

27

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

TWELFTH LOK SABHA

**MINISTRY OF RURAL AREAS
AND EMPLOYMENT
(DEPARTMENT OF RURAL EMPLOYMENT
& POVERTY ALLEVIATION)**

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

TWENTY-SEVENTH REPORT



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**LOK SABHA SECRETARIAT
NEW DELHI**

Corrigenda to the 27th Report (12th Lok Sabha) of the
Standing Committee on Urban & Rural Development on
'Demands for Grants 1998-1999' of Department of Rural
Employment and Poverty Alleviation

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TWENTY-SEVENTH REPORT
STANDING COMMITTEE ON
URBAN AND RURAL DEVELOPMENT
(1998-99)

(TWELFTH LOK SABHA)

MINISTRY OF RURAL AREAS AND EMPLOYMENT
(DEPARTMENT OF RURAL EMPLOYMENT &
POVERTY ALLEVIATION)

[Action Taken Report on the Fifth Report of the Committee on Urban & Rural Development (1998-99) on Demands for Grants (1998-99) of the Department of Rural Employment & Poverty Alleviation (Ministry of Rural Areas & Employment)]



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

LOK SABHA SECRETARIAT
NEW DELHI

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Published under Rule 382 of the Rules of Procedure and Conduct of Business in Lok Sabha (Ninth Edition) and Printed by the Jainco Art India, 13/10, W.E.A., Saraswati Marg, Karol Bagh, New Delhi-110 005.

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

Shri Kishan Singh Sangwan — *Chairman*

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SECRETARIAT

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

INTRODUCTION

I, the Chairman of the Standing Committee on Urban & Rural Development (1998-99) having been authorised by the Committee to submit the Report on their behalf, present the Twenty-seventh Report on Action Taken by the Government on the recommendations contained in the Fifth Report of the Standing Committee on Urban & Rural Development (1998-99).

2. The Fifth 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 31st December, 1998. The replies of the Government were examined and the Report was considered and adopted by the Committee at their sitting held on 30th March, 1999.

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

NEW DELHI;
April 19, 1999
Chaitra 29, 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 their Fifth Report on Demands for Grants (1998-99) of the Department of Rural Employment & Poverty Alleviation (Ministry of Rural Areas & Employment) 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 42 recommendations which have been categorised as follows:—

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

Para Nos. 1.6, 1.9, 1.12, 1.14, 1.17, 1.19, 1.21, 2.6, 2.8, 2.10, 2.11, 2.12, 2.16, 2.20, 2.23, 2.28, 2.29, 2.32, 2.34, 3.4, 3.12, 3.13, 3.17, 3.20, 3.23, 3.26, 3.32, 3.34, 4.4, 4.5, 4.8, 4.9 and 4.10.

- (ii) Recommendations/Observations which the Committee do not desire to pursue:—

Para Nos. 2.4 and 3.30

- (iii) Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee:—

Para Nos. 2.18, 3.6, 3.11 and 3.27.

- (iv) Recommendations/Observations in respect of which final replies of the Government are still awaited.

Para Nos. 2.25, 3.8 and 3.15.

3. The Committee desire that the final replies in respect of the recommendations for which only interim replies have 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 Government on some of the recommendations.

A. Accumulation of huge unspent balances under the different Schemes of the Department.

Recommendation (Para No. 1.12)

5. The Committee in their earlier recommendation had noted as under:—

“The Committee note with concern huge accumulation of unspent balance in each of the schemes of the Department. They are constrained to note that during 1997-98 the opening balance of Rs. 2660.30 crore, as on 1.4.97, is infact, 39.08 per cent of the total plan allocation for the Department. They feel huge unspent balance/opening balance shows lack of planning, non-satisfactory performance and monitoring of the programmes/schemes. Equally alarming is the fact that the huge amount of such unspent balance arise because of (i) late release of 2nd instalment of funds; (ii) it is permissible for DRDAs to carry over upto a maximum of 25% of the allocation for the next year; and (iii) under EAS where there is no concept of opening balance, each block can keep upto one instalment of released funds as unutilised balance. As the tendency to keep huge amount as unspent balance/opening balance is not only an unhealthy practice but also deprives the other projects and schemes which may be in more need of funds. It also weakens the case of the Department for release of more funds for its different projects/schemes during the following financial years. The Committee would therefore, like to recommend that the existing release pattern of instalments should be suitably modified. The Committee also recommend that the rules/guidelines for each scheme should be so revised that the released funds are utilised fully and the unspent balance at the close of the year is kept to the minimum permissible limit.”

6. The Government in their reply have stated as under:—

“The Department has reviewed the existing release pattern of the Scheme. It has been found that as per the guidelines, the release of funds under self-employment programmes i.e. IRDP, TRYSEM, DWCRA and Toolkits is done in two instalments. The first instalment is released on *ad-hoc* basis. However, the existing guidelines of IRDP provide for taking into account the opening balance, at the time of release of the second instalment of funds. Cuts are imposed on account of excess opening balance, non-achievement of quarterly target and late submission of proposals. This system of release of funds in two instalments ensures proper monitoring of expenditure and hence the existing pattern may continue broadly. As regards unspent balance, it may be mentioned that due to efforts made by this Department last year, the unspent balance has come down as compared to previous years. However, efforts will be made to ensure that the maximum expenditure is incurred during this year.

Past experience shows that some States submit their proposals late in the months of February-March resulting in delay in release of funds by the Ministry and obvious carry over of funds to the next year. It is precisely in order to overcome this problem that the Ministry has introduced the system of graded releases in respect of proposals received after December 31st every year. In this system progressive cuts are imposed at the rate of 10%, 20% and 30% on the proposals received up to the month of January, February and March respectively. However efforts will be made to ensure that maximum funds are utilised during current year. The position with regard to EAS has already been explained.

As far as JRY and MWS are concerned, the present system of releasing funds in two instalments is considered to be advantageous as compared to release in one instalment. Release of second instalment provides the scope for further screening *vis-a-vis* progress of expenditure. As per Guidelines, first instalment of Central funds under these schemes is released as soon as the utilisation certificate in respect of funds released under first instalment in the previous year is received. No preconditions are imposed. The second instalment of Central funds for the districts is released by the end of October on the

requests of States/UTs in the prescribed format on fulfilment of certain conditions. The main condition is that 60% of total available fund i.e. opening balance of the year plus the amount received as first instalment including the State share has been utilised. Cuts are also imposed on the Second instalment on account of excess opening balance. The Guidelines also ensure that the State Government releases its matching share to DRDAs/ZPs within a week after the release of Central share. DRDAs/ZPs should also release the funds under JRY to Village Panchayats within a week of the receipt of funds.

It may also be mentioned that there is a time lag between the release of funds by the Centre to the DRDAs/ZPs and their releasing the funds to the villages, where actual work takes place. While efforts are made to minimise the same. A certain time lag is inevitable. This also contributes to the carry over of a certain part of the funds. Wherever this carry over is not within the prescribed limit, cuts are imposed progressively while releasing the IInd instalment of funds to the DRDAs/ZPs.

In order to check the growing unutilised balance the Ministry has issued some revised guidelines, according to which, instead of 50% of utilisation of available resources the State/UT Governments now have to utilise not less than 60% of available resources for claiming second instalment of funds. In order to speed up the utilisation level, seeking the second instalment will be made dependent on the time of reporting of utilisation. Depending on the receipt of complete proposal for second instalment, the quantum will be governed as follows:—

Proposal received in the month of:

December	—	50% of allocated funds
January	—	40% of allocated funds
February	—	30% of allocated funds
March	—	20% of allocated funds

However it is to be mentioned that as per IAY guidelines, the DRDAs/ZPs are permitted to carry over not more than 25% of last years district level allocation as unspent balance. This is done with a view to fund the on line projects and continuity in the implementation of the scheme. The carry over balance under IAY are well within the permissible limit.

Mode of implementation of DDP has been changed drastically to ensure people's participation, empowerment of village community, transparency in fund management and carry out works on watershed basis. The whole work under the programme is to be carried out by the local people/self help groups/user groups through Watershed Association/Watershed Committees. 80% of the total project cost is to be transferred in the Bank account of Watershed Committees, which spent 75% on works and 5% on administrative expenditure. All these projects are of 4 year period and one of the major objective of the programme is capacity building of local people/communities and their improvement. It is quite obvious that people residing in remote areas of hot and cold deserts are bound to take time. However, now after consistent efforts of past three years, these people have geared up to implement the programme on much faster pace.

Earlier 1st instalment in the financial year was released on *ad-hoc* basis and 50% more expenditure was insisted for the releases of 2nd instalment. In order to reduce the accumulation of fund or unspent balance, now guidelines for releasing 1st instalment has been changed. During 1998-99, 1st instalment as well as 2nd instalment are released to only those districts, where expenditure of total available fund in the financial year is more than 50%. This change has considerably reduced the level of unspent balance with DRDAs at any point of time."

7. While appreciating the steps taken by the Government to ensure maximum utilisation of funds earmarked for the different schemes of the Department, the Committee would like that the impact of the changes made in the guidelines should be watched and the Committee be apprised accordingly.

B. Evaluation of Programmes and Schemes

Recommendation (Para No. 1.19)

8. The Committee had recommended as under:—

"The Committee while noting the practical difficulties explained by the Department for not conducting concurrent evaluation of various schemes, feel that the Department has explained the position in a very casual and routine manner, e.g. law and order

problem. This feeling of the Committee is further strengthened by the fact that several schemes of the Department were launched more than 10 years ago. The need for evaluation of such schemes cannot be over emphasized. The Committee note that the Department proposed to conduct evaluation of MWS & IAY during 1999 and evaluation of EAS is to be conducted by the Planning Commission shortly. The Committee feel that the concurrent evaluation of the programmes/schemes should be carried out by reputed agencies. Further the guidelines of each programme/scheme should also be suitably modified so as to make adequate financial provisions for such evaluations."

9. The Government has replied as under:

"The concern of the Committee regarding conducting concurrent evaluations in respect of major rural development and poverty alleviation programmes is appreciable. However, the facts in this regard are that the Ministry has already conducted a number of Concurrent Evaluations through the independent institutes of repute during the last 10 to 15 years in respect of the old programmes, namely, Integrated Rural Development Programme (IRDP) and Jawahar Rozgar Yojana (JRY) etc. The details of the Concurrent Evaluations and Quick Evaluations conducted by the Ministry and by the Planning Commission so far are as follows:

A. *Concurrent Evaluation Sponsored by Ministry of Rural Areas & Employment*

1. Integrated Rural Development Programme (IRDP)

- (i) First Round (Oct. 1985 to Sept. 1986)
- (ii) Second Round (Jan. 1987 to Dec. 1987)
- (iii) Third Round (Jan. 1989 to Dec. 1989)
- (iv) Fourth Round (Sept. 1992 to Aug. 1993)
- (v) Fifth Round (1995-96 - Final Report under finalisation)

2. Jawahar Rozgar Yojana (JRY)

- (i) First Round (Jan. 1992 to Dec. 1992)
- (ii) Second Round (1993-94)

B. Evaluation studies carried out by Planning Commission:

- (i) Quick Study of JRY (1991-92)
- (ii) Evaluation Report on DPAP (1992-93)
- (iii) Evaluation Report on ARWSP (Sept. 1996)
- (iv) Quick Evaluation of EAS (1996 - Report under finalisation).

In respect of IAY & MWS, the Concurrent Evaluation has already been taken up through independent institutes of repute, which is proposed to be completed in 1999. In regard to other schemes, namely Employment Assurance Scheme (EAS), Jawahar Rozgar Yojana (JRY) have also been proposed to be taken up during Ninth Five Year Plan. As regards observations of the Committee regarding modifications in the guidelines of each programmes/ schemes to make adequate financial provision for such evaluations, it is mentioned that such provisions to provide sufficient funds for conducting the concurrent evaluations of the respective programmes has already been made in the guidelines of each programme."

