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**STANDING COMMITTEE ON  
RURAL DEVELOPMENT  
(2006-2007)**

**FOURTEENTH LOK SABHA**

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

**DEMANDS FOR GRANTS  
(2007-2008)**

**TWENTY-NINTH REPORT**



**LOK SABHA SECRETARIAT  
NEW DELHI**

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STANDING COMMITTEE ON  
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MINISTRY OF RURAL DEVELOPMENT  
(DEPARTMENT OF RURAL DEVELOPMENT)

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(2007-2008)

*Presented to Lok Sabha on 14.5.2007*

*Laid in Rajya Sabha on 10.5.2007*



LOK SABHA SECRETARIAT  
NEW DELHI

*May, 2007/Vaisakha, 1929 (Saka)*

**C.R.D. No. 035**

*Price : Rs. 171.00*

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Published under Rule 382 of the Rules of Procedure and Conduct of Business in Lok Sabha (Eleventh Edition) and printed by Jainco Art India, New Delhi-110 005.

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COMPOSITION OF THE STANDING COMMITTEE ON  
RURAL DEVELOPMENT (2006-2007)

Shri Kalyan Singh—*Chairman*

MEMBERS

*Lok Sabha*

2. Shrimati Susmita Bauri
3. Shri Mani Charenamei
4. Shri V. Kishore Chandra S. Deo
5. Shri Sandeep Dikshit
6. Shri George Fernandes
7. Shri Zora Singh Mann
8. Shri Krishna Murari Moghe
9. Shri Hannan Mollah
10. Shri D. Narbula
11. Shri A.F.G. Osmani
12. Shri T. Madhusudan Reddy
13. Adv. Renge Patil Tukaram Ganpatrao
14. Shrimati Tejaswini Seeramesh
15. Shrimati Jyotirmoyee Sikdar
16. Shri Sita Ram Singh
- \*17. Shri D.C. Srikantappa
18. Shri Bagun Sumbrui
19. Shri Chandramani Tripathi
20. Shri Beni Prasad Verma
21. Shri Dharmendra Yadav

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\*Hon'ble Speaker has changed the nomination of Shri D.C. Srikantappa, MP (LS) from Standing Committee on Urban Development to Committee on Rural Development *vice* the vacancy caused due to change of nomination of Shri Shrichand Kriplani MP (LS) from Standing Committee on Rural Development to Standing Committee on Chemicals and Fertilizers *vide* Lok Sabha Bulletin Part II, para no. 2847 dated August 31, 2006.

*Rajya Sabha*

22. Shri Balihari
23. Shri Jayantilal Barot
24. Kumari Nirmala Deshpande
25. Shri Pyarelal Khandelwal
26. Dr. Chandan Mitra
27. Shri P.R. Rajan
28. Shri Bhagwati Singh
29. Ms. Sushila Tiriya
30. Vacant
31. Vacant

SECRETARIAT

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



## 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 Corodination Committee for SGSY
DG	—	Director General
DLCC	—	District Level Coordination Committee
DLM	—	District Level Monitoring
DRDA	—	District Rural Development Agency
DWCRA	—	Developent 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 P	—	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 Ssystem
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
PRIs	—	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

1. I, the Chairman of the Standing Committee on Rural Development (2006-2007) having been authorised by the Committee to submit the Report on their behalf, present the Twenty Ninth Report on Demands for Grants (2007-2008) of the Department of Rural Development (Ministry of Rural Development).

2. Demands for Grants have been examined by the Committee under Rule 331 E(1) (a) of the Rules of Procedure and Conduct of Business in Lok Sabha.

3. The Committee took evidence of the representatives of the Department of Rural Development (Ministry of Rural Development) on 28 March, 2007.

4. The Report was considered and adopted by the Committee at their sitting held on 13 April, 2007.

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. The Committee 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;  
9 May, 2007  

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19 Vaisakha, 1929 (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/Schemes 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 Department implements various Central Sector and Centrally Sponsored Schemes. Some of 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 Demands for Grants of the Department for BE 2007-08 are for Rs. 43,347.86 crore. However, after deducting the recoveries (Rs. 15,825 crore) expected during the year, the net Budget of the Department during BE 2007-08 is Rs. 27,522.86 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 were laid in Lok Sabha on 16 March 2007.

1.7 In the present Report, the Committee have restricted their examination only to the major issues concerning the Department and to some of the major Programmes/Schemes that are being implemented in the context of Demands for Grants 2007-2008.

## CHAPTER II

### OVERALL EVALUATION OF THE DEMANDS FOR GRANTS 2007-2008 OF THE DEPARTMENT OF RURAL DEVELOPMENT

#### **A. Status of Implementation of the recommendations made by the Committee in their Eighteenth Report under direction 73-A of the Directions by the Speaker, Lok Sabha**

2.1 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 Reports of Departmentally Related Standing Committees of Lok Sabha with regard to his Ministry. The Committee had presented the Eighteenth Report on Demands for Grants (2006-07) of the Department of Rural Development on 18 May 2006. In view of the aforesaid direction, the statement of the Minister has become due in November 2006. Yet, as on date, the statement of the Minister in respect of the status of implementation of the recommendations contained in the Eighteenth Report of the Committee has not been tabled in Lok Sabha.

2.2 When asked the reasons for delay in making the statements on the status of implementation of recommendations of the Committee as mentioned above, the Secretary, Department of Rural Development has stated that the Statement on the status of implementation of the recommendation contained in the 18th Report of the Standing Committee on Demands for Grants (2006-07) was tabled in Rajya Sabha on 23 March, 2007. The Department has also informed that efforts will be made to lay such statements in time in future.

2.3 The Ninth Report of the Standing Committee on Rural Development on Demands for Grants (2005-2006) of the Department of Rural Development was presented to Lok Sabha on 20 April, 2005. The Statement with regard to this Report had fallen due on 19 October, 2005. However, the Statement on the said Report was made by Hon'ble Minister for Rural Development in Lok Sabha on 28 July, 2006. The critical analysis of the Statement is at Appendix-I.

#### **B. Comparative position of allocation made for the Department of Rural Development under different Plan Schemes**

2.4 The Budget Estimates, Revised Estimates, Actual Expenditure during each year of Tenth Plan and first year of Eleventh Plan *i.e.*

2007-08 are given at Appendix- II. The comparative position of data with regard to allocation made during the year 2004-05 to 2007-08 is as under:

**Plan-Schemes**

	(Rs. in crore)
10th Plan proposed allocation	129464.27
Outlay agreed by Planning Commission	56748
Total releases	85563
BE 2004-05	11437.40
RE 2004-05	13866.40
Actual Expenditure 2004-05	13433.57
BE 2005-06	18334.00
RE 2005-06	21334.00
Actual Expenditure	21334.00
BE 2006-07	24025.62
RE 2006-07	24275.62
Actual Expenditure (upto 21.3.2007)	20248.74
Proposed BE 2007-08	45202.13
BE 2007-08	27500.00

**Percentage hike over previous year**

2002-03	—
2003-04	0 per cent
2004-05	10.21 per cent
2005-06	37.62 per cent
2006-07	23.69 per cent
2007-08	13.28 per cent

2.5 If we analyse the above data, the following observations can be drawn:

- (i) During Tenth Plan, the outlay agreed is a little over half of the proposed allocation;



- (ii) the releases during Tenth Plan are for Rs. 18815.43 crore more than the agreed allocation;
- (iii) during the year 2007-2008, the outlay provided at BE 2007-2008 is 33 per cent lesser than the proposed allocation; and
- (iv) as regards, the percentage hike in the allocation during different years of Tenth Plan , the maximum hike was during 2005-06, when the allocation was raised by 37.62 percent as compared to previous year allocation. During the year 2006-2007, the percentage hike was 23.69 percent whereas during the year 2007-08, the hike is 13.28 per cent.

2.6 Hon'ble Finance Minister in his speech on Budget 2007-08 has indicated that the Approach Paper to Eleventh Plan aims at putting the economy on a sustainable growth trajectory with a growth rate of approximately 10 per cent by the end of Eleventh Plan. The Standing Committee in their Twenty-fifth report had recommended to accord top priority to rural development sector while allocating resources. The percentage growth in tax revenue during the year 2006-07 is 28.01 per cent where as the growth in the allocation of the Department as compare to the previous year is 13.28 per cent.

2.7 As regards the increase/decrease in allocation under different schemes of the Department the information has been given in **Appendix-II**, it could be seen there from that under NREGA there is enhancement of Rs. 700 crore. Under SGSY, there is enhanced allocation of Rs. 600 crore. Under Rural Housing and PMGSY which are the two components of Bharat Nirman Programme, Rs. 1128 crore and Rs. 1024 crore respectively more have been provided. However, under the programme SGRY, the allocation has been decreased by Rs. 200 crore. Further the allocation under DRDA and assistance to CAPART has been marginally decreased.

