

19

**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 (1997-98)

NINETEENTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

Corrigenda to the 19th Report (12th Lok Sabha) of the Standing Committee on Urban & Rural Development on 'Demands for Grants 1997-1998' of Department of Rural Employment and Poverty Alleviation

<u>Page</u>	<u>Line</u>	<u>For</u>	<u>Read</u>
(iv)	13 from top	Jhumaklal	Jhumuklal
7	2 from top	<u>add that after</u>	reiterated
13	6 from top	felt	feel
14	7 from top	<u>add that after</u>	result
17	14 from below	Merging	Merger
17	11 from below	noted	note
19	14 from below	in	to
19	9 from below	<u>add Rs. before</u>	59.00 crore
20	1 from below	<u>add and Rs. 100.00 crore before respectively.</u>	
26	6 from below	<u>add is after</u>	Raj
27	18 from below	of	&
27	13 from below	for	of
31	10 from top	Schemes	Scheme
32	11 from top	observations	observation
36	12 from top	<u>add have provisions before for</u>	
36	14 from top	<u>add that after</u>	so
42	10 from below	15 to 20	20 to 15
44	7 from top	<u>add located at after</u>	sites
45	5 from below	components	component
47	14 from top	achievements	achievement
47	10 from below	<u>add that after</u>	recommend
48	13 from top	<u>add and before</u>	also
48	15 from top	recommendations	recommendation
56	5 from top	would	could

NINETEENTH 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 Tenth Report of the Committee on Urban
& Rural Development (1996-97) on Demands for Grants (1997-98)
of the Department of Rural Employment & Poverty Alleviation
(Ministry of Rural Areas & Employment)]*

*Presented to Lok Sabha on 5th March, 1999
Laid in Rajya Sabha on 8th March, 1999*



LOK SABHA SECRETARIAT
NEW DELHI

March, 1999/Phalguna, 1920 (Saka)

C.U. & R.D. No. 069

Price : Rs. 30.00

© 1999 BY LOK SABHA SECRETARIAT

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, New Delhi.

CONTENTS

	PAGE
COMPOSITION OF THE COMMITTEE (1998-99)	(iii)
INTRODUCTION	(v)
CHAPTER I Report	1
CHAPTER II Recommendations that have been accepted by the Government	19
CHAPTER III Recommendations which the Committee do not desire to pursue in view of the Government's replies	53
CHAPTER IV Recommendations in respect of which replies of the Government have not been accepted by the Committee	57
CHAPTER V Recommendations in respect of which final replies of the Government are still awaited	64

APPENDICES

I. Extracts of the Minutes of the 34th Sitting of the Committee on Urban & Rural Development held on 9.2.1999	66
II. Analysis of the action taken by the Government on the recommendations contained in the Tenth Report (11th Lok Sabha)	69

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

Shri Kishan Singh Sangwan — *Chairman*

MEMBERS

Lok Sabha

2. Shri D.S. Ahire
- *3. Shri Sudip Bandyopadhyay
4. Dr. Shafiqur Rahman Barq
5. Shri Padmanava Behera
6. Shri Sriram Chauhan
7. Shri Shivraj Singh Chouhan
8. Shrimati Malti Devi
9. Shri Ramkrushna Suryabhan Gavai
10. Shri Mitha Lal Jain
11. Shri Akbar Ali Khandokar
12. Shri Vinod Khanna
13. Shri Subhash Maharia
14. Shri Bir Singh Mahato
15. Shri Subrata Mukherjee
16. Shrimati Ranee Narah
17. Shri Chandresh Patel
18. Shri Rameshwar Patidar
19. Shrimati Jayanti Patnaik
20. Shri Mullappally Ramachandran
21. Shri Gaddam Ganga Reddy
22. Dr. Y.S. Rajasekhar Reddy

*Nominated *w.e.f.* 11.6.1998.

23. Shri Ramjidas Rishidev
24. Shri Chatin Singh Samaon
25. Shri Nikhilaranda Sar
26. Shri I.M. Jayaram Shetty
27. Shri Daya Singh Sodhi
28. Shri Vithal Baburao Tupe
29. Dr. Ram Vilas Vedanti
30. Shri K. Venugopal

Rajya Sabha

31. Shrimati Shabana Azmi
32. Shrimati Vyjayantimala Bali
33. Shri Nilotpal Basu
- *34. Shri Jhumaklal Bhendia
- *35. Dr. M.N. Das
36. Shri N.R. Dasari
37. Shri John F. Fernandes
38. Shri C. Apok Jamir
39. Shri Onkar Singh Lakhawat
40. Prof. A. Lakshmisagar
41. Shri Jagdambi Mandal
42. Shri O.S. Manian
43. Dr. Mohan Babu
44. Shri N. Rajendran
45. Shri Suryabhan Patil Vahadane

SECRETARIAT

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

INTRODUCTION

I, the Chairman of the Standing Committee on Urban & Rural Development (1998-99) having been authorised by the Committee to submit the Nineteenth Report on Action Taken by the Government on the recommendations contained in the Tenth Report of the Standing Committee on Urban & Rural Development (1996-97).

2. The Tenth Report was presented to Lok Sabha on 22nd April, 1997. The replies of the Government to all the recommendations contained in the Report were received on 6th March, 1998. The replies of the Government were examined and the Report was considered and adopted by the Committee at their sitting held on 9th February, 1999.

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

NEW DELHI;
March 3, 1999

Phalguna 12, 1920 (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 Tenth Report on Demands for Grants (1997-98) of the Department of Rural Employment & Poverty Alleviation of the Ministry of Rural Areas & Employment which was presented to Lok Sabha on 22nd April, 1997.

2. Action taken notes have been received from the Government in respect of all the 38 recommendations which have been categorised as follows :—

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

Para Nos. 2.5, 2.7, 2.8, 2.9, 2.10, 2.11, 2.13, 2.15, 3.6, 3.7, 3.8, 3.10, 3.16, 3.24, 3.25, 3.30, 4.4, 4.5, 5.6, 5.7, 5.8, 6.4, 6.5, 7.4, 8.5, 8.6, 9.4, 9.6, 10.3 & 10.4.

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

Para Nos. 3.15, 3.23 and 9.5

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

Para Nos. 2.19, 3.9 and 3.11

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

Para Nos. 3.17 & 3.29

3. The Committee require that 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 the action taken by the Government on some of the recommendations in the succeeding paragraphs.

A. Constitution of Monitoring and Vigilance Committees

Recommendation (Para No. 2.8)

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

“The Department’s instruction to constitute and functionalise Monitoring and Vigilance Committees at the village, block and district levels for all the Schemes of the Department is yet to be started. They are constrained to note that even the Department does not have correct information on the constitution of Vigilance and Monitoring Committees in several States/UTs, as acknowledged by the Secretary during the course of official evidence. The Committee take strong view of the non-availability of up-to-date information with the Department. They would like to strongly recommend for constitution and functionalisation of monitoring and Vigilance Committees at the Village, Block and District Levels without any further delay. Further they would like the Department to give a deadline by which all the States and Union territories will constitute the required Monitoring and Vigilance Committees.”

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

“The Department is continuously monitoring the constitution of the Vigilance and Monitoring Committees in all States/UTs, through regular reminders at all levels. As per latest information available from the States, the Vigilance and Monitoring Committees have been constituted in the following States/UTs:

Mizoram, Assam, Pondicherry, Kerala, Daman & Diu, Dadra and Nagar Haveli, Karnataka, Sikkim, Himachal Pradesh, Rajasthan and Gujarat.

The constitution of Vigilance & Monitoring Committees are in progress in the following States :

Madhya Pradesh, Manipur, Andhra Pradesh, J&K, Uttar Pradesh and West Bengal.

The remaining States/UTs have been advised to constitute these committee by 31st August, 1997 positively."

7. The Committee note that Monitoring and Vigilance Committees have since been constituted in 11 States/UTs, and constitution of such Committees is in progress in six States/UTs. They would like to be informed of the present status of constitution of these Committees in these six States/UTs. They also recommend that the Government should impress upon the remaining States/UTs to constitute these Committees without further delay. Noting the status of the Monitoring and Vigilance Committees as given above, the Committee would like to be apprised of the present position of constitution of such Committees in the remaining States/UTs.

B. Accumulation of huge unspent balances

Recommendation (Para 2.15)

8. The Committee in their earlier recommendation had observed as below :

"The Committee note with concern huge accumulation of unspent balances over the years in each of the Schemes since their inception. They regret to note that for the Scheme of Rural Artisans the State-wise information on unspent balances are not being monitored by the Department as stated by them in the written replies. The Committee would like to know the reasons for accumulation of huge unspent balances Scheme-wise. The Committee need hardly emphasise that given the huge task of alleviating rural poverty, the Department can hardly make any room for unspent balance under any Scheme. The Committee recommend that the amount released for each Programme/Scheme should be spent fully. They would like to urge the Department to chalk out a time schedule in consultation with the respective State Government/UTs by which the entire accumulated unspent amount can be utilised in the particular Programmes/Schemes."

9. The Government in their action taken reply have stated as under :

“Regarding observations of the Committee that there are unspent opening balances in various States under different programmes, it is mentioned that the programme guidelines permit an opening balance (O.B.) of 25% of the allocations for a given year and therefore unless the OB in a particular case is more than this permitted level of 25% no objection can be taken for the same. It is also to be noted that such opening balance on the 1st April of the financial year enables the States to continue with works in progress even before receipt of the funds in the new financial year. Therefore, in practice, this procedure of allowing a certain amount of unspent balance under different programmes has been both permissible and also found to be a very useful system for continuity of works undertaken.

The outlay for various Schemes of the Department is decided by the Planning Commission during the Annual Plan discussions. The funding support is provided in the Central Budget prepared by the Ministry of Finance. The total outlay projected for the Eighth Plan for IRDP by this Ministry was Rs. 3031 crore which has been provided in the Central Budget during the Eighth Five Year Plan. Release of funds to States under IRDP have been almost the same as Central allocations. Central release was 94 per cent of the allocation in 1995-96. It is true that opening balances are higher in few cases than the permissible limits allowed under the programme. However, this is largely due to the time taken in convening meetings of the Gram Sabha for selection of beneficiaries besides seasonality in grounding of projects. There is also bunching of applications with Banks in the last quarter of the year, since IRDP activities pick up only in the last two quarters of the financial year, the second release of funds is sometimes delayed. Release of funds in the last two months of the year find reflection in huge opening balances at the beginning of the next year. This has been a matter of concern to the Ministry. Although quarterly budgeting has been obtained and targets fixed, States have not been able to achieve the same. They have been advised to convene meetings of the Gram Sabhas right at the beginning of the financial year and complete the process at the earliest so that, after selection, the process of project formulation and sponsorship of cases to the Banks could begin without any loss of time. Similarly, with a view to avoid bunching of loan

applications and their sanction, a decision has been taken in the last Central Level Coordination Committee meeting on 30.12.96 to fix time schedules between sponsorship of cases and their sanction, and between sanction of applications and actual disbursement of loans. With these measures, it is hoped that the pace of utilisation of funds would pick up and the DRDAs would not be left with large opening balances.

As regards observations of the Committee that unspent balances in respect of the scheme of supply of Improved Toolkits of Rural Artisans, it is mentioned that in the beginning of 1995-96, an amount of Rs. 35.00 crore was allocated under the scheme. In view of the demands for additional funds from many States/UTs, a sum of Rs. 5 crore was made available to meet the additional demands. Thus the allocation was Rs. 40.00 crore. Normally, it is permissible for DRDAs to carry over to the next financial year funds upto a maximum of 25% of all available resources. This apart, the additional allocation of Rs. 5.00 crore was released only at the fag end of the financial year which also contributed to a certain extent to the unspent balance amounting to Rs. 11.31 crore. It may further be mentioned that normally orders are placed by the DRDAs to supplier, after the receipt of funds. The actual supplies, however, take some time to materialise. It also results in some unspent balance, even if committed. As recommended by the Committee the amount released for each programme/scheme should be spent fully. Accordingly, the States/UTs have been advised to draw up a time bound schedule for utilization of the balance funds available with DRDAs under the scheme.

Usually second instalment of funds is released to the States by the end of October each for various programmes but due to late/incomplete receipt of proposals and seasonal factors affecting the utilisation releases continue upto Feb./March of the financial year. Funds released during Feb./March are utilised partly by the States in the same financial year and the rest in the next financial year, generally keeping the OB within the permissible level of 25%."

10. On the concern expressed by the Committee over the accumulation of huge unspent balances in all the Schemes of the Department, the Government in their action taken reply have tried to justify the same as programme guidelines permit an opening

balance (O.B.) of 25% of the allocation for a given year. It has also been stated in the action taken reply that in few cases the opening balances are higher than the permissible limits. Further procedural formalities, late release of money and seasonal factors are stated to be the factors responsible for the huge opening balances. While appreciating the steps taken by the Department, the Committee would like that more stress need to be given for the timely release of money by the States to the implementing agencies and for simplification of the procedural formalities, so as to avoid the tendency to keep even more than 25% of the accumulated opening balance in a given year by the State Governments.

C. Plan allocation as per the Lakhdawala Committee Report

Recommendation (Para 2.19)

11. The Committee had noted as under:

“The Budget proposal for 1997-98 is not based on the revised poverty estimates of Lakhdawala Committee Report which identifies that during 1993-94 the total number of people living below the poverty line in rural areas of the country was 24.40 crore *i.e.* 37.27% of the total rural population. They are constrained to note, though the Department have made projections to cover all the persons below poverty line by 2005 AD, as on date they don't know how much additional funds would be needed for the purpose. They felt, poverty eradication in the rural areas should be the goal of the Department instead of the existing poverty alleviation. Further they also felt that the Department should get more funds, *i.e.* in proportion to the increase in the number of persons who are living below the poverty line. In view of the above they would like to recommend the Department to impress upon on the Planning Commission to provide a sizeable amount of plan outlay for the 9th Five Year Plan based on the revised estimation of people below the poverty line.”