10. On the recommendation of the Committee to make adequate financial provision for making concurrent evaluation by reputed agencies, in the respective guidelines of each of the scheme the Government in their action taken reply have stated that such provision is already being made in the guidelines. However the reply of the Government is silent as to the amount which is earmarked for the purpose and its percentage to the total allocation for each scheme. They would therefore, like the Government to this amount separately in the allocation, in future.

The Committee further find that as per the action taken reply of the Government the final Report of the Fifth Round (1995-96) of Integrated Rural Development Programme (IRDP) is still under finalisation. While expressing concern over the inordinate delay, the Committee hope that the Report has been finalised by now. They would like to know about the main recommendations made in the said Report.

C. Increase in per capita investment and per group earnings under DWCRA.

Recommendation (Para No. 2.18)

11. The Committee in their earlier recommendation had noted as under:—

“The Committee note that the average earning per DWCRA group is in the nature of supplementary Income. However, an average earning of Rs. 101 to Rs. 300 per month per group, is too little to achieve the objective of the scheme. They note that, the optimum linkage between DWCRA and IRDP is yet to be achieved and non-receipt of expenditure reports from the districts for sub-scheme of DWCRA, points out to non-satisfactory monitoring of the scheme. In view of the above, they recommend that appropriate measures should be introduced by the Department to substantially increase the per capita investment and there by per group earnings per month.”

12. The Government in their reply have stated as below:

“It is true that return in the range of Rs. 101-300 per member is too low if seen in the context of income required for a family to cross the poverty line. However, the income under DWCRA to the members is in the nature of supplementary income. From this year, further efforts will be made to integrate the groups with IRDP and to ensure that the earnings go up.”

13. On the recommendation of the Committee to introduce appropriate measures to substantially increase the per capita investment and thereby per group earning per month under DWCRA, the Government instead of giving the concrete steps taken/proposed to be taken have simply stated that from this year further efforts will be made to integrate the groups with IRDP and to ensure that the earnings go up. The Committee are not satisfied with the reply furnished by the Government. They reiterate their earlier recommendation and would like to know about the specific steps taken by the Government to increase the per group earning per month.

**D. Survey of Groups started under DWCRA
Recommendation (Para No. 2.20)**

14. The Committee had recommended as below:

“The Committee note that at present the Department does not monitor individual/group specific performance of the groups started under DWCRA. They feel, in the absence of such monitoring it is very difficult to know about the existence and functioning of DWCRA groups in the States/UTs. The Committee therefore, recommend that the Department should further step up the monitoring of the scheme at the District and State levels so that the number of DWCRA groups becoming defunct can be detected at an early stage and corrective steps be taken accordingly.”

15. The Government have replied as below:

“All the State Governments have been addressed to carry out a survey of all the groups under DWCRA so that the defunct groups can be identified. It is expected that this information is available by the end of this year.”

16. The Committee note that State Governments have been addressed to carry out a survey of all the groups under DWCRA to identify the defunct groups. The Committee would like to be apprised of the results of the said survey.

**E. Achievement of target under TRYSEM during 1995-96 and 1996-97
Recommendation (Para No. 2.23)**

17. The Committee had recommended as under:

“The Committee observe that with the central allocation of Rs. 59.25 crore during 1995-96, the physical achievement under the scheme is reported to be 82.34% whereas with the same allocation during 1996-97, a physical achievement of 125.60% could be achieved. The Committee are unable to appreciate the wide difference between the physical achievements under the scheme between 1995-96 and 1996-97 with the same allocation. They recommend that the Government should find out the

reasons for such variation in the achievement of targets and take corrective steps, wherever necessary.

The Committee also recommend that the Government should impress upon the State Government/UT Administration to furnish the requisite performance/progress reports as per schedule, so that the funds allocated to the scheme are utilised fully and properly."

18. The Government have replied as under:

"The State Government/UT Administrations have been requested to furnish the performance/progress reports as per the schedule. They have also been requested to indicate the reasons for mis-match between financial and physical achievements and to take corrective steps vide this Department's D.O. No. 21011/2/98-IRD-II, dated 24.9.1998."

19. Pursuant to the recommendation of the Committee to find out the reasons for mismatch in the physical achievement under TRYSEM during 1995-96 and 1996-97, the State Government/UT Administrations have been asked to furnish the reasons therefor. The Committee desire that the response of the State/UT Administration in this regard should be communicated to them.

**F. Identification of vocations and area skill survey of the Districts
Recommendation (Para No. 2.25)**

20. The Committee had noted as below:

"The Committee note that with a view to give more freedom to the States/UTs in fixing the targets as per the availability of resources and local potential for the training, the practice of fixing physical targets was discontinued during 1995-96. They further note that as per guidelines, DRDAs were required to identify vocations and to conduct area skill surveys of the districts for various skills. However, the Department is not monitoring this aspect. The Committee regret to observe that the Department has not been monitoring the observance of guidelines by States/UTs in letter and spirit. They recommend

that wherever guidelines are issued by the Government about a central scheme they should ensure the same are followed by States/UTs scrupulously."

21. The Government have replied as below:

"The State Govts./UTs Administrations have been requested to complete the area skill surveys in all the districts by December, 1998. Reports are being obtained from the States/UTs."

22. On the observation of the Committee that the Department have not monitored the information with regard to identify vocations and to conduct area skill surveys of the districts for various skills, the Government have requested all the State Governments/UT Administrations to complete said survey in all the districts by December, 1998. The Committee desire that the report obtained from the States and UT Administrations should be made available to them. It is also desired that Government should regularly monitor the information in respect of said surveys from States/UT Administrations as required in the guidelines in future.

**G. Capabilities of the implementing machineries at the field level
Recommendation (Para No. 2.29)**

23. In their earlier recommendation the Committee had stated as below:

"The Committee recommend that for a better and effective implementation of a new central scheme, the Centre should, in consultation with State Governments assess the existing capabilities of the implementing machineries at the field level."

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

"The Schemes of this department are implemented by DRDAs. Recently a committee constituted to review the support for administrative cost of the DRDAs has made several recommendations for strengthening and professionalising the implementing machinery i.e. DRDAs. The Ministry has also held consultations with State Ministers and Secretaries of Rural Development. Based on this, proposals for comprehensive strengthening of DRDAs are under active consideration."

25. While appreciating the steps proposed by the Government for strengthening the implementing agencies at the field level, the Committee would like to know the final outcome of the efforts initiated by the Government in this regard.

H. Fixation of physical target *vis-a-vis* Financial target under JRY Recommendation (Para No. 3.6)

26. The Committee in their earlier recommendation had noted as below:

“The Committee note that during 1997-98 the fund utilization was 84.67% of the total availability. However, they fail to understand as to why the physical performance of the scheme as reported for February, 1998 has not been added by the Department while sending the said information. They feel as per the information supplied to the Committee, the existing system of fixing the physical target *vis-a-vis* the financial target is not foolproof. Therefore, they urge the Department to adopt a better method for fixing the physical target *vis-a-vis* the financial target for the scheme of JRY.”

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

“The physical achievement upto February, 1998 was not available at the time of furnishing of replies to the Committee. As per reports upto 31st March, 1998, however, the percentage utilization of total available funds was 83.42%. Upto March, 1998, under JRY, 3954.02 lakh mandays had been generated against the target of 3864.90 lakh mandays. The achievement was 102.31% against the target.

The creation of mandays of employment depends upon choice of works taken up at the field level. The physical targets under JRY, State-wise are fixed on the basis of proportion of funds earmarked for wage component i.e. 60% of funds allocated and prevalent minimum wage rate in the States/UTs. The works that can be taken up under JRY are all rural works which result in creation of durable productive community assets. The works include social forestry, soil and water conservation, minor

irrigation, flood protection, rural roads and construction of primary school buildings, dispensaries, panchayat ghar etc. The list of works taken up is exhaustive and forms part of guidelines. The present system of fixing the physical targets therefore is considered to be workable as it gives due weightage to the wage component and most of the permissible activities under JRY are labour intensive. However, where the works selected have higher wage component, the physical achievements will be more than the targetted figure."

28. The Committee note that on their recommendation to adopt a better method for fixing the physical target *vis-a-vis* the financial target for the scheme of Jawahar Rozgar Yojana, the Government in their action taken reply have stated that the present system of fixing the physical targets is considered to be workable as it gives due weightage to the wage component and most of the permissible activities are labour intensive.

The Committee note that while the Government admits that most of the permissible activities under JRY are labour intensive, yet the performance of the labour component is not duly reflected while fixing physical targets which results into a mismatch between the physical targets *vis-a-vis* the financial targets. The Committee are not satisfied with the reply furnished by the Government and reiterate their earlier recommendation to adopt a better method for fixing the physical targets *vis-a-vis* the financial targets of JRY so as to avoid unreasonable mismatch between the physical and financial targets.

I. Concurrent Evaluation of JRY

Recommendation (Para No. 3.8)

29. The Committee had noted as below:

"The Committee are concerned to note that the findings of the JRY evaluation for the reference period June, 1993 to May, 1994 could only be known in 1997 and the corrective measures were initiated in 1998. The Committee feel that this delay in getting the findings of the Concurrent Evaluation is very long and not justifiable. They would like to urge the Department to take necessary initiative to reduce this long period for conducting

the evaluation surveys and initiating the corrective actions. They would also like to be informed about the action taken by the concerned Governments against each of the above discrepancy."

30. The Government have replied as below:

"The Department has noted the concern of the Standing Committee. It will be ensured that the delay in conduct of evaluation and publishing of report is minimised in future. In fact the Department at present is undertaking concurrent evaluation of MWS and to ensure timely submission of final reports specific penalty clauses have been introduced to discourage delay in submission of scheduled data in floppies and reports by the evaluating agencies. In addition, to ensure timely completion of evaluation, tight monitoring of field survey work through field inspection by designated area officers of the Ministry is planned. As regards corrective measures initiated on the findings of concurrent evaluation of JRY, the report of the evaluation has been referred to the States for necessary action. The States/UTs have been reminded again. The position on the follow up action taken will be reviewed in the forthcoming conference of State Secretaries in charge of rural development in November 1998. A consolidated report of the action taken will be submitted to the Committee after the replies are received from the States/UTs."

31. On the concern of the Committee that there is considerable delay in getting the findings of the concurrent evaluation of JRY and initiating the corrective measures, the Government have replied that the follow up action on the discrepancies was to be reviewed at the Conference of State Secretaries held in November 1998. Further it has also been stated that a consolidated report of the action taken on the discrepancies will be submitted to the Committee after the replies are received from the States/UTs. The Committee hope that the replies have been received from States/UTs by now and would like that the said consolidated reply be furnished before them.

**J. Sanction of more houses than targetted under IAY
Recommendation (Para No. 3.11)**

32. The Committee had recommended as under:

“The Committee are concerned to note that under IAY since 1995-96 the earliest year for which the information has been made available to the Committee, the total house construction attempted has always exceeded the target set for the scheme, which finally resulted in leaving several houses under ‘construction-under-progress’ category. During 1997-98, total house construction attempted was 989610 houses against the target of 718326 houses, which resulted in leaving 348285 houses for which the construction was under progress. The Committee apprehend that this practice of the Government to sanction more houses to be built, in excess of the target set for the scheme, left several houses under various stages of completion at the end of the each financial year.”