2.8 As per Demands for Grants 2007-08, the outlay accorded to the Department is Rs. 43,347.86 crore out of which total recoveries are for Rs. 15,825 crore. After deducting the recoveries the net allocation is Rs. 27,522.86 crore. The recoveries under the Head 2505 are for Rs. 12,000 crore which relates to deduction on account of National Rural Employment Guarantee Fund. As regard the recoveries under the Head 3054 and 8012 it includes amount from Central Road Fund Special Securities issued to FCI etc.

**2.9 The Committee note that Indian economy has been in a robust condition for the last couple of years and has been acknowledged as the booming economy world-wide. The Approach paper for the**

Eleventh Plan aims at a sustainable growth with a growth rate of ten per cent by the end of the Tenth Plan. To achieve the growth in real terms it is imperative that the poorest of the poor share the benefit of growing economy. In this regard, the Department of Rural Development has launched various Centrally sponsored programmes which aim at alleviating poverty by providing guarantee of employment and self employment. Various schemes SGRY, SGSY and particularly NREGA aim to achieve the aforesaid objective. Besides, the other schemes of the Department like PMGSY and IAY aim to improve objectives quality of life for the rural population. The objectives of the various schemes can be achieved only with the adequate allocation during different Plans.

2.10 The Committee find that the percentage hike in allocation of outlay has declined after 2005-2006. As against the hike of 37.62 per cent during 2005-2006 and 23.69 per cent during 2006-2007, the hike is just 13.28 per cent during the year 2007-2008. Besides, the outlay allocated is 33 per cent less than the projected outlay of the Department. Not only that, there is reduction of outlay under some of the schemes like SGRY, CAPART and DRDA Administration.

2.11 Another trend noticed by the Committee is that whereas during the year 2006-2007, the percentage growth in tax revenue is 28.01 per cent, the additional resources being made available through favourable tax collection have not been shared correspondingly in the social sector. The hike of just 13.28 per cent in the outlay of the Department of Rural Development substantiates the aforesaid observation. The aforesaid hike of the outlay of the Department of Rural Development is not adequate particularly when NREGA would be applicable in additional 130 districts thereby increasing the number of districts from 200 to 330.

2.12 The scheme-wise analysis of the position of outlay has been made in the subsequent Chapters of the report. The Committee strongly recommend to the Government to enhance the outlay under different schemes so as to achieve the set objectives.

2.13 The Committee further find that the total outlay of the Department has been indicated as Rs. 43,347.86 crore in Demands for Grants 2007-2008. However, after deducting the recoveries to the tune of Rs. 15,825 crore expected during the year, the net Budget of the Department during BE 2007-2008 has been indicated as Rs. 27,522.86 crore for Plan and Non-Plan. The Committee urge the Department to furnish the details of the recoveries so as to enable

**the Committee to understand the purpose of recoveries and to comment further in this regard.**

### **C. Expediting the finalisation of BPL List**

2.14 The Department has informed that in order to get the new BPL list finalized on the basis of BPL Census 2002, immediately after the vacation of the Stay by the Supreme Court on 14 February, 2006, the Ministry has been actively pursuing the matter with the States and Union territories through different forums and a number of letters on the subject have been sent to the States. The issue was also discussed in each Performance Review Committee(PRC) meeting held during the current year and particularly in the meeting held on 20-21 December, 2006. The States have also been informed that release of funds may also be tied up with finalisation of BPL list. Further, progress is also reviewed in the meetings of Nodal Officers from the States/ Union territories which is held every month. The matter has also been taken up with the Chief Secretaries of all the States and Union territories. A meeting of the Performance Review Committee is scheduled to be held on 12 and 13 April, 2007 where the issue of finalizing the results of BPL Census 2002 will be discussed with the State Secretaries and time frame finalised.

2.15 Regarding the status of BPL list in various States, the Ministry have submitted that a consolidated BPL list at the Block level, District level and at the State level is to be prepared after getting the approval of Gram Sabha/Ward Sabha as the case may be. The States of Arunachal Pradesh, Madhya Pradesh, Jharkhand, Chhattisgarh, Uttar Pradesh and Uttarakhand have already finalised the list after completing the process of getting it approved by the Gram Sabha. In other States, this process is still going on. In some States/UTs like Gujarat, Haryana, Bihar, Rajasthan, a large number of objections were filed with the appellate authorities and it is taking time to resolve these objections to the satisfaction of the people.

2.16 About the role of Gram Sabhas in finalisation of BPL list, the Department has submitted that it is only the Gram Sabha which has been authorized to finalise and approve the BPL list under the guidelines of BPL Census 2002. Information for each household with score has to be displayed at the Panchayat Headquarters so that every rural household knows his status in the survey list.

2.17 The Committee in their 25th Report (para 19) had expressed concerns over the decision of the Government regarding cap on the total number of BPL families according to which the number of BPL

persons estimated should not exceed those identified as per 1999-2000 survey and desired that such limitations should not be imposed while finalizing the number of BPL persons for Eleventh Plan. When the matter was pursued further, the Department has clarified that the number of BPL families to be identified under BPL Census 2002 is not limited to the 1999-2000 survey. In fact, the States and Union territories have been given the option of identifying the number of BPL families which may be equal to the poverty estimates of 1999-2000 or Adjusted Share worked out by the Planning Commission which ever is higher. In addition, another 10 per cent flexibility is allowed on account of transient poor. Under the guidelines of BPL Census 2002, the methodology has been followed under which the families are to be ranked on the basis of the score obtained by them representing the extent of deprivation. The BPL list has to be prepared in a transparent manner with the approval of Gram Sabha. Further, in order to redress the grievances of the people with regard to their poverty status, a two-stage appeal mechanism has already been provided. The limits have been kept to keep total number of BPL identified in proportion of financial resources available during the Plan for assistance to the poor and also to ensure that by keeping large number of BPL families, available resources are not thinly distributed among large number of persons and thereby there is no impact on poverty by assisting the poor under the programmes. The BPL list prepared under these guidelines is required to be maintained at the Panchayat Headquarters in the form of a booklet and also to be displayed on the website and painted on the walls of Gram Sabha and Panchayats so that the transparency is ensured. The present methodology has been designed with the purpose to ensure that poorest of the poor get the preference under the programmes of this Ministry. Since the BPL list in order of priority is finalized by the Gram Sabha, therefore, the programme implementing agencies will not have the discretion in selection of the poor.

2.18 When asked whether BPL Census for Eleventh Plan has been undertaken, the Department has stated that the BPL Census is generally conducted in the beginning of the Five Year Plan and first such Census was conducted for the 8th Plan in 1992. The results of the BPL Census 2002 conducted for the Tenth Five Year Plan have been delayed because the matter was pending before the Hon'ble Supreme Court. The BPL list on the basis of BPL Census 2002 is being finalized after taking the approval of Gram Sabha and also by taking into account the objections of the people. On the direction of the Hon'ble Supreme Court, a provision has been made in the guidelines to allow new names to be added and ineligible names deleted from the BPL list on a continuous

basis during the period to which the list applies. The BPL list based on BPL Census 2002 is yet to be prepared and finalized in all the States/Union territories. In view of this, the Ministry has yet not taken any decision to conduct the BPL Census for the Eleventh Plan, however, the process of consultation with the States and other stakeholders is under way.

2.19 The Committee note that the BPL list based on 2002 census has been delayed for a long time. The Committee in their various reports of previous years have been repeatedly emphasizing on the expeditious finalisation of BPL list. But even after so many years, the Committee find that the results of the BPL survey have not been finalised. Initially the results were delayed due to the imposition of stay by Hon'ble Supreme Court. Now when the stay has been vacated by the Supreme Court *w.e.f.* 14 February 2006, the results are further being delayed by various State and Union territory Administrations. The Committee find that the BPL list so far has been approved only in six States by the Gram Sabhas *viz.* Arunachal Pradesh, Madhya Pradesh, Jharkhand, Chhattisgarh, Uttar Pradesh and Uttarakhand. In other States, the process of getting the mandatory approval from Gram Sabhas is still going on. In some States like Gujarat, Haryana, Bihar, Rajasthan, large number of objections were filed with the appellate authorities to resolve the objections filed by people in connection with the BPL list which means that there would be further delay in finalisation of BPL list. On the part of the Ministry, they have reportedly discussed the issue in every Performance Review Committee (PRC) besides taking up the matter with the Chief Secretaries of the defaulting States. The Committee further note that a lot of efforts are being made by the Department to put pressure on the State Governments to finalize the BPL list. The issue has been discussed in each Performance Review Committee meeting held during the current year. The matter was particularly discussed in the meeting held on 20-21 December, 2006. States have also been informed that release of funds can be tied up with finalisation of BPL list. A meeting of the Performance Review Committee is scheduled to be held in April, 2007 where the issue would be discussed with the State Secretaries and the timeframe finalized.