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

“So far as IRDP and TRYSEM schemes are concerned, a proposal of Rs. 1500 crore and Rs. 59.00 crore respectively has been made for the budgetary provision for the year 1997-98. However, the budgetary provision for the year 1997-98 for IRDP and TRYSEM were approved for the amount of Rs. 571 crore and Rs. 59.00 crore respectively. The Department of RE&PA has, in their reply

to the point No. 3.6 of the 10th Report (11th Lok Sabha) on Demands for Grants of Department of RE&PA reiterated the Department proposes to project its requirement of plan funds for IRDP before the Planning Commission during the course of 9th Five Year Plan.

Indira Awaas Yojana

Under Indira Awaas Yojana the Department had proposed an allocation of Rs. 2600.00 crore against which an allocation of Rs. 1190.00 crore has been made for 1997-98. The Department shall again impress upon Planning Commission to enhance allocation of Indira Awaas Yojana and also communicate to Planning Commission the sentiments expressed by Standing Committee about the desirability of higher allocation under Indira Awaas Yojana in view of the enhanced per unit cost ceiling so that the physical targets are increased to realistic level.

Under Indira Awaas Yojana (IAY), the total housing shortage to be tackled by 2002 AD would be about 17.17 million units which includes about 10.31 million units needing upgradation and 7.36 million households without shelter. For this purpose an amount of Rs. 25700 crore has been posed before the Planning Commission for the ongoing 9th Five Year Plan.

Plan & Roads

The Planning Commission has furnished the following facts on the Recommendations:—

‘Against the Rs. 30,000 crore allocated by the Planning Commission for this Ministry, in the second round of discussion a minimum requirement of Rs. 47,500 crore was projected by this Ministry. The full Planning Commission presided over by the Prime Minister had approved a domestic budgetary support of Rs. 1,66,000 crore at 1996-97 prices for the 9th plan. However, the demands made by various Ministries and Departments adds up to total of Rs. 4,00,000 crore of domestic budgetary support. Hence there is a wide gap between available resources and projected demands. The Ministry of RA&E and Department of Education would alone account for over half of the budgetary support available for entire Central plan. The

member secretary of the Planning Commission will put a note to Prime Minister for consideration after completion of second round of discussion with Ministries. The discussion on inter Ministerial allocation will be taken at the level of Deputy Chairman and Prime Minister.'

Drought Prone Areas Programme

Central share of allocation for DPAP and DDP for 1996-97 was Rs. 125.00 crore and Rs. 100.00 crore respectively. Actual releases were Rs. 110.00 crore and Rs. 65.36 crore respectively. Keeping in view the trend of Central releases in 1996-97 and expected requirements during 1997-98, the allocation for DPAP and DDP for 1997-98 has been kept at Rs. 115.00 crore and Rs. 70.00 crore respectively.

DPAP and DDP are area development programmes. Though employment is generated while taking up developmental works, benefit to the individuals in shape of wage and self employment is not the major objective of these programmes. In view of this, this Division have no comments to offer in the matter.

Employment Assurance Scheme

The budget allocation of Rs. 1960.00 crore for Employment Assurance Scheme (EAS), which has been further reduced to Rs. 1925.21 crore due to 5% cut in plan expenditure is not sufficient to meet the requirement of funds for the implementation of the Scheme. During 1996-97, the expenditure under EAS was Rs. 1940 crore. The budget allocation of Rs. 1925.21 crore is insufficient keeping in view the increase in wage rates and also the fact that EAS has been extended to additional 1123 new blocks during the current year. EAS is a demand driven scheme. Generally, all blocks are expected to take two instalments. However, blocks having problem of acute unemployment also request for 3rd instalment. During 1996-97, 592 blocks out of 4325 blocks covered under EAS had taken third instalment. During the current year a large number of blocks are expected to request for 3rd instalment consequent upon grounding of the programme in the newly covered blocks. It may be mentioned that even for two

instalments, the minimum requirement would be Rs. 2,708.80 crore (say Rs. 2700.00 crore) against which allocation for 1997-98 is only Rs. 1925.21 crore. Thus, the allocation for the current year may be increased to Rs. 2700 crore.

Jawahar Rozgar Yojana

During 1997-98 this Ministry has proposed an amount of Rs. 4410.00 crore as outlay under JRY. Planning Commission has recommended an outlay of Rs. 2077.70 crore for 1997-98 under JRY which is about 50% of the proposed outlay.

The outlay sanctioned for the year 1997-98 is not based on poverty estimates (Revised). This Department has made projections to cover all the persons under below poverty line under JRY upto 2005 AD and proposed an outlay of Rs. 32800 crore for the Ninth Plan. However, no final allocation has yet been made.

Development of Women & Children in Rural Areas

So far as DWCRA programme is concerned, a proposal of Rs. 250 crore has been made for the budgetary provision for the year 1997-98. However, the budgetary provision for the year 1997-98 for DWCRA was approved for an amount of Rs. 65.00 crore. The Department of Rural Employment & Poverty Alleviation has in their reply to the point No. 3.6 of the 10th Report (11th Lok Sabha) on Demands for Grants of Department of Rural Employment & Poverty Alleviation reiterated that Department proposes to project its requirement of Plan funds for DWCRA before the Planning Commission during the course of 9th Five Year Plan.

Million Wells Scheme

The point made in the 10th Report (11th Lok Sabha) on Demands for Grants is well taken. Whatever allocations were, made, inspite of the proposal of this Department for higher allocation to Planning Commission, were taken as BE for 1997-98. If Government/Planning Commission approves higher allocations for poverty alleviation programmes as suggested in the report referred above, additional funds can be absorbed at RE stage.

As regards estimates of people below poverty line, the data as approved by Planning Commission is taken for working out allocations based on incidence of poverty State-wise."

13. The Committee are not satisfied with the reply furnished by the Department and reiterate their earlier recommendation and urge the Department to work out the additional funds required by them, based on the data of people living below the poverty line as per Lakhdawala Committee Report and to impress upon the Planning Commission to provide a sizable amount of plan outlay for the 9th Plan for the respective schemes of the Department of Rural Employment and Poverty Alleviation accordingly.

D. Strengthening of Role of banks for the implementation of IRDP

Recommendation (Para No. 3.8)

14. The Committee had noted as under:

"Banks *viz.* Commercial, Cooperative and Rural Banks play a very important role in the implementation of the programme. It is regretted to note that the performance of Banks is not satisfactory. The Banks don't disburse the allocated money within six to seven months. In most of the cases loan applications are rejected on the ground of viability. Further, they also note as per the existing guidelines, the Bank Manager of the concerned area is to be associated with the selection of beneficiaries in an open meeting of Gram Sabha and all Banks are required to dispose off loan application received from Blocks/DRDAs within a fortnight. But in actual practice the guidelines are not followed. In view of the above they recommend that there should be a district survey on the viability of projects in each district of the country so that Banks can provide advances for such projects. Further the reasons of rejection of loan applications, should be promptly communicated to the beneficiaries and sponsoring agencies for necessary remedial action. They also recommend that monitoring of the Programme should further be strengthened so that all loans sanctioned should be disbursed within the stipulated period of a fortnight.

15. The Government in their reply have stated as follows:

“The Integrated Rural Development Programme guidelines provide for the association of Banks right from the meetings of the Gram Sabha for selection of beneficiaries, so they could interact with prospective borrowers about their skill and aptitude for taking up a certain kind of economic activity. The programme guidelines also provide that the application forms of the beneficiaries for loans should be prepared in a camp attended by the beneficiaries, block functionaries, other concerned Departments and the Bankers. The Banks sanction the loan only on being satisfied with the viability of the scheme. The Banks also have the power to reject loan proposals and they do reject non-viable schemes if sponsored by Block authorities. On the acceptance of the recommendations of the D.R. Mehta Committee, the States have been advised to constitute District Level Technical Groups consisting of Lead District Officers of RBI, District Development Managers of NABARD, Lead Bank Managers and other concerned technical officials of the State Government. This Group is required to identify investment opportunities and prepare project proposals for the District as a whole. Preparation of projects by such a technical group having regard to the norms already prescribed by NABARD would go a long way in ensuring viability of various schemes/projects. NABARD has prepared a potential linked credit plan for each District after duly surveying the potential existing in the district. Hashim Committee constituted by the Planning Commission has suggested that as far as possible, there should be a concerted effort to move away from individual beneficiary approach to a group approach. This would reduce the extent of leakages as also improve the viability of projects and provide sustained employment to the poor. The Committee has also suggested that a cluster approach should be preferred where in a few specified activities are identified for assistance in an area. This will help building up relevant infrastructure in the area. The infrastructural support can be built into the programme. This approach will enhance the viability of even the individual beneficiary taken up activities with the requisite backward and forward linkages, though preference should always be given to group activities. This department is already seized of the matter and the recommendation of the Hashim Committee is being examined.

The delay in sanction and disbursement of IRDP loans have been brought to the notice of RBI, Head Office of the concerned Bank and the Banking Division of Ministry of Finance for remedial actions. In the recent Joint meeting of the Central Level Coordination Committee (CLCC) and High Level Committee on Credit (HLCC) support for IRDP held on 30.12.1996 this issue was discussed in depth with Senior Executives of Banks and State Secretaries. It was decided that all proposals sponsored by the DRDAs will be sanctioned within a period of 30 days from the date of receipt of the applications. If not, reasons for rejection will be communicated to the DRDAs. Similarly, disbursement of loan shall take place in all cases of sanction within a period of 60 days from the date of sanction."

16. The Committee note the initiative taken by the Government and hope that such Committees would be constituted by the State Governments. The Committee also note that the recommendation made by the Hashim Committee to move away from individual beneficiary approach to a group approach, the Government is examining the matter. The Committee hope that some concrete action would be taken in this regard.

Further on the recommendation of the Committee to promptly communicate the reasons for rejection of applications to the beneficiaries and sponsoring agencies for necessary remedial action, the Government have decided, as discussed in the Joint Meeting of the Central Level Coordination Committee (CLCC) and High Level Committee on Credit (HLCC) on 30.12.1996 that all projects sponsored by the DRDAs will be sanctioned within a period of 30 days from the date of receipt of the application and reasons for rejection of application would be communicated to the DRDAs. Further, disbursement of loan shall take place in all cases of sanction within a period of 60 days from the date of sanction. While appreciating the steps taken by the CLCC and HLCC Committees for the speedy sanction and disbursement of loan for the beneficiary, they also like that the reasons for rejection of application should also be communicated to the beneficiaries within the stipulated time. They would also like that strict guidelines should be issued by RBI to the concerned Banks for strict compliance of the said decision of the Government.

E. Involvement of financial institution for credit under IRDP

Recommendation (Para 3.9)

17. The Committee had observed as below:

“The success of the IRDP depends largely upon the success and the role of financial Institutions/Banks, to provide the term credit advance, as per the guidelines. They felt, ever since the inception of the Programme the involvement of financial institutions have become by and large, unsatisfactory. They also observe that, percentage of recovery of total term credit to demand, by all the Public Sector Banks at the end of March, 1996 was 31.65 per cent in addition to the total subsidy of Rs. 870.81 crore given during 1995-96. They feel a fresh look is needed for involvement of various types of financial institutions. Further, they recommend that the existing system should be modified for involving appropriate financial institutions, that are sensitive to the needs of the poor people living in the rural areas.”

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

“It is admitted that recovery position of IRDP loans is not satisfactory. The main factors responsible for poor recovery are, (i) sub critical levels of investment and (ii) absence of backward and forward linkages etc. The programme guidelines provide for State Government rendering all possible assistance to bank officials in recovery of dues from IRDP beneficiaries. The DRDAs are to organise credit-cum-recovery camps periodically for this purpose. The recovery performance under IRDP is also to be discussed in BLCC and DLCC meetings and a programme of action chalked out to ensure better recovery. On the basis of recommendations made by the Mehta Committee. State Governments have been advised to enact the Model Bill as recommended by the Talwar Committee by those States who have not done so far, to appoint Credit-cum-Recovery Officers with the necessary complement of staff in the DRDAs and conduct regular recovery camps.

The existing financial Institutions *i.e.* Commercial, Cooperative and Regional Rural Banks have been involved since inception of IRDP in consultation with the Ministry of Finance, RBI etc. to cater for the credit needs of the targetted families under IRDP.

These financial institutions have a wide network and are governed by RBI regulations. The RBI has also introduced Service Area Approach under which each Bank branch has been allocated 10 to 15 villages of their surroundings for meeting the credit needs of IRDP beneficiaries. The Rural Bank branches have their own problems such as staff shortage, poor financial health and lack of orientation about the programme with the result they are not able to involve fully in the implementation. The RBI has issued instructions to the sponsoring banks to finance the beneficiaries in case the Regional Rural Banks failed to do so due to financial problems. In order to deliver alternate credit mechanism, NABARD has also issued guidelines for extending bulk credit to Self-Help-Groups for onward lending to the beneficiaries. In view of the practical problems and financial implications involved in the implementation of IRDP, it would not be possible for other financial institutions to cater to the credit needs of IRDP."