33. The Government have replied as under:

“Under Indira Awaas Yojana targets are fixed as per the prevailing norms of assistance and subject to availability of funds. These norms of assistance specify only the maximum level of assistance that can be given. The state can choose to disburse assistance under Indira Awaas Yojana at lower levels. Thus, some of the States construct houses with assistance lesser than the maximum of what is permissible under the guidelines. This enables States to construct more houses within the given allocation. Hence the number of total houses attempt exceed the target set for the scheme.”

34. The Committee are not inclined to accept the plea extended by the Government that some States construct houses with assistance lesser than the maximum of what is permissible under the guidelines particularly in view of the fact that during on-the-spot study visits undertaken by the Study Groups of the Committee, it was represented to them throughout that the amount admissible under IAY was too meagre to construct a dwelling unit. In fact at many places the Study Groups saw incomplete/un-inhabited houses. The Committee would therefore, like to be informed of the names of such States which were able to construct houses under IAY with lesser amount so that other States could also be benefitted of their experience.

**K. Physical verification of houses build under IAY
Recommendation (Para No. 3.15)**

35. The Committee had recommended as below:

“The Committee are concerned to note that the Government has not get done physical verification of the 4362171 houses, reported to have been constructed under the scheme, by the end of 1997-98. They would like to urge the Government to have a physical verification of these houses, at least on test check basis. They would also like to be informed of the result of such verification.”

36. The Government have replied as below:

“A proposal of physical verification of assets created under Indira Awaas Yojana on a selective basis through a concurrent evaluation, is under consideration of the Ministry.”

37. While noting that the proposal of physical verification of assets created under Indira Awaas Yojana on a selective basis through a concurrent evaluation is under consideration of the Ministry, the Committee desire that the concurrent evaluation may be initiated without any further delay and they may be apprised accordingly.

**L. Physical verification of wells constructed under MWS
Recommendation (Para No. 3.23)**

38. The Committee had recommended as under:

“The Committee note that, so far 12.13 lakh wells have been dug under the scheme since its inception in 1988-89. They also note that, 401410 wells were under construction in addition to the wells dug during 1995-96 to 1997-98 period. They are concerned to note that so far the department have not verified the existence of 12.13 lakh wells dug, during the period 1988-89 to 1997-98 in addition to 401410 wells which were under construction during the 1995-96 to 1997-98 period. The Committee

. recommend that the department should physically verify the existence of wells for which construction has been attempted in addition to the physical achievement of other schemes of minor irrigation, without any further delay.”

39. The Government have replied as under:

“The Ministry of Rural Areas & Employment have requested State Governments/UT Administrations to constitute District level teams of officials to physically verify the existence of wells and report the results to the Ministry in a prescribed proforma. This exercise may take 3-4 months. Besides, a concurrent evaluation of MWS by the Ministry has been taken up and the report is expected to be available by middle of 1999.”

40. The Committee note that pursuant to their recommendation to physically verify the existence of wells for which construction has been attempted in addition to the physical achievement of other schemes of minor irrigation without further delay the Government in their reply have stated that State Governments/UT Administrations have been requested to constitute District level team of officials to physically verify the existence of wells. It has also been stated that this exercise may take 3-4 months. The Committee hope that States/UTs may have completed the exercise by now. They would like to know the response of the States/UTs in this regard. They would also like to be apprised of the finding of the concurrent evaluation as and when finalised.

**M. Violation of MWS guidelines by the Government of Punjab
Recommendation (Para No. 3.27)**

41. The Committee had recommended as under:

“The Committee are surprised to note that Punjab Government was permitted to level land when the digging of wells were feasible in that State. As per the existing guidelines of the scheme such levelling should have been permitted, only if the digging of the wells is not feasible due to the geological factors. The Committee find that the existing provisions of guidelines were violated in the implementation of MWS in that State because (i) digging of wells were possible, and (ii) the Ministry

permitted the spending of funds on development of land permissible under the scheme, without exploring the possibility of alternative projects for irrigation. The Committee would like to know the result of the said consultation with the Government of Punjab. They would like that, the Department should ensure that, provisions of the guidelines for MWS are not violated while implementing the scheme in any State/Union territory."

42. The Government have replied as under:

"The Punjab Government has informed that dug wells as source of irrigation have become completely obsolete in Punjab due to popularization of tube-well/bore well technology. Dug wells are, therefore, no more in use for irrigation purposes in Punjab. But, since tube-wells are not permissible under MWS guidelines, the State Government of Punjab utilized MWS funds for developing land including land levelling, which is a permissible activity under Million Wells Scheme."

43. The Committee note that Punjab Government has utilised the money earmarked for Million Wells Scheme (MWS) in developing land including land levelling because dug-wells have become completely obsolete there. They note that as per the action taken replies, utilisation of MWS funds for developing land including land levelling is a permissible activity. However, the Committee find that no doubt the land development is one of the permissible activity under MWS but it is permissible only where wells are not feasible due to geological factors. In these circumstances Punjab Government violated the existing guidelines. The Committee would like that the Government should amend the existing MWS guidelines suitably so that the MWS funds could be utilised for land development, in case digging of wells is not desired in that State so as to provide more flexibility to State Governments.

CHAPTER II

RECOMMENDATIONS THAT HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation (Para No. 1)

The Committee appreciate the higher allocation of Rs. 910.53 crore for BE 1998-99 over the RE 1997-98. They also note that except for the schemes of Ganga Kalyan Yojana (GKY) and Drought Prone Areas Programme (DPAP), the allocations for all other schemes have been increased for the current year. However, they observe, due to huge opening balances with the States/Union territories and the slow pace of utilisation of funds under various schemes, during 1996-97 and 1997-98 a sum of Rs. 239.16 crore and Rs. 435.00 crore respectively could not be utilised by the Government. They feel that alleviation of poverty in the rural areas through the creation of more employment opportunities, within a fixed time-frame, should be the goal of the Department. They would therefore, urge the Government to impress upon the States and Union territories to gear up their existing machinery for implementation of programmes/schemes, so that the entire allocated amount of Rs. 7280.94 crore would be utilised during 1998-99.

Reply of the Government

The Integrated Rural Development Programme is monitored through regular Monthly progress reports received from the State Governments and UTs. The programme at district level is implemented by DRDAs. The Department is already considering the proposal for strengthening the DRDA to make it a more efficient and streamlined instrument of poverty alleviation. The meeting of State Secretaries is held regularly for reviewing the implementation of the programmes.

The Department would constantly review the progress with the State Governments so that the allocated amount is effectively utilised during the current financial year. The State Governments have been requested to utilise the entire amount and improve the efficacy of the programmes.

Under JRY and MWS, DRDA/ZPs are allowed to carry over up to 25% of allocation to meet the requirement of funds during the interim period till the release of first instalment of the current financial year. The opening balance under JRY as on 1.4.1998 was Rs. 484.25 crore, which was about 16.38% and was within the permissible limit. In case of MWS, however the OB as on 1.4.98 at 28% was higher than the prescribed limit.

The Employment Assurance Schemes (EAS), on the other hand is a demand driven scheme and therefore, under the scheme the concept of annual opening balance does not hold good as there is no fixed annual allocation, State/district or block-wise. Moreover, the release procedure is such that at any given point a district is allowed to retain up to 50% of funds available, because a block becomes eligible for next instalment, the moment it utilizes 50% of available funds. This provision is made to meet the requirement of demand for wage employment by the rural poor during the period when the proposal for next instalment is under process. However, as suggested by the Committee the States/UTs have been requested to ensure maximum utilisation of funds under JRY and MWS.

Government of India monitors all Rural Development Programmes including Indira Awaas Yojana through Area Officers Scheme under which Senior officers at the level of Dy. Secretaries and above in the Ministry are appointed as Area Officers for different States/UTs. These Areas Officers visit the allotted States/UTs from time to time and inspect the actual implementation of the programme in the field. They also participate in the State Level Coordination Committee Meetings providing thereby, a source of effective link between the policy makers (Govt. of India and the implementing agencies of States/UT Governments). The programme is also reviewed at the meetings with the State Secretaries of Rural Development and with the Project Directors of DRDAs in the workshops held generally in June-July of every year. The programme is also monitored through the Monthly/Annual Progress Reports submitted by the State/UT.

With a view to eliminate the piling of unspent balances the Ministry has already initiated steps from 1997-98 onwards and as per this, the DRDAs/ZPs are now eligible for claiming second instalment of IAY funds only after utilising 60% of available resources of a particular year. In order to speed up the utilisation level, seeking the second instalment will be made dependent on the time of reporting of

utilization. Depending on the receipt of complete proposal for second instalment, the quantum will be governed as follows:—

Proposal received in the month of:

December	—	50% of allocated funds
January	—	40% of allocated funds
February	—	30% of allocated funds
March	—	20% of allocated funds

DDP is being implemented since 1995-96 in accordance with new Guidelines for Watershed Development issued by this Ministry in order to ensure people's participation and much more transparency in the management of funds. Since this is quite a new approach, it took time in initialisation. The Ministry is making persistent efforts to sensitise the State Governments and implementing agencies to gear up the machinery so that entire allocation is utilised in a time bound manner. All the 7 States and 36 districts covered under the programme are continuously approached by the Ministry to expedite the implementation of the programme. In pursuance to the same, following steps have been taken:—

1. Ministry is insisting for regular submission of MPR and QPR by State/districts for continuous monitoring of the programme. All programme States have been requested to ensure the MPRs and QPRs are furnished on regular basis.
2. The DDP is implemented on the basis of Project approach and further release of funds is dependent on the achievement in the implementation of the programme.
3. The Programme Officers of the Division are regularly visiting the programme districts to expedite the implementation of the programme. The issue is also being taken up through Area Officers of the Ministry.

4. New instalment is released to programme districts provided more than 50% of total available funds have been spent. To orient implementing officers of districts, training programmes, workshops, seminars etc. are organised to sensitise them.
5. For speedy implementation, all relevant issues are taken up during meetings of State Secretaries in charge of Rural Development. Also, during visits of programme districts by the senior officers of the Ministry emphasize the point to all concerned officials, local people, PRI functionaries, etc.

[Ministry of Rural Areas & Employment (Department of Rural Employment & Poverty Alleviation) O.M. No.H-11020/4/98-GC (P) dated 30th December, 1998]

Recommendation (Para No. 1.9)

The Committee note the increase in non-plan outlay/Expenditure of the Department since 1997-98. They also note the reply of the Department that the said growth is due to the impact of additional requirement of funds as a result of revision of pay scales of officers and staff. It is, however, observed that the increase in the Non-plan outlay between BE 1997-98 and RE 1997-98, and between RE 1997-98 and BE 1998-99 is uneven. They would like to urge the Department to initiate economies, if needed, so that the instructions of the Ministry of Finance to contain the increase in the non-plan expenditure to a reasonable level are complied with.

Reply of the Government

As to the observation of the Committee that the increase in the Non-Plan outlay between BE 1997-98 and RE 1997-98, and between RE 1997-98 and BE 1998-99 was uneven, it may be submitted that in RE 1997-98, the additional funds had to be provided for meeting the following liabilities as a result of revision of Pay Scales of Officers and Staff consequent upon the acceptance and implementation of Vth Pay Commission's recommendations:

- (i) Arrears of Pay equal to Rs. 5,000 + 50% of balance amount of arrears was to be paid from 1.1.1996 to 30.9.1997;

- (ii) The Salaries in the revised scales was also to be paid from October, 1997 to February, 1998 involving 5 months;

On the other hand, the increase in BE 1998-99 was due to the following factors:—

- (i) Payment of balance arrears of pay which was deferred by the Government to the financial year 1998-99;
- (ii) The Salaries in the Revised Scales was also to be paid for the whole financial year 1998-99 (involving 12 months);

Obviously, the liability towards revision of Pay Scales would be higher in the year 1998-99 as compared to the total liability for the year 1997-98 as revised salary during 1998-99 is to be paid for the entire financial year while during 1997-98, the revised salary was paid for five months only.

