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**STANDING COMMITTEE ON  
URBAN AND RURAL DEVELOPMENT  
(1998-99)**

**TWELFTH LOK SABHA**

**MINISTRY OF RURAL AREAS & EMPLOYMENT  
(DEPARTMENT OF RURAL DEVELOPMENT)**

**DEMANDS FOR GRANTS  
(1998-99)**

**TWENTY-FIFTH REPORT**



**LOK SABHA SECRETARIAT  
NEW DELHI**

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**STANDING COMMITTEE ON**  
**URBAN AND RURAL DEVELOPMENT**  
**(1998-99)**

**(TWELFTH LOK SABHA)**

**MINISTRY OF RURAL AREAS & EMPLOYMENT**  
**(DEPARTMENT OF RURAL DEVELOPMENT)**

**DEMANDS FOR GRANTS—(1998-99)**

*[Action taken by the Government on the recommendations contained  
in the Fourth Report of the Standing Committee on Urban &  
Rural Development (Twelfth Lok Sabha)]*

*Presented to Lok Sabha on 22nd April, 1999*  
*Laid in Rajya Sabha on 23rd April, 1999*



**LOK SABHA SECRETARIAT**  
**NEW DELHI**

*April, 1999/Chaitra, 1921 (Saka)*

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COMPOSITION OF THE STANDING COMMITTEE ON  
URBAN & RURAL DEVELOPMENT (1998-99)

Shri Kishan Singh Sangwan — *Chairman*

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*Lok Sabha*

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- \*3. Shri Tariq Anwar
4. Dr. Shafiqur Rahman Barq
5. Shri Padmanava Behera
6. Shri Sriram Chauhan
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8. Shrimati Malti Devi
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20. Shri Mullappally Ramachandran
21. Shri Gaddam Ganga Reddy
22. Dr. Y.S. Rajasekhar Reddy

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\*Nominated *w.e.f.* 18.3.1999

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*Rajya Sabha*

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42. Shri O.S. Manian
43. Dr. Mohan Babu
44. Shri N. Rajendran
45. Shri Suryabhan Patil Vahadane

SECRETARIAT

- |                       |   |                             |
|-----------------------|---|-----------------------------|
| 1. Shri G.C. Malhotra | — | <i>Additional Secretary</i> |
| 2. Shri S.C. Rastogi  | — | <i>Director</i>             |
| 3. Smt. Sudesh Luthra | — | <i>Under Secretary</i>      |

## INTRODUCTION

1, the Chairman of Standing Committee on Urban & Rural Development (1998-99) having been authorised by the Committee to submit the Report on their behalf, present the Twenty-Fifth Report on action taken by the Government on the recommendations contained in the Fourth Report of the Standing Committee on Urban & Rural Development (Twelfth Lok Sabha) on Demands for Grants (1998-99) of the Department of Rural Development of the Ministry of Rural Areas & Employment.

2. The Fourth Report was presented to Lok Sabha on 14th July, 1998. The replies of the Government to all the recommendations contained in the Report were received on 21st December, 1998.

3. The replies of the Government were examined and the Report was considered and adopted by the Committee at their sitting held on 26th March, 1999.

4. An analysis of the action taken by the Government on the recommendations contained in the Fourth Report of the Committee (Twelfth Lok sabha) is given in Appendix-II.

NEW DELHI;  
April 12, 1999  
Chaitra 22, 1921 (Saka)

KISHAN SINGH SANGWAN,  
*Chairman,*  
*Standing Committee on*  
*Urban & Rural Development.*

## **CHAPTER I**

### **REPORT**

This Report of the Committee on Urban & Rural Development (1998-99) deals with the action taken by the Government on the recommendations contained in the Fourth Report on Demands for Grants for the year 1998-99 of the Ministry of Rural Areas & Employment (Department of Rural Development) which was presented to Lok Sabha on 14th July, 1998.

2. Action taken notes have been received from the Government in respect of all the 37 recommendations which have been categorised as follows :—

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

Sl. Nos. 3.19 to 3.27, 3.29, 3.31, 3.33, 3.35, 3.37, 3.38, 4.13 to 4.16, 5.15, 5.16, 5.17, 6.6, 6.15, 7.6, 7.7, 8.6 and 9.3.

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

Sl. Nos. 2.13 to 2.15, 5.20 and 6.9

- (iii) Recommendations/Observations in respect of which final replies of the Government are still awaited :—

Sl. Nos. 5.18, 6.7, 6.8 and 9.4.

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



## **A. Under-utilisation of funds under ARWSP**

### **Recommendation (Para No. 3.22)**

4. The Committee while examining the underspending under ARWSP observed as below:—

“In some of the States the reasons for underutilisation as found by the task force is time-consuming procedural formalities. The Committee urge that guidelines should be issued by the Centre to all the States/UTs to simplify their implementation and monitoring procedure for the effective implementation of the schemes.”

5. The Government in their reply have stated :

“The powers have been delegated to the State Governments to plan and implement all Rural Water Supply Schemes. A team of officers visited North Eastern States Bihar and revealed that due to time consuming procedures and formalities, the funds are not released to the implementing organisations in time. The State Governments have been prevailed upon to revamp the procedural formalities to ensure timely and smooth flow of funds to the implementing agencies. Monthly and quarterly monitoring reports are prescribed to keep close watch on progress of implementation of the schemes. The State Governments have been requested to simplify their implementation and monitoring procedure for effective implementation of the scheme and to issue guidelines accordingly.”

6. While appreciating the steps taken by the Government to check underutilisation of funds under Accelerated Rural Water Supply Programme, the Committee would like that the matter regarding implementation and monitoring procedure with regard to the said scheme should further be pursued with the State Governments and the Committee should be apprised of the feed back obtained in this regard.

## **B. Problem of Contaminated Water Supply**

### **Recommendation (Para No. 3.25)**

7. The Committee recommended as under:—

“The Committee note the problem of contaminated water as explained by the Secretary during his evidence and would like that the Government should pay adequate attention towards this and the outlay for the sub-missions working in this field should be increased. Besides it is also recommended that water testing kits should be made available at Block level.”

8. The Government in their reply have stated:—

“The Government attaches great importance to quality of safe drinking water. District level laboratories have been established in respect of 254 districts in the country. It is proposed to establish water testing laboratories in the remaining districts in due course.

A Task Force has been constituted to examine reliability of field testing kits presently available and recommend the suitable field package which would be used at the grass root level. On receipt of recommendations of task force, evolution of a programme will be considered to supply field kits to the block level.

It is proposed to institutionalise water quality monitoring and surveillance system by adopting catchment area approach. It is also proposed to strengthen the grass root level institutions like schools, etc. with suitable field kits to undertake water quality testing at the grass root level.”

9. While noting the steps proposed to be taken to solve the problem of contaminated water in rural areas, the Committee would like to know as to when the proposed steps are likely to be implemented.

## **C. Disbursement of Old Age Pension Scheme**

### **Recommendation (Para No. 5.18)**

10. The Committee recommended as under:—

“The Committee note that different States are disbursing money to the beneficiaries by different modes like through Banks/

Panchayats/Money Orders etc. The Government should conduct a sample survey to find out as to what mode of payment was more effective and efficient enabling the pension amount to reach the beneficiary without involving any middleman or getting reduced. As a result of such survey, the Government should consider to apply the best suited mode of payment to all States."

11. The Government in their reply have stated:—

"The Government have selected some reputed institutions for quick evaluation studies regarding implementation of NSAP schemes covering all aspects. As soon as the reports are received, the desirability of uniform mode of payment will be examined in consultation with the States."

**12. The Committee hope that the reports of the quick evaluation studies regarding implementation of National Security Assistance Programme scheme will be finalised expeditiously. They would also like to be apprised of the final decision taken in respect of the desirability of uniform mode of payment under the said scheme in the light of the Study.**

**D. Centrally Sponsored Scheme for strengthening of Administration and updating of land records**

**Recommendation (Para No. 6.7)**

13. The Committee recommended as under:—

"The Committee note the shortfall in expenditure as reported by certain States/UTs. They note that SRA & ULR Scheme is to be implemented by the Revenue Machinery at the State level and they equally appreciate their limitation. The Committee recommend that coordination amongst the various implementing agencies should be strengthened."

