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**STANDING COMMITTEE ON
RURAL DEVELOPMENT
(2005-2006)**

FOURTEENTH LOK SABHA

**MINISTRY OF RURAL DEVELOPMENT
(DEPARTMENT OF RURAL DEVELOPMENT)**

**DEMANDS FOR GRANTS
(2006-2007)**

EIGHTEENTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

EIGHTEENTH REPORT
STANDING COMMITTEE ON
RURAL DEVELOPMENT
(2005-2006)

(FOURTEENTH LOK SABHA)

MINISTRY OF RURAL DEVELOPMENT
(DEPARTMENT OF RURAL DEVELOPMENT)

DEMANDS FOR GRANTS
(2006-2007)

Presented to Lok Sabha on 18.5.2006

Laid in Rajya Sabha on 18.5.2006



LOK SABHA SECRETARIAT
NEW DELHI

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CONTENTS

	PAGE No.(s)
COMPOSITION OF THE COMMITTEE	(iii)
ABBREVIATIONS	(v)
INTRODUCTION	(ix)
REPORT	
CHAPTER I Introductory	1
CHAPTER II Overall Evaluation of the Demands for Grants 2006-2007 of the Department of Rural Development	3
Status of Implementation of Direction 73 A	3
Comparative position of allocation under different Plans	4
Speedy finalisation of Below Poverty Line (BPL) list	10
Huge underspending under different schemes ..	14
Monitoring Mechanism	15
Gender Budgeting	18
Preparation of Eleventh Five year Plan	20
CHAPTER III Scheme-wise assessment of Demands for Grants (2006-2007) of the Department of Rural Development	21
Sampoorna Grameen Rozgar Yojana (SGRY)	21
National Food for Work Programme (NFFWP) ..	26
National Rural Employment Guarantee Act (NREGA)	31
Swarnajyanti Gram Swarozgar Yojana (SGSY) ...	42
Rural Housing (RH), Indira Awaas Yojana(IAY)	48
Pradhan Mantri Gram Sadak Yojana (PMGSY)..	53
Provision for Urban Amenities in Rural Areas (PURA)	60
DRDA Administration Scheme	62
	(i)

Assistance to Council for Advancement of People's Action and Rural Technology (CAPART)	65
Training Schemes: National Institute of Rural Development (NIRD)	69
Strengthening and establishment of State Institute of Rural Development (SIRD) and Extension Training Centres (ETCs)	71

APPENDICES

I. Statement showing Budget Estimates, Revised Estimates and Actual Expenditure during 9th Plan by the Department of Rural Development	75
II. Statement showing Budget Estimates, Revised Estimates and Actual Expenditure, during 10th Plan by the Department of Rural Development	77
III. Statement showing the Monthly Expenditure Plan for 2006-07 by the Department of Rural Development	79
IV. State-wise Physical Financial Achievement made by NE States and Sikkim since 2002-03 under SGSY Scheme	80
V. Detailed Financial Performance under NFFWP during 2005-06	82
VI. Statement indicating name of 150 most backward districts under the National Food for Work Programme	84
VII. Statement indicating name of additional 50 districts covered under the NREGA	90
VIII. Physical and Financial progress under PMGSY Phase V (2005-06)	92
IX. Extracts of Recommendation Para 7 made in Seventh Report 2004-05 of Estimates Committee	94
X. Extracts of the Minutes of the sitting of the Committee held on 21 March, 2006	95
XI. Minutes of the sitting of the Committee held on 12 April, 2006	98
XII. Minutes of the sitting of the Committee held on 8 May, 2006	101
XIII. Statement of observations/recommendations	103

COMPOSITION OF THE STANDING COMMITTEE ON
RURAL DEVELOPMENT (2005-2006)

Shri Kalyan Singh — *Chairman*

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3. Shri Sandeep Dikshit
4. Shri L. Ganesan
5. Shri Mohan Jena
6. Shri Shrichand Kriplani
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- *12. Shri Prabodh Panda
- @13. Vacant
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17. Shri Mohan Singh
18. Shri Sita Ram Singh
19. Shri D.C. Srikantappa
20. Shri Bagun Sumbrai
21. Shri Mitrasen Yadav

*Hon'ble Speaker has changed the nomination of Shri Prabodh Panda, MP (LS) from Standing Committee on Water Resources to Standing Committee on Rural Development *vide* para No. 1580, Lok Sabha Bulletin Part II dated 23 August, 2005.

@Shri Anna Saheb M.K. Patil, MP (LS) and member of the Committee ceased to be member of the Lok Sabha *vide* Notification No. 21/5/2005/T *w.e.f.* 23.12.2005 (AN).

Rajya Sabha

22. Kumari Nirmala Deshpande
23. Vacant
24. Vacant
25. Prof. Alka Balram Kshatriya
26. Shri Penumalli Madhu
27. Vacant
28. Dr. Chandan Mitra
29. Dr. Gyan Prakash Pilonia
30. Vacant
31. Vacant

SECRETARIAT

1. Shri S.K. Sharma — *Additional Secretary*
2. Shri P.K. Grover — *Joint Secretary*
3. Shrimati Sudesh Luthra — *Deputy Secretary*
4. Shri G.C. Prasad — *Committee Officer*

[§]Hon'ble Chairman, Rajya Sabha has changed the nomination of Shrimati Vanga Geetha, MP (RS) from Standing Committee on Industry to Standing Committee on Rural Development *w.e.f.* 23 August, 2005 *vide* Committee Branch-I note dated 25.8.2005.

#Shrimati Vanga Geetha, MP (RS), Shri Ghanshyam Chandra Kharwar, MP(RS), Shri Kalraj Mishra, MP(RS), Dr. Faguni Ram MP(RS) and Prof. R.B.S. Varma, MP (RS) and members of the Committee on Rural Development ceased to be members of the Rajya Sabha due to completion of the tenure of the members of Rajya Sabha *w.e.f.* 2.4.2006 *vide* Coordination Cell note dated 23.3.2006.

ABBREVIATIONS

ADB	—	Asian Development Bank
APL	—	Above Poverty Line
APO	—	Assistant Project Officer
ARTS	—	Advancement of Rural Technology Scheme
BE	—	Budget Estimates
BLCC	—	Block Level Coordination Committee for SGSY
BPL	—	Below Poverty Line
CAPART	—	Council for Advancement of People's Action and Rural Technology
CCSS	—	Credit-cum-subsidy Scheme
CIRDAP	—	Centre on Integrated Rural Development in Asia and Pacific
CLCC	—	Centre Level Coordination Committee for SGSY
DG	—	Director General
DLCC	—	District Level Coordination Committee
DLM	—	District Level Monitoring
DRDA	—	District Rural Development Agency
DWCRA	—	Development of Women and Children in Rural Areas
EAS	—	Employment Assurance Scheme
ETC	—	Extension Training Centre
FAQ	—	Fair Average Quality
FCI	—	Food Corporation of India
GDP	—	Gross Domestic Product
GKY	—	Ganga Kalyan Yojana
IAY	—	Indira Awaas Yojana
IEC	—	Information, Education and Communication
IBRD	—	International Bank for Reconstruction and Development
IEC	—	Information, Education and Communication
IRD	—	Integrated Rural Development Programme
IT	—	Information Technology

JGSY	—	Jawahar Gram Samridhi Yojana
JRY	—	Jawahar Rozgar Yojana
MIS	—	Management Information System
MLA	—	Member of Legislative Assembly
MNP	—	Minimum Needs Programme
MP	—	Member of Parliament
MPR	—	Monthly Progress Report
MWS	—	Million Wells Scheme
NABARD	—	National Bank for Agriculture and Rural Development
NC	—	Not Covered
NCT	—	National Capital Territory
NFFWP	—	National Food For Work Programme
NGO	—	Non-Government Organization
NICD	—	National Institute of Community Development
NIRD	—	National Institute of Rural Development
NLM	—	National Level Monitors
NREGA	—	National Rural Employment Guarantee Act
NREGS	—	National Rural Employment Guarantee Scheme
NRRDA	—	National Rural Roads Development Agency
NSC	—	National Standing Committee
NSSO	—	National Sample Survey Organisation
NYK	—	Nehru Yuvak Kendra
OB	—	Organization of Beneficiaries
OM	—	Office Memorandum
OTC	—	Organisation of Training Courses/Seminars/Workshops
PADI	—	People's Action for Development Initiatives
PC	—	Public Cooperation regarding promotion of Voluntary Action in Rural Development
PDS	—	Public Distribution System
PMGY	—	Prime Minister's Gramodaya Yojana
PMGSY	—	Pradhan Mantri Gram Sadak Yojana
PUCL	—	People's Union for Civil Liberties
PURA	—	Provision of Urban Amenities in Rural Areas

PRI	—	Panchayati Raj Institutions
RBI	—	Reserve Bank of India
RBC	—	Rural Building Centres
RC	—	Regional Committees of CAPART
RD	—	Rural Development
RE	—	Revised Estimates
RH	—	Rural Housing Schemes
RIDF	—	Roads Infrastructure Development Fund
RSVY	—	Rashtriya Sam Vikas Yojana
SAY	—	Samagra Awaas Yojana
SC	—	Scheduled Caste
SDM	—	Sub-Divisional Magistrate
SHG	—	Self Help Group
SGRY	—	Sampoorna Grameen Rozgar Yojana
SGSY	—	Swarnjayanti Gram Swarozgar Yojana
SIRD	—	State Institute of Rural Development
SITRA	—	Supply of Improved Tool Kits to Rural Artisans
SLCC	—	State Level Coordination Committee
SLSC	—	State Level Sanctioning Committee
ST	—	Scheduled Tribe
SVO	—	Support Voluntary Organisations
TRC	—	Technology Resource Centre
TRYSEM	—	Training of Rural Youth for Self-Employment
UB/OB	—	Unspent Balance/Opening Balance
UC	—	Utilisation Certificate
UNDP	—	United Nations Development Programme
UT	—	Union territory
ZP	—	Zilla Parishad

INTRODUCTION

I, the Chairman of the Standing Committee on Rural Development (2005-2006) having been authorised by the Committee to submit the Report on their behalf, present the Eighteenth Report on Demands for Grants (2006-2007) of the Department of Rural Development (Ministry of Rural Development).

2. The Committee examined the Demands for Grants pertaining to the Department of Rural Development (Ministry of Rural Development) for the year 2006-2007 which were laid on the Table of the House on 11 March, 2006.

3. The Committee took evidence of the representatives of the Department of Rural Development (Ministry of Rural Development) on 12 April, 2006.

4. The Report was considered and adopted by the Committee at their sitting held on 8 May, 2006.

5. The Committee wish to express their thanks to the officials of the Department of Rural Development (Ministry of Rural Development) for placing before them the requisite material and their considered views in connection with the examination of the subject.

6. They would also like to place on record their deep sense of appreciation for the invaluable assistance rendered to them by the officials of Lok Sabha Secretariat attached to the Committee.

NEW DELHI;
17 May, 2006

27 Vaisakha, 1928 (Saka)

KALYAN SINGH,
Chairman,
Standing Committee on
Rural Development.

REPORT

CHAPTER I

INTRODUCTORY

The basic function of the Ministry of Rural Development is to realise the objectives of alleviating rural poverty, ensuring improved quality of life for the rural population, especially of those living below the poverty line through formulating and implementing different Yojanas/Programmes relating to various spheres of rural life and activities. The Ministry consists of the following three Departments:

- (i) Department of Rural Development;
- (ii) Department of Land Resources; and
- (iii) Department of Drinking Water Supply.

Department of Rural Development

1.2 The Department of Rural Development formulates and implements Schemes for generation of self-employment and wage employment, provision of housing to rural poor, rural roads and provides support services and other quality inputs such as assistance for strengthening of District Rural Development Agency Administration, training and research, human resource development, development of voluntary action etc. for proper implementation of the Programme.

1.3 The Ministry implements various Central Sector and Centrally Sponsored Schemes. The main Schemes being implemented by the Department are:

- (a) Swarnjayanti Gram Swarozgar Yojana (SGSY);
- (b) Sampoorna Grameen Rozgar Yojana (SGRY);
- (c) National Rural Employment Guarantee Act (NREGA);
- (d) Pradhan Mantri Gram Sadak Yojana (PMGSY);
- (e) Rural Housing (RH): Indira Awaas Yojana (IAY);
- (f) District Rural Development Agency (DRDA) Administration Scheme.

1.4 The Department of Rural Development has three autonomous bodies under its administrative control *viz.* (i) Council for Advancement of People's Action and Rural Technology (CAPART); (ii) National Institute of Rural Development (NIRD); and (iii) National Rural Roads Development Agency (NRRDA).

1.5 The overall net Demands for Grants of the Department for BE 2006-07 are for Rs. 39,073.18 crore. However, after deducting the recoveries (Rs. 15,025.62 crore) expected during the year, the net Budget of the Department during 2006-07 BE is Rs. 24,047.56 crore both for Plan and non-Plan.

1.6 The Demands for Grants of the Department have been presented to Parliament under Demand No.78. The detailed Demands for Grants of the Department was laid in Lok Sabha on 11 March, 2006.

1.7 In the present Report, the Committee have restricted their examination only to the major issues concerning the Department and the Programmes/Schemes that are being implemented in the context of Demands for Grants 2006-2007.

CHAPTER II

OVERALL EVALUATION OF THE DEMANDS FOR GRANTS 2006-2007 OF THE DEPARTMENT OF RURAL DEVELOPMENT

Status of Implementation of the recommendations made by the Committee in their Third and Ninth Reports under Direction 73 A of the Directions by the Speaker, Lok Sabha.

As per direction 73A of the Directions by the Speaker, Lok Sabha, the Minister concerned shall make once in six months a statement in the House regarding the status of implementation of recommendations contained in the Reports of Departmentally Related Standing Committees of Lok Sabha with regard to the Ministry.

2.2 Third Report of the Standing Committee on Rural Development on Demands for Grants (2004-05) was presented to Parliament on 19 August, 2004. Hon'ble Minister of Rural Development made a statement in the House in pursuance of direction 73A on 29 April, 2005. On examination of the statement, it was found that the status of action taken on each of the 58 recommendations made in the Report was not indicated in the statement. As such the statement was found to be deficient of the set procedure. The general remarks on the action taken by the Government on few recommendations was made. Further the Committee presented Ninth Report on Demands for Grants (2005-06) of the Department of Rural Development to Lok Sabha on 20 April, 2005. The statement with regard to this Report has fallen due on 19 October, 2005.

2.3 The Department of Rural Development was requested to take the necessary action for tabling the revised statement with regard to Third Report and making a statement by Hon'ble Minister in respect of Ninth Report *vide* Lok Sabha Secretariat OM dated 20 January, 2006 and subsequent reminders dated 24 February, 2006 and 14 March, 2006. Besides the format in which the statement has to be made was also sent to the Department for their use. In spite of this, revised statement in respect of Third Report and the statement in respect of Ninth Report is yet to be made by the Hon'ble Minister.

2.4 When asked about the reasons for delay in making the statements on the status of implementation of recommendations of the

Committee made in Third and Ninth Reports, it has been submitted that the Department is in the process of finalisation of the revised statement to be laid on the Table of the Lok Sabha on the status of implementation of recommendations contained in Third Report on Demands for Grants (2004-05), as per the proforma sent on 20 January, 2006. Similarly, the statement on Ninth Report on Demands for Grants (2005-06) is also being finalised. It has further been stated by the Department that the collection of information from different agencies, including State Governments, took some time. The Department proposes to lay the revised statement on the Third Report (2004-05) and the statement on the Ninth Report (2005-06) on the Table of the Lok Sabha during the ensuing Session of Parliament.

2.5 Besides, during the course of oral evidence, the Secretary of the Department assured the Committee that the statements in respect of aforesaid reports would be made during the Second part of the Seventh Session of Lok Sabha commencing from 10 May, 2006.

2.6 The Committee note that the primary objective of inserting direction 73A in the Directions by the Speaker was to make the Government more accountable for implementation of the various recommendations of the Committee. The Committee are concerned to note that even after a lapse of around six months when the statement on Ninth Report had fallen due and about three months when the Ministry was requested for making the revised statement in respect of Third Report, the statements are yet to be tabled by the Hon'ble Minister. The Committee also find that the Department is taking the desired action to make the statements in the Second part of the Seventh Session as stated by the Secretary during the course of oral evidence. The Committee would like the Government to ensure that the statements are made at the earliest during the Second part of the Seventh Session. They further strongly recommend that in future, the Department should ensure that the statements on each of the reports are mandatorily made within the specified period *i.e.* six months after the presentation of the Report to Parliament as per direction 73A of the Directions by the Speaker.

Comparative position of allocation made for rural development under different Plans

2.7 The Budget Estimates, Revised Estimates, Actual Expenditure during each year of Ninth and Tenth Plan are given at *Appendix I and Appendix II.*

The comparative position of data is as under with regard to allocations made during Ninth and Tenth Plan is as under:

	(Rs. in crore)
Ninth Plan agreed to allocation	32869.87
Ninth Plan proposed allocation	40435.22
Proposed allocation during Tenth Plan	129464.27
Tenth Plan allocation as agreed to	56748.00
Total allocation released during Tenth Plan (upto 31 March, 2006)	65314.29

2.8 Percentage distribution of allocation of the Government of India during different Plans as reported in Economic Survey 2005-06:

6th Plan	6.4 per cent
7th Plan	7 per cent
8th Plan	7.9 per cent
9th Plan	8.7 per cent
10th Plan	8 per cent

2.9 As per speech of Hon'ble Finance Minister on Budget (2006-07), GDP growth target for the Tenth Plan was set at 8 per cent with the three years of 7.5 per cent plus growth. He has stated that it is possible that the overall growth rate will be 7 per cent. During the year 2006-07, GDP growth is likely to be 8.1 per cent.

2.10 As indicated in the Budget documents, various programmes of the Department of Rural Development for generation of employment like National Rural Employment Guarantee Scheme (NREGS) and creation of infrastructure like Indira Awaas Yojana (IAY) and Pradhan Mantri Gram Sadak Yojana (PMGSY) have been accorded priority.

2.11 As per the Human Development Reports of UNDP, Nepal, Sri Lanka and Pakistan which are our neighbouring countries have been able to improve their ranking in human development index over the last three years. However, the ranking of India remain invariant at 127 consecutively for three years in a row. State-wise position as reported in Economic Survey reflect that while Kerala stood apart from the rest and achieved high levels of human development comparable

to rich developed countries the so-called 'BIMARU States' (Bihar, Madhya Pradesh, Rajasthan and Uttar Pradesh) fared particularly badly.

2.12 While responding to the concerns of the Committee over the static ranking in Human Development Index of India over the last three years, the Secretary, Department of Rural Development stated as under :—

“Per capita income is one of the three indices. Basic educational services which are taken for the Human Development Index is not the focus of the Ministry of Rural Development. Basic education part does not pertain to us. The basic health services are not part of my Ministry’s area of activity. On the per capita income part, well, we are doing something – not to improve the per capita income of the people directly, but we are trying to actually increase the number of persons who cross the poverty line and who come above the poverty line. That is the focus of this Ministry. In the Human Development Index as a whole, there are three areas. It is being monitored by the Planning Commission, and at least two areas, certainly, specifically, are not really the mandate of our Ministry.”

2.13 As regards the level of allocation of the Department of Rural Development, the Secretary stated as under:—

“.....that the allocation for rural development by the Planning Commission and by the Government of India has certainly gone up substantially. We had done an analysis using the deflator for the Tenth Plan allocation for the Ministry of Rural Development. We have actually discovered that the Planning Commission has given us 50 per cent more allocation in the course of the Tenth Plan than it had originally planned to give at the Tenth Plan period. We have actually been given a substantially higher allocation in the course of each of the five years. xx xx xx. Seventy-nine thousand crores is the deflated value of the actual Tenth Plan allocation which we have received. I am talking only about the actual expenditure and current year’s allocation. While the Tenth Plan outlay was only Rs. 56,748 crore, there has been a substantial increase, 50 per cent additional amount, which was actually made available to the Ministry of Rural Development.”

2.14 The Committee note with concern that although our neighbouring countries could improve the human development index, India has remained static at 127th position for the last three years.

Since out of three parameters for determining human development index, one parameter *i.e.* employment is the mandate of the Department of Rural Development, the Department has therefore, a key role in improving the human development index. The Committee would like to point out that employment being the basic parameter to improve the economic and social status of a person, once an individual gets employment, the other issues like education and basic health services are taken care of. There is a co-relation between the status of employment of an individual and his social and economic status.

2.15 From the status of allocation of outlay as indicated above, the Committee note that although there may be some enhancement of outlay in each plan as compared to the previous plans, the percentage increase in outlay when compared to the overall outlay of the Government of India do not indicate any substantial enhancement in rural development sector. There was marginal increase in allocation of resources for rural development for each of the plan as compared to the previous plan upto 9th Plan. However, during 10th Plan, when the targets for GDP growth are being set at 8.1 per cent and the Indian economy has been acknowledged as booming economy worldwide, the percentage distribution of allocation has decreased from 8.7 per cent to 8 per cent.

2.16 The Committee further note that some of the States such as Bihar, Madhya Pradesh, Rajasthan and Uttar Pradesh are not doing well. The scheme-wise position has been reviewed in the subsequent chapters of the report. In view of this scenario, the Committee recommend the Government to enhance the allocation for rural development adequately so that the benefit of the booming economy reach the poorest of the poor in the country. Further, there is an urgent need to ensure even development of different States in the country. The Committee would like to strongly recommend to the Department to review the position of implementation of schemes State-wise and after addressing the shortcomings, suggest some remedial measures and inform the Committee accordingly.

2.17 Comparative position of outlay made available during 2006-2007

	(Rs. in crore)
B.E. 2004-2005	11437.40
R.E. 2004-2005	13866.40

Actual expenditure 2004-2005	13857.86
B.E. 2005-2006	18334.00
R.E. 2005-2006	21334.00
Expenditure upto January, 2006	13398.08
B.E. 2006-2007	24025.62
Difference between B.E. and R.E. of 2004-2005	2429
Underspending during 2004-2005 as compared to R.E.	8.54
Difference between B.E. and R.E. of 2005-2006	3000.00
Underspending during 2005-2006 as compared to expenditure position upto January, 2006	7935.92
Increase in BE 2005-06 over RE of 2004-2005	4467.60
Increase in BE 2006-2007 over RE of 2005-2006	2691.62

2.18 As per the information provided by the Ministry, the Revised Estimates for the year 2005-06 is Rs. 21,334 crore out of which Rs. 13,398.08 crore was utilised during the first ten months of the financial year. The remaining amount of Rs. 7,935.92 crore was utilized in the last two months of the financial year. When asked about the reasons for the uneven expenditure, the Secretary during the course of oral evidence stated as under:—

“Rs. 21,334 crore which was provided at the end of the year include Rs. 3,000 crore which we got only at the end of the year for payment to Food Corporation of India for foodgrains component. So, the budget actually was Rs. 18,334 crore which was available to us till the very end of March. So Rs. 13,400 crore of expenditure in January may kindly be seen with reference to Rs. 18,334 crore that we had. I would like to submit that with reference to that amount of expenditure that we did in the last two months will come down from Rs. 7,900 crore to Rs. 4,900 crore. It is slightly much smaller amount. Rs. 3,000 crore was basically the payment made by the Ministry directly to the FCI for the budget which was not provided at the beginning of the year”.

2.19 When asked whether the Government will take the route of Supplementary Grants for meeting the expenditure under foodgrains component and special component in 2006-07, the Department has stated that the allocation of funds for the schemes is done by the

Ministry of Finance and the Planning Commission. In the Annual Plan proposal for SGRY for 2006-07, the requirement for the provision against foodgrains component including outstanding Bills of FCI has been proposed. However, no allocation against foodgrains component has been made in BE 2006-07. Further it has been stated that additional funds will be obtained through Supplementary Grants during the year 2006-07 for payment of outstanding balance for foodgrains lifted under the programme.

2.20 The Department has furnished a statement showing the monthly expenditure plan for 2006-2007 which is given at *Appendix-III*.

2.21 The Committee observe that while requirement of funds for foodgrains component and special component is an important feature, the funds are being made available only at the Supplementary Grants or RE stage. The Committee have repeatedly been recommending in this regard in their respective reports. In spite of that, the practice of allocating funds for foodgrains component at Supplementary Grants stage still continue. The Committee are of the opinion that demanding huge allocation at Supplementary Grants stage is not a healthy practice of Budgeting. It does not give an idea about the allocation made under a scheme in different districts. The implementing agencies should be well aware of the provisions made under a scheme well in time i.e. in the beginning of the financial year. In view of this, the Committee strongly recommend that the practice of allocating funds at RE stage for a component which is certain and for which estimates are available at BE stage should be dispensed with and funds should be made available at the BE stage itself. The Planning Commission/Ministry of Finance should be apprised of the concerns of the Committee in this regard.

2.22 The Committee find from the data indicated above that there is enhancement of only Rs. 2691.62 crore in B.E. 2006-07 as compared to R.E. 2005-06, although Rs. 11,300 crore have been allocated for the ambitious programme 'National Rural Employment Guarantee Scheme'. Not only that, ambitious targets have also been fixed for Rural Housing. The comparative position of outlay scheme-wise has been analysed in the subsequent Chapters of the Report. Here the Committee feel that the enhancement of outlay in one programme may be due to the decrease in outlay in some other scheme. The Committee disapprove of this tendency of the Government. The Committee strongly recommend that adequate outlay under different schemes should be provided to achieve the laudable objectives. Besides, the enhancement of outlay for the ambitious programme

***i.e.* NREGA should not be at the cost of the established programmes of the Department.**

Speedy finalisation of Below Poverty Line (BPL) list by States

2.23 At the beginning of each Five Year Plan, the Ministry of Rural Development conducts a Below Poverty Line (BPL) Census through the State Governments with a view to identify households living below the poverty line who could be assisted under various anti-poverty programmes implemented by the Ministry.

2.24 The results of BPL census, 2002 could not be finalized because of direction of Hon'ble Supreme Court. Supreme Court in its order dated 5 May, 2003 had directed not to insist on State Governments deleting any name from the existing BPL list while hearing Writ Petition (Civil) No. 196 of 2001 in the matter of PUCL *vs.* Union of India. While examining Demands for Grants (2005-2006), the Committee had been informed that the exercise of BPL census 2002 is yet to be completed in term of tabulation and analysis, as per the tabulation plan of the Ministry. Further the Committee in their Ninth Report had recommended that pending the decision of the Supreme Court, the exercise by States/UTs should be completed expeditiously and the provisional results should be made available by the Government so that the results could be finalized immediately when the decision in this regard is taken by the Supreme Court. Hon'ble Minister of Rural Development in a statement made in Lok Sabha on 10 March, 2006 has informed the House that the Hon'ble Supreme Court has vacated the stay after hearing all parties and examining material placed upon. Hon'ble Minister has further stated that to ensure transparency in the process of finalizing BPL list instructions have been issued for obtaining the approval of the Gram Sabha to display the draft BPL list at the Panchayat head quarter or in prominent place in the village alongwith scores. States have also been requested to provide a two stage appeal mechanism so that people can file objections, if any, to the Tehsildar, SDM or District Collector as the case may be, regarding their ranking in the BPL list.