2.20 The Committee find that crores of rupees are being allocated by the Union Government through various welfare schemes meant for the poorest of the poor. Unless, the BPL list is finalized, the benefit envisaged under these schemes can not reach to the intended beneficiaries. In spite of best efforts made by the Department, the

results are not forthcoming and the fate of the genuine poor is hanging and thus they are being deprived of the benefits of the various developmental schemes. The Committee strongly recommend to the Department to take up this matter at the highest level. The State Governments should be strictly told to finalise the BPL lists without further delay through meetings with State Secretaries/Chief Secretaries/Ministers of State Governments etc. Besides, the matter needs to be deliberated at the Chief Ministers level. There is an urgent need to fix a deadline. The Committee strongly recommend the Department to take all the desired steps so that the BPL list is finalized and displayed at Gram Panchayat Headquarters so that every household knows its status in the survey list and feels secured that he would get the benefits envisaged under the various programmes.

2.21 Further, the Committee do not understand the logic of the mandatory cut imposed on the number of households to be identified under the BPL Census 2002 in accordance with the mandatory cut off limit imposed by Planning Commission according to which the number of BPL families cannot exceed the limit of 10 per cent of BPL families identified in 1999-2000 BPL survey. The Department has stated that since the resources of the country are limited and thinly distributed, the intention of imposing the mandatory cut off is to ensure that the poorest of the poor in the rural areas are able to avail the benefit of the schemes. The Committee have repeatedly been emphasizing in the various reports that such a cut off limit can be a source of corruption and other malpractices. The Committee had strongly recommended that such cut off limit should not be applicable while finalizing the BPL list for Eleventh Plan. The Department has stated that the ranking of the poorest of the poor as decided by the Gram Sabha would address to the concerns of the Committee. The Committee fail to understand the logic of putting unnecessary limitation on BPL persons specifically when the benefit of the schemes has to be provided on the basis of the scores, a BPL family gets in the BPL list. In such a situation the logic of available resources being thinly distributed cannot be understood. Further, the Committee are of the firm opinion that any restriction on the number of BPL families would provide unnecessary discretion to the agencies involved in finalisation of BPL lists and can invite corruption and malpractices. The Committee do not accept all the logic put forth by the Department and strongly recommend to the Government not to impose unnecessary limitations on the number of BPL persons for the purpose of the Eleventh Plan.

2.22 The Committee further find that on the direction of Hon'ble Supreme Court, a provision has been made in the guidelines to allow new names to be added and ineligible names deleted from

the BPL list on a continuous basis during the period to which the BPL list applies. The Committee welcome the aforesaid move of the Government. The Committee would like to be apprised of the modalities of exclusion/inclusion of BPL families in the BPL list so as to understand the entire process of revision of BPL list and comment further in this regard.

**D. Unspent balances under various Schemes of the Department of Rural Development, furnishing of Utilization Certificates and the Monitoring Mechanism**

2.23 As per information provided in the Performance Budget 2007-08 of the Ministry of Rural Development, as on 31 December 2006 , an amount of Rs. 10,277.97 crore is lying unspent under various major Schemes (viz. SGSY, SGRY, IAY, NREGA, PMGSY)of the Department of Rural Development. The Statement showing the programme and State-wise unspent balance under the said schemes of the Department of Rural Development is given at Appendix-III. It may be seen there from that the following is the position of allocation during the Revised Estimate stage and the unspent balance of funds as on 31 December 2006:

Schemes	Allocation in RE 2006-07	Unspent Balance as on 31.12.06	Per cent of UB to Allocation
SGSY	1200	558.04	46.50
SGRY	3000	1352	45.07
IAY	2920	1333.55	45.67
NREGA	11300	4478.55	39.63
PMGSY	5475.62	2555.83	46.68
<b>Total</b>	<b>23895.62</b>	<b>10277.97</b>	<b>43.01</b>

**Utilisation Certificates**

2.24 As regards the position of outstanding Utilisation Certificates in respect of Grants/loans released upto 31st March, 2005, the following information has been given:

(Rupees in crore)

Type of Guarantee/Loan	Total UCs outstanding as on 31.12.2006	Total Amount involved
1	2	3
<b>AUTONOMOUS BODIES</b>		
State Institute of Rural Development	12	3.19

1	2	3
VOLUNTARY ORGANISATIONS		
SGSY	17	2.00
SGRY	4	1.51
DRDA Administration	10	1.66
IAY	87	345.08
NREGS	21	391.01
TOTAL	151	744.45

2.25 It may be seen from the above data as many as 151 Utilisation Certificates to the tune of Rs. 744.45 crore are still pending. The maximum amount involved is in the scheme IAY (Rs. 345.08 crore) and NREGS (Rs. 391.01 crore).

2.26 When asking the reasons for pending Utilization Certificates, the department has replied that the amount of Rs. 741.26 crore for which Utilisation Certificates are pending constitutes only 5.34 per cent of the total allocation of 2004-2005. The Utilisation Certificates for a small portion of grants-in-aid released up to 31 March 2005 are no doubt pending from certain States due to slow utilization of funds on some of the programmes.

2.27 When asked about the problem with the organizations in furnishing the Utilisation Certificates especially in case of two schemes viz. IAY and NREGS, the Department has submitted that under IAY, more efforts and time is required for rehabilitation and for innovative schemes than for the normal programme. For NREGA, further funds are released on the receipt of proposals from the districts and no problem has so far been noticed by the Ministry. Second regular installment is released on receipt of Utilisation Certificate for the funds already spent. The pending Utilisation Certificates of 2004-2005 from 21 districts were with regard to NFFWP and not NREGA as NREGA was not in existence at that time. The Ministry has been constantly persuading these districts and the State Governments concerned to furnish the Utilisation Certificate for 2004-2005. The districts of Narmada, Waynad, Fatehpur, Sonbhadra, Banda, Lakhimpur Khiri, Hardoi, Rae Bareilly and Barabanki have furnished the Utilisation Certificate for 2004-2005 under NFFWP. As such, the number of districts which have not sent Utilisation Certificates for 2004-2005 has come down to 12.



2.28 When asked about the normal time required for rehabilitation under IAY, the Department has submitted that rehabilitation following a disaster varies from State to State and is also related to specific disasters. Houses under IAY scheme are sanctioned as a part of rehabilitation package. Normally, it is expected that the process of construction of an IAY house will be completed within one year. However, the IAY guidelines provide that completion of a dwelling unit, in no case, should take more than two years.

### **Monitoring Mechanism**

2.29 As per the information furnished by the Department, the Ministry of Rural Development has developed a multi-level and multi-tool comprehensive system of monitoring the programmes through Periodical Progress Reports, On-line reporting, Performance Review Committee meetings, Area Officer's visit, Vigilance and Monitoring Committees at the State/District level, with greater involvement of Members of Parliament, District Level Monitoring and National Level Monitors, Utilisation Certificates, Audit Reports, Physical verification reports and various conditions for release of funds etc. The State Government's District and Block Level officials are doing monthly physical verification of assets created under our programmes as per direction of this Ministry. In addition, Minister of Rural Development and Minister of State also monitor implementation of the programmes through field visits, meetings with the State Governments etc. A new initiative of holding meetings of State Nodal officers has been introduced this year.

2.30 When asked whether there is any monitoring system for reporting of expenditure, the Department has stated that the existing monitoring mechanism through progress reports includes the system for reporting of expenditure in each programme on monthly basis to ascertain the pattern of utilisation of funds. A detail e-governance friendly periodic reporting system has been put in place.

2.31 Regarding the use of e-governance for furnishing the monthly progress reports, the Department has submitted that the Ministry of Rural Development has been using e-governance in Central Ministries/ Departments and State Governments in all possible areas such as financial and physical progress reports of rural development programmes on monthly basis from the State Governments/UTs administrations, monitoring programmes through Video Conferencing, seeking and furnishing of information/data to various Ministries/ Department and State Governments. The Ministry has also its website

offering software solutions for various in house activities. The Ministry has also provided software and training to the State Governments for on-line monitoring of rural development programmes. The Monthly progress reports are being received through e-governance from more than 550 districts and necessary action is being taken up with the concerned State Governments for furnishing progress reports through e-governance. Most release procedures are e-governance compatible.

2.32 When asked in what light are the reports of the Area Officers taken and whether any action is taken by the Ministry on adverse reports made by Area Officers on any particular district, the Department has submitted that the Area Officers Reports are fact finding rather than fault finding. Their approach is constructive, indicating areas for improvement and innovation. All efforts are made to ensure that there is no element of inspection or audit in the visit of the Area Officers and the idea is to strengthen the relationship between the State Governments and the Ministry. The reports of the Area Officers are quite useful for the Ministry to take stock of the implementation in all respects including operational problems and deficiencies/issues in the implementation process. Since the Area Officers are officials of the Ministry, their visits in addition to monitoring the programme, also provide inputs for them to have ground realities/bottlenecks, which help in formulation of policies and modifying the guidelines/ instructions. Besides, all the reports of the Area Officers are arranged in a standard format of NIC. The strength and area concerns are communicated to the Secretary, Rural Development and Department of the concerned State for taking necessary action in respect of the shortcomings. The State Governments are also requested to furnish action taken report on issues/observations of the Area Officers Report.