14. The Government in their reply have stated:—

"The States/UTs have been requested from time to time for taking suitable steps for expeditious utilisation of funds. This issue has also been discussed at various fora including the Conferences of the Revenue Ministers of the States. The overall position of utilisation of funds under the scheme is 68%. Thus it has further

improved by about 5% compared with the position intimated to the Committee during June, 1998. After receipt of information on utilisation of funds during the financial year 1997-98 from some of the States, the percentage of utilisation of funds in respect of the States of Jammu & Kashmir, Karnataka, Nagaland and the UT of Chandigarh is more than 60%. The matter is proposed to be placed again before the Conference of Revenue Ministers of the States which is to be held on 17th September, 1998 and it is expected that there will be significant increase in the percentage of utilisation during the current financial year."

15. The Committee find that there is a marginal improvement in the position of utilisation of funds earmarked for Strengthening of Revenue Administration and Updating of Land Records Scheme since July 1998. It is further noted that the matter was to be placed before the Conference of Revenue Ministers of the States held on 17th September, 1998. The Committee would like to know the details of the outcome of the Conference on the issue of utilisation of funds under the SRA/ULR schemes.

#### **Recommendation (Para No. 6.8)**

16. The Committee recommended as under:—

"The Committee note that the States are not able to provide the required 50% matching share. To reduce the burden on the States and to further improve the implementation, the Department is considering the enhancement of Central share from 50 to 80%. They hope that final decision in this regard will be taken urgently."

17. The Government in their reply have stated:—

"Enhancement of Central share from 50 to 80% for all States except for the North Eastern States, in whose case 100% Central assistance, had been proposed while formulating the Ninth Plan proposals under the scheme. Accordingly, further action in this regard will be taken after finalization of the Ninth Plan. Thus a final decision will be taken in the matter only after the Ninth Plan is finalized."

18. The Committee would like to know about the final decision taken in respect of the enhancement of Central share from 50% to 80% under Strengthening of Revenue Administration and Updating of Land Records.

### Panchayati Raj

#### Recommendation (Para No. 9.4)

19. The Committee recommended as under:—

“The Committee urge that the Department should initiate a study on the status of the Panchayats with the implementation of the Constitution (73rd Amendment) Act, 1992 covering (i) the financial position of Panchayats *vis-a-vis*, the responsibility being entrusted to them with the implementation of 73rd Amendment; (ii) the status of the States Finance Commissions to be constituted by the States; (iii) technical capability; (iv) mobilisation of Internal resources by Panchayats. They would like to be apprised about the action taken in this regard.”

20. The Government in their reply have stated:—

“The following Research/Studies have been commissioned and their final reports are due by the end of 1998.

Name of the NGO/Institution	Title of the Research Project
1	2
1. Centre for Women Development Studies, New Delhi.	Study of the processes before and after the 73rd Amendment and Women's participation in Panchayats.
2. Institute of Social Sciences New Delhi.	Research and data collection, compilation and commentary on the State PR Acts after the 73rd Amendment.
3. Academy of Administration, Bhopal.	Evaluation study of effectiveness of Panchayati Raj in Madhya Pradesh.
4. Jadhavpur University, Calcutta.	Study to develop proper planning techniques to guide the development of rural settlement.

1	2
5. Institute of Manpower Research, New Delhi.	A study on socio-economic character of women in PRIs.
6. Lal Bahadur Shastri National Academy of Administration, Mussoorie.	Comparative study of PR system with particular reference to devolution of powers; sociolegal challenges of PR system in the liberalised economy.
7. Indian Social Institute, New Delhi.	Study of functioning of PRIs in Madhya Pradesh with special reference to Schedule V areas.
8. The Society of Participatory Research in Asia, New Delhi.	Direct Strengthening of Panchayati Raj Institutions.

The Ministry of Rural Areas & Employment, Department of Rural Development is constituting a Task Force to study the Structure and Functioning of Panchayats. The points on which the Standing Committee have urged this Ministry to take up by way of a study also form part of the terms of reference of the aforesaid Task Force. It is proposed to suggest to the Task Force that these points be referred to a sub-group for in-depth study and make their recommendations.

The Ministry is also preparing a memorandum for submission to the XI Finance Commission on the basis of the SFC reports by the SFC Cells set up at NIRD, Hyderabad and National Institute of Public Finance and Policy, New Delhi.

A study as recommended by the Standing Committee will be commissioned after the matter is discussed in the meeting of the Task Force to be convened in the later half of September 1998."

**21. The Committee would like to know the details of the findings of the Task Force on the issue of capacity building of Panchayats. They would also like to know whether the study on the issues raised by the Committee has been commissioned as stated by the Government.**

## **CHAPTER II**

### **RECOMMENDATIONS THAT HAVE BEEN ACCEPTED BY GOVERNMENT**

#### **Recommendation (Para No. 3.19)**

The Committee are concerned to note the under spending under one of the priority programmes of the Government viz. ARWSP. Out of the total outlay of Rs. 5100 crore, funds to the tune of Rs. 4142.71 crore only could actually be spent during 8th Plan. The Committee would like to recommend that the implementation of the Programme during 8th Plan should be evaluated so as to find the shortcomings in the implementation of the programme and to take necessary corrective measures in this regard. The Committee would like to be informed of the results of the evaluation and also about the steps taken in this regard.

#### **Reply of the Government**

Out of approved outlay of Rs. 5100 crores for 8th Plan, the Planning Commission provided Rs. 4230 crores. The amount released to States was Rs. 4138.73 crores.

The Programme Evaluation Organisation of the Planning Commission undertook a study in 1996 to evaluate the performance, the evaluation and impact of Rural Water Supply Programme to examine the extent and nature of Community Participation in implementation, operation and maintenance and to assess awareness about the safe drinking water and sanitation in rural areas. It revealed that a large number of the sample villages complained of water shortage during summer months. The handpumps developed major mechanical defect, often spares were not available and funds for maintenance were inadequate. The Engineering department in charge of water supply concentrated their attention on new construction and there was hardly any peoples participation in operation and maintenance in Rural Water Supply Schemes. A new Expenditure Finance Committee Memorandum to introduce policy changes for institutionalising community based Rural Water Supply Programme to improve the operation and maintenance of existing and new water

supply schemes, and construction of new schemes is being processed. Also, as a follow up of the above study, monitoring and evaluation studies in respect of Rural Water Supply Schemes in 13 States is being undertaken.

The draft evaluation reports have been received from the following Evaluation organisations:

Name of the organisation	States
(1) Indian Institute of Rural Management, Jaipur	Rajasthan
(2) Operation Research Group, New Delhi	Uttar Pradesh, Madhya Pradesh
(3) Ecotech Services, New Delhi	Rajasthan, Gujarat
(4) Water & Power Consultancy Services, India Ltd., New Delhi	Maharashtra, Karnataka
(5) All India Institute of Hygiene and Public Health, Calcutta	Orissa
(6) Om Consultants (India) Pvt. Ltd., Bangalore	Tamilnadu, Andhra Pradesh
(7) Santek Consultants Pvt. Ltd., New Delhi.	Bihar

The above reports indicates that greater people's participation, closer involvement of Panchayati Raj Institutions, greater emphasis on decentralised Operation and Maintenance use of appropriate technology, fall in ground water table and prevention of wastage, are *inter alia* some of the issues cutting across the States, which require immediate attention. The studies also indicate a substantial willingness on the part of the beneficiaries to pay for water.

The Committee will be appraised of action taken as and when final report is received from the independent Evaluation organisations in this regard.

[Ministry of Rural Areas & Employment (Department of Rural Development) O.M. No. H-11020/3/98-GC(P)  
dated 14th December, 1998]



### **Recommendation (Para No. 3.20)**

The Committee appreciate the revised proposed outlay of Rs. 11,000 crore as proposed by the Department to Planning Commission for 9th Plan and the laudable objective of covering all NC & PC habitations by 2005 A.D. considering providing water to rural masses as the priority programme of the Government. They would like to recommend that sufficient funds should be provided during 9th Plan so that the targets during the 9th Plan are not spilled over. While recommending for higher outlay, the Committee would urge that the Department should ensure that there is 100% utilisation of funds.

### **Reply of the Government**

The recommendations of the Committee that sufficient funds should be provided for Rural Water Supply Programme during the 9th Plan so that the targets during the 9th Plan are not spilled over, has been communicated to the Planning Commission for their favourable consideration. The State Governments have been asked to prepare Action Plan to provide safe drinking water to all Not Covered and Partially Covered habitations during the 9th Plan. All the State Governments have prepared Action Plan to implement the Rural Water Supply Programme during the 9th Plan. The Action Plan prepared by the State Governments indicate that all the Not Covered and Partially Covered habitations in the country, except in some parts of Rajasthan, will be covered during the 9th Plan. The States/Union Territory Governments have been requested to ensure that 100% of the funds allocated to them are utilised.

