

**GOVERNMENT OF INDIA
SOCIAL JUSTICE AND EMPOWERMENT
LOK SABHA**

UNSTARRED QUESTION NO:1723
ANSWERED ON:29.11.2000
TERMINATION OF GRANTS TO NGOS
ASHOK NAMDEORAO MOHOL;SHYAMA SINGH;SULTAN SALAHUDDIN OWAISI

Will the Minister of SOCIAL JUSTICE AND EMPOWERMENT be pleased to state:

- (a) whether the Government have taken a decision to terminate grants for five years to NGOs as reported in the 'Hindustan Times' dated November 3, 2000, captioned 'NGOs unhappy over the termination of grant';
- (b) if so, the details thereof and reasons for termination of grants to each NGO;
- (c) Whether such decision would not ultimately jeopardize benefits and services which are presently available to disabled persons and other beneficiaries;
- (d) the total amount misappropriated by these NGOs;
- (e) whether the Government have taken any steps to recover the funds from such fraudulent NGOs;
- (f) if so, the details thereof; and (g) if not, the reasons therefor?

Answer

MINISTER OF STATE OF THE MINISTRY OF SOCIAL JUSTICE AND EMPOWERMENT

(SMT. MANEKA GANDHI)

- (a) In June 2000 this year, Ministry of Social Justice & Empowerment has issued guidelines for assisting non-governmental organizations/voluntary organisations which include inter-alia, provisions for tapering off the financial assistance being released to the voluntary organizations that have been drawing grants in aid from the Ministry for periods in excess of 5 years for the same project.
- (b) Assistance from the government shall be limited to a duration of 10 years in case of new projects. Those ongoing projects that have been receiving assistance for the last 10 years and above will be given a phase out period of 5 years and in respect of those assisted for lesser period the phase out period shall be 10 years. Where the phase out period is 5 years grants shall be reduced by an amount of 20% every year. In case of a phase out period of 10 years the reduction in grant shall be 10% every year.
- (c) No, Sir.
- (d) An amount of Rs. 144.80 lakhs has been misutilised by 42 non Governmental Organisations.
- (e) Yes, Sir.
- (f) If an organization is found as a result of inspection, or information from other sources to be misutilising the grant-in-aid assistance released to it or the quality of services delivered by it is not commensurate with funds released, further release of grant-in-aid to the NGO is suspended. Show cause notice is issued to the management and if the explanation is found to be unsatisfactory then action is taken to blacklist the organization and State Government/District Collector concerned is asked to seize the assets created out of the Government assistance, dispose of the same, deposit the monies thus collected with the Government and recover the balance amount as arrears of land revenue.
- (g) Does not arise.