19. On the recommendation of the Committee to give a fresh look for involvement of appropriate financial institutions for granting loan under IRDP, although the Government in their action taken reply have admitted the poor recovery position of IRDP loan, yet expressed difficulty in involving other financial institutions to cater to the needs of the people. The Committee are not satisfied with the reply furnished by the Department and would like to reiterate their earlier recommendation to involve appropriate financial institutions that are sensitive to the needs and aspirations of the people living below poverty line for giving credit under IRDP.

F. Link between IRDP and its sub-schemes

Recommendation (Para 3.10)

20. The Committee had observed as below :

"The Committee regret to note that linkages between IRDP and its two sub-schemes could not be established as per the Concurrent Evaluation of 1992-93. They also note the maximum extent to which the linkage between IRDP and the components can be achieved is upto 10% for TRYSEM and 14% for DWCRA. The Committee strongly feel that it must be made mandatory by the guidelines that whosoever is qualified under TRYSEM &

DWCRA should be provided with the loans under IRDP to establish a proper linkage between the Schemes. Further, the Department should fix a time frame within which the optimum linkage between IRDP and its components can be achieved."

21. The Government in their reply have stated :

"Instructions are already available under IRDP Manual that there should be proper linkage between IRDP and its two sub-schemes. IRDP beneficiaries can avail of training facilities under TRYSEM and facilities with DSMS for Marketing the producers line wise, DWCRA beneficiaries may avail of training facilities under TRYSEM and credit facilities under IRDP besides marketing facilities under DSMS. To achieve the optimum linkages among the aforesaid programme, this Ministry is considering a proposal to integrate TRYSEM and Toolkits programme with IRDP."

22. While noting the action taken reply of the Government that instructions are already available under IRDP Manual whereby IRDP and DWCRA beneficiaries can avail of training facilities under TRYSEM and DWCRA beneficiaries can avail of credit facilities under IRDP besides marketing facilities under District Supply and Marketing Societies (DSMS), they would like that Government should ensure that DSMS are established and functional in all the States/UTs. It should also be monitored that credit facilities as per the manuals, are actually provided to the beneficiaries in States/UTs. They also note that Government is considering a proposal to integrate TRYSEM and Toolkits programme with IRDP. They hope that early decision in this regard will be taken by the Government.

G. Fifth Concurrent Evaluation of IRDP

Recommendation (Para 3.11)

23. The Committee in their earlier recommendation had stated as under :

"The Committee note that the 5th round of Concurrent Evaluation of IRDP was initiated during April, 1995 and was expected to continue for a year. They regret to note the reply of the Department that the report of the same is still under progress,

even though one year has been passed since the expected completion of the Concurrent Evaluation. They urge the Department to expedite publication of results of the 5th Concurrent Evaluation so that necessary corrections in the implementation of the Programme would be carried out on the basis of its findings."

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

"The period of survey for the Fifth Round of Concurrent Evaluation Survey for IRDP is July, 1995 to June, 1996. The field visits and the data collection by the various independent research institutes have been completed. The analysis of data collected during the field visits are being done for the different States. Data thus collected for the various States would then be aggregated in the Ministry. Based on these aggregation of data for the various States, Ministry would prepare a final report. The process of analysis and compilation is a long drawn process and is time consuming as has been witnessed in the last four rounds of Concurrent Evaluation Survey."

25. According to the information furnished to Committee the period of survey for the 5th round of Concurrent Evaluation Survey (CES) for IRDP was April 1995 to March, 1996. However, in their action taken reply, it has been stated by the Government that the period of survey was July, 1995 to June, 1996, but no reasons have been given by the Government for this change. The Committee will like to be apprised of the reasons for the change in the period of 5th Round of Concurrent Evaluation Survey (CES) as well as the delay in finalisation of the survey Report. They will also like to be apprised of the report of the said CES.

H. Establishment and functioning of DSMS

Recommendation (Para 3.17)

26. In their earlier recommendation the Committee had noted as under :—

"Under the guidelines of the Scheme, there is provision for establishment of District Supply and Marketing Societies (DSMS)

for facilitating supply of raw-materials and marketing of DWCRA products. As per the written replies, the Department at present does not have information regarding number of DSMS established and their functioning, so far in the States/UTs. In this regard they recommend the Department to procure and provide up-to-date information on the establishment and functioning of District Supply and Marketing Societies."

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

"All States have been requested to furnish the requisite information immediately. However, information has been received only from the State Governments of Haryana, West Bengal and Kerala. Others have been reminded. Action will be taken to obtain the information expeditiously and submit the same to Lok Sabha Secretariat."

28. When asked to procure and provide the establishment and functioning of DSMSs in States, the Government have replied that only 3 States have supplied the relevant information. They would like that said information should be collected from the remaining States/UTs and should be supplied to the Committee without any further delay.

I. Merging of MWS, GKY and irrigation component of IRDP

Recommendation (Para 3.29)

29. The earlier recommendation of the Committee was as under:

"The Committee noted that the objective of both the old Million Wells Scheme (MWS) and the new Ganga Kalyan Yojana (GKY) is same *i.e.* to facilitate irrigation by different means. They also note the only difference with the new GKY is that the term credit of the financial institutions have to be repaid by the beneficiary whereas there is no repayment clause under MWS. Further they feel, the Department could have introduced the Scheme by slightly modifying the existing provisions of MWS. The Committee have their own doubts as on how the Department can prevent duplication of targets and achievements among GKY, MWS and irrigation component of IRDP. In view of the above

they recommend the Department to integrate GKY, MWS and irrigation component of IRDP for a higher allocation and better implementation of the scheme."

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

"The Million Wells Scheme is primarily intended to provide open irrigation wells only, with full subsidy, where wells are not feasible due to geological factors, the funds under the Scheme can also be used for other minor irrigation works like irrigation tanks, water harvesting structures and also for the development of lands. The objective of GKY is to provide irrigation through exploitation of ground water (borewells and tubewells). The tubewell and borewell components of MWS and also those of IRDP have already been subsumed under GKY.

Therefore, there will be no duplication of targets/achievements among MWS and GKY. Many State Governments have also put forth certain practical difficulties in implementation of GKY. These are under examination. The recommendation of the Committee will also be kept in view."

31. The Committee appreciate the steps taken by the Department to avoid duplication of targets and achievements under Million Wells Scheme (MWS) and Ganga Kalyan Yojana (GKY). They recommend that the merger of MWS and GKY Schemes be expedited. They would also like to be informed of the final decision taken by the Government regarding merger of MWS and GKY.

CHAPTER II

RECOMMENDATIONS THAT HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation (Para 2.5)

The Committee observe that the proposed outlay for 1997-98 of the Department in real terms has only marginal hike over BE 1996-97. Given the importance of rural Areas in the vast size of the Country, in which a larger concentration of people live below the poverty line, a direct and frontal attack on rural poverty needs utmost importance. The Committee feel that the proposed plan outlay of Rs. 6805.70 crore for 1997-98 is not sufficient to meet the targets fixed for different schemes of the Department. They note that 1997-98 being the first year of 9th Five Year Plan, the Department placed before the Planning Commission a proposal of Rs. 14340.00 crore out of which only Rs. 6805.70 crore were allocated. The Committee are concerned about the lesser allocation for the Department and feel that it will adversely affect the physical targets. In view of the above, they recommend that outlay of the Department should be increased from Rs. 6805.70 crore in Rs. 14340.00 crore as proposed by the Department.

Reply of the Government

So far IRDP and TRYSEM Schemes are concerned, a proposal of Rs. 1,500 crore and Rs. 59.00 crore respectively has been made for the budgetary provision for the year 1997-98. However, the budgetary provision for the year 1997-98 for IRDP and TRYSEM were approved for the amount of Rs. 571.00 crore and 59.00 crore respectively. The Department of RE&PA has, in their reply to the point No. 3.6 of the 10th Report (11th Lok Sabha) on Demands for Grants of Department of RE&PA reiterated that Department proposes to project its requirement of plan funds for IRDP before the Planning Commission during the course of 9th Five Year Plan.

Indira Awaas Yojana

Under Indira Awaas Yojana the Department had proposed an allocation of Rs. 2600.00 crore against which an allocation of Rs. 1190.00

crore has been made for 1997-98. The Department shall again impress upon Planning Commission to enhance allocation of Indira Awaas Yojana and also communicate to Planning Commission the sentiments expressed by Standing Committee about the desirability of higher allocation under Indira Awaas Yojana in view of enhanced per unit cost ceiling so that the physical targets are increased to realistic level.

Under Indira Awaas Yojana (IAY), the total housing shortage to be tackled by 2002 AD would be about 17.17 million units which includes about 10.31 million units needing upgradation and 7.36 million households without shelter. For this purpose an amount of Rs. 25700 crore has been posed before the Planning Commission for the ongoing 9th Five Year Plan.

Plan & Roads

The Planning Commission has furnished the following facts on the Recommendations:—

“Against the Rs. 30,000 crore allocated by the Planning Commission for this Ministry, in the second round of discussion a minimum requirement of Rs. 47,500 crore was projected by this Ministry. The full Planning Commission presided over by the Prime Minister had approved a domestic budgetary support of Rs. 1,66,000 at 1996-97 prices for the 9th Plan. However the demands made by various Ministries and Departments adds up to total of Rs. 4,00,000 crore of domestic budgetary support. Hence there is a wide gap between available resources and projected demands. The Ministry of RA&E and Department of Education would alone account for over half of the budgetary support available for entire central plan. The member Secretary of the Planning Commission will put a note to Prime Minister for consideration after completion of second round of discussion with Ministries. The discussion on inter Ministerial allocation will be taken at the level of Deputy Chairman and Prime Minister.

Drought Prone Areas Programme

Central share of allocation for DPAP and DDP for 1996-97 was Rs. 125.00 crore respectively. Actual releases were Rs. 110.00 crore and

Rs. 65.36 crore respectively. Keeping in view the trend of Central releases in 1996-97 and expected requirements during 1997-98, the allocation for DPAP and DDP for 1997-98 has been kept at Rs. 115.00 crore and Rs. 70.00 crore respectively.

DPAP and DDP are area development programmes. Though employment is generated while taking up developmental works, benefit to the individuals in shape of wage and self employment is not the major objective of these programmes. In view of this, this Division have no comments to offer in the matter.

Employment Assurance Scheme

The budget allocation of Rs. 1960.00 crore for Employment Assurance Scheme (EAS), which has been further reduced to Rs. 1925.21 crore due to 5% cut in plan expenditure is not sufficient to meet the requirement of funds for the implementation of the scheme. During 1996-97, the expenditure under EAS was Rs. 1940 crore. The budget allocation of Rs. 1925.21 crore is insufficient keeping in view the increases in wage rates and also the fact that EAS has been extended to additional 1123 new blocks during the current year. EAS is a demand driven scheme, generally, all blocks are expected to take two instalments. However, blocks having problem of acute unemployment also request for 3rd instalment. During 1996-97, 592 blocks out of 4325 blocks covered under EAS had taken third instalment. During the current year a large number of blocks are expected to request for 3rd instalment consequent upon grounding of the programme in the newly covered blocks. It may be mentioned that even for two instalments, the minimum requirements would be Rs. 2,708.80 crore (say Rs. 2700.00 crore) against which allocation for 1997-98 is only Rs. 1925.21 crore. Thus, the allocation for the current year may be increased to Rs. 2700 crore.

Jawahar Rozgar Yojana

During 1997-98 this Ministry has proposed an amount of Rs. 4410.00 crore as outlay under JRY. Planning Commission has recommended an outlay of Rs. 2077.70 crore for 1997-98 under JRY which is about 50% of the proposed outlay.

The outlay sanctioned for the year 1997-98 is not based on poverty estimates (Revised). This Department has made projections to cover

all the persons below poverty line under JRY upto 2005 AD and proposed an outlay to Rs. 32800 crore for the Ninth Plan. However, no final allocation has yet been made.

Development of Women & Children in Rural Areas

So far as DWCRA programme is concerned, a proposal of Rs. 250 crore has been made for the budgetary provision for the year 1997-98. However, the budgetary provision for the year 1997-98 for DWCRA was approved for the amount of Rs. 65.00 crore. The Department of Rural Employment and Poverty Alleviation has in their reply to the point No. 3.6 of the 10th Report (11th Lok Sabha) on Demand for Grants of Department of Rural Employment and Poverty Alleviation reiterated that Department proposes to project its requirement of Plan funds for DWCRA before the Planning Commission during the course of 9th Five Year Plan.

Million Wells Scheme

The point made in the 10th Report (11th Lok Sabha) on demands for grants is well taken. Whatever allocations were made, inspite of the proposal of this Department for higher allocation to Planning Commission, were taken as BE for 1997-98. If Government/Planning Commission approves higher allocations for poverty alleviation programmes as suggested in the report referred above, additional funds can be absorbed at RE stage.

As regards estimates of people below poverty line, the data as approved by Planning Commission is taken for working out allocations based on incidence of poverty State-wise.

[Ministry of Rural Areas & Employment (Deptt. of RE&PA) F. No. H-11020/6/97-GC (P) dated 25.04.97]

Recommendation (Para 2.7)

The Committee note the marked reduction of Rs. 460.00 crore between BE 1996-97 and RE 1996-97 which as the Department acknowledges is due in huge opening/unspent balance with the States and slow pace of utilisation of funds under EAS. They also note, during 1995-96, Rs. 6388.94 crore (actuals) were spent against an

allocation of Rs. 6434.00 crore. On the one hand the Department feels the outlay for 1997-98 is inadequate and on the other, whatever meagre amount was available could not be spent fully. In view of the above they recommend the Department to initiate urgent corrective steps to avoid and effectively use the huge unspent balance left with the States. Further they recommend the Department to initiate appropriate measures against slow pace of utilisation of funds.