2.25 When asked about the status of finalisation of BPL list in respective States, the Secretary during the course of oral evidence stated as under:—

“As mentioned by the Minister of Rural Development in his *suo moto* statement in Lok Sabha on 10 March, 2006, the State Governments have been instructed to finalise the BPL list based on the BPL Census 2002 after getting it approved by the Gram

Sabhas. The States have been requested to provide a two stage appeal mechanism to address the objections of the people. For this purpose also, a time limit has been prescribed. As per the information received from various States, the process of finalisation of BPL list is in the final stage and reports from States regarding finalisation of the BPL list are awaited. It is expected that most States will be able to finalise the BPL list within two to three months as the entire process is in an advanced stage."

2.26 As per Economic Survey (2005-06), the next official estimates of poverty incidence will be based on the NSSO (61st) round of large scale Sample Survey conducted in 2004-05 results of which are expected to be published in 2006. When asked about the utility of finalization of data of survey (2002), when the results of the latest survey are expected by 2006, the Department has stated that the BPL Census to identify the rural poor households is conducted in the beginning of the Five Year Plan. For the 10th Five Year Plan, the BPL Census 2002 was conducted, however, results could not be finalized because the matter was subjudice. The BPL list based on the results of BPL Census 2002 can be utilized till the exercise of next BPL Census is completed.

2.27 As regards the methodology adopted while calculating BPL persons during the latest survey, the Department has informed that Census 2002 was conducted applying the improved score based methodology as recommended by Expert Group set up by the Ministry. Keeping in view the experience, 13 score based social-economic parameter covering matters like land holdings, type of house, availability of clothes, food security, sanitation, literacy, means of livelihood and indebtedness was applied to identify poor households.

2.28 Further as reported in the Economic Survey the extent of the actual decline in the proportion of BPL between 1993-94 and 1999-2000 has been a subject of an intense debate by academicians because of change in methodology for collection of basic data in 1999-2000 and possible non-comparability with earlier rounds of consumer expenditure surveys.

2.29 The Planning Commission has defined poverty in terms of the per capita monthly expenditure corresponding to per capita daily calorie requirement of 2,400 in rural areas and 2,100 in urban areas. The poverty line defined in this way covers the expenditure on food and non-food items (such as fuel, clothing, housing, health, education and social services) and ensures adequacy of calorie consumption.

2.30 In 1989, the Planning Commission constituted an Expert Group on estimation of the proportion and number of poor chaired by Prof. D.T. Lakdawala to review the methodology for estimation of poverty at the National and State level and also to go into the question of redefining the poverty line, if necessary. The Expert Group submitted its report in 1993 which accepted the definition of poverty employed by the Task Force. The report set out a methodology for estimation of poverty and provided estimates of poverty at National and State level from the Quinquennial Expenditure Survey of the National Sample Survey using State specific poverty lines.

2.31 When asked whether the methodology adopted while calculating BPL persons is same as adopted in 2002 survey, the Department has stated that the BPL Census conducted by the Ministry of Rural Development through the State Governments and Union Territory Administrations aims at identifying the rural poor households who could be assisted under the programmes of the Ministry. To identify the rural households, the methodology as recommended by the Expert Group set up the Ministry was used which had recommended giving a score to the household based on 13 socio-economic parameters. The number of households Below Poverty Line to be identified had to match with the estimated number of BPL households of Planning Commission. Hence the methodology used for estimating number of BPL households and the methodology used for identifying the BPL households are interlinked.

2.32 The Committee have repeatedly been deploring the arbitrary cut off limit of BPL persons as imposed by Planning Commission according to which the number of BPL families identified through the BPL Census, 2002 may not exceed the number of BPL persons estimated by the Planning Commission during 1999-2000 for the rural sector. An additional 10 per cent may be permitted to account for the transient poor. The Committee in the Ninth and Seventeenth Report had desired that the matter should be brought before the Planning Commission and reviewed afresh. When asked whether the concerns expressed by the Committee have actually been brought to the knowledge of Planning Commission and what has been the reaction of Planning Commission, the Department has stated that the concerns of the Committee regarding the number of BPL families to be identified through BPL Census were conveyed to the Planning Commission. The Planning Commission has responded that since the cap on the total number of BPL families to be identified was recommended by the Expert Committee, therefore, this issue may be looked into in detail by the Expert Committee to be constituted for the next BPL Census to be conducted for Eleventh Five year Plan.

2.33 The Committee find that the results of the BPL Census 2002 have inordinately been delayed. BPL Census is conducted at the beginning of each Five Year Plan so as to identify the households living Below Poverty Line (BPL) who could be benefited by the different schemes of the Ministry. Although the Tenth Five Year Plan is coming to an end, the results of the BPL Census conducted for the said Five Year Plan are yet to be finalised. While noting the fact that the results were delayed due to the stay imposed by the Supreme Court in this matter, the Committee have repeatedly been recommending to the Department in the respective reports to direct the State Governments to complete the exercise and be ready with the provisional results pending decision of the Supreme Court. Even when the announcement regarding the vacation of the stay by the Supreme Court has been made by Hon'ble Minister in Lok Sabha on 10 March, 2006, the results are yet to be finalised. As stated by the Secretary, Department of Rural Development, it will take two or three months to finalise the results. While expressing the concern over the inordinate delay in finalisation of the BPL List, the Committee would like to recommend for finalisation of the BPL list without any further delay.

2.34 The Committee further note that the next official estimates of poverty incidence based on NSSO (61st) round of Sample Survey conducted in 2004-05 are expected by 2006. The Committee hope that the results would be made available during the year 2006 so that the genuine beneficiaries *i.e.* Below Poverty Line persons could be provided assistance under the different schemes of the Government. Till the results of the latest survey are made available, the Census report 2002, the results of which are still to be finalised, could be used for the purpose of different schemes of the Government.

2.35 The Committee in their earlier reports have repeatedly been expressing their unhappiness over the decision of the Government according to which the number of BPL persons estimated should not exceed those identified as per 1999-2000 survey. The Committee find that the concerns of the Committee have been conveyed to Planning Commission and it has responded that since the cap on the total number of BPL families to be identified was recommended by the Expert Committee, the issue may be looked into in detail by the Expert Committee to be constituted for the BPL Census to be conducted for Eleventh Five Year Plan. The Committee feel that such an arbitrary limit on BPL persons to be identified will do a great injustice to the genuine BPL persons who could be debarred from

certain benefits. Not only that, such limitations can provide unreasonable authority to the agencies involved thereby inviting corruption and malpractice. Therefore, the Committee would like the Department to pursue the matter with the Planning Commission so that such limitations are not imposed while finalizing the number of BPL persons during latest survey.

2.36 The Committee further note that as reported in the Economic Survey, the extent of the actual decline in the proportion of BPL between 1993-99 and 1999-2000 has been a subject of an intense debate by academicians because of change in the methodology for collection of basic data in 1999-2000 and possible non-comparability with earlier rounds of consumer expenditure surveys. The Committee would like to be informed about the details of the methodology adopted during the latest survey being conducted for Eleventh Plan. They would also like to be informed whether the results of the BPL Census 2002 and 2006 would be comparable keeping in view the specific methodologies adopted during these two surveys.

Huge under-spending under different schemes of the Department

2.37 As per Performance Budget (2005-06) as on 31 December, 2005, Rs.9,162 crore is lying as unspent under different schemes of the Department. Major underspending is under the important schemes of the Department like SGRY, NFFWP and PMGSY. When asked for the reasons for huge underspending, the Department has stated that the funds under different programmes are generally released in two instalments. First instalment is generally released to all the DRDAs/States automatically if the second instalment during the previous financial year is not released with any condition. The second instalment is released only on utilization of 60 per cent of available funds and on receipt of audited statement of expenditure of previous year. Each proposal for release of second instalment undergoes detailed scrutiny and if DRDAs/States have more unspent balance than the prescribed limit (now 10 per cent of the annual allocation) they face proportionate cut in the release of Central share of allocation.

2.38 Further as per Performance Budget, 335 Utilisation Certificates amounting to Rs.1,171.17 crore are pending from different States/Union territories under difference schemes. When asked for the reasons, the Department has stated that the pendency of Utilisation Certificates indicated in the Performance Budget 2006-2007 relate to grants-in-aid released up at the end of the financial year 2003-2004. The total budget allocation of the Department of Rural Development at R.E. stage during

2003-2004 was Rs.15,500 crore. The amount of Rs.1,171.14 crore for which Utilisation Certificates are pending, therefore, constitutes only 7.55 per cent of the total allocation of 2003-2004.

2.39 The Secretary during the course of oral evidence has informed the Committee as under:

“I do agree it is a fact that there has been a fair amount of money which is available or was available as on 31 December in Bihar and Uttar Pradesh and particularly in the case of Bihar where there were elections and there were a series of developments over a period of 6-7 months which did put some kind of restriction on expenditure for the State.”

2.40 The Secretary further informed:

“*****We are in touch with the State Governments. We keep writing to them, reminding them, monitoring them and also in our own system, we have a series of disincentives for people who do not spend up to 60 per cent of the expenditure. We do not release the second instalment. We ask for further expenditure certificate before we release again. We have certain measures, which are part of the guidelines to ensure that not much of pending balance is carried forward from year to year. These guidelines are followed strictly. We hope that it will make a difference.”

Monitoring Mechanism

2.41 As per information given in the Performance Budget, the Vigilance and Monitoring Committees are constituted with a view to fulfill the objective of ensuring quality expenditure, particularly, in the context of large public funds being spent under all the programmes of the Ministry of Rural Development. The major objective of the reconstitution of Vigilance and Monitoring Committees include providing a crucial role for the Members of Parliament and elected representatives of the people in State Legislatures and Panchayati Raj Institutions in the implementation of the Rural Development programmes and to put in place a mechanism to monitor the execution of the Schemes, in the most effective manner and within the given time frame, as a result of which, the public funds are put to optimal use and the programme benefit may flow to the rural poor in full measure. These Committees also keep a close watch over the implementation of the programmes as per the prescribed guidelines. As on 19th December, 2005 reports have been received from 288 districts

about holding of the meetings of these Committees at least once in these districts. The Committees are also to effectively liaise and coordinate with the Ministry of Rural Development and State Governments to ensure that all schemes are implemented as per the programme guidelines. Meetings of the Vigilance & Monitoring Committee at each level are to be held at least once every quarter, after giving sufficient notice to all the Members, including Hon'ble MPs/MLAs.

2.42 The Department has further informed that a new initiative of District-level Monitoring of the programmes of the Ministry in 130 districts through locally based independent Research Institutions has been taken up on a pilot basis. The initiative has been launched in 27 States. This mechanism enables the Ministry to obtain not only the monthly physical and financial progress from different implementing agencies but also generates periodic qualitative reports on the policy and implementation environment for the programmes in the districts and verification of physical achievements under different programmes. Such close monitoring helps in improving quality of implementation of programmes.

2.43 The information with regard to the number of meetings of State and district level Vigilance Committee held since 2004 as provided by the Department indicate that in most of the districts only one meeting was held during the year 2005. Further in most of the districts no meeting of District Level Vigilance Committee has been held during the year 2006. Only in 21 districts, *viz.* East Kameng (Arunachal Pradesh), Madhubani and Katihar (Bihar) Anand and Surat (Gujarat) Kaithal and Hisar (Haryana), Bhopal, Ratlam and Rewa (Madhya Pradesh), Chandrapur, Gadchiroli and Thane (Maharashtra), Barmer, Bundi, Udaipur and Tonk (Rajasthan), Faizabad and Meerut and Bulandshahar (Uttar Pradesh), Haridwar and Rudraprayag (Uttaranchal), the meetings of district level Vigilance Committee have been held during 2006. As regards the meetings of State Level Vigilance Committees, in Eighteen States (Arunachal Pradesh, Chhattisgarh, Goa, Gujarat, Jammu & Kashmir, Jharkhand, Karnataka, Mizoram, Punjab, Sikkim, Maharashtra, Madhya Pradesh, Nagaland, Orissa, Rajasthan, Tamil Nadu, Uttar Pradesh and Pondicherry) or and two meetings were held during the year 2005. During 2006, only in Rajasthan, one meeting has been held.

2.44 In addition, though the Ministry has adopted various strategies like District Level Monitoring, Area Officers Inspection visits, Impact Evaluation Studies, National Quality Monitoring, etc. to have a check

on the quality of programme implementation, even then there has been often criticism about the deficiencies in the delivery mechanism. To overcome such shortcomings, the Ministry at later stage thought to have a third party monitoring system and therefore the concept of NLM came into existence during May, 2003 with empanelment of 179 National Level Monitoring. Accordingly, the Ministry has prepared a panel of 272 National Level Monitors by involving ex-servicemen and retired servants. The NLMs have been thoroughly imparted trainings in different phases to make them fully aware about the rural development Schemes and their functions.

2.45 The Department has informed that with the implementation of the 'Right to Information Act', 2005, there has been an increase in the monitoring and vigilance of the rural development programmes at all levels particularly at the grass-root level. Further the Ministry has made arrangements to provide maximum information on its website www.rural.nic.in. States have been asked to prepare a permanent Indira Awaas Yojana wait list and to display the same permanently in the villages and put up the same in the District Rural Development Agencies (DRDA's) website. Similarly all relevant details in the implementation of National Rural Employment Guarantee Act (NREGA) are also made available on the website.

2.46 The Committee find that even though the Department has a detailed monitoring mechanism to oversee the implementation of various schemes/programmes meant for the upliftment of rural masses, much needs to be done to improve the delivery mechanism of the schemes/programmes. Huge unspent balances amounting to Rs. 9,162 crore lying with the State Governments is certainly an area of concern. The Committee further feel that more than putting in place different monitoring mechanisms, there is an urgent need to see that the system works effectively. The working of the district and State level Vigilance and Monitoring Committees speaks volume about the ineffective state of monitoring mechanism put in place by the Ministry of Rural Development. Although there is a provision to hold at least one meeting in each quarter, most of the District and Vigilance Committees could succeed in holding barely one meeting during the year 2005. If this is the state of affairs of the Committees which are to be appointed by the Department of Rural Development, the status of other monitoring mechanisms can be well imagined. Further, although the Department has claimed that there has been an increase in monitoring and vigilance of rural development programmes at all levels particularly at the grass-root level, no information has been furnished by the Department to

substantiate the aforesaid claim. In view of the aforesaid scenario, the Committee hold the opinion that there is an urgent need to implement the best of the systems evolved for monitoring of schemes. The Committee hope that with the implementation of the Right to Information Act, there will be a check on the proper implementation of various programmes and schemes. Further dissemination of information as required under the provisions of the Act would make the public aware about the various schemes and programmes which automatically would put a pressure on the implementing agencies to perform better and deliver results.

2.47 The Committee further find that a laudable initiative has been taken by the Department to prepare a permanent Indira Awaas Yojana wait list. The Committee would like that similar initiatives may be taken for other schemes of the Department. Besides, it would be desirable to put the BPL list of each district on the website so as to ensure fair and transparent selection of beneficiaries under different schemes. The Committee would also like the Government to pursue further with the State Governments so that the directions issued by the Department are really complied with. The Committee may also be kept informed in this regard.

Gender Budgeting

2.48 Hon'ble Finance Minister in his Budget Speech has informed that Gender budgeting statement which was for 10 Demands for Grants during 2004-05, now covers 24 Demands for Grants in 18 Ministries/ Departments and five Union territories and schemes with an outlay of Rs. 28,737 crore.

2.49 When asked which schemes of the Department of Rural Development could be covered by the statement on gender budgeting and what has been the major findings of such statements, the Department has replied that, so far Department of Rural Development is concerned, the Rural Housing Scheme of Indira Awaas Yojana(IAY) have been identified where 100 per cent allocation could be the target for the women beneficiaries. The other two schemes which have been identified are Sampoorna Grameen Rozgar Yojana (SGRY) and Swarnjayanti Gram Swarozgar Yojana (SGSY) .

2.50 When asked what steps have been undertaken to address the rather more over rate of increase of unemployment in females in rural areas, the Department has stated that in order to increase the wage employment opportunities for the females in the rural areas, specific provisions for women have been made in the guidelines of

self-employment programme and the wage employment programmes. Under SGSY, it has been provided that 50 per cent of self help groups at the block level should be formed exclusively for the women. Further, under SGSY, 40 per cent of the beneficiaries are to be women, under SGRY efforts have to be made for providing 30 per cent of employment opportunities for women. Under NREGA, while providing employment, priority would be given to women in such a way that at least one-third of the beneficiaries shall be women who have registered and requested for work.

2.51 As reported in Economic Survey, results of 60th round of NSSO Survey conducted in January to June, 2004 have found that in rural India on an average per day a male casual labourer earns Rs. 56.53 *i.e.* Rs. 20.38 more than a female casual labourer who earns Rs. 36.15. When asked for the comments of the Department, it has stated that whenever an incidence of wage disparity between male and female worker is noticed, the same is informed to the concerned State authorities for necessary action.

2.52 Further as per the Concurrent Evaluation of SGRY (2003-04) as reported in Mid-Term Appraisal of Tenth Five Year Plan (2002-07), only 12 per cent of beneficiaries under SGRY are women though the scheme envisages that at least 30 per cent of wage employment opportunities should be reserved for women.

2.53 The Committee appreciate the concept of Gender Budgeting covering as many as 24 Demands for Grants in 18 Ministries/ Departments and five Union territories and schemes with an outlay of Rs. 28,737 crore. The noble objective of Gender Budgeting is to remove the disparity between the two genders by giving more and more benefits to women in all the schemes of the Government. The Committee would like to emphasise that by mere constitution of Gender Budget Cell, the objectives behind Gender Budgeting would not be achieved. The Committee are concerned to find that although under the different schemes of the Department of Rural Development, particularly under IAY, SGSY and SGRY, specific provisions for women have been made in the guidelines, the implementation of the said provisions is far from satisfactorily. As reported in various Budget documents like Economic Survey and Mid-Term Appraisal document the targeted benefits are not reaching the female beneficiaries.

2.54 The Committee therefore desire that the Government should seriously try to achieve the targets specified for women beneficiaries

in the guidelines of each scheme so that the gap in terms of employment, housing, wages etc. between men and women is bridged to a great extent. Further, survey at regular intervals be undertaken by independent research agencies to evaluate the effects of Gender Budgeting.

Preparation for Eleventh Five Year Plan

2.55 Eleventh Five Year Plan would commence from the year 2007-2008. When asked about the preparation for the Eleventh Plan, the Department has informed that the Approach Paper to the Eleventh Five Year Plan is under preparation in Planning Commission. The priorities proposed will be finalized in discussion with Planning Commission and the various stakeholders.

2.56 The Committee note that preparations for Eleventh Five Year Plan (2007-2012) are being made and priorities are being finalized. The Committee urge that the plan proposals should be finalized expeditiously well before the start of the Plan. Besides, the Committee would also like that the State Governments should be consulted before finalising the plan proposals. The various recommendations made by the Committee in their respective reports should also be considered in this regard.

CHAPTER III

SCHEME-WISE ASSESSEMENT OF DEMANDS FOR GRANTS (2006-2007) OF THE DEPARTMENT OF RURAL DEVELOPMENT

The Committee in this Chapter have analysed the Demands for Grants and performance of different Central Sector and Centrally Sponsored Schemes of the Department of Rural Development as indicated under:—

- (i) Wage Employment programmes: (a) Sampoorna Grameen Rozgar Yojana (SGRY); (b) National Food for Work Programme (NFFWP); and (c) National Rural Employment Guarantee Scheme (NREGS);
- (ii) Swarnjayanti Gram Swarozgar Yojana (SGSY);
- (iii) Rural Housing (RH): Indira Awaas Yajana (IAY);
- (iv) Pradhan Mantri Gram Sadak Yojana (PMGSY);
- (v) Provision of Urban Amenities in Rural Areas(PURA);
- (vi) DRDA Administration Scheme;
- (vii) Assistance to Council for Advancement of People's Action and Rural Technology (CAPART);
- (viii) Training Schemes.

(i) (a) Sampoorna Grameen Rozgar Yojana (SGRY)

3.2 The Sampoorna Grameen Rozgar Yojana (SGRY) was launched by merging the erstwhile Employment Assurance Scheme (EAS) and Jawahar Gram Samridhi Yojana (JGSY) *w.e.f.* 25 September, 2001.

Objective

3.3 The objective of the scheme is to provide additional wage employment in all rural areas and thereby provide food security and improve nutritional levels with the creation of durable community, social and economic assets and infrastructural development of rural areas.

Funding pattern

3.4 The scheme is implemented in two streams:

The First Stream: It is implemented at the District (Zilla Parishad) and Intermediate Panchayat levels. 50 percent of the funds and foodgrains under SGRY are distributed between the Zilla Parishad and the Intermediate Panchayats in 40:60 ratio.

The Second Stream: It is implemented at the Village Panchayat level. 50 percent of the funds and foodgrains under SGRY are earmarked for Village Panchayats and distributed among them through DRDAs and Zilla Parishad.

3.5 From 2004-2005, it has been decided to merge both the streams of SGRY together for administrative convenience. The cash component of the programme is shared between Centre and States in the ratio of 75:25. For Union territories, the Centre provides 100 per cent funds under the Scheme. Foodgrains are provided free of cost to States and Union territories but the cost of transportation of foodgrains from Food Corporation of India (FCI) godown to worksite/PDS and its distribution is the responsibility of the State/Union territory Governments. Under the scheme foodgrains are distributed @5 kg per manday to the workers.

Implementing Authority

3.6 For the Financial Year 2006-2007, a Budget provision of Rs. 3,000 crore has been made for the SGRY. As per the information furnished by the Department, this amount has been proposed for 386 districts excluding 200 districts covered under NREGA.

3.7 As per information provided in the Outcome Budget, the quarterly physical targets fixed and achieved during 2005-2006 in terms of mandays are as under:—

Target (mandays in lakh)	Quarterly targets (mandays in lakh)	Achievement (mandays generated in lakh)
Employment generation of 8611 lakh Mandays	First - 1722	First - 892.06
	Second - 1722	Second - 2224.14
	Third - 3014	Third - 1854.52
	Fourth - 2153	Fourth - —

3.8 The reason for shortfall in achievement of targets during first and third quarter as given by the Department is that there is a time lag in reporting by the States. The demand for wage employment is generally higher in last quarter. Further, a part of the budget allocation was made available only in the 1st batch of Supplementary Demands for Grants 2005-2006.

3.9 The physical and financial performance under SGRY during 2004-05 as furnished by the Department indicates that whereas the overall percentage of expenditure against the available funds is 83.42 per cent in eleven States and three Union territories *viz*, Andhra Pradesh, Arunachal Pradesh, Assam, Goa, Himachal Pradesh, Mizoram, Nagaland, West Bengal, Andaman & Nicobar Islands, Lakshdeep and Pondicherry, the expenditure is less than 75 per cent. Besides Dadra and Nagar Haveli and Daman and Diu have not reported the expenditure position. Worst performing States and Union territories are Arunachal Pradesh, Andaman & Nicobar Islands, Lakshadweep and Pondicherry. Out of 20,60,344 works undertaken 16,39,619 works could be completed. An amount of Rs. 2,764.36 crore is lying unspent as on 31 December, 2005.

3.10 The physical and financial performance under SGRY during 2005-06 shows very dismal performance of SGRY. As on 31 January, 2006, out of Rs. 6,88,575.94 lakh available with the State Governments, spending is to the tune of Rs. 3,75,773.16 lakh which is only 54.57 per cent of the available funds. Except in Goa and Tamil Nadu, the financial performance under the scheme is below 70 per cent.

3.11 In Daman and Diu, during 2005-06, it is zero per cent and in some other States and Union territories like Arunachal Pradesh, Manipur, Mizoram and Lakshadweep, it is well below 25 per cent.

3.12 When asked about the specific reasons for the under utilization by the States, the Department has replied that while the release of funds by the Centre and States are immediately shown in the progress report, utilization status always runs behind schedule as it takes time to collect and compile requisite information from each Village Panchayat and Intermediate Panchayat in a district. Progress Reports upto month of January, 2006 have been received in the Ministry and hence the figures mentioned above do not give the clear picture of implementation status by the States. The States/Union territories in which performance is below the average of national performance, have been advised to intimate the reasons for poor performance with facts and figures. Their replies are awaited.

3.13 On the physical performance side, the statement indicates that as on 31 January, 2006, out of the 14,25,785 works undertaken, only 7,94,286 works could be completed which is only 55.70 per cent of the work undertaken during the year.

3.14 As per Performance Budget, as on 31 December 2005, utilisation certificates of Rs. 5 crore under SGRY are yet to be received. During the course of oral evidence, the representative of the Ministry has stated as under:—

“Actually, the very point that you (the Committee) have made is accepted by us that there is certainly under-performance in both the programmes (SGRY and NFFWP), and we admit it. It is a fact that as you have seen in the Outcome Budget, 86.11 crore mandays were supposed to be created under SGRY, but we have actually achieved 66.21 crore mandays as per the information that we have got so far from the States. This is against 86.11 crore mandays, which is what we have given in Outcome Budget. Therefore, it is definitely at a lower level”.

3.15 When asked about the criteria for allotment of funds to North Eastern States and Sikkim under SGRY and whether the scheme has been a success in the North Eastern region and Sikkim, the Department has informed that atleast 10 per cent of total allocation of funds under SGRY is earmarked for these States. Funds so earmarked for North Eastern States are allocated among these States on the basis of proportion of a rural BPL population in the State to the total BPL population in the country.

3.16 Implementation status of SGRY Scheme in North Eastern region varies from State to State. During the year 2004-05, the performance of Tripura was highest (96.11%) followed by Sikkim (85.38%), Meghalaya (85.81%) and Manipur(81.21%). During that year, the performance of Arunachal Pradesh was lowest (34.77%) which was trailed by Mizoram(58.06%) Assam(72.57%) and Nagaland (73%).

3.17 State-wise physical and financial achievement in case of North Eastern States and Sikkim since 2002-03 as reflected in the information furnished (*please see Appendix IV*) by the Department states as under:—

Year	(Rs. in lakh)		(Mandays in lakh)	
	Central Release	Total funds available	Expenditure reported	Mandays generated
2002-03	31427.35	58620.19	38520.77	674.58
2003-04	41249.98	73432.126	55159.463	1464.60
2004-05	41074.44	67796.60	39582.64	823.53
*2005-06	55000.00	88201.44	53392.59	785.91

*as reported by the States upto January, 2006.