As regards other items of expenditure like Overtime Allowance, Travel Expenses and Office Expenses, a nominal provision of Rs. 31.00 lakh has been made in BE 1998-99 as against the RE 1997-98 of Rs. 21.00 lakh. The slight increase in BE 1998-99 is due to the fact that a provision of Rs. 12.00 lakh has been made for the first time under the Head "Office Expenses" for meeting the Contingent Expenditure of the Department. Although, the provision under other items of expenditure (excluding Salaries) is nominal, it will be ensured that the economy instructions issued by the Ministry of Finance, from time to time are strictly followed.

[Ministry of Rural Areas & Employment (Department of Rural Employment & Poverty Alleviation) O.M. No.H-11020/4/98-GC (P) dated 30th December, 1998]

Recommendation (Para No. 1.12)

The Committee note with concern huge accumulation of unspent balance in each of the schemes of the Department. They are constrained to note that during 1997-98 the opening balance of Rs. 2660.30 crore, as on 1.4.97, is infact, 39.08 per cent of the total plan allocation for the Department. They feel huge Unspent Balance/Opening Balance shows

lack of planning, non-satisfactory performance and monitoring of the programmes/schemes. Equally alarming is the fact that huge amount of such unspent balance arise because of (i) late release of 2nd instalment of funds; (ii) it is permissible for DRDAs to carry over upto a maximum of 25% of the allocation for the next year; and (iii) under EAS where there is no concept of opening balance, each block can keep upto one instalment of released funds as unutilised balance. As the tendency to keep huge amount as unspent balance/opening balance is not only an unhealthy practice but also deprives the other projects and schemes which may be in more need of funds, it also weakens the case of the Department for release of more funds for its different projects/schemes during the following financial years. The Committee would therefore, like to recommend that the existing release pattern of instalments should be suitably modified. The Committee also recommend that the rules/guidelines for each scheme should be so revised that the released funds are utilised fully and the unspent balance at the close of the year is kept to the minimum permissible limit.

Reply of the Government

The Department has reviewed the existing release pattern of the Scheme. It has been found that as per guidelines, the release of funds under self-employment programmes *i.e.* IRDP, TRYSEM, DWCRA and Toolkits is done in two instalments. The first instalment is released on *ad-hoc* basis. However, the existing guidelines of IRDP provide for taking into account the Opening Balance, at the time of release of the second instalment of funds. Cuts are imposed on account of excess Opening Balance, non-achievement of quarterly target and late submission of proposals. This system of release of funds in two instalments ensures proper monitoring of expenditure and hence the existing pattern may continue broadly. As regards unspent balance, it may be mentioned that due to efforts made by this Department last year, the unspent balance has come down as compared to previous years. However, efforts will be made to ensure that the maximum expenditure is incurred during this year.

Past experience shows that some States submit their proposals late in the months of February-March resulting in delay in release of funds by the Ministry and obvious carry over of funds to the next year. It is precisely in order to overcome this problem that the Ministry has introduced the system of graded releases in respect of proposals

received after December 31st every year. In this system progressive cuts are imposed at that rate of 10%, 20% and 30% on the proposals received up to the month of January, February and March respectively. However efforts will be made to ensure that maximum funds are utilised during current year. The position with regard to EAS has already been explained in reply to para 1.6 above.

As far as JRY and MWS are concerned, the present system of releasing funds in two instalments is considered to be advantageous as compared to release in one instalment. Release of second instalment provides the scope for further screening *vis-a-vis* progress of expenditure. As per Guidelines, first instalment of Central funds under these schemes is released as soon as the utilisation certificate in respect of funds released under first instalment in the previous year is received. No preconditions are imposed. The second instalment of Central funds for the districts is released by the end of October on the requests of States/UTs in the prescribed format on fulfilment of certain conditions. The main condition is that 60% of total available fund *i.e.* opening balance of the year plus the amount received as first instalment including the state share has been utilised. Cuts are also imposed on the second instalment on account of excess Opening Balance. The guidelines also ensure that the State Government releases its matching share to DRDAs/ZPs within a week after the release of Central share. The DRDAs/ZPs should also release the funds under JRY to Village Panchayats within a week of the receipt of funds.

It may also be mentioned that there is a time lag between the release of funds by the Centre to the DRDAs/ZPs and they are releasing the funds to the villages, where actual work takes place. While efforts are made to minimise the same, a certain time lag is inevitable. This also contributes to the carry over of a certain part of the funds. Wherever this carry over is not within the prescribed limit. Cuts are imposed progressively while releasing the IInd instalment of funds to the DRDAs/ZPs.

In order to check the growing unutilised balance the Ministry has issued some revised guidelines, according to which, instead of 50% of utilisation of available resources the State/UT Governments now have to utilise not less than 60% of available resources for claiming second instalment of funds. In order to speed up the utilisation level, seeking the second instalment will be made dependent on the time of reporting of utilization. Depending on the receipt of complete proposal for second

instalment, the quantum will be governed as follows:—

Proposal received in the month of:

December	—	50% of allocated funds
January	—	40% of allocated funds
February	—	30% of allocated funds
March	—	20% of allocated funds

However it is to be mentioned that as per IAY guidelines, the DRDAs/ZPs are permitted to carry over not more than 25% of last years district level allocation as unspent balance. This is done with a view to fund the on line projects and continuity in the implementation of the scheme. The carry over balance under IAY are well within the permissible limit.

As explained under para 1.6, mode of implementation of DDP has been changed drastically to ensure people's participation, empowerment of village community, transparency in fund management and carry out works on watershed basis. The whole work under the programme is to be carried out by the local people self help groups/user groups through Watershed Association/Watershed Committees. 80% of the total project cost is to be transferred in the Bank account of watershed committees, which spent 75% on works and 5% on administrative expenditure. All these projects are of 4 year period and one of the major objective of the programme is capacity building of local people/communities and their improvement. It is quite obvious that people residing in remote areas of hot and cold deserts are bound to tame time. However, now after consistent efforts of past three years, these people have geared up to implement the programme on much faster pace.

Earlier 1st instalment in the financial year was released on *ad-hoc* basis and 50% more expenditure was insisted for the releases of 2nd instalment. In order to reduce the accumulation of fund or unspent balance, now guidelines for releasing 1st instalment has been changed. During 1998-99, 1st instalment as well as 2nd instalment are released

to only those districts, where expenditure of total available fund in the financial year is more than 50%. This change has considerably reduced the level of unspent balance with DRDAs at any point of time.

[Ministry of Rural Areas & Employment (Department of Rural Employment & Poverty Alleviation) O.M. No.H-11020/4/98-GC (P) dated 30th December, 1998]

Comments of the Committee

[Please see Para No. 7 of Chapter-I of the Report]

Recommendation (Para No. 1.14)

The Committee note that the Area Officer's Scheme inspite of its five years of existence has failed to check/stop the tendency on the part of State level implementing agencies to retain huge unspent amount under various schemes. The Committee, therefore, recommend that to check the ever growing figures of unspent balances and to ensure better utilization of funds, some better and effective mechanism should be devised.

Reply of the Government

The Ministry of Rural Areas & Employment introduced the Area Officers Scheme in the year 1993, which is one of the monitoring mechanism adopted by the Ministry and primarily aims at monitoring the implementation of the programmes of the Ministry at the field level with special reference to quality, timeliness, proper utilisation of funds and achievements of physical and financial targets including checking the increase in unspent opening balance.

To make it more effective the scheme is reviewed from time to time and recently the guidelines have been modified accordingly. In the latest guidelines of 5.8.98 more emphasis has been laid down on checking of unspent balance, better utilisation of funds and making account more transparent at the DRDA as well as village panchayat level. The Area Officers have been requested to physically verify muster rolls and quality of work and maintenance of assets in the selected villages. The Area Officers must also ensure whether funds have been fully utilised for the purpose for which it was earmarked, thereby

checking the unspent balances and better utilisation of funds. Further, it may also be verified whether the assets created out of those funds are worth it. The Area Officers have also been requested to ensure the functioning of vigilance Committees at the State/District and Block level which should work as a watchdog for the implementation of the programmes to make those programmes more transparent.

[Ministry of Rural Areas & Employment (Department of Rural Employment & Poverty Alleviation) O.M. No. H-11020/4/98-GC (P) dated 30th December, 1998]

Recommendation (Para No. 1.17)

The Committee note that the Ministry felt that Information, Education and Communication activities should be handled by their Media Division. However, the Ministry have not advanced the reasons due to which IEC activities were being transferred to Media Division. The Committee will, therefore, like to be apprised of these reasons. They would also like to be informed of the steps taken by the Ministry to make IEC activities more effective and purposeful, through Media Division. The impact of this change should also be monitored.

Reply of the Government

The rural development and poverty alleviation programmes, being implemented by this Ministry, aim at ameliorating the socio-economic conditions of rural poor particularly those living below the poverty line. As such there is a need to create awareness about these programmes in a holistic manner. Therefore, apart from the budgetary allocations available for media activities under Communication Cell of this Ministry, the allocations available for IEC activities under different programmes have been pooled together and utilised by the Media Division to create awareness about all the programmes/schemes of the Ministry in an integrated manner. In order to make IEC activities more effective and purposeful, the Media Division is making sustained efforts to disseminate information about various programmes/schemes through all the available modes of communication, *i.e.* print media, press advertisements, electronic media, exhibitions, outdoor publicity

and field level awareness campaigns with the help of the Units of the Ministry of Information & Broadcasting e.g. Doordarshan, AIR, Song & Drama Division, Directorate of Field Publicity, Directorate of Advertising & Visual Publicity, Films Division etc. The suggestion of the Committee to monitor the impact of the change has been noted.

[Ministry of Rural Areas & Employment (Department of Rural Employment & Poverty Alleviation) O.M. No. H-11020/4/98-GC (P) dated 30th December, 1998]

Recommendation (Para No. 1.19)

The Committee while noting the practical difficulties explained by the Department for not conducting concurrent evaluation of various schemes, feel that the Department has explained the position in a very casual and routine manner, e.g. law and order problem. This feeling of the Committee is further strengthened by the fact that several schemes of the Department were launched more than 10 years ago. The need for evaluation of such schemes cannot be over emphasized.

The Committee note that the Department proposes to conduct evaluation of MWS & IAY during 1999 and evaluation of EAS is to be conducted by the Planning Commission shortly. The Committee feel that the concurrent evaluation of the programmes/schemes should be carried out by reputed agencies. Further the guidelines of programme/scheme should also be suitably modified so as to make adequate financial provisions for such evaluations.

They hope that these evaluations would be carried out as scheduled. They would like to be informed of the outcome of the said evaluation.

Reply of the Government

The concern of the Committee regarding conducting concurrent evaluations in respect of major rural development and poverty alleviation programmes is appreciable. However, the facts in this regard are that the Ministry has already conducted number of Concurrent Evaluation through the independent institutes of repute during the last 10 to 15 years in respect of the old programmes, namely, Integrated Rural Development Programme (IRDP) and Jawahar Rozgar Yojana (JRY)

etc. The details of the Concurrent Evaluations and Quick Evaluations conducted by the Ministry and by the Planning Commission so far as follows:

A. Concurrent Evaluation Sponsored by Ministry of Rural Areas & Employment:

1. Integrated Rural Development Programme (IRDP)

- (i) First Round (Oct. 1985 to Sept. 1986)
- (ii) Second Round (Jan. 1987 to Dec. 1987)
- (iii) Third Round (Jan. 1989 to Dec. 1989)
- (iv) Fourth Round (Sept. 1992 to Aug. 1993)
- (v) Fifth Round (1995-96)—Final Report under finalisation.