Reply of the Government

During 1995-96 and in previous years, Central assistance was released taking the district as a primary unit. However, from 1997-98 the primary unit for considering release of funds under the scheme is a block with this measure, the Central assistance is more equitably distributed and utilised. A district now becomes eligible for further grants only when its blocks utilise more than 50% of the available funds. Unspent balance at the time of applying for the last instalment for each block is taken into account for release of Central assistance. Thereby, at the time of release of each instalment, the unspent balance is monitored. Due to the changes mentioned, in a number of cases, districts did not furnish the required information in the first instance necessitating correspondence and resulting in the release of funds during the first half of 1996-97 being slower than in the previous year. However, in the second half of 1996-97, the procedure stabilised and funds were released as per the demand.

Districts send proposals for release of funds after utilisation of 50% of available funds. The implication is that on the average, funds equivalent to one instalment (Central share+State share) would always be available at the district. It is anticipated that over a period of about one year the unspent balance will gradually be reduced and stabilise at this level.

As regards the higher demand for 1997-98 is concerned, the Planning Commission was requested to provide Rs. 3500 crore for the year. This requirement was based on the average expenditure per block during 1995-96 which was Rs. 63.72 lakh. Thus the total requirement for 5446 blocks works out to Rs. 3470 crore or say Rs. 3500 crore. It has been noticed that some districts and blocks have greater demand for wage employment resulting in demand for 3rd and 4th instalment of EAS funds. During 1995-96, as many as 862 blocks were given 3rd

instalment of EAS funds. During 1996-97 this number was 590. EAS is a demand driven scheme and therefore it is expected that more and more blocks would come forward for 3rd instalment after the scheme is grounded in all the new blocks.

Presently, all the new blocks are placed in lowest category of entitlement of funds. This has been done for want of basic data in respect of these blocks. An exercise is being undertaken to recategorise all these blocks. All the States/UTs have been requested to provide data for this purpose. Further, the minimum wages are revised by States from time to time. Even assessing that the minimum wage rates remain the same, without any recategorisation of blocks, for giving two instalments to all blocks, the requirement of funds works out to Rs. 2700 crore. It can reasonably be expected that about 50% blocks would require 3rd instalment. The total requirements of funds for 1997-98 would thus be about Rs. 3500 crore. The budget allocation for current year is Rs. 1970 crore which will be grossly inadequate.

[Ministry of Rural Areas & Employment (Deptt. of RE&PA) F. No. H-11020/6/97-GC(P) dated 25.04.97]

Recommendation (Para 2.8)

The Committee note the Department's instruction to constitute and functionalise Monitoring and Vigilance Committees at the village, block and district levels for all the Schemes of the Department is yet to be started. They are constrained to note that even the Department does not have correct information on the constitution of Vigilance and Monitoring Committees in several States/UTs, as acknowledged by the Secretary during the course of official evidence. The Committee take strong view of the non-availability of up-to-date information with the Department. They would like to strongly recommend for constitution and functionalisation of Monitoring and Vigilance Committees at the Village, Block and District Levels without any further delay. Further they would like the Department to give a deadline by which all the States and Union territories will constitute the required Monitoring and Vigilance Committees.

Reply of the Government

The Department is continuously monitoring the constitution of the Vigilance and Monitoring Committees in all States/UTs, through regular

reminders at all levels. As per latest information available from the States, the Vigilance & Monitoring Committees have been constituted in the following States/UTs:

Mizoram, Assam, Pondicherry, Kerala, Daman & Diu, Dadar and Nagar Haveli, Karnataka, Sikkim, Himachal Pradesh, Rajasthan and Gujarat.

The constitution of Vigilance & Monitoring Committees are in progress in the following States:

Madhya Pradesh, Manipur, Andhra Pradesh, J&K, Uttar Pradesh and West Bengal.

The remaining States/UTs have been advised to constitute these committees by 31st August, 1997 positively.

[Ministry of Rural Areas & Employment (Deptt. of RE&PA) F. No. H-11020/6/97-GC(P) dated 25.04.97]

Comments of the Committee

Please *see* Paragraph No. 7 of Chapter I of the Report.

Recommendation (Para 2.9)

The Committee note that funds meant for different programmes of the Department are not utilised properly or are diverted for other purposes. They feel cases of diversion of funds or malfunctioning of the States/UTs for effective utilisation of funds can not come to notice due to the absence of any audit/evaluation conducted at the regular intervals. They would like to urge the Department to carry out evaluation/audit/review of each of the Schemes, preferably at the end of each five year plan so that the Department would have a fairly accurate idea of the current status of achievements and shortfalls before the beginning of the subsequent Five Year Plans.

Reply of the Government

Under various programmes of Department of Rural Employment and Poverty Alleviation the funds released and spent are regularly audited annually by the Chartered Accountant. The release of 2nd instalment of Central share every year to the implementing agencies is

subject to submission of the Audit Report and utilisation certificates for the previous year. If any diversion and misutilisation comes to our notice it is taken up with the State Government to take corrective action. The Department have also carried out various rounds of Concurrent Evaluations of its major poverty alleviation programmes viz. Integrated Rural Development Programme (IRDP) and Jawahar Rozgar Yojana (JRY) from time to time. The last Concurrent Evaluation of IRDP and JRY have been carried out during July, 1995 to June, 1996 and during June, 1993 and May, 1994 respectively. The recommendation of the Committee about evaluation/review of schemes at the end of each five year plan has been noted for necessary action.

[Min. of Rural Areas & Employment (Deptt. of RE & PA) No. H
11020/6/97-GC(P) dated 25.4.97]

Recommendation (Para 2.10)

The Committee note that 73rd Constitutional Amendment come into force from 24th April, 1993. Various provisions of the said amendment had called for significant changes in the federal set up of the country. The Committee would like to know the current status of implementation of various provisions of the said Act.

Reply of the Government

All the States and Union Territories where the provisions of the Constitution (73rd Amendment) Act, 1992 are applicable, have passed necessary State legislations on Panchayati Raj in accordance with the Constitution Amendment Act. The States and Union territories have also implemented various mandatory provisions of the Act like reservation for SCs, STs and Women, constitution of State Finance Commissions and Election Commissions, devolution of powers and authority to Panchayats etc. All States except Bihar have conducted elections to Panchayats. In the case of Goa, elections to Zilla Parishads are due. In case of Arunachal Pradesh, State legislation on Panchayati Raj not yet enacted. In the case of UTs elections to Panchayats have been held in all the UTs, except Pondicherry and Lakshadweep. The elections have been delayed due to litigation pending in the Courts.

2. As on date, State Finance Commissions of 15 States have given their reports. These States are Andhra Pradesh, Assam, Himachal Pradesh, Haryana, Karnataka, Kerala, Madhya Pradesh, Maharashtra,

Manipur, Punjab, Rajasthan, Tripura, Uttar Pradesh, West Bengal and Tamil Nadu. Among the UTs, only in Andaman & Nicobar Islands an interim report has been submitted and partly accepted. Reports of State Finance Commissions have been accepted by the Governments of Assam, Karnataka, Kerala, Madhya Pradesh, Punjab, Rajasthan, Tripura, West Bengal, Tamil Nadu and Uttar Pradesh. The Reports of SFCs of Andhra Pradesh, Maharashtra, Haryana, Uttar Pradesh and Manipur have not been accepted and are still under consideration.

3. The progress of implementation of the Constitution (73rd Amendment) Act, 1992 is monitored by the Ministry of Rural Areas and Employment on a regular basis in the various meetings and conferences held with senior officers and Ministers of the States and UTs. A conference of Chief Ministers of all States held on 2nd August, 1997 was chaired by the Prime Minister to review the status. A Committee of Chief Ministers for accelerating the pace of devolution of powers, functions and responsibilities upon Panchayati Raj Institutions has also been constituted under the Chairmanship of the Prime Minister. A meeting of this Committee was held on 1st October, 1997.

[Min. of Rural Areas of Employment (Deptt. of RE & PA) No. H. 11020/6/97-GC(P) dated 25.4.97]

Recommendation (Para 2.11)

The Committee feel the success of all the programmes of Department of Rural Employment and Poverty Alleviation depends upon involvement for Panchayati Raj Institutions (PRIs) and the administration attached with the PRIs. They also feel that all round development of rural areas cannot take place unless devolution of financial powers are given to the PRIs and its administration. They observe till date, different programmes of the Department lack adequate peoples' participation/involvement. In view of the above they would like to urge the Department to ensure optimum peoples' participation/public participation in rural areas so that all the programmes of the Department can achieve their objectives.

Reply of the Government

During the year under review the programmes of the Ministry were fine tuned to increase their effectiveness and sustainability. New programmes were introduced to fill the gaps. The underlying theme

was to enhance the people's participation in the development programmes through empowerment of the community. The programme-wise comments regarding the involvement of Panchayati Raj Institutions (PRIs) are as under:—

I. IRDP

In the conference of State Secretaries held on 17.4.1989, it was decided that 75% of physical targets under IRDP should be allocated Panchayat-wise under instruction to the Sarpanch/Pradhan by the DRDA/Zilla Parishad. Proportionate financial resources must also be set apart and deployed accordingly.

The Panchayat and the Panchayat Institutions at the higher level must be fully involved in this process of decentralisation. This will entail consultation, motivation and removal of difficulties in implementation of IRDP by the Panchayats. It will also require closer liaison with the credit institutions so that they are fully conscious about the need to encourage community participation in implementation of IRDP.

II. JRY

On the recommendations of Chief Minister's Conference, a decision has been taken to allocate 15% of JRY funds to block-Panchayats. Accordingly funds under JRY are now being distributed among different DRDAs/Zilla Parishads, intermediate Panchayats/Village Panchayats in the district in the ratio of 20:15:65.

III. MWS

MWS is an individual beneficiary scheme and the scheme is implemented by beneficiaries themselves. The selection of the beneficiaries is however, done by the Panchayati Raj Institutions.

IV. Indira Awaas Yojana

As per Indira Awas Yojana (IAY) guidelines the construction of the houses should be done by the beneficiaries themselves. A committee of beneficiaries may be formed to coordinate the work and they should be consulted on all matters relating to IAY. Instructions are also issued from time to time that selection of beneficiaries under IAY should be done by the Gram Sabha and approved by the Panchayat Samiti.

V. DPAP & DDP

In respect of DPAP and DDP, the guidelines for Watershed Development ensure total involvement of local people from the stage of planning of a watershed project to its implementation and maintenance of assets after the project is completed. Role of local people is ensured through Watershed Association and its executive body Watershed Committee, 75% of the funds sanctioned for the project are received and utilised by Watershed Committee.

PRIs have also been assigned specific roles in the guidelines at the district, block and village levels in planning and development of watershed projects and Monitoring and Review of their implementation. These are as under:—

District Level:— The State Government can empower the Zilla Parishad to discharge all the functions of the DRDA for Planning and Development of watershed projects. In that capacity they will select the watershed projects and PIAs, approve watershed development plans, release of funds to PIA and Watershed Committee & monitor & review the implementation of the programmes.

Block Level: The Panchayat Samitis have been given the right to monitor the implementation of the programme and to give their guidance for integration of other area development programmes.

Village/Watershed Level:—

- (i) In cases where boundary of a watershed is co-terminus with the village panchayat or it's area is confined within the boundaries of a village, the Gram Sabha of the village will be designated as the Watershed Association.
- (ii) 2 to 3 members of village Panchayat should be included in Watershed Committee.
- (iii) The Gram Panchayat should be fully involved in the implementation of the programmes specially community organisation and training programmes and use its administrative authority and financial resources to support and encourage the formation of Self Help Groups (SHGs)

and User Groups (UGs) and operation and maintenance of assets created and the community property resources such as pasture land, fisheries tanks, plantation etc.

- (iv) Gram Panchayat should ensure that the funds from other developmental programmes such as IRDP, Intensive Child Development Programme (ICDS), family welfare, literacy etc. are used to supplement and complement the Watershed Development Programme.
- (v) The Gram Panchayat has the right to monitor and review the programmes to ensure that norms relating to EAS and guidelines for watershed development are strictly adhered to by Watershed Association and Watershed Committee.

PRI as PIAs : The ZPs, PSs and GPs are also entitled to take the responsibility of implementing a cluster of watershed projects in the capacity of Project Implementation Agency, if they so desire. They will however be subject to all the discipline and control as any other PIA in such cases.

[Min. of Rural Areas & Employment (Deptt. of RE & PA) No. H. 11020/6/97-GC(P) dated 25.4.97]

Recommendation (Para 2.13)

The Committee note the recommendation of the conference of Chief Ministers which calls for providing greater freedom and flexibility to the State Governments/UTs. Though they are not against further decentralization, they feel greater freedom and flexibility to the State Governments/Union territory Administrations might result in accumulation of unspent balance, diversion of funds to other Schemes and poor implementation of the Programmes. They note poverty eradication is a national goal and should be achieved through Centrally Sponsored Schemes. They would like to recommend, while giving greater freedom and flexibility to State Governments/UTs, it should be ensured by the Department that it does not lead to problems of accumulation of Unspent balance, diversion of funds and poor implementation.

Reply of the Government

The recommendation of the committee on accumulation of funds/unspent balance, diversion of funds and poor implementation

owing to greater freedom and flexibility to State Governments is noted.