2.33 Further, it has been stated in the Performance Budget 2007-2008 of the Ministry that, with a view to revitalizing the role and functions of the Vigilance and Monitoring Committees for making them important instruments of effective monitoring of the implementation of the programmes of the Ministry, these Committees at State/ Union Territory and District levels were reconstituted in October, 2004. Detailed guidelines on composition, role and functions of these reconstituted Committees as well as instructions for conducting meetings have been issued to all concerned. It has been stipulated that the meetings of these Committees may be held on quarterly basis. Elected representatives *i.e.* Members of Parliament have been assigned a Central role in the reconstituted V&MCs.

2.34 The Department has given the details of the meetings held by District level V&MCs during 2006-2007 as given in *Appendix V*

When asked the name of the districts where the V&MCs have not been able to hold even a single meeting since their constitution, the Department has stated that out of 597 districts, 531 meetings could be held in 389 districts which means that in 208 districts not even a single meeting was held. As regards the position of meeting of State level Vigilance Committee etc. the data given by the Department shows that out of 28 States and Union Territories only 12 meetings were held in 8 States and one Union Territory. Further as per the guidelines the meetings of the Vigilance & Monitoring Committee at each level are to be held at least once in every quarter, after giving sufficient notice to all the Members including the Hon'ble MPs/MLAs .

**2.35 The Committee find that there is an elaborate system of monitoring introduced at various levels which includes periodical progress reports, on line monitoring mechanism, District level and National level monitors, utilization certificates, audit reports etc. In addition to it the officials of the Ministry under area officers scheme and the State level officials undertake field visits to know the ground situation with regard to various schemes. There are District and State level Vigilance Committees constituted by the Union Ministry of Rural Development. Besides, Union and State Ministers of Rural Development also monitor the implementation of the programmes through field visits and meetings. A new initiative of holding a meeting of State Nodal Officers has been introduced by the Department. The Committee find that inspite of having such an elaborate system of monitoring, Rs. 10,277.97 crore which comes to 43.01 per cent of the allocated outlay during 2006-07 are lying unspent with various implementing agencies. Besides, 151 Utilization Certificates amounting to Rs. 744.45 crore are still pending under different schemes of the Department.**

**2.36 As regards the position of the meetings of District and State level, Vigilance and Monitoring Committees held during 2006-07 (upto 10 January, 2007), 531 district level meetings were held in only 389 districts. There are 597 districts in the country which means 208 districts did not hold even a single meeting. Similarly, 12 meetings of State level Vigilance and Monitoring Committees, were held by 8 States and one Union territory which means that most of the States did not hold even a single meeting. As per the guidelines district and State level Vigilance Committees shall hold at least one sitting in each quarter during the year. The aforesaid data indicates the failure of the above system of monitoring. With regard to the Area Officers scheme, when the Committee enquired about the shortcomings noticed by different area officers, the Department has**

replied that the Area Officers undertake field visits not with the fault finding mission rather with the constructive approach which strengthens the relationship between the State Governments and the Union Ministry. The Committee strongly disapprove the way various systems of monitoring are working. The Committee feel that perhaps more than introducing various systems, it is essential that the system works properly with the given objective. The purpose of monitoring by the Area Officers should be to know the various bottlenecks and difficulties being faced by the implementing agencies as well as the beneficiaries. Besides, interacting with the implementing agencies/district level officials, said officers should try to know the ground situation from the beneficiaries and physically check the quality of the various assets created under the scheme. Meeting with the district level officials alone can not provide the desired results. The findings of the area officers should be indicated in the Outcome Budget document.

2.37 With regard to the system of Vigilance and Monitoring Committee the Standing Committee in their 25th Report (refer Para No. 22) while reviewing the position of these Committees has recommended that Member/Secretary should be held responsible for not conducting the meetings at the regular intervals as per the guidelines. The Committee has also recommended that reporting format of utilization certificate should include the number of meetings of Vigilance and Monitoring Committees held in each quarter of the year. The Committee emphasize that crores of rupees every year are being allocated under different schemes of the Department and there is a genuine concern on the part of the exchequer that the taxes deducted from their income/revenue are purposefully utilised and the outlays allocated in the social sector projects actually reach to the intended beneficiaries.

2.38 The Committee further feel that none of the aforesaid monitoring mechanisms involve general public to act as catalyst in effective monitoring. At least, one issue *i.e.* checking the quality of projects and permanent assets created can be done effectively by active participation of the general public. This could be done by developing effective mechanism for receiving feed back. There is a need to strengthen the complaint mechanism. The minimum standards prescribed for a project, durability of assets created etc. should be publicized by way of prominently displaying at notice board at the site of the project. Besides, there is an urgent need to fix time limit for disposal of each nature of complaint alongwith the name, telephone number and contact address of the authority who

can be contacted in the event of deficiency. In addition to what has been stated above, the Committee recommend to the Department to strengthen the monitoring mechanism on the aforesaid levels. Perhaps, there is a need to fix accountability for each specific work.

**2.39 The Committee strongly recommend to the Department to act on the suggested lines by the Committee and take all possible measures to strengthen the Monitoring Mechanism without any further delay. The Committee should also be kept apprised.**

#### **E. Right to Information**

2.40 As per information provided to the Committee the information on the website of the Ministry includes schemes, guidelines, their physical and financial progress, tenders invited, policies, information on fund allocation and sanctions under various programmes, various circulars, emails of DRDAs, States' Secretaries of Rural Development, links to important websites etc. The information on the website is people and user oriented. The NREGA site has a separate link for citizens, officials and Panchayati Raj Institutions.

2.41 When asked whether there is any complaint mechanism on the website for the help of the general public regarding the implementation of various rural development schemes, the Department informed that a person can enter through the 'feedback' link in the site rural.nic.in and send his complaint at the NREGA site which also has discussion forum. People can even complain regarding a PMGSY road by clicking the feedback link on ommas.nic.in by which an in-site complaint will be lodged. The complaint is routed to the concerned officer and the complaint gets redressed as per the time period in the RTI Act. The website of the Ministry is updated on a regular basis everyday. The periodicity of updation depends on the nature of information, e.g. entries under 'RD News' are updated everyday and under 'Circulars', as and when issued. The Programme Divisions, jointly with the IT Division and the National Informatics Centre unit of the Ministry ensure updation of the website. As the information is provided by the Programme Divisions, it is authentic and updated regularly. The names, addresses, contact numbers and fax numbers of officers responsible for the schemes are also given on the website.

**2.42 The Committee note the various measures taken by the Ministry to display information on the website. The Committee desire that the Ministry should disclose as much information as possible to the public on their official website so that people need not resort to the provisions of Information Act for getting even small**

information. The Ministry should also display vital documents such as the Outcome Budget, Annual Report of the Ministry, physical and financial performance of various schemes, minutes of various meetings, highlights of various research studies on rural development etc. on their official website. Besides, there is a need to develop an on-line complaint mechanism with unique complaint ID number under each scheme so as to draw attention of senior officers who should dispose the complaints in a time bound manner and inform the complainant about the action taken.

2.43 The Committee appreciate the efforts of the Department in providing various tools to the public to lodge as well as redressal of complaints through the user friendly technological interventions. People can lodge their complaint through user-friendly websites. The Committee however feel that innocent and illiterate people living in rural areas, at present need the help of NGOs to invoke the various provisions of Right to Information Act. Perhaps there is an urgent need to first of all, enlighten the rural masses about their rights provided through Right to Information Act. In this regard there is an urgent need to empower the Panchayati Raj Institutions in tune with the provisions made under Part IX of the Constitution. The Panchayats equipped with the latest technology and trained manpower can help the public to lodge the complaints. The Committee would like the comments of the Department on the aforesaid observation. Besides the Committee would like to be apprised of the status of data with regard to the number of complaints registered and addressed so far under the Right to Information Act so as to analyze the position and comment further in this regard.

#### **F. Role of District Rural Development Agencies (DRDAs)**

2.44 As per information provided by the Ministry, miscellaneous receipts essentially include the interest earned by the DRDAs while the funds lie with the Banks. And in such cases where the subsidy already sanctioned by the Banks could not be availed of by the beneficiary for whatever reasons, the same amount is returned to the DRDAs that gets into the Miscellaneous Receipts. Miscellaneous Receipts form a part of the Opening Balance and get expended for the programme. As examples during 2005-2006, the State of Jharkhand has shown an interest income of Rs. 70.92 lakh, and a returned subsidy of Rs. 4.72 lakh. Likewise, Punjab has shown an amount of Rs. 32.40 lakh as interest and Rs. 22.11 lakh as returned subsidy.

