

43

**STANDING COMMITTEE ON URBAN
AND RURAL DEVELOPMENT
(2003)**

THIRTEENTH LOK SABHA

**MINISTRY OF RURAL DEVELOPMENT
(DEPARTMENT OF RURAL DEVELOPMENT)**

**DEMANDS FOR GRANTS
(2002-2003)**

*[Action taken by the Government on the recommendations contained in the
Thirty-fourth Report (13th Lok Sabha) on Demands for Grants 2002-2003
of the Ministry of Rural Development (Department of Rural Development)]*

FORTY-THIRD REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

FORTY THIRD REPORT
STANDING COMMITTEE ON URBAN
AND RURAL DEVELOPMENT
(2003)

(THIRTEENTH LOK SABHA)

MINISTRY OF RURAL DEVELOPMENT
(DEPARTMENT OF RURAL DEVELOPMENT)

DEMANDS FOR GRANTS
(2002-2003)

*[Action taken by the Government on the recommendations contained in the
Twenty-fourth Report (13th Lok Sabha) on Demands for Grants 2002-2003
of the Ministry of Rural Development (Department of Rural Development)]*

Presented to Lok Sabha on 26.2.2003

Laid in Rajya Sabha on 26.2.2003



LOK SABHA SECRETARIAT
NEW DELHI

February, 2003/Phalguna, 1924 (Saka)

CONTENTS

	PAGES
COMPOSITION OF THE COMMITTEE	(iii)
INTRODUCTION	(v)
CHAPTER I Report	1
CHAPTER II Recommendations that have been accepted by the Government	11
CHAPTER III Recommendations which the Committee do not desire to pursue in view of the Government's replies	26
CHAPTER IV Recommendations in respect of which replies of the Government have not been accepted by the Committee	28
CHAPTER V Recommendations in respect of which final replies of the Government are still awaited	34

APPENDICES

- I. Statement indicating B.E., R.E. and Actuals during
Ninth Plan
- II. State-wise Results of BPL census for Eighth and
Ninth Plan
- III. Item-wise statement of Expenditure under the SGSY
during 2001-2002
- IV. Extract of the Minutes of the 3rd sitting of the
Committee held on 20.2.2003
- V. Analysis of the Action Taken by the Government on the
recommendations contained in the Thirty-fourth Report
of the Committee (13th Lok Sabha)

COMPOSITION OF THE STANDING COMMITTEE ON
URBAN AND RURAL DEVELOPMENT (2003)

Shri Chandrakant Khaire — *Chairman*

MEMBERS

Lok Sabha

2. Shri Mani Shankar Aiyar
3. Shri S. Ajaya Kumar
4. Shri Ranen Barman
5. Shri Padmanava Behera
6. Shri Jaswant Singh Bishnoi
7. Shri Haribhai Chaudhary
8. Shri Shriram Chauhan
9. Shri Shamsheer Singh Dullo
10. Shrimati Hema Gamang
11. Shri G. Putta Swamy Gowda
12. Shri Jaiprakash
13. Shri Hassan Khan
14. Shri Basavanagoud Kolur
15. Shri Shrichand Kriplani
16. Shri Savshibhai Makwana
17. Prof. Vijay Kumar Malhotra
18. Shri Sadashivrao Dadoba Mandlik
19. Shri Mahendra Singh Pal
20. Shri Chandresh Patel
21. Prof. (Shrimati) A.K. Premajam
22. Shri Nawal Kishore Rai
23. Shri Gutha Sukender Reddy
24. Shri Pyare Lal Sankhwar
25. Shri Maheshwar Singh
26. Shri D.C. Srikantappa
27. Shri V.M. Sudheeran
28. Shri Chinmayanand Swami
29. Shri Ravi Prakash Verma
30. Shri Pradeep Yadav

Rajya Sabha

31. Shri S. Agniraj
32. Shrimati Shabana Azmi
33. Shrimati Prema Cariappa
34. Shri N.R. Dasari
35. Shri Ramadhar Kashyap
36. Shrimati Gurcharan Kaur
37. Shri Faqir Chand Mullana
38. Shri A. Vijaya Raghavan
39. Shri Rumandla Ramachandraiah
40. Shri Harish Rawat
41. Shri Man Mohan Samal
42. Shri Rajnath Singh
43. Shri G.K. Vasan
44. Vacant
45. Vacant

SECRETARIAT

- | | | |
|-------------------------|---|-----------------------------|
| 1. Shri P.D.T. Achary | — | <i>Additional Secretary</i> |
| 2. Shri K.V. Rao | — | <i>Joint Secretary</i> |
| 3. Shri K. Chakraborty | — | <i>Deputy Secretary</i> |
| 4. Smt. Sudesh Luthra | — | <i>Under Secretary</i> |
| 5. Shri N.S. Hooda | — | <i>Under Secretary</i> |
| 6. Shri A.K. Srivastava | — | <i>Committee Officer</i> |

ABBREVIATIONS

BE	—	Budget Estimates
BPL	—	Below Poverty Line
CAPART	—	Council for Advancement of People's Action and Rural Technology
CRSP	—	Central Rural Sanitation Programme
DAVP	—	Directorate of Advertising and Visual Publicity
DWCRA	—	Development of Women and Children in Rural Areas
DRDA	—	District Rural Development Agency
DLCC	—	District Level Coordination Committee
EAS	—	Employment Assurance Scheme
ETC	—	Extension Training Centre
GKY	—	Ganga Kalyan Yojana
IAY	—	Indira Awaas Yojana
IEC	—	Information Education and Communication
IRDP	—	Integrated Rural development Programme
IRMA	—	Indian Institute of Rural Management Anand
IWDP	—	Integrated Wastelands Development Programme
JRY	—	Jawahar Rozgar Yojana
JGSY	—	Jawahar Gram Samridhi Yojana
MNP	—	Maximum Needs Programme
MWS	—	Million Wells Scheme
NIRD	—	National Institute of Rural Development
NC	—	Not Covered
NMBS	—	National Maternity Benefit Scheme
NOAPS	—	National Old Age Pension Scheme
NFBS	—	National Family Benefit Scheme
NGO	—	Non-Government Organization

NSAP	—	National Social Assistance Programme
NSSO	—	National Sample Survey Organisation
NCT	—	National Capital Territory
OB	—	Organization of Beneficiaries
PC	—	Partially Covered
PMGY	—	Prime Minister's Gramodaya Yojana
PMGSY	—	Pradhan Mantri Gram Sadak Yojana
PMRY	—	Prime Minister's Rozgar Yojana
PRI	—	Panchayati Raj Institutions
RE	—	Revised Estimates
SIRD	—	State Institute of Rural development
SGRY	—	Sampoorna Gramin Rozgar Yojana
SGSY	—	Swarnajayanti Gram Swarozgar Yojana
SC	—	Scheduled Caste
TRYSEM	—	Training of Rural Youth for Self-Employment
UT	—	Union Territory
VO	—	Voluntary Organization

INTRODUCTION

I, the Chairman of the Standing Committee on Urban and Rural Development (2003) having been authorised by the Committee to submit the Report on their behalf, present the Forty-Third Report on Action Taken by the Government on the recommendations contained in the Thirty-fourth Report of the Standing Committee on Urban and Rural Development (2002) on Demands for Grants (2002-2003) of the Ministry of Rural Development (Department of Rural Development).

2. The Thirty-fourth Report was presented to Lok Sabha on 24th April, 2002. The replies of the Government to all the recommendations contained in the Report were received on 20th September, 2002.

3. The replies of the Government were examined and the Report was considered and adopted by the Committee at their sitting held on 20th September, 2003.

4. An analysis of the action taken by the Government on the recommendations contained in the Thirty-fourth Report of the Committee (2002) is given in *Appendix-V*.

NEW DELHI;
25 February, 2003
6 Phalgun, 1924 (Saka)

CHANDRAKANT KHAIRE,
Chairman,
Standing Committee on
Urban and Rural Development.

CHAPTER I

REPORT

This Report of the Committee on Urban and Rural Development (2003) deals with the action taken by the Government on the recommendations contained in their Thirty fourth Report on Demands for Grant 2002-2003 of the Department of Rural Development (Ministry of Rural Development) which was presented to Lok Sabha on 24th April, 2002.

2. Action taken notes have been received from the Government in respect of all the 26 recommendations which have been categorised as follows:

- (i) Recommendations which have been accepted by the Government:

Para Nos. 2.3, 2.7, 2.21, 2.30, 3.9, 3.13, 3.17, 3.22, 3.25, 3.30, 4.27, 5.30, 5.31 and 5.32

- (ii) Recommendations which the Committee do not desire to pursue in view of Government's replies:

Nil

- (iii) Recommendations in respect of which replies of the Government have not been accepted by the Committee.

Para Nos. 2.14, 2.15, 3.28, 4.26, 5.34, 5.35, 6.11, 6.12 and 7.4

- (iv) Recommendation in respect of which final reply of the Government is still awaited.

Para Nos. 2.28, 5.29 and 5.33

3. The Committee desire that final replies in respect of the recommendation for which only interim reply has been given by the Government should be furnished to the Committee within three months of the presentation of the Report.

4. The Committee will now deal with action taken by the Government on some of these recommendations in the succeeding paragraphs.

A. Under utilization of funds under respective schemes of the Department

Recommendation (Para No. 2.3)

5. The Committee had recommended as under:

“From the analysis of plan outlay and expenditure during 9th Plan the Committee observe that there is a variation between BE, RE and actuals during each of the year. The outlay during 2000-2001 was reduced at RE stage and there was marginal under spending. Though, during 2001-2002, Rs. 1401.50 crore were provided at RE stage, the allocation could not be spent fully as Rs. 1273.27 crore were left as balance thereby nullifying the increase in the allocation at RE stage. The Committee are disturbed to find that unrealistic projections are being made by the Department while asking for outlay at RE stage. They strongly disapprove the way the projections are made. While going through the trends available, the Committee have their apprehension how four times of what was allocated during 9th Plan, would be utilised by the Department. While stressing for the higher allocation during 10th Plan so as to fulfil the set targets, the Committee would like to recommend to the Government to ensure that every paisa earmarked under the scheme is meaningfully utilised.”

6. The Government in their reply have stated:

“The R.E. proposals for each financial year are reviewed by the Ministry of Finance sometimes in the month of November/ December, in the light of the opening balances available with the State Governments/Implementing Agencies at the beginning of the financial year and progress of utilization of funds during the first six months of the financial year. As normally there are large opening balances with the State Governments/Implementing Agencies, the Ministry of Finance applies a lump-sum reduction in R.E. projections on account of excess carry over balances beyond the permissible limit of 15%. Evidently variation between B.E. and R.E. during the first four years of the 9th Plan was mainly towards cuts imposed on account of excess carry over balances with the State Governments.

The variation between the R.E. and actual during each of the financial year is explained below:

- (i) It will be seen from the Statement at Annexure-I that in the year 1997-98, the actual expenditure exceeded R.E. by Rs. 114.00 crores. This was because of the fact that at the end of the financial year, the Ministry of Finance allowed restoration of about Rs. 133 crores under EAs and NSAP. However, the net effect of the excess over R.E. was limited to Rs. 114.00 crores as there were some savings under a few other Plan schemes like Assistance to CAPART, Promotion of Voluntary Schemes, Organization of Beneficiaries and Agricultural Marketing.
- (ii) The variation between R.E. and actuals during 1998-99 and 1999-2000 was very nominal (Rs. 2.01 crore and Rs. 3.30 crores respectively).
- (iii) During the year 2000-2001, there has been under spending of Rs. 324.43 crores over the R.E. provisions of Rs. 8869.55 crores which was almost entirely due to the fact that North Eastern States could not claim the entire 10% allocation earmarked for them during the year. Out of Rs. 676.00 crores earmarked for North Eastern region, there had been a saving of Rs. 320.24 crores which was ultimately transferred to the Non-lapsable pool for North eastern region.
- (iv) For the year 2001-2002, the Committee has observed that though Rs. 1401.50 crores were provided at RE stage, the allocation could not be spent fully as Rs. 1273.27 crores were left as balance thereby nullifying the increase in the allocation of R.E. stage. In this connection it may be mentioned that, as will be seen from sub-para (v) Para 2.1 of Chapter-II of the Report, the underspending of Rs. 1273.27 crores was based on the releases made upto 18th March, 2002. In the period between 18th March, 2002 to 31st February, 2002, this Department was able to release another Rs. 1236.58 crores under various Programmes, thereby registering a saving of Rs. 36.69 crores only at the close of the financial year, which was again primarily due to North Eastern States not claiming the entire 10% allocation under a few programmes.

7. In order to ensure that there is no unnecessary accumulation of funds in the hands of the State level agencies and at the same time, the implementation of the programmes is not adversely affected, and that the flow of funds to, and their utilization by, the implementing agencies is regulated and monitored in an effective way, the Government of India have adopted the following procedure in the release of funds under various Centrally Sponsored Schemes of this Department.

8. The number of instalments has been kept at two, the first instalment of 50% being released on ad-hoc basis. The second instalment may be released on the fulfillment of all other conditions, with the following modifications:

- (1) the quantum of second instalment releases may be made dependent on the time by reporting of utilisation. Depending on the receipt of complete proposal for second instalment, the quantum will be governed as below:

Proposals received in December	— 50% of allocated funds
Proposal received in January	— 40% of allocated funds
Proposal received in February	— 40% of allocated funds
Proposal received in March	— 20% of allocated funds

- (b) It has also been decided to restrict the permissible carry over balance to 15% of the previous year's allocation.

9. To avoid recurrence of savings on account of reasons given above and to ensure proper and timely implementation of various Rural Development programmes, the Ministry has also taken/initiated the following steps/actions:

- (i) The Minister of Rural development and the Ministers of State for Rural Development visit States/UTs and review the performance of Programmes with the Chief Ministers, Ministers and Officials concerned with the implementation of the Programme.
- (ii) The Ministry has constituted a Performance Review Committee under the Chairmanship of Secretary (RD), having representation from Planning Commission, Central Ministries of Finance, Statistics and Programme

implementation, Environment and Forests and all State Secretaries in-charge of Rural development as its Members. The meetings of the Performance Review Committee provide a forum for discussing bottlenecks in the implementation of the Programmes and taking immediate corrective actions to smoothen and streamline the implementation process.

- (iii) The Ministry has an Area Officers Scheme in which all Officers of the rank of Deputy Secretary and above have been appointed Area Officers for one or more State. The Area Officers are required to visit the allocated State(s) regularly and visit a few villages where RD Programme are implemented and physically verify the assets created, to the extent possible, individual, social and community assets are verified and the quality and maintenance of assets in the selected villages are looked into. By way of follow up action, letters highlighting major issues, brought out in the Areas Officer's Reports, are sent to the Chief Secretary of the concerned State Government (with copy endorsed to secretary, Rural development) for follow-up action.
- (iv) The Ministry has issued instruction to the States/UTs for constitution of Monitoring and Vigilance Committee at the State, District and Block levels. These Committee are to supervise, exercise vigilance and monitor the implementation of all Programmes of the Ministry in the Districts and hold meetings at least thrice a year.
- (v) An initiative has recently been taken to strengthen the monitoring and quality of implementation of Programmes of the Ministry by introducing a Pilot Programme of District Level Monitoring (DLM) in the selected Districts through round the year monitoring by External Agencies.
- (vi) The Ministry has introduced a four pronged strategy for improving the quality of implementation of its Programme at the grass-roots level and improving delivery of benefits, which consists of the following components:
 - (a) Creation of Awareness about the Schemes,
 - (b) Transparency,
 - (c) People's Partnership,
 - (d) Accountability—Social Audit through Gram Sabhas.

