments.

(ii) Of all the irrigation schemes, major benefits have accrued from reservoir schemes. The water table has arisen : the problem of drinking water has been solved to a large extent ; the yield levels of paddy and wheat recorded increase by 26% to 28%. Farmers have started making investments in the land of their own.

(iii) While the agency was set up to coordinate planning, implementation, monitoring and evaluation of the programme, the level of coordination was far from adequate.

(iv) Funds allotted for the programme were not transferred to the agency excepting a few departments. This caused delay in the implementation of the schemes.

Assessment by International Agencies

The International Development Association (IDA) gave credit worth 35 million dollars for six districts in four states during 1974-79. In its Project Performance Audit Report on the Drought Prone Areas Programme (Credit 526-IN) June, 1982, it notes that the dairy development schemes have turned out to be the most successful of all activities assisted by it. Apart from increasing output in normal years, the programme has served to arrest precipitous fall in crop yields in the years of drought. Farmers have begun to adopt improved soil and moisture management practices, make scientific selection of crops and appropriate management practices so as to forestall the full impact of drought and raise productivity. For many crops the yield from plots under demonstration has turned out to be 2-3 times that raised in the normal plots under the traditional cropping practices.

Two drought resistant forage legumes (*stylosanthes hamate* and *stylosanthes scabra* have been introduced which are capable of significantly increasing fodder production in the Deccan Plateau. New techniques for establishment of range lands have proved highly successful. In good years, production of dry forage is expected to exceed 3000 kgs per ha. In years of drought the yield has gone up from 200 kg per ha in the past to 800 kgs per ha now. The incremental yield of fodder is estimated to be around 5 quintals per ha.

Field Results

Gujarat :

In Amreli District in the Shetrunji Shal-I sub-watershed* (in Dhari Taluk), contour bunding, terracing, gully plugging, afforestation and pasture development, nala bunding works, etc., have been taken up. This watershed has an area of 1133 hectares. Execution of works started from March, 1977, and most of the works have now been completed. Total cost of this project is Rs. 20.75 lakhs. The following benefits have been achieved :

- (i) The water impounded in the storage structures such as nala (drain) plugs, percolation ponds, etc., has started recharging the sub-soils and wells. Consequently area irrigated by wells has increased from 54 ha in 1976-77 to 194 ha during 1980-81. The dry and abandoned wells, which were believed to be due to the curse of some goddess, have now been recharged. In one case, a farmer who had left his village due to economic hardship and disgust caused by the failure of three wells dug up by him has now come back home with a promising future, as all his wells have now been re-charged with water.
- (ii) As against a single crop grown prior to this project, three crops are now raised, which include wheat, groundnut, cotton, lucerne, sugarcane, maize, vegetables and cumin. Net income from the irrigated crops which was estimated at Rs. 171 thousand in 1977-78 increased to Rs. 383 thousand during 1980-81.
- (iii) This area has remained practically unaffected by recent droughts. The farmers have now the option of using available water more intensively or extensively, according to the weather situation.
- (iv) Soil conservation works have reduced siltation in the Kaner percolation tank, which is now quite full of water.

*A case study on Land Use Planning with specific reference to one sub-watershed in Amreli DPAP district of Gujarat January, 1984, by District Rural Development Agency, Amreli.

- (v) Farmers have now started thinking in terms of raising fruit crops : one farmer has actually planted 600 mango grafts.
 - (vi) Cultivation of irrigated fodder has started which will boost livestock development programme in this area.
 - (vii) The overall impact of the watershed is so visible that the farmers who used to migrate from this area in search of employment during the periods of drought before this project have now no need, to worry about it. In a few cases, some employment has been provided to others by these who had to go outside the watershed to secure employment.
 - (viii) Further, a Piece of land in the watershed which was not fetching more than Rs. 250 an acre before the project is now not available even for Rs. 4000 per acre.
 - (ix) Irrigation through collection of run off on micro-watershed basis has reduced the cost of irrigation also. The cost of one million c. ft. of water by the watershed management system has worked out to only 44 per cent of the cost of water by the normal irrigation system with a larger command area.
 - (x) The watershed, as it lies on a higher elevation has also benefited the vaillages down-stream due to sub-soil water discharge.
- In conclusion, the watershed project has achieved more than the anticipated benefits and vividly exhibited the superiority of this system of land use planning.

Andhra Pradesh

In Anantpur (Andhra Pradesh), a massive programme of pasture development, small timber and fuel wood plantation has been taken up. The works were started from 1976 onwards. In this District rains quite often stop during the month of September itself and the tanks get only partial water supplies. Tank beds are used to grow fodder. During 1982-83, fodder jowar was raised over an area of about 1800 hectares in 35 such tank beds. 'Subabul' (*Leucaena Leucocephalla*) plantation has increased from 27,900 plants in 1979-80 to 6 lakh during 1982-83. 13 lakh plants are the target for 1983-84.

Farmers having irrigation are being encouraged to bring a minimum of 600 sq. meters of area of their holding under perennial fodder grasses,

viz., Para, Napier, etc. Slips are supplied at the door of each farmer free of cost, Subsidy valuing Rs. 50 per plot is also given in the shape of fertilizers.

Sericulture** has made a major leap forward in this district under the DPAP, Funds have been provided from this programme for establishing mulberry farms, grainages, processing units, etc. Area under mulberry cultivation has increased from 11982 hectares in 1979 to 33.603 hectares in 1983. Raw silk production which was 140 tonnes in 1970, increased to 572 tonnes in 1979, and 850 tonnes in 1983. The income per annum is now more than Rs. 20,000 per hectare as against Rs. 2500 from paddy and Rs. 4500 from sugarcane. Employment is provided to 12 persons per hectare during a year.

Karnataka

In Bijapur, a substantial increase in the income of the beneficiaries has been recorded from the watershed development works. Compared to only soil conservation works, the benefits are much higher where apart from soil conservation dryland farming practices are also followed. The following statement*** illustrates it :

Crops	(Rs. per hectare)	
	Additional annual income from	
	Soil Conservation	Soil Conservation + Dryland farming
Jawar	228	590
Bajna	419	811
Groundnut	289	675
Cotton	221	847

**Report on evaluation of sericulture in Anantpur received from the Collector of Anantpur.

*** Impact evaluation of World Bank Aided Drought Prone Areas Programme, Bijapur district, Karnataka, sponsored by the Government of Karnataka.

Recommendation

The Committee find that the Central Government had suggested to the State Governments to conduct quick evaluation study of the DEAP projects. However, it has been stated by the Ministry that the response of the States to the idea of quick evaluation have either been poor or delayed for a variety of reasons. In view of this it becomes all the more necessary that such an exercise in regard to the different project should be conducted by a Central agency.

[Sl. No. 26 Appendix II Para 1.100 of the 175th Report of PAC
(Seventh Lok Sabha)]

Action taken

A number of research organisations/consultants have been associated by the Deptt. of Rural Development with the evaluation of this programme. The Programme Evaluation Organisation of the Planning Commission has also been requested to take up the evaluation of this programme over a large number of districts. On the basis of the studies already sponsored and completed on various aspects of this programme, it is found that institutions with experience in this field are only few. Organisations invited from outside areas take time to familiarise themselves with the conditions of these area. This has placed some limitation in the identification of suitable agencies for taking up evaluation of this programme on a much wider scale. In order to have a quick assessment of the performance of this programme, the State Govts. have been requested to incorporate an assessment report along with the plan proposals for this programme.

[Department of Rural Development O.M.NO. 7(3)/2/84-DPAP.
dated the 29th April, 1985.]

Recommendation

The Committee find that the evaluation studies so far made on Planning and execution of the programme have highlighted a number of deficiencies, e.g. lack of inter-sectoral coordination, lack of water shed approach of development, inadequate facilities for marketing of milk

lack of proper maintenance of assets, etc. The Committee need hardly stress that urgent remedial measures should be taken to remove the deficiencies which have been pointed out in these evaluation studies.

[Sl. No. 28 Appendix II Para 1.102 of the 175th Report of PAC
(Seventh Lok Sabha).]

Action taken

The Deptt. fully agrees that immediate remedial measures should be taken to overcome the deficiencies which have been observed in the implementation of the programme. The examination of the annual action plans provides an opportunity to the Deptt. to go into all aspects of the programme in association with the officials of the concerned state governments. Many deficiencies come to light in course of this exercise. Evaluation studies undertaken by various institutions under the sponsorship of this Deptt., as well as periodic evaluation done by the Ministry itself have brought out many aspects of the programme which need immediate attention. Instructions are issued from time to time in respect of specific deficiencies in specific schemes. Also general measures to be followed by all project authorities are suggested. For example, the need for watershed based planning has been repeatedly emphasised and certain concrete measures suggested to the state governments for adopting this approach on an experimental basis in certain watersheds of each project area. Detailed instructions have been given for better coordination among different sectors of the programme and other rural development programmes. Emphasis has been laid on objective assessment of the cost benefit ratio of schemes in order to find out their feasibility. Instructions have been given highlighting the need for technical evaluation of schemes before they are actually sanctioned. The need for ensuring adequate availability of raw materials and marketing facilities for schemes like dairy development has also been emphasised. While examining the annual action plans, these instructions are taken note of.

[Department of Rural Development O.M.No. 7 (3)/2/84-DPAP,
dated the 29th April, 1985.]

CHAPTER III

RECOMMENDATIONS OR OBSERVATIONS WHICH THE COMMITTEE DO NOT DESIRED TO PURSUE IN THE LIGHT OF THE REPLIES OF GOVERNMENT

Recomntendation

The Committee further note that the Ministry of Rural Development did not insist on the adoption of uniform pattern by the States and left it to State Government to evolve their own procedures while some of the States set up the agencies under the Societies Registration Act others set up authorities under the charge of a senior officer at the district level. In J&K, the State Government placed funds meant for DPAP with the respective heads of departments for the implementation of the programme even after setting up the DPAP agencies. As the funds were placed with the heads of the departments, the agencies had little or no role in the administration of finances. The DPAP agencies in Madhya Pradesh were not delegated with any administrative or financial powers; the rules for the working of agencies were not framed, nor were the agencies provided with any personnel except some clerical staff. In Bihar the advances made by the agencies (DPAP) to different programme implementing organs of the State Government were regarded as expenditure and included as such in the accounts and utilisation [certificates. How the advances made to the agencies without their actual utilisation could be treated as expenditure under the programme is beyond comprehension of the Committee.

[Sl. No. 7 Appendix II Para 1.32 of the 175th Report of PAC
(Seventh Lok Sabha).]

Action taken

In the early stages of the programme, the discretion to choose the form of the agency responsible for the planning and implementation

of the programme was left to the state governments. It was felt that it might not be practicable to suggest a uniform pattern for the whole country. However, learning from the experiences of the past years, certain lessons have been drawn on the basis of which the Task Force set up for the mid-term review of the programme during the Sixth Five Year Plan made certain recommendations on the form of the agency. The Government of India, has accordingly, taken a decision that all the state governments should be advised to give the responsibility of planning and implementation of the programme to the District Rural Development Authorities. However, should any state Government feel that a separate agency of the same type may be entrusted with the DPAP in view of the DRDA's pre-occupation with the programmes like IRDP NREP it is free to do so. It has been mentioned that if the State governments opt for one unified agency namely the DRDA for the planning and implementation of all rural development programmes, they should set-up a separate cell under an Additional Project Director be exclusively incharge of the DPAP and the DDP. Guidelines to this effect have already been issued to the State Governments (Annex I).

Necessary administrative and financial powers have since been delegated to the DRDAs in almost all the project areas. the State Governments now usually transfer project funds to the agencies, who in turn, place them at the disposal of the line Departments for executing schemes. The Agencies have been advised to regulate release of funds so as not to leave too much uncommitted funds to the executing departments nor to starve them of funds that may affect continuity in work. Advances to the Departments are not to be treated as amounts spent. The States have been advised to obtain details of actual expenditure and to treat all other amounts which have been released to but not spent by the executing agencies, as outstanding. A copy of the latest circular issued on the subject is enclosed (Annex IV).

[Department of Rural Development O.M.No:7 (3)/2/84-DPAP
Dated the 29th April, 1985.]

**No. 11(2)/2/84-DPAP
Government of India
Ministry of Rural Development**

**Krishi Bhavan, New Delhi
Dated the 30th April, 84**

To

The Secretary Incharge of DPAP/DDP States

Subject:- Release of funds under DPAP/DDP-furnishing of audit reports and guidelinges—regarding.