2.45 On the role of DRDAs, the Department has submitted that in one of the most recent studies conducted by the NIRD general that SGSY is a well-designed programme but hampered a bit by operational deficiencies. Inadequate or ineffective participation of the programme implementing agencies such as DRDAs and Banks is found to be responsible for the slightly indifferent performance of the programme. While there are dynamic DRDAs, there appear to be also cases where the DRDAs do not have the required professional competence to handhold the Swarozgaris and develop their entrepreneurship skills. The competence of some of the DRDAs with regard to doing market analysis, project preparation and appraisals also has been found to be inadequate. Similarly, the study pointed out that the DRDAs have not been able to ensure effective participation of the Line Departments in certain cases. Boradly, there is resonance within the Ministry to the thought that the DRDAs professional competence would have to be raised if we were to improve the performance of the SGSY scheme, as others. So, the Ministry decided to allow the DRDAs to engage competent professionals as Consultants, to assist them in better managing the technical matters. Doing a work-study analysis of a few selected DRDAs, to find out the actual quantum of work currently being handled by various staff and officers of the DRDAs is another idea that is being mulled.

**2.46 The Committee are perturbed to note that huge amount of funds are lying with DRDAs as miscellaneous receipts. Miscellaneous receipts essentially include the interest earned by DRDAs while the funds lie with the Banks. The amount of subsidy sanctioned by the Banks which could not be availed of by the beneficiaries and whatever remains, is refunded to DRDAs that gets into a miscellaneous receipt and form part of the opening balances and get expanded. In this regard the interest income has been shown against some of the States. For example the State of Jharkhand has shown an interest income of Rs. 70.92 lakh when Punjab has shown an amount of Rs. 32.40 lakh as interest. The Committee fail to understand the concept of miscellaneous receipts and funds lying with DRDAs which are being deposited in Banks to earn interest.**

2.47 The Committee observe that this is a very serious issue as funds are not given to the States to earn interest but to carry out various rural development programmes. This trend must be discontinued and the concerned DRDAs may be instructed accordingly. Financial performance may be reviewed periodically so that expenditure is actually incurred and do not lie with Banks as unspent balance. The problems faced by Government in disbursement

of credit should also be discussed with all the concerned Banks at the highest level.

2.48 The Committee also find that inadequate or ineffective participation of the programme implementing agencies such as the DRDAs and the Banks is found to be responsible for the slightly indifferent performance of the Programme as indicated in the study conducted by NIRD. DRDAs do not have the required professional competence to provide training to the Swarozgaris and develop their entrepreneurship skills. Besides, the study point out that the DRDAs have not been able to ensure effective participation of the Line Departments. The Committee observe that there is a need to have a relook into the functioning of DRDAs which is main agency responsible for carrying out various rural development programmes. The Committee strongly recommend to the Department to analyze the performance of DRDAs in the light of the aforesaid observation of the Committee. All the required steps should be taken to make DRDAs professionally competent. All the areas concerned with the capacity building of DRDAs should be addressed to and the Committee be apprised accordingly:

- (i) Social and Gender Empowerment
- (ii) Improvement in Budgeting Exercise

2.49 As per information provided by the Ministry, three major programmes of the Ministry *i.e.* Indira Awaas Yojana (IAY), SGRY and SGSY have been identified where the direct flow of benefits to the rural women can be ensured. Accordingly, the performance of implementation of these programmes is monitored where information is sought from the programme implementing agencies separately on the physical coverage of women.

2.50 The Secretary during the course of oral evidence have stated that “from this year, we have taken a special initiative in the Outcome Budget to specify the gender budgeting and we have also made and attempt in the Budget document to segregate, out of total available funds, how much would be allocated to women beneficiaries. We are trying to do a study about benefits accruing to women under various schemes. Out of the programmes which we have discussed so far, under NREGA, the guidelines stipulate that one-third of the beneficiaries should be women. So, that is specifically provided in the guidelines. In SGRY guidelines, it is mentioned that 30 per cent of the beneficiaries should be women. Similarly, in SGSY guidelines, it is mentioned that 40 per cent of the beneficiaries should be women.



Under Indira Awaas Yojana, the houses are allotted either in the name of women member of the household or jointly with male and female members of the household. In addition to that, there are programmes like PMGSY and Integrated Watershed Development Programme (IWDP) and Sanitation Programme which have got special importance to women. We have commissioned a study recently to find out as to how the PMGSY connectivity has altered the status or living conditions of women in rural areas. We have commissioned this study to find out the indirect benefits to women. In case of IWDP also we have commissioned a study to find out as to whether it has made any difference. Another important programme is the Rural Drinking Water Programme which has got a direct impact on women in rural areas. Keeping that in view, we have tried to bring it at a consolidated place and in this document we have tried to quantify also. For example, our total budget allocation for SGRY is Rs. 2,800 crore of which the specific outlay for women beneficiaries is Rs. 840 crore which constitute about 30 per cent which should result in creation of 10.74 crore mandays for women only. This is the output which we have indicated based on the gender budgeting. Similarly, SGSY out of Rs. 1,800 crore, Rs. 724 crore is earmarked for women swarozgaris. It would create 6.54 lakh employment under SGSY. In Indira Awaas Yojana, since houses are allotted in the name of women are in joint names, 100 per cent funds are basically earmarked.

2.51A When asked whether the physical and financial targets under the group has been achieved, the Ministry have submitted that while it may be difficult to monitor the direct flow of financial allocations to the women under these programmes, however, the flow of physical benefits are monitored separately. During 2005-2006 and 2006-2007 (provisional), the women swarozgaris both individuals and members of Self-Help Groups (SHGs) who were assisted under SGSY accounted for 57.58 per cent and 63.37 per cent respectively. Under SGRY, 25.53 per cent mandays of employment was generated for women during 2005-2006 where as the available information for 2006-2007 reveals this percentage as 22.85 per cent. Under IAY, 78.02 per cent houses were allotted either in the name of women or jointly in the name of husband and wife in 2005-2006. This percentage during 2006-2007 works out as 83.46 as per available information.

2.51A From the year 2007-2008, the Performance Budget has been merged with the Outcome Budget. The Outcome Budget 2007-2008 of the Department indicates the consolidated position of the quarter-wise targets fixed during the year 2007-2008. As regards the performance during the previous two years *i.e.* 2005-2006 and 2006-2007, the position

has been indicated while reflecting the achievement of different schemes. The consolidated data with regard to the physical and financial targets and achievements of the previous two years alongwith the physical and financial targets of the current year has not been mentioned at one place. In the absence of the aforesaid data at one place, which used to be part of the earlier exercise of Performance Budget, it is difficult to have a comparative position of the targets and achievements in three years *i.e.* the current and the previous two years.

2.52 Further, as per information provided in the Outcome Budget, from 2006-2007, October onwards, 15 per cent of financial and physical targets at the National level have been earmarked for minority community and State-wise/district-wise earmarking is to be done on the basis of their BPL population.

2.53 Even during the course of oral evidence, the Secretary, Department of Rural Development has stated as under:—

“During the current year, the Government has decided that at the national level, 15 per cent of resources of the Ministry of Rural Development for three schemes, SGSY, IAY and SGRY should be reserved for minorities and minorities are identified as Muslims, Sikhs, Buddhists, Christians and Parsis. In the States where the minority community is in majority, the benefit will not go in that, like, for example, in J&K the Muslims are not eligible. The Ministry of Minority Affairs, in consultation with the Planning Commission, has given a State-wise ratio as to how this 15 per cent should be divided among the States. On the basis of that, we have decided this target for the States and conveyed to the State Governments. The States have to further given this target to the districts based on their data of the minority population in the respective districts. We have already communicated this decision to the State Governments in the month of October. We have also modified the monitoring formats just to capture the physical and financial progress. We have received the first report from some of the States for the month of December and we have conveyed that to the Ministry of Minority Affairs. In the case of SGSY, IAY etc., 15 per cent has been fixed for the States. In the SGRY, since the scheme is being discontinued, it was decided that out of the funds going to district and inter-Panchayat level, 15 per cent of that should be for minorities. They can take up work relating to minorities benefit.”

2.54 A specific allocation under the employment schemes of the Department where targets of mandays are fixed, keeping in view the specified targets *i.e.* 30 per cent has been separately made for women. Besides the impact of various other schemes some of the schemes like PMGSY, help women indirectly. The impact of such schemes on the women is being studied through a study commissioned by the Department. The Committee note that whereas under SGSY, the performance of women is remarkable where 63.37 per cent of the swarozgaris during the year 2006-07 are women. However, the employment schemes, the stipulated targets are not being achieved. During the year 2006-07 the percentage of mandays of employment for women under SGRY scheme during 2006-07 was 22.85 per cent which is below the set targets of 30 per cent. The Committee would like to be apprised about the position of mandays generated for women during the year 2006-07 under NREGA so as to know the evaluation of Gender Budgeting under one of the important programmes. The Committee strongly recommend to the Department to take all the desired steps so that the targets fixed under different schemes for women are achieved.