[Ministry of Rural Areas & Employment (Department of Rural Development) O.M. No. H-11020/3/98-GC(P)  
dated 14th December, 1998]

### **Recommendation (Para No. 3.21)**

They note that one of the reasons for underspending is the release of major part of the outlay at the fag end of the year. They strongly recommend that the funds should be released in a phased manner in a particular year as per the guidelines so as to avoid release of funds during the fag end of the year. There is also a need to strengthen the monitoring mechanism. The Committee recommend that State Governments should be requested to ensure timely submission of the Utilisation Certificates so that the funds could be released in time.

### **Reply of the Government**

Funds under the Rural Water Supply Programme are released to the States in two instalments. The first instalment is automatically released in the beginning of the financial year to all States who received second instalment in the previous year. The second instalment is released subsequently on submission of the proposal for the same. The network of Rural Water Supply Projects are spread over large scattered and remote areas. The agencies and levels involved for implementation are also many. For undertaking large number of scattered Water Supply Projects, there is a need to ensure a mechanism for smooth flow of funds from Central Government to State Governments and State Governments to field level implementing agencies. This arrangement requires a minimum reserve fund at the State Government level to carry out water supply projects with uninterrupted flow of funds over a period of time. Further, at the beginning of the financial year which is the best working seasons in most States, there is a time lag in release of funds due to budgetary exercises. This period has to be gainfully utilised by having adequate funds. Hence, considering the nature of Rural Water Supply projects, there is a need to allow State Governments to carry forward funds not exceeding 25% of the allocation. This arrangement and quantum of funds have been evolved/allowed from out of experience gained over a period of time.

Guidelines have been issued to the State Governments to ensure timely utilisation of funds by imposing cuts on entitlement progressively in the following manner:—

- |   |                                       |
|---|---------------------------------------|
| (i) Proposals received by the end of December | — Full funds.                         |
| (ii) Proposals received in January            | — Deduction of 10% of the allocation. |
| (iii) Proposals received in February          | — Deduction of 20% of the allocation. |
| (iv) Proposals received in March              | — Deduction of 30% of the allocation. |

Our experience after the introduction of progressive deduction reveal that the States could send proposals for obtaining second instalment mostly in January, leaving enough time for them to utilise the funds, resulting in relatively lower carry over of funds to the next year.

The States have been requested to send proposals well in time so as to enable this Ministry to release second installment by the end of December.

[Ministry of Rural Areas & Employment (Department of Rural Development) O.M. No. H-11020/3/98-GC(P) dated 14th December, 1998]

#### **Recommendation (Para No. 3.22)**

It is observed that in some of the States the reasons for underutilisation as found by the task force is time-consuming procedural formalities. The Committee urge that guidelines should be issued by the Centre to all the States/UTs to simplify their implementation and monitoring procedure for the effective implementation of the schemes.

#### **Reply of the Government**

The powers have been delegated to the State Governments to plan and implement all Rural Water Supply Schemes. A team of officers visited North Eastern States and Bihar and revealed that due to time consuming procedures and formalities, the funds are not released to the implementing organisations in time. The State Governments have been prevailed upon to revamp the procedural formalities to ensure timely and smooth flow of funds to the implementing agencies. Monthly and quarterly monitoring reports are prescribed to keep close watch on progress of implementation of the schemes. The State Governments have been requested to simplify their implementation and monitoring procedure for effective implementation of the scheme and to issue guidelines accordingly.

[Ministry of Rural Areas & Employment (Department of Rural Development) O.M. No. H-11020/3/98-GC(P) dated 14th December, 1998]

#### **Comments of the Committee**

(Please see Para No. 6 of Chapter I of the Report)

### **Recommendation (Para No. 3.23)**

The Committee note that besides covering all the habitations under the Programmes, of equal importance is the repair and maintenance of the assests created under the Programme. They appreciate that Government has proposed to increase funds for repairs and maintenance from 10% to 15%. It is observed that with the implementation of the Constitution (73rd Amendment) Act, 1992, the process of decentralisation of powers is going on. They would like that the responsibility of repairs and maintenance should be handed over to Panchayats as a matter of principle. While recommending this the Committee take note of varying levels of financial status of Panchayats in the country. They hope that while devolving the responsibilities of maintenance of Panchayats, the Government will take care of the financial status of the respective Panchayats.

### **Reply of the Government**

The Empowered Committee of Rajiv Gandhi National Drinking Water Mission under the Chairmanship of the Cabinet Secretary, of which Secretaries in charge of Rural Water Supply Programme of all the States are Members, have decided that operation and maintenance of the Rural Water Supply Scheme would be transferred to Panchayats. Minister (RA&E) has requested all the Chief Ministers of the States to provide enough financial support to the State Governments by suitably taking up with respective State Finance Commissions for devolution of funds to Panchayats for carrying out operation and maintenance of Rural Water Supply Schemes.

[Ministry of Rural Areas & Employment (Department of Rural Development) O.M. No. H-11020/3/98-GC(P)  
dated 14th December, 1998]

### **Recommendation (Para No. 3.24)**

The Committee further note that the capacity building of Panchayats is the major area of concern. While recommending for devolution of powers, they would like to recommend that Government should think of taking steps for the capacity building of Panchayats through State Governments. It is, therefore, recommended that certain fixed percentage of Central and State's allocation for the maintenance and repairs should directly be released to Panchayats. This will not only strengthen the financial capability of Panchayats but will also

ensure the proper maintenance and repairs of the different assets created under Centrally Sponsored Programmes/Schemes.

### **Reply of the Government**

The Empowered Committee of Rajiv Gandhi National Drinking Water Mission under the Chairmanship of the Cabinet Secretary, of which Secretaries in charge of Rural Water Supply Programme of all the States are Members, have decided that operation and maintenance of the Rural Water Supply Scheme would be transferred to Panchayats. Minister (RA&E) has requested all the Chief Ministers of the States to provide enough financial support to the State Governments by suitably taking up with the respective State Finance Commissions for devolution of funds to Panchayats for carrying out operation and maintenance of Rural Water Supply Schemes.

The Central funds for operation and maintenance of Water Supply Schemes are allocated to the States. The States have also been requested to fix certain percentage of Central and State funds for operation and maintenance of the Rural Water Supply Schemes and to release them directly to the Panchayats.

[Ministry of Rural Areas & Employment (Department of Rural Development) O.M. No. H-11020/3/98-GC(P)  
dated 14th December, 1998]

### **Recommendation (Para No. 3.25)**

The Committee note the problem of contaminated water as explained by the Secretary during his evidence and would like that Government should pay adequate attention towards this and the outlay for sub-missions working in this field should be increased. Besides it is also recommended that water testing kits should be made available at Block level.

### **Reply of the Government**

The Government attaches great importance to quality of safe drinking water. District level laboratories have been established in respect of 254 districts in the country. It is proposed to establish water testing laboratories in the remaining districts in due course.

A Task Force has been constituted to examine reliability of field testing kits presently available and recommend the suitable field package which would be used at the grass root level. On receipt of recommendations of task force, evolution of a programme will be considered to supply field kits to the block level.

It is proposed to institutionalise water quality monitoring and surveillance system by adopting catchment area approach. It is also proposed to strengthen the grass root level institutions like schools, etc. with suitable field kits to undertake water quality testing at the grass root level.

[Ministry of Rural Areas & Employment (Department of Rural Development) O.M. No. H-11020/3/98-GC(P)  
dated 14th December, 1998]

### **Comments of the Committee**

(Please *see* Para No. 9 of Chapter I of the Report)

### **Recommendation (Para No. 3.26)**

The Committee feel that only enhanced outlay for maintenance and repairs and supplying of water testing kits would not be sufficient unless the technical hands are available with the implementing agency. They, therefore, recommend that to make the necessary technical hands available to the implementing agency, the Government should consider to link the TRYSEM programme to ARWSP.

### **Reply of the Government**

The State Governments have been requested to take necessary steps to create and institutionalise a strong linkage between the TRYSEM Programme and ARWSP.