- (vii) The measures together with strict adherence of provisions made in the guidelines of the scheme while releasing the next instalment of grants definitely acts as a check point and follow up action after the release of grants.
- (viii) Periodical meetings with State Secretaries in charge of Rural Development Programmes and the annual workshop of Project Directors provide adequate interaction/platform to guide the implementing agencies to ensure that the utilization of grant is always at its optimum level.
- (ix) Second instalment or the next instalment of funds under the scheme is released only after the Utilization Certificates and Audit Reports of the grants released to the States during previous years are submitted by them along with other documents/certificates as required by the guidelines.

By following the aforementioned system of financial management and monitoring mechanism and various other steps that may be taken up during the course of the 10th Plan period, it is felt the Department will be able to achieve the entire financial as well as physical targets set for 10th Plan.

10. While going through the action taken reply, the Committee find (i) bulk allocation is made during the last month of the financial year i.e. evident from the data furnished by the Department, between the period 18th March, 2002 to 31st March, 2002, Rs. 1236.58 crore was released out of the total allocation of Rs. 1401.50 crore which is around 88.23%. (ii) North-Eastern States are not able to claim the entire 10% allocation under few programmes.

The Committee, further, find that as per the action taken reply a number of initiatives have been taken/proposed to be taken by the Department to contain the underspending and to ensure that bulk allocation is not made during the last quarter of the financial year. While appreciating the formula specified to avoid unnecessary accumulation of funds in the hands of the States, the Committee hope that the same norms will be meticulously observed and this would result in the proper utilization of the scarce resources earmarked for said schemes/programmes of the Department of Rural development which are meant for the upliftment of the poorest of the poor of the country. Besides, they would also like that the Union Government should chalk out an action plan in consultation with

the North-Eastern States so that the special allocation made for the integrated development of the region is meaningfully utilized. The Committee would also like to know why the North-Eastern States could not claim the entire 10% allocation earmarked for them during 2000-2001.

B. Proper Implementation of different centrally sponsored schemes/ programmes

Recommendation (Para No. 2.14)

11. The Committee had recommended as under:

“The Committee find that a number of irregularities have been noticed in respect of implementation of various schemes/ programmes of the Department in respective States/UTs by the area officers visiting the implementing sites of the schemes/ programmes. These are matters of great concern. Each irregularity noticed need to be addressed earnestly and ameliorative measures to be spelled out side by side. The Committee elude the monitoring work done by the concerned officers but at the same time much introspection and analysis is necessary to get at the root cause. The Committee, therefore, would like to be apprised about the corrective measures contemplated, steps taken/proposed to be taken by the Department to ensure that the different schemes are implemented according to the specific guidelines and the deficiencies removed. The most disturbing fact, as noticed by the area officers is that the beneficiaries under the respective schemes did not belong to BPL category, and the Gram Sabha meetings are either not held or if held, these are not held in accordance with the guidelines. In view of the fact that different schemes of the Department are meant to bring BPL category of persons above the poverty line, the objectives of the schemes are defeated if the eligible category of persons are not being benefited. This is a very serious flaw and the Committee strongly recommend to the Government to write to the State Governments about this and take strict actions to ensure that only the eligible and genuine beneficiaries are benefited under the schemes. Besides, people's participation is missing, when the beneficiaries are not identified/ selected during the Gram Sabha meetings. The Committee would like that all the discrepancies mentioned above are taken note of by the Department seriously and the Committee apprised about the action taken in this regard.”

12. The Government in their reply have stated:

“The Ministry of Rural Development have issued detailed guidelines for implementation of each of its Programmes/Schemes. These guidelines, contain, *inter-alia*, the manner in which the beneficiaries are to be identified and transparency is to be maintained in the implementation. The guidelines stipulate that the beneficiaries are to be selected by the Gram Sabha out of the BPL list approved for the village on the basis BPL Census conducted at the beginning of Five Year Plan, with the involvement of the Gram Sabhas. The States/UTs are reminded, from time to time, about the need for adherence to the guidelines. In particular, the observations of the Committee have been communicated to all State Governments/UT Administrations for taking corrective measures including identification of eligible and genuine beneficiaries.

The issues and deficiencies brought out in the Area Officers Reports are forwarded to the State Authorities for taking corrective measure sand removing the deficiencies, if any, noticed, State Governments are also required to submit to the Ministry action taken report on the Area Officers Reports.

The State Governments/UT Administrations have been advised to constitute Vigilance and Monitoring Committees at the State/District/Block levels to monitor the implementation of the Programmes and introduce greater transparency. These Committees, *inter-alia*, include MPs/MLAs, representatives of recognised political parties and NGOs. Such committees have been set up at all these levels, in all the States except Karnataka and Jammu and Kashmir where separate Committees exist for this purpose.

The Ministry, inter alia, have introduced a four pronged strategy comprising creating of awareness, transparency, people’s partnership and accountability (social audit) through Gram Sabhas with a view to ensuring that the different schemes are implemented according to the specific guidelines and to remove deficiencies. The State Governments/UT Administrations have been advised to implement this strategy at all levels, which would ensure better implementation of the programmes and lead to removal of the existing deficiencies, involvement of people, increased role for the Gram Sabhas and accountability of the Implementing Agencies.

13. The Committee are not fully satisfied with the reply furnished by the Government. They find that two major lacunas, as reported by the Area Officers and endorsed by this Committee in their earlier recommendations are (i) beneficiaries under the respective scheme did not belong to BPL families and, (ii) Gram Sabhas meetings are either not held, and if held, not in accordance with the guidelines, have not been specifically replied in the action taken reply.

The Committee note that various measures taken to strengthen the monitoring mechanism have not yielded the desired results. They are rather concerned to note that the findings of the Area Officers schemes i.e. major monitoring mechanism available with the Union Ministry of Rural Development have not been given serious consideration by the Department. They are unhappy with the way such a serious issue has been taken. While reiterating their earlier recommendation, the Committee strongly urge the Department to follow seriously the findings of the Area Officers scheme and other monitoring mechanism and ensure that every paisa earmarked for the poor strata of society really reach to the deprived persons.

C. Involvement of MPs/MLAs in the area officer scheme

Recommendation (Para No. 2.15)

14. The Committee head recommended as under:

“The Committee appreciate the gearing up of monitoring mechanism by the Department by expanding the activity of the area officer's scheme. While they have no objection in the increased outlay for travel expenses of the officers visiting various implementing sites, they would like that the Department should ensure that every paisa meant for the rural masses is meaningfully utilised. Besides, the Committee also recommend that whenever a team of area officers visit a particular implementing site, the local MP/MLA of the area should be informed prior to the visit so as to enable him to accompany the area officer and be a participatory in the monitoring mechanism of the Central Government. They hope that the Department would take care of this while planning the visits of area officers.

15. The Government have stated in their reply:

“The Area Officers’ Scheme of the Ministry has been recently reorganised to serve as an important mechanism for monitoring major poverty reduction programme of the Ministry with special reference to quality, timeliness and proper achievement of physical and financial targets.

The Minister of Rural Development himself has been visiting the States and reviewing the progress of implementation of the schemes and utilisation of funds. During these reviews, the Chief Ministers, Ministers and Officials concerned in the States are impressed upon the need for better utilisation of funds and to ensure that the full benefits reach the target group.

Ministry of Rural Development have advised all the State Governments/Union Territory Administrations to inform the local MP/MLAs prior to the visit of area officers so that these elected representatives will be able to accompany the Area Officers and be a participatory in the Monitoring Mechanism, if they so desire.

16. The Committee are happy to note that the Minister of Rural Development has been visiting the States and taking stock of the situation and impressing the Chief Ministers, his officials, etc. for optimum utilisation of funds to ensure maximum benefits to the group concerned. While this is a very good move, the Department need to have more and more introspection. The Committee fail to understand why instead of shouldering the responsibility to inform local MP/MLAs prior to the visit of a specific area by Officers under the Area Officer scheme, the Department has tried to shift the responsibility at the discretion of the State Government. They note that Area Officers scheme is the scheme of the Union Government and as such onus of inviting local MP/MLAs should also lie with the Union Government. While reiterating their earlier recommendation, the Committee would like that the Union Government should ensure that local MPs and MLAs would participate in the said scheme.

D. Transfer of NSAP and Annapurna to States

Recommendation (Para No. 2.21)

17. The Committee had recommended as under:

“The Committee are unable to comprehend the reason given by the Department for transferring NSAP and Annapurna scheme to the State Government that the State Governments have their own pension scheme and it will provide necessary flexibility to the States in implementation of the schemes. While admitting that it is true that State Governments have their own pension schemes, the Committee find that the Central allocation provided for the above mentioned schemes was an additionality to the State Governments. The Committee observed during their on the spot study visits that the Central pension of Rs. 75 was being added to the State Government's pension amount and as such a good amount was being provided to each old age beneficiary to provide sustenance. They also note that the 10th Plan Working Group had recommended the transfer of the scheme to Department of Social Justice and Empowerment. They also note that one component of the scheme that is National Maternity Benefit Scheme has already been transferred to the Ministry of Health and Family Welfare during the year 2001. In this scenario, the Committee feel that there is no planning on the part of the Government while launching certain schemes. After one or two years of the implementation of the scheme one part is transferred to the one Ministry or to the other Ministry and now the remaining parts are being transferred to the State Governments. In case any irregularities or lacunae are being felt in the implementation of the scheme the corrective steps should be taken by the Central Government instead of transferring schemes to the State Governments. They recommend to the Government to reconsider the decision of transferring the said schemes to the State Governments in view of the Committee's strong reservations.

18. The Government have stated in their reply:

“The Finance Minister's Budget Speech for 2001-2002 had stated 'the planning Commission has commenced the task of preparing the Tenth Plan. Given the severity of resources constraints, improvement in the quality of government spending is of the

essence. It has, therefore, been decided to subject all existing schemes both at the Centre and State levels, to zero based budgeting and to retain only those that are demonstrably efficient and essential. Furthermore, all Schemes that are similar in nature will be converged to eliminate duplication. Centrally Sponsored Schemes that can be transferred to States will be identified.

Accordingly, a Zero Based Budgeting (ZBB) exercise was undertaken in the Planning Commission, under which, in consultation with the Ministry of Rural Development, the National Social Assistance Programme (NSAP) and the Annapurna Scheme had been identified for transfer to the States, it being observed that most of the States have their own Old Age Pension/Welfare Schemes and were merging the same with the funds available under the NSAP for the purpose of providing pensions/benefits to the poor. Such a transfer of the Schemes would enable the State to enhance the coverage under the Programmes and implement the Schemes more effectively.

It is expected that the transfer of these Schemes to the State Plan will provide the requisite flexibility to the States/UTs in the choice and the implementation of the same. The funds for the operation of the Schemes will be released as Additional Central Assistant (ACA) to the States/UTs by the Ministry of Finance.

In the Guidelines issued to the States regarding the transfer of the Schemes (copy enclosed), care has been taken to see that the States/UTs continue to provide necessary budget allocation for the ongoing Welfare Schemes. In order to insure that a minimum level of expenditure is incurred on the Welfare Schemes, it has been decided that the Additional Central Assistance to the States should constitute a genuine additionally over and above the normal allocation of the State for such Welfare Schemes as reflected in the State's budget, both under Plan and Non-Plan. The CA provided to the State/UTs under NSAP and the Annapurna Scheme could be utilized by the States/UTs on Welfare Schemes of Old Age Pension, Family Benefit or free food-grains to the aged by taking up one or two or all of the three (or in any other combination) in accordance with their priorities and needs. The States/UTs are required to provide a Mandatory Minimum Provision (MMP) for these Schemes in their own Budget. The Mandatory Minimum Provision would be calculated as equivalent to the States' Budget Provision or actual

expenditure, whichever is higher, for these Schemes during the year 2000-2001, and the ACA allocation for the year concerned. It is expected that the States/UTs would increase their own Budget provisions for the Welfare Schemes over and above the MMP, depending upon their resources position.

As regards the transfer of the National Maternity Benefit Scheme to the Department of Family Welfare, it may be stated that in the Second Meeting of the Group of Ministers to consider the National Population Policy (held on 15.6.1999), it was agreed that the National Maternity Benefit Schemes (NMBS) be assigned to the Department of Family Welfare to become part and parcel of the Population Stabilization Programme. In accordance with this decisions, the NMBS was transferred to the Department of Family Welfare with effect from 1st April, 2001."

19. While appreciating the concerns of the Department to provide flexibility to the States/UTs in the choice and implementation of two major schemes of the Department NSAP and Annapurna, the Committee express their apprehension that the funds allocated for these schemes would be used for other purposes by the State Governments like release of salary to the staff, etc. They also note that old age pension scheme under NSAP was working well and fail to understand why the scheme has been transferred to States. Old age pension is a very important component covering bulk of the population of the country and the Union Government should not abdicate their responsibility in this regard. The committee would, therefore, like to reiterate their earlier recommendation to reconsider the decision of transferring the said schemes to the State Governments in view of the Committee's strong reservations as made in their earlier Report.

E. Specific allocation to North Eastern States

Recommendation (Para No. 2.28)

20. The Committee recommended as under:

"The Committee find that a laudable initiative was taken by the Government for the integrated development of the North-East. For the purpose, 10% of the allocated outlay of the Department is being exclusively earmarked to North-Eastern States. The

Committee also note that the Department has certain reservations regarding the absorption capacity of the North-Eastern States. Although the allocation in this regard was started since 2000-2001, the utilisation position is very poor. Less than 10% of the allocated outlay could only be utilised and the remaining amount was contributed to non-lapsable pool of resources. Nothing concrete appears to have been done so far to ensure the meaningful utilisation of scarce resources. Although the States were advised to formulate the Perspective Plan for ten years, most of the States are yet to take concrete action in this regard. The Committee, therefore, recommend that the concerned State Governments be persuaded to take timely action to prepare the Perspective Plans and to ensure the absorption capacity of the State Governments. Besides, they would also like that the immediate action should be taken by the Government to consider and implement the recommendations of the inter-Ministerial Committee as given in the Appendix-III, specifically with regard to agreeing to the request of such States for changing the funding pattern from 75 : 25 to 90 : 10 and allowing flexibility for reallocation of rural development funds among various schemes after the approval of the Department of Rural Development.”

21. The Government have stated in their reply:

“Proposals pertaining to Perspective Plan have so far been received from Mizoram and Nagaland. These proposals are under consideration of the Ministry of Rural development. Rest of the North Eastern States have been repeatedly persuaded to submit the proposals for the Perspective Plan.

Planning Commission has been requested to consider the proposal for changing the funding pattern from 75 : 25 to 90 : 10 for North-Eastern States vide this Ministry’s letter No. Z-18011/1/2002-NE, dated 22nd July, 2002 from minister, Rural Development to Deputy Chairman, Planning Commission.

22. While noting that North-Eastern States are being pursued to submit their proposals for the perspective plan, the Committee would like to hear the latest position in this regard. Besides, with regard to changing the funding patterns from 75 : 25 to 90 : 10 for North-Eastern States, the Committee would like to know the response of the Planning Commission in this regard.