2.55 The Committee note that *w.e.f.* 2007-08 Performance Budget has been merged with the Outcome Budget. The Outcome Budget 2007-08 of the Department indicates the consolidated position of the quarter-wise targets fixed during the year 2007-08. As regards the performance during the previous two years *i.e.* 2005-06 and 2006-07, the position has been indicated while reflecting the achievement of different schemes. The consolidated data with regard to the physical and financial targets and achievements of the previous two years alongwith the physical and financial targets of the current year has not been mentioned at one place. In the absence of the aforesaid data at one place, which used to be part of the earlier exercise of Performance Budget, it is difficult to have a comparative position of the targets and achievements in three years *i.e.* the current and the previous two years. The Committee recommend to the Department to ensure that the consolidated position of the quarter-wise targets and achievements of the three years is reflected in the Outcome Budget.

2.56 The Committee further find that 15 per cent of financial and physical targets at the National level have been earmarked for minority community and State-wise/district-wise earmarking is done on the basis of their BPL population. The identified minority communities are Muslims, Sikhs, Buddhists, Christians and Parsis. However, these communities would not be treated as minority in the States where their population is in majority. The Ministry of Minority Affairs in consultation with the Planning Commission has

given a State-wise ratio as to how this 15 per cent should be divided among the States. The Committee would like to be apprised on the action taken in this regard by the Department of Rural Development and about the response received from various State Governments. The Committee also desire that adequate publicity in this regard be given in all the States so that the minority population are aware of their rights and are able to avail of the benefits provided under the scheme. Further, the Department should maintain a separate data on minority community so that an assessment can be made on whether the minority community is actually benefiting from the rural development schemes.

## CHAPTER III

### SCHEME-WISE ANALYSIS OF DEMANDS FOR GRANTS (2007-2008) OF THE DEPARTMENT OF RURAL DEVELOPMENT

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

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

#### **A. National Rural Employment Guarantee Act (NREGA)**

##### **Objective**

3.2 The National Rural Employment Guarantee Act, 2005 (NREGA) was enacted in Septemeber, 2005. The Act provides for enhancement of livelihood security of the households in rural areas of the country by providing at least one hundred days of guaranteed wage employment in every financial year to every household whose adult members volunteer to do unskilled manual work and for matters connected therewith or incidental thereto.

In that sense the NREGA provides a Social safety net for the vulnerable groups and an opportunity to combine growth with equity. Its objectivity is to ensure that local employment is available to every rural household for at least 100 days in a financial year. It is envisaged that in the process of employment generation durable assets are built

up that strengthen the livelihood resource base of the rural poor, thus transforming the 'Geography of poverty'.

### **Coverage**

3.3 The Act will be applicable to areas notified by the Central Government and will cover the whole country within five years. During the year 2006-07 *i.e.* the first year of NREGA, the scheme was in 200 districts across the country, 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. During the year 2007-08, an additional 130 districts have been included to be covered in the second phase of the programme.

3.4 As per information provided by the Department 'it has now been decided by the Government that SGRY in 130 additional districts would be subsumed into NREGA in the second phase during 2007-08. The list does not include the names of districts of Uttar Pradesh in view of the Assembly elections in the State.'

3.5 A list of the 113 districts out of the 130 additional districts proposed to be covered under NREGA is given at **Appendix-VI**.

### **Background**

3.6 Due to the failure of trickle down theory and the Harrod Domar Model in the Indian context, the concept of direct attack on rural poverty gained momentum that paved the way for evolution of many poverty alleviation programmes in a big way from Sixth Five Year Plan that may be categorized in four major groups *viz.* (a) Self Employment Programmes, (b) Wage Employment Programmes, (c) Area Development Programmes, and (d) Minimum Needs Programmes.

### **Design shift in NREGA**

3.7 The NREGA marks a paradigm shift from the existing Wage Employment Programme (WEPs), the primary difference is that NREGA is not a scheme but an Act passed by Parliament. In other words, the NREGA introduces a Right's Based framework, that provides a legal guarantee and it mandates time bound action to fulfill guarantee which hinges on an incentive structure for performance (Centre funds 90 per cent of costs of generating employment) and there is a concomitant Disincentive for non-performance (Unemployment allowance is a State liability). The NREGA ensures adequate resource support by making

resource availability Demand Based and giving the Demand a legal authority. Another critical factor built in the framework of NREGA is that the public delivery system has been made accountable, as it envisages an annual report on the outcomes of NREGA to be presented by the Central Government to the Parliament and to the Legislature by the State Government. The basic shift in the design and approach of NREGA from that of earlier wage employment programmes can be summarized as under:

- (a) Demand driven as compared to supply driven approach in earlier programmes,
- (b) Statutory time bound provision for providing employment,
- (c) Shift from work led to employment generation,
- (d) Compensation in the form of unemployment allowance, and
- (e) Greater focus on accountability and transparency etc.

#### **Salient features of NREGA**

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

- (a) Employment to be provided to every rural household in the notified district whose adult member volunteer to do unskilled manual work.
- (b) 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.
- (c) Such household is to be provided work for 100 days in a financial year
- (d) This is a demand based Programme and demand emanating from the village through the Gram Sabha.
- (e) 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.
- (f) Disbursement of wages to be done on weekly basis but not beyond a fortnight.
- (g) Under Section 4 of the Act every State to formulate the State's Employment Guarantee Scheme to give effect to the provisions to the provisions of the NREGA.

- (h) Each employment seeker to be registered by Gram Panchayat after due verification and the household to be provided a Job Card.
- (i) A Gram Sabha shall be convened on commencement of the Act for explaining the provisions of the Act, mobilizing applications, registration and verification. Door to door survey may also be undertaken to identify the persons willing to register for employment under the Act.
- (j) Each registered employment seeking household to be provided a job card. A suggestive proforma for the job card is annexed with the guidelines framed by Ministry of Rural Development to implement NREGA, which contains permanent information of the household as well as entries of work given for five years. Permanent information of the job card will include family registration code number, particulars of the applicant and all members of the family regarding sex, age and the names of adults willing to work. Individual identity slips may also be given to each registered applicant of the family.
- (k) Employment will be given within 15 days of application for work by an employment seeker.
- (l) If Employment is not provided within 15 days, daily unemployment allowance, 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.
- (m) Liability of payment of Unemployment Allowance is of the States.
- (n) A new work to be commenced if at least 50 labourers become available for work.
- (o) At least one-third beneficiaries have to be women.
- (p) Gram Sabha to recommend works. Panchayat Raj Institutions (PRIs) have a principal role in planning and implementation.
- (q) Gram Panchayats to execute at least 50% of works
- (r) Gram Panchayat is responsible for planning, registering, issuing job cards to beneficiaries, allocating employment and monitoring of works.
- (s) The Programme Officer at the Block level, is not to below the rank of Block Development Officer would be critical to coordinating implementation processes. He is responsible for



scrutinising village plans, ensuring that the matching between works and employment demand, the employment demand is met within time and the works receive their due entitlements. He is also entrusted with the responsibility of ensuring that the social audit is conducted by Gram Sabha.

- (t) The power to allocate employment is vested in both the Programme Officer and Gram Panchayat. The Guidelines framed by MORD have suggested State Governments to delineate clear coordination mechanisms so that the data on, request for work and work allotment between the Programme Officer and the Gram Panchayat is properly maintained and recorded on the Job Card.
- (u) Such work would be selected from the shelf of Projects, which would be the projects ready with administrative and technical approvals. Shelf of projects is to be prepared on the basis of priority assigned by Gram Panchayat and accordingly a Perspective Plan prepared.
- (v) While allocating work, Priority must be given to allot employment on a local work. The work should ordinarily be provided within 5 km radius of the village or else extra wages to the tune of 10 per cent are payable. If some persons have to be directed to report for work beyond 5 km persons older in age and women shall be given preference to work on worksites nearer to their residence.
- (w) Transparencies, Public accountability, Social Audit are to be ensured through institutional mechanisms at all levels.
- (x) Grievance redressal mechanism to be put in place for ensuring a responsive implementation process.
- (y) All accounts and records relating to the Scheme shall be made available for public scrutiny and any person desirous of obtaining a copy of such records may be provided such copies on demand and after paying specified fee.
- (z) A copy of muster rolls of each scheme shall be made available in the offices of Gram Panchayat and the Programme Officer [at the Block level] for inspection by any person interested after paying specified fee.