Sir,

As you are aware, the funds released to the District Rural Development Agencies (DRDAs) are to be audited by a Chartered Accountant within 9 months of the close of the financial year and a report thereof sent immediately to the Govt. of India. The State Governments are required to pass on the funds received by them for these programmes from the Central Government to the DRDAs alongwith their matching share. The agencies are to keep these funds in the savings bank account before releasing them to the officers of the line department for execution of the approved schemes. It appears that these procedures are not being meticulously followed everywhere. As a result, many irregularities—procedural as well as substantial, are recurring every year.

2. The accounts of the projects are not audited in time, thereby resulting in inordinate delay in the furnishing of audit reports to the Government of India. Besides, many audit reports are not in full conformity with the guidelines. For instance, these do not cover matters like the matching share released by the State Government, funds lying with the agency, amount actually utilised etc.

3. In a number of cases the audit reports give a consolidated picture of different programmes implemented by the DRDA. As a result

it is difficult to get a clear position of the DPAP/DDP specifically. Such reports are thus of very limited utility for our purpose. The Chartered Account, therefore, may kindly be advised to submit a separate report on the DPAP or the DDP as the case may be.

4. The audit reports are not accompanied by the utilisation certificates (UCs) from the agencies for funds released. The figures of unspent balance given in the UCs and the audited reports seldom tally. It is, therefore, suggested that only the reconciled figures should be submitted to the Ministry.

5. Often instead of an original copy a cyclostyled copy of the audit report is furnished to this Ministry. In future a legible copy of the audit report in original may please be sent of the Ministry.

6. Some omissions have also been noticed in the procedure followed for the release of funds and maintenance of accounts in respect of the DPAP/DDP. Several State Governments have failed to make adequate budgetary provision so as to match the central share of allocation with their own for these programmes. In certain other cases the State Governments failed to release to the agencies their share of the funds so as to match that released by the Government of India even though the necessary, budgetary provision was made. A copy of the State Government's orders pertaining to release of funds to the DRDA is not invariably sent to the Government of India. As a result, it is difficult for us to reconcile the figures of amount actually released to the project authorities during the year under reference.

7. In certain cases, State Governments release funds for the staff directly to the line departments, the amount of which is not separately intimated to this Ministry. When and how these funds are released by the line departments to their field staff, responsible for the these programmes, are not reported to this Ministry.

8. Some agencies place the funds released to them in the current account. They lose the interest which they could have earned by depositing these funds in the savings account. Certain agencies, on the others hand, have put the programme funds in the fixed deposits

for very long periods. This is entirely improper. Funds for these a programmes should be placed invariable in the savings account for a short period.

9. Some agencies have used funds for purchase of shares and some others for implementing other programmes like IRDP, NREP, etc. Loans given to other programmes have remained unadjusted in certain cases. Project funds utilised for meeting the loan component of activities like soil and water conservation, have not been recovered or where these have been recovered, the amount has not yet been credited to the appropriate accounts of the DRDA.

10. Large sums from the programme funds are advanced to the officers of the line deptts. Even at the end of a financial year they remain unadjusted.

11. The definition of 'unspent balance' needs elucidation. Likewise the term 'expenditure' also needs clarification. Payments against vouchers for works executed are expenditure. Funds released by the State Government to the DRDA/line departments or by the DRDA to the line departments or by the line Departments to their subordinate offices are not to be treated as expenditure, as it seems to be done in many cases. The agency receives funds for execution of the programme every year. It also has certain balances 'from the previous year. It gets interest on its deposits with the banks. There are certain project activities the earnings from which are also credited to the account of the DRAD. In certain case recoveries of loans provided from the project funds for activities like soil conservation are credited to the account of the DRDA. Receipts from all these sources are to be taken as funds available with the DRDA, besides the funds released during the year. The difference between various sources of receipts of funds and the expenditure is the unspent balance. If a uniform concept of expenditure and receipts is followed the discrepancy arising in the figures of unspent balance would not recur.

12. At present the Agency releases funds to the officers of the line departments in bulk either at the beginning or at end of a financial year. There is no proper followup to ensure that the funds already released are expeditiously used. The only regulatory measure generally followed

is to restrict further release of funds in the event of non-submission of utilisation certificates for funds earlier released. This affects smooth distribution of funds over the year. All advances made by the agency to the line departments or by the line departments to their subordinate offices should be tied up to specific items of activity. For instance, initially funds may be required by an executing department for purchase of machinery equipments, materials etc. Requirement of funds for these items in the initial three months may, therefore, be met in the beginning, instead of just releasing a portion of the approved outlay for a particular scheme as such. Subsequent funds may be provided on the progress of the first phase of the activity by the concerned line department, as also the requirement of funds for different types of activities in the subsequent quarter. In other words, advances of funds need to be tied up with broad items of works of a scheme rather than the scheme *Per se*.

13. It may kindly be noted that the audit reports for all the years upto 1982-83 must be supplied forthwith for each district for release of the first instalment of the central assistance for 1984-85. For the second instalment of release of funds, submission of the audit reports for each district for 1983-84 is also indispensable.

14. As the audit report is essential for release of funds it is requested that outstanding reports may be sent to this Ministry immediately. All other shortcomings in the release of funds, reporting of expenditure etc. may also kindly be removed immediately. All agencies may be advised to take immediate corrective steps along the lines suggested in this letter. A firm date may please be indicated to this Ministry by which the audit reports and utilisation certificates will be available to this Ministry.

Your faithfully.

Sd/-.

(D. S. Mehra)

Assistant Commissioner (DPAP)

Copy to all Project Directors dealing with DPAP/DDP.

Sd/-.

(D. S. Mehra)

Recommendation

Another reason given for slow progress of work under the programme is "difficulties in meeting credit requirements from the financial institutions". The Committee would like the Ministry of Rural Development to take up the matter with the Ministry of Finance (Banking Division) and financial institutions and find out ways to ensure that the programme does not suffer from shortage of credit.

[Sl. No. 11 Appendix II Para 1.42 of the 175th Report of PAC
(Seventh Lok Sabha)]

Action taken

Since the mid-term restructuring of the programme in 1982 in the light of the recommendations of the Task Force, schemes requiring credit as distinct from subsidy have, by and large, been taken out of the purview of the programme. These are largely included in the IRDP.

[Department of Rural Development O.M. No. 7(3)/2/84-DPAP
Dated the 29th April, 1985.]

Recommendation

While according administrative approval to the annual programme, it is envisaged by the Ministry of Rural Development that the works taken up under DPAP should not result in the substitution or slowing down of normal development programmes. In spite of it, the Committee find that in some of the States, expenditure on normal development programme showed a marked downward trend during the period 1974-75 to 1977-78. In Madhya Pradesh before the commencement of 5th Five Year Plan, 10 soil conservation sub-divisions were engaged in general soil conservation works till 1976 and no soil conservation work under DPAP was sanctioned. Thereafter, these sub-divisions took up soil conservation work under DPAP and no fresh works under State Plan for soil conservation was taken up. Thus, while the expenditure under the normal development programme came down from Rs. 28.83 lakhs in 1974-75 to a mere trifle of Rs. 0.74 lakh

in 1977-78, the expenditure under the DPAP shot up from Rs. 4.93 lakhs in 1975-76 to Rs. 26.14 lakhs in 1977-78.

[Sl. No. 13 Appendix II Para 1,49 of the 175th Report of PAC
(Seventh Lok Sabha)]

Action taken

The Department is fully aware of this problem and has drawn the attention of the State Governments to it from time to time. The following points may, however, be noted :—

In the early years, the entire programme used to be financed by the Centre. There was, therefore, a special need to ensure that the Centre's additional efforts were not allowed to slow down the efforts of the State Governments. The programme has since been restructured. It is financed equally by the Centre and the State Governments. It, therefore, stands to reason that there will be certain slowing down of efforts in the same sector of activity which are exclusively financed by the State Government. Besides in a society in which pressure for development is exerted by every section of the people, it may be unavoidable that areas where centrally sponsored programmes are implemented will receive less attention than in the past from the development programmes undertaken by the State Governments. In view of this changed context, it is often difficult for the Department of Rural Development precisely to conclude that the comparative slowing down of development efforts made in the past by the State Governments is attributable to the introduction of a centrally sponsored scheme like the Drought Prone Areas Programme in that area. The Department has, however, reiterated that in view of the enormity of the problems faced by the people of these areas, and the very large financial outlays required to mitigate them, these areas should continue to receive the same attention, if not more, which they received before the launching of this programme in such areas. Copy of the circular letter issued to the states, is enclosed (Annexure VI).

Department of Rural Development O.M. No : 7(3)/2/84-DPAP,
Dated the 29th April, 1985.

ANNEXURE-VI

No. 7(3)/2/84-DPAP

GOVERNMENT OF INDIA

MINISTRY OF RURAL DEVELOPMENT

11 block, 6th floor, C.G.O. Complex

Lodi Estate, New Delhi

Dated the 19th September, 1284.

To

The Secretary incharge of DPAP/DDP

All States.

SUBJECT :—175th report of the PAC>Action taken thereon.

Sir,

As you are aware, Govt. of India has time and again impressed upon the State Govts. that allocation under the DPAP should be additive to, and not in lieu of allocation under the normal development programmes. Yet, it has been noticed that quite often certain schemes, which should have been taken up under the normal state plan programme were got implemented utilising the funds under the DPAP. Observation in these lines was also made by the PAC in its 175th report—vide para 1.50 (already circulated). Whereas it is conceivable that a rigid segregation of funds would be too difficult to achieve due to reasons like unfavourable financial position of the State Governments, mounting local pressure for the schemes, and more often the poor capacity for absorption of the investment resulting in the utilisation of the DPAP funds to avoid their lapsing and diverting the State funds to other sectors etc., efforts should be made continuously to bring in an improvement in the credit absorbing capacity of the project areas. Accordingly, I am directed to request you to kindly take suitable

measures in this direction so that, in future cases like substitution of funds or slowing down of normal development activities do not take place in the drought prone areas of the State.

It will be appreciated if an early reply indicating lines of action proposed to be taken in the matter is sent to this Ministry.

Yours faithfully

Sd/- PALAT MOHANDAS
Director (DPAP)

Recommendation

The Committee find that irrigation potential created under the programme at an enormous cost during the period 1974-75 to 1980-81 could not be utilised adequately due to non-development of the command area in Andhra Pradesh, Madhya Pradesh, Maharashtra and Uttar Pradesh. The result was that the benefits of the schemes could not be made available to the people. This causes concern to the Committee. They would stress that the monitoring mechanism of the Ministry of Rural Development and the review for follow up should be such as would ensure coordinated and well synchronised implementation of Projects and establishment of connected facilities to derive optimum benefits in time.

[Sl. No. 23, Appendix II, Para 1.91 of the 175th Report of PAG
(Seventh Lok Sabha)]

Action taken

The recommendations of the Committee on the improvement of the monitoring system have been taken note of. The proformae on the basis of which data are collected for monitoring have been substantially revised (annex-II) and it is expected that this revised set of proformae will enable the ministry to make a more detailed monitoring and evaluation of the schemes taken up under the programme. The state

governments have been repeatedly advised to ensure that the forward and backward linkages are established between schemes taken up under the DPAP as well as between them and other development programmes, so that the benefit of all these schemes can flow according to a well thought out sequence. While schemes are sanctioned under the annual action plan, care is taken to see that not only is the potential created but that avenues for its exploitation also are created. For example, in respect of minor irrigation schemes the Ministry insists on simultaneous action being taken for the construction of field channels when irrigation schemes are taken up. It must, however, be admitted that in the actual process of implementation, various measures contemplated under the integrated scheme often get out of joint resulting in imbalance between the potential created and the avenues opened up for its exploitation. As has been repeatedly mentioned in these notes, the schemes under the DPAP being small and location specific, their concurrent monitoring and evaluation in detail have, of necessity, to be done by the men on the spot. The monitoring and evaluation by the Government of India has its definite limits. This is sought to be overcome by sending teams of officials from time to time to inspect specific schemes in the field. However, the strength of the personnel available with the Ministry being what it is, such monitoring and evaluation based on field visit can only be in the nature of sampling and not more than that.

[Department of Rural Development O.M, No, 7(3)/2/84-DPAP
dated the 29th April, 1985].

Explanatory notes for filling up the monthly and quarterly progress reports on the Drought Prone Areas Programme (DPAP) and the Desert Development Programme (DDP)

The proformae prescribed earlier for monitoring the progress of the DPAP and the DDP on monthly and quarterly basis have now been revised. The proformae for the monthly report on financial progress has been simplified while more items have been included in the quarterly progress report in order to assess whether the expenditure corresponds with the physical progress. Disbursement of subsidy and credit was earlier monitored on monthly basis. It will now be monitored on quarterly basis. Information on beneficiaries and employment created, which earlier formed part of the quarterly physical report, is not to be submitted as a separate section of the quarterly report. Information on persons employed is to be given; separate break-up for male and female not required. Employment figures should relate to 8 hours employment per day. Average wage rate should be calculated by dividing the total expenditure on works by number of persons employed. Major variations in wage rates in different sectors/periods of time needs to be suitably explained in the remarks column. Information on beneficiaries, subsidies and credit is to be filled in Sections B,C and D of the quarterly report. Information on the targets fixed for different items was earlier not called for in many cases. Now detailed information is required.