F. Coordinated approach for implementation of SGSY

Recommendation (Para No. 3.28)

23. The Committee had recommended as under:

“The Committee feel that to make the programme a success, there is an urgent need for a coordinated approach on the part of Bankers, NGOs, Panchayat/Implementing agencies and Government officials. To achieve the desired results, a mission mode approach is necessary. The Committee hope that the Department would look into this aspect and take the desired action. The Committee also recommend that to know the ground reality in respect of the implementation of SGSY and to provide the necessary feed back to take the corrective steps for the better implementation of the Yojana concurrent evaluation should be commissioned expeditiously.”

24. The Government in their reply have stated as under:

“The SGSY lays emphasis on close involvement and coordination of different agencies such as District Rural development Agencies (DRDAs), Panchayati Raj Institutions (PRIs), Banks, Line Departments and NGOs in planning, implementation and monitoring of SGSY to ensure its success. The DRDAs are expected to coordinate the implementation of the programme with concerned agencies. Training and sensitization of all the agencies involved in implementation of the programme are being conducted by the DRDAs on regular basis to instill confidence in them about the programme. Recently, in the meeting of the Central Level Coordination Committee (CLCC) held on 3rd June, 2002 convergence with other Government Departments/Agencies was also discussed.

Detailed guidelines of the restructured programme SGRY.

The concurrent evaluation of the scheme is under progress in all Districts of the country.”

25. The Committee are not inclined to accept the reply of the Department whereby it has been stated that DRDAs are expected to coordinate the implementation of the programme with concerned agencies. They feel that such an approach would not yield the desired

results. It should be made obligatory on the part of the DRDA to coordinate with all the agencies involved in the implementation of SGSY failing which the responsibility should be fixed upon them. As regards the meeting of the Central level coordination committee held on 3rd June, 2002, the Committee would like to be apprised about the final outcome of the said meeting, specifically with regard to coordinated approach under SGSY. As regards the concurrent evaluation, the Committee find from the reply that such evaluation of SGSY is in progress. The Committee would like to be apprised of the findings of the concurrent evaluation when completed. Besides, they would also like that a report of the said concurrent evaluation should be made public to the Panchayati Raj Institutions, banks and people at large to bring transparency in the implementation of the programme.

G. Detailed guidelines of the restructured programme SGRY

Recommendation (Para No. 4.26)

26. The Committee had recommended as under:

“The Committee find that the well established programmes JGSY and EAS have been merged and restructured by the Department. Some of the new features like provision of foodgrains have been introduced in the newly structured scheme i.e. SGRY. The Committee note though programme has already started operating *w.e.f.* 1st April, 2002 the detailed guidelines are yet to be finalised in consultation with the Planning Commission. They have repeatedly been stressing that the Government should do proper planning before restructuring a programme so that there is no confusion in the minds of the implementing authorities and the scarce resources are properly utilised. In spite of that, the schemes are hurriedly restructured and closed. The final result being huge unspent balances with the respective State Governments. Frequent changing of the programme shows that the Government have not given enough considered thought before launching a scheme. The approach paper of the 10th Five Year Plan indicates serious weaknesses in the wage employment programme. The reply given by the Department is not convincing and it attempts to sidetrack the issues. The Committee feel that this is not the correct approach. The Government before embarking on a new scheme should have addressed the aforesaid shortcomings first. The Committee therefore,

disapprove of the way the department is restructuring its programmes frequently. They stress that the detailed guidelines of restructured programme should be finalised without any further delay after taking into account, the recommendations made by them in their earlier reports concerning EAs and JGSY as well as the recommendations made by the Working Group on Wage Employment and Infrastructure Development Programmes and the Working Group on 10th Plan. It should also be ensured that the opening balances with the State Governments in respect of erstwhile JGSY and EAs, are properly utilised.”

27. The Government in their reply have stated as under:

“The EAS being the only wage employment programme the JGSY being infrastructural development Programme, it was felt that these two programmes were complementary and therefore could be merged to form one mega scheme namely the SGRY with a new component i.e. foodgrains added to it. The basic idea was to make it more comprehensive and broad-based which could cater to the needs of the unemployed poor in the rural areas. The merger has not in any way hampered the developmental works started by the erstwhile schemes. As per the SGRY guidelines effective from 1st April, 2002 SGRY Stream-I will be implemented by the Zilla Parishads and the Panchayat Samitis on EAS pattern and SGRY Stream-II will be implemented by the Village Panchayats on the pattern of JGSY. In the guidelines of the scheme it is already mentioned that no new works may be taken up till the ongoing works taken up under the EAS and the JGSY had been completed. Transparency in the maintenance of accounts of the unspent balances available with the districts will be kept. Details of works taken up along with cost estimates are to be displayed at worksite as well as other prominent places such as Panchayat Ghars. Also, the officials at the implementing stage would not face any difficulty which is evident from the progress reports received from the State Governments.”

28. The Committee note that the part recommendation, as given below, has not been addressed in the action taken reply:

“detailed guidelines of restructured programme i.e. (SGRY) should be finalized without any further delay after taking into account the recommendations made by them (the Committee) in their

earlier reports concerning EAS and JGSY as well as the recommendations made by the Working Group on Wage Implementation and Infrastructure Development Programmes and the Working Group on the 10th Plan.”

The Committee would like to hear the specific reply of the Department in this regard.

While noting the necessary precautions taken by the Department to ensure that the opening balance with the State Governments in respect of erstwhile JGSY and EAs are properly utilized, the Committee feel the necessity of showing the expenditure position in this regard in the Performance Budget of the Department.

H. Multiplicity of Central Sector housing scheme

Recommendation (Para No. 5.29)

29. The Committee recommended as under:

“The Committee find that there are multiplicity of Central Sector housing schemes. They have repeatedly been stressing in their earlier reports for convergence of various housing schemes. They note that the urgency of convergence of so many housing schemes has at last been recognised by the Government. Besides, the 10th Plan Working Group has also stressed to merge the existing rural housing programmes into a single integrated programme to be implemented throughout the country on a uniform basis. They hope that final decision in this regard is taken without any further delay and the Committee be apprised accordingly.”

30. The Government in their reply have stated as under:

“From the financial year 2002-2003 onward, all the existing Rural Housing Schemes are being merged into one to be implemented as an Integrated Rural Housing Scheme. The guidelines of the scheme named as Kendriya Grameen Awaas Yojana are under finalization.”

31. The Committee are happy to note that their persistent pursuance of the recommendation to merge all the Central Sector Housing Schemes have at last yielded results and the Government have agreed to launch an integrated rural housing scheme as

indicated in the reply. They would like to be apprised of the details and guidelines of Kendriya Gramin Awaas Yojana being launched by the Government.

I. Problem of guarantor for providing loan by HUDCO

Recommendation (Para No. 5.33)

32. The Committee recommended as under:

“The Committee find that HUDCO is not able to provide loan in some of the States due to the problem of a guarantor. Neither the State Government nor any agency in the States is ready to stand guarantor for providing house sin the rural areas. They also find that to overcome this problem, the HUDCO is consulting State Governments for nominating a Nodal Agency for Channeling institutional finance for implementation of various rural housing schemes. The committee appreciate the efforts being made by HUDCO in this regard and also urge the Government to write to the State Governments to nominate a nodal agency through which the loan by HUDCO could be channelised. The State Government should be asked to do the needful in this regard expeditiously sot hat the rural poor do not suffer on account of paucity of funds.”

33. The Government in their reply have stated:

“As informed by HUDCO, they have again taken up the matter through its Zonal/Regional offices with all the State Governments to formulate substantial number of schemes so that HUDCO's low interest funds allocated for the benefit of rural poor every year are fully utilized by each State/U.T. Chairman cum Managing Director of HUDCO is also taking up the matter with the Chief Secretaries of the concerned States requesting them to nominate a state level nodal agency for channelising institutional finance and monitoring the implementation of rural housing schemes in their respective States.”

34. While appreciating the efforts being made and steps taken by HUDCO to solve the problem of guarantor for providing loan, the Committee in their earlier recommendation had desired that the Union Government should write to State Governments to help HUDCO in this regard. In the action taken reply, nothing has been

said about the efforts made by Union Government. The Committee feel that leaving it to HUDCO solely for nomination of a nodal agency for loans is not enough. There should be concerted effort from the Union Government in this direction. The Committee would like to be apprised about the reasons why no steps have been taken by the Union Government persuading the States to nominate a nodal agency for channelising the loans of HUDCO.

J. Implementation of recommendations of Working Group of 10th Plan with regard to Rural Housing Scheme

Recommendation (Para No. 5.34)

35. The Committee had recommended as under:

“Committee find that Working Group of 10th Plan have made certain recommendations on Rural Housing. They urge the Government to take the necessary steps to implement the same particularly the strengthening of monitoring mechanism, resource management, proper identification of beneficiaries and availability of technology, which should be user friendly, cost effective and calamity proof. An all out efforts are called for the propagation and promotion of innovative and proven construction technologies, design and materials in the rural areas. More and more NGOs with experience in the above field should be associated.”

36. The Government in their reply have stated:

“The performance under Indira Awaas Yojana is continuously being reviewed on the basis of the month progress reports received from the States/UTs. It has been made mandatory for the area officers to visit the States regularly to inspect actual implementation of the programme in the field. Hon’ble Minister for Rural Development also visits the States regularly and interact with the state Governments officers to monitor the progress of the Schemes. Further, the implementation of the Scheme is reviewed by the DRDAs in their meetings from time to time. Further, in order to have enough time for better performance and to avoid piling up of unspent funds towards the close of financial year, the time limit to submit the proposals for release of funds has been preponed to February, 28 instead of 15th March of each year.

Two schemes namely Innovative Stream for Rural Housing and Habitant Development and Rural Building Centres (RBCs) are being implemented with a view to promote cost effective housing technologies in rural areas. Funds under these schemes are provided to Governmental as well as non-Governmental Organizations.”

37. The Committee note that earlier, they had urged the Government to take the necessary steps on the recommendations of the Working Group of the 10th Plan. They had also urged to take action particularly with regard to the specific issues as given in their earlier recommendation i.e. (i) strengthening of monitoring mechanism, (ii) resource management, (iii) proper identifications of beneficiaries, (iv) availability of technology which should be user friendly, cost effective and calamity proof, (v) propagation and promotion of innovative and proven construction technologies, design and materials in the rural areas, and (vi) involvement of more and more NGOs. The reply of the Department is of a routine nature. The Committee would like that each of the above recommendations should be addressed separately, and a categorical reply be furnished.

K. Conversion of kutcha houses to pucca houses

Recommendation (Para No. 5.35)

38. The Committee had recommended as under:

“The Committee find that the Government have the goal of ending shelterlessness and conversion of all unserviceable kutcha houses to pucca/semi pucca houses by the end of Ninth Plan period. Since the Ninth Plan is already over, they would like to be apprised how far the set targets have been achieved.”

39. The Government in their reply have stated:

“Since inception of the scheme 80.80 lakh houses have been built under the Indira Awaas Yojana and during the Ninth Five Year Plan, as per latest reports available 43.59 lakh houses(Provisional) have been constructed so far. The Government have the goal of ending shelterlessness and conversion of all unserviceable kutcha houses to pucca/semi pucca houses by the end of the 10th Five Year Plan.

40. The Committee note that the Government had set the targets of ending shelterlessness and conversion of all unserviceable kutcha houses to pucca/semi-pucca houses by the end of the 9th Five Year Plan. When asked whether the said targets have been achieved, the Department has stated that the said target has been spilled over and now is expected to be achieved by the 10th Five Year Plan. The Committee are really sorry to note the action taken reply of the Department in this regard. The Committee are concerned that there is no indepth planning on such a serious issue i.e. providing of houses to persons below poverty line. In spite of huge allocations made year after year, the set targets are not achieved. Not only that, the Department has no proper explanation for not achieving the set targets. The Committee would like the Department to explain the reasons why the set targets could not be achieved during the 9th Plan.

L. Training to Panchayati Raj Functionaries

Recommendation (Para No. 6.11)

41. The Committee had recommended as under:

“XXX XXX XXX XXX XXX the Committee would like the Government to pay more stress on training of Panchayat Raj functionaries in view of the larger responsibility entrusted to them for implementation of various rural development programmes/ schemes. The Committee also, presume that the National Action Plan for imparting training to Panchayats at all levels has been finalised by now. The Committee would like to be apprised about the salient features of the scheme with financial implications and the *modus operandi* of implementation. The Committee also recommend that outlay for training of Panchayats should be enhanced adequately.”

42. The Government in their reply have stated:

“There are about 3.4 million elected representatives at all levels of Panchayats. Out of these, an overwhelming majority are new entrants. The Constitution having placed enormous responsibility on Gram Panchayats to formulate and execute various programmes of economic development and social justice, elected representatives will have to acquire the required skill and given appropriate

orientation The success of the Panchayati Raj System hinges largely on the extent to which their capabilities are built to perform these functions and responsibilities. Thus, a time bound and systematic training programme to provide orientation of the elected representatives on a very large scale is considered to be the most important pre-requisite for the success of the PRIs. The State/UT Governments are required to work out systematic and comprehensive training programme to train the representatives of PRIS and to generate awareness among the masses at the grass-roots level and to strengthen the Gram Sabha. The Ministry of Rural Development extend limited financial assistance to the States in their effort to train and create awareness among the PRI elected members and functionaries. The budget allocation at the disposal of PR Division has been increased to Rs. 5.00 crores from Rs. 3.00 crores provided earlier. The Training & Research Advisory Committee headed by Secretary (RD) consider the project proposal received from States Governments and reputed NGOs.

The Government of India in the Ministry of Rural Development and UNDP have launched a sub-programme, namely 'Capacity Building of Elected and Official Functionaries of Panchayati Raj Institutions'. After assessing the training needs, training modules will be prepared for each State and Principal Trainers as well as Training Experts will be trained under the programme."

43. The Committee are not happy with the progress made with regard to finalizing the national action plan for imparting training to all the elected representatives off Panchayats at all levels. The Department at the stage of examination of Demands for Grants 2002-2003 had stated that said action plan to impart training within the first three years of the 10th Five Year Plan was under finalisation (refer para 6.8 of the 34th Report). After a lapse of almost one year no progress seems to have been made in this regard. Instead of giving a categorical reply, the department has tried to side track the main issue by giving a routine reply. The Committee find that almost one year has passed since 10th Plan has started and the Government is yet to chalk out a action plan. While expressing their concerns on the way the Department is tackling such a serious issue of imparting training to Panchayati Raj functionaries, the Committee would like the Department to finalise the action plan within three months of the presentation of the Report.

M. Merging of DRDA with District Panchayats

Recommendation (Para No. 6.12)

44. The Committee recommended as under:

“The Committee have repeatedly been recommending to merge DRDA with District Panchayats. Similar recommendation has been made by the 10th Plan Working Group. Yet only in four States the objective could be achieved. They stress that further necessary action in this regard should be expedited and the Committee be informed about the outcome.

45. The Government in their reply have stated:

“In the Conference of Chief Ministers of States held on 2 August, 1997, it was broadly agreed that the DRDAs should be restructured before the end of this year so that it functions under the overall control and supervision of the Zilla Parishads. As per the report of the Working Group on ‘Decentralised Planning & Panchayati Raj Institutions’ for the 10th Five Year Plan it has been recommended that considerable efforts will have to be made in the 10th Five Year Plan to strengthen the process of democratic decentralization. In this process, the administrative backup by transferring control of DRDA to Zilla Panchayats should be accomplished.