To contain such occurrences Ministry has been making concerted efforts to see that funds allocated & released for various programmes of Ministry are fully spent. To this end Ministry has evolved certain effective mechanisms to ensure proper & timely utilisation of funds. A system of periodical reports/returns is in vogue to ascertain time to time spendings under various schemes/programmes. These reports also indicate whether or not funds were utilised for the purpose they were meant for. Also field visits, under the Area Officers' Schemes, are made by Senior Officers of the Ministry, who besides taking overall stock of progress of schemes, look specifically into financial aspects viz. pattern & purpose of spendings under various schemes. In case of any discrepancy, misappropriation or embezzlement. State/District authorities are suitably instructed to prevent recurrence & steps for further improvement. Besides, subsequent releases are made only on the basis of utilisation certificate and audit certificate submitted by DRDA or relevant authorities ensuring that previous funds have been properly utilised & there is no accumulation or undue diversion of funds. It is also pertinent to mention here that programme guidelines permit an opening balance of 25% of the allocations for a given year & therefore unless the opening balance in a particular case is more than 25%, no objection can be taken for the same. It is also to be noted that such opening balance on the 1st April, of the financial year enables the States to continue with working progress before receipt of the funds in the new financial year. In case the opening balance exceeds the limit, the central share of the excess will be deducted at the time of release of second instalment.

[Min. of Rural Areas & Employment (Deptt. of RE & PA) No.
H. 11020/6/97-GC(P) dated 25.4.97]

Recommendation (Para 2.15)

The Committee note with concern, the huge accumulation of unspent balances over the years in each of the Schemes mentioned above since their inception. They regret to note that for the Scheme of Rural Artisans the State-wise information on unspent balances are not being monitored by the Department as stated by them in the written replies. The Committee would like to know the reasons for

accumulation of huge unspent balances scheme-wise. The Committee need hardly emphasise that given the huge task of alleviating rural poverty, the Department can hardly make any room for unspent balance under any Scheme. The Committee recommend that the amount released for each Programme/Scheme should be spent fully. They would like to urge the Department to chalk out a time schedule in consultation with the respective State Governments/UTs by which the entire accumulated unspent amount can be utilised in the particular Programme/Scheme.

Reply of the Government

Regarding observations of the Committee that there are unspent opening balances in various States under different programmes, it is mentioned that the programme guidelines permit an opening balance (O.B.) of 25% of the allocations for a given year and therefore unless the OB in a particular case is more than this permitted level of 25% and no objection can be taken for the same. It is also to be noted that such opening balance on the 1st April of the financial year enables the States to continue with works in progress even before receipt of the funds in the new financial year. Therefore, in practice, this procedure of allowing a certain amount of unspent balance under different programme has been both permissible and also found to be a very useful system for continuity of works undertaken.

The outlay for various schemes of the Department is decided by the Planning Commission during the Annual Plan discussions. The funding support is provided in the Central Budget prepared by the Ministry of Finance. The total outlay projected for the Eighth Plan for IRDP by this Ministry was Rs. 3031 crore which has been provided in the Central Budget during the Eighth Five Year Plan. Release of funds to States under IRDP have been almost the same as Central allocations. Central release was 94 per cent of the allocation in 1995-96. It is true that opening balances are higher in few cases than the permissible limits allowed under the programme. However, this is largely due to the time taken in convening meetings of the Gram Sabha for selection of beneficiaries besides seasonality in grounding of projects. There is also bunching of applications with banks in the last quarter of the year, Since IRDP activities pick up only in the last two quarters of the financial year, the second release of funds is sometimes delayed. Release

of funds in the last two months of the year find reflection in huge opening balances at the beginning of the next year. This has been a matter of concern to the Ministry. Although quarterly budgeting has been obtained and targets fixed States have not been able to achieve the same. They have been advised to convene meetings of the Gram Sabhas right at the beginning of the financial year and complete the process at the earliest so that, after selection, the process of project formulation and sponsorship of cases to the Banks could begin without any loss of time. Similarly, with a view to avoiding bunching of loan applications and their sanction, a decision has been taken in the last Central Level Coordination Committee meeting on 30-12-96 to fix time schedules between sponsorship of cases and their sanction, and between sanction of applications and actual disbursement of loans. With these measures, it is hoped that the pace of utilisation of funds would pick up and the DRDAs would not be left with large opening balances.

As regards observations of the Committee that unspent balances in respect of the scheme of supply of Improved Toolkits of Rural Artisans, it is mentioned that in the beginning of 1995-96, an amount of Rs. 35.00 crore was allocated under the scheme. In view of the demands for additional funds from many States/UTs, a sum of Rs. 5000 crore was made available to meet the additional demands. Thus the allocation was Rs. 40.00 crore. Normally, it is permissible for DRDAs to carry over to the next financial year funds upto a maximum of 25% of all available resources. This apart, the additional allocation of Rs. 5.00 crore was released only at the fag end of the financial year which also contributed to a certain extent to the unspent balance amounting to Rs. 11.31 crore. It may further be mentioned that normally orders are placed by the DRDAs to supplier after the receipt of funds. The actual supplies, however, take some time to materialise. This also results in some unspent balance, even if committed. As recommended by the Committee that the amount released for each programme/scheme should be spent fully. Accordingly, the States/UTs have been advised to draw up a time bound schedule for utilization of the balance funds available with DRDAs under the scheme.

Usually second instalment of funds is released to the States by the end of October each for various programmes but due to late/incomplete receipt of proposals and seasonal factors affecting the utilisation releases

continue upto February/March of the financial year. Funds released during February/March are utilised partly by the States in the same financial year and the rest in the next financial year, generally keeping the OB within the permissible level of 25%.

[Ministry of Rural Areas & Employment (Deptt. of R.E. & P.A.)
F. No. H-11020/6/97-GC(P) dated 25.04.1997]

Comments of the Committee

Please see Paragraph Number 10 of Chapter I of the Report.

Recommendation (Para 3.6)

The Committee note the marginal hike of financial targets (Central Share) for IRDP during 1997-98. They observe that the Central share allocation to IRDP which was Rs. 549.00 crore during 1996-97, has been increased to Rs. 571.00 crore for 1997-98. They feel that this marginal hike is not sufficient to meet either the growing challenges of Poverty Alleviation or the stepping up of per family investment. They appreciate the Department's observation that sub-critical level of investment have been one of the serious limitations for IRDP because of which not all assisted families were able to cross the poverty line in one go. They would like to recommend that the outlay for the Programme should be substantially stepped up keeping in view the higher proposed outlay of Rs. 1500.00 crore placed before the Planning Commission.

Reply of the Government

As observed by Hon'ble Committee, there is a marginal hike in the allocation for IRDP. The Ministry proposes to project its requirement of Plan funds for IRDP before the Planning Commission during the course of Ninth Five Year Plan. The recommendation of the Standing Committee will also be brought to the notice of the Planning Commission.

[Min. of Rural Areas & Employment (Deptt. of R.E. & P.A.) No.
H. 11020/6/97-GC(P) dated 25.4.97]

Recommendation (Para 3.7)

The Committee note that as per guidelines of the Programme the Gram Sabha identifies a list of poor beneficiaries and sends the same to Panchayat Samiti/Block and the DRDA. The Committee during its study visit to various parts of the country have found that the list of beneficiaries prepared by the Gram Sabha has been altered at the Block and DRDA levels. The Committee would like to urge the Department to initiate prompt remedial action so that the provision of guidelines are not violated for identification of beneficiaries.

Reply of the Government

The Ministry is committed to honour 73rd and 74th Constitutional amendment and have been impressing upon the States to follow the guidelines issued by the Ministry in this regard. The Ministry takes corrective measures for any malpractices reported. The Government has endeavoured to strengthen the monitoring of various rural development programmes including IRDP through the Area Officer's Scheme in which officers of this Ministry and those of the Ministry of Programme Implementation and Planning Commission carry out field visits and report instances of leakages and malpractices, besides violation of programme guidelines, if any, at the grass root level. The State Governments are informed of this and asked to take corrective action. The State Governments are being informed about the observation of Standing Committee and are being instructed to take corrective actions to stop any such kind of lapses.

[Min. of Rural Areas & Employment (Deptt. of R.E. & P.A.) No. H. 11020/6/97-GC(P) dated 25.4.97]

Recommendation (Para 3.8)

The Committee note that Banks *viz.* Commercial, Cooperative and Rural Banks play a very important role in the implementation of the programme. It is regretted to note that the performance of Banks is not satisfactory. The banks don't disburse the allocated money within six to seven months. In most of the cases loan applications are rejected on the ground of viability. Further, they also note, as per the existing guidelines, the Bank Manager of the concerned area is to be associated with the selection of beneficiaries in an open meeting of Gram Sabha and all Banks are required to dispose off loan application received

beneficiaries may avail of training facilities under TRYSEM and credit facilities under IRDP besides marketing facilities under DSMS. To achieve the optimum linkages among the aforesaid programme, this Ministry is considering a proposal to integrate TRYSEM and Toolkits programme with IRDP.

[Min. of Rural Areas & Employment (Deptt. of RE & PA) No. H. 11020/6/97-GC(P) dated 25.4.97]

Comments of the Committee

Please see Paragraph Number 22 of the Chapter I of the Report.

Recommendation (Para 3.16)

The Committee note that DWCRA is a good programme for upliftment of Women and Children in the rural areas. They observe, some State Governments release lesser amount of Revolving Fund for formation of Self Help Groups under DWCRA. The Committee recommend that the formation of Self Help Groups should be strengthened and the full amount of Revolving Fund should be released to these groups.

Reply of the Government

The views of the Committee will be conveyed to the State Governments, for compliance. Further, the matter was discussed in the State Secretaries meeting held on 9.5.97 and a decision was taken that in order to make DWCRA groups more cohesive, the women groups would first form as Self Help Group (SHG) with thrift and credit activities before formation of DWCRA groups.

[Min. of Rural Areas & Employment (Deptt. of RE&PA) No. H. 11020/6/97-GC(P) dated 25.4.97]

Recommendation (Para 3.24)

The Committee note, when asked about the actual number of persons brought above the poverty line by the assistance under TRYSEM, the Department have replied, monitoring of the number of persons crossing the poverty line doesn't come under the purview of the Scheme. They further note the findings of 4th Round of Concurrent Evaluations of IRDP in which it was found that 47.19% of the TRYSEM

beneficiaries were found unemployed after training. In this regard, the Committee would like to urge the Department to carry out a thorough evaluation of the Programme and further strengthen the monitoring of the Schemes.

Reply of the Government

The monitoring of the programme is done through Monthly Progress Report, meetings of the Co-ordination Committees and meetings of State Secretaries. Every year, a National Workshop of Project Directors is also held at Delhi to get a feed back of the problems in the implementation at the field level. All these are continuous process and the monitoring is held around the year. Further, a quick evaluation of TRYSEM was done in June-August, 1993. The Concurrent Evaluation of IRDP is held from time to time and this evaluation also examines the linkage aspects with IRDP. In addition, the Department has taken other steps to improve the implementation of TRYSEM like asking States for re-designing the training course to suit the requirements of services and corporate sector. The Department is continuously monitoring the programme and taking steps to further strengthen the monitoring of the programme.

[Min. of Rural Areas & Employment (Deptt. of RE & PA) F. No. H. 11020/6/97-GC(P) dated 25.4.97]

Recommendation (Para 3.25)

The Committee note the existing guidelines of the Scheme doesn't permit supply of Tool Kits to the trainees. They understand, the problem of unemployment of TRYSEM trainees after completion of the training can be reduced if necessary action is taken to provide tool kits under the Scheme of Rural Artisans. They recommend that the linkage between the TRYSEM and Supply of improved tool kits to Rural Artisans Scheme be established to achieve better performance of the Scheme.

Reply of the Government

As per the programme guidelines a tool-kit worth Rs. 800/- is provided to the TRYSEM trainees. However, artisans *i.e.* those involved in traditional craft-based artisanal industry or skill based artisanal vocations are entitled to a higher tool kit allowance at par with that

provided under the scheme of Supply of Improved Tool Kits to the rural artisans. The higher allowance of upto Rs. 2,000/- is paid to the artisans if they are trained in good technical institutions under TRYSEM provided they contribute 10% of the cost. The allowance is not provided in cash. Besides beneficiaries of tool kits programme can get training under TRYSEM regarding the use of new improved tool kit and will get Rs. 30/- per day subject to a ceiling of Rs. 450/- as daily allowance. Based on Hashim Committee Recommendations, the Ministry is already examining a proposal to integrate TRYSEM and Tool Kit programme with IRDP which will further strengthen the linkages.

[Min. of Rural Areas & Employment (Deptt. of RE & PA) No. H. 11020/6/97-GC(P) dated 25.4.97]

Recommendation (Para 3.30)

The Committee note as on date, the Department does not have information of the ground water table in the country. They feel such an information will facilitate better implementation of Schemes related to irrigation. In this regard they would like to recommend the Department to procure and maintain up-to-date information on the existing ground water-table.

Reply of the Government

There is a Committee in the Regional Office of NABARD which decides dark/grey areas based on norms of the respective Ground Water Departments/Boards of the concerned States. The NABARD makes available the information to the banks and State Governments for processing the proposals under irrigation sector. A copy of the same has been obtained from NABARD.

[Min. of Rural Areas & Employment (Deptt. of RE & PA) No. H. 11020/6/97-GC(P) dated 25.4.97]

Recommendation (Para 4.4)

The Committee are constrained to note unsatisfactory physical and financial performance of the scheme during 1995-96 and 1996-97. They

also note as per the written replies, artisans are required to contribute 10% of the cost of tool kits and the balance 90% is assisted by the Central Government as subsidy. The physical and financial performance of the scheme during 1995-96 is stated to be 69% and 72% where as during 1996-97 it is stated to be 66% and 51%. The Committee fail to understand the reasons for this unsatisfactory performance of the scheme especially when entire Central assistance is provided as the subsidy. They would like to have an explanation of the Department in this regard.