### 3.9 The details regarding Financial Activities under NREGA:—

B.E. 2006-07	11300 (200 districts)
Actual expenditure during 2006-07	5033.96
Underspending	6266.04
B.E. 2007-08	12000

3.10 The Secretary of the Ministry during the course of oral evidence stated that during the year 2006-07, including the opening balance, total available funds were roughly 12,000 crore out of which 8000 crore have been spent by February, 2007. Thus, roughly 4000 crore are the unspent amount. The representative of the Ministry further clarified that during the year 2006-2007 the savings got from NREGA has been declared to liquidate the FCI dues. Thus, Rs. 12,000 crore will be available under NREGA during the year 2007-08.

### Physical performance and financial performance

3.11 A statement showing the physical and financial performance of NREGA is given at Appendix-VII & Appendix-VIII respectively.

3.12 The Department in their Outcome Budget has given the following information on NREGA.

(Rs. in crore)

Sl.No.	Items	Ist Qtr.	2nd Qtr. (Cumulative)	3rd Qtr. (*) (Cumulative)
1	2	3	4	5
1.	Total number of Rural Household	5.40	5.40	5.40
a.	Rural BPL household	1.65	1.65	1.65
b.	Job Cards issued	2.03	2.99	3.47
c.	Employment Demanded	0.63	1.01	1.51
d.	Employment provided	0.53	0.96	1.47
2.	Funds released in 2006-07			
a.	By Centre	3976.75	5603.15	6714.98
b.	By States	210.10	310.21	539.81
c.	Total:	4186.85	5913.36	7254.79
3.	Total available fund [including OB for current year]	6143.57	8417.84	9896.92
4.	Expenditure	1419.63	3214.20	5033.96
5.	Total works taken up	2.50	3.91	5.81
a.	Works completed	0.60	1.36	2.34
b.	Works in progress	1.90	2.55	3.47

1	2	3	4	5
6.	Outcomes:			
a.	Mandays Generated	1858.13	3663.36	5365.00
b.	SC	389.26 (20.95%)	870.86 (23.77%)	1319.02 (24.59%)
c.	ST	848.19 (45.65%)	1488.69 (40.64%)	2042.70 (38.70%)
d.	Women	756.74 (40.73%)	1452.2 (39.645%)	2112.99 (39.38%)

\*Funds released upto 31st January, 2007 and expenditure as per State report upto December, 2006.

3.13 It could be seen from the above data that 3.47 crore households have been issued Job Cards during the year 2006-07 out of which 1.51 crore households have demanded employment and 1.47 crore have been provided employment. 53.65 mandays were generated. Out of 5.81 crore works undertaken, 2.34 crore have been completed and 3.47 crore works are in progress.

3.14 During the course of oral evidence when asked whether some of the schemes that are being undertaken by the Ministry are capable of generating 100 days of employment, the Secretary, Department of Rural Development as stated as under:

“As I very briefly mentioned earlier, a lot of calibration needs to be done at the ground level. Normally, a perspective plan is prepared which is a set of schemes with a fairly large portfolio. For every Panchayat we will try to Plan on the basis of roughly the number of BPL families multiplied by 100 days which will give us the number of mandays required, and try to give a shelf of projects at least twice that number. I am not saying that it will happen tomorrow. But this is an approach which we would like to follow from the next year”.

3.15 When asked whether payment of unemployment allowance has been reported by any of the State Governments, the Department has replied that the Government of Madhya Pradesh has informed a total of Rs. 4,75,386 was paid to 1574 applicants as unemployment allowance in Barwani district. Payment of unemployment allowance has not been reported by any other State.

3.16 When asked whether in any State, the payment of wages is done through post offices, the Department has stated that the payment of wages through post offices is being made in some of the districts of Andhra Pradesh, Karnataka and West Bengal on pilot basis.

3.17 During the Study visit of Sub-Committee-II to various backward districts of Uttar Pradesh, the Committee found lack of awareness of the scheme among the people. In this connection, the extracts of the tour notes of the visit of the sub-Committee-II to Bari village in Sidhauri Block, Sitapur District of Uttar Pradesh are reproduced below:

“The sub-Committee learnt that most of the people gathered there did not know about NREGA. Even the President of the Kisan Mazdoor Sangathan who was present there was not aware of NREGA. When the Sub-Committee was discussing about job cards, most of the people did not know what a job card is and presumed that ration card was also named as job card”.

3.18 Even during the Study visit of sub-Committee II to Simri Village, Masauri Block, Barabanki district of Uttar Pradesh, the Committee found that there was low level of awareness among people regarding not only the NREGA but of other schemes (Rural Development and Panchayati Raj) as well. Even the Gram Pradhan had rudimentary knowledge of the NREGA and no knowledge of Swarnajayanti Gram Swarozgar Yojana (SGSY).

3.19 The Standing Committee during the Study visit to Andhra Pradesh and Karnataka has found that 2 per cent service expense was being charged by the Post Offices for the transaction to be made under NREGA. In this regard the Secretary during the course of oral evidence submitted that they had taken the matter with the Postal Department and they have intimated that computerisation should be done in the Branches of Post Offices. The Secretary also informed that the Department is ready to consider to have some preliminary expenses when the account under NREGA is opened in post offices. However, for every transaction, 2 per cent of the service charges by Post Offices are not justified. There are only 4 per cent administrative expenditure available under NREGA and it is difficult to meet the additional expenditure if 2 per cent is paid to Post Offices.

3.20 Further, the sub-Committee found that even the district administration officials were not aware that the benefits of NREGA could be availed by all rural poor who volunteer to do work irrespective of BPL or APL status.

3.21 The Committee examined the National Rural Employment Guarantee Bill, 2004 and presented 13th Report to Parliament. With regard to the provision of minimum number of persons required for starting a work, the Committee had recommended as follows:

“The Committee feel that the prescribed number of labourers i.e. 50 for starting a new work is very much on the higher side. Such a provision may restrict the scope of taking small works under the scheme. The Committee also note that the Department of Rural Development has agreed to reconsider the said provision. The Committee would like that the prescribed number of minimum labourers should be reduced to ten. Besides, the implementing authority may be empowered to take up new work with even lesser than ten number of labourers. Para 13 of Schedule II may accordingly be amended.”

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

“Sir, we have made a small amendment in the guidelines by allowing work on the individual land holdings that is only a month or so back. We have given that clearance and we have also made small improvement. For the kind information of the Hon’ble Chairman and the Hon’ble Members, I would like to mention that earlier the number was 50 for starting the work, but now we have reduced it to 10. This is particularly helpful for the weaker sections of the people on farm work, like digging a well or in the field of plantation. We can take up these works. These will be in addition to the community work done and it may benefit those people.”

3.23 When asked whether any preparation has been done in the event of transfer of 130 new districts from SGRY to NREGA, the Secretary, Department of Rural Development has stated that:

“As I mentioned this morning, we are making a plan for transition. What we have done this time is that we have written to all the State Governments saying that please prepare a list of the works which are on-going under SGRY and which have not been completed and try to complete it quickly in the next two months or so. It is because for the starting of the NREGA, they will require some minimum preparatory time. They have to issue the job cards and they have to prepare a list of works and then they have to issue the muster rolls.”

3.24 A statement showing the number of households that have completed 100 days of employment is given in Appendix IX. It could be seen, therefrom that out of 1.47 crore households who have been provided employment, only 10,89,017 households could complete 100 days of employment. The State-wise performance reflects that in Arunachal Pradesh, Manipur, Meghalaya, Mizoram and Nagaland, none of the families could get 100 days of employment. In the progressive State of Kerala only 66 families could get 100 days of employment. In West Bengal also the number was quite less. Only 4357 families got 100 days employment.

3.25 The Committee note from the position of outlay provided under NREGA, that Rs. 11,300 crore was provided during the year 2006-07 when 200 districts were to be covered in the first phase. Including the Opening Balance, the Department has roughly Rs. 12,000 crore during 2006-07. Out of this 8,000 crore could actually be spent while the balance Rs. 4,000 crore which should have been deposited in Central Employment Guarantee Fund (CEGF), have actually been diverted to liquidate the FCI bills. During 2007-08 an additional 130 districts have been proposed to be added thus making the total number to 330 districts. The allocation during 2007-08 has been made for Rs. 12,000 crore which is equal to the total available funds during 2006-07, although 130 additional districts are proposed to be covered during 2007-08.

3.26 The Committee strongly object to the aforesaid diversion of funds of NREGA. The Committee find that the year 2006-07 was the first year of implementation of NREGA and the total available funds could not be utilised fully. Since the scheme might pick up during 2007-08 providing of outlay equal to the allocation made during 2006-2007 is not justified particularly when 130 additional districts are proposed to be covered during 2007-2008. In view of the aforesaid position, the Committee strongly recommend the Government to provide adequate allocation under NREGA. Ministry of Finance/ Planning Commission may be apprised of the concerns of the Committee in this regard. Besides the transaction of funds should be made strictly as per rules and savings under NREGA should be deposited in National Employment Guarantee Fund and not diverted elsewhere.