46. The Committee are distressed to note the way their recommendation to merge DRDA with District Panchayats has been addressed to in the action taken reply. They have persistently been recommending to the Union Government in this regard in their respective reports. Although their recommendation has in principle been agreed to by the Department, nothing concrete seems to have been done in this regard. Further, they are concerned to note that in the Conference of Chief Ministers of State held on 2nd August, 1997, the issue was agreed to by the Chief Ministers of States and it was also decided that DRDAs would be restructured before the end of that year that is 1997. They are surprised to note that when State Governments, Union Government and specifically the Planning Commission all are in favour of merging DRDA with District Panchayats, why the decision couldn't be taken in this regard. They urge that the issue should be taken seriously and the action taken within three months of the presentation of the Report.

N. Involvement of MPs/MLAs in Pradhan Mantri Gram Sadak Yojana

Recommendation (Para No. 7.4)

47. The committee have examined the guidelines of Pradhan Mantri Gram Sadak Yojana in their 25th Report presented to Parliament on 19th December, 2001. The various issues have been examined in detail and recommendations made accordingly. The Committee hope that the Government would consider their recommendations and make necessary changes in the guidelines. However, as regards the involvement of MPs/MLAs in the implementation of the Pradhan Mantri Gram Sadak Yojana, the Committee find that MPs are being involved after finalising various plans by the District Panchayats. After the plans are finalised by the District Panchayats, the Hon'ble MP has no option but to approve the same. In view of this, the Committee would like that the consent of Hon'ble MP should be obtained before deciding the priority in connection with rural connectivity. The Committee urge the Government to take care of this aspect and issue necessary directions to the State Governments."

48. The Government in their reply have stated:

"In so far as Pradhan Mantri Gram Sadak Yojana (PMGSY) is concerned, the relevant guidelines provide for the preparation of District Rural Roads Plans taking into account the views and suggestions of the Hon'ble Members of Parliament. Further, the manual for preparation of District Rural Roads Plan stipulates that the proposals of Hon'ble Members of Parliament should be taken into account at the time of preparation of District Rural Roads Plan while vetting which, the State Level Standing Committee (usually headed by the Chief Secretary), would ensure that the proposals of Hon'ble Members of Parliament have been duly considered."

49. The Committee feel that their recommendation with regard to involvement of MPs/MLAs in the implementation of Pradhan Mantri Gram Sadak Yojana has not been understood properly. They in their recommendation had desired specifically that the consent of Hon'ble MPs and MLAs should be obtained before deciding the priority in connection with the rural connectivity. Instead of addressing the specific issue, the Department has given the extracts from the guidelines. The committee would like the specific reply of the Department in this regard.

CHAPTER II

RECOMMENDATIONS THAT HAVE BEEN ACCEPTED BY GOVERNMENT

Recommendation (Para No. 2.3)

From the analysis of plan outlay and expenditure during 9th Plan the Committee observe that there is a variation between BE, RE and actuals during each of the year. The outlay during 2000-2001 was reduced at RE stage and there was marginal under spending. Though, during 2001-2002, Rs. 1401.50 crore were provided at RE stage, the allocation could not be spent fully as Rs. 1273.27 crore were left as balance thereby nullifying the increase in the allocation at RE stage. The Committee are disturbed to find that unrealistic projections are being made by the Department while asking for outlay at RE stage. They strongly disapprove the way the projections are made. While going through the trends available, the Committee have their apprehension how four times of what was allocated during 9th Plan, would be utilised by the Department. While stressing for the higher allocation during 10th Plan so as to fulfil the set targets, the Committee would like to recommend to the Government to ensure that every paisa earmarked under the scheme is meaningfully utilised.

Reply of the Government

The R.E. proposals for each financial year are reviewed by the Ministry of Finance sometimes in the month of November/December, in the light of the opening balances available with the State Governments/Implementing Agencies at the beginning of the financial year and progress of utilization of funds during the first six months of the financial year. As normally there are large opening balances with the State Governments/Implementing Agencies, the Ministry of Finance applies a lump-sum reduction in R.E. projections on account of excess carry over balances beyond the permissible limit of 15%. Evidently variation between B.E. and R.E. during the first four years of the 9th Plan was mainly towards cuts imposed on account of excess carry over balances with the State Governments.

The variation between the R.E. and actual during each of the financial year is explained below:

- (i) It will be seen from the Statement at Annexure-I that in the year 1997-98, the actual expenditure exceeded R.E. by Rs. 114.00 crores. This was because of the fact that at the end of the financial year, the Ministry of Finance allowed restoration of about Rs. 133 crores under EAs and NSAP. However, the net effect of the excess over R.E. was limited to Rs. 114.00 crores as there were some savings under a few other Plan schemes like Assistance to CAPART, Promotion of Voluntary Schemes, Organization of Beneficiaries and Agricultural Marketing.
- (ii) The variation between R.E. and actuals during 1998-99 and 1999-2000 was very nominal (Rs. 2.01 crore and Rs. 3.30 crores respectively).
- (iii) During the year 2000-2001, there has been under spending of Rs. 324.43 crores over the R.E. provisions of Rs. 8869.55 crores which was almost entirely due to the fact that North Eastern States could not claim the entire 10% allocation earmarked for them during the year. Out of Rs. 676.00 crores earmarked for North Eastern region, there had been a saving of Rs. 320.24 crores which was ultimately transferred to the Non-lapsable pool for North eastern region.
- (iv) For the year 2001-2002, the Committee has observed that though Rs. 1401.50 crores were provided at RE stage, the allocation could not be spent fully as Rs. 1273.27 crores were left as balance thereby nullifying the increase in the allocation of R.E. stage. In this connection it may be mentioned that, as will be seen from sub-para (v) Para 2.1 of Chapter-II of the Report, the underspending of Rs. 1273.27 crores was based on the releases made upto 18th March, 2002. In the period between 18th March, 2002 to 31st February, 2002, this Department was able to release another Rs. 1236.58 crores under various Programmes, thereby registering a saving of Rs. 36.69 crores only at the close of the financial year, which was again primarily due to North Eastern States not claiming the entire 10% allocation under a few programmes.

In order to ensure that there is no unnecessary accumulation of funds in the hands of the State level agencies and at the same time, the implementation of the programmes is not adversely affected, and that the flow of funds to, and their utilization by, the implementing agencies is regulated and monitored in an effective way, the Government of India have adopted the following procedure in the release of funds under various Centrally Sponsored Schemes of this Department:—

The number of instalments has been kept at two, the first instalment of 50% being released on ad-hoc basis. The second instalment may be released on the fulfillment of all other conditions, with the following modifications:—

- (1) the quantum of second instalment releases may be made dependent on the time by reporting of utilisation. Depending on the receipt of complete proposal for second instalment, the quantum will be governed as below:

Proposals received in December	— 50% of allocated funds
Proposal received in January	— 40% of allocated funds
Proposal received in February	— 40% of allocated funds
Proposal received in March	— 20% of allocated funds

- (b) It has also been decided to restrict the permissible carry over balance to 15% of the previous year's allocation.

To avoid recurrence of savings on account of reasons given above and to ensure proper and timely implementation of various Rural Development programmes, the Ministry has also taken/initiated the following steps/actions:

- * The Minister of Rural development and the Ministers of State for Rural Development visit States/UTs and review the performance of Programmes with the Chief Ministers, Ministers and Officials concerned with the implementation of the Programme.
- * The Ministry has constituted a Performance Review Committee under the Chairmanship of Secretary (RD), having representation from Planning Commission, Central Ministries of Finance, Statistics and Programme

implementation, Environment and Forests and all State Secretaries in-charge of Rural development as its Members. The meetings of the Performance Review Committee provide a forum for discussing bottlenecks in the implementation of the Programmes and taking immediate corrective actions to smoothen and streamline the implementation process.

- * The Ministry has an Area Officers Scheme in which all Officers of the rank of Deputy Secretary and above have been appointed Area Officers for one or more State. The Area Officers are required to visit the allocated State(s) regularly and visit a few villages where RD Programme are implemented and physically verify the assets created, to the extent possible, individual, social and community assets are verified and the quality and maintenance of assets in the selected villages are looked into. By way of follow up action, letters highlighting major issues, brought out in the Areas Officer's Reports, are sent to the Chief Secretary of the concerned State Government (with copy endorsed to secretary, Rural development) for follow-up action.
- * The Ministry has issued instruction to the States/UTs for constitution of Monitoring and Vigilance Committee at the State, District and Block levels. These Committee are to supervise, exercise vigilance and monitor the implementation of all Programmes of the Ministry in the Districts and hold meetings at least thrice a year.
- * An initiative has recently been taken to strengthen the monitoring and quality of implementation of Programmes of the Ministry by introducing a Pilot Programme of District Level Monitoring (DLM) in the selected Districts through round the year monitoring by External Agencies.
- * The Ministry has introduced a four pronged strategy for improving the quality of implementation of its Programme at the grass-roots level and improving delivery of benefits, which consists of the following components:
 - (i) Creation of Awareness about the Schemes,
 - (ii) Transparency,
 - (iii) People's Partnership,
 - (iv) Accountability—Social Audit through Gram Sabhas.

- * The measures together with strict adherence of provisions made in the guidelines of the scheme while releasing the next instalment of grants definitely acts as a check point and follow up action after the release of grants.
- * Periodical meetings with State Secretaries in charge of Rural Development Programmes and the annual workshop of Project Directors provide adequate interaction/platform to guide the implementing agencies to ensure that the utilization of grant is always at its optimum level.
- * Second instalment or the next instalment of funds under the scheme is released only after the Utilization Certificates and Audit Reports of the grants released to the States during previous years are submitted by them along with other documents/certificates as required by the guidelines.

By following the aforementioned system of financial management and monitoring mechanism and various other steps that may be taken up during the course of the 10th Plan period, it is felt the Department will be able to achieve the entire financial as well as physical targets set for 10th Plan.

[Ministry of Rural Development O.M. No. H-11020/3/2002-GC(P)
dated 10.9.2002 Department of Rural Development]

Comments of the Committee

(Please see Paragraph No. 10 of Chapter I of the Report)

Recommendation (Para No. 2.7)

The Committee desire that utmost care should be taken by the Department to contain the non-plan expenditure to the extent possible.

Reply of the Government

The economy instructions issued by the Ministry of Finance from time to time will be strictly followed to ensure that the non-plan expenditure is kept within the permissible limit.

[Ministry of Rural Development O.M. No. H-11020/3/2002-GC(P)
dated 10.9.2002 Department of Rural Development]

Recommendation (Paragraph No. 2.21)

The Committee are unable to comprehend the reason given by the Department for transferring NSAP and Annapurna scheme to the State Government that the State Governments have their own pension scheme and it will provide necessary flexibility to the States in implementation of the schemes. While admitting that it is true that State Governments have their own pension schemes, the Committee find that the Central allocation provided for the above mentioned schemes was an additionality to the State Governments. The Committee observed during their on the spot study visits that the Central pension of Rs. 75 was being added to the State Government's pension amount and as such a good amount was being provided to each old age beneficiary to provide sustenance. They also note that the 10th Plan Working Group had recommended the transfer of the scheme to Department of Social Justice and Empowerment. They also note that one component of the scheme that is National Maternity Benefit Scheme has already been transferred to the Ministry of Health and Family Welfare during the year 2001. In this scenario, the Committee feel that there is no planning on the part of the Government while launching certain schemes. After one or two years of the implementation of the scheme one part is transferred to the one Ministry or to the other Ministry and now the remaining parts are being transferred to the State Governments. In case any irregularities or lacunae are being felt in the implementation of the scheme the corrective steps should be taken by the Central Government instead of transferring schemes to the State Governments. They recommend to the Government to reconsider the decision of transferring the said schemes to the State Governments in view of the Committee's strong reservations.

Reply of the Government

The Finance Minister's Budget Speech for 2001-2002 had stated 'the Planning Commission has commenced the task of preparing the Tenth Plan. Given the severity of resources constraints, improvement in the quality of government spending is of the essence. It has, therefore, been decided to subject all existing schemes both at the Centre and State levels, to zero based budgeting and to retain only those that are demonstrably efficient and essential. Furthermore, all Schemes that are similar in nature will be converged to eliminate duplication. Centrally Sponsored Schemes that can be transferred to States will be identified.

2. Accordingly, a Zero Based Budgeting (ZBB) exercise was undertaken in the Planning Commission, under which, in consultation with the Ministry of Rural Development, the National Social Assistance Programme (NSAP) and the Annapurna Scheme had been identified for transfer to the States, it being observed that most of the States have their own Old Age Pension/Welfare Schemes and were merging the same with the funds available under the NSAP for the purpose of providing pensions/benefits to the poor. Such a transfer of the Schemes would enable the State to enhance the coverage under the Programmes and implement the Schemes more effectively.

3. It is expected that the transfer of these Schemes to the State Plan will provide the requisite flexibility to the States/UTs in the choice and the implementation of the same. The funds for the operation of the Schemes will be released as Additional Central Assistance (ACA) to the States/UTs by the Ministry of Finance.

4. In the Guidelines issued to the States regarding the transfer of the Schemes (copy enclosed), care has been taken to see that the States/UTs continue to provide necessary budget allocation for the ongoing Welfare Schemes. In order to insure that a minimum level of expenditure is incurred on the Welfare Schemes, it has been decided that the Additional Central Assistance to the States should constitute a genuine additionally over and above the normal allocation of the State for such Welfare Schemes as reflected in the State's budget, both under Plan and Non-Plan. The CA provided to the State/UTs under NSAP and the Annapurna Scheme could be utilized by the States/UTs on Welfare Schemes of Old Age Pension, Family Benefit or free food-grains to the aged by taking up one or two or all of the three (or in any other combination) in accordance with their priorities and needs. The States/UTs are required to provide a Mandatory Minimum Provision (MMP) for these Schemes in their own Budget. The Mandatory Minimum Provision would be calculated as equivalent to the States' Budget Provision or actual expenditure, whichever is higher, for these Schemes during the year 2000-2001, and the ACA allocation for the year concerned. It is expected that the States/UTs would increase their own Budget provisions for the Welfare Schemes over and above the MMP, depending upon their resources position.

5. As regards the transfer of the National Maternity Benefit Scheme to the Department of Family Welfare, it may be stated that in the Second Meeting of the Group of Ministers to consider the National Population Policy (held on 15.6.1999), it was agreed that the National Maternity Benefit Schemes (NMBS) be assigned to the Department of Family Welfare to become part and parcel of the Population Stabilization Programme. In accordance with this decisions, the NMBS was transferred to the Department of Family Welfare with effect from 1st April, 2001.

[Ministry of Rural Development O.M. No. H-11020/3/2002-GC (P)
dated 10.9.2002 Department of Rural Development]

Comments of the Committee

(Please see paragraph No. 19 of Chapter I of the Report)

Recommendation (Paragraph No. 2.30)

The Committee urge the Union Government to examine the request of the Jammu and Kashmir Government for giving more allocation under different centrally sponsored schemes/programmes in view of the reasons indicated by the State Government. The Committee would like to be apprised about the reactions of the Government in the matter.

Reply of the Government

No Programme Division in the Ministry have confirmed receipt of request for more/additional allocation of funds from the Government of Jammu & Kashmir, even as it does not seem feasible, at present, to consider increase in the allocations under different Centrally Sponsored Schemes/Programmes to Jammu & Kashmir, the funds being allocated to the States/UTs based on prescribed criteria such as the poverty ratio, determined by the Planning Commission. Under the Integrated Wastelands Development Programme (IWDP), the Drought Prone Areas Programme (DPAP) and Desert Development Programme (DDP), which are project based, any possible increase of funds for implementation of such Programmes could be considered if appropriate project proposals in this behalf are forwarded by the State authorities.