[Ministry of Rural Areas & Employment (Department of Rural Development) O.M. No. H-11020/3/98-GC(P)  
dated 14th December, 1998]

### **Recommendation (Para No. 3.27)**

The Committee also observe that in our country the philanthropic individuals/social/charitable organisations have been contributing their might to make available drinking water for the people and animals

alike. They feel that Government should not only keep this tradition alive but should try to encourage it by providing necessary tax incentives etc. to such individuals/organisations and to channelise their efforts for better utilisation. They also feel that the Government should also try to involve industrial/corporate houses to adopt/neighbouring villages/group of villages for supplying drinking water. They will like the Government to consider this suggestion which will go a long way in not only augmenting resources but supplementing the efforts of the Government to solve the drinking water problem.

### **Reply of the Government**

Special concessions to income tax payers already exist (under Section IV 35CCA of Income Tax Act 1961) on donations made to the National Fund for Rural Development which, *inter-alia*, includes construction and maintenance of drinking water projects.

The State Governments have been requested to involve industrial/Corporate houses to adopt neighbouring villages/group of villages for supplying drinking water, thereby supplementing the efforts of the Government to solve the drinking water problem.

[Ministry of Rural Areas & Employment (Department of Rural Development) O.M. No. H-11020/3/98-GC(P) dated 14th December, 1998]

### **Recommendation (Para No. 3.29)**

The Committee feel that unless the water was treated as a community resources, no meaningful initiative could be taken in the direction of solving water problem in the country. The Committee, therefore, recommend that efforts should be made to change the view and approach of the people towards water so that it is treated as a community resource instead of treating it as an open access resource.

### **Reply of the Government**

The need for regulating the extraction of ground water arises from the following considerations :

- \* Protection of resources against over exploitation

- \* Protection of resource against quality degradation
- \* To ensure social equity and to guarantee minimum provision to all sections of the society.

In view of the above and to regulate and develop ground water resources in a scientific manner, a Model Bill was framed by the Government of India in 1970, and was circulated to the States. Based on the experiences in the past two decades, the Bill was revised and circulated to States in 1992. The Bill has again been recently revised and circulated to States in 1996.

The issue of treating ground water as a community source has been recognised and incorporated into new Expenditure Finance Committee Memorandum.

The State Governments have been requested to undertake measures to create awareness through Information, Education and Communication (IEC) etc. to enable the community to treat water as a community resource.

[Ministry of Rural Areas & Employment (Department of Rural Development) O.M. No. H-11020/3/98-GC(P) dated 14th December, 1998]

### **Recommendation (Para No. 3.31)**

The Committee feel that it is not the lack of resources which is obstructing the solving of drinking water problem in the country but it is the lack of an integrated approach towards the problem and lack of a national water policy. The Committee, therefore, recommend that with a view to have integrated approach to solve the drinking water problem, Government should consider to formulate a National Water Policy.

### **Reply of the Government**

Development of areas, keeping micro watershed as unit has been well recognised. The Ministry of Rural Areas & Employment have evolved a guideline to implement Rural Development Programmes such as Desert Development Programme (DDP), Drought Prone Areas



Programme (DPAP), Jawahar Rozgar Yojana (JRY), Employment Assurance Scheme (EAS), etc. and Wasteland Development Programme on watershed basis by selecting watersheds which are facing acute drinking water scarcity.

Watershed development programmes have also been implemented by other Ministries/Departments. It is proposed to unify the implementation of water supply programme by adopting integrated approach.

The National Water Policy 1987 accords high priority to allocation of water for drinking purposes.

[Ministry of Rural Areas & Employment (Department of Rural Development) O.M. No. H-11020/3/98-GC(P)  
dated 14th December, 1998]

#### **Recommendation (Para No. 3.33)**

The Committee note that the Central Government has decided to transfer the power of sanctioning projects under Rural Water Supply Scheme to the State Governments. They hope that with this change the State Governments will be selecting such mode of drinking water supply which would be most suited to a particular area.

#### **Reply of the Government**

The powers have been delegated to the State Governments to plan and implement all Rural Water Supply Schemes. The State Governments have been requested to ensure that only such mode of drinking water should be selected for an area which is most suited to a particular area.

[Ministry of Rural Areas & Employment (Department of Rural Development) O.M. No. H-11020/3/98-GC(P)  
dated 14th December, 1998]

#### **Recommendation (Para No. 3.35)**

The Committee note that the Government was considering to revise the formula for allocation of funds under Rural Water Supply Scheme so as to allocate more funds to the problem States like Rajasthan.

They also note that the said formula is yet to be discussed with the Planning Commission. The Committee recommend that in view of the importance of drinking water, the formula should be finalised in consultation with the Planning Commission, at the earliest so that during next budget, allocations under the scheme could be made as per revised formula.

### **Reply of the Government**

It is proposed to revise the formula for allocation of funds to the States/Union Territories from the present normative approach to need based approach, keeping in view the leftover Not Covered/Partially Covered habitations, quality affected habitations, water resource availability, special category areas and rural population, so as to appreciate the problems in the difficult States and to accelerate the coverage during 9th Plan. The revised formula for allocation of funds to the States under Rural Water Supply Schemes has been incorporated in the new Expenditure Finance Committee Memorandum in consultation with the Planning Commission.

[Ministry of Rural Areas & Employment (Department of Rural Development) O.M. No. H-11020/3/98-GC(P) dated 14th December, 1998]

### **Recommendation (Para No. 3.37)**

The Committee recommend that with a view to store the rain water to the maximum possible extent not only the existing ponds and tanks should be cleaned/but new ponds/tanks should also be dug where feasible. To achieve this objective it should be impressed upon the panchayats that no work deserves more priority for execution under JRY/EAS as compared to water supply works.

### **Reply of the Government**

The State Governments have been requested to impress upon the Panchayats that works related to rural and water supply deserves more priority for execution under JRY/EAS. It is also proposed to amend the guidelines of JRY, EAS etc. to accord due importance to matters related to promotion and rejuvenation of drinking water sources.

[Ministry of Rural Areas & Employment (Department of Rural Development) O.M. No. H-11020/3/98-GC(P) dated 14th December, 1998]

### **Recommendation (Para No. 3.38)**

The Committee further note that the Government was considering to revise policy so as to involve people in harvesting rain water. The proposed policy also intends to increase allocations for such villages where the people's Committees maintained the water structures in their villages. The Committee hope that the said policy will be finalised soon and implemented vigorously so as to encourage involvement of the people in the field.

### **Reply of the Government**

A policy change for incorporating the State Governments to institutionalise community based Rural Water Supply Programme to enable the local community to plan, implement and own the water supply facilities has been incorporated in the new Expenditure Finance Committee Memorandum.

[Ministry of Rural Areas & Employment (Department of Rural Development) O.M. No. H-11020/3/98-GC(P) dated 14th December, 1998]

### **Recommendation (Para No. 4.13)**

The Committee note the serious state of rural sanitation that only 10.96% of rural population have access to sanitation. They further observe that the meagre outlay provided under the scheme during 8th Plan could not be utilised. Out of Rs. 380 crore, the utilisation was to the tune of Rs. 233.17 crore. Similar trend is indicated during 1996-97. While analysing the physical and financial achievements under the scheme in different States and UTs, the Committee note that the main weakness in the implementation of the scheme is the shortfall in the number of takers. That speak volume of the lack of awareness for the need of sanitation on the part of the rural masses. The Committee appreciate the efforts made by the Government to analyse the weaknesses of the implementation of the scheme and to adopt a major shift from low subsidy to no subsidy regime. The Committee recommend that the Government should make sufficient allocation of funds under the scheme. While recommending for increased outlay, it is urged that Department should allocate the substantial percentage of funds for publicity and campaigning. The need for sanitation should be aroused in rural masses by making efforts by Print and Electronic

media. Besides, Panchayats and NGOs can also play an important role in this regard. The Department should give a fresh look to the aspect of rural sanitation and find out as to how Panchayats and NGOs can be involved in making rural masses aware of the need for sanitation.

### **Reply of the Government**

Planning Commission has been approached for higher allocation of funds. In order to reduce the gap between the allocation and requirements, a comprehensive policy review is contemplated and one of the changes proposed is to allocate atleast 15% of the total outlay for IEC, motivational campaigns, advocacy, awareness creation etc. In addition to the usual IEC campaign, the provision will also cover incentive payments to Support Organisations (SO) usually village level NGOs and grass root-level motivators. The Total Sanitation Campaigns (TSCs) proposed to be adopted would help focus attention on problem areas; facilitate beneficiary identification; mobilise support from NGOs and other important segments of civil society; integrate IEC and HRD components with the "hardware" part of the Programme.