3.18 Further, the physical and financial performance of SGRY during 2005-06 in the North Eastern States and Sikkim is as under:-

		(Rs. in lakh)		(Mandays in lakh)	
S.No.	States	Central Release	Total funds available	Expenditure* reported	Mandays *generated
1.	Arunachal Pradesh	1377.50	2110.02	562.63	9.06
2.	Assam	40916.96	68966.84	43761.89	660.87
3.	Manipur	2164.50	3055.56	363.69	4.37
4.	Meghalaya	2334.13	3016.87	2301.31	27.68
5.	Mizoram	748.55	1022.37	615.18	7.66
6.	Nagaland	1415.70	1988.75	777.95	9.34
7.	Sikkim	828.75	1172.18	1075.62	7.59
8.	Tripura	5213.91	6868.85	3933.32	113.34
TOTAL		55000.00	88201.44	53391.59	839.91

*As reported by the States up to January, 2006.

3.19 It emerges from the above statement that out of Rs. 88,201.44 lakh available for North Eastern States and Sikkim, only Rs. 53,391.59 lakh could be utilised and only 839.91 lakh mandays could be generated.

3.20 The Committee note that the physical and financial performance under the Sampoorna Grameen Rozgar Yojana (SGRY) is very poor. As on 31 January, 2006, the Government could utilise only 54.57 per cent of the allocated outlay for SGRY. Even in regard to physical achievements, the Government could complete only 55.70 per cent of the works undertaken. Further, it could only generate 66.21 crore mandays whereas the target was 86.11 crore mandays. The quarter-wise achievements in terms of mandays generated further indicate shortfall of around 50 per cent during the first quarter and around 40 per cent during the third quarter. The Committee are not inclined to accept the reasons put forth by the Department that utilisation status always runs behind schedule particularly when there is shortfall in expenditure during 2004-05 when the financial achievement was 83.42 per cent. Not only that, 11 States/Union territories could utilize less than 75 per cent of the outlay. There are huge unspent balances to the tune of Rs. 2,764.36 crore lying with

the respective States/Union territory Governments. Around 20 per cent of the works undertaken during 2004-05 are still incomplete. Besides, the Committee feel that the plea of late receipt of Utilisation Certificates cannot be accepted in this era of technological advancement. The Committee would like to know the State-wise reasons for under-performance. Besides, the State/Union territories and implementing agencies should be impressed upon to furnish the timely Utilisation Certificates. There should also be physical inspection by Senior Officers of the Ministry to check whether the works shown by the States in their records, have actually been done/completed in that particular year. The shortcomings reflected by the Area Officers during their visits and the corrective action taken by the Department should be reflected in the Budget documents.

3.21 The Committee further find that 10 per cent of allocation under different schemes is exclusively earmarked for North-Eastern Region. The data with regard to physical and financial achievement under SGRY since 2002-03 indicate that although the position is improving year after year, still there is huge gap between the total available funds and the expenditure reported. Around 40 per cent of the funds are still lying unspent. The position of mandays generated improved during 2003-04, but there is huge decline in the mandays generated during 2004-05 and 2005-06. While 1464.60 lakh mandays were generated during 2003-04, the achievement declined to Rs. 823.53 lakh during 2004-05 and further to 785.91 lakh during 2005-06. Further the expenditure position during 2004-05 is also worse as compared to the previous year. The Committee would like to be apprised of the reasons for shortfall in physical and financial achievement during 2004-05 and 2005-06 in North-Eastern Region. The Committee urge the Department to take necessary corrective action so as to ensure meaningful utilisation of the exclusive outlay made for these States.

(i) (b) National Food for Work Programme (NFFWP)

3.22 The National Food for Work Programme (NFFWP) was launched in the month of November 2004 in 150 most backward districts of the country, identified by the Planning Commission in consultation with the Ministry of Rural Development and the respective State Governments.

Objective

3.23 The objective of the programme is to provide additional resources apart from the resources available under the Sampoorna Grameen Rozgar Yojana (SGRY) to 150 most backward districts of the

country so that generation of supplementary wage employment and providing of food security through creation of need based economic, social and community assets in these districts is further intensified.

Criteria for selection of 150 most backward districts

3.24 For States [other than special category States and States in the North Eastern (N.E.) region except Assam] most backward Districts have been chosen on the basis of an exercise undertaken by the Planning Commission using three parameters, namely (i) agricultural productivity as per worker, (ii) agricultural wage rate and (iii) SC/ST population. Same criteria was followed for Assam.

3.25 For the special category States and States in North Eastern region (except Assam), districts were identified from out of the list selected under Rashtriya Sam Vikas Yojana (RSVY). At least one district has been selected in each State other than Goa. While selecting these districts, suggestions received from the State Governments were also considered.

Funding

3.26 The programme is being implemented as a 100 per cent Centrally Sponsored Scheme. Foodgrains are also provided to the States free of cost. The transportation cost, handling charges, and taxes on foodgrains are, however, the responsibility of the States.

Focus of the programme

3.27 The programme will focus on water conservation, drought-proofing and land development as a first priority. Flood control measures, rural connectivity in terms of all-weather roads and other productive works for ensuring economic sustainability may also be included depending upon local needs.

Physical and financial achievement under NFFWP

3.28 The following are the highlights of Demands for Grants with regard to NFFWP as indicated in the various Budget documents:—

	(Rs. in crore)
Unspent balances as on 31.12.2005	1910.73

Performance during 2004-05 & 2005-06

(Rs. in crore)

BE 2004-05	2020
Actual expenditure	2019.95
BE 2005-06	6000.00
RE 2005-06	4500.00
Expenditure upto January, 2006	2276.63
Expenditure as reported during 2005-06 upto April, 2006	4454.08

3.29 When asked about the reasons for cut of Rs. 1,500 crore at RE stage under such an important programme, the Department has responded that Rs. 1,500 crore was transferred to SGRY to maintain at least the previous SGRY allocation and thus the Revised Estimates for NFFWP was Rs. 4,500 crore. The revised allocation was sufficient to meet NFFWP requirement.

3.30 The detailed financial and physical achievement during 2004-05 is as given below:—

(Rs. in crore)

Allocation	2019.00
Releases	2019.45
Utilisation	569.73
Percentage of utilisation	28.21 per cent
Percentage of SC beneficiaries	27.87 per cent
Percentage of ST beneficiaries	40.35 per cent
Women	34.23 per cent
Total works	73183
Works completed	18130

3.31 During 2005-06, total availability of funds (as on 31 January, 2006) was Rs. 4971.46 crore. Other details are as given below:—

Expenditure	1472.88
Percentage of utilisation	29.63 per cent
Total works	199276
Works completed	118221
Percentage of SC beneficiaries	26.94 per cent
Percentage of ST beneficiaries	37.23 per cent
Percentage of woman beneficiaries	32.04 per cent

3.32 When asked for the reasons for not being able to utilize even Rs. 4,500 crore during 2004-05, the Department has stated that NFFWP was a new programme launched in November 2004, and States had to provide for technical and administrative manpower to absorb huge additional resources which takes time.

3.33 As per the information furnished by the Ministry during the course of oral evidence on 12 April, 2006, the highlights of NFFWP during 2005-06 are as follows:—

Allocation	:	Rs. 4500 crore
Release	:	Rs. 4450.85 crore
Total available funds	:	Rs. 5800.63 crore
Expenditure (as on Feb. 06)	:	Rs. 1944.31 crore
Foodgrains authorized	:	11.85 lakh mts
Foodgrains distributed (Feb.06)	:	10.53 lakh mts
Mandays generated (Feb. 06)	:	25.00 crore
SC/ST mandays (64 per cent)	:	16.09 crore
Women days (32 per cent)	:	7.93 crore

3.34 Further the gap in booking of expenditure, execution of work and reporting of expenditure has been cited as the reasons for huge under-spending under the programme.

3.35 National Food for Work Programme is a preparatory programme which will pave the way for the National Rural Employment Guarantee Scheme. Initially, National Food for Work Programme was started in 150 districts which have now been converted into National Rural Employment Guarantee Scheme. When asked about the fate of the ongoing schemes under NFFWP as the programme has been subsumed with NREGA, the Department has stated that the State Governments have been requested to complete all ongoing works under NFFWP latest by 30 June, 2006. Such works can be completed under NREGA also because nature of works permissible under NFFWP and NREGA is similar.

3.36 The Committee are concerned to note the poor performance of a very important programme of the Department *i.e.* 'National Food for Work Programme' which has now been converted into 'National Rural Employment Guarantee Scheme'. Not only that, the utilisation of outlay is dismal *i.e.* 28.21 per cent during 2004-05 and 32.21 per cent

during 2005-06 (as on 31 January, 2006). Even if the latest data is taken into account, the percentage of expenditure to total available funds is almost one-third. Out of total available funds of Rs. 5,800 crore, expenditure reported as on February, 2006 is Rs. 1,944.31 crore. Not only that a large number of works taken up under the programme are still to be completed. In this scenario, the Committee express their apprehension about the success of the National Rural Employment Guarantee Scheme which is the top most priority programme of the Government. The Committee strongly recommend to the Government to plug the loopholes which resulted into poor implementation of National Food for Work Programme and take stringent measures to ensure that the objectives of National Rural Employment Guarantee Act are met.

3.37 The Committee further find that National Food for Work Programme initially started in 150 districts has now been subsumed into National Rural Employment Guarantee Scheme. They also note that during 2004-05 out of 73,183 number of total works undertaken, 18,130 works could actually be completed. Similarly, during 2005-06 out of total works of 1,80,396, actually 1,03,625 works were completed. Besides as on 31 December, 2005, an amount of Rs. 1,910.73 crore was lying as unspent balances under the programme. The Committee also note that as per the information provided by the Department, State Governments have been directed to complete all ongoing works under NFFWP latest by 30 June, 2006. Instructions have also been issued whereby the works can be completed under NREGA. The Committee feel that there is an urgent need to monitor the status of the incomplete works taken under NFFWP. Besides the monitoring of the position of utilisation of huge unspent balances is urgently required. The Committee would like the Department to pursue with the State/UT Governments and a strict monitoring of the programme should be done. The Committee should also be kept apprised in this regard.

3.38 The Committee further find that during 2005-06 at the Budget Estimates stage, Rs. 6,000 crore was provided under National Food for Work Programme. At Revised Estimates stage, a cut of Rs. 1,500 crore was imposed thereby reducing the allocation to Rs. 4,500 crore. They also find from the position indicated by the Department that Rs. 1,500 crore were transferred from NFFWP to SGRY to maintain at least the previous SGRY allocation. Further the Department has also acknowledged that the revised allocation was sufficient to meet NFFWP requirement. The Committee are surprised at the statement given by the Department whereby the estimated

outlay indicated at the Budget Estimates stage when reduced substantially has been found to be sufficient to meet the requirement of a programme. The Committee, therefore, conclude that the implementation of the programme was very poor whereby the part of the allocation made under NFFWP was transferred to another programme. What is worse, even the reduced allocation could not be utilised and the implementation of the programme was quite poor during the year 2005-06 as indicated in the preceding paras of the Report. The Committee deplore the tendency of the Government whereby the allocation made under a programme at Budget Estimates stage is transferred to another scheme at Revised Estimates stage. The Committee therefore strongly recommend that efforts should be made for meaningful utilisation of the allocated resources in a year.

3.39 The Committee further find that in the districts not covered by National Rural Employment Guarantee Scheme, the employment generation scheme SGRY would be applicable till the Guarantee Scheme is made applicable in all the districts of the country. In view of this position, the Committee would like that adequate allocation under SGRY should be made so that the districts where NREGA Scheme is not being applicable are not deprived of the allocation made under an old programme of employment generation *i.e.* SGRY.

3.40 Detailed statement showing the State-wise financial performance as on 31.1.2006 during 2005-2006 is given at **Appendix-V**.

(i) (c) National Rural Employment Guarantee Act (NREGA)

3.41 The National Rural Employment Guarantee Bill, 2004 was introduced in Lok Sabha on 21st December, 2004 and was referred to the Standing Committee on Rural Development by the Hon'ble Speaker, Lok Sabha under Rule 331 E (1) (b) of the 'Rules of Procedure and Conduct of Business in Lok Sabha' on 23 December, 2004 for examination and report. The Committee accordingly examined the aforesaid Bill after taking into consideration the views expressed by the experts, representatives of organizations and public at large, various States and UT Governments and the concerned Ministries of the Union Government. The report on the aforesaid Bill was presented to Parliament on 27 July, 2005. The Bill was considered by the Parliament and many of the recommendations made in the aforesaid report were considered and agreed to by the Government. Some of the recommendations were agreed to during consideration of the Bill in both the Houses of Parliament.

3.42 The aforesaid Bill was passed by Lok Sabha on 23 August, 2005 and on 24 August, 2005 by Rajya Sabha and enacted on 5 September, 2005. The notification in this regard was issued on 2 February, 2006. As per clause 4(10) of the Act, every State Government shall, within six months from date of commencement of the Act, by notification, make a scheme for providing not less than one hundred days of guaranteed employment in a financial year. Accordingly, seven States have already notified these schemes.

3.43 During 2006-07 a provision of Rs. 11,300 crore has been made under the National Rural Employment Guarantee Act.

3.44 The Act gives legal guarantee of a hundred days of wage employment in a financial year to adult members of a rural household who demand employment and are willing to do unskilled manual work.

Objective

3.45 The National Rural Employment Guarantee Act aims to enhance the livelihood security of the people in rural areas by generating wage employment through works that develop the infrastructure base of that area. The choice of works suggested addresses causes of chronic poverty like drought, deforestation and soil erosion.

Coverage

3.46 The Act will be applicable to areas notified by the Central Government and will cover the whole country within five years. In the first phase it has been made operational in 200 districts across the country *w.e.f.* 2nd February, 2006, out of which 150 are those where National Food for Work Programme (NFFWP) was in existence and 50 new districts have been identified by the Planning Commission for coverage under NREGA.

3.47 The salient features of NREGA and the implementation format are as follows:

- * Employment to be provided to every rural household whose adult member volunteers to do unskilled manual work.
- * Household means a nuclear family comprising mother, father, their children and may include any person wholly or substantially dependent on the head of the family. Household may also comprise a single member family.

- * Such household is to be provided work for 100 days in a financial year.
- * This is a demand based programme and demand emanating from the village through the Gram Sabha.
- * Every person who has done the work to be provided minimum wages as prescribed under the Minimum Wages Act, 1948 for agricultural labourers in the State. And such wages shall not be less than sixty Rupees per day.
- * Disbursement of wages to be done on weekly basis but not beyond a fortnight.
- * Under Section 4 of the Act every State to formulate the State's Employment Guarantee Scheme to give effect to the provisions of the NREGA.
- * Each employment seeker to be registered by Gram Panchayat after due verification and the household to be provided a Job Card.
- * Employment will be given within 15 days of application for work by an employment seeker.
- * If Employment is not provided within 15 days, daily unemployment, in cash has to be paid. The legal liability to provide employment is of the States and liability to provide commensurate funds is of the Centre.
- * A new work to be commenced if at least 50 labourers become available for work.
- * At least one third beneficiaries have to be women.
- * Gram Sabha to recommend works. Panchayat Raj Institutions (PRIs) have a principal role in planning and implementation.
- * Gram Panchayats to execute at least 50 per cent of works.
- * Gram Panchayat is responsible for planning, registering, issuing Job Cards to beneficiaries, allocating employment and monitoring of works.

Financial requirement

3.48 As per information provided by the Ministry, an amount of Rs. 405 crore has been released to all the 200 districts for making preparatory arrangements for smooth launch of NREGA. It includes Rs. 267.50 crore to the new 50 districts @ Rs. 5 crore to open up works, Rs. 10 lakh for Perspective Plan and Rs. 25 lakh for printing

of necessary documents like job cards, Application forms and various registers to each of the 50 districts. Rs. 25 lakh each for printing of necessary document have also been given to 150 NFFWP Districts. 20 districts of Madhya Pradesh and Rajasthan have been given @ Rs. 5 crore each as additional installment based on their request.

3.49 Apart from the above, Rs. 1,084.99 crore has been released as initial installment under the NREGA out of NFFWP allocation which will be utilised only for opening up of new works for providing wage employment guarantee. Any further releases out of the NFFWP allocation will be part of NREGA this year.

3.50 The funding pattern under NREGA between the Centre and State is as under:-

- (i) Central Government shall meet the following costs:
 - (a) Amount required for payment of wages for unskilled manual workers.
 - (b) 75 per cent of the cost of material and wages for skilled and semi-skilled workers.
 - (c) The administrative expenses as may be determined by the Central Government. These will include, *inter alia*, the salary and allowances of Programme Officers and their support staff and work site facilities.
 - (d) Administrative expenses of the Central employment Guarantee Council.
- (ii) The State Government will bear the following costs:
 - (a) 25 per cent of the cost of material and wages for skilled and semi-skilled workers.
 - (b) Unemployment allowance payable in case the State Government cannot provide wage employment within 15 days of application.
 - (c) Administrative expenses of the State Employment Guarantee Council.

3.51 Central Government will be able to monitor the allocation made by the State Government in a financial year at the time of release of second installment of funds in the next financial year.

3.52 When asked how the Department would ensure the success of the of programme particularly looking into not so satisfactory

performance of SGRY, the Secretary during the courser of oral evidence stated as under:—

“.....the National Rural Employment Guarantee Act is a statutory entitlement which has been given to the people in the rural areas. So, in this case, there is a legal binding. The authority concerned will have to provide unemployment allowance if job is not provided. This is one of the main statutory requirements under the NREG Scheme. As you are aware of the field conditions, I would submit that this is not a very easy or simple statute to implement. It has been introduced after a great deal of consultation and interaction with people, with the Panchayati Raj Institutions, with the participatory mechanisms, with the NGOs and other people also. In the NREG Scheme, we have tried to introduce some mechanisms which will, we hope, ensure that everybody who demands work is in a position to get it. What we have made, the way the act is drafted is that we will have to seek the demand for employment. We have tried to give maximum possible publicity so that all the people who are likely to require employment can first register themselves and get the job cards. That is the first stage. We have made great efforts to ensure that the registration takes place well in all the States.”

State-wise status of implementation of the National Rural Employment Guarantee Scheme

3.53 As per the information given by the Ministry, the following are the major achievements. The data has been furnished with regard to 182 districts in 18 States.

Application received for registration	22492402
Job cards issued	8282248
Applications received demanding employment	660552
Employment offered	614836
Number of works	
Old	21764
New	2592

3.54 The State-wise analysis indicate that out of 18 States in case of which the implementation status has been indicated, Arunachal Pradesh and Kerala have not furnished the information with regard to job cards issued, demand of application and employment offered.

Besides, Andhra Pradesh, Haryana, Karnataka, Kerala, Madhya Pradesh, Uttar Pradesh and West Bengal have not indicated the data with regard to demand of application and employment offered. A good number of job cards have been issued in Andhra Pradesh, Bihar, Gujarat, Madhya Pradesh, Rajasthan and West Bengal. There is vast difference between the job cards issued and employment demand by way of applications from the intended beneficiaries. As per the information provided by the Department at present 2.24 crore people have registered. In case the programme is implemented well there may be demand for employment from the 200 districts covered under the scheme. On the question of adequacy of Rs. 11,300 crore as provided during 2006-07, the Secretary during the course of oral evidence stated as under:—

“Our own projection, which we made, is that with this Rs. 11,300 crore, we can give 100 days of guaranteed wage employment only to 1.16 crore households. We have made the assessment also. But this Rs. 11,300 crore budget provision has been made with the full knowledge that if there is a demand, we will definitely get further money in the supplementary. It is an Act. The money will have to be found.”

3.55 The Committee reiterate the importance of the National Rural Employment Guarantee Legislation as indicated in their Thirteenth Report (Fourteenth Lok Sabha) whereby it had been observed that the National Rural Employment Guarantee legislation is one of the most important legislations introduced in Parliament after Independence and it is the first step of the Government towards ensuring some sort of economic and social security by way of guaranteed wage employment to the millions of poor in rural areas in the country. The Committee, while noting that only two months have passed since the legislation was enacted, feel that it is too early to draw any conclusions about the success of the Guarantee Scheme. The initial data of implementation provided by the Department indicate that whereas in some of the States *viz*, Andhra Pradesh, Bihar, Gujarat, Madhya Pradesh, Rajasthan and West Bengal, a good number of applications have been received, in Haryana and Karnataka, the number of applications received is quite less. The Committee also find that the number of applications received is quite dismal with reference to the number of districts covered in a particular State. The highest number of districts covered are in Bihar *i.e.* 23, followed by Uttar Pradesh *i.e.* 22. The data with regard to applications as received in both the States is quite comparable. Performance-wise, Andhra Pradesh and Madhya Pradesh which have

13 and 18 districts respectively covered under the scheme have comparatively received almost three times the applications as received by Bihar and Uttar Pradesh. The Committee would like the Department to find out the reasons why lesser number of applications have been received in these States where the poverty index may be quite high as compared to Andhra Pradesh and Madhya Pradesh and apprise the Committee accordingly. Further, the Committee note that there is vast difference between applications registered, job cards issued and employment offered. Out of 2.24 crore applications received, job cards have been issued to around 83 lakhs applicants. Further there is a huge gap between job cards issued and employment demand and employment offered. Out of 83 lakh job cards issued, employment was offered to only 6,14,838 workers which is a very sorry state of affairs. The Committee would like to urge the Department to analyse the aforesaid data critically and take corrective action, so that the ambitious programme is implemented with full vigour and the benefits reach to the intended beneficiaries. For this, the Government has to undertake effective long term planning, provide the necessary ground training to implementing agencies, identify the work timely, create the necessary demand for work and ensure timely employment to the job seekers for the specified period. Since the legal responsibility of providing employment rests primarily with the State Governments and the responsibility of providing commensurate funds rests primarily with the Central Government, the Government should ensure that the NREGA does not become a liability if it is unable to generate adequate employment commensurate to the demand. The Department should maintain the district-wise data with regard to implementation of NREGA and it should be put on the website so that public can have access to the data and be aware of the implementation status.

Payment of Unemployment Allowance under the National Rural Employment Guarantee Act

3.56 As per the provisions made under the aforesaid Act after registration, the registered person can apply for work which is to be provided within 15 days of the date of demand or the date from which the work is requested. The entitlement for unemployment allowance will start only after the authorities fail to provide work as requested above.

3.57 As per the data furnished by the Department as given in the preceding para of the report, there is a huge difference between the job cards issued, applications received and employment offered. Out

of 8,28,2248 job cards issued, employment demand was for 6,60,552 out of which 6,14,836 workers were offered employment. When asked whether the Department is aware of unemployment allowance provided since inception of the scheme in any State, the Department has stated that no report from any of the State of any case of unemployment allowance has been received so far.

3.58 The Committee find that the provision of unemployment allowance under the Guarantee Scheme is the legal right of a person who has been issued a job card. The huge difference between the employment demand and employment offered is a matter of concern. Besides the expenditure with regard to unemployment allowance has to be borne by the State Governments as per the provisions made under the legislation. In view of this scenario, it will be a huge burden on the State exchequer if the job opportunities are not created by way of initiating the admissible projects/schemes in a specific area. The Committee would like to strongly recommend to the Government to keep a watch on the data and take the necessary action to bridge the gap between the job cards issued, demand for employment and employment offered so as to avoid unnecessary litigation.

Parameters for selection of districts under NREGA

3.59 As per the information provided by the Department, 200 districts have been covered under the NREGA. Statement indicating the name of 150 districts which were earlier covered under NFFWP and now converted into NREGA and a list of additional 50 districts identified by the Planning Commission for coverage under NREGA have been given at *Appendix VI and VII* respectively. As regards the criteria for selection of districts, the Department has informed that 200 districts identified for coverage under NREGA in the first phase include 150 districts which had been earlier identified for NFFWP and 50 new districts. These 150 districts were selected on the basis of an exercise conducted by Planning Commission on the basis of three parameters SC/ST population, inverse of agricultural productivity per worker and inverse of agricultural wage rate. At least, one district was chosen in each State except Goa. For North Eastern States except Assam for which data on the parameters was not available, districts were selected out of RSVY districts. Out of 50 new districts, 45 districts are those districts which were covered under Rashtriya Sam Vikas Yojana (RSVY) but not included in NFFWP. Thus all districts under RSVY have now been included in NREGA. Five more districts have been identified by the Planning Commission to assess the impact of the programme in certain specific backgrounds.

3.60 The Committee in their Thirteenth Report on the National Rural Employment Guarantee Bill 2004 had recommended for time-bound extension of the legislation to the country as a whole. The Committee had recommended that the legislation should be extended to the rural areas in whole of the country within four years. While accepting the amendment proposed by the Committee the provision for time bound extension has been made as per Section 13 of the NREGA, 2005 whereby it has been provided that the Act shall be applicable to the whole of the territory to which it extends within a period of five years from the date of enactment of the Act. When asked whether the Department has prepared an action plan covering the name of the districts which may be covered during a period of five years, the Department has informed that no such plan has yet been prepared. It has also been stated that the Ministry would be watching the performance of the Act for sometime as the Act had come in force in districts selected for first phase recently.

3.61 The Committee are concerned to note the vague reply of the Department on such a serious issue of preparation of action plan to cover all the districts under the provision of NREGA. Instead of taking immediate action in this regard, it has been stated that the performance of the Act would be watched. The Committee note that the guarantee of 100 days of wage employment to each household in rural areas in the country has been provided under the enactment and further under the provisions of the Act it has been specifically mentioned that the guarantee shall be applicable to the whole of the rural areas in the country within a period of five years from the date of enactment of the Act and as such there is no scope for delaying the implementation of the Act. The Committee are of the firm opinion that an action plan for coverage should be prepared by the Department and transparency in this regard should be maintained so that the part of the country where the Guarantee Scheme at present is not applicable can be reassured about the applicability of the legislation in the near future.

According priority to coverage of areas covered under Fifth and Sixth Schedule

3.62 The Committee in their Thirteenth Report on National Rural Employment Guarantee legislation had recommended that in view of the fact that the Schedule Fifth and Sixth areas in the country are the most backward and the people residing there are the poorest, these areas should be included in the first phase of implementation of Employment Guarantee legislation. As per the list furnished by the

Department only 67 districts falling under the Fifth and Sixth Schedule areas in the States of Andhra Pradesh, Assam, Jharkhand, Orissa, Rajasthan, Tripura, Himachal Pradesh, Meghalaya, Mizoram, Gujarat and Madhya Pradesh have been covered in the first phase of implementation of NREGA. When asked about the total number of districts falling in Fifth and Sixth Schedule areas, the Department has furnished a list of tribes or tribal communities predominant in Schedule Fifth and Schedule Sixth areas.

3.63 The Committee find that in the absence of information with regard to total area (districts/blocks) falling under Schedule Fifth and Schedule Sixth areas in the country, it is difficult to draw any conclusion on the issue of according priority to such areas in the country. In view of the aforesaid position, the Committee would like to be apprised of the total area (districts/blocks) in each State in Schedule Fifth and Schedule Sixth areas and the areas covered by the NREGA so far so as to draw any meaningful conclusion and recommend further in this regard. The Committee would like that the information in this regard should be furnished separately for Schedule Fifth and Schedule Sixth areas.