[Ministry of Rural Development O.M. No. H-11020/3/2002-GC (P)
dated 10.9.2002 Department of Rural Development]

Recommendation (Paragraph No. 3.9)

The Committee during study visits undertaken during the year 2000-2001, had observed that the Banks were not cooperative in sanctioning/releasing loans under the scheme. The bankers were not only wary about investing funds on BPL persons, but the various guidelines of SGSY were also flouted by them. Another surprising fact noticed by them is ignorance of bankers about the specific guidelines of RBI issued with regard to providing assistance to IRDP defaulters having due up to Rs. 5000. Besides, there is much delay in publishing of BPL list by the Department of Rural Development. The Committee take all these irregularities in implementation of the programme very seriously and urge the Government to take corrective steps in this regard. On the issue of collateral security, the Committee are concerned to note, whereas the guidelines are very clear that collateral security is not required to sanction loan by the Banks under SGSY, the same is always insisted upon by the Bank. The Committee recommend that the Department should pursue the issue with RBI and ensure that no complaint in this regard is received in future.

Reply of the Government

The Ministry is aware of the instances of lack of cooperation by Banks in the implementation of the SGSY inspite of specific instructions issued by the RBI and NABARD to treat sanctioning of loans under the SGSY as advances under the priority sector and disposal of loan applications within fifteen days to one month and disbursement within two months. On a number of occasions, the State Government have brought to the notice of the Ministry instances of large number of pending applications with Banks and also cases of under-financing. As and when such instances are brought to the notice of the Ministry, the same are immediately brought to the notice of the RBI and the Ministry of Finance, (Banking Division) as also the Head Office of the concerned Banks for corrective/remedial action.

2. The matters regarding pendency of loan applications and under financing were discussed in the recently held meeting of the Central Level Coordination Committee (CLCC) on 3rd June, 2002 at NIRD, Hyderabad. In order to ensure Bankers participation in the implementation of the Programme, the Committee has recommended, inter alia, regular, combined Training Programmes for the Bankers and Government functionaries, separate instructions by the RBI to all Banks

to ensure participation of the Bankers in the Block Level/District Level SGSY Committee Meetings, field visits of Monitoring Committee of the SGSY to States where mobilisation has been poor and where there are cases of under financing, organization of one day intensive Training Programme/Workshop about SGSY for the bankers, reiteration of instruction by RBI to banks to adhere to time schedule in processing, sanctioning and disbursement of loans.

3. The Banks have been asked by the RBI to set up SGSY Cells at Regional/Zonal Offices; these Cells will periodically monitor and review the flow of credit to SGSY swarozgaris so as to ensure effective implementation of the Scheme which provides for setting up of similar Committees at Block/District/State and Central levels.

4. Most States have finalised and published the BPL list. A Statement indicating the State-wise results of BPL Census for the Eighth and Ninth Plans is enclosed. (at Annexure-II)

5. As regards bankers not being aware about specific Guidelines of the RBI issued with regard to providing assistance to IRDP defaulters having dues upto Rs. 5000, the RBI was requested (by this Ministry) to reiterate its instructions to all Scheduled Commercial Banks for compliance. The RBI has since issued a Circular to this effect.

6. The issue of security norms under the SGSY was placed for consideration of the CLCC in the Meeting held on 3rd June, 2002, with a view to enhancing the Group Loan Limit from the existing Rs. 3 lakhs to Rs. 5 lakhs for exemption of collateral security. The proposed enhancement was agreed to in the CLCC Meeting with upper ceiling of Rs. 5 lakhs, irrespective of the size of the Group or pro rata per capita loan to the Group. It was also noted that while deciding the collateral security, the total project cost (including subsidy) would be taken into consideration. The RBI have been requested to issue suitable instructions to that effect.

[Ministry of Rural Development O.M. No. H-11020/3/2002-GC (P)
dated 10.9.2002 Department of Rural Development]

Recommendation (Paragraph No. 3.13)

The Committee note that in pursuance of their recommendation, the Government is considering to allow 20 per cent APL members in a Self Help Group formed under SGSY. They hope that the final decision in this regard will be taken expeditiously by the Government and the Committee be apprised accordingly.

Reply of the Government

The necessary amendment in the Guidelines of the SGSY in regard to the inclusion of members from APL category in the Self Help Groups formed under the SGSY has been approved and communicated to the States/U.T.s. As per the amended provision, generally all members of the Group should belong to families below the poverty line. However, if necessary, maximum of 20% and in exceptional cases, where essentially required, upto a maximum of 30% of the members in a Group may be from families marginally above the Poverty Line living contiguously with BPL families (and if they are acceptable to the BPL members of the Group). The APL members of the Self Help Group shall not become office bearers of the Group and will not be eligible for Subsidy under the Scheme.

[Ministry of Rural Development O.M. No. H-11020/3/2002-GC (P)
dated 10.9.2002 Department of Rural Development]

Recommendation (Paragraph No. 3.17)

The Committee note that whereas 3% of the handicapped persons have to be covered under SGSY, their actual coverage is less than 1%. One of the major factors as admitted by the Department for not fulfilling the targets is lack of sensitisation towards the problems of the disabled persons by the field implementing agencies. The Committee take this issue very seriously and are of the view that the implementing agencies are perhaps not keen to involve the disabled persons in formation of Self Help Groups for the reason best known to them. The Committee are of the opinion that attitude towards the disabled need to be changed and their involvement at every stage should be treated as productive. For this, proper initiation, orientation and sensitisation programme need to be organised through audio and visual media and also through persuasion and discussion. Much is required to be done. While the world is going ahead in turning the disabled into assets, India is lagging behind and finding scapegoats in defence of their failures. They appreciate that recently the issue has been addressed by the Department and NGOs and DRDAs representatives of five districts have been imparted training by Rehabilitation Council of India (RC), New Delhi. They would like that similar training is imparted to the persons involved in the implementation of the programmes including the NGOs. Besides, they would also like that various prestigious institutions involved in

imparting training in respect of various rural development schemes like NIRD, SIRD and ETC, should also include in their curriculum, the problems of disabled and their participation in Poverty Alleviation Programmes.

Reply of the Government

In the recent amendments, to the SGSY Guidelines, modifications in regard to Disabled persons have been incorporated in order to increase their coverage under the Scheme. As per the amended provision, subsidy for Disabled will be 50% of the project cost, subject to a maximum of Rs. 10,000/- and a Self Help Group of Disabled may consist of families below the poverty line. However, if necessary, a maximum of 20% and in exceptional cases, upto a maximum of 30% of the members in a Group may be from families marginally above the poverty line, if acceptable to the BPL members of the Group. Further, APL members of the Group will neither be eligible to hold any office in the group nor subsidy for economic activity under the Scheme. A Group may comprise of persons with diverse disabilities or disabled and non disabled from Below Poverty Line families.

[Ministry of Rural Development O.M. No. H-11020/3/2002-GC (P)
dated 10.9.2002 Department of Rural Development]

Recommendation (Paragraph No. 3.22)

The Committee find that the challenges of poverty alleviation would be more during the coming years. As reported by Tenth Plan Working Group, 50 million additional rural poor households would be added to the existing number of Below Poverty Line persons in the country. In view of this scenario, the Committee urge that the stress of the Department should be to enable the person assisted under the programme to set up viable enterprises so as to enable him to cross the poverty line. Besides Bankers non-cooperative attitude towards Below Poverty Line (BPL) persons in respect of providing multi does of assistance as dealt in detail in the earlier part of the report has to be corrected. Further, as recommended by the Working Group much as to be done to motivate Banks and NGOs to the active partner to make the movement a success.

The Committee hope that the various recommendations made by the Working Group are taken note by the Department and the required steps taken in this regard without further delay.

Reply of the Government

The SGSY is a credit linked scheme, wherein, credit is the key component and subsidy is only an enabling element. Accordingly, Banks have been involved in all stages of implementation of the Programme i.e. identification and selection of key activities, preparation of project reports, selection of Swarozaris, formation and training of Self Help Groups, grading of groups, disbursement and recovery of loan. The Scheme is monitored through important qualitative indicators like Per Capita Investment and Subsidy Credit ratio which are directly related to the quantum of credit disbursed by Banks. Training and Sensitisation programmes for the Bank functionaries for motivation and to treat the SGSY as a business opportunity and not as just another Scheme are organised by the DRDAs.

Recently, amendments have been incorporated in relevant portions of the SGSY Guidelines relating to recommendations of the National Conference held last year, and the Report of the Working Group on Poverty Alleviation for the Tenth Five Year Plan, which include, allowing members from APL category to become members of the Self Help Group, flexibility to the States in utilisation of funds for Training and Capacity building, Revolving Fund and Subsidy as per the prevailing situation in the Districts and stage of social mobilisation and Group formation, besides involvement of NGOs/CBOs, a provision has been made to utilise the services of individuals as Community Coordinator/Animator for social mobilization, Group formation and training, DRDAs to facilitate in organising networks of SHGs (i.e. Federations) at appropriate levels once SHGs have reached the stage of maturity. These amendments have been incorporated to afford more flexibility to the States/DRDAs in implementation of the Programme and to make the Scheme more effective.

[Ministry of Rural Development O.M. No. H-11020/3/2002-GC (P)
dated 10.9.2002 Department of Rural Development]

Recommendation (Paragraph No. 3.25)

The Committee find that the percentage of utilisation of funds during 2000-2001 is not satisfactory in some of the States. Most of the States have reported less than 70% of the utilisation. As assured by the Department, they hope that the percentage of utilisation would improve during 2001-2002. As regards the position of Manipur, Dadra

and Nagar Haveli and Nagaland, the utilisation position in Performance Budget has been indicated as nil, whereas as per the reply of the Government actually these States have not furnished the utilisation certificate. The Committee urge the Government to find out the reason for not furnishing the utilisation certificates by the said States and apprise the Committee accordingly. They also feel that the Budget documents should given correct and clear picture of resources utilisation by each and every State/UT. They, therefore, urge the Government to take necessary steps in this regard in future.

Reply of the Government

The percentage utilisation of funds to total available funds during 2001-2002 was 73.49. The utilisation is more than 75% in all the States/ U.Ts, except Arunachal Pradesh, Assam, Bihar, Goa, Jharkhand, Meghalaya, Nagaland, Uttar Pradesh, West Bengal, Andaman Nicobar Islands, Daman & Diu, Pondicherry and Lakshadweep. The utilisation is likely to improve in Meghalaya, Nagaland, Daman & Diu and Lakshadweep (Progress Reports for the month of March are awaited). In regard to Nagaland, the utilisation is 31.57% (upto December, 2001). The Progress Reports for the months of January, February and March are awaited. The Progress Reports from Manipur and Dadra & Nagar Haveli are not being received and the respective Governments are being reminded continuously; the last reminder was sent on 13th May, 2002 by the Ministry of Rural Development.

[Ministry of Rural Development O.M. No. H-11020/3/2002-GC (P)
dated 10.9.2002 Department of Rural Development]

Recommendation (Paragraph No. 3.30)

While appreciating the fact that sufficient provision has been made for infrastructure development under the guidelines, the committee would like the Department to evaluate whether sufficient attention is being given by the various implementing authorities in this regard. While noting that few States have so far sent their demand for infrastructure development, the department should motivate other States to come forward with suitable proposals for infrastructure development.

Reply of the Government

As per the Guidelines of the Swarnjayanti Gram Swarozgar Yojana the District Rural Development Agencies (DRDAs) are entitled to incur

expenditure for a maximum of 20% of the total annual allocation (25% in case of North Eastern States) on infrastructural development. State-wise expenditure on infrastructure in the last year 2001-2002 (upto March, 2002) is enclosed at Annexure-III.

2. Under the Special Project Component of the SGSY, projects are sanctioned and funds released to various states to build up and develop the existing infrastructure of different kind. The objective of each special project is to ensure a time bound programme for bringing a specific number of BPL families above the Poverty line through Self-Employment programmes. The projects posed under the Special Project may involve different strategies to provide various self-employment opportunities either in terms of organization of rural poor or provision of support infrastructure, technology, marketing, training etc., or a combination of these. So far, 80 Special Projects have been approved and sanctioned to 21 States and Nehru Yuva Kendra Sangathan (NYKS) which includes various activities relating to the development of Dairy, Fisheries, Mushroom, Sericulture, Horticulture, Pisciculture, Handlooms, Marketing, land based activities like creation of Water Harvesting Structures such as dams, stop dams and Lift Irrigation, etc. the Ministry of Rural Development has revised its earlier guidelines of the SGSY Special Project to motivate the States to come forward with suitable proposals for infrastructure development.

3. In addition, this year, under the normal SGSY, a sum of Rs. 5 crores has been specifically earmarked for the development of marketing infrastructure where the funds will be utilized for establishment of District Rural Produce Marketing Centres.

[Ministry of Rural Development O.M. No. H-11020/3/2002-GC (P)
dated 10.9.2002 Department of Rural Development]

Recommendation (Paragraph No. 4.27)

The Committee find that one of the new features included in SGRY is the provision of foodgrains. There is provision of distribution of foodgrains at the rate of 5 kg. Per manday to the workers as part wages for which Rs. 5,000 crore have been earmarked during 2002-2003. While appreciating the provision of distribution of foodgrains as part of wages under the programme, the Committee have their apprehension about the quality of the foodgrains to be supplied to the workers. The Committee urge the Development to find out a fool

proof mechanism to ensure that the quality of foodgrains that will be supplied to the labourers is up to the mark and the workers get full quantity as per their entitlement. To achieve this objective the guidelines should clearly stipulate as to who would be responsible for any shortfall in the quality/quantity of the foodgrains.

While the Committee notes that the “Gram Anna Bhandar” scheme is being run by the Ministry of Tribal Affairs, they find no reasons for not permitting construction of such Anna Bhandars at the District level under EAS programme, particularly, when infrastructure development work can be undertaken under the EAS. They, therefore, recommend that the Government should chalk out a programme for construction of Gram Anna Bhandar in coordination with the Ministry of Tribal Affairs, particularly when the country is facing acute shortage of space to store the surplus foodgrains.

Reply of the Government

The SGRY guidelines mention that the distribution of foodgrains will be made to the workers, most preferably at the work site. In the event of the workers belonging to certain habitation and should they choose to receive food grains in their Habitation, the same could be organized. While the State Govts. would have the option of utilizing the system of PDS for distribution of foodgrains, it will have to be ensured that effective safeguards are in place to avoid leakages. The payment of wages, in cash as well as in foodgrains, should be made at least once, every week. The Deptt. of Rural Development intimates the quantity of foodgrains (to be released under the stream-I & stream-II to the States/UTs) to the Deptt. of Food & Public Distribution with District-wise details in the beginning of the year. The Deptt. of Food and Public Distribution in turn sends appropriate advice to the FCI, under intimation to the Secretary (RD) of the States/UTs for release of foodgrains for its designated Depots. At the District level, the Project Director, DRDA co-ordinates the release and lifting of stocks under the Programme. No payment is required to be made to the FCI at the Depots by the DRDA or any Authorised Agency for lifting the foodgrains. The instructions have also been issued to the FCI to provide ‘Fair Average Quality (FAQ)’ foodgrains for distribution. The concerned officials of the DRDA/ZPs are required to conduct inspection of the stocks before taking delivery of the same to ensure that foodgrains below the FAQ are not accepted. For lifting of quality foodgrains from FCI godowns, individual officers will be held responsible. As

regards the Anna Bhandar for foodgrains the storage infrastructure if not available at village levels can be got constructed from the funds made available to Village Panchayats under the levels can be got constructed from the funds made available to Village Panchayats under the SGRY, as per the guidelines. However, the "Grain Bank Scheme" on limited Scale is being implemented by the Ministry of Tribal Affairs in tribal areas of the country.