In many cases information on physical achievements was not required for different items separately. For instance, in the soil conservation sub-head, information as required in respect of the total area under all soil and moisture conservation works put together. No separate information was called for in respect of different items approved under the programme-such as contour bunding, gully plugging, water harvesting,

horticulture, sub-mergence bundhies, khadins, etc. Likewise, in the irrigation sector only additional irrigation potential created, sourcewise, was required and details of tanks, lift irrigation works, anicuts, barranges, etc, were not collected: In the absence of information on progress of various works, itemwise, as approved in the annual plan, it has not been possible to find out which works have remained incomplete and why. Monitoring of the physical progress of various schemes has, therefore, to be related to the various items of works approved in the plans for various districts.

Information in respect of outlay approved for various sectors/sub-sectors was not included in the earlier proforma. As a result, it has been found difficult to compare the expenditure with the outlay approved. The progress of these programmes is to be compared not only within the limited context of the annual action plan but also within the overall context of 5 year plan. It has been found that the sum total of annual achievements does not always tally with the cumulative achievements for the years under reference. In certain cases, funds released by an agency to the line department are included as expenditure, even though no work or work of corresponding value may have been done. Expenditure should cover only payments actually made and not those intended to be made. Apart from the physical progress made since the beginning of the year under reference, separate information is now required in respect of cumulative achievements since the beginning of the 6th Plan i.e. 1980-81. No such cumulative information is required for financial progress.

Information on physical targets is also required for a period of 5 years. However, as project reports have not been approved for a period of 5 years, and these programmes are being implemented on the basis of annual plans only, no separate information has been asked for the physical targets for the VIth Five Year Plan. The sum total of annual physical achievements should tally with the cumulative physical achievement for a given period. In case of any difference between these two figures, suitable clarification should be given in the remarks column. It has to be clearly understood as to when a scheme or a work can be deemed as completed. For partially completed schemes, separate information may be given in the remarks column and the scheme needs

to be reported as being still in progress. Once a scheme is reported as completed, only the additions and alterations made in that scheme subsequently, if any, need to be reported.

It is difficult to lay down any general guideline as to when an asset should be reported as completed. Such a decision has to be taken by the reporting Agency. However, as a guiding principal, an asset can be said to be completed when the physical activities involved in creating the same have been completed and it is ready to generate the expected income or ready set off the line activity(S), which is dependent on its completion, as the case may be.

In the revised formats care has been taken to make the 'column' and 'row' headings self-explanatory. Notes are also given below to explain them further:-

Section: 1 *Monthly Financial Report:* The proforma for the monthly financial report has 7 columns. In columns-1 the major sectors have only been mentioned. The sector agriculture includes soil conservation, crop husbandry, and horticulture. Irrigation includes surface irrigation, ground water development and command area development. Animal husbandry includes dairy development, sheep development, piggery, poultry development etc. Information in respect of project administration relates only to the staff and establishment of the District Rural Development Agency. Expenditure on staff and establishment of the line departments concerned with the execution of the programme is not to be reflected in this sector. In certain cases, expenditure of certain line departments is also borne in the budget of D.R.D.A.

In such cases, it should be shown as staff expenditure but necessary, clarification to be given in the remarks column. Under SI No. 8=Other's information may be provided in respect of any other sector which has been approved in the plan. If there are more than one sectoral activity, these may be listed as 8.1, 8.2 and so on, and all these sub-items may be added under the head 'Sub-total'. Column 2 relates to outlay approved for the year. In many cases, annual plans are approved in instalments, and not at the commencement of the financial year. Besides, at the beginning of each financial year there are approved schemes spilled over from the previous year which are to be completed. There is also

a provision for carry over of funds with the DRDA and the line departments at the field levels. Expenditure proposed to be incurred on spill over schemes, is also to be reflected in the annual plan alongwith that on new schemes. Since approval for such schemes has already been obtained expenditure on them would be automatically concurred in by the sanctioning authority. Therefore, so long as fresh outlay is not approved for a particular year expenditure proposed on the on-going approved schemes during the year in the annual plan should be indicated as the outlay approved for the year. As soon as the fresh outlay for that year is also approved the total amount should be shown as the approved outlay for the year.

Under column 3, funds available with the implementing agency are to be reported. This should include the funds that the implementing agency may have carried over from the previous year/month and releases made to it during the year/month.

The total amount available with each line department and the DRDA needs to be indicated. It may so happen that a particular line department may even incur expenditure in excess of the release made to it which has to be reimbursed to it. In such cases, the unspent balance is to be reported as 'Nil'. No negative amount should be reported in this column but the fact of excess may be mentioned in the 'remarks' column. Excess expenditure incurred should also be separately reported in the concerned columns.

In column 5, cumulative expenditure on 'Works' is to be reported which would include expenditure on materials and equipment but not on any departmental staff. Certain deptt., maintain some 'work charged staff' for supervising execution of works on temporary basis. Expenditure on such staff, even if included under 'works', needs to be clearly reported in the 'remarks' column or in the foot notes.

The State Governments have at times been according approval to certain schemes/sectors in anticipation of the approval of the sanctioning authority. This may also be included in the approved outlay, but suitable clarifications should invariably be given in the foot-note/remarks column if such sanctions become unavoidable. Normally the State

Government is expected to issue sanction for any scheme only after obtaining concurrence of the Government of India.

In cases where a separate provision is made for a cell at the State or divisional level, such expenditure should be reported by the State Government on the same lines as are done by the DRDAs and it should be reported under the item 'others'.

In conclusion, the monthly report needs to be in line with the annual action plan so that the level of expenditure reported clearly indicates the state of utilisation of funds are targetted.

Sectorwise explanatory notes are given below :

Agriculture : Information is required separately for different water harvesting structures. In case of percolation tanks, which do not provide direct irrigation, the area benefited by wells falling in the command area of such tanks need to be reported as area benefited. Under cover management, the area of the various water harvesting structures covered by vegetation needs to be reported.

Irrigation : Many changes have been introduced in the revised proforma so as to enable a better monitoring of the progress of implementation of various types of works included under the programme. Earlier only information in respect of irrigation potential created used to be collected. But new information is required separately for the number of such works and the irrigation potential created by each of such works. Separate information is called for surface and ground water schemes. Percolation tanks have been classified under surface irrigation though the benefit of irrigation from these tanks is obtained through increased irrigation potential of wells lying in the command of these tanks.

For ground water development, no separate monitoring of various items of works pertaining to exploratory programme has been envisaged. Only information pertaining to exploitation programme is required to be reported. The main items such as wells and tubewells have been listed. The wells and tubewells may be of different types such as dug-cum-blast

wells, blast wells, dug-cum-bore wells. Likewise, tubewells may be of different types. Different works have to be classified either as wells or as tubewells depending on the major items of expenditure. Considerable care is required in reporting completion of these works.

Further, it may be appreciated that each irrigation work, big or small, has its command area which unless fully developed is bound to limit the utilisation of irrigation potential created. Details of works such as land levelling, shaping, construction of field channels, drains, reclamation of saline/alkaline or water logged area, construction of underground pipelines, sprinklers sets, conversion of minors into water courses may be separately given. Such items if associated with the surface irrigation may be reported as an item under others (iv) under surface irrigation and as an item under others (iii) under ground water development.

Forestry & Pastures : Considerable modification has been made in the proforma pertaining to this section. The details required for this sector were not uniform in case of the DPAP and the DDP. Information now is required for plantations and pastures in forests and public/private lands separately. In other words, the information is to be reported according to the classification of ownership and use of lands under forests and pastures. Information on seed materials raised and distributed is also required so as to appreciate the relationship between the availability of planting materials and plantation work proposed/implemented.

Animal Husbandry : The proforma pertaining to this section has also been considerably modified and separate sections have been provided for breeding, health cover and arrangements for marketing/extension.

Sericulture : Earlier only the area under mulberry cultivation was reported. More details have now been asked for so as to include support for seed rearing, demonstrations, marketing of cocoons etc.

Other Schemes : In certain areas schemes like lac development, apiculture, etc. may be important and hence progress of these schemes also needs to be suitably reported.

Beneficiaries : Being an area development programme, the programme is expected to benefit different sections of the population directly and indirectly. Quantification of indirect benefits would, however, be difficult to be assessed through the quarterly reports. Only direct beneficiaries are, therefore, proposed to be monitored. A family or a person who has been covered by any programme activity or a component thereof is to be regarded as its beneficiary ; the quantum of benefit may, however, vary sometimes quite largely, from activity to activity. Proper care is, therefore, needed in identifying the beneficiaries. In some schemes such as forestry in the reserved forest areas, or village community land, there may not be any direct beneficiaries. The villagers may cut grass or take fuel wood from the pastures developed in these forests/village community pastures/woodlands but it would be difficult to precisely quantify the number of beneficiaries. No estimate is, therefore, called for in such cases. But if individual pastures, wood lots etc. are developed or trees are distributed among individual families for plantation, it should be possible to indicate the number of such beneficiaries. In case of a minor irrigation scheme, the house-holds falling in the command of the scheme are to be treated as the beneficiaries though all of them may not derive the benefits simultaneously.

In case of a chilling/dairy plant, all those supplying and using milk may in one sense are the beneficiaries, but for these reports the milk producing households may be treated as the direct beneficiaries. If these households are already covered by the milk producers societies formed, it would amount to their double counting again against the dairy/chilling plant. If households are benefited under more than one scheme, they need to be reported only under one scheme which is mainly concerned. This fact should invariably be clarified in the remarks column.

Quarterly narrative report

As in the past, a narrative report should invariably be enclosed with the quarterly progress report with the following para headings :—

Major achievements : Where targets are achieved more than anticipated, the factors contributing to it need to be reported. Innovations tried and results thereto also need to be reported.

Implementation problems : If the implementation of the programme is affected significantly by way of (a) Lack of funds ; (b) material and equipment shortage ; (c) staff vacancies ; (d) labour shortage/problems etc. it should be reported. Only, where execution of a scheme is held up inordinately, it needs to be mentioned along with reasons thereof. Any problem faced in securing coordination of different executing departments in implementing the programme may also be highlighted.

Maintenance of assets : A general assessment is to be made on the state of maintenance of assets created under the programme. Where any neglect and degradation of these assets is noticed, such instances need to be specifically reported so as to draw the attention of concerned officers for remedial action. Wherever possible the list of maintaining them may also be qualified and reported.

Plan of action : Plan of action for the next quarter may be briefly reported indicating corrective action proposed to cover up the shortfalls, if any, in the achievement of targets in the quarter under reporting etc. This will enable the required mid course correction.

Impact : Information on the general impact of the programme may also be furnished, wherever feasible. Where need for undertaking detailed evaluation is felt, it should be specifically indicated so that, where necessary, suitable studies are sponsored by the Government.

Drought prone Area Programme/Desert Development Programme
MONTHLY FINANCIAL REPORT

State.....

District..... Financial year.....
 Month ending.....

Sector	Outlay approved for the year	Total funds* available with the implementing agency on the 1st day of the month.	Expenditure from the beginning of the year till the end of the month			Remarks
			Establishment	Works	Total	
1	2	3	4	5	6	7
Agriculture (Including soil conservation)						
Irrigation						
Forestry						
Animal Husbandry						
Fisheries						
Sericulture						
Project Admn.						
Others, if any (to be specified)						
Total						

* Funds available = Unspent balance + funds received + interest + others, if any
 Funds carried forward from the DRDA from the last month are to be indicated.

*Quarterly Progress report on the Drought Prone Area Programme and the Desert
Development Programme*

State.....	District.....	Year.....	Quarter ending.....
Sector/Activity	Financial Progress (Rs. in '000)	Physical achievements since the beginning of the 6th Plan (1980-81) upto the end of the quarter under reference	Remarks
	Financial targets for the year	Financial achievements since the beginning of the year upto the end of the quarter under reference	
	6	7	8 9

1	2	3	4	5
	(iii) Farm ponds			
	(a) Number	No		
	(b) Area benefited	ha.		
	(iv) Other Water harvesting structures			
	(a) Number	No.		
	(b) area benefited	ha.		
	(v) Percolation tanks			
	(a) Number	No.		
	(b) area benefited	ha.		
(iii) Cover Management	Total area benefited under Trees, shrubs and crop planted	ha.		
(iv) Other Expenditure	should cover other items not mentioned above			
2. Crop husbandry :	(i) Area covered under improved practices			
	(a) rainfed	na.		
	(b) irrigated	ha.		
	Sub-total	ha.		
	(ii) Transfer of technology through demonstrations			
	(a) rainfed			
	Number	No.		
	Area covered	ha.		
	(b) Irrigated			
	Number	No.		
	Area covered	ha.		
	Sub-total Number	No.		
	Area covered	ha.		