2. Jawahar Rozgar Yojana (JRY)

- (i) First Round (Jan. 1992 to Dec. 1992)
- (ii) Second Round (1993-94)

B. Evaluation studies carried out by Planning Commission:

- (i) Quick Study of JRY (1991-92)
- (ii) Evaluation Report on DPAP (1992-93)
- (iii) Evaluation Report on ARWSP (Sept. 1996)
- (iv) Quick Evaluation of EAS (1996)—Report under finalisation.

In respect of IAY & MWS, the Concurrent Evaluation has already been taken up through independent institutes of repute, which is proposed to be completed in 1999. In regard to other schemes, namely Employment Assurance Scheme (EAS), Jawahar Rozgar Yojana (JRY) Accelerated Rural Water Supply Programme (ARWSP), Central Rural Sanitation Programme (CRSP) and National Social Assistance Programme (NSAP) have also been proposed to be taken up during Ninth Five Year Plan. As regards observations of the Committee regarding modifications in the guidelines of each programmes/schemes

to make adequate financial provision for such evaluations, it is mentioned that such provisions to provide sufficient funds for conducting the concurrent evaluations of the respective programmes has already been made in the guidelines of each programme.

[Ministry of Rural Areas & Employment (Department of Rural Employment & Poverty Alleviation) O.M. No. H-11020/4/98-GC (P) dated 30th December, 1998]

Comments of the Committee

[Please *see* Para No. 10, of Chapter-I of the Report]

Recommendation (Para No. 1.21)

The Committee note that the existing practice of replicating the poverty ratio data of Assam for the rest of the North-Eastern States; poverty ratio data of Tamil Nadu for Andaman & Nicobar Islands; poverty ratio data of Kerala for Lakshadweep Islands; and poverty ratio data of Maharashtra for Goa, Daman, Diu, Dadra & Nagar Haveli for the BPL survey is not foolproof and justified. In this regard, the Committee recommends that the said below poverty line survey should take into account the ground realities of existing poverty in each of the States and Union territories.

Reply of the Government

Poverty ratios are arrived at as determined by the Planning Commission, based on the data furnished by the NSSO Surveys conducted from time to time.

The Planning Commission have currently fixed poverty levels State-Wise. The Department has conveyed the concern of the Committee to the Planning Commission for future guidance.

[Ministry of Rural Areas & Employment (Department of Rural Employment & Poverty Alleviation) O.M. No. H-11020/4/98-GC-(P) dated 30th December, 1998]

Recommendation (Para No. 2.6)

The Committee note that the target for ensured coverage of beneficiaries *i.e.* for SC/STs, Women and Physically handicapped, since

1996-97, has not been achieved despite the corrective measures reported to have been taken by the Department. Although the percentage achievement for women and physically handicapped has improved during 1997-98 over that of 1996-97, the Committee would like to urge the Department to fix achievable targets for special category of beneficiaries and should try to achieve 100% success in this regard.

Reply of the Government

Under IRDP, benefits have been earmarked for SC/ST (50%)/women (40%)—and physically handicapped (3%) beneficiaries. This is regularly monitored. In the light of the observations of the Standing Committee, the State Governments have been advised to achieve stipulated target in respective categories. This Department would also take up the issue of targets for different vulnerable groups with different States and UTs in the next meeting of State Secretaries.

[Ministry of Rural Areas & Employment (Department of Rural Employment & Poverty Alleviation) O.M. No. H-11020/4/98-GC (P) dated 30th December, 1998]

Recommendation (Para No. 2.8)

The Committee notes that as per the programme guidelines, Below Poverty Line Census have to be carried out at the beginning of each Five Year Plan. Already more than a year has been passed since the beginning of the 9th Five Year Plan, for which the said census is yet to be completed. In view of the above, they would like to urge the Government to impress upon the State Governments/Administrations to complete the publication of census results by the end of this financial year.

Reply of the Government

The Ministry shares the concern about the early completion of the BPL Census. States have been reminded about the same from time to time. The concern of the Standing Committee has been communicated to all the States who have been advised to complete the Census work by the end of this year.

[Ministry of Rural Areas & Employment (Department of Rural Employment & Poverty Alleviation) O.M. No. H-11020/4/98-GC-(P) dated 30th December, 1998]

Recommendation (Para No. 2.10)

The Committee note the improvement achieved in the mobilization of total credit and also in the field of per family investment since 1995-96. However, they are constrained to note that during 1996-97, the total credit achievement was Rs. 1969.02 crore against the target of Rs. 2142.20 crore and per family investment achievement, was Rs. 14943.00 against the target of Rs. 15,000. Similarly, during 1997-98, the credit target and per capita family investment target were not achieved. Now that the allocation for the programme has been increased by Rs. 169.00 crore during 1998-99, they would like to urge the department to initiate necessary steps to achieve the credit and per family investment targets.

Reply of the Government

The Ministry held discussions with the State Governments/UTs and banks for achieving per family investment target during 1998-99 in last High Level Committee on Credit support (HLCC) for IRDP meeting held in July, 1998. In order to achieve this objective, the credit mobilization target under IRDP has also been fixed at Rs. 3200 crore for the year 1998-99. The States/UTs have been requested to make all efforts to achieve their State credit mobilization targets and also per family investment target.

[Ministry of Rural Areas & Employment (Department of Rural Employment & Poverty Alleviation) O.M. No. H-11020/4/98-GC (P) dated 30th December, 1998]

Recommendation (Para No. 2.11)

The Committee have their doubts as to whether the existing per family investment to the tune of Rs. 14943.00 during 1996-97 is sufficient to bring a family above the poverty line. They would like to recommend that with a view to bring a family above poverty line the credit advanced should be sufficient enough to set up a financially viable unit to enable them to repay the loan. The Department should accordingly examine the issue and the criterion of per family investment of Rs. 15,000/- should be enhanced suitably.

Reply of the Government

The Ministry has been emphasizing on the State Governments and financial institutions that the identification of projects/units should be carefully examined on case to case basis taking into account local resources and skill of the beneficiary. The bankers should also avoid under financing and the loan should be disbursed in accordance with the latest unit cost worked out by NABARD Regional Offices. The bankers have the freedom to disburse loan even higher than the unit cost as these costs are indicative. It is proposed to achieve per family investment of Rs. 20,000 during 1998-99 so that the families may cross the poverty line.

[Ministry of Rural Areas & Employment (Department of Rural Employment & Poverty Alleviation) O.M. No. H-11020/4/98-GC (P) dated 30th December, 1998]

Recommendation (Para No. 2.12)

The Committee appreciate the credit achievement of Rs. 1969.02 crore during 1997-98 against the target of Rs. 2142.20 crore. While appreciating the achievement of financial targets, they observe that the ground realities with regard to advancement of credit by banks are not so satisfactory. They recommend that the Department should take up the matter with Reserve Bank of India and necessary guidelines should be issued to the States and Union territories to cooperate in advancing the loan under the programme and also to give the maximum permissible advance per beneficiary. They would also like that to make the IRDP more effective in alleviating rural poverty the Department should ensure proper linkage between IRDP and its different components *viz.*, TRYSEM and DWCRA.

Reply of the Government

The Ministry has been constantly taking up the various problems in respect of IRDP financing. Besides this, these are also addressed at length through the State Level/District Level/Block Level meetings which takes place at regular interval of time among the field functionaries and financial institutions. The problems which remains unresolved are taken up by the Ministry at the highest level with the

Ministry of Finance (Banking Division) and particular financial institutions. This Department is working towards more effective linkages between IRDP and other allied programmes.

[Ministry of Rural Areas & Employment (Department of Rural Employment & Poverty Alleviation) O.M. No. H-11020/4/98-GC (P) dated 30th December, 1998]

Recommendation (Para No. 2.16)

The Committee are constrained to note that both the actual expenditure out of the releases made by the Centre and the number of beneficiaries covered under the scheme of DWCRA are decreasing since 1995-96. The actual expenditure during 1995-96 was Rs. 63.65 crore, where as the same was only Rs. 41.45 crore during 1997-98. Similarly the number of beneficiaries covered under the scheme has reduced from 6,97,088 beneficiaries during 1995-96 to 4,31,751 beneficiaries during 1997-98. The Committee recommend, now that the allocation for the scheme has been increased by Rs. 35.0 crore during this year, the department should try to achieve the financial and physical targets.

Reply of the Government

The State Governments have been advised to ensure that physical and financial targets are achieved. This Department would be monitoring the progress closely.

[Ministry of Rural Areas & Employment (Department of Rural Employment & Poverty Alleviation) O.M. No. H-11020/4/98-GC (P) dated 30th December, 1998]

Recommendation (Para No. 2.20)

The Committee note that at present the Department does not monitor individual/group specific performance of the groups started under DWCRA. They feel, in the absence of such monitoring it is very difficult to know about the existence and functioning of DWCRA groups in the States/UTs. The Committee therefore, recommend that the Department should further step up the monitoring of the scheme at the District and State level so that the number of DWCRA groups becoming defunct can be detected at an early stage and corrective steps be taken accordingly.

Reply of the Government

All the State Governments have been addressed to carry out a survey of all the groups under DWCRA so that the defunct groups can be identified. It is expected that this information is available by the end of this year.

[Ministry of Rural Areas & Employment (Department of Rural Employment & Poverty Alleviation) O.M. No. H-11020/4/98-GC (P) dated 30th December, 1998]

Comments of the Committee

[Please see Para No. 16 of Chapter-I of the Report]

Recommendation (Para No. 2.23)

The Committee observe that with the central allocation of Rs. 59.25 crore during 1995-96, the physical achievement under the scheme is reported to be 82.34% whereas with the same allocation during 1996-97, a physical achievement of 125.60% could be achieved. The Committee are unable to appreciate the wide difference between the physical achievements under the scheme during 1995-96 and 1996-97 with the allocation. They recommend that the Government should find out the reasons for such variation in the achievement of targets and take corrective steps, wherever necessary.

The Committee also recommend that the Government should impress upon the State Governments/UT Administrations to furnish the requisite performance/progress reports as per schedule, so that the funds allocated to the scheme are utilised fully and properly.

Reply of the Government

The State Governments/UT Administrations have been requested to furnish the performance/progress reports as per the schedule. They have also been requested to indicate the reasons for mismatch between financial and physical achievements and to take corrective steps *vide* this Department's D.O. No. 21011/2/98-IRD-II, dated 24.9.1998.

[Ministry of Rural Areas & Employment (Department of Rural Employment & Poverty Alleviation) O.M. No. H-11020/4/98-GC (P) dated 30th December, 1998]

Comments of the Committee

[Please see Para No. 19, of Chapter-I of the Report]

Recommendation (Para No. 2.28)

The Committee are constrained to note the non-satisfactory performance of GKY since its inception in 1996-97. The poor physical and financial performance of the scheme so far, in general, and very few State's interest in the scheme as indicated from the meagre state releases, in particular, point out to the fact that the Department could not utilise its existing experience of implementing as many as 10 different programmes. They note that an expenditure of Rs. 68165.00 in Tripura during 1996-97 and Rs. 563435.00 in six States during 1997-98 have given rise to a poor physical performance of 1515 individual projects and 22 group projects and huge unspent balance left unutilised. They fail to understand as to why the Department has failed to fix the physical targets of the scheme. The Committee strongly feel that the Department should fix the physical targets for the scheme and should assess the physical and financial performance of the scheme in the forthcoming performance Budget 1999-2000 of the Department. Further they recommend that, instead of frequently changing the existence of the scheme, the Department should try to integrate irrigation component of IRDP with GKY and MWS since the primary objective of each of these programme is to facilitate irrigation. The Committee strongly feel the new programme so created can have two sub-schemes under it, which can separately be targeted for generation of employment and the other with the provision for repayment of term-credit from the financial institutions.