Reply of the Government

As per the updated figures, the physical and financial achievement during 1996-97 has been 63% and 80.45% respectively. Final Report from many States/UTs are not available and hence performance figure are expected to go higher. It may be further mentioned that normally orders are placed by the DRDAs after receipt of funds but the actual supply, however, takes some time to materialise. This also leads to delay in achieving the targets. It may be mentioned that a decision has already been taken to release funds to the DRDAs only after achieving 75% utilisation of available funds. This is expected to bring about desired improvement.

[Min. of Rural Areas & Employment (Deptt. of RE & PA) No.
H. 11020/6/97-GC(P) dated 25.4.97]

Recommendation (Para 4.5)

The Committee note with concern the reply of the Department that at present it is not maintaining the unspent balance under Rural Artisan Schemes, and financial releases are made only to those DRDAs who have utilised atleast 75% of the funds available with them during the preceding year. They feel by not releasing funds to those DRDAs whose fund utilisation in the previous year is less than 75%, would have left many DRDAs with no release under the scheme and would have given a non-satisfactory coverage of the Scheme. The Committee therefore recommend now that the Scheme is being made a separate programme from the 9th Five Year Plan, the Department should monitor State-wise information of unspent Balance of the scheme.

Reply of the Government

The Department has decided to monitor the State-wise information of unspent balances for the scheme as recommended by the Committee.

[Min. of Rural Areas & Employment (Deptt. of RE & PA) No. H. 11020/6/97-GC(P) dated 25.4.97]

Recommendation (Para 5.6)

The Committee appreciate the good physical and financial performance under the scheme during 1995-96 which is stated to be nearly 106 per cent and 95.46 per cent respectively. They note the increase in allocation to the Yojana during 1997-98. They also note, from the current year funds to the tune of 15% under JRY have been allocated to intermediate level Panchayats but the share of village Panchayats has been reduced from 80% to 65%. They further note the observation of the Department that the increase in the overall allocation under JRY will not fully compensate the Gram Panchayats and the share of Gram Panchayats will come down, as admitted by the Secretary during the course of official evidence. In view of the above they recommend allocation to the JRY should further be increased so that allocations to the Gram Panchayats stay at the 1996-97 level.

Reply of the Government

During the current financial year, the Planning Commission has provided a 15% increase over and above the previous year's outlay so that the share of Village Panchayats remains at the previous year's level. Action has also been initiated to increase the share of the Village Panchayats from the present level of 65% to 70% by reducing the DRDAs/Zilla Parishads share from 15 to 20 per cent.

[Min. of Rural Areas & Employment (Deptt. of RE & PA) No. H. 11020/6/97-GC(P) dated 25.4.97]

Recommendation (Para 5.7)

The Committee note the restructuring of JRY allocation to District Panchayats, Intermediate level Panchayats and village level Panchayats

is being made in the ratio of 20:15:65% from 1997-98. They feel the Department should monitor information on the release and expenditure separately for the three types of Panchayats namely, Village Panchayats, Intermediate Panchayats and District Panchayats.

Reply of the Government

The funds under the Jawahar Rozgar Yojana are allocated among the Village Panchayat, Intermediate level Panchayat and DRDAs/Zilla Parishads in the ratio of 65:15:20. From 1996-97, the monitoring of the programme is being done at the district level. The monitoring of the programme at village and intermediate level panchayats is done through DRDAs/ZPs by the respective State Governments. DRDAs/ZPs also monitor the releases and expenditure of the Intermediate Panchayats and Village Panchayats. If the opening balance with the Intermediate level Panchayats or Village Panchayats is more than 25%, deduction to the extent of 80% of the excess carry-over is made at the time of release of second instalment to the intermediate level Panchayats or Village Panchayats by the DRDA/ZP.

[Min. of Rural Areas & Employment (Deptt. of RE & PA), No. H. 11020/7/97-GC(P) dated 25.4.97]

Recommendation (Para 5.8)

The Committee note that there are complaints in various States about uniform application of the guidelines issued by the Centre. They also note, often guidelines are never followed scrupulously. In view of the above they recommend that monitoring of JRY should further be strengthened.

Reply of the Government

The Manual are in the nature of broad guidelines to meet the general objectives of the programme within which there is sufficient feasibility to implement the programme according to the local felt needs. For effective implementation of the programme the JRY guidelines lay emphasis on physical monitoring through field inspection which is important. The guidelines provide that officers

dealing with JRY at the State headquarters should visit districts regularly and ascertain through field visits that the programme is being implemented satisfactorily and that execution of works is in accordance with the prescribed procedure and specifications. Likewise, officers at the district, sub-division and block levels must closely monitor all aspects of the programme through visits to work sites interior areas. A schedule of inspection which prescribes the minimum number of field visit for each supervisory level functionary of the State are drawn so that the programmes are monitored and reviewed effectively by the State Governments. In addition, Area Officer from Central Government periodically visits and review the implementation of the programme. To further strengthen the monitoring system of JRY, Monitoring and Vigilance Committees are being constituted at village, block, district and State levels in all the States. The Department gets regular feed back through Monthly Progress Reports and Annual Progress Reports and Concurrent Evaluations on the implementation of the programme. It would be the endeavour of the Government to strengthen the monitoring system, so that real benefit of the programme reaches the rural people.

[Min. of Rural Areas & Employment (Deptt. of RE & PA) No. H. 11020/6/97-GC(P) dated 25.4.97]

Recommendation (Para 6.4)

The Committee note that the Physical target for 1997-98 under IAY has been reduced from the 1996-97 target of 11.24 lakhs to 7 lakhs, in view of the enhancement in per unit upper ceiling limits. They observe that the Department had placed a proposal of Rs. 2600.00 crore for the Yojana during 1997*98 against which an allocation of only Rs. 1190.00 crore has been made. In view of this they urge the Department of impress up on the Planning Commission to enhance the allocation for IAY.

Reply of the Government

The Department shall again impress upon Planning Commission to enhance allocation of Indira Awaas Yojana and also communicate to Planning Commission the sentiments expressed by Standing Committee

about the desirability of higher allocation under Indira Awaas Yojana in view of enhanced per unit ceiling cost.

[Min. of Rural Areas & Employment (Deptt. of RE & PA), F. No. H. 11020/6/97-GC(P) dated. 25.4.97]

Recommendation (Para 6.5)

The Committee note that as per the guidelines each house constructed under IAY must include the construction of sanitary latrines and smokeless chulahs. They observe several houses constructed under the Yojana lack these basic facilities. They recommend that the guidelines of the Scheme should be suitably modified to incorporate and implement that no house built under IAY should lack basic amenities like sanitary latrine and the Kitchen Unit.

Reply of the Government

The IAY guidelines provide that house constructed under Indira Awas Yojana (IAY) must be with sanitary latrines & smokeless chulahs. From time to time this instruction is being reiterated.

[Min. of Rurla Areas & Employment (Deptt. of RE & PA) No. H. 11020/6/97-GC(P) dated 25.4.97]

Recommendation (Para 7.4)

The Committee regret to note that Physical Performance of the Scheme is decreasing over the years. For example, during 1994-95, 1.59 lakh wells were constructed where as during 1995-96 and 1996-97 only 1.43 and 0.71 lakh wells have been constructed. Further, physical targets of the scheme is not fixed. They note that a similar Programme of Ganga Kalyan Yojana (GKY) has been introduced from 1996-97. In view of the above they reiterate their recommendation at Para 3.28 (Chapter-III) of the Tenth Report (11th Lok Sabha) to integrate under one umbrella, similar programmes of GKY, MWS and irrigation components of IRDP, in order to have a higher allocation and better implementation of the Scheme.

Reply of the Government

MWS was a sub-scheme of JRY during 1994-95 and 1995-96. During the 8th Plan the scheme was reviewed twice. First in 1993, when the

scheme was given added emphasis in the terms of funds allocation and coverage. During 1993-94, 30% of JRY allocation was earmarked for the implementation of MWS, which was Rs. 954.37 crore as against Rs. 605.33 crore in 1992-93. In this year the scheme was also extended to non-SC, STs, poor, small and marginal farmers for the first time. In 1995-96, the scheme, was again reviewed. It was felt that MWS should be given full attention and not remain as a sub-scheme of JRY. To focus on MWS, the scheme was, therefore, delinked from JRY on 1.1.96. The Physical and financial progress under MWS during the 8th Plan is as under:—

(Rs. in crore)

Year	Total funds released (C+S)	Expenditure	% of Exp.	No. of Wells constructed
1992-93	605.33	534.05	88.22	180995
1993-94	954.37	639.74	67.03	151673
1994-95	1049.62	776.18	73.95	158780
1995-96	596.93	538.29	90.18	142685
1996-97	452.88	501.69	110.78	108760
Total	3659.13	2989.85		742893

It would be seen from the above table that during 1993-94 the expenditure was only 67.03% which of course is not satisfactory. But it picked up in subsequent years. Though compared with 1992-93, the number of wells constructed in subsequent years are less. This could be because other activities like minor irrigation and land development were also allowed in 1993-94. Moreover, the funds earmarked under the scheme in 1992-93, 1995-96 and 1996-97 were less as compared to 1993-94 and 1994-95. Since inception of the scheme, a total of 1109634 wells have been constructed upto 1996-97 with a total expenditure of Rs. 4006.03 crore.

Under MWS, irrigation sources like dugwells, minor irrigation schemes and land development are allowed but borewells and tube wells are not permitted. But under GKY, assistance is provided for the exploitation of ground water through borewells and tube wells to individuals as well as group of beneficiaries belonging to poor small and marginal farmers. The irrigation sources like dugwell is provided to the beneficiary by the Govt. free of cost under MWS. Under GKY however, the assistance is provided in the form of subsidy and term credit by the financial institutions. Thus, objectives of two schemes are different but supplement each other.

[Min. of Rural Areas & Employment (Deptt. of RE & PA) F. No. H.-11020/6/97-GC(P) dated 25.4.97]

Recommendation (Para 8.5)

The Committee note the satisfactory achievements of financial targets under EAS during 1995-96. They also note the Scheme was extended to cover 1123 new blocks during 1996-97 which has been further extended to cover all the rural blocks numbering 5452 of the whole country from the current financial year. The Committee observe the proposed allocation of Rs. 1970.00 crore is insufficient keeping in view increase in the wage rate and the target to cover additional 1123 new blocks during 1997-98. They feel the performance under the Scheme will be adversely affected during the current year due to no change in the allocation. They also note the Department had proposed an allocation of Rs. 3500.00 crore before the Planning Commission for the current financial year. In view of the above, they recommend the allocation to EAS should be suitably increased for a better performance of the Scheme.

Reply of the Government

Ministry of Rural Areas and Employment agrees with the recommendation of the Committee that the allocation of Rs. 1970.00 crore for 1997-98 for EAS is insufficient keeping in view the increase in wage rate and keeping in view the EAS has been extended to all the remaining blocks of the country *w.e.f.* 1.4.97. The Planning Commission and Ministry of Finance are being apprised of the above

recommendation of the Committee with the request to provide additional allocation under EAS for 1997-98.

[Min. of Rural Areas & Employment (Deptt. of RE & PA) F. No. H-11020/6/97-GC(P) dated 25.4.97]

Recommendation (Para 8.6)

The Committee note during 1996-97, a release of Rs. 1647.71 crore were made to 3206 old blocks and Rs. 292.08 crore were released to 1123 new blocks. Further they note that as per the written replies expenditure under EAS is only monitored District-wise on a monthly basis. But separate block-wise expenditure for old and new blocks is not available with the Department. In view of the above they recommend the Department to monitor the progress of the Scheme also for district-wise and block-wise expenditures.

Reply of the Government

As regards the recommendations of the Committee that the Department of Rural Employment and Poverty Alleviation should monitor the block-wise expenditure also, it is stated that under EAS, at the time of release of next instalment, the progress of expenditure is monitored block-wise, and only those blocks are released funds which have utilised 50% of the available funds.

[Min. of Rural Areas & Employment (Deptt. of RE & PA) F.No. H-11020/6/97-GC(P) dated 25.4.97]

Recommendation (Para 9.4)

The Committee note the near full utilisation of financial targets under DPAP during 1995-96. They also note the utilisation of 53.42% of the Financial Targets upto January, 1997. They apprehend the release of rest of the allocation at the fag end of the financial year may lead to accumulation of unspent balance. They also observe watershed works in 2417 projects have only been started so far against the target of 4995 watershed projects for 1995-2000 period. Further they also note the reply of the Department that the percentage of expenditure to total allocation on watershed projects was only 32.67% of allocation during 1995-96 and 29.27% of the allocation during 1996-97 so far.

They would like to know the reasons for this slow physical and financial progress under the Scheme.

Reply of the Government

An amount of Rs. 110.00 crore was released as Central share under DPAP during 1996-97 against an allocation of Rs. 125.00 crore. The second instalment in 1996-97 was released only for those districts/projects in respect of which institutional arrangements were completed (*i.e.* watershed project accounts had been opened) and had utilised 50% of the available funds with them. As according to the guidelines a watershed project is to be planned and developed within a period of 4 years, the funds available with the DRDAs as unspent balance will continue to be utilised on these projects till the same are fully utilised.

As per the information available with the Ministry, the position as on 31.3.1997 was that out of the 4995 watershed projects targetted for development during 1995-1999, the DRDAs had selected 5965 projects, opened watershed project accounts for 3377 projects and had started work in 3044 projects.