[Ministry of Rural Areas & Employment (Department of Rural Development) O.M. No. H-11020/3/98-GC(P)  
dated 14th December, 1998]

### **Recommendation (Para No. 4.14)**

The Committee note the lower coverage of SCs population as compared to General category as stated by the Department. They recommend that the Department should take necessary corrective steps to ensure more coverage of SCs, the under privileged section of the society under the programme.

### **Reply of the Government**

As per the CRSP guidelines, out of the total annual funds a minimum 20% should be earmarked for paying subsidy to the individual household from SCs and STs below the poverty line where the percentage of SC/ST population to total population below poverty

line is less than 20%. Where the SC/ST population below poverty line is more than 20% of the total population below poverty line, earmarking should be enhanced atleast to match the percentage of SC/ST population.

The overall coverage of SC population as compared to general category is poor since all the states are not uniformly implementing the programme. In view of the proposed change in the approach, this will be adequately taken care of as per the guidelines. The new CRSP proposes to move away from the principle of state-wise allocations primarily based on poverty criteria to a demand-driven approach. States would be required to formulate Total Sanitation Campaigns (TSCs) in selected districts in order to claim GOI assistance. The concept of "Vertical Upgradation" would be propagated to facilitate the beneficiaries to choose from a flexible menu of options based on their affordability.

[Ministry of Rural Areas & Employment (Department of Rural Development) O.M. No. H-11020/3/98-GC(P)  
dated 14th December, 1998]

#### **Recommendation (Para No. 4.15)**

The Committee note that one of the features of CRSP is subsidy limited to 80% for persons below poverty line. It is also found that the Department has proposed to adopt a major shift from low subsidy to no-subsidy regime during the 9th Plan. The Committee observe that Rural Sanitation Programme should not be confined to below poverty line families alone in a village. Rather the CRSP should be launched in a holistic manner so as to benefit all categories of people habitating in a particular village/area.

#### **Reply of the Government**

The CRSP guidelines, provides for support for the construction of individual sanitary latrines for households below poverty line and hence the Subsidy (80%) is limited to households below poverty line. However, a comprehensive policy review is contemplated and a draft EFC Memo is under circulation. It is proposed to use the

50% of CRSP funds as "seed money" to propagate low cost sanitation, based on felt needs, greater private sector involvement and the "vertical upgradation" concept. The subsidy structure would be changed to target the poorer segments and to ensure that the States face the right incentives to explore low cost sanitation through people's participation.

[Ministry of Rural Areas & Employment (Department of Rural Development) O.M. No. H-11020/3/98-GC(P) dated 14th December, 1998]

#### **Recommendation (Para No. 4.16)**

As the women can play an important role in the effective implementation of CRSP, the Government should try to find out as to how women can be involved in this programme.

#### **Reply of the Government**

Sanitation facilities are crucial for women. Women are trained as masons so that they could be involved in the construction of latrines. Training is also imparted to women in the production centres. Women Organisations are actively involved in training, motivation, participation in the hard and software delivery system pertaining to rural sanitation programme.

[Ministry of Rural Areas & Employment (Department of Rural Development) O.M. No. H-11020/3/98-GC(P) dated 14th December, 1998]

#### **Recommendation (Para No. 5.15)**

The Committee note that the Government could not release the allocated money under the three components of the programme. They appreciate the difficulties being experienced by States in the implementation of the programme, it being a new one. They recommend that sufficient funds as per the numerical ceiling criterion of the Department should be provided during 9th Plan. Besides recommending for higher outlay, the committee would like to recommend that more stress should be made to make the rural masses aware of the programme. Besides popularising the programme through print and electronic media, necessary steps should be taken to fix bill

boards in local language at the important public places like village Panchayat, railway station, bus stops etc.

### **Reply of the Government**

The observation of the Committee are noted. 4% of the Programme Money is given to Districts and 1% to the Nodal Secretaries of the States/UTs for providing wide publicity among other things, under three schemes of NSAP. In so far as publicity by the Centre is concerned, a special publicity campaign was launched regarding NSAP through Dte. of Field Publicity, Song & Drama Division, Dte. of Advertising and Visual Publicity, AIR and Television. Teams from Dte. of Field Publicity and Song & Drama Division were asked to visit remote villages to publicise the Programme and to get feed back from the rural people. Similarly, Dte. of Audio Visual Publicity has done outdoor publicity through bus back panels, kiosks, wall paintings etc.

[Ministry of Rural Areas & Employment (Department of Rural Development) O.M. No. H-11020/3/98-GC(P) dated 14th December, 1998]

### **Recommendation (Para No. 5.16)**

The Committee note that Panchayats and NGOs can play an important role in this regard. For selection of beneficiary, Panchayats and NGOs should also be involved. The necessary guidelines in this regard should be issued by the Centre. It is further recommended that 1% of the funds earmarked for publicity is not sufficient. It should be enhanced.

### **Reply of the Government**

The Government of India have since modified the NSAP Guidelines with effect from 1.8.98. Panchayats/Municipalities will sanction and disburse the assistance in meetings, preferably of Gram Sabha. In the case of Urban areas, elected local self Govt. officials are to be involved in the process of sanctioning and disbursement of assistance. This has already been communicated to the States/UTs. As per Guidelines, NGOs are also included in the District Level Committees which are responsible for monitoring and evaluating the programme. NGOs play a pivotal role to spread awareness among the masses for these schemes.

As regard 1% funds earmarked to State Nodal Secretaries, it is stated that in addition to it 4% of programme money is given to districts as Administrative Expenses for publicity and other essential expenditure necessary for effective implementation of the scheme. Besides, these schemes are also being publicised by the Centre.

[Ministry of Rural Areas & Employment (Department of Rural Development) O.M. No. H-11020/3/98-GC(P)  
dated 14th December, 1998]

### **Recommendation (Para No. 5.17)**

The Committee note that to ensure an impartial selection, there is an urgent need to bring transparency in the process of selection of beneficiaries. The information with regard to the beneficiaries should be readily available and provided to local MPs/MLAs on request. The Committee would like to recommend that Government should consider relaxing the age for admissibility of old age pension from 65 years to 60 years.

### **Reply of the Government**

As per revised Guidelines, assistance under NSAP schemes is to be sanctioned and disbursed by the Panchayats/Municipalities in the meetings, preferably of Gram Sabha. The selection of beneficiaries is left to the Gram Sabha which would ensure transparency in the selection process. The list of beneficiaries would be with Panchayats/Municipalities and hence it will be readily available for inspection by MPs/MLAs. As already submitted before the Committee at the time of oral evidence, the Government of India is not considering the proposal for lowering the age limit from 65 years to 60 under NOAPS due to resource constraint.

[Ministry of Rural Areas & Employment (Department of Rural Development) O.M. No. H-11020/3/98-GC(P)  
dated 14th December, 1998]



### **Recommendation (Para No. 6.6)**

The Committee note that the outlay for 1998-99 has been slashed to Rs. 8.80 crore from Rs. 18.80 crore during 1997-98 to provide more funds under the second segment of programme *i.e.* under Land Records (Computerisation of Land Records). They hope that the more outlay as provided under the computerisation programme will be used fully. They further hope that the lesser outlay would not affect the implementation of the SRA&ULR as claimed by the Department.

### **Reply of the Government**

Under the programme of Computerisation of Land Records funds are to be provided to the States/UTs to run on-going 518 projects, for covering the newly created districts under the scheme, for operationalisation of the programme in maximum number of Tehsils/Blocks/Talukas/Mandals and also for scanning and digitization of cadastral maps. Accordingly, the increased outlay of Rs. 30 crores will be utilised fully. The lesser outlay under the scheme of SRA&ULR is estimated to be sufficient to meet the committed expenditure relating to on-going schemes under the programme. However, any additional requirement of funds under the scheme is proposed to be met through re-appropriation from other schemes of the Ministry so that the implementation of the scheme is not hampered for want of resources.

[Ministry of Rural Areas & Employment (Department of Rural Development) O.M. No. H-11020/3/98-GC(P) dated 14th December, 1998]

### **Recommendation (Para No. 6.15)**

The Committee note that out of Rs. 84.62 crore released so far, outlay to the tune of Rs. 65.75 crore is lying unspent. Although they appreciate the objective as given in para 6.11 for enhancing the outlay during 1998-99, they are equally concerned over the huge underspending on the part of the States/UTs. They hope that Government would take the necessary corrective action to improve

the implementation of the scheme so that 100% utilisation of funds is ensured.

