

**GOVERNMENT OF INDIA  
RURAL DEVELOPMENT  
LOK SABHA**

UNSTARRED QUESTION NO:1239  
ANSWERED ON:25.02.2003  
NON-PERFORMING ASSETS OF CAPART  
UMMAREDDY VENKATESWARLU

**Will the Minister of RURAL DEVELOPMENT be pleased to state:**

- (a) whether any funds of CAPART have become Non-performing asset;
- (b) if so, whether any assessment has been made on the state of funds loaned to NGOs;
- (c) if so, the details thereof;
- (d) the proportion of such funds that have become irretrievable;
- (e) whether any steps have been taken to ensure that funds of CAPART are properly spent all over the country; and
- (f) if so, the details thereof?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF RURAL DEVELOPMENT (SHRI U. V. KRISHNAM RAJU)

(a) to (c) No, Sir. CAPART provides assistance in the form of grants to NGOs for projects. Periodic evaluation of the utilization of these grants is done to ensure their proper utilisation.

(d) Question does not arise.

(e) & (f) Yes, Sir. CAPART has taken steps to ensure that funds are properly spent/utilised all over the country by the NGOs. Since 1997, CAPART has instituted a 3-tier system of monitoring by the independent monitors consisting of,

(i) pre-funding appraisal (before consideration/sanction of a project proposal).

(ii) mid-term evaluation (after release of 1st instalment and before subsequent release of funds).

(iii) post evaluation (after completion of the project).

Besides in some cases, Comprehensive evaluation is also carried out when CAPART receives any complaint against a Voluntary Organisation regarding misutilization of funds.