The expenditure on watershed projects during 1996-97 was Rs. 14734.98 lakh which was 61.99% of the allocation to DRDAs and 67.08% of the actual Central releases plus equivalent State releases. The expenditure has thus picked up in 1996-97 and is almost double than that reported for 1995-96 which was the starting year of the new guidelines for watershed development. The main reasons for the slow progress was the shift from the old guidelines to the new guidelines from 1995-96 which has done away with the concept of implementation through the line departments. The watershed projects are to be planned and developed by the local people through Watershed Committee as per their felt needs with the assistance of the Project Implementation Agencies. Involvement of local people in planning and development is a time consuming process. The transition to the new guidelines has been taking time. As the expenditure has picked up in 1996-97 from that reported in 1995-96, it is hoped that it will gradually increase in the coming years once the concept of the new guidelines is assimilated by the local functionaries and the villagers.

[Min. of Rural Areas & Employment (Deptt. of RE & PA), F. No. H-11020/6/97-GC(P) dated 25.4.97]

Recommendation (Para 9.6)

The Committee note the findings of the evaluation study of DPAP last conducted by Project Evaluation Organisation (PEO) of the Planning Commission during 1992-93, in which it was found that (i) the Programme could not make much impact, (ii) Watershed approach was followed in limited cases and (iii) People's Participation was limited to obtaining their views. The Committee would like to urge the Department to take necessary corrective steps in this regard and to strengthen the existing monitoring mechanism of the Scheme.

Reply of the Government

The Department has already issued Guidelines for Watershed Development from 1.4.1995 which have made area development on watershed basis and people's participation in planning and development of projects mandatory. As regard the monitoring mechanism, the progress of implementation of the programme is monitored at the Central Level through the Monthly & Quarterly Progress Reports. It is also reviewed in the meetings of concerned State Secretaries held under the Chairmanship of Secretary (RE & PA) from time to time. The progress of the programme is monitored by the officers through their field visits also. At the State level, similar arrangements exist for monthly and quarterly monitoring of progress and review. At the district level overall implementation is supervised and monitored by the DRDA. Block Samities and Gram Panchayats are also authorised to monitor the progress of implementation of watershed projects.

[Min. of Rural Areas & Employment (Deptt. of RE & PA), F. No. H-11020/6/97-GC(P) dated 25.4.97]

Recommendation (Para 10.3)

The Committee note the achievement of financial targets under DDP during 1995-96. They also note the utilisation of 34.9% of the financial targets upto January, 1997. They apprehend the release of rest of the financial allocation at the fag end of the financial year will lead to accumulation of unspent Balance. They also observe watershed works in 414 projects have only been started so far against the target of 1695 watershed projects for 1995-2000 period. Further they also note the reply of the Department that the percentage of expenditure to

total allocation in watershed projects is only of 17.11% allocation during 1995-96 and 29.27% allocation during 1996-97, so far. They would like to know the reasons for this slow physical and financial progress under the Scheme. They would like to recommend the Department to initiate corrective measures to overcome the slow progress of the Scheme in recent years.

Reply of the Government

An amount of Rs. 65.44 crore as Central Share was released under DDP during 1996-97. The utilisation was not satisfactory as the State Government of Rajasthan, was not able to pick up its share fully as its progress under watershed development was slow. As according to the guidelines, a watershed project is to be planned and developed in a period of 4 years, the funds available with the DRDAs as unspent balance will continue to be utilized on these projects till the same are fully utilised.

As per the information available with the Ministry out of 1695 projects targetted for development during 1995-96 to 1998-99, the DRDAs upto March, 1997 had selected 1548 projects, opened watershed accounts for 984 projects and started works in 798 projects.

The expenditure on Watershed project during 1996-97 was Rs. 5159.37 lakh which was 49.17% of the allocation and 76.5% of the actual Central release plus State share. The expenditure has thus picked up in 1996-97 and is almost three times the expenditure reported for 1995-96 which was the starting year of new guidelines for watershed development. The main reason for the slow progress has been the shift from the old guidelines to the new guidelines from 1995-96 which has done away with the concert of implementation through the line departments. The watershed projects are to be planned and developed by the local people through Watershed Committee as per their felt needs with the assistance of the Project implementation Agencies. The transition to the new guidelines has been taking time. As the expenditure has picked up in 1996-97 from that reported in 1995-96, it is hoped that it will gradually increase in the coming years once the concept of the new guidelines is assimilated by the local functionaries & the villagers. In the meeting of the State Secretaries it is being emphasised that progress on the development of watershed projects needs to be speeded up.

[Min. of Rural Areas & Employment (Deptt. of RE & PA), F. No. H-11020/6/97-GC(P) dated 25.4.97]

Recommendation (Para 10.4)

The Committee note that the evaluation of DDP was last conducted by Project Evaluation Organisation (PEO) of Planning Commission during 1988-89. Since then, nine years has been passed without any assessment/evaluation of the Scheme. In view of this they recommend the Department to evaluate the Scheme at the earliest.

Reply of the Government

The evaluation of DDP was conducted by the Project Evaluation Organisation of the Planning Commission in 1988-89 and the report submitted in 1993. In the meantime both DPAP and DDP were comprehensively reviewed during 1993-94 by a Technical Committee under the chairmanship of Prof. C.H. Hanumantha Rao. Based on the recommendations contained in its report submitted in April, 1994 guidelines for watershed development were issued in October, 1994 which came into force from 1.4.1995. However, the recommendation of the Standing Committee for evaluation of DDP has been noted.

[Min. of Rural Areas & Employment (Deptt. of RE & PA), F. No. H-11020/6/97-GC(P) dated 25.4.97]

CHAPTER III

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

Recommendation (Para 3.15)

The Committee note that there is mismatch between the Physical and financial achievements of the scheme during 1996-97. They note that the Physical Achievement has been stated as 125.44% against the financial achievement of 52.00%. The Committee would like to have an explanation of the Government in this regard.

Reply of the Government

During 1996-97, a budget provision of Rs. 65.00 crore was available for various activities for DWCRA programme. Activity-wise revised allocation and release of funds during 1996-97 are indicated below:—

(Rs. in crore)

S.No.	Activity	Allocation	Funds released
1.	Income Generating Activity (IGA)	40.60	45.96
2.	Community Based Convergent Services (CBCS)	7.20	5.70
3.	Child Care Activity (CCA)	5.00	1.125
4.	Information Education and Communication (IEC)	5.00	1.99750
5.	Community Convergeant Action		
	—Central share	1.00	—
	—UNICEF share	3.60	—
6.	Assistance to CAPART	2.00	2.00
7.	Research & Evaluation	0.60	0.17940
	Total	65.00	56.96300

Fund released under IGA was utilised for formation of DWCRA groups by releasing revolving fund.

During 1996-97, a sum of Rs. 56.96 crore was released as against a budget provision of Rs. 65.00 crore. The achievement is 87.63%. Of this, the releases in the case of Income Generating Activities, was of Rs. 45.96 crore as against the budget provision of Rs. 40.60 crore. The achievement is 113.20%. The physical and financial achievements were 125.44% and 113.20% respectively.

[Min. of Rural Areas & Employment (Deptt. of RE & PA), F. No. H-11020/6/97-GC(P) dated 25.4.97]

Recommendation (Para 3.23)

The Committee note unsatisfactory physical performance of TRYSEM made during 1995-96. The Physical achievement for the Scheme has been stated to be only 81.89% against the financial achievement of 99.93%. Further, they note, as per the written replies the physical targets of the Scheme had not been fixed during 1996-97. The Committee would like to urge the Department to fix some physical targets so that the performance of the Scheme can be correctly judged.

Reply of the Government

TRYSEM scheme has two components which are:—

- (i) Recurring expenditure; and
- (ii) Strengthening of training infrastructure.

While under recurring expenditure, stipend to trainees and honoraria to training institutions/master craftsmen etc. are paid under the training infrastructure head assistance is provided to training institutions for strengthening/upgrading their training infrastructure. The Committee in para 3.22 of the Tenth Report (11th Lok Sabha) has clubbed the financial figures of the two components together. The table given below gives the revised position of physical target and achievement as well as financial allocation and releases under TRYSEM (both under recurring and infrastructure head) since 1995-96.

Performance under TRYSEM Recurring Expenditure.

(Rs. in crores)

Year	Physical			Financial		
	Target	Achievement (in lakh trainees)	%achv.	Target	Achievement (Allocation)	% achv. (Releases)
1995-96	*	3.016	—	45.25	45.25	100.00
1996-97	*	3.494 (provisional)	—	45.25 (35.25\$)	34.66	76.59 (98.32\$)
1997-98	*	—	—	45.00	—	—

*Targets not prescribed by Govt. of India.

†Figures in bracket refer to Revised Estimates.

Performance under Strengthening of TRYSEM Training Infrastructure.

(Rs. in crores)

Year	Central allocation	Central release	Percentage
1995-96	14.00	13.96	99.71
1996-97	14.00	13.93	99.50
1997-98	14.00	—	—

The Committee has suggested to the Department to fix some physical target so that the performance of the Scheme can be correctly judged. In this regard, the Government is considering the recommendations of the Hashim Committee to merge TRYSEM and Toolkit programmes with IRDP and a final decision is awaited.

[Min. of Rural Areas & Employment (Deptt. of RE & PA), F. No. H-11020/6/97-GC(P), dated 25.4.97]

Recommendation (Para 9.5)

The Committee are constrained to note that during 1995-96 Rs. 1.00 crore was released for DDP by appropriation from DPAP. They also note as on 1.5.1996 both the DPAP and DDP had unspent balance of Rs. 47.46 crore and Rs. 31.15 crore respectively which would have been utilised. They cannot but accept the explanation of the Department that the said reappropriation was done as per the guidelines of Ministry of Finance which will not amount to diversion of funds from one Scheme to another Scheme. The Committee feels the practice of reappropriation actually means diversion of funds from one Scheme to the other. In view of the above they strongly recommend, under no-circumstances the Department should cater to the practice of reappropriation/diversion of funds.

Reply of the Government

The process of finalising the plan proposals for a particular year commences some time in the month of Oct./Nov. of the preceding year and the approved plan outlay is communicated by the Planning Commission towards the middle of January. There are certain post budgetary developments as well as certain contingencies which can not be anticipated/foreseen at the time of the finalisation of the plan approval. This may necessitate supplementary Demands for Grants and/or reappropriation of certain amount from one head to another. The reappropriation of funds from one head to another is resorted to strictly in accordance with the procedure laid down under the Delegation of Financial Power Rules and the approval of the competent authority is taken as per the instructions on the subject. In certain cases this may even require the approval of Parliament by way of obtaining a Token Supplementary Grant.

[Min. of Rural Areas & Employment (Deptt. of RE & PA), F. No. H-11020/6/97-GC(P), dated 25.4.97]

CHAPTER IV

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

Recommendation (Para 2.19)

The Committee note that the Budget proposal for 1997-98 is not based on the revised poverty estimates of Lakhdawala Committee Report which identifies that during 1993-94 the total number of people living below the poverty line in rural areas of the country was 24.40 crores *i.e.* 37.27% of the total rural population. They are constrained to note, though the Department have made projections to cover all the persons below poverty line by 2005 AD, as on date they don't know how much additional funds would be needed for the purpose. They feel, poverty eradication in the rural areas should be the goal of the Department instead of the existing poverty alleviation. Further they also feel that the Department should get more funds, *i.e.* in proportion to the increase in the number of persons who are living below the poverty line. In view of the above they would like to recommend the Department to impress upon the Planning Commission to provide a sizable amount of plan outlay for the 9th Five Year Plan based on the revised estimation of people below the poverty line.

Reply of the Government

So far IRDP and TRYSEM Schemes are concerned, a proposal of Rs. 1,500 crore and Rs. 59.00 crore respectively has been made for the budgetary provision for the year 1997-98. However, the budgetary provision for the year 1997-98 for IRDP and TRYSEM were approved for the amount of Rs. 571 crore and Rs. 59.00 crore respectively. The Department of RE & PA has, in their reply to the point No. 3.6 of the 10th Report (11th Lok Sabha) on Demands for Grants of Department of RE&PA reiterated that Department proposes to project its requirement of plan funds for IRDP before the Planning Commission during the course of 9th Five Year Plan.

Indira Awaas Yojana

Under Indira Awaas Yojana the Department had proposed an allocation of Rs. 2600.00 crore against which an allocation of Rs. 1190.00 crore has been made for 1997-98. The Department shall again impress upon Planning Commission to enhance allocation of Indira Awaas Yojana and also communicate to Planning Commission the sentiments expressed by Standing Committee about the desirability of higher allocation under Indira Awaas Yojana in view of enhanced per unit cost ceiling so that the physical targets are increased to realistic level.

Under Indira Awaas Yojana (IAY), the total housing shortage to be tackled by 2002 AD would be about 17.17 million units which includes about 10.31 million units needing upgradation and 7.36 million households without shelter. For this purpose an amount of Rs. 25700 crore has been posed before the Planning Commission for the ongoing 9th Five Year Plan.

Plan & Roads

The Planning Commission has furnished the following facts on the Recommendations:—

“Against the Rs. 30,000 crore allocated by the Planning Commission for this Ministry, in the second round of discussion a minimum requirement of Rs. 47,500 crore was projected by this Ministry. The full Planning Commission presided over by the Prime Minister had approved a domestic budgetary support of Rs. 1,66,000 at 1996-97 prices for the 9th Plan. However the demands made by various Ministries and Departments adds up to total of Rs. 4,00,000 crore of domestic budgetary support. Hence there is a wide gap between available resources and projected demands. The Ministry of RA&E and Department of Education would alone account for over half of the budgetary support available for entire Central plan. The member Secretary of the Planning Commission will put a note to Prime Minister for consideration after completion of second round of discussion with Ministries. The discussion on inter-Ministerial allocation will be taken at the level of Deputy Chairman and Prime Minister.”