### **Reply of the Government**

The progress made under the scheme is reviewed from time to time at various fora including the Conference of State Revenue Ministers and Secretaries. Last such Conference of Revenue Secretaries, Settlement Commissioners was convened on 28th April, 1997 in New Delhi. A review on the progress of the scheme was also undertaken with the individual States during the months of October-November, 1997. They were requested for preparation of concrete action plans for expeditious utilisation of funds under the scheme and for timely completion of the projects. The progress will be further reviewed in the Revenue Ministers Conference to be held on 17.9.98 at New Delhi. It is hoped that by the end of the current financial year, the position of the utilisation of funds under the scheme will improve substantially.

[Ministry of Rural Areas & Employment (Department of Rural Development) O.M. No. H-11020/3/98-GC(P)  
dated 14th December, 1998]

### **Recommendation (Para No. 7.6)**

The Committee note with concern the shortfall in expenditure during 8th Plan and the first year of 9th plan *i.e.* 1997-98. They find that funds could not be released during 1996-97 as the audit by C&AG was going on. It is observed that not only during 1997-98, but also during the whole 8th plan the funds earmarked for the activities of CAPART could not be utilised by them fully. The Committee would like to know the reasons for the shortfall in expenditure during the 8th Plan.

### **Reply of the Government**

The Council for Advancement of People's Action and Rural Technology (CAPART) is involved in rural employment and poverty alleviation programmes to supplement Government efforts and for

mobilising and motivating people's participation through voluntary organisations. The details of the provision made in the budget, amount released to CAPART and the funds released by CAPART to the voluntary organisations for the implementation of projects under these nationally planned programmes during the 8th plan period are as under:—

S.No.	Scheme	Budget Provision	Amount released to CAPART	Amount released by CAPART to V.Os.
1.	Promotion of Voluntary Action in Rural Development (PC)	44.00	38.40	35.09
2.	Advancement of Rural Technology (ARTS)	49.00	44.50	41.34
3.	Organisation of Beneficiaries (OB)	13.00	10.77	9.14
4.	Accelerated Rural Water Supply programme (ARWSP)	67.75	64.49	45.25
5.	Central Rural Sanitation Programme (CRSP)	45.50	37.79	35.07
6.	Integrated Rural Dev. Programme (IRDP)	6.87	5.63	5.36
7.	Development of Women & Children in Rural Areas (DWCRA)	14.50	13.55	13.15
8.	Jawahar Rozgar Yojana (JRY)	45.00	49.50	56.74
9.	Rural Housing (IAY)	10.01	10.00	8.78
10.	Million Wells Scheme (MWS)	1.00	0.50	—
11.	Training of Panchayati Raj Functionaries (PR)	1.50	0.50	0.37
Total		298.13	275.63	250.29

Provision in the budget is made for these schemes on the basis of the estimated requirement reported by CAPART in instalments based on the availability of funds with CAPART, its estimated requirements, receipt of utilisation certificate, etc. During later part of the 8th Plan, the number of projects actually sanctioned by CAPART were considerably less than that expected at the time of making provision in the budget/releasing funds to CAPART, due to the following reasons, which resulted in some shortfall in expenditure:—

- (i) CAPART was decentralised by setting up six Regional Committees. These Regional Committees were authorised to sanction project proposals upto an outlay of Rs. 5.00 lakh. Transfer of records to these Regional Committees took some time.
- (ii) With a view to strengthening the sanctioning procedure, the system of pre-funding appraisal was introduced. This system of pre-funding appraisal of project proposals received, took some time to take off.
- (iii) With a view to bringing in greater transparency in functioning of CAPART some procedural changes were effected. This resulted in some delays in processing the project proposals.

[Ministry of Rural Areas & Employment (Department of Rural Development) O.M. No. H-11020/3/98-GC(P) dated 14th December, 1998]

#### **Recommendation (Para No. 7.7)**

The Committee note that there is no auditing of accounts of the different CAPART assisted. V.Os. by CAPART and the reasons given is the large number of NGOs working in different programmes. The only check is an audited statement from a certified Chartered Accountant. The Committee feel that the existing system of auditing is not sufficient for the monitoring of accounts of different V.Os. They appreciate the concern expressed by the Department that the number of VOs is too large. It is found that VOs are working for the different activities under the different Departments. The Committee would like to recommend that certain percentage of funds of CAPART should be earmarked for monitoring and evaluation of activities of voluntary organisations. The Government should think having a foolproof

mechanism for the monitoring of VOs so as to avoid misappropriation of funds by them. They would also like that the Government should evolve some foolproof mechanism to check the entry of bogus NGOs.

### **Reply of the Government**

It has been reported by CAPART that they have a system of monitoring the accounts wherever it so desires through the monitors are specialists in accounts. The expenditure on their visits for monitoring is met from CAPART.

In order to prevent misuse of funds of CAPART, the following measures are taken :—

- (i) All project proposals are sent for pre-funding appraisal to be done through CAPART's panel of project evaluators.
- (ii) All new comers to CAPART have to first prove their capability by working on a project to be funded at the regional level. The Regional Committee being closer to the field have a more authentic idea about the standing of the V.O. in the region.
- (iii) For the release of second and subsequent instalments, mid-term appraisals are compulsory both for projects sanctioned by CAPART headquarters and the Regional Committees. Before the project is closed after the work has been completed, a final evaluation is done through CAPART project evaluators and a terminal report alongwith utilisation certificate received from the V.O. The final closure is done after the Accounts Division of CAPART have scrutinised the entire file.
- (iv) The National Standing Committees have been delegated full powers of sanctioning of projects and no projects are sanctioned at the official level. Projects above Rs. 15.00 lakh sanctioned by the National Standing Committees are put up for information of the Executive Committee.
- (v) Whenever the work of the V.O. is found unsatisfactory, the V.O. is put under FAS category (Further Assistance Stopped). Subsequently, if the malafides of the V.O. has been established involving misuse of funds, misrepresentation or involvement in other acts of moral turpitude, the V.O. is placed under the Blacklisted category. As a matter of abundant precaution,

CAPART does not sanction funds to such V.Os. which have been blacklisted even by other Ministries/Government Organisations.

- (vi) All cheques and bank drafts issued by CAPART are crossed and the bank account number of the V.O. is indicated on it to avoid fraudulent encashment.

CAPART has also constituted a National Standing Committee on Monitoring and Evaluation. To check entry of bogus N.G.Os., revised guidelines on functioning of CAPART are being formulated in consultation with the reputed V.Os.

[Ministry of Rural Areas & Employment (Department of Rural Development) O.M. No. H-11020/3/98-GC(P) dated 14th December, 1998]

#### **Recommendation (Para No. 8.6)**

The Committee note that with the enforcement of the Constitution (73rd Amendment) Act, 1992, there is a big challenge before the Department to impart training to elected members of Panchayati Raj Institutions. With the recent process of decentralisation, more responsibilities are coming on Panchayati Raj functionaries and that explain the urgency to impart training to them. The Committee find that the number of participants imparted training so far by NIRD is very low. They recommend that the outlay for different Institutes for training should be stepped up while recommending for higher outlay, they desire that more and more training programmes should be arranged for Panchayat level functionaries.

#### **Reply of the Government**

National Institute of Rural Development (NIRD) at central level, 23 State Institute of Rural Development (SIRD) at state level and 87 Extension Training Centres (ETCs) at sub-regional level impart training to Rural Development functionaries including elected representatives of Panchayati Raj Institutions (PRIs). These training institutes/centres are funded by Training Section of this Ministry on the basis of the demand made by the Institutes/Centres concerned or State Governments.

So far as the training to Panchayati Raj Institution members is concerned, apart from the scheme of the Training Section, PR Division of the Ministry handles exclusive scheme for the training of PRIs. The Central outlay of the scheme during the 8th Plan was Rs. 8.80 crores. Rs. 3.00 crores were provided for 1997-98. An amount of Rs. 5.00 crores has been proposed for the current financial year, *i.e.* 1998-99.

Most of the States have chalked out comprehensive training programmes for the elected representatives and the official functionaries. The Ministry extends limited financial assistance to the States in their effort to train and create awareness among the PRI elected members and functionaries.