Reply of the Government

The physical targets under Ganga Kalyan Yojana (GKY) were not fixed by the Ministry as the potential for exploitation of ground water resources, economic viability of exploiting such potentials and other relevant inputs/data were available at the State/District level. Thus, to make the scheme functional, fixation of physical targets at the district level was left with the State Governments/UTs.

In view of the operational problems of the States/UTs in implementation of the Centrally Sponsored Scheme of GKY and also due to unutilised funds, the Central allocation has been kept at a

token amount of Rs. 94 lakh during the current financial year. As already stated, GKY is proposed to be merged in IRDP. In view of this, fixation of physical targets under GKY and assessing the physical and financial performance of the scheme in the forthcoming performance Budget 1999-2000 of the Department is not possible. As recommended by the Committee, the Ministry has been actively processing the integration of GKY with Integrated Rural Development Programme (IRDP). Though, MWS is also a irrigation scheme, however, the thrust of MWS is to provide open dug wells, simultaneously creating wage employment.

It is mentioned that after the proposed merger of GKY in IRDP the minor irrigation component of IRDP, will have a provision for credit linkages by the financial institutions and subsidy by Government.

[Ministry of Rural Areas & Employment (Department of Rural Employment & Poverty Alleviation) O.M. No. H-11020/4/98-GC (P) dated 30th December, 1998]

Recommendation (Para No. 2.29)

The Committee recommend that for a better and effective implementation of a new central scheme, the Centre should, in consultation with State Governments assess the existing capabilities of the implementing machineries at the field level.

Reply of the Government

The schemes of this department are implemented by DRDAs. Recently a committee constituted to review the support for administrative cost of the DRDAs has made several recommendations for strengthening and professionalising the implementing machinery *i.e.* DRDAs. The Ministry has also held consultations with State Ministers and Secretaries of Rural Development. Based on this proposals for comprehensive strengthening of DRDAs are under active consideration.

[Ministry of Rural Areas & Employment (Department of Rural Employment & Poverty Alleviation) O.M. No. H-11020/4/98-GC (P) dated 30th December, 1998]

Comments of the Committee

[Please *see* Para No. 25 of Chapter-I of the Report]

Recommendation (Para No. 2.32)

The Committee note that the financial and physical performance of SITRA has not been satisfactory as during 1997-98 out of a total allocation of Rs. 67.05 crore only a sum of Rs. 33.02 crore (*i.e.* 49.25%) could be utilized under the scheme. With an opening balance of Rs. 29.84 crore and fresh allocation of Rs. 60 crore during 1998-99, the Government will be having Rs. 90 crore (approximately) at their disposal under the scheme. The Committee recommend that all out efforts should be made to utilise the available funds fully.

Reply of the Government

The Department is taking necessary measures to utilise the available funds fully. The States/UTs have been advised to ensure the utilisation of the available funds. This will also be reviewed in the meetings of the State Secretaries of the Rural Development to be convened in November, 1998.

[Ministry of Rural Areas & Employment (Department of Rural Employment & Poverty Alleviation) O.M. No. H-11020/4/98-GC (P)
dated 30th December, 1998]

Recommendation (Para No. 2.34)

The Committee note that the main objective of the SITRA, which has been in existence for the last six years, is to reduce the migration of rural artisans to cities. However, no study has been made so far, of SITRA to assess its impact on checking the migration of rural artisans to cities. The Committee, therefore, recommend that Government should at least conduct some sample survey to assess the impact of SITRA on this aspect.

Reply of the Government

The Department has noted the recommendation of the Committee for compliance. Sample survey to assess the impact of SITRA on checking the migration of rural artisans to cities will be conducted shortly.

[Ministry of Rural Areas & Employment (Department of Rural Employment & Poverty Alleviation) O.M. No. H-11020/4/98-GC (P) dated 30th December, 1998]

Recommendation (Para No. 3.4)

The Committee note that Rs. 2431.78 crore of the available fund was utilized during 1997-98 out of the Central and State share, which comes to 84.67%. They further note the opening balance of the scheme as on 01.04.98 is only 15.3% of the allocation of 1997-98 which comes to Rs. 440.24 crore. They further note that during 1998-99 an amount of Rs. 2954.24 crore (*i.e.* Rs. 2095.00 crore as Central share + Rs. 419.00 crore as State share + OB of Rs. 440.24 crore) as 01.04.98 is likely to be available for the scheme.

The Committee would like to urge the Department to further strengthen the existing implementing machinery of the scheme so that the entire available funds are utilized during 1998-99.

Reply of the Government

The performance of the programmes and progress of utilisation of funds during 1998-99 has been reviewed at the Minister's level and the MOS(C), Rural Areas and Employment, has addressed letters separately in September '98 to the Chief Ministers of the States, indicating State-specific deficiencies like excessive carry over of funds and emphasizing on the need to gear up the machineries for better implementation of the programmes. The Ministry will review the position in the Conference of State Secretaries in charge of the programmes and Project Directors of DRDAs in November, 1998.

[Ministry of Rural Areas & Employment (Department of Rural Employment & Poverty Alleviation) O.M. No. H-11020/4/98-GC (P) dated 30th December, 1998]

Recommendation (Para No. 3.12)

The Committee have noted that the data furnished by the Ministry in respect of physical targets for 1998-99 under IAY, in response to different queries is not uniform and is varying between 11.24 lakh and 8.5 lakh. The Committee would like the Ministry clarify the correct position available in this regard.

The Committee note that the Department does not appear to have the exact number of physical targets as could be seen from different figures furnished to the Committee in this regard for the current year. Further, there is no proper planning on the part of the Government to achieve the target fixed if any, as reflected in the reply of the Secretary of the Department of Rural Employment & Poverty Alleviation during the course of oral evidence. The Committee have their own doubts as to whether the Department will be able to complete the targets in the priority sector *i.e.*, housing, in such a scenario.

Reply of the Government

The Ministry of Rural Areas & Employment has tentatively fixed 9.24 lakh houses as physical target for the current financial year under Indira Awaas Yojana is pending finalization of the Annual Action Plan for the construction of houses. All effort will be made to ensure achievement of final targets.

[Ministry of Rural Areas & Employment (Department of Rural Employment & Poverty Alleviation) O.M. No. H-11020/4/98-GC (P) dated 30th December, 1998]

Recommendation (Para No. 3.13)

The Committee strongly recommend that the Department should take necessary measures to achieve the targets so that the higher allocation of Rs. 410.00 crore is fully utilised during 1998-99.

Reply of the Government

The Ministry has already drawn up an action plan for Rural Housing scheme which is under the consideration of the Planning Commission and is sure to utilise the increased outlay within the time frame.

[Ministry of Rural Areas & Employment (Department of Rural Employment & Poverty Alleviation) O.M. No. H-11020/4/98-GC (P) dated 30th December, 1998]

Recommendation (Para No. 3.17)

The Committee while appreciating the overall increase in the allocation for the scheme, would like to remind the Government that during 1997-98 the fund utilisation of the scheme was only Rs. 1345.80 crore against the total availability of Rs. 1637.95 crore. Thus for the current year, apart from the releases from the States an amount of Rs. 1689.07 crore (*i.e.* the provisional opening balance of Rs. 89.07 crore as on 1.4.98 + Rs. 1600.00 crore allocated for 1998-99) is available with the Department. The Committee would like to urge that, the Government should take necessary steps for full utilisation of funds under the scheme during 1998-99.

Reply of the Government

As per latest reports available with the Government, the utilisation under Indira Awaas Yojana, during 1997-98 is around 91% of the total availability. However, it will be our constant endeavour to achieve the maximum level of utilisation through various remedial measures adopted and as detailed in reply to previous paras.

[Ministry of Rural Areas & Employment (Department of Rural Employment & Poverty Alleviation) O.M. No. H-11020/4/98-GC (P) dated 30th December, 1998]

Recommendation (Para No. 3.20)

The Committee are constrained to note that during 1997-98 only 72% of the available funds (under MWS) *i.e.* Rs. 449.16 crore was utilised for the scheme leaving a balance of 28% of the available funds unutilised. Thus, the balance of unspent amount is definitely more than the permissible level of 25%. As per the provisional information opening balance of the scheme as on 1.4.98 was 192.61 crore and the allocation (Central share of funds for 1998-99) is Rs. 450.00 crore. Thus, for the current year apart from the available Rs. 542.61 crore for the scheme the States are also required to release their share of funds. The Committee recommend that the Government should impress upon the implementing agencies, to fully utilize the funds available under the scheme during 1998-99.

Reply of the Government

The progress of utilisation of funds as reported by the States/UTs in their monthly progress reports are being reviewed regularly. It has already been reviewed at the Minister level once for all the programmes of the Ministry including MWS. The States which have been identified to be very slow in utilisation are being separately addressed to step up the tempo of utilisation of funds. The States/UTs have also been advised to send proposals for Central assistance in time, otherwise while releasing the IInd instalment of Central funds, progressive cuts on release will be imposed in respect of the proposals received after 31.12.1998.

[Ministry of Rural Areas & Employment (Department of Rural Employment & Poverty Alleviation) O.M. No. H-11020/4/98-GC (P)
dated 30th December, 1998]

Recommendation (Para No. 2.23)

The Committee note that, so far 12.13 lakh wells have been dug under the scheme since its inception in 1988-89. They also note that, 401410 wells were under construction in addition to the wells dug during 1995-96 to 1997-98 period. They are concerned to note that so far the Department has not verified the existence of 12.13 lakh wells dug, during the period 1988-89 to 1997-98 in addition to 401410 wells which were under construction during the 1995-96 to 1997-98 period. The Committee recommend that the Department should physically verify the existence of wells for which construction has been attempted in addition to the physical achievement of other schemes of minor irrigation, without any further delay.

Reply of the Government

The Ministry of Rural Areas & Employment has requested State Governments/UT Administrations to constitute District level teams of officials to physically verify the existence of wells and report the results to the Ministry in a prescribed proforma. This exercise may take 3-4 months. Besides, a concurrent evaluation of MWS by the Ministry has been taken up and the report is expected to be available by middle of 1999.

[Ministry of Rural Areas & Employment (Department of Rural Employment & Poverty Alleviation) O.M. No. H-11020/4/98-GC (P)
dated 30th December, 1998]

Comments of the Committee

[Please see Para No. 40 of Chapter-I of the Report]

Recommendation (Para No. 3.26)

The Committee are distressed to note that the existing monitoring mechanism for the scheme at the Central Level could not obtain the physical performance of the scheme in the Union territory of Pondicherry during 1997-98 despite several attempts. The Committee would like to know the response of the Pondicherry administration, in this regard.

Reply of the Government

The Pondicherry Administration has since informed that expenditure amounting to Rs. 1.38 lakh under MWS has been incurred on completion of the three field channels.

[Ministry of Rural Areas & Employment (Department of Rural Employment & Poverty Alleviation) O.M. No. H-11020/4/98-GC (P) dated 30th December, 1998]

Recommendation (Para No. 3.32)

The Committee note during 1996-97 and 1997-98, the number of total works undertaken under EAS has been decreasing. Now that a higher amount of Rs. 2665.12 crore (excluding the contribution from States) for expenditure during 1998-99 is available, the Department should taken necessary steps to achieve a higher number of total works and generation of more man days.