Drought Prone Areas Programme

Central share of allocation for DPAP and DDP for 1996-97 was Rs. 125.00 crore respectively. Actual releases were Rs. 110.00 crore and Rs. 65.36 crores respectively. Keeping in view of the trend of Central releases in 1996-97 and expected requirements during 1997-98, the allocation for DPAP and DDP for 1997-98 has been kept at Rs. 115.00 crore and Rs. 70.00 crore respectively.

DPAP and DDP are area development programmes. Though employment is generated while taking up developmental works, benefit to the individuals in shape of wage and self employment is not the major objective of these programmes. In view of this, this Division have no comments to offer in the matter.

Employment Assurance Scheme

The budget allocation of Rs. 1960.00 crore for Employment Assurance Scheme (EAS), which has been further reduced to Rs. 1925.21 crore due to 5% cut in plan expenditure is not sufficient to meet the requirement of funds for the implementation the scheme. During 1996-97, the expenditure under EAS was Rs. 1940 crore. The budget allocation of Rs. 1925.21 crore is insufficient keeping in view the increases in wage rates and also the fact that EAS has been extended to additional 1123 new blocks during the current year. EAS is a demand driven scheme, generally, all blocks are expected to take two instalments. However, blocks having problem of acute unemployment also request for 3rd instalment. During 1996-97, 592 blocks out of 4325 blocks covered under EAS had taken third instalment. During the current year a large number of blocks are expected to request for 3rd instalment consequent upon grounding of the programme in the newly covered blocks. It may be mentioned that even for two instalments, the minimum requirements would be Rs. 7,708.80 crore (say Rs. 2700.00 crore) against which allocation for 1997-98 is only Rs. 1925.21 crore. Thus, the allocation for the current year may be increased to Rs. 2700 crore.

Jawahar Rozgar Yojana

During 1997-98 this Ministry has proposed an amount of Rs. 4410.00 crore as outlay under JRY. Planning Commission has recommended an

outlay of Rs. 2077.70 crore for 1997-98 under JRY which is about 50% of the proposed outlay.

The outlay sanctioned for the year 1997-98 is not based on poverty estimates (Revised). This Department has made projections to cover all the persons under below poverty line under JRY upto 2005 AD and proposed an outlay to Rs. 32800 crore for the Ninth Plan. However, no final allocation has yet been made.

Development of Women & Children in Rural Areas

So far as DWCRA programme is concerned, a proposal of Rs. 250 crore has been made for the budgetary provision for the year 1997-98. However, the budgetary provision for the year 1997-98 for DWCRA was approved for the amount of Rs. 65.00 crore. The Department of Rural Employment & Poverty Alleviation has in their reply to the point No. 3.6 of the 10th Report (11th Lok Sabha) on Demand for Grants of Department of Rural Employment & Poverty Alleviation reiterated that Department proposes to project its requirement of Plan funds for DWCRA before the Planning Commission during the course of 9th Five Year Plan.

Million Wells Scheme

The point made in the 10th Report (11th Lok Sabha) on demand draft for grants is well taken. Whatever allocations were made, inspite of the proposal of this Department for higher allocation to Planning Commission, were taken as BE for 1997-98. If Government/Planning Commission approves higher allocations for poverty alleviation programmes as suggested in the report referred above, additional funds can be absorbed at RE stage.

As regards estimates of people below poverty line, the date as approved by Planning Commission is taken for working out allocations based on incidence of poverty State-wise.

[Ministry of Rural Areas & Employment (Deptt. of RE & PA)
F.No. H-11020/6/97-GC(P), dated 25.4.97]

Comments of the Committee

Please see Paragraph Number 13 of Chapter I of the Report.

Recommendation (Para 3.9)

The Committee observe success of the IRDP depends largely upon the success and the role of financial institutions/Banks, to provide the term credit advance, as per the guidelines. They feel since the inception of the Programme the involvement of financial institution has become by and large, unsatisfactory. They also observe the Department's reply that, percentage of recovery of total term credit to demand by all the Public Sector Banks at the end of March, 1996 was 31.65 percent in addition to the total subsidy of Rs. 870.81 crore given during 1995-96. They feel a fresh look is needed for involvement of various types of financial institutions. Further, they recommend that the existing system should be modified for involving appropriate financial institutions, that are sensitive to the needs of the poor people living in the rural areas.

Reply of the Government

It is admitted that recovery position of IRDP loans are not satisfactory. The main factors responsible for poor recovery are (i) sub critical levels of investment, and (ii) absence of backward and forward linkages etc. The programme guidelines provide for State Govts. rendering all possible assistance to bank officials in recovery of dues from IRDP beneficiaries. The DRDAs are to organise credit-cum-recovery camps periodically for this purpose. The recovery performances under IRDP is also to be discussed in BLCC and DLCC meetings and a programme of action chalked out to ensure better recovery. On the basis of recommendations made by the Mehta Committee State Governments have been advised to enact the Model Bill as recommended by the Talwar Committee by those States who have not done so far, appoint Credit-cum-Recovery Officers with the necessary complement of staff in the DRDAs and conduct regular recovery camps.

The existing financial institutions *i.e.* Commercial, Cooperative and Regional Rural Banks have been involved since inception of IRDP in consultation with the Ministry of Finance, RBI etc. to cater the credit needs of the targetted families under IRDP. These financial institutions have a wide net-work and are governed by RBI regulations. The RBI has also introduced Service Area Approach under which each Bank branch has been allocated 10 to 15 villages of their surroundings for meeting the credit needs of IRDP beneficiaries. The Rural Bank branches

have their own problems such as staff shortage, poor financial health and lack of orientation about the programme with the result they are not able to involve fully in the implementation. The RBI has issued instructions to the sponsoring banks to finance the beneficiaries in case the Regional Rural Banks failed to do so due to financial problems. In order to deliver alternate credit mechanism, NABARD has also issued guidelines for extending bulk credit to Self-Help-Groups for onward lending to the beneficiaries. In view of the practical problems and financial implications involved in the implementation of IRDP, it would not be possible for other financial institutions to cater to the credit needs of IRDP.

[Min. of Rural Areas & Employment (Deptt. of RE & PA) F.No. H-11020/6/97-GC(P), dated 25.4.97]

Comments of the Committee

Please *see* Paragraph Number 19 of Chapter I of the Report.

Recommendation (Para 3.11)

The Committee note that the 5th round of Concurrent Evaluation of IRDP was initiated during April, 1995 and was expected to continue for a year. They regret to note the reply of the Department that the report of the same is still under progress, even though one year has been passed since the expected completion of the Concurrent Evaluation. They would like to urge the Department to expedite publication of results of the 5th Concurrent Evaluation so that necessary corrections in the implementation of the Programme would be carried out on the basis of its findings.

Reply of the Government

The period of survey for the Fifth Round of Concurrent Evaluation Survey for IRDP is July, 1995 to June, 1996. The field visits and the data collection by the various independent research institutes have been completed. The analysis of data collected during the field visits are being done for the different States. Data thus collected for the various States would then be aggregated in the Ministry. Based on

these aggregation of data for the various States, Ministry would prepare a final report. The process of analysis and compilation is a long drawn process and is time consuming as has been witnessed in the last four rounds of Concurrent Evaluation Survey.

[Min. of Rural Areas & Employment (Deptt. of RE & PA), No. H.-11020/6/97-GC(P), dated 25.4.97]

Comments of the Committee

Please *see* Paragraph Number 25 of Chapter I of the Report.

CHAPTER V

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

Recommendation (Para 3.17)

The Committee note that under the guidelines of the Scheme, there is provision for establishment of District Supply and Marketing Societies (DSMS) for facilitating supply of raw-materials and marketing of DW CRA products. As per the written replies, the Department at present does not have information regarding number of DSMS established and their functioning, so far in the States/UTs. In this regard they recommend the Department to procure and provide up-to-date information on the establishment and functioning of District supply and Marketing Societies.

Reply of the Government

All States have been requested to furnish the requisite information immediately. However, information has been received only from the State Governments of Haryana, West Bengal and Kerala. Others have been reminded. Action will be taken to obtain the information expeditiously and submit the same to Lok Sabha Secretariat.

[Min. of Rural Areas & Employment (Deptt. of RE & PA), No. H.-11020/6/97-GC(P), dated 25.4.97]

Comments of the Committee

Please see Paragraph Number 28 of Chapter I of the Report.

Recommendation (Para 3.29)

The Committee note that the objective of both the old Million Wells Scheme (MWS) and the new Ganga Kalyan Yojana (GKY) is same *i.e.* to facilitate irrigation by different means. They also note the only difference with the new GKY is that the term credit of the financial institutions have to be repaid by the beneficiary

where-as there is no repayment clause under MWS. Further they feel, the Department could have introduced the Scheme by slightly modifying the existing provisions of MWS. The Committee have their own doubts as on how the Department can prevent duplication of targets and achievements among GKY, MWS and irrigation components of IRDP. In view of the above they recommend the Department to integrate GKY, MWS and irrigation component of IRDP for a higher allocation and better implementation of the scheme.

Reply of the Government

The Million Wells Scheme is primarily intended to provide open irrigation wells only, with full subsidy. Where wells are not feasible due to geological factors, the funds under the Scheme can also be used for other minor irrigation works like irrigation tanks, water harvesting structures and also for the development of lands. The objective of GKY is to provide irrigation through exploitation of ground water (borewells and tubewells). The tubewell and borewell components of MWS and also those of IRDP have already been subsumed under GKY. Therefore, there will be no duplication of targets/achievements among MWS and GKY. Many State Governments have also been putforth certain practical difficulties in implementation of GKY. These are under examination. The recommendation of the Committee will also be kept in view.

[Min. of Rural Areas & Employment (Deptt. of RE & PA) F. No.
H.-11020/6/97 dated 25.4.97]

Comments of the Committee

Please see Paragraph Number 31 of Chapter I of the Report.

NEW DELHI;
March 3, 1999

Phalguna 12, 1920 (Saka)

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

APPENDIX I

EXTRACTS OF MINUTES OF THE 34TH SITTING OF THE COMMITTEE ON URBAN & RURAL DEVELOPMENT HELD ON TUESDAY, THE 9TH FEBRUARY, 1999 IN COMMITTEE ROOM 'C' PARLIAMENT HOUSE ANNEXE, NEW DELHI

The Committee sat from 1500 hrs. to 1550 hrs.

PRESENT

Shri Kishan Singh Sangwan — *Chairman*

MEMBERS

Lok Sabha

2. Dr. Shafiqur Rahman Barq
3. Shri Sriram Chauhan
4. Shri Ramkrushna Suryabhan Gavai
5. Shri Mitha Lal Jain
6. Shri Subhash Maharia
7. Shri Bir Singh Mahato
8. Shrimati Ranee Narah
9. Shri Rameshwar Patidar
10. Shri Mullappally Ramachandran
11. Shri Gaddam Ganga Reddy
12. Shri Chatin Singh Samaon
13. Shri Nikhilananda Sar
14. Shri I. M. Jayaram Shetty

15. Shri Daya Singh Sodhi
16. Dr. Ram Vilas Vedanti
17. Shri K. Venugopal

Rajya Sabha

18. Shri Nilotpal Basu
19. Shri Jhumuklal Bhendia
20. Dr. Manmath Nath Das
21. Shri N.R. Dasari
22. Shri John F. Fernandes
23. Shri C. Apok Jamir
24. Shri Onkar Singh Lakhawat
25. Prof. A. Lakshmisagar
26. Shri Jagdambi Mandal

SECRETARIAT

1. Shri S.C. Rastogi — *Director*
2. Shrimati Sudesh Luthra — *Under Secretary*

2. At the outset, the Chairman welcomed the members to the sitting of the Committee.

Consideration of draft Action Taken Reports

3. The Committee considered the following Memoranda regarding draft Action Taken Reports:—

- (i) Memorandum No. 7 regarding Action Taken by Government on the recommendations contained in the 10th Report (Eleventh Lok Sabha) on Demands for Grants (1997-98) of the Department of Rural Employment &

Poverty Alleviation (Ministry of Rural Areas & Employment).

(ii)	****	****	****
(iii)	****	****	****
(iv)	****	****	****
(v)	****	****	****

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

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 TENTH REPORT (11TH LOK SABHA)]

I.	Total number of recommendations	38
II.	Recommendations that have been accepted by the Government	30
	(Para Nos. 2.5, 2.7, 2.8, 2.9, 2.10, 2.11, 2.13, 2.15, 3.6, 3.7, 3.8, 3.10, 3.16, 3.24, 3.25, 3.30, 4.4, 4.5, 5.6, 5.7, 5.8, 6.4, 6.5, 7.4, 8.5, 8.6, 9.4, 9.6, 10.3 & 10.4)	
	Percentage to the total recommendations	(78.95%)
III.	Recommendations which the Committee do not desire to pursue in view of the Government's replies	3
	(Para Nos. 3.15, 3.23 and 9.5)	
	Percentage to the total recommendations	(7.89%)
IV.	Recommendations in respect of which replies of the Government have not been accepted by the Committee	3
	(Para Nos. 2.19, 3.9 and 3.11)	
	Percentage to the total recommendations	(7.89%)
V.	Recommendations in respect of which final replies of the Government are still awaited	2
	(Para Nos. 3.17 & 3.29)	
	Percentage to the total recommendations	(5.27%)