The funds released to various States and the number of persons trained under this scheme is indicated below:—

Sl. No.	Name of the State	Total amount released (Rs. in lakhs)	No. of persons trained
1	2	3	4
1.	Uttar Pradesh	75.24	4,59,047
2.	West Bengal	32.51	25,365
3.	Tripura	26.45	10,000
4.	Kerala	78.90	1,505
5.	Sikkim	7.35	888
6.	Punjab	43.00	93,410
7.	Tamil Nadu	49.63	13,965
8.	Assam	20.92	5,450
9.	Karnataka	136.71	80,000

1	2	3	4
10.	Himachal Pradesh	18.00	28,350
11.	Orissa	78.00	85,000
12.	Madhya Pradesh	202.84	1,04,344
13.	Andaman & Nicobar	2.00	1,055
14.	Haryana	39.57	53,239
15.	Gujarat	8.82	7,340
16.	Rajasthan	3.35	9,233
17.	Andhra Pradesh	100.00	1,34,391
18.	Maharashtra	25.93	NR
19.	Manipur	6.30	NR

Realising the fact that institutional training cannot be given to all the Panchayati Raj Institutions representatives and also realising the potential of distance education system, the Indira Gandhi National Open University (IGNOU) under the sponsorship of this Ministry, has launched a massive programme of education and training for the elected representative of PRIs through the distant mode of learning. A multi-media approach, comprising preparation of; (a) Self Learning Print Material, (b) Audio visual programmes and (c) Counselling programmes adopted. The preparation of Self Learning Print Material (SLPM) is complete. The material has been prepared in the simplest language and is extensively illustrated. Each module is being supported by one video and two audio programmes. To begin with, four districts of Madhya Pradesh namely, Guna, Dhar, Bastar and Raigarh were covered through the multi-media package. There are about 45,000 to 50,000 elected representatives in these districts. The remaining districts in the State are also being covered. Currently, IGNOU is involved in the translation and printing of the Self Learning Print Material (SLPM) in



different regional languages, dubbing of video programmes in regional languages, production of audio programmes in regional languages.

[Ministry of Rural Areas & Employment (Department of Rural Development) O.M. No. H-11020/3/98-GC(P) dated 14th December, 1998]

### **Recommendation (Para No. 9.3)**

The Committee note that besides Central allocation for Panchayati Raj research and studies, State Governments make budgetary provisions. Many NGOs are also involved in the process. They recommend that coordination between the activities of Central Government, State Governments and NGOs should be maintained so as to get the optimal use of the allocation made at different levels. The Committee further notes that NIRD is the main Institution for imparting training to Panchayati Raj functionaries. They would also like to recommend that linkages between the work done on research and studies under the said programme and NIRD should be maintained so as to make full use of the work done in the field.

### **Reply of the Government**

Copies of the final reports of the research and studies are endorsed to the NIRD for further dissemination of their findings. The final reports of the ongoing research and studies will also be sent to the NIRD.

[Ministry of Rural Areas & Employment (Department of Rural Development) O.M. No. H-11020/3/98-GC(P) dated 14th December, 1998]

### **CHAPTER III**

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

##### **Recommendation (Para Nos. 2.13 & 2.14)**

The Committee note that out of 8th Plan outlay of Rs. 6450 crore, funds to the tune of Rs. 5672.04 crore could actually be released. The basic reason for the lesser release as could be seen from the above mentioned paras is the shortfall in expenditure under various schemes. While the under spending of Rs. 270 crore under NSAP could be appreciated as it being a new scheme the ineffective implementation of various schemes could not be appreciated as the same is the main reason for getting lesser outlay from the Planning Commission. The implementation of the respective schemes is analysed scheme-wise in the succeeding paragraphs of the Report. The Committee recommend that the Government should evaluate the performance of different schemes implemented during 8th Plan and should take corrective measures to improve the implementation of the schemes during 9th Plan.

While appreciating the Government's concern for rural development as is evident from the revised proposed outlay to the tune of Rs. 17,160 crore for 9th Plan, the Committee would like that Government should give more importance to the execution and implementation of the schemes. It is also urged that evaluation of the schemes should be got done concurrently by independent agencies.

##### **Reply of the Government**

Ministry of Rural Areas & Employment has already conducted the concurrent evaluation of various programmes implemented by it through independent institutes of repute. In case of IRDP four rounds of concurrent evaluation have been completed and 5th round (1996-97) is under finalisation. In respect of JRY two rounds of concurrent evaluation have already been completed. Quick evaluation has also been carried out in respect of TRYSEM. In addition, quick evaluations have been conducted by Planning Commission in respect of other programmes of this Ministry are - Quick Study of

JRY (1991-92), Evaluation Report on DPAP (1992-93), Evaluation Report on ARWSP (Sept. '96) and EAS (1996-97) which is under finalisation. The concurrent evaluation of IAY and MWS have already been taken up and proposed to be completed in 1999. Similarly, the concurrent evaluation of other schemes will be taken up in Ninth Plan period.

[Ministry of Rural Areas & Employment (Department of Rural Development) O.M.No. H-11020/3/98-GC(P) dated 14th December, 1998]

### **Recommendation (Para No. 2.15)**

The Committee hope that Government will take care of the latest cut-off limit of below poverty line as per the latest BPL survey being carried out by the Planning Commission, for the identification of persons below poverty line for different schemes and allocation of funds to respective States/UTs.

### **Reply of the Government**

This Ministry has intimated to all the States/UTs, the State-wise rural poverty line for 1996-97 prepared as per the new official methodology by the Planning Commission, for identification of persons below poverty line. The allocation of funds among States/UTs is done on the basis of poverty ratio as determined by Planning Commission.

[Ministry of Rural Areas & Employment (Department of Rural Development) O.M. No. H-11020/3/98-GC(P) dated 14th December, 1998]

### **Recommendation (Para No. 5.20)**

The Committee appreciate the changes proposed to be taken by the Government under the schemes of NSAP. They hope that the Government will not only approve the present allocation of Rs. 700/- crores but will also release it during the year.

### **Reply of the Government**

The release of NSAP funds to the Districts is dependent on utilisation of more than 50% of funds in the case of first instalment and 60% of funds in the case of second instalment. Besides, Audit Reports and Utilisation Certificates for 1996-97 will also be required

for the release of second instalment. As such release of funds depends mainly on the performance of the States. Government of India will frequently review the performance of State Governments in order to point out requirements for release of present allocation.

[Ministry of Rural Areas & Employment (Department of Rural Development) O.M. No. H-11020/3/98-GC(P)  
dated 14th December, 1998]

### **Recommendation (Para No. 6.9)**

The Committee note that the allocation for two schemes of land records (i) SRA&ULR (ii) computerisation of land records is made under the broad heading Land Reforms. They note that Land Reforms in the activity under the jurisdiction of State Governments. Besides the activities involved under the said programmes relate to Land Records. They will like to recommend that to give correct picture about the activities being undertaken under the programme, the Government should change the nomenclature of the head suitably.

### **Reply of the Government**

Efficient upkeeping of land records can be very useful for effective implementation of Land Reform Programmes. While Land records were earlier considered important mainly from the point of land revenue, they are now looked upon as crucial documents for implementation of Land Reform measures particularly for identification of ceiling surplus lands and tenancy, identification and demarcation of Govt. lands and village common lands. The absence of correct land records has often been responsible for many land disputes to the disadvantage of the poor. The modernization and updating of Land Records System and making them available to rural people has been one of the major components of the Strategy of Land Reforms. Accordingly, the allocation for the two schemes viz. (1) SRA&ULR and (2) CLR is made under the heading Land Reforms and it is proposed to continue the same.

[Ministry of Rural Areas & Employment (Department of Rural Development) O.M. No. H-11020/3/98-GC(P)  
dated 14th December, 1998]

## **CHAPTER IV**

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

—NIL—

## **CHAPTER V**

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

#### **Recommendation (Para No. 5.18)**

The Committee note that different states are disbursing money to the beneficiaries by different modes like through Banks/Panchayats/Money Orders etc. The Government should conduct a sample survey to find out as to what mode of payment was more effective and efficient enabling the pension amount to reach the beneficiary without involving any middleman or getting reduced. As a result of such survey, the Government should consider to apply the best suited mode of payment to all States.

#### **Reply of the Government**

The Govt. have selected some reputed institutions for quick evaluation studies regarding implementatin of NSAP schemes covering all aspects. As soon as the reports are received, the desirability of uniform mode of payment will be examined in consultation with the States.