Capacity Building of Panchayats

3.64 As per Section 16 (5) of the said Act, at least 50 per cent of the works in terms of its cost under a scheme shall be implemented through the Gram Panchayats. When asked about the steps taken for the capacity building of Panchayats, the Department has informed that training of Panchayat level functionaries is being arranged by States. NIRD, Hyderabad has conducted two Training of Trainers courses in February. Rs. 74.00 lakhs have been sanctioned to States for training of key functionaries to act as resources persons for training at lower levels. The States have also been asked to provide an NREG assistant to each Panchayat and charge expenditure to Administrative expense allowed under the Act. Further when asked how the Department would monitor the position of implementation through Gram Panchayats, it has been stated that an MIS is under finalization, it will have a provision to monitor works done by each implementing agency including Panchayat.

3.65 The Committee note that handling of such a voluminous work related to implementation of 50 per cent of the Employment Guarantee Scheme by Panchayati Raj Institutions is a huge challenge. The capacity building of the Panchayats by way of empowering these institutions through funds and functionaries is the prerequisite

to ensure the success of the programme. Conducting a few programmes by NIRD is not sufficient. The Committee strongly recommend to the Government to take the desired action in coordination with the Ministry of Panchayati Raj for empowering the Panchayats so as to enable these institutions to take the responsibility of implementation of a scheme of this level.

Payment for foodgrains under NREGA

3.66 As per para 13 of Schedule 2 of the Act, the wages under a scheme may be paid either wholly or in cash and kind provided that at least 1/4th of the wage would be paid in cash only. When asked about the parameters for procurement and distribution of foodgrains as foodgrain is a mandatory component of NREGA, the Department has informed that only cash resources are being provided under the Act.

3.67 The Committee find from the reply of the Department that no attention has been paid to ensure the distribution of foodgrains under the Guarantee Scheme whereas 75 per cent of the wages under the scheme can be paid by way of foodgrains. It has simply been stated that only cash resources would be provided to the State Governments. The Committee would like the Department to clarify further whether the procurement and distribution of foodgrains will be the sole responsibility of the State Governments and what will be role of the undertakings involved in foodgrains like Food Corporation of India (FCI) so as to enable the Committee to recommend further in this regard.

Preparation for implementation of Employment Guarantee Scheme

3.68 As per the provision made under the Act, every State Government shall within six months from the date of commencement of the Act, by notification make a scheme under NREGA. Seven States have already notified these schemes. The time of six months *w.e.f.* 2 February, 2006 *i.e.* up to 2 August, 2006 would be available with States in this regard. Certain implementation and monitoring authorities like Central Employment Council, State Employment Guarantee Council have to be constituted for the implementation of the provisions of the Bill. As regards the Central agencies the Department has informed that draft rules of the Council have been framed and notified in the official gazette on 23 March, 2006 for inviting objections. As regards the constitution of State Employment Guarantee Council, no State Government has yet reported the constitution of the State Council. With regard to appointment of Programme Officer States have been asked by the Department to take the necessary action.

3.69 The Committee while noting that only seven States only have so far notified Guarantee Scheme under NREGA, urge the Department to pursue with the State Governments for an early notification of the Scheme.

3.70 Further, the Committee find that a detailed implementing and monitoring mechanism as proposed under the provisions of the Guarantee Act has to be created to ensure the successful implementation of the Guarantee Scheme. The Committee note with concern that State Governments have not yet initiated action in this regard. In view of this scenario, the Committee strongly recommend to the Department to pursue with the State Governments for appointment of different agencies to ensure the success of the programme. In the absence of the desired mechanism as provided in the provisions made under the Act, the Committee have their apprehensions that the Guarantee Scheme may meet the fate of the other Centrally Sponsored Schemes of the Department.

(ii) Swarnjayanti Gram Swarozgar Yojana (SGSY):

3.71 Swarnjayanti Gram Swarozgar Yojana (SGSY), a holistic programme of self-employment, was launched *w.e.f.* 1 April, 1999 following restructuring of the erstwhile Integrated Rural Development Programme (IRDP), Training of Rural Youth for Self Employment (TRYSEM), Development of Women and Children in Rural Areas (DWCRA), Supply of Improved Tool Kits to Rural Artisans (SITRA) and Ganga Kalyan Yojana (GKY).

Funding Pattern

3.72 As provided in the Scheme, the funding pattern is:

Central Allocation	—	75 per cent,
State Allocation	—	25 per cent, and
Union territory Allocation	—	100 per cent by Centre.

Objective

3.73 The objective of the SGSY is to bring the assisted poor families (Swarozgaris) above the poverty line by organizing them into Self Help Groups (SHGs) through the process of social mobilisation, training, capacity building and provision of income-generating assets through a mix of bank credit and Government subsidy.

Subsidy to individuals and Self Help Groups (SHGs)

3.74 Assistance under SGSY, to individual Swarozgaries or Self Help Groups (SHGs), is given in the form of subsidy by the Government and credit by the Banks. There is no monetary limit on subsidy for irrigation projects. The subsidy is back ended. Cooperative Banks, Regional-Rural Banks and Commercial Banks and some of the Banks in the private sector disburse the loan and subsidy under the scheme.

Subsidy for Individuals

3.75 An individual is provided a subsidy @ 30 per cent of the project cost subject to a maximum of Rs.7,500. In respect of SCs/STs/ disabled persons, the subsidy is 50 per cent of the project cost upto a maximum of Rs. 10,000.

Subsidy for Self Help Groups (SHGs)

3.76 Under the Scheme, 50 per cent of the project cost can be given as subsidy to SHGs subject to per capita subsidy of Rs.10,000 or Rs.1.25 lakh, whichever is less.

Implementation

3.77 The Scheme is implemented through District Rural Development Agencies (DRDAs) in various States with active involvement of Panchayati Raj Institutions, Banks, line departments and the Non-Government Organisations.

3.78 As per the detailed Demands for Grants 2006-2007, under SGSY Rs. 1080 crore Central share have been allocated and Rs. 120 crore have been kept in the North Eastern region pool. Therefore the BE 2006-2007 of SGSY is Rs. 1,200 crore.

3.79 As per the Performance Budget, under the Scheme, State and Union territory-wise credit target is fixed under the Scheme. When asked about what has been done specifically during 2005-2006 to increase the achievement of credit target, the Department has stated that a meeting was held on 19 March 2006 in Mumbai under the Chairmanship of Deputy Governor, RBI with Chairman and Managing Directors of Commercial Banks in which performance of Banks involved under SGSY was evaluated. The issue was also discussed during the meeting of the Central Level Coordination Committee held on

22 November, 2005 which was attended by representatives from State Governments and various Banks. The Governor, Reserve Bank of India has also been requested to convene a special meeting of all CMDs of the Commercial Banks in Mumbai to discuss issues like flow of credit under SGSY and poor lending by various Bank Branches. Further, when asked about the taken to motivate Banks to improve the lending for SGSY, the Department have stated that RBI has been requested to closely monitor the performance of the Banks to ensure that the targeted level of credited is actually released. The Reserve Bank of India has been entrusted with the responsibility to coordinate and motivate Banks on all issues relating to SGSY. Further, with regard to the rate of rejection of applications by Banks, the Department has stated that the rate of rejection of application by Banks during the year 2004-05 and 2005-06 was 37.56 per cent and 42.91 per cent, respectively.

3.80 The Committee are perturbed to note the poor lending rate by Banks. During 2004-05, applications at the rate of four out of every ten applicant were rejected. The rejection rate has further increased to about five persons out of every ten applicants. This *inter-alia* means that over fifty per cent of the needy are unable to take benefit under SGSY due to some reason or other. The Committee observe that this is a disturbing trend and would ultimately lead to collapse of the scheme. The Department cannot wash away its hands simply by shifting its responsibility on Reserve Bank of India which is entrusted with the responsibility to coordinate and motivate Banks on all issues relating to SGSY. The Department needs to resolve all the issues pertaining to poor lending rate by taking the matter at the highest level in the Reserve Bank of India, Finance Ministry and the Chief of leading Banks. The Committee are of the view that applicant approach the Banks with great hope and expectations and they feel let down when their applications are rejected on flimsy grounds or due to cumbersome procedure. The Committee, therefore, suggest that the procedure for lending under SGSY be simplified and paper work should be reduced so that people are not unnecessarily harassed. Help counters may be opened either at the Bank or DRDA Office to assist the illiterate applicant in filling up the forms, explaining them the highlights of the scheme, the liability of the applicant, the procedure for taking the benefit under the scheme etc. Further, the role of DRDAs and Panchayati Raj Institutions (PRIs) should be strengthened for effective coordination between them and the Banks so that the needy applicants are not unnecessarily turned away by Banks.

The State and Union territory-wise Physical and Financial Performance of SGSY during 2005-06

3.81 As per Para 3.28 of the SGSY guidelines, the SC/STs will account for a minimum of 50 per cent, women for 40 per cent and disabled for 3 per cent of the total Swarozgaris assisted during a year.

3.82 As per information furnished by the Department, as on 31 January, 2006, the physical performance of SGSY (during 2005-2006) except in few States like Andhra Pradesh, Chhattisgarh, Himachal Pradesh, Jharkhand, Punjab, Rajasthan, Madhya Pradesh, West Bengal, Orissa, Sikkim and some North-Eastern States like Arunachal Pradesh, Mizoram, Tripura, Meghalaya and Lakshadweep, Pondicherry, the percentage SC/ST of Swarozgaris assisted under SGSY is dismal and well below the marked target of 50 per cent. Even in the handicap category, except for Manipur and Tamil Nadu. The percentage of Swarozgaris assisted upto 31 January, 2006 is well below the targeted 3 per cent.

3.83 When asked as to whether the physical targets fixed for 2005-06 will be achieved the Department has stated that the most recent data available with the Government of India upto February, 2006 indicates that the total no. of SHGs assisted was 6,26,444 against a target of 5,28,757. So, the target for the year 2005-2006 has been achieved. However, the number of individuals Swarozgaris assisted till February, 2006 was 2,06,783 against a target of 3,30,473, a shortfall of 43.13 per cent. It needs to be stated that accurate position will emerge only after the figures from all the State Governments become available and by including the figures for the month of March, 2006 as well.

3.84 As per information furnished by the Department, as on 31 January, 2006, the financial performance of SGSY (during 2005-2006) shows that credit of Rs.90,606.16 lakh could only be disbursed against a target of Rs.2,51,565.47 lakh.

3.85 Seven States and four Union territories *viz.* Arunachal Pradesh, Bihar, Goa, Manipur, Meghalaya, Punjab, Rajasthan, Andaman & Nicobar Islands, Daman and Diu, Dadra & Nagar Haveli, Lakshadweep have less than 75 per cent utilization of funds. Financial achievements of eight States and five Union territories *viz.* Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, West Bengal, Andaman & Nicobar Islands, Daman and Diu, Dadara & Nagar Haveli, Lakshadweep, Pondicherry have less than 50 per cent credit disbursement achievement. During 2005-2006, in almost all the States excepting Gujarat, Punjab less than 75 per cent is the rate of utilisation

whereas overall percentage utilization is 55.36 percent. The overall credit disbursement is 36.02 percent only.

3.86 When asked the reasons for shortfall in achievement of credit target, the Department has stated that achievement of credit target under SGSY has improved over a period of time. However, shortfall in the achievement of the credit targets is attributable to poor lending by Banks to the SHGs. When asked the steps taken to motivate Banks to improve the lending for SGSY, the Department has stated that RBI has been requested to closely monitor the performance of Banks to ensure that the target is actually released. The Reserve Bank of India has been entrusted with the responsibility to coordinate and motivate Banks on all issues relating to SGSY.

3.87 Further, when asked about the reasons for dismal financial performance in the aforesaid States/Union territories, the Ministry have stated that the position relating to the year 2005-2006 is still dynamic. Information available with the Government of India till February 2006, indicates that out of the total available funds of Rs. 1,44,525 lakh, the fund utilisation position is Rs. 99,073 lakh only. This works out to 68.55 percent of the total available funds (there are some States from which the MPRs for the month of February are yet to be received). The position is expected to improve further during the last month of the financial year. Some of the causes as ascertained during the Concurrent Evaluation for the under utilization of funds under SGSY are:—

- Delay in sanction of loans/indifferent attitude of banks/ financial institutions,
- Difficulties in the formation of SHGs,
- Inadequate Infrastructure,
- Fewer number of applicants than anticipated, and
- Problems in identifying projects.

3.88 The Committee are concerned to note that the physical targets meant for disadvantaged groups like SC/ST and handicap category have not been met satisfactorily. While some States have fared well, the figures indicate that the SC/ST Swarozgaris assisted in more than 13 States and Union territories are less than fifty per cent. Further, the statement indicates that except in Tamil Nadu and Manipur the percentage of handicap Swarozgaris assisted is less than the three per cent target. On an average, by the end of February 2006, only 43.13 percent of the targeted Swarozgaris could be assisted

which also highlights the poor performance of the scheme. Further, the Committee note that the utilization of funds by many States is very poor. While more than 13 States have disbursed less than 50 per cent of the credit marked for them, the Committee note that the overall percentage of credit disbursed is only 36.02 per cent. The Committee observe that the poor performance could be attributed to the slack attention paid by the Government. Something is lacking due to which the Government has failed to attract the targeted number of Swarozgaris. The DRDAs/Zilla Parishads are also not trained enough to meet their objectives. As revealed by the Concurrent Evaluation, the scheme is facing a lot of problems which include indifferent attitude of Banks, inadequate infrastructure, problems in identifying projects etc. There is an urgent need to address all these issues to ensure the success of the programme. The Committee would like the Department to look into the matter and take remedial action in consultation with State Governments, Banks, DRDAs and all other concerned.

Role of Private Banks under SGSY

3.89 As per SGSY guidelines Banks are involved closely in planning and preparation of projects, identification of activity clusters, infrastructure planning as well as capacity building and choice of activity of SHGs, selection of individual Swarozgaris, pre-credit activity and post credit monitoring including loan recovery. Among Banks, Public Sector Commercial Banks, Cooperative Banks, Regional Rural Banks, Private Banks are involved in the implementation of SGSY. The Committee were informed that the following Private Sector Banks are involved in the implementation of SGSY:

Sl. No.	Name of the private sector bank
1	2
1.	ICICI Bank
2.	Bank of Rajasthan
3.	Bharat Overseas Bank Ltd.
4.	Banares State Bank Ltd.
5.	Chathelic Syrian Bank Ltd.
6.	Dhanlakshmi Bank Ltd.
7.	Federal Bank Ltd.

1	2
8.	J & K Bank Ltd.
9.	Karnataka Bank Ltd.
10.	Karur Vysya Bank Ltd.
11.	Lakshmi Vilas Bank Ltd.
12.	Nedungadi Bank Ltd.
13.	Ratnakar Bank Ltd.
14.	Sangli Bank Ltd.
15.	South Indian Bank Ltd.
16.	Tamil Nadu Mer. Bank Ltd.
17.	United Western Bank Ltd.
18.	Vysya Bank Ltd.
19.	Nainital Bank Ltd.
20.	City Union Bank Ltd.
21.	Lord Krishna Bank Ltd.

3.90 The Committee note that in addition to the Public Sector Commercial Banks, Cooperative Banks, Regional Rural Banks, some Private Sector Banks are also being involved in the implementation of SGSY. The Committee would, therefore, like to know the performance of various Private Sector Banks *vis-a-vis* the Public Sector Banks, Cooperative Banks and Regional Rural Banks in term of the credit target *vis-à-vis* achievement in each year since these Banks were involved to analyse the role of Private Sector Banks critically and comment further in this regard. The information with regard to total number of beneficiaries assisted and the total credit made available in each year, and the average benefit made available to each beneficiary in each case of Commercial Banks, Cooperative Banks, Regional Rural Banks and Private Sector Banks may be provided for the information of the Committee.

(iii) Rural Housing (Indira Awaas Yojana)

3.91 The Government of India is implementing Indira Awaas Yojana (IAY) since the year 1985-86 to provide assistance for construction/ upgradation of dwelling units to Below Poverty Line (BPL) rural households belonging to the Scheduled Castes, Scheduled Tribes and

freed bonded labourers categories. From the year 1993-94, the scope of the IAY was extended to cover below the poverty line Non-Scheduled Castes/Scheduled Tribes families in the rural areas. Simultaneously, the allocation of funds for implementing the scheme was raised from 6 percent to 10 percent of the total resources available under the JRY at the national level, subject to the condition that the funds going to SC/ST poor should not be less than 6 per cent of the total JRY allocation. The IAY was de-linked from JRY and made an independent scheme with effect from 1 January, 1996. Now, out of the total allocation, a minimum of 60 per cent has to be spent on SC/ST BPL families. Expenditure under the Scheme on other eligible BPL families cannot exceed 40 per cent. IAY became an independent Scheme *w.e.f.* 1 January, 1996.

3.92 Rural Housing is one of the six components of the ambitious programme of the Government 'Bharat Nirman'. Under 'Bharat Nirman' sixty lakh houses are likely to be constructed during the next four years starting from 2005-06.

3.93 The funding for IAY is shared between the Centre and State in the ratio of 75:25. From 2005-2006 onwards, the allocation criteria has been modified to assign 75 per cent weightage to housing shortage and 25 per cent to poverty ratio for State level allocation. Further, the allocation amongst districts is carried out giving 75 per cent weightage to housing shortage and 25 per cent weightage to SC/ST component. This criteria modification is aimed at addressing the acute problem of shelterlessness in a given time frame.

3.94 Other small sub-Schemes of IAY such as Innovative Stream for Rural Housing and Habitat Development, Rural Building Centres (RBCs) and Samgra Awas Yojana (SAY) etc. have been discontinued *w.e.f.* 1 April, 2004 so that maximum funds can be spent on providing IAY houses to the rural poor.

3.95 With effect from 1 April, 2004 the ceiling of assistance for construction of a house under IAY is as under:

	Plain Areas	Hilly/Difficult Areas
Construction of house including sanitary latrine and smokeless chulah	Rs. 25,000	Rs. 27,500
Upgradation of un-serviceable houses	Rs. 12,500	

3.96 In the financial year (2005-2006) an outlay of Rs. 2,775 crore was approved for rural housing at Budget Estimates share. This was subsequently reduced to Rs. 2,750 crore at RE stage. Rs. 2,732.40 crore have been allocated to States and Union Territories under IAY as Central share against which Rs. 908.94 crore will be provided by States as their matching share. This will enable construction of around 14.41 lakh houses. As on 31 January, 2006, Rs. 2,267.11 crore were released as Central assistance under the Indira Awaas Yojana to various States and Union Territories. Utilisation under IAY reported so far by States is about Rs. 2,139.07 crore. 8,85,082 houses are reported to have been constructed while 8,02,481 houses are at various stages of construction.

3.97 As per the information furnished by the Department on the physical and financial performance of Indira Awaas Yojana (IAY) during the year 2005-2006, as on 31 January, 2006, against a target of 14,41,241 houses, only 9,85,082 houses could be completed which is only 61.41 per cent of the target. It also emerges that in some of the States and Union territories, the physical performance is very poor. In Chhattisgarh, Gujarat, Himachal Pradesh, Jammu and Kashmir, Maharashtra, Meghalaya, Orissa, Tripura, A & N Islands, D & N Haveli, Daman & Diu, Lakshadweep and Pondicherry it is below 50 per cent. While 1,46,912 houses were allotted in the name of men, 4,95,237 houses were allotted in the name of women. 2,54,955 houses were allotted jointly in the name of the husband and wife.

3.98 Further, the financial performance of IAY during 2005-2006 is also very poor. The statement shows that out of Rs. 3,865 crore, only Rs. 2,139 crore could be utilized which is about 55.34 per cent of the total funds available. In some States like Andhra Pradesh, Arunachal Pradesh, Bihar, Gujarat and J & K; and in some Union Territories like A & N islands, Daman & Diu and Pondicherry the expenditure in ten months is below 50 per cent.

3.99 When asked whether the Department think that there is a need to increase the area of lending for rural housing to meet the housing shortage in rural areas as well as to improve the condition of houses in rural areas, the Department has stated that, there is a clear need to expand institutional credit to cover the rural housing sector in a more inclusive manner. However, since the rural BPL households lack credit worthiness, it is necessary that they are organised into financially accountable units like Self Help Groups (SHGs) so that the financial institutions find it viable enough and the beneficiaries themselves are able to afford the periodic payments.

3.100 When asked as to whether the problem of housing for rural poor has been effectively addressed by ongoing IAY, the Department has stated that as per 2001 Census, there is a housing shortage of 148.00 lakh in rural areas and about 9 lakh shelterless households are added annually to this shortage due to various reasons, such as bifurcation of families and the houses damaged by floods/cyclones, etc. The estimated shelterlessness as in 2005-06 is 128 lakh in rural areas. With the present budgetary allocations, this ministry is able to provide 15 lakh houses to the rural poor every year. During the four years' period from 2005-06 to 2008-09, 60 lakh houses are likely to be constructed under 'Bharat Nirman'. Hence at the end of 2008-09 there would still be a shortage of 104 lakh houses.

3.101 Physical target laid down under Indira Awaas Yojana during 10th Five Year Plan are as under:

2002-2003	:	1314431 houses
2003-2004	:	1484554 houses
2004-2005	:	1562356 houses
2005-2006	:	1441241 houses
2006-2007	:	1533498 houses (based on proposed allocation and subject to revision)

3.102 The allocation during each year of Tenth Five Year Plan is as under:

YEAR	BE (Rs. in crore)	RE (Rs. in crore)
2002-2003	1725.00	1692.95
2003-2004	1900.00	1900.00
2004-2005	2500.00	2900.00*
2005-2006	2775.00	2750.00 [§]
2006-2007	2920.00 **	

* An amount of Rs. 400.00 crore has been approved by the Prime Minister in order to reconstruction of IAY houses damaged in the flood in 20 districts of Bihar during 2004-2005.

[§] Revised Budget Estimates for 2005-2006.

** This is subject to approval by the Parliament.

3.103 When asked as to whether there is any mechanism to check that the construction material used under IAY is of good quality, the

Department has stated that under IAY houses are constructed by the beneficiaries themselves and not by any external agency as per the guidelines. Hence, the construction material is as per beneficiary choice. On the request of the beneficiaries, the DRDAs do provide assistance or facilitate construction material access. As per the information made available by the Department, till date 2.74 lakh IAY houses have been verified by monitors and their condition found to be satisfactory. Rural Building Centres have also been set up at some places for providing necessary training to the masons and for producing and supplying, cost effective and environment-friendly construction material to the beneficiaries. When asked whether the assistance under IAY is easily available to beneficiaries within a limited time and without hassles, the Department has stated that the IAY guidelines provides that payment should be made to the beneficiary on a staggered basis depending on the progress of the work. The entire money should not be paid to the beneficiary in lump sum. Instalments of payment to be linked to the progress of work can be decided by the State Government or at the District level. No major complaint about non-payment of funds to the beneficiaries has been received.

3.104 During the course of briefing by the Ministry on 21.3.06 it emerged that the authority for allocation of houses is given to the Gram Sabha. When asked whether the beneficiaries are actually been selected during the Gram Sabha meeting, the Secretary stated as under

“The people in the Gram Sabha openly told me during inspection in Tamil Nadu that they were not aware as to who have been given houses under the Indira Awaas Yojana and they were not comfortable with the list being put to us. I was able to communicate directly with the people and they gave me the same feedback. For this, we have a methodology, which we have developed. We are very happy that the Supreme Court stay on the BPL list has now been lifted and we have already written to all the State Governments that waitlist for IAY should be prepared as per the ranking in the list and it should be put outside the Panchayat office. We hope that if the list is put there, the people who are educated and who are able to read at least will find out where they stand in the list and they will be demanding their houses. It is an uphill task. We are doing our best to see that Gram Sabha is empowered and it demands its rights.”

3.105 The Committee find that the data with regard to physical targets fixed during each year of Tenth Plan indicate that although the targets made during 2006-2007, are 92,237 higher than the targets

fixed during 2005-2006 but are lesser by 28,858 houses, if compared to the year 2004-2005. In view of this position the Committee note that although ambitious commitments are being made with regard to providing housing under IAY, there is no such enhancement of targets and outlay to meet such commitments. Not only that the resources made available are not being utilised fully. The information provided above indicates that in most of the States less than 50 per cent of physical and financial targets could be achieved. The Committee observe that as per the Government's own data the housing shortage in rural areas is 148 lakh. The said shortage will increase 9 lakh houses annually due to various reasons. The annual targets fixed under Bharat Nirman are over 15 lakh houses. Around 60 lakh houses would be constructed by the year 2009. The net shortage of houses by the year 2009 as per the Government's own estimate would be 184 lakh (148 lakh + 36 lakh) houses. Even if 60 lakh houses are provided by 2009, there would be shortage of 124 lakh houses by 2009. The Committee have selected the subject 'Rural Housing' for examination and report and different issues in this regard would be examined in detail during the course of examination of the subject. Here the Committee would like to recommend that besides augmenting the resources, there is an urgent need to ensure that the targets fixed are met and every paise earmarked for the scheme meant for rural masses is meaningfully utilised. Further, to augment the resources for rural housing, there is an urgent need to expand institutional credit.

3.106 As already indicated in the preceding para of the report, the Committee appreciate the initiatives of the Department to instruct the State Governments to prepare the wait list for IAY as per the ranking in the BPL list and display it at the prominent places. The Committee would like the Government to ensure that the instructions issued by the State Government are complied with. Further, similar initiatives are required in other Schemes of the Department. The Committee would like the Department to take action in this regard and inform the Committee accordingly.

(iv) Pradhan Mantri Gram Sadak Yojana (PMGSY)

3.107 'Rural Roads' is a State subject and finds mention at Entry No. 13 of the State List of the Seventh Schedule to the Constitution. However, it is recognized that rural connectivity is an important instrument in rural poverty reduction. Accordingly, the Pradhan Mantri Gram Sadak Yojana (PMGSY) was launched on 25 December, 2000, as a 100 per cent Centrally funded Scheme, with the target of connecting

every habitation with a population of more than 500 by the year 2007 through good all-weather roads.

Objective of the Yojana

3.108 At the time of the launch of PMGSY, the objective of the programme was to provide connectivity by way of an all-weather roads to all unconnected habitations having a population of 500 and above by the end of the Tenth Plan Period (250 and above in case of Hill States, tribal and desert areas). The targets have now been revised, and as stated earlier it is now proposed to connect all habitations having a population of 1000 and above, and in hilly, tribal and desert areas habitations having a population of 500 or more by 2009. The remaining habitations are proposed to be taken up thereafter. Fund requirement for implementing the targets under Bharat Nirman is also being firmly tied up so as to ensure timely completion of the works sanctioned.

3.109 As per the information furnished in Performance Budget, out of 30,00,000 KMs. Approximately road length, 3,69,386 are eligible under PMGSY. There are total 1,72,772 habitations eligible under PMGSY. Under Bharat Nirman the targets have been set for providing connectivity, with all weather roads by 2009 and the requirement of funds will be Rs. 48,000 crore. Again fund requirement for PMGSY has been indicated as Rs. 14,543 crore during phase-I and Rs. 57,762 crore under phase-II.