Sector/Activity	6	7	8	9
-----------------	---	---	---	---

1	2	3	4	5
	(iii) Others, if any (specify) Total area covered under crop husbandry	ha.		
	Total Expenditure on Crop Husbandry			
3. Horticulture	(i) Fruit trees Planted	No.		
	(a) Number	ha.		
	(b) Area	ha.		
	(ii) Area under vegetables	ha.		
	(iii) Nurseries supported			
	(a) Number	No.		
	(b) Raised seedlings	(000' plants)		
	(c) area of the nurseries	ha.		
	Total area planted under fruits & vegetables	ha.		
	Total expenditure on horticulture			
	Total expenditure on Agriculture			
II. Irrigation				
1. Surface				
Irrigation	(i) Tanks			
	(a) number	No.		
	(b) Irrigation potential created	ha.		
	(ii) percolation tanks			
	(a) number	No.		
	(b) Wells to be benefited	No.		
	(c) Irrigation potential	ha.		

Sector/Activity	6	7	8	9
-----------------	---	---	---	---

1	2	3	4	5
	(iii) Lift Irrigation			
	(a) number	No.		
	(b) irrigation potential	ha.		
	(iv) Others, if any (specify)			
	(a) number of Works	No.		
	(b) irrigation potential	ha.		
	Total irrigation potential	ha.		
	Total expenditure on surface irrigation	ha.		
2.	Ground Water : (i) Wells			
	(a) number	No.		
	(b) irrigation potential	ha.		
	(ii) Tubewells			
	(a) number	No.		
	(b) irrigation potential	ha.		
	(iii) Others			
	(a) number of Works	No.		
	(b) irrigation potential	ha.		
	(iv) Ground water surveys conducted	000 ha.		
	Total irrigation potential of ground water development	ha.		
	Total irrigation potential (Surface and ground development)	ha.		
	Total expenditure on irrigation			

Sector/Activity	6	7	8	9
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1	2	3	4	5
III. Forestry & Pasture				
A. Forestry.				
1. Plantation of forests and public land	(i) Rehabilitation of degraded forests	ha.		
	(ii) Plantations for purposes of social forestry including silvi-pasture	ha.		
	(iii) Shelter belt plantation (Plantation of check and casting and control wind erosion)	Km.		
	(iv) Sand dune stablisation	ha.		
	(v) Others, if any	ha.		
	(vi) Forest nursery	(a) No. (b) Hec.		
2. Plantations on private lands	(i) Seedlings distributed	No./ha.		
	(ii) Send dune stabilisation	ha.		
	(iii) Private forestry	(a) No. (b) Hect.		
	Total area under plantation	ha.		
B. Pastures				
	(i) on Forest/public land	ha.		
	(ii) on Private land	ha.		
	(iii) Seed Multiplication nursery	(a) No. (b) ha.		
	Total area under pastures	ha.		
	Total expenditure on forestry and pastures			

Sector/Activity	6	7	8	9
-----------------	---	---	---	---

1	2	3	4	5
---	---	---	---	---

IV. Animal Husbandry

(1) Cattle and Dairy Develop- ment

(i) Breeding

(a) A.I. Centres/Sub
centres set up No.

(b) Calves born
through A.I. No.

(ii) Health cover

(a) Vety. dispensaries/
diagnostic/mobile
units set up No.

(b) animal treated No.

(iii) Dairy Development

(a) Dairy/Chilling
Plants :

(i) No. of plants
set up No.

(ii) Installed
capacity Lt./day

(iii) Average milk
handled Lit./day

(b) Dairy coop.
societies (DCS)

(i) DCS farmed No.

(ii) Total member-
ship No.

(iii) Average milk
handled Lit./day

Total Expenditure on Cattle and Dairy Development

Sector/Activity	6	7	8	9
-----------------	---	---	---	---

1	2	3	4	5
---	---	---	---	---

2. Sheep development

(i) Breeding

- (a) Sheep breeding farms/centres set up No.
- (b) Total breedable ewes at the farms/centres No.
- (c) improved rams produced No.
- (d) improved rams distributed No.

(ii) Sheep Extension/Service centres

(a) Sheep coop. societies formed

- (i) Number No.
- (ii) Total membership No.
- (iii) Total animals No.

- (b) Total sheep shearmed No.
- (c) Quantity of wool marketed Qntrs
- (d) Total rams supplied for breeding No.
- (e) Improved progeny No.

Total Expenditure on Sheep Development

Total Expenditure on Animal Husbandry

Sector/Activity	6	7	8	9
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1	2	3	4	5
---	---	---	---	---

V. Fisheries

- | | | |
|----|---|--------|
| 1. | Fish seed farms established/
strengthened | Nos. |
| 2. | Fingerlings distributed | Nos. |
| 3. | Fish production | Tonnes |
| | Total expenditure on
fisheries development | |

Sector/Activity	6	7	8	-	9
-----------------	---	---	---	---	---

1	2	3	4	5
---	---	---	---	---

VI. Sericulture

1. Farms

(i) Farms set up/supported	Nos.
(ii) Chawkie rearing centres set up/supported	Nos.
(a) Units set up	Nos.
(b) Capacity	Nos.
(iii) Area under mulberry cutting specified.	Ha.

2. Grainages

(a) arms set up/supported	Nos.
(b) Capacity	Nos.
(c) Acreage for which seed supplied	Hec.

3. Area development under mulberry :

(a) Through direct assistance from DPAP	Hec.
(b) Through other sources	Hec.
(c) Total	Hec.

4. Reeling Units

(a) Units set up	Nos.
(b) Capacity of silk yarn	Kgs.
(c) Training provided	
(i) Persons trained	Nos.
(ii) Units established by the trainees	Nos.

Sector/Activity	6	7	8	9
-----------------	---	---	---	---

1	2	3	4	5
---	---	---	---	---

5. Twisting units :

(a) Units set up	Nos.
(b) Capacity of silk yarn	Kgs.
(c) Training provided	
(i) Persons trained	Nos.
(ii) Units established by the trainees	Nos.

6. Cocoa markets

(a) Markets established	Nos.
(b) Quantity handled	Kgs.
(c) Value of quantity	(1000 Rs.)

Sector/Activity	6	7	8	9
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Quarterly Progress Report on DPAP/DDP

State-----District-----Financial Year-----

B. Beneficiaries-----

Sector	No. of families to be assisted (Targets)				Total number of families actually benefited				Total number of small and Marginal farmers families benefited	
	SCs.	STs.	Others	Total	SCs.	STs.	Others	Total		
1	2	3	4	5	6	7	8	9	10	
I. Agriculture including Soil Conservation										
II. Irrigation										
III. Forestry & Pastures										
IV. Animal Husbandry										
V. Fisheries										
VI. Sericulture										
VII. Other Programmes, if any										
TOTAL										

Quarterly Progress Report on DPAP and DDP

Distt. _____ Financial Year _____

State		(Rs. in lakhs)						
Sector	Item of work	Amount of subsidy given			Amount of subsidy mentioned in COL, 6 given to			
		SCs.	STs.	Others	Total	Small & Agricultural farmers	labourers	Total
1	2	3	4	5	6	7	8	9

I. Agriculture including Conservation :

- (a) Soil & Water conservation
- (b) Crop Husbandry
- (c) Horticulture
- (d) Sub-total

II. Irrigation :

- (a) Wells
- (b) Tubewells
- (c) Lift Irrigation Schemes
- (d) Connand Area Development Sub-total

1	2	3	4	5	6	7	8	9
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III. Forestry & Pasture :

- (a) Farm Forestry
- (b) Fodder/pastures
demonstrations
- (c) Others, if any
(to be specified)
- Sub-total

IV. Animal Husbandry :

- (a) Cattle Dairy
Development
- (b) Sheep Development
- (c) Others, if any
(to be specified)
- Sub-total

V. Fisheries :**VI. Sericulture :**

- VII. Others, if any
(to be specified)
- Grand total

Quarterly Progress Report on DPAP and DDP

State-----Distt.-----Financial Year-----

D. CREDIT DISBURSED

(Rs. in lakhs)

Sector	Item of work	Amount of credit (linked with subsidy) disbursed				Amount of subsidy mentioned in Cal. (6) given to		
		SCs.	STs.	Others	Total	Small & Marginal farmers Agricultural labourers		
1	2	3	4	5		7	8	9

I. Agriculture including
Soil Conservation :

- (a) Soil and Water
Conservation
- (b) Crop Husbandry
- (c) Horticulture
- Sub-total

II. Irrigation :

- (a) Wells
- (b) Tubewells
- (c) Lift Irrigation
Schemes

1	2	3	4	5	6	7	8	9
---	---	---	---	---	---	---	---	---

(d) Command Area
Development
Sub-total

III. Forestry & Pasture :

(a) Farm Forestry
(b) Fodder/pasture
demonstrations
(c) Others, if any
(to be specified)
Sub-total :

IV. Animal Husbandry :

(a) Cattle & Dairy
Development
(b) Sheep Development
(c) Others, if any
(to be specified)
Sub-total

V. Fisheries :

VI. Sericulture :

VII. Others, if any
(to be specified)
Grand Total :

Quarterly Progress Report on DPAP and DDP

Employment

State-----District-----Financial Year-----

Sector	Wage employment* generated during the year upto the end of the quarter under reference ('000 mandays)	Average Wage rate (Rs. per manday)	Total employment generated since the beginning of the Sixth plan upto the end of the quarter under reference ('000 mandays)	Remarks
1	2	3	4	5
1. Agriculture (including soil conservation)				
2. Irrigation				
3. Forestry				
4. Animal Husbandry				
5. Fisheries				

6. Sericulture
7. Project Admna.
8. Others, if any
(to be specified)

F. Note : Information on persons employed is to be given, separate break-up for male and female not required. Employment figures should relate to 8 hours employment per day. Average wage rate should be calculated by dividing the total expenditure on works by number of persons employed. Major variations in wage rates in different sectors periods of time need to be suitable explained in the remarks column.

Recommendation

The implementation of the Drought Prone Areas Programme is the joint responsibility of Central and State Governments. The C & AG of India has conducted an evaluation audit of the Programme in all the 13 concerned States where the Programme is being implemented and submitted his reports to the concerned States Legislatures also. These Reports for the year 1980-81 relating to 13 States have pointed out various deficiencies in the implementation of the programme. The Committee are surprised to learn that the ministry of Rural Development were not even aware of these Reports. The Secretary, Ministry of Rural Development assured the Committee that he would have discussions with the State Governments on these audit reports. The Committee would like to be apprised of the action taken in this regard.

[Sl. No. 29 Appendix II Para 1,104 of the 175th Report of PAG
(Seventh Sok Sabha)]

Action taken

While the implementation of the DPAP is the joint responsibility of the Central and the State Governments, the nature of the schemes being what it is the Centre can only over see the execution of various schemes by the project authorities. The responsibility for implementation mainly rests with the State Governments.

As for, the C & AG's reported evaluation of the programme, all the concerned State Governments were requested to supply copies of the evaluation reports for the year 1980-81. The Government of Rajasthan only sent the relevant report. As no reports were received from other States, the C & AG's office was requested to supply them to this Deptt. The C & AG in turn, advised the State Accountants General to supply the relevant reports direct to this Ministry. Eleven reports have since been received out of which only five relate to the year 1980-81 and these are for Andhra Pradesh, Gujarat, Haryana Rajasthan and West Bengal. The remaining reports are for years prior to 1980-81.

The C & AG was again requested to clarify if all the 13 States had been taken up for audit during 1980-81. It has now been confirmed by the office of the C & AG that the programme was taken up for review during 1980-81 in those States only where it had not been reviewed in the preceding years. The States where the programme was reviewed before 1980-81 were also asked to up date information upto 1980-81 and furnish it to the Director of Audit, Commerce, Works & Miscellaneous for inclusion in the consolidated review of the audit for 1980-81 (Union Government-Civil).

Para 11 of this report [Report of the C & AG of India for the year 1980-81, Union Government (Civil)] was based on the results of a test check done by the Director of Audit, Commerce, Works and Miscellaneous on the records of this Deptt, and updated data supplied by all the concerned States except Tamil Nadu. The programme in Tamil Nadu was not reviewed during 1980-81 by the C & AG.