[Ministry of Rural Areas & Employment (Department of  
Rural Development) O.M. No. H-11020/3/98-GC(P)  
dated 14th December, 1998]

#### **Comments of the Committee**

(Please *see* para No. 12 of Chapter I of the Report)

#### **Recommendation (Para No. 6.7)**

The Committee note that shortfall in expenditure as reported by certain States/UTs. They note that SRA & ULR scheme is to be implemented by the Revenue Machinery at the State level and they equally appreciated their limitation. The Committee recommend that coordination amongst the various implementing agencies should be strengthened.

### **Reply of the Government**

The States/UTs have been requested from time to time for taking suitable steps for expeditious utilisation of funds. This issue has also been discussed at various fora including the conferences of the Revenue Ministers of the States. The overall position of utilisation of funds under the scheme is 68%. Thus it has further improved by about 5% compared with the position intimated to the Committee during June, 1998. After receipt of information on utilisation of funds during the financial year 1997-98 from some of the States, the percentage of utilisation of funds in respect of the States of Jammu & Kashmir, Karnataka, Nagaland and the UT of Chandigarh is more than 60%. The matter is proposed to be placed again before the Conference of Revenue Ministers of the States which is to be held on 17th September, 1998 and it is expected that there will be significant increase in the percentage of utilisation during the current financial year.

[Ministry of Rural Areas & Employment (Department of Rural Development) O.M. No. H-11020/3/98-GC(P) dated 14th December, 1998]

### **Comments of the Committee**

(Please *see* para No. 15 of Chapter I of the Report)

### **Recommendation (Para No. 6.8)**

The Committee note the States are not able to provide the required 50% matching share to reduce burden on the States and to further improve the implementation the Department is considering the enhancement of Central share from 50 to 80%. They hope that final decision in this regard will be taken urgently.

### **Reply of the Government**

Enhancement of Central share from 50 to 80% for all States except for the North Eastern States, in whose case 100% Central assistance,

had been proposed while formulating the Ninth Plan proposals under the scheme. Accordingly, further action in this regard will be taken after finalization of the Ninth Plan. Thus a final decision will be taken in the matter only after the Ninth Plan is finalized.

[Ministry of Rural Areas & Employment (Department of Rural Development) O.M. No. H-11020/3/98-GC(P)  
dated 14th December, 1998]

### **Comments of the Committee**

(Please *see* para No. 18 of Chapter I of the Report)

### **Recommendation (Para No. 9.4)**

The Committee urge that the Department should initiate a study on the status of the Panchayats with the implementation of the Constitution (73rd Amendment) Act, 1992 covering (i) the financial position of Panchayats *vis-a-vis*, the responsibility being entrusted to them with the implementation of 73rd Amendment (ii) the status of the State Finance Commissions to be constituted by the States (iii) technical capability (iv) mobilisation of Internal resources by Panchayats. They would like to be apprised about the action taken in this regard.

### **Reply of the Government**

The following Research/Studies have been commissioned and their final reports are due by the end of 1998.

Name of the NGO/Institution	Title of the Research Project
1	2
1. Centre for Women Development Studies, New Delhi.	Study of the processes initiated before and after the 73rd Amendment and Women's participation in Panchayats.
2. Institute of Social Sciences, New Delhi.	Research and data collection, compilation and commentary on the State PR Acts after the 73rd Amendment.



1	2
3. Academy of Administration, Bhopal.	Evaluation study of effectiveness of Panchayati Raj in Madhya Pradesh.
4. Jadhavpur University, Calcutta.	Study to develop proper planning techniques to guide the development of rural settlement.
5. Institute of Manpower Research, New Delhi.	A study on socio-economic character of women in PRIs.
6. Lal Bahadur Shastri National Academy of Administration, Mussoorie.	Comparative study of PR system with particular reference to devolution of powers; socio-legal challenges of PR system in the liberalised economy.
7. Indian Social Institute, New Delhi.	Study of functioning of PRIs in Madhya Pradesh with special reference to Schedule V areas.
8. The Society of Participatory Research in Asia, New Delhi.	Direct Strengthening of Panchayati Raj Institutions.

The Ministry of Rural Areas & Employment, Department of Rural Development is constituting a Task Force to study the Structure and Functioning of Panchayats. The points on which the Standing Committee have urged this Ministry to take up by way of a study also form part of the terms of reference of the aforesaid Task Force. It is proposed to suggest to the Task Force, that these points be referred to a sub-group for in-depth study and make their recommendations.

The Ministry is also preparing a memorandum for submission to the XI Finance Commission the basis of analysis of the SFC reports by the SFC Cells set up at NIRD, Hyderabad and National Institute of Public Finance and Policy, New Delhi.

A study as recommended by the Standing Committee will be commissioned after the matter is discussed in the meeting of the Task Force to be convened in the later half of September 1998.

[Ministry of Rural Areas & Employment (Department of Rural Development) O.M. No. H-11020/3/98-GC(P)  
dated 14th December, 1998]

### **Comments of the Committee**

(Please *see* para No. 21 of Chapter I of the Report)

NEW DELHI;  
*April 12, 1999*  

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*Chaitra 22, 1921 (Saka)*

KISHAN SINGH SANGWAN,  
*Chairman,*  
*Standing Committee on*  
*Urban & Rural Development.*

## APPENDIX I

### COMMITTEE ON URBAN & RURAL DEVELOPMENT (1998-99)

#### MINUTES OF THE THIRTY-SIXTH SITTING OF THE COMMITTEE ON URBAN & RURAL DEVELOPMENT HELD ON FRIDAY, 26TH MARCH, 1999

The Committee sat from 1115 hrs. to 1330 hrs. in Room No. 62, Parliament House, New Delhi.

#### PRESENT

Shri Kishan Singh Sangwan — *Chairman*

#### MEMBERS

*Lok Sabha*

2. Shri Tariq Anwar
3. Dr. Shafiquar Rahman Barq
4. Shri Sriram Chauhan
5. Shri Ramkrushna Suryabhan Gavai
6. Shri Vinod Khanna
7. Shri Bir Singh Mahato
8. Shri Subrata Mukherjee
9. Smt. Ranee Narah
10. Shri Rameshwar Patidar
11. Smt. Jayanti Patnaik
12. Shri Mullappally Ramachandaran
13. Shri Nikhilananda Sar
14. Shri Vithal Baburao Tupe
15. Dr. Ram Vilas Vedanti
16. Shri K. Venugopal

17. Smt. Shabana Azmi
18. Shri Nilotpal Basu
19. Shri Onkar Singh Lakhawat
20. Prof. A. Lakshmisagar
21. Shri Jagdambi Mandal
22. Shri Suryabhan Patil Vahadane

1. Shri G.C. Malhotra — *Additional Secretary*
2. Shri S. C. Rastogi — *Director*
3. Smt. Sudesh Luthra — *Under Secretary*

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\*\*\* Minutes regarding Memorandum No. 15 and Consideration of Demands for Grants of the Department of Rural Development have been kept separately.

5. The Committee then authorised the Chairman to finalise the said Reports after getting them factually verified from the concerned Department/Ministry and present the same to the Houses of Parliament.

6.	***	***	***
	***	***	***
7.	***	***	***
	***	***	***
8.	***	***	***
	***	***	***
9.	***	***	***
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The Committee then adjourned to meet again at 1430 hrs. to consider and take evidence of the representatives of the Department of Rural Development on the Demands for Grants in respect of the remaining schemes of the Department.

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\*\*\* Minutes regarding Memorandum No. 15 and Consideration of Demands for Grants of the Department of Rural Development have been kept separately.

## APPENDIX II

(Vide Para 3 of the Introduction)

*Analysis of the Action Taken by Government on the recommendations contained in the Fourth Report of the Standing Committee on Urban and Rural Development (12th Lok Sabha)*

I.	Total Number of Recommendations	37
II.	Recommendations that have been accepted by the Government (Para Nos. 3.19 to 3.27, 3.29, 3.31, 3.33, 3.35, 3.37, 3.38, 4.13 to 4.16, 5.15, 5.16, 5.17, 6.6., 6.15, 7.6, 7.7, 8.6, and 9.3)	28
	Percentage to the total recommendations	75.68%
III.	Recommendations which the Committee do not desire to pursue in view of the Government's replies (Para Nos. 2.13 to 2.15, 5.20 and 6.9)	5
	Percentage to the total recommendations	13.51%
IV.	Recommendations in respect of which replies of the Government have not been accepted by the Committee	NIL
	Percentage to the total recommendations	NIL
V.	Recommendations in respect of which final replies of the Government are still awaited (Para Nos. 5.18, 6.7, 6.8 and 9.4)	4
	Percentage to the total recommendations	10.81%