The requirement of outlay and the existing pace of allocation of resources:

3.110 As per the information furnished by the Department, PMGSY is one of the six components of Bharat Nirman, the ambitious programme of the Government of India. To meet the targets of providing all-weather road connectivity and upgradation proposed for the years 2005-06 to 2008-09, the estimated requirement of funds is Rs. 48,000 crore (at 2003-04 rates). Of this Rs. 16,000 crore is likely availability from Cess on High Speed Diesel. Rs. 9,000 crore will be available from the World Bank & the Asian Development Bank leaving a gap of Rs. 23,000 crore. It is proposed to raise Rs. 16,500 crore through NABARD to meet the gap. The Finance Minister, in his Budget Speech on 28 February, 2006, has proposed to open a separate window under RIDF XII for rural roads with a corpus of Rs. 4,000 crore during 2006-07. The remaining gap is proposed to be funded through Budgetary support.

3.111 The financial allocation for PMGSY during 2006-07 is Rs. 5,225.62 crore.

3.112 The targets of road works are determined on the basis of annual allocations and proposals of States for road works to be taken up. Physical targets have been fixed for the year 2005-06 through the Outcome Budget. Physical and financial targets for 2005-06 are:

No. of habitations to be connected:	7895
Road length to be constructed:	17454 Kms.
Expenditure:	4220.00 crore

3.113 As on 31 December 2005, Rs. 2764.14 crore is lying unspent under PMGSY. As per the information provided by the Department the roads should be ready within 12 months in normal areas and within 18 months in hilly areas after award of work. The data with regard to number of incomplete roads as taken up from phase-I to Phase-V is as under:

	Year	No. of incomplete roads
Phase-I	2000-2001	530
Phase-II	2001-2003	1336
Phase-III	2003-2004	3020
Phase-IV	2004-2005	5628
Phase-V	2005-2006	3234
ADB/WB		2926
Total		17079

3.114 When the attention of the Department was drawn to such high number of incomplete road, the representative of the Department during the course of oral evidence stated as under :

“Phase I and Phase II works were taken up when details systems and procedures for the programmes were still being finalised. In the first two phases very ad hoc works were selected without detailed field investigation and verification. Now, in many cases it was found, subsequently after the works were sanctioned, that land for the projects were not available. In some cases, forest clearance was a hindrance. In some cases, some litigation had come. If you look at the percentage of works which is remaining incomplete in the first two phases, then it is about 2 to 3 per cent in Phase-II and it was less than two per cent in Phase I. In

Phase III and IV, in different States, the pace of progress is varying. Some States have already sanctioned Phase V and VI during the last year and in some States Phase III and IV were sanctioned last year. So, the phase-wise progress of works still vary from State to State. But if you look at Phase-III progress of work, then, I think more than 60 per cent of works have been completed. The two main reasons are the difficulties which have been experienced in the implementation of the programme management and provision and the second is whether States have adequate contracting capacity. These are the two issues. States which have addressed these two issues very effectively, their pace would be very satisfactory. For example, if you look at the progress of works in States like Rajasthan, Madhya Pradesh and to some extent even States like Chhattisgarh, West Bengal and Orissa are also addressing these issues, the pace is getting accelerated. But in States like Jammu and Kashmir, Uttaranchal and in the North-Eastern States where we have difficulties on both counts, I think, what we are doing through our intervention is trying to help the States to strengthen their implementation arrangement. For example, the State of Jharkhand is also having problems.”

3.115 The Physical & Financial progress under PMGSY in Phase V (2005-06) upto December, 2005 is given at *Appendix VIII*. As per information provided by the Department, the Physical and Financial achievement upto December, 2005 under PMGSY is as follows:—

(Rs. in crore)

Phase/Year	Value of proposals cleared	Amount released*	Expenditure to amount released up to Dec. 2005	No. of road works	No. of road works completed up to December, 2005
I/2000-01	2516.69	2560.69	2361.37	13202	12672
II/2001-03	5152.39	4950.30	4417.66	10963	9627
III/2003-04	6080.21	5040.69	3569.76	8706	5681
IV/2004-05	4907.15	2195.41	1104.51	6732	1104
V/2005-06	2946.83	273.73	72.99	3267	33
ADB/WB	3855.01	559.53	293.45	3773	447
Total	25458.28	15579.96	11819.74	46643	29564

*release for road works of respective Phase.

3.116 The Committee observe that Pradhan Mantri Gram Sadak Yojana is a very laudable programme initiated by the Government with the objective to provide connectivity by road to all the unconnected habitations in rural areas in the country. From the information provided by the Department, it seems that the progress is not very encouraging. Initially, at the launch of the programme, the objective was set to provide connectivity to all unconnected habitations having a population of 500 and above (250 and above in hill States, tribal and desert areas) by the end of Tenth Plan *i.e.* (2006-07). The targets have now been spilled over. The Government now target to connect all the habitations having a population of 1000 and above (500 in case of hilly States, tribal and desert areas) by the year 2009. The Committee apprehend that it would be difficult to achieve even the spilled over targets with the existing pace of implementation of the programme, whereby even the roads started in Phase I and Phase II during the years 2000-2001 and 2002-2003 are lying incomplete. The Committee find that as per stipulated parameters set by the Department, the roads should be ready within 12 months in normal and within 18 months in hilly areas after award of work. Even after the lapse of five or six years, a number of roads started are incomplete which is a major area of concern. Many reasons such as availability of land, forest clearance, programme management & provision, contracting capacity of States, institutional arrangement, training etc. have been cited as the reasons for such a state of affairs of the programme.

3.117 The Committee also find that one of the reasons for these bottlenecks being faced in the implementation of the programme is very old and out dated enactment 'Land Acquisition Act, 1894'. The said enactment is under the administrative control of the Ministry of Rural Development. The Committee have repeatedly been recommending to the Ministry to amend the out dated provisions made under the Act. But the same has not been done so far. Even though the Government has found the ways and means to provide the required allocation of Rs. 48,000 crore by the year 2009 to complete the uphill task of providing connectivity to all the habitations of population of 1000 and above, the Committee are of the opinion that the targets cannot be achieved unless the problem areas are addressed urgently. The Department has to work on a mission-mode. There is an urgent need to enhance the capacity of the State Governments/implementing agencies to absorb the enhanced resources. Besides, various bottlenecks found in the implementation of the programme as noted above need to be discussed at various meetings held with the State Governments. Frequent Central

interventions are required to motivate the State Governments to take the challenge of providing connectivity by the target date. Further, the old and outdated laws like 'Land Acquisition Act, 1894' need to be amended expeditiously which would solve the major problems like acquisition of land for construction of roads etc. The Committee should be kept informed about the action taken in this regard.

3.118 During the course of oral evidence on 12 April, 2006, when the attention of the Department was drawn to the poor quality of works under PMGSY and the problem of official contractors subletting to sub-contractors to do the construction work. The representative during the course of oral evidence stated as under :—

“Let me first refer to the issue of sub contracting. The bidding document, which has been prescribed for use under this programme allows, limited sub-contracting up to 25 per cent. No work can be fully sub-contracted by the principal contractor. Sub-contracting up to a limit of 25 per cent, as per the bidding document, is permissible. One has to seek the permission of the concerned Programme Officer, or else it is unauthorized and in that case, action as per law, against that person will be taken. In terms of quality monitoring, it is done at three levels. The first level is at the programme implementation level. The contractors are supposed to maintain a field laboratory for each package of work awarded. They are supposed to perform quality test of both workmanship and material and keep detailed records and a certain percentage is to be supervised by field engineers. This is the first level of quality monitoring. The second level is at the State level. Independent quality monitors are supposed to be engaged by the State Governments. They are supposed to inspect the work at three stages. One at the time of commencement of the work, second time when the work is in progress and third time when it is nearing completion. In the three-tier quality monitoring system, we have a panel of 150 quality monitors who are deployed at random. We cover a check of about 5 per cent of the works over all and we find out whether the work is being executed as per the prescribed standards or there are deviations. This is one of the programmes where we have a structured quality monitoring. Reports that we have received suggest that it is not that all works are found to be satisfactory.”

3.119 When the Committee enquired whether there was shortage of engineers, the representative stated that :

“on campuses today that Civil Engineers are not available any more. They have just disappeared. They are all getting jobs even

before computer engineers because these programmes are on the ground. So, it is true that there is tremendous demand for Civil Engineers because of this programme.

Regarding the problem of maintenance of roads, the Ministry has submitted that the Central Government is providing hundred per cent grant only for the capital cost component of the programme. So, hundred per cent is funded for the construction part. But, maintenance even now is solely the responsibility of the State Government. What however we have done as a part of this programme is to enable that the roads are maintained regularly and routinely. Otherwise, the road, the pavement will deteriorate. At the time of inviting tender, the tender is a composite one for construction and the second part is for 5-year maintenance. So, bids are invited for both together. While finalizing the tenders, the contract is also awarded for 5-year maintenance. But the maintenance component is to be funded by the State Governments. The second feature of our contracting system is that there is 5-year defect liability that the contractor has to bear. Originally, we used to keep 10 per cent of the contract amount withheld for that 5 year period. Now, it is 7.5 per cent. Now, 7.5 percent is withheld to rectify any construction defect that may be noticed over a period of this defect liability period of five years. Now, what we are doing for enforcing the maintenance requirement, as you are aware, is that whenever the States come to us for clearance of projects, they specify that is the maintenance amount required for each road and each package. That is, right from the beginning, the maintenance requirement is estimated and the States are required to budget for that and provide the funds to the States implementing agency. Now, secondly, when the States come for project clearance, we also look at what is the amount that was required not only for maintenance of the road assets created under the programme but the entire core network of rural roads, along with how much was required, how much has been budgeted, and how much has been spent.”

3.120 The Committee are perturbed to note that most of the works under PMGSY are being sublet to contractors by the principal contractors. Further the Committee express their apprehension on the quality of roads built under PMGSY. Despite deploying monitors at various levels, the quality of roads at the field level is very poor. Many roads would have vanished in a single rain. Some would have vanished after few months of their construction and in other

areas, where the roads do exist the same are very poorly maintained. This is a vital area which needs to be addressed by the Government on top priority otherwise the work done under PMGSY will bear no result and the connected habitations would again revert to unconnected status. The Committee recommend that to address this situation and to improve the quality of roads, the Government should make the monitors more accountable. If roads are found to be bad and of poor quality, further work to the concerned contractors should not be awarded. Besides, a notice board at the entrance and at prominent milestones of every road constructed under PMGSY should be erected indicating that the road is constructed under PMGSY, the month and year of its construction, the month and year till the road is expected to be maintained by the contractor as per the agreement and the name, designation, phone number of the officers whom the people can contact in case the quality of road is not up to the mark or is maintained poorly. The status of roads should also be accessible on the website and people should be able to put their complaints on the website so that Senior Officers of the State/Union Governments are able to monitor the status of roads. The accountability of monitors who inspect the roads should also be increased so that they are brought to book in the event of non performance. Another area of concern, which the Committee would like the Ministry to address is to impress upon a separate fund for the maintenance of roads. The Committee would like to hear further in this regard.

(v) 'Provision for Urban Amenities in Rural Areas (PURA)'

3.121 The 'Provision for Urban Amenities in Rural Areas' (PURA) Scheme has been started *w.e.f.* 2003-2004.

3.122 This Centrally Sponsored Scheme was prepared by the Planning Commission based on the thoughts placed before the Nation by the Hon'ble President of India for bridging the rural urban divide and achieving balanced socio-economic development. The Planning Commission prepared a Cabinet Note for the Scheme. As per the Cabinet Note the Scheme would be implemented in 4,130 rural clusters across the country in the next five years. The scheme aims to provide physical and social infrastructure in the identified rural clusters to further their growth potential, which are:

- (i) road transportation and power connectivity;
- (ii) electronic connectivity in the form of reliable Telecom, Internet and IT services;

- (iii) knowledge connectivity in the form of good educational and training institutions;
- (iv) market connectivity that would enable farmers to get the best price for their produce; and
- (v) a provision of drinking water supply and upgradation of existing health facilities.

3.123 A list of towns for PURA was also selected by the Planning Commission as per the criteria suggested in the Cabinet Note. The Cabinet considered the note in its meeting on 20 January, 2004 approved in principle the 'Provision of Urban Services in Rural Areas' Scheme with the direction that the outlay for the scheme will be within the Gross Budgetary Support. The Cabinet also decided that the list of towns would have to be reworked in consultation with the State Governments and brought back to the Cabinet. The consultation with the State Governments was also made.

3.124 These facilities are expected to be created by implementing agencies by converging resources under on-going Central and State Government programmes. Gaps which cannot be funded under any of those scheme or arising out of the inadequacy of funds available under the existing schemes will be funded through PURA. Thus PURA builds on existing schemes while providing funds for critical gaps.

Allocation and Expenditure of PURA Scheme

	Allocation	Expenditure
2002-2003 (BE)	0	-
2003-2004 (BE)	0	5.78 (up to March 2004)
2004-2005 (RE)	10	10.00
2005-2006 (BE)	10	10.00

3.125 Although no allocation for PURA Scheme was made in 2003-2004 BE, an amount of Rs. 5.78 crore was spent by reappropriation of savings under different Schemes of the Ministry. As per the Performance Budget 2006-2007 Ministry of Rural Development is the nodal agency for implementing the Provision of Urban Amenities in Rural Areas (PURA) scheme. The Ministry has, with the approval of

Planning Commission, launched a pilot phase for implementation of the scheme. The Steering Committee on PURA chaired by Secretary(RD), constituted to examine, sanction and monitor the implementation of projects under PURA, decided in its first meeting on 11 January, 2005 that each cluster would be financed to the tune of Rs. 4-5 crore over a period of three years in the initial pilot phase of the scheme. It further decided to provide physical or road connectivity in selected clusters in the first phase and for this purpose allowed release of Rs. 1.5 crore per cluster except in the case of Maharashtra where the release was Rs. 1 crore. Accordingly, in 2004-05, Rs. 10 crore were released to different clusters. Since funds were released in March, 2005 expenditure was incurred by States in 2005-2006.

3.126 For 2005-2006, a budget provision of Rs. 10 crore was made. No amount was released up to 31 January, 2006. A meeting of the Steering Committee was held on 18 January, 2006 to decide the project components for further fund release. The budget provision is expected to be released among the selected clusters for the identified activities very soon.

3.127 The Committee observe that the Steering Committee on Provision of Urban Amenities in Rural Areas (PURA) in its first meeting held on 11 January, 2005 had decided that each cluster would be financed to the tune of Rs. 4-5 crore over a period of three years in the initial pilot phase. After a gap of two months, the decision of this meeting was implemented and Rs. 10 crore were released to provide physical or road connectivity in selected clusters during March 2005. Thereafter, up to 31 January, 2006, no further funds have been released. The Committee conclude that during 2005-06 no progress seems to have been made in the selected PURA clusters as no funds have been released even after a span of more than one year. The Committee while noting the slow pace of work, express their apprehension that it would take a long time to get the results from the pilot clusters and thereafter launch the scheme nationwide. The Committee find that a visionary programme to bridge the gap between urban and rural divide has been proposed by Hon'ble President. There is an urgent need to translate the visionary idea into a reality. For this the pilot project should be completed expeditiously so that the programme can be launched nation-wide.

(vi) DRDA Administration Scheme

3.128 As per the information furnished to the Committee, the DRDA Administration Scheme was introduced w.e.f. 1 April, 1999. Being a

Centrally Sponsored Scheme, the funding is shared between Centre and States in the ratio of 75:25.

3.129 There are four different types of districts (Category A to Category D) as per the number of blocks. The State Governments are advised to ensure staffing pattern of DRDAs and personnel policies laid down in the guidelines. Although the guidelines have prescribed a model staffing structure for DRDAs, the actual staffing is decided by the State Governments according to their local conditions. In view of this, there is no uniformity in the actual staff position in the DRDAs.

3.130 The ceiling on administrative cost per district has been fixed as on 1 April, 1999 as follows:—

Category A districts (<6 blocks)	Rs. 46 lakh
Category B districts (6-10 blocks)	Rs. 57 lakh
Category C districts (11-15 blocks)	Rs. 65 lakh
Category D districts (>15 blocks)	Rs. 67 lakh

3.131 The ceiling may be raised every year, on a compounding basis, up to 5 per cent to set off the increases due to inflation etc.

3.132 Up to 30 per cent of the estimated salary cost of sanctioned strength is allowed for contingencies.

3.133 The following are the broad personnel policies for DRDAs laid down in the Guidelines:—

- (i) The DRDAs should take employees on deputation for specific period and should not have any permanent staff.
- (ii) The posts of Project Director, Project Officers, APOs and all the technical posts should be manned by officers of proven capability and motivation and should be selected in an objective manner by a Selection Committee. Emphasis should be on selecting officers of young age and in any case not older than 50 years.
- (iii) Project Directors, APOs and other technical staff must have a minimum tenure of 2-3 years.
- (iv) The Officials and staff of DRDAs should be trained regularly for proper orientation.

3.134 As per the Preliminary Material replies the governing body of DRDA also reviews and monitor the implementation of annual plans of DRDAs. The Annual Plans are prepared by the DRDAs to set their own priorities. These are for use at district level and are not required to be forwarded to the Ministry.

3.135 The Central allocation for the Scheme during 10th Plan and the amounts released are given below:—

(Rs. in crore)

Year	Central Allocation	Amount Release
2002-2003	220	199.19
2003-2004	220	220
2004-2005	230	231.81 *
2005-2006	220	199.64 (as on 21.02.2006)
2006-2007	220	—

*An amount of Rs. 181.40 lakh have been re-appropriated from SGSY in the year 2004-05.

3.136 As per the Performance Budget 2006-2007 (pg. 14), for the funds released upto 31 March 2004, seven different utilisation certificates were due by 31.12.2005 amounting to Rs. 125.21 crore.

3.137 The Committee observe that DRDA is an important district level agency for implementation of Centrally Sponsored Schemes. As per the Guidelines, 25 per cent of the funds are to be allocated and released by the State Governments. However, the Performance Budget of the Department does not monitor the progress of State's share of funds. The Committee, therefore, recommend that the Government should invariably monitor the State's share of funds and reflect the same in the Performance Budget of the Department.

3.138 The Committee further find from the information furnished by the Department that seven utilisation certificates amounting to Rs. 125.21 crore were due with regard to the funds released by 31 March, 2004. The Committee observe that DRDA is the main agency through which funds for different schemes of the Department are allocated to the States/implementing agencies. The non-furnishing of utilisation certificate by a Government agency who is responsible for effective management of rural development programmes at district Panchayat level is really a matter of concern. The Committee would

like the Department to explain the reasons for non-furnishing of utilisation certificates by DRDA. Besides, the other issues which need to be addressed are training of the officers and other administrative initiatives relating to the service matters to improve the efficiency and accountability of officers involved in manning DRDAs.

(vii) Assistance to Council for Advancement of People's Action and Rural Technology (CAPART)

3.139 The Council for Advancement of People's Action and Rural Technology (CAPART) came into existence in September, 1986 following the merger of two erstwhile Societies, namely, People's Action for Development India (PADI) and Council for Advancement of Rural Technology (CAPART). CAPART's principal aim is to involve the people in the implementation of development programmes and promote need-based, innovative projects through non-governmental voluntary organizations and it works towards creating a peoples movement for development in the rural areas through higher social mobilization, lowering of social barriers and empowerment of the rural poor. The main objectives of CAPART include:—

- Promotion of voluntary action through grassroots planning, organization of seminars and workshops;
- Providing a platform for sharing and dissemination of knowledge and experience;
- Providing funding support to innovative need based projects;
- Encouraging voluntary organizations to collaborate amongst themselves by developing networks;
- Selection and encouragement of innovative technologies and their dissemination;
- Reduction of rural poverty;
- Generation of awareness for conservation of the environment and natural resources; and
- Providing the minimum needs in respect of safe drinking water, sanitation etc.

3.140 From the financial year 2001-2002, the Ministry has made the budget provision for CAPART under a single Head, namely, 'Assistance to CAPART'. This assistance is principally utilized in

implementing three Schemes, namely, Promotion of Voluntary Action in Rural Development (PC), Advancement of Rural Technology Scheme (ARTS) and Organization of Beneficiaries (OB). The administrative costs are also met from the Head 'Assistance to CAPART'.

3.141 The aims and objectives of the projects implemented under these programmes are as under:—

- (i) Public Cooperation Scheme: Projects of innovative and integrated nature only are considered under the scheme which result in harnessing the collective energies and creativity of the rural community and lead to capacity building and enhancement of life.
- (ii) Organisation of Beneficiaries: Projects for creating awareness organising the beneficiaries into groups and strengthening their bargaining position etc., are considered under this scheme.
- (iii) Watershed Development Scheme:-CAPART Watershed Programme is operational in drought prone and water scarcity areas with the active involvement of grassroot voluntary organizations and village level beneficiaries. The programme involves experienced voluntary organizations representing all the agro-ecological Zones in the country. Capacity building stage in the programme is very useful for the voluntary organizations as well as for village level workers so that implementation work is done adhering to the watershed principles, such as top to bottom and ridge to valley approach. The unique model of Support Voluntary Organisations (SVOs) to train and technically assist various voluntary organizations approved for watershed and natural resource management has been developed for better implementation of the programme.
- (iv) Appropriate Rural Technology Scheme: Under Rural Technology activity, the mandate of CAPART is to co-ordinate all efforts towards advancement of technology relevant to rural areas except for sectors being dealt with ICAR and its sister organizations. The broad objective of the Council under this is development and dissemination of rural Technology. Projects aimed at conducting need based study, survey and adaptive research and development, administration and dissemination of appropriate technologies amongst the poor are funded under this scheme. A programme of setting up of Technology Resource Centre

(TRCs) was initiated by CAPART under this scheme. These are VOs equipped with lab facilities that received annual grants from CAPART for development of appropriate technology and dissemination of the same through network of small VOs within their areas of operation.

- (v) Disability: Projects relating to the Community Based Rehabilitation of the disabled to facilitate and help them for integration with the community as dignified, self-reliant categories so that they can contribute to the development process of the Society.

3.142 No project under any of CAPART's schemes is sanctioned without pre-funding appraisal and the approval of the National Standing Committee/Regional Committees which comprises eminent persons in the field of rural development. The VO has to submit progress report in the prescribed proforma within six months of the release of the 1st instalment. Before the second instalment is released, mid term evaluation is done. After completion of the project, the VO has to submit the final progress report and audited statement of accounts alongwith Utilization Certificate and therefore, the entire project is post evaluated.

3.143 The extent of assistance to CAPART by Ministry of Rural Development since 1999-2000 is as below:—

(Rs. in crore)

Year	Release	Amount actually spent
1999-2000	31.55	35.44
2000-2001	29.65	43.61
2001-2002	30	44.44
2002-2003	30	58.79
2003-2004	71.46	67.83
2004-2005	69.85	56.94
2005-2006	70	39.50 (upto 31.1.06)
2006-2007	70	-

3.144 Voluntary Organisations (VOs) furnish utilization certificates to CAPART for the amounts released to them and CAPART furnishes

Utilisation Certificate to the Ministry for the entire amount received from the Ministry. This is a continuous process involving Utilisation Certificates relating to releases made in earlier years.

3.145 When asked about the monitoring of activities of CAPART the Department has stated that they monitor the activities of CAPART through a series of meeting at the Secretary (RD) level, which includes monthly staff meeting of Secretary (RD). In addition, CAPART's activities are reviewed by the Chairman, Executive Committee who is also the Minister for Rural Development as well as through Executive Committee and General Body meetings.

3.146 The Committee have been informed that the functioning of CAPART has been decentralized by setting up Regional Committees (RCs) and these RCs have been empowered to sanction projects upto Rs. 20 lakh each *w.e.f.* 04 September 2000. In addition to the RCs at Ahmedabad, Bhubaneswar, Chandigarh, Dharwad, Guwahati, Hyderabad, Jaipur, Lucknow and Patna, National Standing Committees have been constituted to sanction projects upto Rs. 1 crore by the Headquarters (at New Delhi).

3.147 As per the Performance Budget 2006-2007 the following information about CAPART for performance during 2005-2006 against the BE 2005-2006 of Rs. 70 crore has been given:—

Targets	Progress				Achievement				Reasons for shortfall
	1st	2nd	3rd	4th	1st	2nd	3rd	4th	
No. of Projects—1200	200	300	350	350	516				1. Only 4 NSC meetings were held till date. 2. Viable proposals are not forthcoming in the Regional Offices for approval 3. The Organisation is gearing up to address these challenges.
No. of Beneficiaries to be assisted—5 lakh	1.00	1.25	1.25	1.50	107991				
No. of Mela/Exhibitions to be organised—75	19	14	19	23	18				
No. of Workshops to be organised—100	25	20	30	25	61				
No. of rural unemployed youth to be trained—1 lakh	.10	.20	.30	.40	650 (at various stages of completion)				

3.148 During the course of oral evidence, the attention of the Department was drawn to para 7 of the recommendations made in Seventh Report (2004-05) of Estimates Committee on CAPART,(extracts at *Appendix IX*) whereby the Committee have pointed out about the ineffective funding of functioning of Regional Committees of CAPART. It has been pointed out by the Estimates Committee in the said report that these Committees are not sufficiently equipped with required manpower etc to discharge their responsibilities effectively. In reply to this, DG, CAPART informed as under:—

“.....We are at a static stage where we have to try and reorient our objectives in keeping with the present ground realities. We are doing that exercise..... At present the entire man power, the entire energy of CAPART is going basically into rejecting applications.”

3.149 Further the representative of CAPART has stated as under:

“.....We are almost in a broken down state. Our internal systems have completely collapsed. In the first few months, we have been trying to build them up, whether administrative systems or whether they are financial systems..... I can assure that we are doing everything possible to lay a system where we can overcome this”.

3.150 The Committee find from the information given above that the performance of CAPART has deteriorated over the years. CAPART came into existence in 1986 with the principal objective to involve the people in the implementation of development programmes and promote need based, innovative projects through non-governmental voluntary organization. The great shortfall in achievement of targets during 2005-2006 are indicated in the Budget documents speaks volumes about the inefficiency of CAPART. Further, the report of the Estimates Committee highlights the collapse of the CAPART. Even the DG, CAPART has admitted this during the course of oral evidence. In view of this scenario, the Committee strongly recommend the Department to look into the matter seriously in the light of the poor performance of CAPART and make all out efforts to review/restructure the functioning of CAPART. The Committee would like to be apprised further in this regard

(viii) Training Schemes

National Institute of Rural Development (NIRD)

3.151 In April 1962, the Central Institute of Study and Research in Community Development, Trainers Training Institute were merged to

establish National Institute of Community Development (NICD). The NICD became an autonomous registered Society in November 1965. The name of NICD was changed to National Institute of Rural Development (NIRD) in September 1977 which has since set up a regional Centre at Guwahati in July 1983. The NIRDs policy is determined by a 47 member General Council.