A scrutiny of these reports reveals that the major points contained therein are the same as those culled out and incorporated in the Report of the C & AG of India for the years 1980-81 (Civil) which is the basis of the PAC's observations. These points have already been brought to the notice of the State Governments and follow-up action has by and large been taken.

[Department of Rural Development O.M. No. 7(3)/2/84-DPAP
dated the 29th April, 1985]

Recommendation

With the extension of Integrated Rural Development Programme to all the blocks in the country, the DPAP authority has been merged with the DRDA. Consequently some transitional problems have surfaced viz. the staff earlier dealing with only DPAP has now to attend to other schemes also under the charge of the DRDA resulting in inadequate attention being paid to schemes under DPAP. The Committee have been informed that the State Governments are already seized of the recommendations of the Task Force that there can be -

separate agency for the DPAP or autonomous of the DRDA. Strengthening of the project authority by a few subject matter specialists in disciplines like water management, dry-land farming, social forestry etc. are also under active consideration. The Committee would like an early decision to be taken in this regard. In any case, it must be ensured that programmes undertaken for the development of drought prone areas are not allowed to suffer because of this new arrangement.

[Sl. No. 30 Appendix II Para 1.106. of the 175th Report of PAC
(Seventh Lok Sabha)]

Action taken

The Deptt. has been repeatedly urging the state governments to strengthen the implementing agency so that it is able to execute schemes under the DPAP fully without being trammelled by its responsibility for the IRDP, NREP and other rural development programmes. Decisions on the recommendations of the Task Force on this issue were taken in June 1982. The State Governments were advised on 11.10.83 to decide on whether the same DRDA should be placed incharge of all rural development measures or whether they would like to have a separate agency for the implementation of the DPAP and the DDP.

In the light of our experience with the way the DPAP programme has been implemented by the DRDA's, pre-occupied as they are with the IRDP and NREP etc. this Deptt. has recently suggested on 11.10.83 to the state governments that a separate unit within the DRDA be set-up for the DPAP, with an additional Project Director to be exclusively in charge of this programme. The details of these instructions may be seen in the circular in annexe I.

Some State Governments have already taken steps in this direction. The Governments of J & K, Maharashtra, Karnataka, Bihar, Haryana and Madhya Pradesh have accordingly created special cells in the DRDAs. These cells are headed by a Project Director and

supported by Specialists. The other State Govts. are being persuaded to follow suit.

While according sanction for the programme for the current year States have been advised to make provision for such cells in the DRDAs. Thus, Andhra Pradesh and Uttar Pradesh have already been persuaded to earmark funds for this purpose.

[Department of Rural Development O.M. No. 7(3)/2/84-DPAP,
dated the 29th April, 1985]

CHAPTER IV

RECOMMENDATIONS AND OBSERVATIONS REPLIES TO WHICH HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND WHICH REQUIRE REITERATION

Recommendation

The Drought affected areas cover 19 per cent of the country's total area and 12 per cent of its population. In order to reduce the severity of drought and create employment opportunities to the drought affected people, the rural works programme was started as a Centrally-Sponsored Scheme in 1970-71. After mid-term appraisal of the Fourth Plan, the programme was re-designated as Drought Prone Area Programme and the Programme is at present in operation in 510 blocks of 69 districts in 13 States. The expenditure on the programme is being shared on 50 : 50 basis between the Centre and State Governments. Till 1981-82, an expenditure of Rs. 564.24 crores had been incurred on the programme.

The Committee's examination of the programme, has revealed many a shortcoming. In many States separate agencies to chalk out the programme and monitor its implementation have not been set up. In some States, though these agencies have been set up, adequate financial and administrative powers have not been delegated to them. The work of the programme is being carried on by the officers who have already been entrusted with multifarious duties with the result that these officers have not been able to devote adequate attention to the programme. In many cases subject matter departments have tended to look at their work in isolation, not keeping in view the basic objectives of the programme as a whole. Schemes under the Programme have in some cases been formulated without adequate survey and examining the suitability of the area for these schemes.

Moreover, there have been inordinate delays in the completion of works in a number of cases, even after completion, the benefits of the schemes have not accrued to the intended beneficiaries. It is, therefore, no surprise that there have been heavy shortfalls in the achievement of targets in such vital sectors like minor irrigation, command area development, cattle and dairy development, establishment of poultry units, etc.

[Sl. No. 1 Appendix-II Para 1.16 & 1.17 of the 175th Report
of PAC (Seventh Lok Sabha)]

Action taken

The position with regard to the coverage of the programme and the expenditure under it, as mentioned in the report, held good till 1981-82. From 1982-83, the programme has been under operation in 511 blocks of 70 districts in 13 states. The expenditure incurred till the end of the year 1983-84 was Rs. 691.26 crores.

The Deptt. is fully conscious of the fact that the programme in its present form and manner of implementation suffers from many shortcomings. Some of them are innate in the scheme of dual responsibility underlying the programme. While the broad design and methodology of implementation are formulated in consultation with the Central Government, all the details of the programme must necessarily be worked out by the authority on the spot namely the State Government and the project agencies. The schemes taken up under the programme are usually small, intended to serve comparatively small areas. The physical conditions of these areas, their resource endowment, the specific problems experienced by them and sought to be overcome by the scheme are such as cannot be assessed by the Government of India, why, for that matter, even by the concerned State Government. It is only the project authority which is directly in touch with the local conditions that can objectively assess the problems, the resources and development potentials of the area, formulate suitable schemes of development and implement them.

II. In all the project districts, agencies have since been established for the implementation of this programme. These agencies periodically review the progress of implementation of different schemes under the programme and suggest suitable measures to be taken wherever necessary, by the department(s) concerned. The issues usually discussed relate to expeditious completion of the schemes approved, filling up of vacancies of staff, arrangement for material and equipments and tying up of forward and backward linkages. As examples, the sequencing of activities — like raising of nurseries before actual planting operations commence under the forestry sector and, developing a milk shed before going in for a chilling plant under the dairy sector, can be cited.

III. The Deptt. of Rural Development has been concerned over the fact that until recently the project level set up for formulation of project blue-prints and their implementation were inadequate in many project areas. Many project authorities did not even appear to be fully conversant with the details of this programme, pre-occupied as they were with other rural development programmes of larger coverage. The Deptt. has, therefore, urged the state governments to take certain corrective measures. While the discretion has been left to the concerned state government to decide whether the agency for formulation and implementation of the DPAP/DDP should be the DRDA or some other separate body, a certain basic set-up is to be ensured for this task in every project area. In pursuance of this policy, a circular letter was issued to the state governments in October, 1983—Annex-I (copy enclosed) in which a certain model set-up has been suggested for each project area. It has been pointed out that within the budgetary limits provided for expenditure on personnel and administration, it should be possible for an average project area to find adequate staff for manning this set-up. It should also be possible for the project authorities to employ technical personnel for those sectors of activity which are pre-ponderant in any project area.

IV. The methodology of monitoring the implementation of the programme has also been scrutinised in detail in the recent past. The

old set of proforma used for monitoring has been replaced by a more streamlined set which provides for regular flow of authentic information on various aspects of the programme (Annex-II). It is expected to enable the state governments and the Government of India to assess periodically the progress not only in financial terms but also in physical terms, sector-wise, for that matter, even scheme-wise.

V. It is true that the programme is by and large being implemented by the personnel of the line departments of the State Governments and that as a result, it does not always receive the attention and priority that it is expected to, had it been possible to provide a separate set of personnel exclusively for this purpose. It may, however, be appreciated that such exclusive personnel, earmarked only for schemes under the DPAP, may not be possible, indeed desirable, for most project areas. There are important financial considerations standing in the way of making provision for exclusive personnel for the programme. In the first place, the size of the programme and its scheme contents may not justify the employment of additional staff in every project area. In the second place, the staff will be needed for a project area only for a limited period. If too many people are employed for a programme which admittedly has a limited life-span the state governments will have to find means for supporting permanently a large number of additional hands who may not have adequate work to do. Therefore, a practicable balance between the two extremes of total dependence on the state government's line departments and provision for exclusive personnel has been struck. The project authorities have been advised to employ or take on deputation additional hands, particularly technical personnel, for those sectors of the programme which have a pre-ponderance in any project area.

VI. It is a fact that schemes have been taken up in many project areas without adequate survey and assessment of their suitability for the concerned area. The Deptt. of Rural Development has been repeatedly urging the project authorities to make a bench mark survey of the project area with reference to their resource endowment, the problems experienced and the potentials for development. Some states

have taken some steps for this purpose. Unfortunately, the programme underwent some structural change midway during the current plan, the state governments did not have adequate time to undertake such basic work. It is expected that before the Seventh Five Year Plan is launched a beginning will be made for such bench mark surveys. The Deptt. has urged (Annex-I) the state governments for taking immediate preparatory steps for this purpose so that the programme can be launched under the Seventh Plan period on a sounder footing.

VII. The ad-hoc selection of schemes in many project areas has indeed led to failure of many of them to take off. The Deptt. noted with concern that certain types of schemes, which had gone well in a particular area, tended to be taken in a larger numbers without reference to the resource base that could sustain them and their relevance to the needs of the population of the area. This has prompted this Deptt. to cut down during the past two years many proposals for establishment of chilling plants suggested by several project authorities without reference to the availability of milk and the absorptive capacity of the market. Each scheme is examined by this Department from the relevant points of view when the annual action plans are submitted to it for clearance. It may, however, be appreciated that since the schemes are location-specific, intended to serve a very small area, may be a collection of villages or even a mini-watershed covering just a few hundred hectares, the Central Government has of necessity to depend upon the assessment of the State Government and particularly the project authorities concerned, of such matters as the resource-base, the feasibility of the scheme etc.

VIII. It is true that inordinate delay has occurred in the completion of many works and that the expected benefit has not accrued to the intended beneficiaries. This state of affairs has prevailed largely due to ad-hoc formulation of schemes without reference to the resource endowment of the area, the assessment of the needs of the area and the potential for its development. All these problems are expected to be minimised, if not eliminated, once the surveys, referred to above,

are made enabling the formulation of schemes on a more scientific basis with a long term perspective of 5 or 10 years. The State Governments have already been advised to take steps in this direction (annex-I). However, the Department is not depending only on improvement of things in the long run. More attention is being given now on assessing the viability of each scheme in terms of the time set down in the blue-print for its completion, the estimate of expenditure and the cost benefit ratio.

IX. As for inadequate application of financial and administrative powers to the field level officials, it may be mentioned here that the State Governments had delegated the powers to them, keeping in view, the prevailing price situation. Due to the general rise in the price-level, most of these powers has been rendered out of date now. The State Governments have now been requested to revise the financial and administrative powers to the field level officials so that the officials can take decisions on the spot. Pursuant such instructions many states have taken up the issue of enhancing financial and administrative powers with the field level officers. For example, Orissa has since revised the powers of the officers of the soil conservation department upwards.

X. It may also be mentioned in the context of delegation of financial and administrative powers that much difficulty experienced in the recent past stemmed from the fact that funds earmarked for the programme were being routed by the state governments through their line departments. At the Deptt.'s insistence, this practice has been dispensed with now and nearly everywhere the fund is being placed at the disposal of the concerned DRDA. This is expected to obviate delay resulting from the routing of funds through the departments and the consequential reference back and forth.

XI. The problem of delegation of administrative power has to be viewed in the context of administrative set-up, already outlined above, for implementation of schemes. As already noted the actual task of implementation of schemes devolves still largely upon the like departments of the state governments. All these departments have a dual

- (1) for the programme to the project authorities
- (2) to the state government for the States'

responsibility normal development works. Unless an exclusive staff is earmarked for DPAP schemes only the impracticability of which has been explained above, exclusive control of the staff by the DRDA/project authorities will not be feasible.

XII. The involvement of the DRDA in many project areas has so far been little more than nominal. Under the changed dispensation the DRDA will not only be controlling funds but will also be in an advantageous position to monitor closely the progress of every scheme at every stage. This will also obviate many administrative and financial problems of delegation experienced so far.

[Deptt. of Rural Development O.M.No. 7(3)/2/84-DPAP
Dated the 29th April, 1985]

D.O. No. 1 (1) 11/82-DPAP
GOVERNMENT OF INDIA,
MINISTRY OF RURAL DEVELOPMENT,

Krishi Bhawan, New Delhi
Dated the 11th Oct. 1983.

A.R. BANDYOPADHYAY
JOINT SECRETARY (LR)

Dear Shri,

Please refer to my D.O. letter of even number dated the 14th April, 1983 about measures to streamline the Drought prone Areas programme (DPAP) and the Desert Development programme (DDP). The need to gear up the machinery for planning, implementation, monitoring and evaluation was emphasised in that letter.