Reply of the Government

It is true that as per reports made available by the States/UTs the total number works undertaken under EAS during 1997-98 has been less than the number of works undertaken during 1996-97. Wide variation has been noticed in the reporting of some major States. The States have been requested to furnish the reasons for such wide variation in their achievements in terms of number of works.

It may, however, be mentioned that there is a weak correlation between the availability of funds and number of works taken under

EAS. If the size of the work is large, less number of works can be taken up with the same amount of fund and vice versa. As such there is no target for works under the scheme. In view of this what is more important is the number of people seeking wage employment and timely availability of opportunities for their employment. The number of persons registered under EAS for wage employment has been progressively increasing. The number was 2.63 crore in March, 1997 which has increased to 4.14 crore in March 1998. Therefore only through the enhanced allocation under EAS that the Department can facilitate the States/DRDAs/blocks to provide wage employment to this increasing number of registered persons.

[Ministry of Rural Areas & Employment (Department of Rural Employment & Poverty Alleviation) O.M. No. H-11020/4/98-GC (P) dated 30th December, 1998]

Recommendation (Para No. 3.34)

The Committee note that as on date 10 States and 3 Union territories are yet to constitute the District and block EAS Committees which are required to be constituted under the guidelines. The Committee accepts the explanation forwarded by the Government of West Bengal for not forming the said EAS Committees because the State has already constituted the Vigilance and Monitoring Committees. To avoid multiplicity of authorities, the Committee recommend that the Government should issue standard guidelines to authorise the existing vigilance and monitoring committees at the district and block levels, to perform the functions of District and Block EAS Committees and should modify the guidelines, if necessary.

Reply of the Government

The suggestion of the Committee has been complied with. The States/UTs have been informed of the decision *vide* the Department's letter No. V-24011/4/98-RE-I/Part-I dated 25th September '98 that the existing Vigilance and Monitoring Committees at the district and block levels would supervise, exercise vigilance and monitor the implementation of EAS within their jurisdiction. As such the district and block level EAS Committees have been done away with.

[Ministry of Rural Areas & Employment (Department of Rural Employment & Poverty Alleviation) O.M. No. H-11020/4/98-GC-(P) dated 30th December, 1998]

Recommendation (Para No. 4.4)

The Committee are concerned to note that the utilisation of funds under DPAP is not at all satisfactory since the introduction of new watershed guidelines *w.e.f.* 1.4.95. They are constrained to note that the provisional unspent balance of scheme as on 1.4.98 was Rs. 171.72 crore which is nearly the double of the allocation (central share) for the scheme for 1998-99 (*i.e.* Rs. 95.0 crore). The Committee would like that all available funds for the scheme should be utilised fully during 1998-99.

Reply of the Government

DPAP is being implemented since 1995-96 in accordance with new Guidelines for Watershed Development issued by this Ministry in order to ensure people's participation and much more transparency in the management of funds. Since this is quite a new approach. It took time in initialisation. The Ministry is making persistent efforts to sensitise the State Governments and implementing agencies to gear up the machinery so that entire allocation is utilised in a time bound manner. All the 13 States and 155 districts covered under the programme are continuously approached by the Ministry to expedite the implementation of the programme. In pursuance to the same, following steps have been taken:

1. Ministry is insisting for regular submission of MPR and QPR by State/districts for continuous monitoring of the programme. All programme States have been requested to ensure the MPRs and QPRs are furnished on regular basis.
2. The DPAP is implemented on the basis of Project approach and further release of funds is dependent on the progress achieved in the implementation of the programme.
3. The Programme Officers of the Division are regularly visiting the programme districts to expedite the implementation of the programme. The issue is also being taken up through Area Officers of the Ministry.
4. New instalment is released to programme districts provided more than 50% of total available funds have been spent. To orient implementing officers of districts, training programmes, workshops, seminars etc. are organised to sensitise them.

5. For speedy implementation, all relevant issues are taken up during meetings of State Secretaries incharge of Rural Development. The progress of the implementation of the programme, including utilisation of funds, is also discussed by the senior officers of the Ministry during their visit to the programme districts.

[Ministry of Rural Areas & Employment (Department of Rural Employment & Poverty Alleviation) O.M. No. H-11020/4/98-GC-(P) dated 30th December, 1998]

Recommendation (Para No. 4.5)

They recommend that all the watershed projects completed so far, should be properly maintained.

Reply of the Government

The scheme has an in-built provision for proper maintenance of assets created in these projects through the people, who are involved in the implementation projects right from the stage of planning. Each watershed project has a Watershed Development Fund for this purpose, which is created through people's contribution.

[Ministry of Rural Areas & Employment (Department of Rural Employment & Poverty Alleviation) O.M. No. H-11020/4/98-GC-(P) dated 30th December, 1998]

Recommendation (Para No. 4.8)

The Committee note that since 1995-96, the utilisation of funds under DDP is not at all satisfactory. Further, only 51.32% of the available funds were utilised in the programme during 1997-98. This shows that the rest 48.68% of the available funds remained unspent during the year. The Committee would like that the entire available funds of Rs. 162.59 crore should be utilised in the programme during 1998-99.

Reply of the Government

In this regard, it is submitted that there is consistent increase in the utilisation of funds during the last three years. As per financial/accounting procedure, until and unless accounts of the advanced money

is not settled by the Watershed Committee with DRDAs, the whole amount is treated as unspent balance. It is a fact that as per new Guidelines for Watershed Development, all these Watershed Committees (one for each watershed project) are managing the major chunk of funds (80% of a project) and are located in remote desert areas/villages. They take time to settle the account before the 31st March. This is one of the major reason for advanced amount getting reflected as unspent balance.

Nevertheless, this Ministry is making concerted effort and impressing upon the DRDAs/ZPs to ensure that entire amount is spent during 1998-99.

[Ministry of Rural Areas & Employment (Department of Rural Employment & Poverty Alleviation) O.M. No. H-11020/4/98-GC (P) dated 30th December, 1998]

Recommendation (Para No. 4.9)

The Committee would like to know the present status of 1695 projects sanctioned for implementation during 1995-96.

Reply of the Government

In the year 1995-96, 1695 Watershed Development Projects have been sanctioned. All these projects are being implemented by respective DRDAs. 1998-99 is the fourth year of these projects and these projects are at advanced stage of implementation in the programme districts.

[Ministry of Rural Areas & Employment (Department of Rural Employment & Poverty Alleviation) O.M. No. H-11020/4/98-GC (P) dated 30th December, 1998]

Recommendation (Para No. 4.10)

The Committee note that as per the funding pattern of DDP for 'Hot Desert Areas' the funds are shared on 75:25% basis between the Centre and the States whereas the rest of the areas receive 100% Central assistance. The Committee are unable to appreciate the logic behind this funding pattern which discriminate against the hot desert areas in

sanction of funds under the scheme. They, therefore, recommend that the funds under DDP for the 'Hot Desert Areas' should be entirely met by the Central Government as in the case of hot arid (sandy) areas and cold arid areas. The Committee desire that the existing guidelines of the DDP should be suitable modified.

Reply of the Government

The proposal for having uniform funding pattern on 75:25 basis by the Centre and respective programme States under all schemes of the Department of Rural Employment & Poverty Alleviation including DDP is under the consideration of the Ministry.

[Ministry of Rural Areas & Employment (Department of Rural Employment & Poverty Alleviation) O.M. No. H-11020/4/98-GC (P)
dated 30th December, 1998]

CHAPTER III

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

Recommendation (Para No. 2.4)

The Committee note that financial achievement of the programme during 1997-98, was only 74.13%. They also note that the physical achievement under IRDP has come down from 20.89 lakh families in 1995-96 to only 16.97 lakh families in 1997-98. The Committee will like to be informed of the reasons for this shortfall and corrective steps, if any, taken by the Department to check the decline in achievement. Committee note that there are many Committees/Organisations at different levels for the implementation and monitoring of the scheme. It is hoped that the Government would ensure that multiplicity of such agencies is not interfering with the smooth execution of the programme.

Reply of the Government

Pursuant to the recommendations of the expert Committee on IRDP, the performance under IRDP is no longer evaluated on the basis of achievement of physical targets but on the basis of credit mobilization achieved. During 1997-98, as against credit mobilization target of Rs. 2700 crore, the achievement was Rs. 1994.33 crore (approx. 74%). It may be mentioned that credit mobilization target was significantly stepped up from the level of Rs. 2142.24 crore in 1996-97 to 2700 crore in 1997-98. This was done to impress upon banks to go in for a larger per family investment. It is true that physical achievement under IRDP has come down in the past few years. However, this is due to emphasis on higher per family investment rather than merely disbursing some small amounts to fulfill physical targets. It may be mentioned that per family investment which was of the order of Rs. 7889 in 1992-93 went up to Rs. 16764 in 1997-98.

It is submitted here that there is no multiplicity of Committees at different levels for the implementation and monitoring. The Committees

have well defined role and function. In order to ensure effective coordination with the banks, which is concerned for the success of IRDP, Committees are constituted at different levels such as Block Level Bankers Committee (BLBC), District Level Coordination Committee (DLCC) and State Level Bankers Committee (SLBC). They are designed to address themselves to the issues that arise at the respective levels.

[Ministry of Rural Areas & Employment (Department of Rural Employment & Poverty Alleviation) O.M. No. H-11020/4/98-GC (P) dated 30th December, 1998]

Recommendation (Para No. 3.30)

The Committee note that during the current year, an amount of Rs. 2665.12 crore (i.e. the provisional opening balance of Rs. 675.12 crore as on 1.4.98 + Rs. 1990.0 crore of Central share) excluding the contribution of the State Government to be released, is available to the implementing agencies of the scheme. They are surprised to note that without calculating the funds available for EAS, the Department felt a requirement of Rs. 2700.00 crore for providing two instalments to all the blocks of the country. They recommend that the Department should first take necessary steps to utilize the available funds during 1998-99.

Reply of the Government

The process for preparation of budget proposals for a financial year starts some time in the month of October in the preceding year. It is, therefore, not possible to anticipate so early the total utilization of funds during that financial year to arrive at Opening Balance of the next year. In fact, the figure of OB is determined only after all the DRDAs complete their audit. The prescribed period for completion of audit for the year is the month of August in the next year. While most of the funds get utilised during the year, a certain level of carry over balance is inevitable. Besides certain blocks/districts/States indent for additional funds EAS being a demand driven scheme. Therefore, it is a continuous process in which opening balance has to be ignored while calculating BE for next financial year. This is for instance, as shown in the following table, inspite of availability of Rs. 2934.81 crore in 1997-98 there was a shortfall of the resources for proposals to the tune of Rs. 530 crore pending at the end of March 1998.

The basis of calculating the BE during 1998-99 was on the assumption.

Year	Opening balance	Central Allocation	Shortfall
1997-98	964.81	1970.00	530.00
1998-99	841.75	1990.00	

The basis of calculating the B.E. during 1998-99 was on the assumption that all the blocks would be able to claim at least two instalments in the year. Blocks having acute unemployment take third instalment also. The funds needed to release one instalment under EAS works out to Rs. 1354 crore as under:

(Rs. in crore)			
Category	No. of blocks	Rate	Amount
A	281	Rs. 0.40	Rs. 112.40
B	2070	Rs. 0.30	Rs. 621.00
C	3097	Rs. 0.20	Rs. 619.40
Total	5448		Rs. 1352.80

For two instalments the minimum requirement would be Rs. 2705.60 crore or say Rs. 2700 crore. Anticipating higher requirement of funds, the Ministry proposed an allocation of Rs. 3500 crore during 1997-98.