3.152 The NIRD undertakes training programmes for creation and enhancement of capacity of the delivery mechanism for poverty alleviation and rural infrastructure programmes, undertakes research and studies on Panchayati Raj Institutions and Rural Development programmes for continuous policy, programmes upgradations and disseminates information through various publications.

3.153 The activities of NIRD relate to training, research, action research and consultancy in rural development. Action Plan has been drawn up on each of these activities and is being implemented.

3.154 During 2005-2006, NIRD had planned to conduct 201 Training Programmes out of which it could conduct 186 training programmes with 5141 participants up to January 2006. NIRD has also drawn up a plan for Research Studies, Action Research Projects and consultancy studies were planned for the year 2006–2007. The NIRD has planned to conduct 230 training programmes by utilizing Rs. 12 crore (Plan) and Rs. 8.70 crore (Non-Plan) in BE 2006-2007.

3.155 The extent of assistance by Department of Rural Development to NIRD since 1999-2006 is as follows:

Year	(Rs. in crore)	
	Plan	Non-Plan
1999-2000	5.00	7.15
2000-2001	5.00	7.60
2001-2002	5.00	7.55
2002-2003	5.45	7.55
2003-2004	6.57	7.50
2004-2005	9.00	7.42
2005-2006	10.00	7.87
2006-2007 BE	12.00	8.70

Strengthening and Establishment of State Institute of Rural Development (SIRDs) and Extension Training Centres (ETCs)

SIRDs

3.156 The Centrally Sponsored Scheme for Strengthening and Establishment of State Institute of Rural Development (SIRDs) and Extension Training Centres (ETCs) is being implemented since 6th Five Year Plan (1980-85).

3.157 At present, there are 28 SIRDs functioning all over the country, one in each State. All SIRDs are operating from their own buildings or in rented buildings. Since 1994-1995, 100 per cent Central assistance is provided to SIRDs for non-recurring expenditure for developing infrastructure while the recurring expenditure is shared on 50:50 basis between the Centre and the States. In addition to 50 per cent share of the recurring expenditure from the Centre includes 100 per cent funding support for five senior core faculty members of SIRDs is also provided.

ETCs

3.158 In order to impart training to village and block level functionaries, the Scheme of ETCs was taken up since 7th Plan period (1985-90). In 28 States, 88 different Extension Training Centres (ETCs) have been established and functioning. A new ETC in Mizoram has been approved by the Department in 2005-2006. The States which do not have ETCs are Goa, Sikkim, Tripura and Uttranchal. The ETCs function under State Governments to impart training to rural development functionaries and elected representatives of PRIs. Funds for ETCs are released by the Ministry of Rural Development through State Governments and SIRDs on the basis of demands received from State Governments. Central assistance is provided @ 100 per cent for non-recurring expenditure and up to a maximum of Rs. 5 lakh per ETC per annum towards recurring expenditure.

3.159 In 2005-2006, 51 ETCs from which data have been made available to the Committee, have reported 1,843 training programmes with participation of 70,686 persons.

3.160 The following information was furnished regarding allocation, release and expenditure made by SIRDs and ETCs since 1997-98:

The expenditure made by SIRDs and ETCs since 1997-98 is given below:—

(Rs. in crore)

Year	Release	Expenditure
1997-98	7.51*	6.75
1998-99	6.66*	6.02
1999-00	10.25	10.01
2000-01	13.39*	11.44
2001-02	11.75	10.83
2002-03	11.72	10.27
2003-04	25.66**	NA
2004-05	30.93	NA
2005-06	20.93	NA

@ Reports from some SIRDs/ETCs are awaited

*Additional release was met by reappropriation from other schemes.

**Additional release was met by utilising savings from other Schemes.

3.161 As per the written replies, against a target of 6000 programmes, 2707 programmes were conducted by training 1,02,765 participants with assistance of Rs. 20.45 crore in 2005-06. In 2006-07, it has been planned to conduct 7000 training programmes.

3.162 The targets and achievement during each of the quarter of the year 2005-2006 in case of NIRD/SIRD/ETCs is as under :

Sl. No.	Programme	Objective/ Outcome	Outlay 2005-06	Quantifiable/ Deliverables/ Targets	Progress/ Timeliness	Achievement/ Outcome	Reasons for shortfall, if any, in achievement/ Outcome
1	2	3	4	5	6	7	8
1.	Training SIRDs/ ETCs	To provide training to the rural development functionaries in States	21.00	Total number of training programmes during the year—6000	1st qtr.-1000 2nd qtr.-1800 3rd qtr.-1800 4th qtr.-1400	1st qtr.-909 2nd qtr.-1323 3rd qtr.-475 4th qtr.-	Training Programmes are in progress in SIRDs/ETCs. No shortfall is expected in the number of training programmes. Progress reports from some SIRDs and ETCs are awaited.

1	2	3	4	5	6	7	8	
2.	Grant of NIRD	To provide training to Centre and State Government Officials	10.00	No. of training programmes under NIRD—201 and number of research programmes under NIRD-20	1st qtr-50 2nd qtr-62 3rd qtr-51 4th qtr-38	Training Programmes 1st qtr-49 2nd qtr-64 3rd qtr-58 4th qtr-	No shortfall in achievement till 3rd quarter	
					Research Studies 1st qtr-11 2nd qtr-07 3rd qtr-02 4th qtr-00	Research Studies Completed-1	Remaining 19 research studies are in progress.	
3.	Public Cooperation (CAPART)	Rural Development	Rs. 70.00 crore	No. of Projects-1,200	1st 200 2nd 300 (Nos.) 3rd 350 4th 350	1st 1.00 2nd 1.25 (lakh) 3rd 1.25 4th 1.50	1st 516 2nd 516 3rd 516 4th 516	(1) Only 4 NSC meeting were held till date. (2) Viable proposals are not forthcoming in the Regional Offices for approval. (3) The organisation is gearing up to address these challenges.
				No. of Beneficiaries to be assisted—5.00 lakh	19 14 (Nos.)	19 23	18	
				No of Mela/ Exhibitions to be organised—75	25 20 (Nos.)	30 25	61	
				No. of Workshops to be organised—100	0.10 0.20	0.30 0.40	650*	
				No. of rural unemployed youth to be trained—1.00 lakh				

3.163 The Committee find that capacity building of the implementing agencies are the major input for the successful implementation of rural development programmes for which crores of rupees are annually being allocated. Besides, with the decentralisation of responsibilities in pursuance of article 243G of the Constitution of India, there is a great responsibility to equip Panchayats to take the huge responsibility. With the introduction of 'National Employment Guarantee Scheme' the responsibilities of Panchayats would increase manifold. The Committee further find that NIRD at the Central level, SIRD at the State level and ETCs at the district/block level are the premier institutions involved for imparting training and capacity building of Panchayats and other functionaries involved with the implementation of various programme/scheme meant for upliftment of rural masses. The shortfall in achievement of targets by these institutions is a matter of great concern. Out of 21 research studies, NIRD could undertake only one study. There is huge shortfall in achievement with regard

to training programmes of SIRD/ETCs during the first three quarters during 2005-06. The Committee while expressing their unhappiness over the shortfall in achievement of targets during 2005-2006, would like the Department to explain the reasons and to take the corrective actions. The Committee should be kept informed in this regard.

3.164 The Committee further note that with the added responsibilities as stated above, the challenge of imparting training to Panchayats and other implementing agencies cannot be met only by these Government agencies. There is an urgent need to train some of the NGOs as the mother trainers who can impart training to PRIs and others involved in implementation of rural development schemes. Besides, the possibilities of taking the benefit of other local institutions can also be explored. The allocation for training needs to be enhanced substantially. The Committee urge the Department to take all possible measures so that the objectives set under the laudable schemes/programmes are met. The Committee may also be informed of the further action taken by the Department in this regard.

NEW DELHI;
17 May, 2006

27 Vaisakha, 1928 (Saka)

KALYAN SINGH,
Chairman,
Standing Committee on
Rural Development.

APPENDIX I

**STATEMENT SHOWING BUDGET ESTIMATES, REVISED ESTIMATES, ACTUAL EXPENDITURE DURING 9TH PLAN
DEPARTMENT OF RURAL DEVELOPMENT**

B.E., R.E., Actuals during 9th Plan

(Rs. in crores)

Sl.No.	Name of the Schemes	9th Plan Outlay	1997-98			1998-99			1999-2000			2000-01			2001-2002			Total Ninth Plan		
			B.E.	R.E.	Actuals	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
1.	Employment Assurance Scheme	8690.00	1970.00	1905.21	1968.27	1990.00	1990.00	1989.88	1700.00	2040.00	2040.00	1300.00	1600.00	1419.51	1600.00	1875.00	1898.23	8560.00	9410.21	9315.89
2.	Jawahar Gram Samridhi Yojana	7095.90	2077.70	1952.70	1951.61	2095.00	2060.00	2062.26	2095.00	1689.00	1689.00	1650.00	1510.00	1384.88	1650.00	1875.00	1895.58	9567.70	9086.70	8983.33
3.	Food for Work Programme	—	—	—	—	—	—	—	—	—	—	—	—	—	0.00	800.00	800.00	0.00	800.00	800.00
4.	Swarnajayanti Gram Swarozgar Yojana	4690.00	1183.00	1033.00	1034.45	1410.00	1195.94	1196.17	1215.00	950.00	946.76	1000.00	470.00	544.94	500.00	550.00	536.27	5308.00	4198.94	4258.59
5.	DRDA Administration	915.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	110.00	110.00	220.00	200.00	165.97	220.00	200.00	198.90	440.00	510.00	474.87
6.	N.S.A.P.	3280.00	700.00	490.00	559.41	700.00	640.00	640.11	725.00	710.00	709.94	715.00	715.00	700.55	835.00	635.00	629.85	3675.00	3190.00	3239.86
7.	Rural Housing (Indira Awaas Yojana)	7285.00	1190.00	1143.75	1143.55	1600.00	1532.00	1531.92	1710.00	1659.00	1659.00	1710.00	1710.00	1664.17	1527.00	1991.00	1945.33	7737.00	8035.75	7943.97
8.	Annapoorna	596.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00	100.00	99.80	300.00	100.00	71.63	400.00	200.00	171.43
9.	Grants to National Institute of Rural Dev.	30.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	25.00	25.00	25.00

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
10.	Strengthening of Ext. Training Centre	15.00	3.00	3.00	3.45	3.00	3.00	1.99	3.00	4.00	4.00	3.00	3.00	3.00	3.00	3.00	3.00	15.00	16.00	15.44
11.	Communication Cell	45.00	4.00	4.00	4.22	4.00	4.00	4.23	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	28.33	38.00	38.00	56.78
12.	Assistance to C.A.P.A.R.T.	60.00	12.00	12.00	6.00	12.00	12.00	12.00	13.00	13.00	13.00	13.00	13.00	13.00	30.00	30.00	30.00	80.00	80.00	74.00
13.	Promtion of Voluntary Scheme	115.00	10.00	10.00	1.55	20.00	20.00	19.54	26.00	13.00	13.00	13.00	13.00	13.00	0.00	0.00	0.00	69.00	56.00	47.09
14.	Organisation of Beneficiaries	15.97	3.50	3.50	0.50	3.50	3.00	1.75	4.00	4.00	4.00	4.00	2.00	2.00	0.00	0.00	0.00	15.00	12.50	8.25
15.	Panchayat Development and Training	10.00	3.00	3.00	3.01	3.00	2.00	1.79	3.00	3.00	3.00	3.00	3.00	3.00	5.00	10.50	8.77	17.00	21.50	19.57
16.	Roads in Special Problems Areas	2.00	2.00	2.00	1.02	1.50	0.00	0.00	0.50	0.50	0.50	0.50	0.05	0.00	0.00	0.00	0.00	4.50	2.55	1.52
17.	Agricultural Marketing	0.00	7.25	7.25	5.78	7.25	7.25	4.12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	14.50	14.50	9.90
18.	Monitoring Mechanism	5.00	0.00	0.00	0.00	0.50	0.50	0.59	2.00	2.00	2.00	5.00	5.00	4.50	10.00	10.00	8.92	17.50	17.50	16.01
19.	Information Technology	0.00	—	—	—	—	—	—	—	—	—	—	—	—	0.00	1.00	0.00	0.00	1.00	0.00
20.	International Cooperation	0.00	—	—	—	—	—	—	—	—	—	—	—	—	0.00	1.00	0.00	0.00	1.00	0.00
21.	Pradhan Mantri Gram Sadak Yojana	—	—	—	—	—	—	—	—	—	—	2500.00	2500.00	2435.00	2500.00	2500.00	2500.00	5000.00	5000.00	4935.00
	Total-Rural Dev. (including PMGSY)	32869.87	7174.20	6578.16	6692.16	7858.50	7478.44	7476.43	7517.00	7220.00	7216.70	9260.00	8869.55	8480.12	9205.00	10606.50	10569.81	41014.70	40752.65	40435.22

APPENDIX II
STATEMENT SHOWING BUDGET ESTIMATES, REVISED ESTIMATES AND
ACTUAL EXPENDITURE DURING 10TH PLAN
MINISTRY OF RURAL DEVELOPMENT
DEPARTMENT OF RURAL DEVELOPMENT

(Rs. in crores)

Sl.No.	Name of the Schemes	10th Plan			2002-2003			2003-04			2004-05			2005-06			2006-07
		Proposed outlay	Outlay agreed to by Plg. Commn.	Total release (upto 31.3.06) in the 10th Plan	B.E.	R.E.	Actual Expenditure	B.E.	R.E.	Actual Expenditure	B.E.	R.E.	Actual Expenditure	B.E.	R.E.	Actual Expenditure	B.E.
1		2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
1.	Sampoorna Gramin Rozgar Yojana	48538.00	30000.00	32732.13	4440.00	9086.00	9086.93	4900.00	10130.00	10129.93	5100.00	5100.00	5014.84	4000.00	8500.00	8501.43	3000.00
2.	National Food For Work Programme	—	—	6473.08	—	—	—	—	—	—	0.00	2020.00	2019.00	6000.00	4500.00	4454.08	0.00
3.	Food Work Programme	—	—	785.18	600.00	860.00	785.18	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4.	Assistance to Rural Employment Guarantee	—	—	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11300.00
5.	Swarnajayanti Gram Swarozgar Yojana	9850.00	3955.00	3491.27	710.00	710.00	706.04	800.00	800.00	797.55	100.00	1000.00	958.80	960.00	1000.00	1028.88	1200.00
6.	DRDA Administration	1586.27	1100.00	883.11	220.00	220.00	199.19	220.00	220.00	220.00	230.00	230.00	228.92	220.00	220.00	235.00	220.00
7.	Rural Housing-Indira Awaas Yojana	13040.00	8603.00	9111.76	1725.00	1725.00	1693.14	1900.00	1900.00	1899.50	2500.00	2900.00	2772.55	2750.00	2750.00	2746.57	2920.00
8.	N.I.R.D.	350.00	40.00	30.45	5.00	5.00	5.45	6.00	6.00	6.00	9.00	9.00	9.00	10.00	10.00	10.00	12.00
9.	Training	315.00	150.00	107.70	20.00	20.00	18.02	39.00	39.00	39.84	24.40	24.40	22.16	24.00	24.00	27.68	30.00

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
10. Assistance to C.A.P.A.R.T.	250.00	200.00	215.00	30.00	30.00	30.00	50.00	50.00	50.00	65.00	65.00	65.00	70.00	70.00	70.00	70.00
11. Information, Education & Communication	500.00	100.00	52.30	10.00	10.00	10.00	10.00	10.00	10.50	20.00	20.00	16.12	15.00	15.00	15.68	18.00
12. Monitoring Mechanism	350.00	100.00	52.53	10.00	10.00	10.24	20.00	20.00	15.83	20.00	20.00	11.78	15.00	15.00	14.68	20.00
13. Pradhan Mantri Gram Sadak Yojana	55000.00	12500.00	11354.00	2500.00	2500.00	2500.00	2325.00	2325.00	2328.60	2468.00	2468.00	2305.40	4235.00	4220.00	4200.00	5225.62
14. Provision for Urban Amenities in Rural Areas	—	—	25.78	—	—	—	0.00	0.00	5.78	1.00	10.00	10.00	10.00	10.00	10.00	10.00
Total-Rural Development	129464.27	56748.00	65314.29	10270.00	15176.00	15043.19	10270.00	15500.00	15503.53	11437.40	13866.40	13433.57	18334.00	21334.00	21334.00	24025.62

*Provisional

APPENDIX III
DEPARTMENT OF RURAL DEVELOPMENT
STATEMENT SHOWING THE MONTHLY EXPENDITURE
PLAN FOR 2006-07

(In crores of Rupees)

Month	Plan	Non-Plan	Total	Cumulative Total
April	3280.04	1.82	3281.86	3281.86
May	1155.19	5.35	1160.54	4442.40
June	932.62	0.98	924.60	5367.00
July	762.86	0.98	763.84	6130.84
August	504.02	0.98	505.00	6635.84
September	536.66	0.98	537.64	7173.48
October	730.36	1.25	731.61	7905.09
November	845.63	1.02	846.65	8751.74
December	1220.92	5.4	1226.32	9978.06
January	1123.89	1.02	1124.91	11102.97
February	851.40	1.02	852.42	11955.39
March	791.03	1.14	792.17	12747.56
Total (excluding NREGA)	12725.62	21.94	12747.56	—
NREGA*	11300.00	0.00	11300.00	24047.56
Total	24025.62	21.94	24047.56	

*Monthly targets cannot be specified for National Rural Employment Guarantee Act (NREGA) as the programme is demand driven.

APPENDIX IV

STATE-WISE PHYSICAL AND FINANCIAL ACHIEVEMENT MADE BY NE STATES AND SIKKIM SINCE 2002-03 UNDER SGSY SCHEME

(Rs. in lakhs) (Mandays in lakh)

During the year 2002-03

Sl.No.	States	Central release	Total funds available	Expenditure reported	Mandays generated
1	2	3	4	5	6
1.	Arunachal Pradesh	824.26	1762.78	1427.27	16.62
2.	Assam	22496.96	44613.49	27332.23	483.50
3.	Manipur	669.80	1364.27	1257.14	14.91
4.	Meghalaya	1905.92	2967.74	1833.13	24.43
5.	Mizoram	573.88	991.27	869.41	12.99
6.	Nagaland	667.28	943.70	1111.86	16.39
7.	Sikkim	439.18	742.50	478.25	6.28
8.	Tripura	3850.07	5234.44	4211.48	99.46
	Total	31427.35	58620.19	38520.77	674.58

During the year 2003-2004

1.	Arunachal Pradesh	1560.75	2209.82	1257.74	18.42
2.	Assam	29681.01	55467.36	41422.14	637.20
3.	Manipur	1331.4	2042.85	1071.19	14.00
4.	Meghalaya	2055.44	3518.53	2716.95	34.37
5.	Mizoram	757.86	998.104	801.684	15.38
6.	Nagaland	1168.08	1405.87	1170.55	610.06
7.	Sikkim	703.55	1189.7	760	8.21
8.	Tripura	3991.89	6599.892	5959.21	126.96
	Total	41249.98	73432.126	55159.464	1464.60

1	2	3	4	5	6
During the year 2004-2005					
1.	Arunachal Pradesh	1154.33	1756.26	685.09	8.53
2.	Assam	30275.11	51314.95	30722.59	626.02
3.	Manipur	1503.12	2508.77	889.17	31.93
4.	Meghalaya	1927.93	3316.52	1999.43	36.96
5.	Mizoram	548.96	684.44	238.66	6.54
6.	Nagaland	1118.71	1350.60	296.93	36.71
7.	Sikkim	623.52	904.15	771.95	5.34
8.	Tripura	3922.76	5960.91	3978.82	108.46
Total		41074.44	67796.60	39582.64	823.53
During the year 2005-2006					
1.	Arunachal Pradesh	1377.50	2110.02	563.63	9.06
2.	Assam	40916.96	68966.84	43761.89	660.87
3.	Manipur	2164.50	3055.56	363.69	4.37
4.	Meghalaya	2334.13	3016.87	2301.31	27.68
5.	Mizoram	748.55	1022.37	615.18	7.66
6.	Nagaland	1415.70	1988.75	777.95	9.34
7.	Sikkim	828.75	1172.18	1075.62	7.59
8.	Tripura	5213.91	6868.85	3933.32	113.34
Total		55000.00	88201.44	53392.59	785.91

*As reported by the States upto January, 2006.

APPENDIX V

DETAILED FINANCIAL PERFORMANCE UNDER THE NATIONAL FOOD FOR WORK
PROGRAMME DURING THE YEAR 2005-2006 (As on 31.1.2005)

(Rs. in crore)

Sl. No.	Name of the States	Month Code	No. of Distts. Identified	Allocation	Opening Balance As on 1.4.2005	Release of last year but received during the current year	Release during the year						Misc. receipts	Total Availability (Col. 6+7+12+13)	Cumulative Expenditure			%age
							1st Instalment		2nd Instalment		Total Release (Col. 9+11+12)	On Works			Contingency	Total		
							No. of Distt.	amount	No. of Distt.	Amount								
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
1.	Andhra Pradesh	11	8	27199.63	8159.34	0.00	8	13599.82	—	—	2875.00	16474.82	3.07	24637.23	9117.28	213.79	9331.07	37.87
2.	Arunachal Pradesh	11	1	425.26	9.89	63.64	1	212.63	—	—	25.00	237.63	—	311.16	246.10	—	246.10	79.09
3.	Assam	10	5	37100.61	15371.93	786.37	—	—	—	—	1195.00	1195.00	—	17353.30	7541.15	20.88	7562.03	43.58
4.	Bihar	11	15	58812.89	19679.62	—	11	19918.80	—	—	4655.00	24573.80	198.17	44451.59	11694.72	66.72	11761.44	26.46
5.	Chhattisgarh	12	10	23181.35	4025.62	—	10	11590.71	4	3018.06	785.00	15393.77	22.28	19441.67	11019.76	52.54	11072.30	56.95
6.	Gujarat	12	6	8895.33	3765.47	0.00	5	4009.55	—	—	150.00	4159.55	10.89	7935.91	3018.47	28.43	3046.90	38.39
7.	Haryana	12	1	627.62	282.43	0.00	1	313.81	—	—	560.00	873.81	0.00	1156.24	194.71	3.05	197.76	17.10
8.	Himachal Pradesh	11	1	676.75	103.33	0.00	1	338.38	—	—	560.00	898.38	3.02	1004.73	298.51	1.41	299.92	29.85
9.	Jammu & Kashmir	4	2	1100.60	146.96	0.00	2	550.31	—	—	585.00	1135.31	—	1282.27	185.13	1.35	186.48	14.54

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
10.	Jharkhand	8	14	50315.90	19481.20	—	13	23120.83	4	5469.31	3560.00	32150.14	0.00	51631.34	9504.93	4.61	9509.54	18.42
11.	Karnataka	11	3	6514.20	2749.23	0.00	3	3257.11	—	—	1145.00	4402.11	0.00	7151.34	2523.27	14.87	2538.14	35.49
12.	Kerala	12	1	1218.36	421.77	0.00	—	—	—	—	560.00	560.00	0.00	981.77	120.58	0.56	121.14	12.34
13.	Madhya Pradesh	11	15	35201.76	9029.97	0.00	15	17600.04	12	15085.84	1980.00	34666.78	103.59	43800.34	15998.30	50.63	16049.93	36.64
14.	Maharashtra	—	11	34504.70	—	—	3	4632.71	1	981.55	810.00	6424.26	—	6424.26	—	—	0.00	0.00
15.	Manipur	10	1	889.78	64.57	133.16	1	444.89	1	—	25.00	469.89	—	667.62	423.20	5.00	428.70	64.21
16.	Meghalaya	11	1	1212.16	212.31	181.39	1	606.08	—	—	560.00	1166.08	5.66	1565.44	295.51	3.06	298.57	19.07
17.	Mizoram	12	1	212.89	14.71	—	1	106.45	—	—	560.00	666.45	0.15	681.31	107.69	1.06	108.76	15.96
18.	Nagaland	8	1	1015.71	27.33	152.00	—	—	—	—	25.00	25.00	—	204.33	—	—	0.00	0.00
19.	Orissa	12	18	49621.06	7363.16	0.00	18	24810.56	12	15730.47	985.00	41526.03	1.17	48890.36	19778.80	322.45	20101.25	41.11
20.	Punjab	11	1	1595.09	17.87	0.00	1	797.55	—	—	25.00	822.55	1.17	841.59	0.00	5.56	5.56	0.66
21.	Rajasthan	12	5	7866.58	1297.67	0.00	5	3933.31	2	1645.93	660.00	6239.24	0.00	7536.91	3329.61	12.43	3342.04	44.34
22.	Sikkim	9	1	703.70	39.08	105.31	1	351.85	—	—	25.00	376.85	—	521.24	29.27	—	29.27	5.62
23.	Tamil Nadu	11	4	10803.45	2202.07	0.00	4	5401.73	—	—	1170.00	6571.73	20.49	8794.29	2108.67	21.82	2130.49	24.23
24.	Tripura	12	1	3439.89	1543.37	—	1	1719.95	—	—	25.00	1744.95	7.45	3295.77	1527.85	15.43	1543.28	46.83
25.	Uttaranchal	12	2	2259.88	1063.68	0.00	1	891.66	—	—	585.00	1476.66	0.00	2540.34	446.12	54.58	500.70	19.71
26.	Uttar Pradesh	12	15	58738.53	24396.04	0.00	3	4273.76	—	—	4120.00	8393.76	3.35	32793.15	8866.32	110.73	8977.05	27.37
27.	West Bengal	11	6	25496.32	9490.70	—	6	12748.17	—	—	2290.00	15038.17	8.23	24537.10	6616.64	77.81	6694.45	27.28
	Total		150	449630.00	130959.31	1421.87	116	155231.56	36	41931.16	30500.00	227662.72	388.70	360432.60	114994.09	1088.78	116082.87	32.21

APPENDIX VI

STATEMENT INDICATING NAMES OF 150 MOST BACKWARD
DISTRICTS COVERED UNDER NFFWP

State	No.	150 NFFWP Districts
1	2	3
Andhra Pradesh	1.	Adilabad
	2.	Mahbubnagar
	3.	Warangal
	4.	Nalgonda
	5.	Khammam
	6.	Anantpur
	7.	Cudappah
	8.	Rangareddy
Arunachal Pradesh	1.	Upper Subansiri
Assam	1.	Kokrajhar
	2.	North Cachar Hills
	3.	Karbi Anglong
	4.	Dhemaji
	5.	North Lakhimpur
Bihar	1.	Araria
	2.	Vaishali
	3.	Madhubani
	4.	Muzaffarpur
	5.	Nawadah
	6.	Samastipur
	7.	Sheohar
	8.	Katihar
	9.	Jamui
	10.	Lakhisarai