The administrative set-up for these programmes was reviewed recently by us with the ^{Secretary} ~~Minister~~ of the State Governments. This reinforced our impression that the items comprising the annual action plans are generally in the nature of additions to, and, in many cases regrettably substitution of, the normal state plans in the drought prone desert areas. Various evaluatory studies sponsored by this Ministry, the reports of the Comptroller and Auditor General of India, the Task Force on the DPAP and the DDP and different study groups have observed the distortions that have crept into these two programmes. By and large, what is happening under the labels of the DDP and the DPAP is no more than a bunch of uncoordinated activities that do not fit in with any well conceived idea of area development. These activities have often been taken up ad-hoc responses to the pressing need for creation of economic activities in the project areas

without any scientific assessment of how much of the same kind of economic activity is viable for the area. In most project areas, there is not even an apology for a strategy of balanced development in which different types of activities fall into a well-conceived pattern contributing to the objective of area development.

This unhappy state of affairs prevails largely because no serious effort has so far been made to prepare project reports on the basis of a comprehensive scientific survey of the natural and other resources of the project areas and an assessment of which and how much of the activities can be taken up so that they serve both the long term objective of restoration of ecological balance and the immediate objective of regeneration of the natural resources and raising the income level for the local population. True it is, at the early stages some resource profiles were prepared for a number project areas. These were incomplete and, in any case, are out-of-date now. Where the resource profile was prepared on the basis of some survey or study, it is necessary to up-date them. Where no such systematic study has been done in the past, it is necessary that this is done now. We still have one and a half years' time of the Five Year Plan which can be utilised for preparing such a resource profile for each project area. If we are able to do this, we will not face the kind of problem which has been repeatedly faced in the past; ambitious projects have been launched without sufficient base work, and as a result the planning and implementation of these projects have suffered. I am sure, you will agree with me, that one and a half years' time is long enough for this kind of base work, particularly where a great deal of work, however haphazardly, has already been done in the project areas. In the meantime, the programme can continue on the basis of the Annual Action plans for the remaining period of the 6th Five year plan.

It is necessary to strengthen or set up, as the case may be, the machinery for planning, implementation and concurrent monitoring and evaluation of the programme. This point has been highlighted in the Reports of the Task Force, and the State Governments' attention was drawn to this in the correspondence made by this Ministry. The first

important task that books no further delay is the setting up of a suitable cell at the state headquarters for project planning, supervision of implementation, monitoring and evaluation. This cell should consist of experts in such major fields as forestry, minor irrigation, animal husbandary, dairy development, soil conservation, dryland farming and so on. It is not necessary that each discipline should be represented in the cell. Expertise for minor fields of activities may not be immediately necessary. The State Govt. has to decide which of these discipline must be represented in the cell having regard to the scope and importance of these disciplines in the project plans.

While the technical knowledge is a major input in formulating area development plans like the DPAP and the DDP, one may be apt to over-emphasise this point. The programme contents being what they are, intimate knowledge of the project area is as important as purely technical knowledge of a particular discipline. The choice of members who would comprise the technical cell at the state headquarters ought, therefore, to be so made as to ensure a happy blend of sound technical knowledge with a great deal of knowledge of the project areas.

It is also necessary to set up a cell at the DRDA level. The Additional project Director, exclusively in charge of the DPAP or the DDP as the case may be should be the head of this cell. He should be assisted by a project Economist, an Accounts Officer, and wherever possible, an Audit Officer. In addition, there should be one or more technical officers representing these disciplines which preponderated in the plan for the project area. obviously, the local knowledge expected of the technical experts of this cell has to be much more intimate than can be expected from experts who constitute the State level cell. It is not necessary to have experts of all disciplines at the project level cell. Generally in each project area two or three types of activities are dominant. It is necessary to have an expert in each of these activities only. Where only two or three blocks comprise a project area, it may be possible to have a smaller cell which does not have technical experts of even the major two or three fields of activity. But where the project area comprises a larger number of blocks, which is the usual case, it

should be possible for the DRDA to provide for a technical officer for each major branch of activity. To remove all doubts. It is suggested once again that the planning and implementation of the items comprising the projects will continue to be the responsibility of the line departments of the State Governments. The technical personnel forming part of the project cell will, however assist and maintain continuous liaison cell with the district level functionaries of these line departments. They will also assist the project Director or the Additional project Director, in monitoring and evaluating the programme and in ensuring that the different sectoral plan representing different disciplines fall into a well-conceived pattern of area development and are implemented in the same spirit.

In addition to setting up a Cell at the State headquarter where the staff of the line department of the State Government working in the project area needs to be strengthened for performing the task of the DPAP or DDP exclusively, such strengthening may be financed out of the project fund. But the overall expenditure on the staff right from the headquarters level down to the field level should not exceed the 10% ceiling.

It has been noticed that there is a lack of uniformity among the States in the accounting of expenditure for the staff. Some States put down the expenditure for the maintenance of the supervisory staff at the works level as part of the works expenditure. This contrary to our perceptions of what ought to be included as staff expenditure. To give an illustration, it will be perfectly all right to attribute expenditure on labour required for forestry and soil conservation to the works budget. But expenditure for the maintenance of the supervisory staff for these activities, if they are exclusively doing the work of the DPAP and the DDP, may be put down as staff expenditure under the project budget. It is possible to have doubts about many border-line cases. It will be advisable to discuss such categories of cases with us. We are anxious that there should be a broadly uniform pattern followed by all the states in the country so that the room for differences may be narrowed down.

I have tried to give some broad indicators in this letter for the State Governments to set up a State Level planning, monitoring and evaluation cell and for the DRDAs to set up similar cell for their respective project areas. It will be highly appreciated if proposals along these lines are worked out with such variations as the compulsions of your State or a project area may necessitate. Should you have any major reservation about these proposals, kindly indicate this at an early date so that the other State Governments may also be consulted on this.

Action taken according to the suggestions made in this letter may kindly be intimated at an early date so that the emerging issues may be discussed, if necessary, with you so as to evolve a broadly common national pattern.

Yours sincerely,

Sd/-.

(A.R. BANDYOPADHYAY)

Recommendation

The Committee are concerned to note that there have been substantial shortfalls in the utilisation of funds meant for drought prone area programme. During 1974-75 to 1980-81, while the Central and State Governments released Rs. 445.80 crores for the programme, the actual expenditure incurred was only Rs. 377.01 crores (84.57%). During the year 1980-81, against the outlay of Rs. 94.41 crores sanctioned, the total expenditure was only Rs. 73.14 crores. Thus only about 78% of funds allotted were actually utilised. The factors which contributed to the shortfall in utilisation are stated to be delay in procurement of material and inputs, delay in posting of staff, greater attention given by the field staff of State Governments to utilisation of funds released under the normal State Plans and frequent changes in staff. The Committee are surprised that while the Ministry of Rural Development are aware of these shortcomings and it has been claimed by the Ministry that necessary remedial measures have been suggested, the position has not

shown any improvement. It is indeed a matter of concern that while on the one hand there is a constant complaint of inadequate allocation of funds for welfare schemes on the other, even the funds allotted have not been fully utilised. The Committee would like the Ministry of Rural Development to take concrete measures to ensure that the funds allotted for the programme are fully utilised and the bottlenecks responsible for their non-utilisation removed at the earliest.

[Sl. No.4, Appendix II, Para 1.22 of the 175th Report of PAC (Seventh Lok Sabha)]

Action taken

The Deptt. of Rural Development is seriously concerned about the short-fall in expenditure resulting in the denial of the benefits to the population of the project areas, particularly the weaker sections of the community. It has been repeatedly urging the State Governments to take corrective measures against the possibility of such short-fall recurring in the future. It may, however, be appreciated that the programme is a joint responsibility of the Central and the State Government. The central share is given to the State Governments to the extent the State Government is able to provide the matching contribution. Several states have failed to make even the necessary budgetary provision which would have entitled them to take full advantage of the Centre's share. The failure on the part of some States Governments to do so is due to their general financial constraint which has reportedly affected many other development works in these states. Besides paucity of funds, are problems of supply of materials and inputs and posting of adequate trained staff to the project area. The State Governments have genuine difficulties in the way of provision of the staff. Under the accepted staffing pattern for the programme, the actual execution of the schemes is to be done mostly by the existing staff of the line departments of the State Government. The supervi-

sory staff at the DRDA level is to be provided for out of the project fund. However, there is usually enough provision for induction of additional personnel for those areas of activity which may require additional personnel. Again, provision of staff for the programme has to be made only for the duration of the programme. Once the programme is completed in an area, the responsibility for the staff will permanently devolve upon the state government. The State Governments are, therefore, understandably chary of recruiting too many additional personnel. For all these reasons, many state governments have so far been unable to work out a satisfactory staffing pattern for the project areas. With the introduction of the IRDP, NREP and RLEGP, which have understandably more obvious appeal, there has been a tendency on the part of state governments to give priority in the deployment of the staff for them. The Department, however, has been trying its best to help the state governments and the project authorities work out happy and practicable balance between competing needs of different programmes being administered by the the DRDAs. At the time of the sanction of the annual action plan for each project, the staffing pattern is scrutinised in detail and corrective measures are suggested to the project authorities wherever necessary. The letter of sanction of the Government of India now specifically mentions need for additional staff for specific project areas. Although the need for inputs like Cement, steel etc. for schemes in any project area is so small to be centrally arranged for, the State Governments have been advised to let this Deptt. know if they are facing any difficulty in obtaining supplies of them and if so, the Departments will take up the matter with the authorities responsible for their supply.

[Deptt. of Rural Development O.M.N. 7(3)/2/84-DPAP,
dated the 29th April, 1985]

Recommendation

The Committee have been informed by Audit that records of utilisation of assistance of Rs. 19.5 millions provided by the Federal Republic of Germany for financing the drought prone area programme in Bankura district of West Bengal were not made available to audit

nor an appraisal report of this project has been prepared so far. However, the Ministry of Rural Development have stated that monthly and quarterly progress reports for this project are available with the Ministry and can be shown to Audit as and when desired. The Committee are at a loss to understand why records of utilisation should not have been shown to Audit earlier when the same are stated to be available with the Ministry of Rural Development. The Committee would like this matter to be sorted out with Audit. As regards the appraisal of the project, the committee have been informed that the Governments of West Bengal have been asked to have the project appraised. The Committee would like to be informed of the progress made in this regard.

[Sl. No. 5, Appendix II, Para 1.24 of the 175 Report of PAC (Seventh Lok Sabha)]

Action Taken

During the Fifth Plan the expenditure of Rs. 82.20 million was incurred as per break-up given below :

Sector	Expenditure under DPAP in Bankura district during the Fifth Plan
	(Rs. in millions)
Agriculture	4.53
Irrigation	53.10
Afforestation	18.02
Animal Husbandry	4.52
Fisheries	0.18
Others	2.38
Project Administration	1.44
	— — —
	TOTAL :— 84.20
	— — —

From the above, it may be seen that the entire funds provided by the Federal Republic of Germany have been utilised. This follows from the fact that entire allocation for the project in Bankura under the Fifth Year Plan has been utilised. Since the whole has been accounted for, the part automatically gets accounted for. As for the evaluation of the programme by the Government of West Bengal, the Government of West Bengal has not yet been able to complete it. The State Government has been requested to complete it expeditiously.

[Department of Rural Development O.M. No. 7(3)/2/84-DPAP,
Dated the 29th April, 1985]

Recommendation

Assets created under the programme are to be maintained after their transfer from the Plan to the non-Plan sector from the budgetary provisions of the concerned Departments of the State. It has, however, been observed that because of financial constraints on the part of State Governments, adequate provision is not being made for the maintenance of the assets with the result that these assets are deteriorating over the years and the benefits of the assets are not being fully realised. As huge investments have been made over the years on the creation of such assets, it is imperative that these assets should be maintained properly and full benefits thereof should accrue to the intended beneficiaries. The Committee feel that it would be desirable that the assets created under the DPAP are maintained and repaired from out of the funds provided for the DPAP so that these assets do not deteriorate merely on account of financial constraints of State Governments. The Committee would like the Ministry of Rural Development to take up the matter with the Planning Commission and take an early decision in the matter.

[Sl. No. 15 Appendix II Para 1.54 of the 175th Report of PAC
(Seventh Lok Sabha)]

Action Taken

The Deptt. is anxious that assets created under the programme should not be allowed to deteriorate from lack of proper maintenance. Under the current dispensation, assets created are usually to be maintained out of the project funds for a period of three years after their creation. Within the limited budges for the programme, is is not possible to provide for permanent maintenance of assets. Besides, it may be appreciated that the project is time time-bound. Funds allocated for a project cannot provide for permanent maintenance of the assets created. Still, however, the Deptt. of Rural Development has been urging the need for some permanent dispensation for the proper maintenance of assets. The report of the Working Group on Area Development Programmes and Land Reforms, prepared in connection with the preparation of the Sevensh Five Year Plan, has emphasised this need and has called for the creation of some permanent arrangement for maintenance of assets.