[Ministry of Rural Development O.M. No. H-11020/3/2002-GC (P)
dated 10.9.2002 Department of Rural Development]

Recommendation (Paragraph No. 5.30)

The Committee find that 10th Plan Working Group have stressed that housing unit should be provided in the form of package comprising of rain water harvesting, sanitation, etc. and accordingly the unit cost should be revised upwards. The Secretary during the course of oral evidence has stated that they require more funds to implement the above mentioned recommendation of the Working Group. The Committee recommend that the recommendation made by the Working Group should be implemented and adequate outlay should be provided during 10th Plan.

Reply of the Government

Planning Commission will be requested to consider enhancement of ceiling cost per dwelling unit so that according to the recommendation of 10th plan working group, the housing unit in the form of package could be provided.

[Ministry of Rural Development O.M. No. H-11020/3/2002-GC (P)
dated 10.9.2002 Department of Rural Development]

Recommendation (Paragraph No. 5.31)

While analyzing the position of outlay and expenditure under one of the oldest and biggest housing schemes of the Department, *i.e.* IAY, the Committee find that during 2000-2001, there was under-spending of Rs. 46.58 crore. Further, during 2001-2002 at RE stage Rs. 464 crore was provided more under the scheme but there was under-spending of Rs. 427.61 crore as compared to RE during 2001-2002. They disapprove the way the projections are being made for demanding more outlay at RE stage. They strongly recommend that proper

assessment of the funds required and planning should be done meticulously and realistic targets should be fixed to demand the outlay specifically at RE stage. Besides, when the additional outlay is provided at RE stage, it should be ensured that there is cent per cent utilization of outlay.

Reply of the Government

During the year 2001-2002, Budget allocation for Rural Housing Was Rs. 1725 crores and additional funds amounting to Rs. 266 crore were also provided for the Scheme thus the total Budget available for the Scheme Was Rs. 1991.00 crore. Out of this, Rs. 175.50 crore was meant for North Eastern States including Sikkim. The entire allocated amount of Rs. 1815.50 crore for non-NE States was utilized. Out of the allocation of Rs. 175.50 crore for N.E. States, a sum of Rs. 129.83 crore was utilized. Out of the allocation of Rs. 175.50 crore for N.E. States, a sum of Rs. 129.83 crore was utilized. The funds left unutilized amounting to Rs. 45.67 crore were from the allocation meant for N.E. States which, if unutilized, goes to Non lapsable pool and which may not be regarded as under spending.

[Ministry of Rural Development O.M. No. H-11020/3/2002-GC (P)
dated 10.9.2002 Department of Rural Development]

Recommendation (Paragraph No. 5.32)

The Committee find that Rural Building Centres have been financed by HUDCO only in case of seven States/UTs. They also note that the scheme of setting up of Rural Building Centre is a demand driven scheme. They urge the Government to take necessary steps to create awareness of such schemes amongst the States so that proposals from the remaining States are forthcoming.

Reply of the Government

Desired awareness has been created among the State Governments and a large number of proposals for setting up of Rural Building Centres have been received from most of the States. So far 56 Rural Building Centres worth Rs. 8.23 crore spreading across the States of Andhra Pradesh, Assam, Bihar, Goa, Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Manipur, Nagaland, Orissa, Rajasthan, Tamil Nadu, Uttaranchal & Uttar Pradesh have been approved.

[Ministry of Rural Development O.M. No. H-11020/3/2002-GC (P)
dated 10.9.2002 Department of Rural Development]

CHAPTER III

RECOMMENDATIONS WHICH THE COMMITTEE DO NOT
DESIRE TO PURSUE IN VIEW OF GOVERNMENT'S REPLIES

NIL

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

Recommendation (Paragraph No. 2.14)

The Committee find that a number of irregularities have been noticed in respect of implementation of various schemes/programmes of the Department in respective States/UTs by the area officers visiting the implementing sites of the schemes/programmes. These are matters of great concern. Each irregularity noticed need to be addressed earnestly and ameliorative measures to be spelled out side by side. The Committee elude the monitoring work done by the concerned officers but at the same time much introspection and analysis is necessary to get at the root cause. The Committee, therefore, would like to be apprised about the corrective measures contemplated, steps taken/proposed to be taken by the Department to ensure that the different schemes are implemented according to the specific guidelines and the deficiencies removed. The most disturbing fact, as noticed by the area officers is that the beneficiaries under the respective schemes did not belong to BPL category, and the Gram Sabha meetings are either not held or if held, these are not held in accordance with the guidelines. In view of the fact that different schemes of the Department are meant to bring BPL category of persons above the poverty line, the objectives of the schemes are defeated if the eligible category of persons are not being benefited. This is a very serious flaw and the Committee strongly recommend to the Government to write to the State Governments about this and take strict actions to ensure that only the eligible and genuine beneficiaries are benefited under the schemes. Besides, people's participation is missing, when the beneficiaries are not identified/selected during the Gram Sabha meetings. The Committee would like that all the discrepancies mentioned above are taken note of by the Department seriously and the Committee apprised about the action taken in this regard.

Reply of the Government

The Ministry of Rural Development have issued detailed Guidelines for implementation of each of its Programmes/Schemes. These Guidelines, contain, *inter-alia*, the manner in which the beneficiaries are to be identified and transparency is to be maintained in the implementation. The Guidelines stipulate that the beneficiaries are to be selected by the Gram Sabha out of the BPL list approved for the village on the basis BPL Census conducted at the beginning of Five Year Plan, with the involvement of the Gram Sabhas. The States/UTs are reminded, from time to time, about the need for adherence to the guidelines. In particular, the observations of the Committee have been communicated to all State Governments/UT Administrations for taking corrective measures including identification of eligible and genuine beneficiaries.

The issues and deficiencies brought out in the Area Officers Reports are forwarded to the State Authorities for taking corrective measure sand removing the deficiencies, if any, noticed, State Governments are also required to submit to the Ministry action taken report on the Area Officers Reports.

The State Governments/UT Administrations have been advised to constitute Vigilance and Monitoring Committees at the State/District/Block levels to monitor the implementation of the Programmes and introduce greater transparency. These Committees, *inter-alia*, include MPs/MLAs, representatives of recognised political parties and NGOs. Such committees have been set up at all these levels, in all the States except Karnataka and Jammu and Kashmir where separate Committees exist for this purpose.

The Ministry, inter alia, have introduced a four pronged strategy comprising creating of awareness, transparency, people's partnership and accountability (social audit) through Gram Sabhas with a view to ensuring that the different schemes are implemented according to the specific guidelines and to remove deficiencies. The State Governments/UT Administrations have been advised to implement this strategy at all levels, which would ensure better implementation of the programmes and lead to removal of the existing deficiencies, involvement of people, increased role for the Gram Sabhas and accountability of the Implementing Agencies.

[Ministry of Rural Development O.M. No. H-11020/3/2002-GC (P)
dated 10.9.2002 Department of Rural Development]

Comments of the Committee

(Please see paragraph No. 13 of Chapter I of the Report)

Recommendation (Paragraph No. 2.15)

The Committee appreciate the gearing up of monitoring mechanism by the Department by expanding the activity of the area officer's scheme. While they have no objection in the increased outlay for travel expenses of the officers visiting various implementing sites, they would like that the Department should ensure that every paisa meant for the rural masses is meaningfully utilised. Besides, the Committee also recommend that whenever a team of area officers visit a particular implementing site, the local MP/MLA of the area should be informed prior to the visit so as to enable him to accompany the area officer and be a participatory in the monitoring mechanism of the Central Government. They hope that the Department would take care of this while planning the visits of area officers.

Reply of the Government

The Area Officers' Scheme of the Ministry has been recently reorganised to serve as an important mechanism for monitoring major poverty reduction programme of the Ministry with special reference to quality, timeliness and proper achievement of physical and financial targets.

The Minister of Rural Development himself has been visiting the States and reviewing the progress of implementation of the schemes and utilisation of funds. During these reviews, the Chief Ministers, Ministers and Officials concerned in the States are impressed upon the need for better utilisation of funds and to ensure that the full benefits reach the target group.

Ministry of Rural Development have advised all the State Governments/Union Territory Administrations to inform the local MP/MLAs prior to the visit of area officers so that these elected representatives will be able to accompany the Area Officers and be a participatory in the Monitoring Mechanism, if they so desire.

[Ministry of Rural Development O.M. No. H-11020/3/2002-GC (P)
dated 10.9.2002 Department of Rural Development]

Comments of the Committee

(Please see paragraph No. 16 of Chapter I of the Report)

Recommendation (Paragraph No. 3.28)

The Committee feel that to make the programme a success, there is an urgent need for a coordinated approach on the part of Bankers, NGOs, Panchayat/Implementing agencies and Government officials. To achieve the desired results, a mission mode approach is necessary. The Committee hope that the Department would look into this aspect and take the desired action. The Committee also recommend that to know the ground reality in respect of the implementation of SGSY and to provide the necessary feed back to take the corrective steps for the better implementation of the Yojana concurrent evaluation should be commissioned expeditiously.

Reply of the Government

The SGSY lays emphasis on close involvement and coordination of different agencies such as District Rural development Agencies (DRDAs), Panchayati Raj Institutions (PRIs), Banks, Line Departments and NGOs in planning, implementation and monitoring of SGSY to ensure its success. The DRDAs are expected to coordinate the implementation of the programme with concerned agencies. Training and sensitization of all the agencies involved in implementation of the programme are being conducted by the DRDAs on regular basis to instill confidence in them about the programme. Recently, in the meeting of the Central Level Coordination Committee (CLCC) held on 3rd June, 2002 convergence with other Government Departments/Agencies was also discussed.

The concurrent evaluation of the scheme is under progress in all Districts of the country.

[Ministry of Rural Development O.M. No. H-11020/3/2002-GC (P)
dated 10.9.2002 Department of Rural Development]

Comments of the Committee

(Please see paragraph No. 25 of Chapter I of the Report)

Recommendation (Paragraph No. 4.26)

The Committee find that the well established programmes JGSY and EAS have been merged and restructured by the Department. Some of the new features like provision of foodgrains have been introduced in the newly structured scheme i.e. SGRY. The Committee note though programme has already started operating w.e.f. 1st April, 2002 the detailed guidelines are yet to be finalised in consultation with the Planning Commission. They have repeatedly been stressing that the Government should do proper planning before restructuring a programme so that there is no confusion in the minds of the implementing authorities and the scarce resources are properly utilised. In spite of that, the schemes are hurriedly restructured and closed. The final result being huge unspent balances with the respective State Governments. Frequent changing of the programme shows that the Government have not given enough considered thought before launching a scheme. The approach paper of the 10th Five Year Plan indicates serious weaknesses in the wage employment programme. The reply given by the Department is not convincing and it attempts to sidetrack the issues. The Committee feel that this is not the correct approach. The Government before embarking on a new scheme should have addressed the aforesaid shortcomings first. The Committee therefore, disapprove of the way the department is restructuring its programmes frequently. They stress that the detailed guidelines of restructured programme should be finalised without any further delay after taking into account, the recommendations made by them in their earlier reports concerning EAs and JGSY as well as the recommendations made by the Working Group on Wage Employment and Infrastructure Development Programmes and the Working Group on 10th Plan. It should also be ensured that the opening balances with the State Governments in respect of erstwhile JGSY and EAs, are properly utilised.

Reply of the Government

The EAS being the only wage employment programme the JGSY being infrastructural development Programme, it was felt that these two programmes were complementary and therefore could be merged to form one mega scheme namely the SGRY with a new component i.e. foodgrains added to it. The basic idea was to make it more comprehensive and broadbased which could cater to the needs of the unemployed poor in the rural areas. The merger has not in any way

hampered the developmental works started by the erstwhile schemes. As per the SGRY guidelines effective from 1st April, 2002 SGRY Stream-I will be implemented by the Zilla Parishads and the Panchayat Samitis on EAS pattern and SGRY Stream-II will be implemented by the Village Panchayats on the pattern of JGSY. In the guidelines of the scheme it is already mentioned that no new works may be taken up till the ongoing works taken up under the EAS and the JGSY had been completed. Transparency in the maintenance of accounts of the unspent balances available with the districts will be kept. Details of works taken up along with cost estimates are to be displayed at worksite as well as other prominent places such as Panchayat Ghars. Also, the officials at the implementing stage would not face any difficulty which is evident from the progress reports received from the State Govts.

[Ministry of Rural Development O.M. No. H-11020/3/2002-GC (P)
dated 10.9.2002 Department of Rural Development]

Comments of the Committee

(Please see paragraph No. 28 of Chapter I of the Report)

Recommendation (Paragraph No. 5.34)

Committee find that Working Group of 10th Plan have made certain recommendations on Rural Housing. They urge the Government to take the necessary steps to implement the same particularly the strengthening of monitoring mechanism, resource management, proper identification of beneficiaries and availability of technology, which should be user friendly, cost effective and calamity proof. An all out efforts are called for the propagation and promotion of innovative and proven construction technologies, design and materials in the rural areas. More and more NGOs with experience in the above field should be associated.

Reply of the Government

The performance under Indira Awaas Yojana is continuously being reviewed on the basis of the month progress reports received from the States/UTs. It has been made mandatory for the area officers to visit the States regularly to inspect actual implementation of the programme in the field. Hon'ble Minister for Rural Development also visits the States regularly and interact with the state Governments officers to monitor the progress of the Schemes. Further, the implementation of

the Scheme is reviewed by the DRDAs in their meetings from time to time. Further, in order to have enough time for better performance and to avoid piling up of unspent funds towards the close of financial year, the time limit to submit the proposals for release of funds has been preponed to February, 28 instead of 15th March of each year.

Two schemes namely Innovative Stream for Rural Housing and Habitant Development and Rural Building Centres (RBCs) are being implemented with a view to promote cost effective housing technologies in rural areas. Funds under these schemes are provided to Governmental as well as non-Governmental Organizations.

[Ministry of Rural Development O.M. No. H-11020/3/2002-GC (P)
dated 10.9.2002 Department of Rural Development]

Comments of the Committee

(Please see paragraph No. 36 of Chapter I of the Report)

Recommendation (Paragraph No. 5.35)

The Committee find that the Government have the goal of ending shelterlessness and conversion of all unserviceable kutcha houses to pucca/semi pucca houses by the end of Ninth Plan period. Since the Ninth Plan is already over, they would like to be apprised how far the set targets have been achieved.

Reply of the Government

Since inception of the scheme 80.80 lakh houses have been built under the Indira Awaas Yojana and during the Ninth Five Year Plan, as per latest reports available 43.59 lakh houses(Provisional) have been constructed so far. The Government have the goal of ending shelterlessness and conversion of all unserviceable kutcha houses to pucca/semi pucca houses by the end of the 10th Five Year Plan.