1	2	3
	11.	Purnea
	12.	Supaul
	13.	Darbhanga
	14.	Gaya
	15.	Monghyr
Chhattisgarh	1.	Bastar
	2.	Dantatewada
	3.	Kanker
	4.	Jaspur
	5.	Rajnandgaon
	6.	Sarguja
	7.	Bilaspur
	8.	Raigarh
	9.	Koria
	10.	Dhamtri
Gujarat	1.	Dohad
	2.	Panch Mahals
	3.	Dangs
	4.	Sabarkantha
	5.	Namada
	6.	Banaskantha
Haryana	1.	Mohindergarh
H.P.	1.	Chamba
J&K	1.	Doda
	2.	Kupwara
Jharkhand	1.	Godda
	2.	Lohardagga
	3.	Gumla
	4.	Saraikela

1	2	3
	5.	Singhbhum West
	6.	Simdega
	7.	Chatra
	8.	Garhwa
	9.	Palamau
	10.	Dumka
	11.	Jamtara
	12.	Sahebganj
	13.	Pakur
	14.	Latehar
Karnataka	1.	Chitradurga
	2.	Davanagere
	3.	Bidar
Kerala	1.	Waynag
Madhya Pradesh	1.	Umaria
	2.	Shahdol
	3.	Barwani
	4.	Balaghat
	5.	Siddhi
	6.	Mandla
	7.	Jhabua
	8.	Shivpuri
	9.	Chattarpur
	10.	Sheopur
	11.	Tikamgarh
	12.	Khandwa
	13.	Betul
	14.	Dhar
	15.	Khargone

1	2	3
Maharashtra	1.	Gadchiroli
	2.	Gondya
	3.	Chandrapur
	4.	Bhandara
	5.	Dhule
	6.	Nandurbar
	7.	Hingoli
	8.	Nanded
	9.	Ahmednagar
	10.	Aurangabad
	11.	Yawatmal
Manipur	1.	Tamenlong
Meghalaya	1.	South Garo Hills
Mizoram	1.	Saiha
Nagaland	1.	Mon
Orissa	1.	Keonjhar
	2.	Koraput
	3.	Malkangiri
	4.	Nabarangpur
	5.	Rayagada
	6.	Mayurbhanj
	7.	Sundergarh
	8.	Boudh
	9.	Nuapada
	10.	Kalahandi
	11.	Sonepur
	12.	Ganjam
	13.	Bolangir

1	2	3
	14.	Deogarh
	15.	Dhenikanal
	16.	Jharsuguda
	17.	Sambalpur
	18.	Phulbani
Punjab	1.	Hoshiarpur
Rajasthan	1.	Banswara
	2.	Dungarpur
	3.	Udaipur
	4.	Karauli
	5.	Sirohi
Sikkim	1.	North Sikkim
Tripura	1.	Dhalai
Tamil Nadu	1.	Tiruvannamalai
	2.	South Arcot/Cuddalore
	3.	Nagapattinam
	4.	Villupuram
Uttaranchal	1.	Champawat
	2.	Tehri Garhwal
Uttar Pradesh	1.	Sonbhadra
	2.	Unnao
	3.	Raebareli
	4.	Sitapur
	5.	Hardoi
	6.	Fatehpur
	7.	Lalitpur
	8.	Chitrakoot
	9.	Banda

1	2	3
	10.	Mirzapur
	11.	Kushinagar
	12.	Mahoba
	13.	Hamirpur
	14.	Barabanki
	15.	Lakhimpur Kheri
West Bengal	1.	Purulia
	2.	Bankura
	3.	West Midnapur
	4.	West/North Dinajpur
	5.	Malda
	6.	Murshidabad
Total Districts	150	

APPENDIX VII

STATEMENT INDICATING NAMES OF ADDITIONAL 50 DISTRICTS
IDENTIFIED BY PLANNING COMMISSION
FOR COVERAGE UNDER NREGA

State	No.	Additional 50 Districts
1	2	3
Andhra Pradesh	1	Chittor
	2	Viziaanagaram
	3	Karim Nagar
	4	Medak
	5	Nizamabad
Assam	1	Goalpara
	2	Bongaigaon
Bihar	1	Aurangabad
	2	Bhojpur
	3	Jehanabad
	4	Kaimur (Bhabua)
	5	Nalanda
	6	Patna
	7	Rohtas
	8	Kishanganj
Chhattisgarh	1	Kawaradha
haryana	1	Sirsa
H.P.	1	Sirmaur
J&K	1	Poonch
Jharkhand	1	Bokaro
	2	Dhanbad
	3	Hazaribagh
	4	Kodarma

1	2	3
	5	Ranchi
	6	Giridih
Karnataka	1	Gulbarga
	2	Raichur
Kerala	1	Palakkad
Madhya Pradesh	1	Satna
	2	Seoni
	3	Dindon
Maharashtra	1	Amravati
Meghalaya	1	West Garo Hills
Mizoram	1	Lawngtlai
Orissa	1	Guajapafi
Rajasthan	1	Jhalawar
Tamil Nadu	1	Dindigul
	2	Sivaganga
Uttaranchal	1	Chamoli
Uttar Pradesh	1	Azamgarh
	2	Gorakhpur
	3	Jalaun
	4	Jaunpur
	5	Pratapgarh
	6	Kaushambi
	7	Chandauli
West Bengal	1	Birbhum
	2	Jalpaiguri
	3	South Dinajpur
	4	24 South Parganas
Total Districts	50	

APPENDIX VIII

**PHYSICAL & FINANCIAL PROGRESS UNDER PMGSY
PHASE V (2005-06)**

LENGTH IN KM. RELEASE AND EXPENDITURE IN RS. CRORE

(Upto December, 2005)

Sl. No.	State	Value of proposals	Amount Released (upto 5.2.2006)	No. of road works	Length of road works	No. of road works completed	Length of road works completed	Expenditure (Restricted to value of proposals)	Expenditure (Restricted to release)
1	2	3	4	5	6	7	8	9	10
1.	Andhra Pradesh	—	—	—	—	—	—	—	—
2.	Arunachal Pradesh	—	—	—	—	—	—	—	—
3.	Assam	425.59	—	290	1061.27	—	—	—	—
4.	Bihar	—	—	—	—	—	—	—	—
5.	Chhattisgarh	448.62	—	429	1951.27	—	40.07	6.13	0.00
6.	Goa	—	—	—	—	—	—	—	—
7.	Gujarat	125.1	—	370	763.72	—	—	—	—
8.	Haryana	84.25	—	26	361.93	—	—	—	—
9.	Himachal Pradesh	132.93	—	105	614.50	—	—	0.13	0.00
10.	Jammu & Kashmir	—	—	—	—	—	—	—	—
11.	Jharkhand	—	—	—	—	—	—	—	—
12.	Karnataka	110.83	—	100	661.30	—	—	—	—
13.	Kerala	—	—	—	—	—	—	—	—
14.	Madhya Pradesh	537.96	—	579	2678.72	3	3.78	43.30	0.00
15.	Maharashtra	—	—	—	—	—	—	—	—
16.	Manipur	—	—	—	—	—	—	—	—
17.	Meghalaya	—	—	—	—	—	—	—	—
18.	Mizoram	—	—	—	—	—	—	—	—
19.	Nagaland	—	—	—	—	—	—	—	—

1	2	3	4	5	6	7	8	9	10
20.	Orissa [#]	530.96	—	483	1907.65	—	—	—	—
21.	Punjab	—	—	—	—	—	—	—	—
22.	Rajasthan ^{##}	550.59	273.73	885	3069.28	30	113.16	72.99	72.99
23.	Sikkim	—	—	—	—	—	—	—	—
24.	Tamil Nadu	—	—	—	—	—	—	—	—
25.	Tripura	—	—	—	—	—	—	—	—
26.	Uttar Pradesh	—	—	—	—	—	—	—	—
27.	Uttaranchal	—	—	—	—	—	—	—	—
28.	West Bengal	—	—	—	—	—	—	—	—
	Grand Total	2946.83	273.73	3267	13069.64	33	157.01	122.55	72.99

[#] This includes value (Rs. 73.37 crore), No. of road works (87) & length (254.94 Kms.) of Missing Links Phase-I & Phase-II and value (Rs. 14.96 crore), No. of road works (7) & length (45.98 Kms.) of Left Wing district.

^{##} Number & length of road works proposed under Part-III of Phase-V to be intimated by State Govt.

APPENDIX IX

EXTRACTS OF RECOMMENDATION PARA 7 MADE IN SEVENTH REPORT 2004-05 OF ESTIMATES COMMITTEE

Recommendation Serial No.	Recommendation
7.	<p>XXXX. The Committee have gathered an impression that the Regional Committees are not sufficiently equipped with the required manpower, etc. to discharge the responsibilities effectively. With the jurisdiction of Regional Committees extending to a number of States, the representatives of VOs have to travel from distant places to pursue the project proposals. Moreover, monitoring of the projects approved by Regional Committees also becomes difficult. The committee, therefore, desire that the Regional Committees should be strengthened with adequate manpower, delegation of powers, etc. The possibility of establishing more Regional Offices should also be got examined. The Committee would like to be apprised of the action taken by the Ministry in this regard.</p>

APPENDIX X

COMMITTEE ON RURAL DEVELOPMENT (2005-2006)

EXTRACTS OF THE MINUTES OF THE THIRTEENTH SITTING OF THE COMMITTEE HELD ON TUESDAY, THE 21 MARCH, 2006.

The Committee sat from 1500 hrs. to 1700 hrs. in Committee Room 'B', Parliament House Annexe, New Delhi.

PRESENT

Shri Kalyan Singh —*Chairman*

MEMBERS

Lok Sabha

2. Shri Mohan Jena
3. Shri Dawa Narbula
4. Shri A.F. Golam Osmani
5. Shri Prabodh Panda
6. Shri Mohan Singh
7. Shri Sita Ram Singh

Rajya Sabha

8. Kumari Nirmala Deshpande
9. Shri Penumalli Madhu
10. Prof. R.B.S. Varma

SECRETARIAT

1. Shri S.K. Sharma — *Additional Secretary*
2. Shri P.K. Grover — *Joint Secretary*
3. Shrimati Sudesh Luthra — *Deputy Secretary*
4. Shri A.K. Shah — *Under Secretary*

Representatives of Ministry of Rural Development (Department of Rural Development)

1. Dr. Renuka Viswanathan, Secretary (RD)
2. Shri Atul Chaturvedi, AS & FA
3. Shrimati Veena Sreeram Rao, DG, CAPART
4. Shri V.S. Sampat, DG, NIRD
5. Shri J.K. Mohapatra, Joint Secretary
6. Dr. Amar Singh, Joint Secretary
7. Shrimati Smita Chugh, Joint Secretary
8. Shrimati Amita Sharma, Joint Secretary
9. Shrimati Nilam Sawhney, Joint Secretary

2. At the outset the Chairman welcomed the members to the sitting of the Committee convened for briefing by the representatives of (i) Department of Rural Development and (ii) Department of Land Resources on Demands for Grants (2006-2007). He informed the Committee that the sittings of the Committee for the purpose of examination of Demands for Grants (2006-2007) (as intimated to the members of the Committee *vide* Lok Sabha Secretariat Notice dated 23 March, 2006) had to be rescheduled due to rescheduling of Seventh Session of Lok Sabha. The detailed revised programme for oral evidence and consideration and adoption of the Reports was then circulated to the members of the Committee. Hon'ble Chairman solicited cooperation of the members of the Committee to finalise the reports on Demands for Grants (2006-2007).

[The representatives of the Ministry of Rural Development (Department of Rural Development) were then called in.]

3. The Chairman welcomed the representatives of the Department of Rural Development and drew their attention to the provisions of direction 55(1) of the Directions by the Speaker. He in his welcome address raised the main issues which included underspending of outlay, huge opening balances with various State Governments, underachievement of targets, mismatch of physical and financial achievement as indicated in the various Budget documents of the respective Departments.

4. The Secretary, Ministry of Rural Development then briefed the Committee about the main features of Demands for Grants (2006-2007). She also responded to the various concerns raised through the

Hon'ble Chairman's address, supplemented by queries of members of the Committee. The Secretary also responded to the various queries raised by members of the Committee.

[The representatives of the Department of Rural Development then withdrew at 1625 hrs. Since the Secretary, Department of Rural Development is also looking after the Department of Land Resources, she along with the common officers of both the Departments (Department of Rural Development and Department of Land Resources) stayed back and officers dealing with the Department of Land Resources joined them.]

5. ** ** **

A verbatim record of the proceeding was kept.

*The Committee then adjourned to meet again on
22 March, 2006 at 1500 hrs.*

APPENDIX XI

COMMITTEE ON RURAL DEVELOPMENT
(2005-2006)

MINUTES OF THE FIFTEENTH SITTING OF THE COMMITTEE
HELD ON WEDNESDAY, THE 12 APRIL, 2006.

The Committee sat from 1100 hrs. to 1330 hrs. in Committee Room G-074, Parliament Library Building(PLB), New Delhi.

PRESENT

Shri Kalyan Singh — *Chairman*

MEMBERS

Lok Sabha

2. Shri Mohan Jena
3. Shri Subhash Maharia
4. Shri Hannan Mollah
5. Shri Dawa Narbula
6. Shrimati Tejaswini Seeramesh
7. Shri P. Chalpathi Rao
8. Shri Nikhilananda Sar
9. Shri Mohan Singh
10. Shri Sita Ram Singh
11. Shri D.C. Srikantappa
12. Shri Bagun Sumbrai
13. Shri Mitrasen Yadav

Rajya Sabha

23. Prof. Alka Balram Kshatriya
24. Shri Penumalli Madhu
25. Dr. Chandan Mitra
26. Dr. Gyan Prakash Pilonia

SECRETARIAT

1. Shri S.K. Sharma — *Additional Secretary*
2. Shri P.K. Grover — *Joint Secretary*
3. Shrimati Sudesh Luthra — *Deputy Secretary*
4. Shri A.K. Shah — *Under Secretary*

Representatives of Ministry of Rural Development (Department of Rural Development)

1. Dr. Renuka Viswanathan, Secretary (RD)
2. Shri Atul Chaturvedi, AS & FA
3. Shri J.K. Mohapatra, Joint Secretary
4. Dr. Amar Singh, Joint Secretary
5. Shrimati Smita Chugh, Joint Secretary
6. Shrimati Amita Sharma, Joint Secretary
7. Shrimati Nilam Sawhney, Joint Secretary
8. Shri K.B.L. Mathur, Eco. Adviser
9. Shrimati Veena Sreeram Rao, DG, CAPART
10. Shrimati Lakshmi Prasad, DDG, CAPART
11. Shri A. Bhattacharya, DDG, CAPART
12. Shri R.P. Meena, CVO, CAPART
13. Shri V.S. Sampat, DG, NIRD
14. Shri Chinmoy Basu, DDG, NIRD

2. At the outset the Chairman welcomed the members to the sitting of the Committee to take oral evidence of the Ministry of Rural Development on Demands for Grants(2006-2007).

[The representatives of the Ministry of Rural Development (Department of Rural Development) were then called in.]

3. The Chairman thereafter welcomed the representatives of the Department of Rural Development and drew their attention to the provisions of direction 55(1) of the Directions by the Speaker. He in his welcome address raised the main issues which included huge under-spending of outlays , poor performance of some major schemes like National Food for Work Programme (NFFWP), Indira Awaas Yojana(IAY) and Pradhan Mantri Gram Sadak Yojana (PMGSY) and delay in finalisation of BPL list by different States. The Hon'ble

Chairman referred to the targets fixed under Pradhan Mantri Gram Sadak Yojana (PMGSY) whereby all the villages having the population of 1000 in plains and 500 in tribal and hilly areas would be provided connectivity by road by the year 2009. He invited the comments of the representatives of the Department on how the gap between the required outlay and the existing available resources would be met. The Hon'ble Chairman also referred to the statement made by Hon'ble Minister of Rural Development in Lok Sabha on 10th March, 2006 whereby he informed the House about a laudable initiative taken by the Union Government whereby the States have been requested to prepare a permanent Indira Awaas Yojana wait list separately for SC/ST and beneficiaries which would be painted on the wall at a prominent place and made available on the website of the district for wider publicity and transparency. He desired to know about the similar initiatives in the other schemes of the Department and also to put BPL List of a district on the website.

4. The members then raised several queries pertaining to the physical and financial performance of National Food for Work Programme (NFFWP), Pradhan Mantri Gram Sadak Yojana (PMGSY) and the newly launched National Rural Employment Guarantee Scheme (NREGS). The issues raised by Hon'ble Chairman in his introductory address were further supplemented by the queries by members. The representatives of the Ministry of Rural Development replied to the queries raised by the members.

5. A verbatim record of the proceedings was kept.

The Committee then adjourned to meet again at 1500 hrs. to take evidence of the representatives of the Ministry of Rural Development on Demands for Grants (2006-2007).

APPENDIX XII

COMMITTEE ON RURAL DEVELOPMENT (2005-2006)

MINUTES OF THE NINETEENTH SITTING OF THE COMMITTEE HELD ON MONDAY, THE 8TH MAY, 2006

The Committee sat from 1100 hrs. to 1320 hrs. in Committee Room 'E', Parliament House Annexe, New Delhi.

PRESENT

Shri Hannan Mollah—*In the Chair*

MEMBERS

Lok Sabha

2. Shri Sandeep Dikshit
3. Shri A.F. Golam Osmani
4. Shri Prabodh Panda
5. Shrimati Tejaswini Seeramesh
6. Shri Nikhilananda Sar
7. Shri Sita Ram Singh
8. Shri Bagun Sumbrai
9. Shri Mitrasen Yadav

Rajya Sabha

10. Kumari Nirmala Deshpande
11. Shri Penumalli Madhu
12. Dr. Gyan Prakash Pilonia

SECRETARIAT

1. Shri S.K. Sharma — *Additional Secretary*
2. Shri P.K. Grover — *Joint Secretary*
3. Shrimati Sudesh Luthra — *Deputy Secretary*
4. Shri A.K. Shah — *Under Secretary*

2. In the absence of Chairman, the Committee chose Shri Hannan Mollah, M.P. to act as Chairman for the sitting under Rule 258(3) of the Rules of Procedure and Conduct of Business in Lok Sabha.

3. At the outset, the Chairman, welcomed the members to the sitting of the Committee. The Committee then took up for consideration the draft Report on Demands for Grants (2006-2007) of the Department of Rural Development (Ministry of Rural Development) and adopted the draft Report with slight modifications.

4. The Committee then authorized the Chairman to finalise the aforesaid draft Report on the basis of factual verification from the concerned Ministry/Department and present the same to both the Houses of Parliament.

The Committee then adjourned for lunch to meet again at 1430 hrs..

APPENDIX XIII

STATEMENT OF OBSERVATIONS/RECOMMENDATIONS

Sl.No.	Para No.	Recommendations/Observations
1	2	3
1.	2.6	<p>The Committee note that the primary objective of inserting direction 73A in the Directions by the Speaker was to make the Government more accountable for implementation of the various recommendations of the Committee. The Committee are concerned to note that even after a lapse of around six months when the statement on Ninth Report had fallen due and about three months when the Ministry was requested for making the revised statement in respect of Third Report, the statements are yet to be tabled by the Hon'ble Minister. The Committee also find that the Department is taking the desired action to make the statements in the Second part of the Seventh Session as stated by the Secretary during the course of oral evidence. The Committee would like the Government to ensure that the statements are made at the earliest during the Second part of the Seventh Session. They further strongly recommend that in future, the Department should ensure that the statements on each of the reports are mandatorily made within the specified period <i>i.e.</i> six months after the presentation of the Report to Parliament as per direction 73A of the Directions by the Speaker.</p>
2.	2.14	<p>The Committee note with concern that although our neighbouring countries could improve the human development index, India has remained static at 127th position for the last three years. Since out of three parameters for determining</p>

human development index, one parameter *i.e.* employment is the mandate of the Department of Rural Development, the Department has therefore, a key role in improving the human development index. The Committee would like to point out that employment being the basic parameter to improve the economic and social status of a person, once an individual gets employment, the other issues like education and basic health services are taken care of. There is a co-relation between the status of employment of an individual and his social and economic status.

3. 2.15 From the status of allocation of outlay as indicated above, the Committee note that although there may be some enhancement of outlay in each plan as compared to the previous plans, the percentage increase in outlay when compared to the overall outlay of the Government of India do not indicate any substantial enhancement in rural development sector. There was marginal increase in allocation of resources for rural development for each of the plan as compared to the previous plan up to 9th Plan. However, during 10th Plan, when the targets for GDP growth are being set at 8.1 per cent and the Indian economy has been acknowledged as booming economy worldwide, the percentage distribution of allocation has decreased from 8.7 per cent to 8 per cent.
4. 2.16 The Committee further note that some of the States such as Bihar, Madhya Pradesh, Rajasthan and Uttar Pradesh are not doing well. The scheme-wise position has been reviewed in the subsequent chapters of the report. In view of this scenario, the Committee recommend the Government to enhance the allocation for rural development adequately so that the benefit of the booming economy reach

the poorest of the poor in the country. Further, there is an urgent need to ensure even development of different States in the country. The Committee would like to strongly recommend to the Department to review the position of implementation of schemes State-wise and after addressing the shortcomings, suggest some remedial measures and inform the Committee accordingly.

5. 2.21 The Committee observe that while requirement of funds for foodgrains component and special component is an important feature, the funds are being made available only at the Supplementary Grants or RE stage. The Committee have repeatedly been recommending in this regard in their respective reports. In spite of that the practice of allocating funds for foodgrains component at Supplementary Grants stage still continue. The Committee are of the opinion that demanding huge allocation at Supplementary Grants stage is not a healthy practice of Budgeting. It does not give an idea about the allocation made under a scheme in different districts. The implementing agencies should be well aware of the provisions made under a scheme well in time i.e. in the beginning of the financial year. In view of this, the Committee strongly recommend that the practice of allocating funds at RE stage for a component which is certain and for which estimates are available at BE stage should be dispensed with and funds should be made available at the BE stage itself. The Planning Commission/Ministry of Finance should be apprised of the concerns of the Committee in this regard.
6. 2.22 The Committee find from the data indicated above that there is enhancement of only Rs. 2691.62 crore in B.E. 2006-07 as compared to

R.E. 2005-06, although Rs. 11,300 crore have been allocated for the ambitious programme 'National Rural Employment Guarantee Scheme'. Not only that, ambitious targets have also been fixed for Rural Housing. The comparative position of outlay scheme-wise has been analysed in the subsequent Chapters of the Report. Here the Committee feel that the enhancement of outlay in one programme may be due to the decrease in outlay in some other scheme. The Committee disapprove of this tendency of the Government. The Committee strongly recommend that adequate outlay under different schemes should be provided to achieve the laudable objectives. Besides, the enhancement of outlay for the ambitious programme *i.e.* NREGA should not be at the cost of the established programmes of the Department.

7. 2.33

The Committee find that the results of the BPL Census 2002 have inordinately been delayed. BPL Census is conducted at the beginning of each Five Year Plan so as to identify the households living Below Poverty Line (BPL) who could be benefited by the different schemes of the Ministry. Although the Tenth Five Year Plan is coming to an end, the results of the BPL Census conducted for the said Five Year Plan are yet to be finalised. While noting the fact that the results were delayed due to the stay imposed by the Supreme Court in this matter, the Committee have repeatedly been recommending to the Department in the respective reports to direct the State Governments to complete the exercise and be ready with the provisional results pending decision of the Supreme Court. Even when the announcement regarding the vacation of the stay by the Supreme Court has been made by Hon'ble Minister in Lok Sabha on 10 March,

-
- 2006, the results are yet to be finalised. As stated by the Secretary, Department of Rural Development, it will take two or three months to finalise the results. While expressing the concern over the inordinate delay in finalisation of the BPL List, the Committee would like to recommend for finalisation of the BPL list without any further delay.
8. 2.34 The Committee further note that the next official estimates of poverty incidence based on NSSO (61st) round of Sample Survey conducted in 2004-05 are expected by 2006. The Committee hope that the results would be made available during the year 2006 so that the genuine beneficiaries *i.e.* below poverty line persons could be provided assistance under the different schemes of the Government. Till the results of the latest survey are made available, the Census report 2002, the results of which are still to be finalised, could be used for the purpose of different schemes of the Government.
9. 2.35 The Committee in their earlier reports have repeatedly been expressing their unhappiness over the decision of the Government according to which the number of BPL persons estimated should not exceed those identified as per 1999-2000 survey. The Committee find that the concerns of the Committee have been conveyed to Planning Commission and it has responded that since the cap on the total number of BPL families to be identified was recommended by the Expert Committee, the issue may be looked into in detail by the Expert Committee to be constituted for the BPL Census to be conducted for Eleventh Five Year Plan. The Committee feel that such an arbitrary limit on BPL persons to be identified will do a great injustice to the genuine BPL persons who could be debarred from certain benefits. Not only that, such

limitations can provide unreasonable authority to the agencies involved thereby inviting corruption and malpractice. Therefore, the Committee would like the Department to pursue the matter with the Planning Commission so that such limitations are not imposed while finalizing the number of BPL persons during latest survey.

10. 2.36

The Committee further note that as reported in the Economic Survey, the extent of the actual decline in the proportion of BPL between 1993-99 and 1999-2000 has been a subject of an intense debate by academicians because of change in the methodology for collection of basic data in 1999-2000 and possible non-comparability with earlier rounds of consumer expenditure surveys. The Committee would like to be informed about the details of the methodology adopted during the latest survey being conducted for Eleventh Plan. They would also like to be informed whether the results of the BPL Census 2002 and 2006 would be comparable keeping in view the specific methodologies adopted during these two surveys.

11. 2.46

The Committee find that even though the Department has a detailed monitoring mechanism to oversee the implementation of various schemes/programmes meant for the upliftment of rural masses, much needs to be done to improve the delivery mechanism of the schemes/programmes. Huge unspent balances amounting to Rs. 9,162 crore lying with the State Governments is certainly an area of concern. The Committee further feel that more than putting in place different monitoring mechanisms, there is an urgent need to see that the system works effectively. The working of the district and State level Vigilance and

Monitoring committees speaks volume about the ineffective state of monitoring mechanism put in place by the Ministry of Rural Development. Although there is a provision to hold at least one meeting in each quarter, most of the Districts and Vigilance Committees could succeed in holding barely one meeting during the year 2005. If this is the state of affairs of the committees which are to be appointed by the Department of Rural Development, the status of other monitoring mechanisms can be well imagined. Further, although the Department has claimed that there has been an increase in monitoring and vigilance of rural development programmes at all levels particularly at the grass-root level, no information has been furnished by the Department to substantiate the aforesaid claim. In view of the aforesaid scenario, the Committee hold the opinion that there is an urgent need to implement the best of the systems evolved for monitoring of schemes. The Committee hope that with the implementation of the Right to Information Act, there will be a check on the proper implementation of various programmes and schemes. Further dissemination of information as required under the provisions of the Act would make the public aware about the various schemes and programmes which automatically would put a pressure on the implementing agencies to perform better and deliver results.