The State Governments have been advised by the Department of Rural Development to prepare a complete inventory of the assets already created. The idea is to see what kind of provision for maintenance needs to be made for each category of assets. Some progress has already been made in the preparation of such inventories.

[Department of Rural Development O.M. No. 7(3)/2/84-DPAP
Dated the 29th April, 1985]

Recommendation

The Committee are surprised to find that there has been no proper monitoring and evaluation of the Drought Prone Area Programme as a whole. The Task Force in their report submitted in July, 1982, have *inter-alia*, pointed out that monitoring and evaluation of the Drought Prone Area Programme suffered considerable neglect with the result that expenditure is incurred rather routinely and activities that hold considerable promise for an area are seldom identified. The Operations Evaluation Department of the World Bank in their project programmes Audit Report on the projects for which credit was provided by the World Bank submitted in March, 1982 has also pointed out that there was lack of adequate monitoring and evaluation

with the result that the magnitude of the project's programme and the impacts of these programmes are partially impressionistic or conjectural. It has also been pointed out in their report that although Central DPAP Unit Commissioned 32 studies to be done by its own personnel or by State authorities, little comprehensive information on the ultimate impact of the project has been obtained.

[Sl. No. 24 Appendix II Para 1.98 of the 175th Report of PAC
(Seventh Lok Sabha)]

Action Taken

The overall impact of the programme is difficult to assess at this stage. The long-term effect in terms of restoration of ecological balance cannot be perceived within the short span of time that the programme has run so far. Besides, the scale of investment under the programme being what it is, only small schemes intended to serve small localities can be taken up in the short-term and their impact perceived. Some of these schemes have been evaluated and their result has been found to be encouraging (Annex-IX). But the area covered under these individual schemes are widely dispersed and the number of schemes taken in any project area is small. It may, therefore, be too early to assess the overall impact of these schemes in any project area.

[Department of Rural Development O.M. No. 7(3)/2/84-DPAP,
dated the 29th April, 1985]

CHAPTER V

RECOMMENDATIONS AND OBSERVATIONS IN RESPECT OF WHICH GOVERNMENT HAVE FURNISHED INTERIM REPLIES

Recommendation

The conditions stipulated by the Ministry of Rural Development for sanctioning grants provided *inter-alia* that the State Governments should send to the ministry within 9 months of the close of the financial year an audited statement of accounts duly certified by the concerned Accountant General. In December, 1977 it was further decided that the audited statement of accounts would be issued by Chartered Accountants in respect of societies for the period 1976-77 and onwards. The Committee are disturbed to find that these audited statements have not been received in the Ministry even for the Fourth Plan period and also for the period 1974-75 to 1980-81.

[Sl. No. 6 Appendix II Para 1.31 of the 175th Report of PAC
(Seventh Lok Sabha)].

Action Taken

A statement has been appended (Annex. III) which indicates the upto date position about the submission of audit reports by the different project authorities. It may, however, be noted that in the past funds for the DPAP used to be channellised through the budgets of the State Government to the project areas. Funds for DPAP used to be placed at the disposal of the line departments of the State Governments, as if they were being paid out of the budgetary provision of the State Government. Consequently, no separate audit of the accounts of DPAP was possible. The Accountant General's test audit of the accounts of the State Government included some items of the DPAP in certain project areas.

The procedure for channellising DPAP funds to the DRDA has since been considerably streamlined. Barring minor exceptions, funds are now being placed at the disposal of the DRDAs, money for salaries

and allowances for the headquarters staff as well as the field staff of the line departments is credited to the budgetary account of the State Government. Money spent on execution of projects is now placed by the State Government at the disposal of the DRDA. This calls for auditing the accounts of the DRDAs which are societies registered under the Societies Registration Act, this is being done by Chartered Accountants. The Annex-III indicates the status of their accounts.

Information on grants received by each agency is not available. This is being collected from the State Governments and will be submitted to the Public Accounts Committee as soon as received from the State Government/District Rural Development Agencies.

[Department of Rural Development O.M. No. : 7 (3)/2/84-DPAP
Dated the 29th April, 1985.]

ANNEXURE-III

*Statement showing statewise/agencywise audit reports received
in respect of DPAP*

Name of State/DRDA	Years for which audit reports received	Remarks
1	2	3
1. Andhra Pradesh		
1. Anantapur	1975-76 to 1983-84	*This district was included in the programme in 1982-83 only.
2. Chittoor	—do—	
3. Cuddapah	1977-78 to 1978-79 and 1980-81 to 1983-84	
4. Mehbubnagar	1975-76 to 1983-84	
5. Kurnool	1978-79 to 1983-84	
6. Prakasam	1978-79 to 1983-84	
7. Rangareddy*	1982-83, 1983-84	
2. Bihar		
1. Palamau	1976-77 to 1983-84	*These districts were excluded from the Programme
2. Monghyr*	1976-77 to 1982-83	
3. Nawada*	1976-77 to 1982-83	

1	2	3
4. Rohtas*	1980-81 to 1982-83	from 1982-83.
5. Santhal Parganas, Godda**	1983-84	**New district. Included in the Programme in 1982-83 only. There was no exp- enditure during 1982-83. Hence question of audit report for 1982-83 does not arise.
3. Gujarat		
1. Amreli	1980-81, 1982-83. 1983-84.	
2. Banaskantha	1974-75 to 1983-84	
3. Mehsana	—do—	
4. Surendranagar	—do—	
5. Panchmahal	—do—	
6. Jamnagar	—do—	
7. Kutck Bhuj	1980-81 to 1983-84	
8. Bhavnagar	1974-75 to 1983-84	
9. Rajkot	1975-76 to 1983-84	
10. Ahmedabad	1974-75 to 1983-84	
4. Haryana		
1. Mohindergarh	1974-75 to 1983-84	*Merged with
2. Rohtak*	1976-77 to 1983-84	Desert Develop-
3. Bhiwani*	1974-75 to 1983-84	ment Programme from 1982-83.
5. Jammu & Kashmir		
1. Doda	—	Treasury System
2. Udhampur	1983-84	was in operation up to 1982-83 Question of audit by Chartered Accountant did not therefore arise upto 1982-83.

1	2	3
6. Maharashtra		
1. Nasik	1983-84	Treasury System was in operation upto 1982-83. Hence question of audit by chartered Accountant did not arise upto 1982-83.
2. Ahmednagar	—do—	
3. Pune	—do—	
4. Satara	—do—	
5. Sangli	—do—	
6. Sholapur	—do—	
7. Dhule	—do—	
8. Aurangabad	—do—	
9. Jalgaon	—do—	
10. Beed	—do—	
11. Jalna	—do—	
7. Madhya Pradesh		
1. Jhabua	1983-84	Treasury System was in operation upto 1982-83. Hence question of audit by Chartered Accountant did not arise upto 1982-83.
2. Dhar	—do—	
3. Betul	—do—	
4. Sidhi	—do—	
5. Khargone	—do—	
6. Shahdol	—do—	
8. Karnataka		
1. Bijapur	1974-75 to 1983-84	*This district was excluded from the Programme from 1982-83.
2. Bellary	1979-80 to 1983-84	
3. Belgaum	—do—	
4. Chitradurga	—do—	
5. Dharwar	—do—	
6. Gulbarga	—do—	
7. Kolar	—do—	
8. Raichur	—do—	
9. Tumkur	—do—	
10. Chickmagalur*	1979-80 to 1982-83	
9. Orissa		
1. Kalahandi	1974-75 to 1983-84	*New districts included in the Programme during 1982-83. There was
2. Phulbani	1976-77, 1978-79 and 1981-82 to 1983-84	
3. Belangir*	1983-84	

1	2	3
4. Sambalpur*	1983-84	no expenditure in these districts during 1982-83, hence no audit report for that year.
10. Rajasthan		
1. Dungapur	1974-75 and 1976-77 to 1983-84	
2. Barmer*	1976-77 to 1983-84	*Merged with Desert Development Programme from 1982-83.
3. Jalore*	1980-81 to 1983-84	
4. Jaisalmer*	1976-77 to 1983-84	
5. Jodhpur*	1983-84	
6. Churu*	1975-76 to 1983-84	
7. Pali*	1974-75 to 1977-78 and 1979-80 to 1983-84	
8. Banswara	1980-81 to 1983-84	
9. Nagaur*	1974-75 to 1983-84	
10. Udaipur	1974-75 to 1983-84	
11. Jhunjhunu*	1977-78 to 1983-84	
12. Ajmer	1977-78 to 1978-79 and 1980-81 to 1983-84	
13. Bikaner	1976-77 to 1983-84	
11. Tamilnadu		
1. Dharmapuri*		*Treasury system was in operation for these distts. Question of audit by Chartered Accountant did not therefore arise.
2. Ramanathapuram*		
3. Pudukkottai**	1983-84	**New district included in the Programme during 1982-83.
12. Uttar Pradesh		
1. Allahabad	1975-76 to 1982-83	*New districts included in the Pro-
2. Banda	1975-76 to 1983-84	

1	2	3
3. Hamirpur	1976-77 to 1983-84	gramme during
4. Jalaun	1975-76 to 1983-84	1982-83.
5. Mirzapur	—do—	
6. Jhansi*	1983-84	
7. Sitapur*	1983-84	
8. Baharaich*	—	
9. Gonda*	—	
10. Lalitpur*	1983-84	
11. Lakimpur Kheri	—	
13. West Bengal		
1. Purulia	1976-77 to 1982-83	
2. Bankura	1976-77 to 1983-84	
3. Midnapore	1976-77 and 1979-80 to 1983-84	

Note :—

1. DRDA means District Rural Development Agency.
2. The Programme started from 1970-71. The years for which Audit Reports have been received are indicated above. For the years not mentioned above, the Audit Reports have not been received.

Recommendation

They would like the Ministry of Rural Development to devise ways and means for exercising effective financial control over the programme. The Committee expect that the irregularities pointed out by the Audit would be looked into and responsibility fixed for lapses. They would also like the Ministry of Rural Development to evolve an appropriate accounting procedure for agencies in consultation with the C & AG of India at an early date.

[Sl. No. 18, Appendix II, Para 1.64 of the 175th Report of PAC (Seventh Lok Sabha)].

Action taken

Detailed guidelines have been issued on procedure for release of funds to the functional depts. and for reporting of expenditure under the programme. The agencies have been advised to regulate release of funds keeping in view the progress of implementation of schemes and to

avoid making of lump sum advances to executing agencies. (Annex-IV). Further, subsidy for different schemes over and above the norms fixed by the Deptt. has not been agreed to and the State Governments have been advised to meet the excess cost from their budgetary resources. This was done during the scrutiny of the Annual Plans submitted by the State Governments. This also brings into focus the need of the Government of India scrutinising the action plans of the State Governments.

As for the irregularities pointed out by the audit, the State Governments have been asked to look into the matter and take appropriate action against the persons responsible and also to take such steps as necessary to avoid recurrence of such lapses in future. As mentioned in reply to Para 1.33 appropriate accounting procedure is being finalised in consultation with the C & AG of India. The Public Accounts Committee will be informed of further progress in this regard.

[Department of Rural Development O.M. No. 7 (3)/2/84-
DPAP dated the 29th April, 1985].

Recommendation

The guidelines issued by the Government of India in October 1974 envisaged completion of all spill-over works of Fourth Five Year Plan during the first two years of Fifth Plan and new works were required to be commenced well in advance during the Fifth Plan period so as to ensure that no spill-over works were carried out beyond March 1979. The Committee however find that in Uttar Pradesh and Andhra Pradesh out of 32 incomplete works of the Fourth Plan only 9 were completed in the Fifth plan period. Of the remaining 23 works 16 were completed in March 1980 only. In Uttar Pradesh 46 new works were also taken up. The Committee need hardly point out that the delay in the implementation of projects not only leads to escalation in cost but also deprives the people in the areas of the benefits of the programme.

[Sl. No. 19 Appendix II Para 1.67 of the 175th Report of
PAC (Seventh Lok Sabha)]

Action taken

The observations of the PAC on the adverse effects of the delay in the execution of irrigation works have been noted. The need for realisti-

cally working out the time schedule for the execution of a scheme and sticking to it has been pointed out to the State Governments and the agencies from time to time. Emphasis is now being laid by and large on the inclusion of such schemes as can be completed in a short period of say 2 to 3 years' time.