[Ministry of Rural Areas & Employment (Department of Rural Employment & Poverty Alleviation) O.M. No. H-11020/4/98-GC (P) dated 30th December, 1998]

CHAPTER IV

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

Recommendation (Para No. 2.18)

The Committee note that the average earning per DWCRA group is in the nature of supplementary income. However, an average earning of Rs. 101 to Rs. 300 per month per group, is too little to achieve the objective of the scheme. They note that, the optimum linkage between DWCRA and IRDP is yet to be achieved and non-receipt of expenditure reports from the districts for sub-scheme of DWCRA, points out to non-satisfactory monitoring of the scheme. In view of the above, they recommend that appropriate measures should be introduced by the Department to substantially increase the per capita investment and thereby per group earnings per month.

Reply of the Government

It is true that return in the range of Rs. 101-300 per member is too low if seen in the context of income required for a family to cross the poverty line. However, the income under DWCRA to the members is in the nature of supplementary income. From this year, further efforts will be made to integrate the groups with IRDP and to ensure that the earnings go up.

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dated 30th December, 1998]

Comments of the Committee

[Please see Para No. 13, of Chapter-I of the Report]

Recommendation (Para No. 3.6)

The Committee note that during 1997-98 the fund utilization was 84.67% of the total availability. However, they fail to understand as to why the physical performance of the scheme as reported for February, 1998 has not been added by the Department while sending the said information. They feel as per the information supplied to the Committee, the existing system of fixing the physical target *vis-a-vis* the financial target is not foolproof. Therefore, they urge the Department to adopt a better method for fixing the physical target *vis-a-vis* the financial target for the scheme of JRY.

Reply of the Government

The physical achievement upto February, 1998 was available at the time of furnishing of replies to the Committee. As per reports upto 31st March, 1998, however, the percentage utilization of total available funds was 83.42%. Upto March, 1998, under JRY, 3954.02 lakh mandays had been generated against the target of 3864.90 lakh mandays. The achievement was 102.31% against the target.

The creation of mandays of employment depends upon choice of works taken up at the field level. The physical targets under JRY, state-wise are fixed on the basis of proportion of funds earmarked for wage component *i.e.* 60% of funds allocated and prevalent minimum wage rate in the States/UTs. The works that can be taken up under JRY are all rural works which result in creation of durable productive community assets. The works include social forestry, soil and water conservation, minor irrigation, flood protection, rural roads and construction of primary school buildings, dispensaries, panchayat ghar etc. The list of works taken up is exhaustive and forms part of guidelines. The present system of fixing the physical targets therefore is considered to be workable as it gives due weightage to the wage component and most of the permissible activities under JRY are labour intensive. However where the works selected have higher wage component, the physical achievements will be more than the targetted figure.

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Comments of the Committee

[Please see Para No. 28, of Chapter-I of the Report]

Recommendation (Para No. 3.11)

The Committee are concerned to note that under IAY, since 1995-96 the earliest year for which the information has been made available to the Committee, the total house construction attempted has always exceeded the target set for the scheme, which finally resulted in leaving several houses under 'construction-under-progress' category. During 1997-98, total houses construction attempted was 989610 houses against the target of 718326 houses, which resulted in leaving 438285 houses for which the construction was under progress. The Committee apprehend that this practice of the Government to sanction more houses to be built, in excess of the target set for the scheme, left several houses under various stages of completion at the end of the each financial year.

Reply of the Government

Under Indira Awaas Yojana targets are fixed as per the prevailing norms of assistance and subject to availability of funds. These norms of assistance specify only the maximum level of assistance that can be given. The State can choose to disburse assistance under Indira Awaas Yojana at lower levels. Thus, some of the States construct houses with assistance lesser than the maximum of what is permissible under the guidelines. This enables states to construct more houses within the given allocation. Hence the number of total houses attempted exceed the target set for the scheme.

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Comments of the Committee

[Please see Para No. 31, of Chapter-I of the Report]

Recommendation (Para No. 3.27)

The Committee are surprised to note that Punjab Government was permitted to level land when the digging of wells were feasible in that State. As per the existing guidelines, of the scheme such levelling should have been permitted, only if the digging of the wells is not feasible due to the geographical factors. The Committee find that the

existing provisions of guidelines were violated in the implementation of MWS in that State because (i) digging of wells were possible and (ii) the Ministry permitted the spending of funds on development of land permissible under the scheme, without exploring the possibility of alternative projects for irrigation. The Committee would like to know the result of the said consultation with the Government of Punjab. They would like that, the Department should ensure that, provisions of the guidelines for MWS are not violated while implementing the scheme in any State/Union territory.

Reply of the Government

The Punjab Government has informed that dug wells as source of irrigation have become completely obsolete in Punjab due to popularization of tube-well/bore well technology. Dug wells are, therefore, no more in use for irrigation purposes in Punjab. But, since tube-wells are not permissible under MWS guidelines, the State Government of Punjab utilized MWS funds for developing land including land leveling, which is a permissible activity under Million Wells Scheme.

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Comments of the Committee

[Please see Para No. 43 of Chapter-I of the Report]

CHAPTER V

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

Recommendation (Para No. 2.25)

The Committee note that with a view to give more freedom to the States/UTs in fixing the targets as per the availability of resources and local potential for the training, the practice of fixing physical targets was discontinued during 1995-96. They further note that as per guidelines, DRDAs were required to identify vocations and to conduct area skill surveys of the districts for various skills. However, the Department has not monitoring this aspect. The Committee regret to observe that the Department has not been monitoring the observance of guidelines by States/UTs in letter and spirit. They recommend that wherever guidelines are issued by the Government about a central scheme they should ensure that the same are followed by States/UTs scrupulously.

Reply of the Government

The State Govts./UT Administrations have been requested to complete the area skill surveys in all the districts by December, 1998. Reports are being obtained from the States/UTs.

[Ministry of Rural Areas & Employment (Department of Rural Employment & Poverty Alleviation) O.M. No. H-11020/4/98-GC (P) dated 30th December, 1998]

Comments of the Committee

[Please see Para No. 22, of Chapter-I of the Report]

Recommendation (Para No. 3.8)

The Committee are concerned to note that the findings of the JRY evaluation for the reference period June, 1993 to May, 1994 could only be known in 1997 and the corrective measures were initiated in 1998. The Committee feel that this delay in getting the findings of the Concurrent Evaluation is very long and not justifiable. They would like to urge the Department to take necessary initiative to reduce this

long period for conducting the evaluation surveys and initiating the corrective actions. They would also like to be informed about the action taken by the concerned Governments against each of the above discrepancy.

Reply of the Government

The Department has noted the concern of the Standing Committee. It will be ensured that the delay in conduct of evaluation and publishing of report is minimised in future. In fact the Department at present is undertaking concurrent evaluation of MWS and ensure timely submission of final reports. Specific penalty clauses have been introduced to discourage delay in submission of schedules, data in floppies and reports by the evaluating agencies. In addition, to ensure timely completion of evaluation, tight monitoring of field survey work through field inspection by designated area officers of the Ministry is planned.

As regard corrective measures initiated on the findings of concurrent evaluation of JRY, the report of the evaluation has been referred to the States for necessary action. The States/UTs have been reminded again. The position on the follow up action taken will be reviewed in the forthcoming conference of State Secretaries in charge of rural development in November, 1998. A consolidated report of the action taken will be submitted to the Committee after the replies are received from the States/UTs.

[Ministry of Rural Areas & Employment (Department of Rural Employment & Poverty Alleviation) O.M. No. H-11020/4/98-GC (P) dated 30th December, 1998]

Comments of the Committee

[Please see Para No. 31 of Chapter-I of the Report]

Recommendation (Para No. 3.15)

The Committee are concerned to note that the Government has not get done physical verification of the 4362171 houses, reported to have been constructed under the scheme, by the end of 1997-98. They would like to urge the Government to have a physical verification of

these houses, at least on test check basis. They would also like to be informed of the result of such verification.

Reply of the Government

A proposal of physical verification of assets created under Indira Awaas Yojana on a selective basis through a concurrent evaluation, is under consideration of the Ministry.

[Ministry of Rural Areas & Employment (Department of Rural Employment & Poverty Alleviation) O.M. No. H-11020/4/98-GC-(P) dated 30th December, 1998]

Comments of the Committee

[Please see Para No. 37, of Chapter-I of the Report]

NEW DELHI;
April 19, 1999
Chaitra 29, 1921 (Saka)

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

APPENDIX I

EXTRACTS OF THE MINUTES OF THE THIRTY-NINTH SITTING OF THE COMMITTEE HELD ON WEDNESDAY 30TH MARCH, 1999

The Committee sat from 1430 hrs. to 1600 hrs. in Committee Room 'E', Parliament House Annexe, New Delhi.

PRESENT

Shri Kishan Singh Sangwan — *Chairman*

MEMBERS

Lok Sabha

2. Shri Tariq Anwar
3. Shri Padmanava Behera
4. Shrimati Malti Devi
5. Shri Ramkrushna Suryabhan Gavai
6. Shri Mitha Lal Jain
7. Shri Rameshwar Patidar
8. Shrimati Jayanti Patnaik
9. Shri Gaddam Ganga Reddy
10. Dr. Y.S. Rajasekhar Reddy
11. Shri Nikhilananda Sar
12. Shri I. M. Jayaram Shetty
13. Shri Vithal Baburao Tupe
14. Dr. Ram Vilas Vedanti
15. Shri K. Venugopal

Rajya Sabha

16. Shrimati Shabana Azmi
17. Shri Nilotpal Basu
18. Shri John F. Fernandes
19. Prof. A. Lakshmisagar
20. Shri Jagdambi Mandal
21. Shri O.S. Manian

SECRETARIAT

- | | | |
|---------------------------|---|------------------------|
| 1. Shri S.C. Rastogi | — | <i>Director</i> |
| 2. Shrimati Sudesh Luthra | — | <i>Under Secretary</i> |

****	****	****
2. ****	****	****
3. ****	****	****
4. ****	****	****

5. The Committee then considered the following memoranda regarding draft Action Taken Reports and adopted the reports appended to these Memoranda:

(i) **** **** ****

(ii) Memorandum Number 18 regarding Action taken by the Government on the recommendations contained in the 5th Report (Twelfth Lok Sabha) on Demands for Grants 1998-99 of the Department of Rural Employment and Poverty Alleviation (Ministry of Rural Areas and Employment).

6. A verbatim record of the proceedings was kept.

The Committee then adjourned.

APPENDIX II

[Vide Para 3 of the Introduction]

ANALYSIS OF THE ACTION TAKEN BY THE GOVERNMENT ON THE RECOMMENDATIONS CONTAINED IN THE FIFTH REPORT (12TH LOK SABHA)

I Total Number of recommendations	42
II. Recommendations that have been accepted by the Government	33
(Para Nos. 1.6, 1.9, 1.12, 1.14, 1.17, 1.19, 1.21, 2.6, 2.8, 2.10, 2.11, 2.12, 2.16, 2.20, 2.23, 2.28, 2.29, 2.32, 2.34, 3.4, 3.12, 3.13, 3.17, 3.20, 3.23, 3.26, 3.32, 3.34, 4.4, 4.5, 4.8, 4.9 and 4.10)	
Percentage to the total recommendations	(78.58%)
III. Recommendations which the Committee do not desire to pursue in view of the Government's replies	2
(Para Nos. 2.4 and 3.30)	
Percentage to the total recommendations	(4.76%)
IV. Recommendations in respect of which replies of the Government have not been accepted by the Committee	4
(Para Nos. 2.18, 3.6, 3.11 and 3.27)	
Percentage to the total recommendations	(9.52%)
V. Recommendations in respect of which final replies of the Government are still awaited	3
(Para Nos. 2.25, 3.8 & 3.15)	
Percentage to the total recommendations	(7.14%)