12. 2.47

The Committee further find that a laudable initiative has been taken by the Department to prepare a permanent Indira Awaas Yojana wait list. The Committee would like that similar initiatives may be taken for other schemes of the Department. Besides, it would be desirable to put the BPL list of each district on the website so as to ensure fair and transparent

1	2	3
		<p>selection of beneficiaries under different schemes. The Committee would also like the Government to pursue further with the State Governments so that the directions issued by the Department are really complied with. The Committee may also be kept informed in this regard.</p>
13.	2.53	<p>The Committee appreciate the concept of Gender Budgeting covering as many as 24 Demands for Grants in 18 Ministries/ Departments and five Union territories and schemes with an outlay of Rs. 28,737 crore. The noble objective of Gender Budgeting is to remove the disparity between the two genders by giving more and more benefits to women in all the schemes of the Government. The Committee would like to emphasise that by mere constitution of Gender Budget Cell, the objectives behind Gender Budgeting would not be achieved. The Committee are concerned to find that although under the different schemes of the Department of Rural Development, particularly under IAY, SGSY and SGRY, specific provisions for women have been made in the guidelines, the implementation of the said provisions is far from satisfactorily. As reported in various Budget documents like Economic Survey and Mid-Term Appraisal document the targeted benefits are not reaching the female beneficiaries.</p>
14.	2.54	<p>The Committee therefore desire that the Government should seriously try to achieve the targets specified for women beneficiaries in the guidelines of each scheme so that the gap in terms of employment, housing, wages etc. between men and women is bridged to a great extent. Further, survey at regular intervals be undertaken by independent research agencies to evaluate the effects of Gender Budgeting.</p>

1	2	3
15.	2.56	<p>The Committee note that preparations for Eleventh Five Year Plan (2007-2011) are being made and priorities are being finalized. The Committee urge that the plan proposals should be finalized expeditiously well before the start of the Plan. Besides, the Committee would also like that the State Governments should be consulted before finalising the plan proposals. The various recommendations made by the Committee in their respective reports should also be considered in this regard.</p>
16.	3.20	<p>The Committee note that the physical and financial performance under the Sampoorna Grameen Rozgar Yojana (SGRY) is very poor. As on 31 January, 2006, the Government could utilise only 54.57 per cent of the allocated outlay for SGRY. Even in regard to physical achievements, the Government could complete only 55.70 per cent of the works undertaken. Further, it could only generate 66.21 crore mandays whereas the target was 86.11 crore mandays. The quarter-wise achievements in terms of mandays generated further indicate shortfall of around 50 per cent during the first quarter and around 40 per cent during the third quarter. The Committee are not inclined to accept the reasons put forth by the Department that utilisation status always runs behind schedule particularly when there is shortfall in expenditure during 2004-05 when the financial achievement was 83.42 per cent. Not only that, 11 States/Union territories could utilize less than 75 per cent of the outlay. There are huge unspent balances to the time of Rs. 2,764.36 crore lying with the respective States/Union territory Governments. Around 20 per cent of the works undertaken during 2004-05 are still incomplete. Besides, the Committee feel that the plea of late receipt of Utilisation Certificates cannot be accepted in this era of technological</p>

advancement. The Committee would like to know the State-wise reasons for under-performance. Besides, the State/Union territories and implementing agencies should be impressed upon to furnish the timely Utilisation Certificates. There should also be physical inspection by Senior Officers of the Ministry to check whether the works shown by the States in their records, have actually been done/ completed in that particular year. The shortcomings reflected by the Area Officers during their visits and the corrective action taken by the Department should be reflected in the Budget documents.

17. 3.21 The Committee further find that 10 per cent of allocation under different schemes is exclusively earmarked for North-Eastern Region. The data with regard to physical and financial achievement under SGRY since 2002-03 indicate that although the position is improving year after year, still there is huge gap between the total available funds and the expenditure reported. Around 40 per cent of the funds are still lying unspent. The position of mandays generated improved during 2003-04, but there is huge decline in the mandays generated during 2004-05 and 2005-06. While 1464.60 lakh mandays were generated during 2003-04, the achievement declined to 823.53 lakh during 2004-05 and further to 785.91 lakh during 2005-06. Further the expenditure position during 2004-05 is also worse as compared to the previous year. The Committee would like to be apprised of the reasons for shortfall in physical and financial achievement during 2004-05 and 2005-06 in North-Eastern Region. The Committee urge the Department to take necessary corrective action so as to ensure meaningful utilisation of the exclusive outlay made for these States.

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18.	3.36	<p>The Committee are concerned to note the poor performance of a very important programme of the Department <i>i.e.</i> 'National Food for Work Programme' which has now been converted into 'National Rural Employment Guarantee Scheme'. Not only that, the utilisation of outlay is dismal <i>i.e.</i> 28.21 per cent during 2004-05 and 32.21 per cent during 2005-06 (as on 31 January, 2006). Even if the latest data is taken into account, the percentage of expenditure to total available funds is almost one-third. Out of total available funds of Rs. 5,800 crore, expenditure reported as on February, 2006 is Rs. 1,944.31 crore. Not only that a large number of works taken up under the programme are still to be completed. In this scenario, the Committee express their apprehension about the success of the National Rural Employment Guarantee Scheme which is the top most priority programme of the Government. The Committee strongly recommend to the Government to plug the loopholes which resulted into poor implementation of National Food for Work Programme and take stringent measures to ensure that the objectives of National Rural Employment Guarantee Act are met.</p>
19.	3.37	<p>The Committee further find that National Food for Work Programme initially started in 150 districts has now been subsumed into National Rural Employment Guarantee Scheme. They also note that during 2004-05 out of 73,183 number of total works undertaken, 18,130 works could actually be completed. Similarly, during 2005-06 out of total works of 1,80,396 actually 1,03,625 works were completed. Besides as on 31 December, 2005, an amount of Rs. 1,910.73 crore was lying as unspent balances under the programme. The Committee also note that as per the information provided by the Department, State Governments have been</p>

directed to complete all ongoing works under NFFWP latest by 30 June, 2006. Instructions have also been issued whereby the works can be completed under NREGA. The Committee feel that there is an urgent need to monitor the status of the incomplete works taken under NFFWP. Besides the monitoring of the position of utilisation of huge unspent balances is urgently required. The Committee would like the Department to pursue with the State/UT Governments and a strict monitoring of the programme should be done. The Committee should also be kept apprised in this regard.

20. 3.38

The Committee further find that during 2005-06 at the Budget Estimates stage, Rs. 6,000 crore was provided under National Food for Work Programme. At Revised Estimates stage, a cut of Rs.1,500 crore was imposed thereby reducing the allocation to Rs.4,500 crore. They also find from the position indicated by the Department that Rs. 1,500 crore were transferred from NFFWP to SGRY to maintain at least the previous SGRY allocation. Further the Department has also acknowledged that the revised allocation was sufficient to meet NFFWP requirement. The Committee are surprised at the statement given by the Department whereby the estimated outlay indicated at the Budget Estimates stage when reduced substantially has been found to be sufficient to meet the requirement of a programme. The Committee, therefore, conclude that the implementation of the programme was very poor whereby the part of the allocation made under NFFWP was transferred to another programme. What is worse, even the reduced allocation could not be utilised and the implementation of the programme was quite poor during the year 2005-06 as indicated in the preceding paras of the Report. The

Committee deplore the tendency of the Government whereby the allocation made under a programme at Budget Estimates stage is transferred to another scheme at Revised Estimates stage. The Committee therefore strongly recommend that efforts should be made for meaningful utilisation of the allocated resources in a year.

21. 3.39 The Committee further find that in the districts not covered by National Rural Employment Guarantee Scheme, the employment generation scheme SGRY would be applicable till the Guarantee Scheme is made applicable in all the districts of the country. In view of this position, the Committee would like that adequate allocation under SGRY should be made so that the districts where NREGA Scheme is not being applicable are not deprived of the allocation made under an old programme of employment generation *i.e.* SGRY.
22. 3.55 The Committee reiterate the importance of the National Rural Employment Guarantee Legislation as indicated in their Thirteenth Report (Fourteenth Lok Sabha) whereby it had been observed that the National Rural Employment Guarantee legislation is one of the most important legislations introduced in Parliament after Independence and it is the first step of the Government towards ensuring some sort of economic and social security by way of guaranteed wage employment to the millions of poor in rural areas in the country. The Committee, while noting that only two months have passed since the legislation was enacted, feel that it is too early to draw any conclusions about the success of the Guarantee Scheme. The initial data of implementation provided by the Department indicate that whereas in some of the States *viz.*, Andhra Pradesh, Bihar, Gujarat,

Madhya Pradesh, Rajasthan and West Bengal, a good number of applications have been received, in Haryana and Karnataka, the number of applications received is quite less. The Committee also find that the number of applications received is quite dismal with reference to the number of districts covered in a particular State. The highest number of districts covered are in Bihar *i.e.* 23, followed by Uttar Pradesh *i.e.* 22. The data with regard to applications as received in both the States is quite comparable. Performance-wise, Andhra Pradesh and Madhya Pradesh which have 13 and 18 districts respectively covered under the scheme have comparatively received almost three times the applications as received by Bihar and Uttar Pradesh. The Committee would like the Department to find out the reasons why lesser number of applications have been received in these States where the poverty index may be quite high as compared to Andhra Pradesh and Madhya Pradesh and apprise the Committee accordingly. Further, the Committee note that there is vast difference between applications registered, job cards issued and employment offered. Out of 2.24 crore applications received, job cards have been issued to around 83 lakhs applicants. Further there is a huge gap between job cards issued and employment demand and employment offered. Out of 83 lakh job cards issued, employment was offered to only 6,14,838 workers which is a very sorry state of affairs. The Committee would like to urge the Department to analyse the aforesaid data critically and take corrective action, so that the ambitious programme is implemented with full vigour and the benefits reach to the intended beneficiaries. For this, the Government has to undertake effective long term planning, provide the necessary ground training to implementing

agencies, identify the work timely, create the necessary demand for work and ensure timely employment to the job seekers for the specified period. Since the legal responsibility of providing employment rests primarily with the State Governments and the responsibility of providing commensurate funds rests primarily with the Central Government, the Government should ensure that the NREGA does not become a liability if it is unable to generate adequate employment commensurate to the demand. The Department should maintain the district-wise data with regard to implementation of NREGA and it should be put on the website so that public can have access to the data and be aware of the implementation status.

23. 3.58 The Committee find that the provision of unemployment allowance under the Guarantee Scheme is the legal right of a person who has been issued a job card. The huge difference between the employment demand and employment offered is a matter of concern. Besides the expenditure with regard to unemployment allowance has to be borne by the State Governments as per the provisions made under the legislation. In view of this scenario, it will be a huge burden on the State exchequer if the job opportunities are not created by way of initiating the admissible projects/schemes in a specific area. The Committee would like to strongly recommend to the Government to keep a watch on the data and take the necessary action to bridge the gap between the job cards issued, demand for employment and employment offered so as to avoid unnecessary litigation.
24. 3.61 The Committee are concerned to note the vague reply of the Department on such a serious issue of preparation of action plan to cover all the
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districts under the provision of NREGA. Instead of taking immediate action in this regard, it has been stated that the performance of the Act would be watched. The Committee note that the guarantee of 100 days of wage employment to each household in rural areas in the country has been provided under the enactment and further under the provisions of the Act it has been specifically mentioned that the guarantee shall be applicable to the whole of the rural areas in the country within a period of five years from the date of enactment of the Act and as such there is no scope for delaying the implementation of the Act. The Committee are of the firm opinion that an action plan for coverage should be prepared by the Department and transparency in this regard should be maintained so that the part of the country where the Guarantee Scheme at present is not applicable can be reassured about the applicability of the legislation in the near future.

25. 3.63 The Committee find that in the absence of information with regard to total area (districts/ blocks) falling under Schedule Fifth and Schedule Sixth areas in the country, it is difficult to draw any conclusion on the issue of according priority to such areas in the country. In view of the aforesaid position, the Committee would like to be apprised of the total area (districts/blocks) in each State in Schedule Fifth and Schedule Sixth areas and the areas covered by the NREGA so far so as to draw any meaningful conclusion and recommend further in this regard. The Committee would like that the information in this regard should be furnished separately for Schedule Fifth and Schedule Sixth areas.
26. 3.65 The Committee note that handling of such a voluminous work related to implementation of

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		<p>50 per cent of the Employment Guarantee Scheme by Panchayati Raj Institution is a huge challenge. The capacity building of the Panchayats by way of empowering these institutions through funds and functionaries is the prerequisite to ensure the success of the programme. Conducting a few programmes by NIRD is not sufficient. The Committee strongly recommend to the Government to take the desired action in coordination with the Ministry of Panchayati Raj for empowering the Panchayats so as to enable these institutions to take the responsibility of implementation of a scheme of this level.</p>
27.	3.67	<p>The Committee find from the reply of the Department that no attention has been paid to ensure the distribution of foodgrains under the Guarantee Scheme whereas 75 per cent of the wages under the scheme can be paid by way of foodgrains. It has simply been stated that only cash resources would be provided to the State Governments. The Committee would like the Department to clarify further whether the procurement and distribution of foodgrains will be the sole responsibility of the State Governments and what will be role of the undertakings involved in foodgrains like Food Corporation of India (FCI) so as to enable the Committee to recommend further in this regard.</p>
28.	3.69	<p>The Committee while noting that only seven States only have so far notified Guarantee Scheme under NREGA, urge the Department to pursue with the State Governments for an early notification of the Scheme.</p>
29	3.70	<p>Further, the Committee find that a detailed implementing and monitoring mechanism as proposed under the provisions of the Guarantee Act has to be created to ensure the successful</p>

implementation of the Guarantee Scheme. The Committee note with concern that State Governments have not yet initiated action in this regard. In view of this scenario, the Committee strongly recommend to the Department to pursue with the State Governments for appointment of different agencies to ensure the success of the programme. In the absence of the desired mechanism as provided in the provisions made under the Act, the Committee have their apprehensions that the Guarantee Scheme may meet the fate of the other Centrally Sponsored Schemes of the Department.

30.

3.80

The committee are perturbed to note the poor lending rate by Banks. During 2004-05, applications at the rate of four out of every ten applicant were rejected. The rejection rate has further increased to about five persons out of every ten applicants. This *inter-alia* means that over fifty per cent of the needy are unable to take benefit under SGSY due to some reason or other. The Committee observe that this is a disturbing trend and would ultimately lead to collapse of the scheme. The Department cannot wash away its hands simply by shifting its responsibility on Reserve Bank of India which is entrusted with the responsibility to coordinate and motivate Banks on all issues relating to SGSY. The Department needs to resolve all the issues pertaining to poor lending rate by taking the matter at the highest level in the Reserve Bank of India, Finance Ministry and the Chief of leading Banks. The Committee are of the view that applicant approach the Banks with great hope and expectations and they feel let down when their applications are rejected on flimsy grounds or due to cumbersome procedure. The Committee, therefore, suggest that the procedure for lending under SGSY be

simplified and paper work should be reduced so that people are not unnecessarily harassed. Help counters may be opened either at the Bank or DRDA Office to assist the illiterate applicant in filling up the forms, explaining them the highlights of the scheme, the liability of the applicant, the procedure for taking the benefit under the scheme etc. Further, the role of DRDAs and Panchayati Raj Institutions (PRIs) should be strengthened for effective coordination between them and the Banks so that the needy applicants are not unnecessarily turned away by Banks.

31. 3.88 The Committee are concerned to note that the physical targets meant for disadvantaged groups like SC/ST and handicap category have not been met satisfactorily. While some States have fared well, the figures indicate that the SC/ST Swarozgaris assisted in more than 13 States and Union territories are less than fifty per cent. Further, the statement indicates that except in Tamil Nadu and Manipur the percentage of handicap Swarozgaris assisted is less than the three per cent target. On an average, by the end of February 2006, only 43.13 per cent of the targeted Swarozgaris could be assisted which also highlights the poor performance of the scheme. Further, the Committee note that the utilization of funds by many States is very poor. While more than 13 States have disbursed less than 50 per cent of the credit marked for them, the Committee note that the overall percentage of credit disbursed is only 36.02 per cent. The Committee observe that the poor performance could be attributed to the slack attention paid by the Government. Something is lacking due to which the Government has failed to attract the targeted number of Swarozgaris. The DRDAs/ Zilla Parishads are also not trained enough to

meet their objectives. As revealed by the Concurrent Evaluation, the scheme is facing a lot of problems which include indifferent attitude of Banks, inadequate infrastructure, problems in identifying projects etc. There is an urgent need to address all these issues to ensure the success of the programme. The Committee would like the Department to look into the matter and take remedial action in consultation with State Governments, Banks, DRDAs and all other concerned.

32. 3.90

The Committee note that in addition to the Public Sector Commercial Banks, Cooperative Banks, Regional Rural Banks, some Private Sector Banks are also being involved in the implementation of SGSY. The Committee would, therefore, like to know the performance of various Private Sector Banks *vis-a-vis* the Public Sector Banks, Cooperative Banks and Regional Rural Banks in term of the credit target *vis-à-vis* achievement in each year since these Banks were involved to analyse the role of Private Sector Banks critically and comment further in this regard. The information with regard to total number of beneficiaries assisted and the total credit made available in each year, and the average benefit made available to each beneficiary in each case of Commercial Banks, Cooperative Banks, Regional Rural Banks and Private Sector Banks may be provided for the information of the Committee.

33. 3.105

The Committee find that the data with regard to physical targets fixed during each year of Tenth Plan indicate that although the targets made during 2006-2007, are 92,237 higher than the targets fixed during 2005-2006 but are lesser by 28,858 houses, if compared to the year 2004-2005. In view of this position the Committee note that although ambitious commitments are

being made with regard to providing housing under IAY, there is no such enhancement of targets and outlay to meet such commitments. Not only that the resources made available are not being utilised fully. The information provided above indicates that in most of the States less than 50 per cent of physical and financial targets could be achieved. The Committee observe that as per the Government's own data the housing shortage in rural areas is 148 lakh. The said shortage will increase by shortage of 9 lakh houses annually due to various reasons. The annual targets fixed under Bharat Nirman are over 15 lakh houses. Around 60 lakh houses would be constructed by the year 2009. The net shortage of houses by the year 2009 as per the Government's own estimate would be 184 lakh (148 lakh + 36 lakh) houses. Even if 60 lakh houses are provided by 2009, there would be shortage of 124 lakh houses by 2009. The Committee have selected the subject 'Rural Housing' for examination and report and different issues in this regard would be examined in detail during the course of examination of the subject. Here the Committee would like to recommend that besides augmenting the resources, there is an urgent need to ensure that the targets fixed are met and every paise earmarked for the scheme meant for rural masses is meaningfully utilised. Further, to augment the resources for rural housing, there is an urgent need to expand institutional credit.

34. 3.106 As already indicated in the preceding para of the report, the Committee appreciate the initiatives of the Department to instruct the State Governments to prepare the wait list for IAY as per the ranking in the BPL list and display it at the prominent places. The

Committee would like the Government to ensure that the instructions issued by the State Government are complied with. Further, similar initiatives are required in other Schemes of the Department. The Committee would like the Department to take action in this regard and inform the Committee accordingly.

35. 3.116 The Committee observe that Pradhan Mantri Gram Sadak Yojana is a very laudable programme initiated by the Government with the objective to provide connectivity by road to all the unconnected habitations in rural areas in the country. From the information provided by the Department, it seems that the progress is not very encouraging. Initially, at the launch of the programme, the objective was set to provide connectivity to all unconnected habitations having a population of 500 and above (250 and above in hill States, tribal and desert areas) by the end of Tenth Plan *i.e.* (2006-07). The targets have now been spilled over. The Government now target to connect all the habitations having a population of 1000 and above (500 in case of hilly States, tribal and desert areas) by the year 2009. The Committee apprehend that it would be difficult to achieve even the spilled over targets with the existing pace of implementation of the programme, whereby even the roads started in Phase I and Phase II during the years 2000-2001 and 2002-2003 are lying incomplete. The Committee find that as per stipulated parameters set by the Department, the roads should be ready within 12 months in normal and within 18 months in hilly areas after award of work. Even after the lapse of five or six years, a number of roads started are incomplete which is a major area of concern. Many reasons such as availability of land, forest clearance, programme management & provision,

contracting capacity of States, institutional arrangement, training etc. have been cited as the reasons for such a state of affairs of the programme.

36. 3.117 The Committee also find that one of the reasons for these bottlenecks being faced in the implementation of the programme is very old and out dated enactment 'Land Acquisition Act, 1894'. The said enactment is under the administrative control of the Ministry of Rural Development. The Committee have repeatedly been recommending to the Ministry to amend the out dated provisions made under the Act. But the same has not been done so far. Even though the Government has found the ways and means to provide the required allocation of Rs. 48,000 crore by the year 2009 to complete the uphill task of providing connectivity to all the habitations of population of 1000 and above, the Committee are of the opinion that the targets cannot be achieved unless the problem areas are addressed urgently. The Department has to work on a mission-mode. There is an urgent need to enhance the capacity of the State Governments/implementing agencies to absorb the enhanced resources. Besides, various bottlenecks found in the implementation of the programme as noted above need to be discussed at various meetings held with the State Governments. Frequent Central interventions are required to motivate the State Governments to take the challenge of providing connectivity by the target date. Further, the old and outdated laws like 'Land Acquisition Act, 1894' need to be amended expeditiously which would solve the major problems like acquisition of land for construction of roads etc. The Committee should be kept informed about the action taken in this regard.
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37.	3.120	<p>The Committee are perturbed to note that most of the works under PMGSY are being sublet to contractors by the principal contractors. Further the Committee express their apprehension on the quality of roads built under PMGSY. Despite deploying monitors at various levels, the quality of roads at the field level is very poor. Many roads would have vanished in a single rain. Some would have vanished after few months of their construction and in other areas, where the roads do exist the same are very poorly maintained. This is a vital area which needs to be addressed by the Government on top priority otherwise the work done under PMGSY will bear no result and the connected habitations would again revert to unconnected status. The Committee recommend that to address this situation and to improve the quality of roads, the Government should make the monitors more accountable. If roads are found to be bad and of poor quality, further work to the concerned contractors should not be awarded. Besides, a notice board at the entrance and at prominent milestones of every road constructed under PMGSY should be erected indicating that the road is constructed under PMGSY, the month and year of its construction, the month and year till the road is expected to be maintained by the contractor as per the agreement and the name, designation, phone number of the officers whom the people can contact in case the quality of road is not up to the mark or is maintained poorly. The status of roads should also be accessible on the website and people should be able to put their complaints on the website so that Senior Officers of the State/Union Governments are able to monitor the status of roads. The accountability of monitors who inspect the roads should also be increased so that they are brought to book in the event of</p>

non-performance. Another area of concern, which the Committee would like the Ministry to address is to impress upon a separate fund for the maintenance of roads. The Committee would like to hear further in this regard.

38. 3.127 The Committee observe that the Steering Committee on Provision of Urban Amenities in Rural Areas (PURA) in its first meeting held on 11 January, 2005 had decided that each cluster would be financed to the tune of Rs. 4-5 crore over a period of three years in the initial pilot phase. After a gap of two months, the decision of this meeting was implemented and Rs. 10 crore were released to provide physical or road connectivity in selected clusters during March 2005. Thereafter, up to 31 January, 2006, no further funds have been released. The Committee conclude that during 2005-06 no progress seems to have been made in the selected PURA clusters as no funds have been released even after a span of more than one year. The Committee while noting the slow pace of work, express their apprehension that it would take a long time to get the results from the pilot clusters and thereafter launch the scheme nationwide. The Committee find that a visionary programme to bridge the gap between urban and rural divide has been proposed by Hon'ble President. There is an urgent need to translate the visionary idea into a reality. For this the pilot project should be completed expeditiously so that the programme can be launched nation-wide.
39. 3.137 The Committee observe that DRDA is an important district level agency for implementation of Centrally Sponsored Schemes. As per the Guidelines, 25 per cent of the funds are to be allocated and released by the State Governments. However, the

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- Performance Budget of the Department does not monitor the progress of State's share of funds. The Committee, therefore, recommend that the Government should invariably monitor the State's share of funds and reflect the same in the Performance Budget of the Department.
40. 3.138 The Committee further find from the information furnished by the Department that seven utilisation certificates amounting to Rs. 125.21 crore were due with regard to the funds released by 31 March, 2004. The Committee observe that DRDA is the main agency through which funds for different schemes of the Department are allocated to the States/implementing agencies. The non-furnishing of utilisation certificate by a Government agency who is responsible for effective management of rural development programmes at district Panchayat level is really a matter of concern. The Committee would like the Department to explain the reasons for non furnishing of utilisation certificates by DRDA. Besides, the other issues which need to be addressed are training of the officers and other administrative initiatives relating to the service matters to improve the efficiency and accountability of officers involved in manning DRDAs.
41. 3.150 The Committee find from the information given above that the performance of CAPART has deteriorated over the years. CAPART came into existence in 1986 with the principal objective to involve the people in the implementation of development programmes and promote need based, innovative projects through non-governmental voluntary organization. The great shortfall in achievement of targets during 2005-2006 are indicated in the Budget documents speaks volumes about the inefficiency of

CAPART. Further, the report of the Estimates Committee highlights the collapse of the CAPART. Even the DG, CAPART has admitted this during the course of oral evidence. In view of this scenario, the Committee strongly recommend the Department to look into the matter seriously in the light of the poor performance of CAPART and make all out efforts to review/restructure the functioning of CAPART. The Committee would like to be apprised further in this regard.

42. 3.163 The Committee find that capacity building of the implementing agencies are the major input for the successful implementation of rural development programmes for which crores of rupees are annually being allocated. Besides, with the decentralisation of responsibilities in pursuance of article 243G of the Constitution of India, there is a great responsibility to equip Panchayats to take the huge responsibility. With the introduction of 'National Employment Guarantee Scheme, the responsibilities of Panchayats would increase manifold. The Committee further find that NIRD at the Central level, SIRD at the State level and ETCs at the district/block level are the premier institutions involved for imparting training and capacity building of Panchayats and other functionaries involved with the implementation of various programmes/schemes meant for upliftment of rural masses. The shortfall in achievement of targets by these institutions is a matter of great concern. Out of 21 research studies, NIRD could undertake only one study. There is huge shortfall in achievement with regard to training programmes of SIRD/ETCs during the first three quarters during 2005-06. The Committee while expressing their unhappiness over the shortfall in achievement of targets during 2005-06, would like the

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43.	3.164	<p>Department to explain the reasons and to take the corrective actions. The Committee should be kept informed in this regard.</p> <p>The Committee further note that with the added responsibilities as stated above, the challenge of imparting training to Panchayats and other implementing agencies cannot be met only by these Government agencies. There is an urgent need to train some of the NGOs as the mother trainers who can impart training to PRIs and others involved in implementation of rural development schemes. Besides, the possibilities of taking the benefit of other local institutions can also be explored. The allocation for training needs to be enhanced substantially. The Committee urge the Department to take all possible measures so that the objectives set under the laudable schemes/programmes are met. The Committee may also be informed of the further action taken by the Department in this regard.</p>