[Ministry of Rural Development O.M. No. H-11020/3/2002-GC (P)
dated 10.9.2002 Department of Rural Development]

Comments of the Committee

(Please see paragraph No. 39 of Chapter I of the Report)

Recommendation (Paragraph No. 6.11)

The Committee appreciate that pursuant to their recommendation made in the their 13th Report, 13th Lok Sabha (refer para no. 2.17) the Department has included a chapter on the status of the implementation of the Constitution (73rd Amendment Act). The Committee have separately taken up the subject 'Implementation of Part IX of the Constitution' and the same is under examination. The detailed analysis in this regard would be made in the report that will be presented to Parliament. However, at this stage, the Committee would like the Government to pay more stress on training of Panchayat Raj functionaries in view of the larger responsibility entrusted to them for implementation of various rural development programmes/schemes. The Committee also, presume that the National Action Plan for imparting training to Panchayats at all levels has been finalised by now. The Committee would like to be apprised about the salient features of the scheme with financial implications and the *modus operandi* of implementation. The Committee also recommend that outlay for training of Panchayats should be enhanced adequately.

Reply of the Government

There are about 3.4 million elected representatives at all levels of Panchayats. Out of these, an overwhelming majority are new entrants. The Constitution having placed enormous responsibility on Gram Panchayats to formulate and execute various programmes of economic development and social justice, elected representatives will have to acquire the required skill and given appropriate orientation. The success of the Panchayati Raj System hinges largely on the extent to which their capabilities are built to perform these functions and responsibilities. Thus, a time bound and systematic training programme to provide orientation of the elected representatives on a very large scale is considered to be the most important pre-requisite for the success of the PRIs. The State/UT Governments are required to work out systematic and comprehensive training programme to train the representatives of PRIS and to generate awareness among the masses at the grass-roots level and to strengthen the Gram Sabha. The Ministry of Rural Development extend limited financial assistance to the States in their effort to train and create awareness among the PRI elected members and functionaries. The budget allocation at the disposal of PR Division has been increased to Rs. 5.00 crores from Rs. 3.00 crores provided earlier. The Training & Research Advisory Committee headed

by Secretary (RD) consider the project proposal received from States Governments and reputed NGOs.

The Government of India in the Ministry of Rural Development and UNDP have launched a sub-programme, namely 'Capacity Building of Elected and Official Functionaries of Panchayati Raj Institutions'. After assessing the training needs, training modules will be prepared for each State and Principal Trainers as well as Training Experts will be trained under the programme.

[Ministry of Rural Development O.M. No. H-11020/3/2002-GC (P)
dated 10.9.2002 Department of Rural Development]

Comments of the Committee

(Please see paragraph No. 42 of Chapter I of the Report)

Recommendation (Paragraph No. 6.12)

The Committee have repeatedly been recommending to merge DRDA with District Panchayats. Similar recommendation has been made by the 10th Plan Working Group. Yet only in four States the objective could be achieved. They stress that further necessary action in this regard should be expedited and the Committee be informed about the outcome.

Reply of the Government

In the Conference of Chief Ministers of States held on 2nd August, 1997 it was broadly agreed that the DRDAs should be restructured before the end of this year so that it functions under the overall control and supervision of the Zilla Parishads. As per the report of the Working Group on 'Decentralised Planning & Panchayati Raj Institutions' for the 10th Five Year Plan it has been recommended that considerable efforts will have to be made in the 10th Five Year Plan to strengthen the process of democratic decentralization. In this process, the administrative backup by transferring control of DRDA to Zilla Panchayats should be accomplished.

[Ministry of Rural Development O.M. No. H-11020/3/2002-GC (P)
dated 10.9.2002 Department of Rural Development]

Comments of the Committee

(Please see paragraph No. 45 of Chapter I of the Report)

Recommendation (Paragraph No. 7.4)

The Committee have examined the guidelines of Pradhan Mantri Gram Sadak Yojana in their 25th Report presented to Parliament on 19th December, 2001. The various issues have been examined in detail and recommendations made accordingly. The Committee hope that the Government would consider their recommendations and make necessary changes in the guidelines. However, as regards the involvement of MPs/MLAs in the implementation of the Pradhan Mantri Gram Sadak Yojana, the Committee find that MPs are being involved after finalising various plans by the District Panchayats. After the plans are finalised by the District Panchayats, the Hon'ble MP has no option but to approve the same. In view of this, the Committee would like that the consent of Hon'ble MP should be obtained before deciding the priority in connection with rural connectivity. The Committee urge the Government to take care of this aspect and issue necessary directions to the State Governments.

Reply of the Government

In so far as Pradhan Mantri Gram Sadak Yojana (PMGSY) is concerned, the relevant guidelines provide for the preparation of District Rural Roads Plans taking into account the views and suggestions of the Hon'ble Members of Parliament. Further, the manual for preparation of District Rural Roads Plan stipulates that the proposals of Hon'ble Members of Parliament should be taken into account at the time of preparation of District Rural Roads Plan while vetting which, the State Level Standing Committee (usually headed by the Chief Secretary), would ensure that the proposals of Hon'ble Members of Parliament have been duly considered.

[Ministry of Rural Development O.M. No. H-11020/3/2002-GC (P)
dated 10.9.2002 Department of Rural Development]

Comments of the Committee

(Please see paragraph No. 48 of Chapter I of the Report)

CHAPTER V

RECOMMENDATIONS IN RESPECT OF WHICH FINAL REPLIES OF GOVERNMENT ARE STILL AWAITED

Recommendation (Paragraph No. 2.28)

The Committee find that a laudable initiative was taken by the Government for the integrated development of the North-East. For the purpose, 10% of the allocated outlay of the Department is being exclusively earmarked to North-Eastern States. The Committee also note that the Department has certain reservations regarding the absorption capacity of the North-Eastern States. Although the allocation in this regard was started since 2000-2001, the utilisation position is very poor. Less than 10% of the allocated outlay could only be utilised and the remaining amount was contributed to non-lapsable pool of resources. Nothing concrete appears to have been done so far to ensure the meaningful utilisation of scarce resources. Although the States were advised to formulate the Perspective Plan for ten years, most of the States are yet to take concrete action in this regard. The Committee, therefore, recommend that the concerned State Governments be persuaded to take timely action to prepare the Perspective Plans and to ensure the absorption capacity of the State Governments. Besides, they would also like that the immediate action should be taken by the Government to consider and implement the recommendations of the inter-Ministerial Committee as given in the Appendix-III, specifically with regard to agreeing to the request of such States for changing the funding pattern from 75 : 25 to 90 : 10 and allowing flexibility for reallocation of rural development funds among various schemes after the approval of the Department of Rural Development.

Reply of the Government

Proposals pertaining to Perspective Plan have so far been received from Mizoram and Nagaland. These proposals are under consideration of the Ministry of Rural development. Rest of the North Eastern States have been repeatedly persuaded to submit the proposals for the Perspective Plan.

Planning Commission has been requested to consider the proposal for changing the funding pattern from 75 : 25 to 90 : 10 for North-Eastern States vide this Ministry's letter No. Z-18011/1/2002-NE, dated 22nd July, 2002 from Minister, Rural Development to Deputy Chairman, Planning Commission.

[Ministry of Rural Development O.M. No. H-11020/3/2002-GC (P)
dated 10.9.2002 Department of Rural Development]

Comments of the Committee

(Please see paragraph No. 22 of Chapter I of the Report)

Recommendation (Paragraph No. 5.29)

The Committee find that there are multiplicity of Central Sector housing schemes. They have repeatedly been stressing in their earlier reports for convergence of various housing schemes. They note that the urgency of convergence of so many housing schemes has at last been recognised by the Government. Besides, the 10th Plan Working Group has also stressed to merge the existing rural housing programmes into a single integrated programme to be implemented throughout the country on a uniform basis. They hope that final decision in this regard is taken without any further delay and the Committee be apprised accordingly.

Reply of the Government

From the financial year 2002-2003 onward, all the existing Rural Housing Schemes are being merged into one to be implemented as an Integrated Rural Housing Scheme. The guidelines of the scheme named as Kendriya Grameen Awaas Yojana are under finalization.

[Ministry of Rural Development O.M. No. H-11020/3/2002-GC (P)
dated 10.9.2002 Department of Rural Development]

Comments of the Committee

(Please see paragraph No. 31 of Chapter I of the Report)

Recommendation (Paragraph No. 5.33)

The Committee find that HUDCO is not able to provide loan in some of the States due to the problem of a guarantor. Neither the State Government nor any agency in the States is ready to stand

guarantor for providing house sin the rural areas. They also find that to overcome this problem, the HUDCO is consulting State Governments for nominating a Nodal Agency for Channeling institutional finance for implementation of various rural housing schemes. The committee appreciate the efforts being made by HUDCO in this regard and also urge the Government to write to the State Governments to nominate a nodal agency through which the loan by HUDCO could be channelised. The State Government should be asked to do the needful in this regard expeditiously sot hat the rural poor do not suffer on account of paucity of funds.

Reply of the Government

As informed by HUDCO, they have again taken up the matter through its Zonal/Regional offices with all the State Governments to formulate substantial number of schemes so that HUDCO's low interest funds allocated for the benefit of rural poor every year are fully utilized by each State/U.T. Chairman cum Managing Director of HUDCO is also taking up the matter with the Chief Secretaries of the concerned States requesting them to nominate a state level nodal agency for channelising institutional finance and monitoring the implementation of rural housing schemes in their respective States.

[Ministry of Rural Development O.M. No. H-11020/3/2002-GC (P)
dated 10.9.2002 Department of Rural Development]

Comments of the Committee

(Please see paragraph No. 34 of Chapter I of the Report)

NEW DELHI;
25 February, 2003
6 Phalguna, 1924 (Saka)

CHANDRAKANT KHAIRE,
Chairman,
Standing Committee on
Urban and Rural Development.

DEPARTMENT OF RURAL DEVELOPMENT

B.E., R.E., Actuals During 9th Plan

(Rs. in crores)

Name of the Schemes	9th Plan Outlay	1997-98			1998-99		
		B.E.	R.E.	Actuals	B.E.		
1	2	3	4	5	6	7	8
Employment Assurance Scheme	8690.00	1970.00	1905.21	1968.27	1990.00	1990.00	1989.88
Jawahar Gram Samridhi Yojana	7095.90	2077.70	1952.70	1951.61	2095.00	2060.00	2062.26
Food for Work Programme	-						
Swarnajayanti Gram Swarozgar Yojana	4690.00	1183.00	1033.00	1031.45	1410.00	1195.94	1196.17
DRDA Administration	915.00	0.00	0.00	0.00	0.00	0.00	0.00
N.S.A.P.	3280.00	700.00	490.00	559.41	700.00	640.00	640.11
Rural Housing (Indira Awaas Yojana)	7285.00	1190.00	1143.75	1143.55	1600.00	1532.00	1531.92
Annapoorna	596.00	0.00	0.00	0.00	0.00	0.00	0.00
Grants to National Institute of Rural Dev.	30.00	5.00	5.00	5.00	5.00	5.00	5.00
Strengthening of State Training Centre	15.00	3.25	3.25	4.07	3.25	3.25	4.26
Org. of Training Courses, Seminars	5.00	0.50	0.50	0.27	0.50	0.50	0.82
Strengthening of Ext. Training Centre	15.00	3.00	3.00	3.45	3.00	3.00	1.99

	9th Plan Outlay	1999-2000			2000-01			2001-02		
		B.E.	R.E.	Actuals	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals
1	2	9	10	11	12	13	14	15	16	17
Employment Assurance Scheme	8690.00	1700.00	2040.00	2040.00	1300.00	1600.00	1419.51	1600.00	1875.00	1898.23
Jawahar Gram Samridhi Yojana	7095.90	2095.00	1689.00	1689.00	1650.00	1510.00	1384.88	1650.00	1875.00	1895.58
Food for Work Programme	-	-	-	-	-	-	-	0.00	800.00	800.00
Swarnajayanti Gram Swarozgar Yojana	4690.00	1215.00	950.00	946.76	1000.00	470.00	544.94	500.00	550.00	536.27
DRDA Administration	915.00	0.00	110.00	110.00	220.00	200.00	165.97	220.00	200.00	198.90
N.S.A.P.	3280.00	725.00	710.00	709.94	715.00	715.00	700.55	835.00	635.00	629.85
Rural Housing (Indira Awaas Yojana)	7285.00	1710.00	1659.00	1659.00	1710.00	1710.00	1664.17	1527.00	1991.00	1945.33
Annapoorna	596.00	0.00	0.00	0.00	100.00	100.00	99.80	300.00	100.00	71.63
Grants to National Institute of Rural Dev.	30.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Strengthening of State Training Centre	15.00	4.25	6.25	6.25	7.25	9.25	10.39	8.75	8.75	8.75
Org. of Training Courses, Seminars	5.00	1.25	1.25	1.25	1.25	1.25	1.41	1.25	1.25	1.25
Strengthening of Ext. Training Centre	15.00	3.00	4.00	4.00	3.00	3.00	3.00	3.00	3.00	3.00

1	2	3	4	5	6	7	8
Communication Cell	45.00	4.00	4.00	4.22	4.00	4.00	4.23
Assistance to C.A.P.A.R.T.	60.00	12.00	12.00	6.00	12.00	12.00	12.00
Promotion of Voluntary Scheme	115.00	10.00	10.00	1.55	20.00	20.00	19.54
Organisation of Beneficiaries	15.97	3.50	3.50	0.50	3.50	3.00	1.75
Panchayat Development and Training	10.00	3.00	3.00	3.01	3.00	2.00	1.79
Roads in Special Problem Areas	2.00	2.00	2.00	1.02	1.50	0.00	0.00
Agricultural Marketing	0.00	7.25	7.25	5.78	7.25	7.25	4.12
Monitoring Mechanism	5.00	0.00	0.00	0.00	0.50	0.50	0.59
Information Technology	0.00	-	-	-	-	-	-
International Cooperation	0.00	-	-	-	-	-	-
TAL—Rural Dev. (excluding PMGSY)	32869.87	7174.20	6578.16	6692.16	7858.50	7478.44	7476.43
Pradhan Mantri Gram Sadak Yojana	-	-	-	-	-	-	-
AL-Rural Dev. (Including PMGSY)	32869.87	7174.20	6578.16	6692.16	7858.50	7478.44	7476.43
Cuts/Savings	-	-	-	-114.00*	-	-	2.01

*Ministry of Finance allowed restoration of allocation under EAS and NSAP

1	2	9	10	11	12	13	14	15	16	17
Communication Cell	45.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	28.33
Assistance to C.A.P.A.R.T.	60.00	13.00	13.00	13.00	13.00	13.00	13.00	30.00	30.00	30.00
Promotion of Voluntary Scheme	115.00	26.00	13.00	13.00	13.00	13.00	13.00	0.00	0.00	0.00
Organisation of Beneficiaries	15.97	4.00	4.00	4.00	4.00	2.00	2.00	0.00	0.00	0.00
Panchayat Development and Training	10.00	3.00	3.00	3.00	3.00	3.00	3.00	5.00	10.50	8.77
Roads in Special Problem Areas	2.00	0.50	0.50	0.50	0.50	0.05	0.00	0.00	0.00	0.00
Agricultural Marketing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Monitoring Mechanism	5.00	2.00	2.00	2.00	5.00	5.00	4.50	10.00	10.00	8.92
Information Technology	0.00	-	-	-	-	-	-	0.00	1.00	0.00
International Cooperation	0.00	-	-	-	-	-	-	0.00	1.00	0.00
TAL-Rural Dev. (excluding PMGSY)	32869.87	7517.00	7220.00	7216.70	6760.00	6369.55	6045.12	6705.00	8106.50	8069.81
Pradhan Mantri Gram Sadak Yojana	-	-	-	-	2500.00	2500.00	2435.00	2500.00	2500.00	2500.00
AL-Rural Dev. (Including PMGSY)	32869.87	7517.00	7220.00	7216.70	9260.00	8869.55	8480.12	9205.00	10606.50	10569.81
Cuts/Savings	-	-	-	3.30	-	-	324.43**	-	-	36.69*