Out of the 7 schemes which remained incomplete till March, 1980, 6 were in Andhra Pradesh and one in Uttar Pradesh. According to information received from the Government of Andhra Pradesh, one scheme for the construction of a new tank across the Vanka near Allurkona Vagu in Tadipatri Taluk of Anantpur district was not actually taken up as restoration of the tank was later considered not worthwhile. Another scheme for improvement of the Sundlamadugu spring channel in the Cuddapah district was dropped due to reluctance of the raiyats to participate in it. All the other 4 schemes were completed by June, 1982.

As regards the incomplete scheme in Uttar Pradesh, the C & AG has been requested by the Department of Rural Development to mention the name of the scheme under reference. The C & AG has informed the Department that name of the scheme is being ascertained from the State Accountant General. The PAC will be informed about the progress of completion of this scheme as soon as the name of the scheme is intimated to the Department by the C & AG. The Department has, in the mean time, advised the Government of Uttar Pradesh to complete all the incomplete schemes in hand prior to and during the Fifth Five Year Plan. A copy of a circular letter sent to all states is enclosed (Annexure VII).

[Department of Rural Development O.M. No. 7 (3)/2/84-DPAP dated the 29th April, 1985].

Recommendation

The Committee find that in 9 States funds to the tune of Rs. 13.00 crores were utilised for execution of 21 unapproved works. Some other cases of similar nature have also come to the notice of the Ministry of Rural Development. The States have been asked to justify these schemes. Further, 15 Projects taken up for execution were either discontinued or abandoned resulting in infructuous expenditure of Rs. 285 lakhs. The Committee desire that all these cases should be looked into and appropriate action taken. The Committee would like to be apprised in due course of the action taken in these cases. They would

Action taken

As mentioned in reply to the previous paragraph, quick evaluation studies of certain schemes have been undertaken by certain State Governments. However, they fall far short of the requirements of the situation. The Ministry has been trying to take of a larger number of studies for this purpose. The Programme Evaluation Organisation of the Planning Commission was sounded out on the possibility of their taking up such evaluatory studies immediately. In view of the fact that the organisation is already fully pre-occupies with other studies, it has expressed its inability to take up any such study immediately. However, a move has already been made for persuading it to take up such a study as early as possible.

The Ministry of Rural Development has recently strengthened its monitoring and evaluation set up by establishing a separate division for this purpose with a Joint Secretary incharge. This division is required to evaluate various schemes and programmes taken up by this Department.

Teams of officers go out to the field for this purpose. As already noted, a new set of proforma for more intensive monitoring and evaluation of the DPAP has been introduced recently. Information is being collected from the field on the basis of this. Computerisation of monitoring and evaluation is also under way. The Public Accounts Committee will be informed of further progress in this regard.

[Department of Rural Development O.M. No. 7(3)/2/84—DPAP,
dated the 29th April, 1985].

PART II
MINUTES OF THE 16TH SITTING OF THE PUBLIC
ACCOUNTS COMMITTEE HELD ON 8-9-1986

The Committee sat from 1500 hrs. to 1600 hrs.

PRESENT

Shri Girdhari Lal Vyas—*in the Chair*

2. Shri J. Chokka Rao
3. Shri Amal Datta
4. Shrimati Prabhawati Gupta
5. Shri Rajmangal Pande
6. Shri G.S. Misra
7. Shri Vilas Muttemwar
8. Shrimati Jayanti Patnaik
9. Shri Simon Tigga
10. Shri Ghulam Rasool Kar
11. Shri Bhuvnesh Chaturvedi
12. Shri Nirmal Chatterjee
13. Shri M.S. Gurupadaswamy
14. Shri Virendra Verma

SECRETARIAT

1. Shri N.N. Mehra — *Joint Secretary*
2. Shri K.H. Chhaya — *Chief Financial Committee Officer*
3. Shri Brahmanand — *Senior Financial Committee Officer*

REPRESENTATIVES OF THE C&AG OF INDIA

1. Shri T.M. George — *Addl. Dy. C&AG (Reports—Central)*
2. Shri Baldev Rai — *Director of Receipt Audit I*
3. Shri N.R. Rayalu — *Joint Director (Reports—Central)*
4. Shri K. Krishnan — *Joint Director (Direct Taxes)*
5. Shri V.S. Jakhmola — *Joint Director CW&M*

2. The Committee in the absence of Chairman requested Shri Girdhari Lal Vyas to act as Chairman for the sitting under Rule 258 (3) of the Rules of Procedure & Conduct of Business in Lok Sabha.

3. The Committee considered and adopted the following draft Reports with some amendments/modifications as shown in Annexures I and II*.

- (i) Draft Report on Action Taken on recommendations contained in 175th Report (7th Lok Sabha) regarding Drought Prone Area Programme.
- (ii) Draft Report on Action Taken on recommendations contained in 211th Report (7th Lok Sabha) regarding Acquisition of Immovable Properties.

4. The Committee authorised the Chairman to finalise the draft Reports in the light of amendments suggested by the Audit as a result of factual verification of the draft Reports and present the same to the House.

The Committee then adjourned.

*Not appended.

ANNEXURE I

Amendments/Modifications made by Public Accounts Committee in draft Report on Action taken by Government on 175th Report (17th L.S.) Relating to Drought Prone Area Programme

<i>Page</i>	<i>Para</i>	<i>Line(s)</i>	<i>For</i>	<i>Read</i>
1	3	1-3	"The Committee..... ... at an early date"	"The Committee are unhappy to note that Department of Rural Development has not been able to furnish final Action Taken Notes on some of their recommendations till date. The action Taken Notes were required to be furnished within six months of the presentation of the Original Report i.e. by 29 August, 1984. In the instant case, the Action Taken Notes have been received on 29 April 1985. In spite of the extended time- limit, five Action Taken Notes are found to be of interim nature. It is highly deplor- able. The Committee desire that final replies to the recommendations included in Chapter V, duly vetted by Audit may be furnished to the Committee at an early date.
8	7	2 from below)	"hope"	"desire"

8	7	1st	"would"	"should"
			(from	
			below)	
8	8	2	"has been nominal"	"has not been satisfactory"
12	11	11	"faulty supply"	"delay in procurement"
17-18	Delete paras 15, 16 and 17.			
21	20	6	Delete the word	"Strictly"
21	20	16	"Committee urge"	"Committee strongly urge"
23	23	11	"made it so far"	"made so far"
23	23	12	"considered a reasonable"	"considered more than a reasonable"
23	23	13	"discernible"	"perceptible"

APPENDIX

Statement of Observations and Recommendations

Sl. No.	Para No.	Ministry/Deptt. concerned	Observations/Recommendations
1	2	3	4
1	7-8	Agriculture and Rural Dev.	<p>In their earlier Report the Committee had pinpointed a number of shortcomings in planning, implementation and monitoring of the Drought Prone Area Programme. The action taken reply of the Government only restates the shortcomings already pointed out by the Committee. It is stated that although separate project agencies have been established in all the project districts, the project-level set up has been found inadequate for formulation and implementation of the programme. Many project authorities were not even fully conversant with the programme. Further, by and large, the programme is being implemented by the line depart-</p>

ments of the State Governments and as such the programme is not receiving adequate attention. This could be possible if an exclusive set of personnel could be provided for the programme. However, the Government do not consider it financially feasible to provide for an exclusive set of personnel for fear of having to support a large number of additional hands permanently. Again, schemes were taken up in many project areas without adequate survey and assessment of their suitability for the concerned area. *Ad-hoc* selection of scheme is also stated to have led to failure of many schemes to take off. Further again, inordinate delay has occurred in completion of many works and the benefit as intended has not accrued to the beneficiaries. Inadequate delegation of financial and administrative powers has also been a factor responsible for tardy implementation of the programme.

This state of affairs is unsatisfactory and regrettable. Although the Department are conscious of the shortcomings of the programme they regard that shortcomings are innate in the scheme of dual

responsibility underlying the programme. The Committee are not wholly in agreement with this view. While dual responsibility in the Committee's view, is built-in in our politico-administrative ethos the bane of our system of planning and implementation is a multiplication of schemes and the organisations to implement those schemes. The result has been very weak planning and administrative set up at the district and local levels incapable of taking an integrated view of development of the area. Remedy to all the short-comings in planning and implementation of the programme, enumerated in Government's reply, therefore, lies in strengthening the District Rural Development Agencies in all DPAP districts to be able to take up formulation and implementation of the programme. A well-equipped and well organised DRDA will be in a position not only to draw up programmes related to needs and opportunities for development of the area as a whole but will also be in an advantageous position to monitor the progress of every scheme more closely and make the best use of the available resources. The Committee are happy to note that the proposal to have a cell within the DRDA responsible for implementation of the schemes once formulated under the programme

has been accepted by many states. The Committee desire that the implementation of the scheme should be pursued vigorously with the remaining states.

The Committee, however, find from the reply that involvement of DRDAs in many project areas has not been satisfactory. The Committee strongly recommend that concerted measures should be taken to make DRDA fully responsible for formulation and implementation of the schemes under the programme.

In their earlier Report the Committee had noted that there had been substantial shortfalls in the utilisation of funds meant for Drought Prone Area Programme. Under-utilisation of financial allocations by the States under the programme is stated to be due in three broad reasons. First reason is the general constraint of resources in some of the States as a result of which they have not been able to make even the budgetary provisions which would have entitled them to take advantage of the Centre's

share. The other two reasons are (1) delay in procurement supply of materials and inputs and (2) difficulty in providing the necessary staff for the programme. The Committee do not think that the supply of materials should have been a problem of such significance that it could not be overcome through proper planning. As regards the staff for the programme the Department had initiated suitable action for evolving suitable patterns. The position should have further improved with an integrated approach to the problem and with the strengthening of DRDAs as observed elsewhere. However, the Committee note with serious concern the fact that the constraint of financial resources makes it difficult for some of the States even to take advantage of Centre's share. Under the programme, the Central share is given only to those State Governments who are able to provide matching contributions. Financial constraint in fact is reported to have affected many other programmes in these States. Since this is a question of basic policy relating to the funding of programmes involving joint responsibility of the Central and State Governments the Committee recommend that this matter should be examined in greater depth to evolve a more realistic policy on this issue.

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The Committee are unhappy to note that the matter regarding supply of records to Audit has not been sorted out although considerable time has elapsed. The project appraisal report is yet to be completed. The Committee would live to be apprised of the further progress made in the matter.

According to the guidelines issued by the Ministry of Rural Development, maintenance of assets created under the programme is financed from the project funds for the first 3 years after completion of a scheme. The Committee understand that these guidelines are not being followed. Since a large number of programmes have been initiated in the rural sector and a number of assets have been created and are being created the State Governments have been reluctant to take up responsibility for permanent maintenance of the assets created under the Drought Prone Area Programme also. The Committee note that a complete inventory of the assets already created is under preparation in order to determine the nature of provision necessary for meeting the main-

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tenance needs of each category of assets created under the programme. The Committee strongly urge that a policy for maintenance of assets created under DPAP on a permanent basis should be evolved expeditiously. Since the question of maintenance of assets under this particular programme cannot be viewed in isolation they would suggest that an overall policy on this issue may be devised simultaneously to settle this problem in its entirety.

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The Drought Prone Area Programme under the nomenclature of Rural works Programme was started as early as in 1970-71. The Committee are, therefore, unable to subscribe to the view point expressed by Government that it may be too early to assess the overall impact of the programme and that the long-term effect of restoration of ecological balance cannot be perceived in the short span of time that the programme has been in operation. The Department also do not expect much impact of the programme in view of the small investment that has been made so far. The Committee feel that sixteen years should be considered more than a reasonable span of time to be able to show perceptible impact of the programme on ecological balance or for atleast

some positive trends and directions. It is to be noted that even if the projects may be individually small they cover as much as 19 per cent of the total land area in the country. They are of the view that such an evaluation will provide the Department with an opportunity to objectively evaluate the impact in a broader perspective and might throw some light on any fresh approach that might be called for to ensure accelerated achievement of the objectives of the programme. The World Bank Study made in 1982 had also pointed to the need for such a review. The Committee, therefore, reiterate their earlier recommendation for taking up a comprehensive review of the programme at this stage.

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The Committee are unhappy to note that Department of Rural Development has not been able to furnish final Action Taken Notes on some of their recommendations till date. The Action Taken Notes were required to be furnished within six months of the presentation of the Original Report i.e. by 92

August, 1984. In the instant case, the Action Taken Notes have been received on 29 April, 1985. In spite of the extended time-limit, five Action Taken Notes are found to be of interim nature. It is highly deployable. The Committee desire that final replies to the recommendations included in Chapter, V, duly vetted by Audit may be furnished to the Committee at an early date.