**Saving was mainly on account of North Eastern Region (Rs. 320.24 crores)

*Saving was mainly on account of North Eastern Region (Rs. 29.69 crores)

APPENDIX-II

STATE-WISE RESULTS OF BPL CENSUS FOR 8TH AND 9TH PLAN

(As on 17.03.2002)

(Provisional)

State	During 9th Plan (1997)			During 8th Plan (1992)			
	Total No. of rural families	No. of rural families below poverty line	%age of families below poverty line	Total No. of rural families	No. of rural families below poverty line	%age of families below poverty line	%age of rural population below poverty line#
1	2	3	4	5	6	7	8
1. Andhra Pradesh	10484028	4184638	39.91	10003000	4348525	43.47	15.92
2. Arunachal Pradesh	102852	10627	78.39	108817	86646	79.63	45.01
3. Assam	3607241	2164416	60.00	3196041	1982008	62.01	45.01
4. Bihar	18933813	9399281	49.64	11480451	6249372	54.42	58.21
5. Goa	135816	23101	17.00	137837	62927	45.65	5.34
6. Gujarat	5587768	1980879	35.45	4804235	2618940	54.51	22.18
7. Haryana	2074615	503019	24.25	1710440	628860	36.77	28.02
8. Himachal Pradesh	1036996	286112	27.59	905671	259175	28.62	30.34

	1	2	3	4	5	6	7	8
9.	J. & K.	1047251	606545	57.92	1175860	728648	61.97	30.34
10.	Karnataka	6479832	2202756	34.00	5848262	3307706	56.56	29.88
11.	Kerala	4714295	1723556	36.56	5581799	1786874	32.01	25.76
12.	Madhya Pradesh	11651082	5111874	43.87	8608104	5550757	64.48	40.64
13.	Maharashtra	11010022	3860675	35.07	10075029	7765384	77.82	37.93
14.	Manipur	365670	246980	67.54	227816	153489	67.37	45.01
15.	Meghalaya	282362	156646	55.48	255984	153853	60.1	45.01
16.	Mizoram	110570	74154	67.07	115490	67572	58.51	45.01
17.	Nagaland \$\$	146615	88541	60.39	147603	65344	44.27	45.01
18.	Orissa*\$\$	6790202	4445736	65.50	5223124	4110434	78.7	49.72
19.	Punjab	2330725	650209	27.90	2686349	1074130	39.98	11.95
20.	Rajasthan	6768541	2097560	30.99	6266763	1948554	31.09	26.46
21.	Sikkim	NR	NR	—	62961	50886	80.82	45.01
22.	Tamil Nadu	9388118	2737921	29.16	8302958	3146112	37.89	32.48

	1	2	3	4	5	6	7	8
23.	Tripura	595397	397798	66.81	476334	350476	73.58	45.01
24.	Uttar Pradesh	20430204	7541494	36.91	NR	NR	NR	42.28
25.	West Bengal	11076686	4918296	44.40	9599236	4419686	46.04	40.8
26.	A & N Island	30221	6421	21.25	3315	1455	43.89	32.48
27.	D & N Haveli	26237	17231	65.67	26200	17323	66.12	51.95
28.	Daman & Diu	10735	396	3.68	9046	4640	51.29	5.34
29.	Lakshadweep	8625	885	10.26	6940	3270	47.12	25.76
30.	Pondicherry	133555	63262	47.36	100467	46871	46.65	32.48
	All India	135360074	55570998	41.05	97146132	50989917	52.49	37.27

* Provisional

\$\$Rural Household

#Poverty Ratio for 1993-94 as estimated by Expert Group under the Chairmanship of Prof. D.T. Lakdawala constituted by Planning Commission.

APPENDIX-III

ITEM-WISE STATEMENT OF EXPENDITURE UNDER THE SGSY DURING 2001-2002 UPTO MARCH, 2002 (AS ON 25.07.2002)

No.	States/UTs	Item-wise Expenditure (Rs. in Lakhs)							%age of Expenditure to Total Allocation				
		Total Allocation	Total Expenditure	Subsidy	Revolving Fund/ Risk Fund	Infrastructure Development	Training/ Capacity Building	Others Expenditure	Subsidy	Revolving Fund/ Risk Fund	Infrastructure Development	Training/ Capacity Building	Others Expenditure
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1.	Andhra Pradesh	4091.08	6240.76	4168.66	702.20	821.38	548.52	-	101.90	17.16	20.08	13.41	0.00
2.	Arunachal Pradesh	219.68	75.12	124.39	0.60	29.36	5.24	-	56.62	0.27	13.36	2.39	0.00
3.	Assam	5708.17	2989.44	950.15	364.39	1213.13	171.21	292.17	16.65	6.38	21.25	3.00	5.12
4.	Bihar	9733.33	10600.77	8191.61	265.53	1920.53	223.09	-	84.16	2.73	19.73	2.29	0.00
5.	Chattisgarh	2160.77	3887.90	2617.27	248.09	607.54	220.67	194.33	121.13	11.48	28.12	10.21	8.99
6.	Goa	66.67	44.38	56.76	4.80	2.43	4.90	-	85.14	7.20	3.65	7.35	0.00
7.	Gujarat	1539.95	2349.05	1672.92	161.76	362.90	151.47	-	108.63	10.50	23.57	9.84	0.00
8.	Haryana	905.97	1480.58	1268.89	74.48	98.20	30.63	8.38	140.06	8.22	10.84	3.38	0.92

2	3	4	5	6	7	8	9	10	11	12	13	14
Himachal Pradesh	381.55	764.93	598.12	34.08	114.83	14.85	3.05	156.76	8.93	30.10	3.89	0.80
Jammu & Kashmir	472.21	716.22	486.91	82.09	75.58	49.00	0.00	103.11	17.38	16.01	10.38	0.00
Jharkhand	3668.55	4892.33	4132.21	103.23	924.26	25.63	-	112.64	2.81	25.19	0.70	0.00
Karnataka	3089.33	5147.38	3611.50	476.16	823.32	236.40	-	116.90	15.41	26.65	7.65	0.00
Kerala	1386.17	1998.68	1592.90	223.06	134.06	48.66	-	114.91	16.09	9.67	3.51	0.00
Madhya Pradesh	4632.29	7583.71	5547.95	673.34	914.96	360.62	86.87	119.77	14.54	19.75	7.78	1.88
Maharashtra	6106.87	10288.29	6943.25	812.31	2011.12	472.47	48.14	113.70	13.30	32.93	7.74	0.79
Manipur	382.67	-	0.00	0.00	-	0.00	-	0.00	0.00	0.00	0.00	0.00
Meghalaya	428.73	305.43	63.26	59.60	113.41	27.27	1.44	14.76	13.90	26.45	6.36	0.34
Mizoram	99.21	101.77	65.10	13.84	20.16	3.07	-	65.62	13.95	20.32	3.10	0.00
Nagaland	294.09	63.20	45.90	6.80	4.24	6.36	-	15.61	2.31	1.44	2.16	0.00
Orissa	4679.33	6138.55	4699.66	257.28	848.71	133.23	199.67	100.43	5.50	18.14	2.85	4.27
Punjab	440.29	635.92	565.19	23.90	40.14	6.69	-	128.37	5.43	9.12	1.52	0.00
Rajasthan	2345.84	3462.03	2941.01	116.85	364.00	6.95	0.44	125.37	4.98	1.52	0.30	0.02

1	2	3	4	5	6	7	8	9	10	11	12	13	14
23.	Sikkim	109.84	231.06	149.97	11.60	58.56	26.42	-	136.53	10.56	53.31	24.05	0.00
24.	Tamil Nadu	3617.41	5445.97	3317.29	917.86	718.25	492.58	0.00	91.70	25.37	19.86	13.62	0.00
25.	Tripura	690.93	1116.40	802.42	21.79	35.98	12.43	-	116.14	3.15	5.21	1.80	0.00
26.	Uttar Pradesh	14012.49	15536.66	9731.47	2434.93	2140.22	1230.04	-	69.45	17.38	15.27	8.78	0.00
27.	Uttaranchal	736.40	1558.90	990.41	0.00	-	0.00	-	134.49	0.00	0.00	0.00	0.00
28.	West Bengal	5200.15	2865.13	1016.68	251.20	532.23	226.93	131.54	19.55	4.83	10.23	4.36	2.53
29.	A & N Islands	50.00	23.33	11.60	3.90	-	0.00	-	29.20	7.80	0.00	0.00	0.00
30.	D & N Haveli	50.00	-	0.00	0.00	-	0.00	-	0.00	0.00	0.00	0.00	0.00
31.	Daman & Diu	50.00	0.99	1.97	0.00	-	0.00	-	3.94	0.00	0.00	0.00	0.00
32.	Lakshadweep	50.00	0.10	0.00	0.00	-	0.00	-	0.00	0.00	0.00	0.00	0.00
33.	Pondicherry	50.00	60.32	30.80	17.20	9.11	3.51	-	61.60	34.40	18.22	7.02	0.00
Total		77450.00	96605.29	66399.22	8362.87	14938.61	4738.83	966.02	85.73	10.80	19.29	6.12	1.25

APPENDIX IV

COMMITTEE ON URBAN AND RURAL DEVELOPMENT

EXTRACT OF ~ OF THE THIRD SMING OF THE COMMITTEE

HELD ON THURSDAY, TF-IE 2NH FEBRUARY, 2003

The Committee sat from 1500 hrs. to 1615 hrs. in Conunittee Room
'C', Parliament House Annexe, New Delhi.

PRESENT

Shri Chandrakant Khaire-Chairman

MEMBERS

Lok Sabha

2. Shri Ranen Barman
3. Shri Padainanava Behera
4. Shri Haribhai Chaudhary
5. Shri Hassan l@han
6. Shri Basavanagoud Kolur
7. Shri Savshibhai Makwana
8. Shri Sadashivrao Dadoba Mandlik
9. Shri Chandresh Patel
10. Prof. (Shrimati) A.K. Prernajam
11. Shri Chffimayanand Swam!

Rajya Sabha

12. Shrimati Shabana Azmi
13. Shrimati Prema Cariappa
14. Shri N.R. Desari
15. Shrimati Curcharan Kaur
16. Shri Faqir Chand Mullana
17. Shri Harish Rawat
18. Shri Man Mohan Samal

APPENDIX IX

COMMITTEE ON URBAN AND RURAL DEVELOPMENT

EXTRACTS OF THE MINUTES OF THE THIRD SITTING OF THE COMMITTEE HELD ON THURSDAY, THE 20 FEBRUARY, 2003

The Committee sat from 1500 hrs. to 1615 hrs. in Committee Room 'C', Parliament House Annexe, New Delhi.

PRESENT

Shri Chandrakant Khaire—*Chairman*

MEMBERS

Lok Sabha

2. Shri Ranan Barman
3. Shri Padamanava Behera
4. Shri Haribhai Chaudhary
5. Shri Hassan Khan
6. Shri Basavanagoud Kolur
7. Shri Savshibhai Makwana
8. Shri Sadashivrao Dadoba Mandlik
9. Shri Chandresh Patel
10. Prof. (Shrimati) A.K. Premajam
11. Shri Chinmayanand Swami

Rajya Sabha

12. Shrimati Shabana Azmi
13. Shrimati Prema Chariappa
14. Shri N.R. Desari
15. Shrimati Gurcharan Kaur
16. Shri Faqir Chand Mullana
17. Shri Harish Rawat
18. Shri Man Mohan Samal

2. At the outset, the Chairman, welcomed the members to the sitting of the Committee. The Committee then took up for consideration of the following memoranda one by one:

(ii) Memornadum No. 6 regarding action taken by the Government on the recommendations contained in the 34th Report (13th Lok Sabha) on Demands for Grnats (2002-2003) of the Department of Rural development (Ministry of Rural Development).

3. The Committee after deliberating on various observations/ recommendations made in the said Report adopted the aforesaid action taken Report with slight modifications as given in Annexure.

4. The Committee appreciated the formula adopted by Ministry of Rural development to avoid unnecessary accumulation of funds in the hands of States and desired that the same formula should be adopted by Ministry of Urban Development and Poverty Alleviation. This may be taken up while discussing the Demands for Grants (2003-2004) of the Ministry of Urban Development and Poverty Alleviation.

5. The Committee then authorised the Chairman to finalise the said draft action taken Reports on the basis of factual verification from the concerned Ministries/Departments and to present the same to the Parliament.

7. **** **** *

The Committee then adjourned.

***Relevant portions of the Minutes not related to the subject have been kept separately.

ANNEXURE

(PLEASE SEE PARA 3 OF THE MINUTES OF THE SITTING OF
THE COMMITTEE HELD ON 20.2.2003)

Sl.No.	Page No.	Para No.	Line	Modification
1.	8.	10.	10.	<p><i>For</i></p> <p>'The Committe hope that the said initiatives would result in the proper utilization of the scarce resources earmarked for the different Centrally sponsored schemes of the Department of Rural development which are for the upliftment of the poorest of the poor of the country.'</p> <p><i>Substitute</i></p> <p>'While appreciating the formula specified to avoid unnecessary accumulation of funds in the hands of the States, the Committee hope that the same norms will be meticulously observed and this would result in the proper utilization of the scarce resources earmarked for said schemes/programmes of the Department of Rural Development which are meant for the upliftment of the poorest of the poor of the country.'</p>
2.	39.	45.	Last	<p><i>For</i></p> <p>'a stipulated time frame.'</p> <p><i>Substitute</i></p> <p>'three months of the presentation of the Report.'</p>

APPENDIX V
(Vide Para 4 of the Introduction)

ANALYSIS OF THE ACTION TAKEN BY THE GOVERNMENT ON
THE RECOMMENDATIONS CONTAINED IN THE THIRTY FOURTH
REPORT OF THE STANDING COMMITTEE ON URBAN AND
RURAL DEVELOPMENT (13TH LOK SABHA)

(i) Total Numebr of recommendations	26
(ii) Recommendations which have been accepted by the Government: Para Nos. 2.3, 2.7, 2.21, 2.30, 3.9, 3.13, 3.17, 3.22, 3.25, 3.30, 4.27, 5.30, 5.31 and 5.32	
Percentage to the total recommendations	(53.85%)
(iii) Recommendations which the Committee do not desire to pursue in view of Government's replies:	NIL
Percentage to Total recommendations	(0%)
(iv) Recommendations in respect of which replies of the Government have not been accepted by the Committee. Para Nos. 2.14, 2.15, 3.28, 4.26, 5.34, 5.35, 6.11, 6.12 and 7.4	
Percentage to Total recommendations	(34.62%)
(v) Recommendation in respect of which final reply of the Government is still awaited. Para Nos. 2.28, 5.29 and 5.33	
Percentage to Total recommendations	(11.53%%)