3.27 The Committee further note that, out of 1.47 crore households who have been provided employment, only 10,89,017 *i.e.* 7.41 percent households could complete 100 days of employment, which is the main objective of the Act. The State-wise performance

indicates that in Arunachal Pradesh, Manipur, Meghalaya, Mizoram and Nagaland, none of the families could get 100 days of employment. In the progressive State of Kerala, only 66 families could get 100 days of employment. The Committee also note that an amount of Rs. 4,75,386 was paid as unemployment allowance in Barwani District of Madhya Pradesh. The Committee feel that the aforesaid data need to be analysed carefully by the Department so as to understand the peculiar State-wise problems in the implementation of NREGA. Such an analysis would provide the Government necessary input to take the desired State specific action so as to achieve the objectives of ambitious legislation of NREGA.

3.28 The Committee further note that one of the aspect that need to be addressed is to generate works in different districts that can provide 100 days of employment to the families who demand employment particularly when it is a statutory requirement. With the existing works being undertaken under NREGA like deepening of water bodies, water harvesting, drought proofing etc. the Committee have their apprehension that these works may not provide 100 days employment to a family in a year. The Department has to study the implementation of the programme in various States and analyse the position in view of the aforesaid observation of the Committee and also to take decision on allowing certain other works which are at present not permissible under NREGA.

3.29 The Committee during the Study visit to various backward districts of the country have found that the payment of wages to beneficiaries is being made by different methods. In Uttar Pradesh, the payment is being made in cash. In Andhra Pradesh it is being done through Post Offices. In Karnataka, payment is being made through Bank and Post Offices. The Committee have also noted that 2 per cent service expenses were being charged by Post Offices and the representatives of the Banks requested the Committee that similar two percent transaction charges, should be allowed to Banks also. The Committee have selected the subject implementation of NREGA and the issues will be dealt with, in detail, during the course of examination.

3.30 Here the Committee find that the matter regarding charging of service expenses is being taken up with the Department of Posts. The Committee recommend that the matter should be settled between the Department of Rural Development and Department of Posts by sitting across the table. The representatives of the Department of Posts should be persuaded not to deduct any service charges since

this is a social sector scheme meant for the poorest of the poor and every section of the Government has the responsibility to ensure that maximum benefit reaches to the beneficiaries. Charging of 2 per cent as service expenses would ultimately result in reduction of 2 per cent of the allocation meant for the poorest of the poor.

3.31 The Committee feel that there is not enough awareness about the scheme among people. In most of the districts in which the Committee visited during the study tours, the Committee found that people mistook the ration card for job card. The Committee have noted that in many places even the local Panchayat is not educated enough to carry out the scheme. The Committee recommend that the Ministry of Rural Development in consultation with the Ministry of Panchayati Raj draw a module covering all rural development schemes for the training of PRIs so that PRIs can effectively discharge their responsibility in carrying out the schemes. The role of NIRD and SIRDs may also be strengthened to organize training programmes for PRIs and District and Block level officials.

3.32 The Committee further note that the guidelines have been slightly amended to allow work on the individual land holdings and the number of persons required to start a work has been reduced to 10 from the existing 50 persons. The Committee only hope that with this amendment more and more people will be benefited by the scheme.

3.33 The Committee note that 130 new districts have been added to the scheme from 2007-2008. During the launching of the scheme in its initial phase, the Committee had observed that the States were not equipped and needed some preparatory time for transfer of work from NFFWP to NREGA. The Committee desire that the concerned State and District Administrations be ready with the plan for the transition by making a list of works which are on-going and try to complete it as starting of the NREGA will require some minimum preparatory time. The machinery for wide publicity of the NREG scheme, issue of job cards, preparation of muster rolls may be geared up so that the problems experienced in the implementation of scheme in its initial phases does not recur.

## **B. Sampoorna Grameen Rozgar Yojana (SGRY)**

### **Objectives**

#### *(a) Primary Objective*

3.34 The primary objective of the scheme is to provide additional and supplementary wage employment and thereby provide food security and improve nutritional levels in all rural areas.



*(b) Secondary Objective*

3.35 The secondary objective is the creation of durable community, social and economic assets and infrastructural development in rural areas.

**Target Group**

3.36 The SGRY is open to all rural poor who are in need of wage employment and desire to do manual and unskilled work in and around their village/habitat. The Programme is self-targeting in nature. While providing wage employment, preference shall be given to women, members of Scheduled Castes/Scheduled Tribes and parents of child labour withdrawn from hazardous occupations, who are desirous of working of wage employment.

**Foodgrains as part of wages under SGRY**

3.37 Distribution of foodgrains as part of wages under the SGRY is based on the principle of protecting the real wages of the workers besides improving the nutritional standards of the families of the rural poor. Foodgrains are given as part of wages under SGRY to the rural poor at the rate of 5 kg. per manday. Should State Government wish to give more than 5 kg. of foodgrains per manday, it may do so within the existing State allocation (subject to a minimum of 25 percent of the wages to be paid in cash). The State Government and UT Administrations are free to calculate the cost of foodgrains paid as part of wages, at a uniform rate which may be either BPL rate or APL rate or anywhere between the two. The workers will be paid the balance of wages in cash, so that they are assured of the notified Minimum Wages.

3.38 In the event of non-availability/inadequate availability of foodgrains, wages in kind may be less than 5 kg. of foodgrains per manday and the remaining portion may be given in cash. In the reverse case of less availability of cash, the wages in cash may be less than 25 percent and the remaining portion may be given in kind as foodgrains. However, the norm of minimum 5 kg. of foodgrains and minimum of 25 percent wages in cash should be maintained as far as possible. No additional allocation of cash in lieu of foodgrains will be made by the Central Government.

**Special Component**

3.39 There is a Special Component of SGRY for augmenting food security through additional wage employment in the calamity affected

rural areas after due notification by the State Government and its acceptance by the Ministry of the Agriculture. A certain percentage of the allotted foodgrains under SGRY will be reserved for this purpose. Foodgrains under the Special Component can be utilised in any scheme of the Central or State Government being implemented for generation of wage employment in the districts affected by a natural calamity and duly notified as such. The cash component of the wages and material cost will be met from the scheme under which the sub-component will be used or dovetailed.

### **Budget Estimates, Revised Estimate and Actual Expenditure under SGRY during the Tenth Plan**

3.40 As per information provided by the Department under the SGRY, Rs. 48,538 crores was proposed as Central Allocation for Tenth Plan while submitting the proposal to the Planning Commission, which includes Rs. 27,500 crore for payment to FCI and Rs. 20,625 crores for cash component. However, Planning Commission allocated Rs. 30,000 crore under SGRY for the Tenth Plan. No allocation was made by the Planning Commission for payment to FCI at the time of finalisation of Tenth Plan.

3.41 The Department has given the BE, RE and Actual under SGRY during Tenth Plan and financial year 2007-2008 as under:—

		(Rs. in crore)		
Year		BE	RE	Actual
1	2	3	4	5
2002-2003	Cash component	3750.00	3750.00	3688.93
	Payment to FCI under SGRY	690.00	4236.00	4297.00
	Payment to FCI under SGRY (SC)*	600.00	1100.00	1100.00
2003-2004	Cash component	4125.00	4125.00	4124.93
	Payment to FCI under SGRY	736.25	1116.25	1116.25
	Payment to FCI under SGRY (SC)	38.75	4888.75	4888.74
2004-2005	Cash component	4500.00	4500.00	4500.30
	Payment to FCI under SGRY	300.00	300.00	300.00
	Payment to FCI under SGRY (SC)	300.00	300.00	300.00
2005-2006	Cash component	4000.00	5500.00	5500.47
	Payment to FCI under SGRY	0.00	1665.00	1701.73
	Payment to FCI under SGRY (SC)	0.00	1335.00	1229.23

1	2	3	4	5
2006-2007	Cash component	3000.00	3000.00	2439.01 (as on 28.2.07)
	Payment to FCI under SGRY	0.00	#	- -
	Payment to FCI under SGRY (SC)	0.00	#	- -
Total		22040.00	35816.00	35186.59
2007-2008	Cash component	2600.00	2600.00	N.A.
	Payment to FCI under SGRY	200.00	N.A.	N.A.
	Payment to FCI under SGRY (SC)	0.00	N.A.	N.A.
Expenditure (-) 621.41 crore of 10th Plan(RE)				

During the year 2007-08 the proposed allocation was Rs. 3284 crore.

\*Includes allocation for Food For Work Programme (FFWP).

#In addition, Ministry of Finance has notified Special Securities of Rs. 16,200 crore towards payment of outstanding FCI Bills for the foodgrains lifted under SGRY and budgetary provision has been made in this regard. The Ministry of Finance has already issued notification for raising entire amount as Special Securities by FCI.

3.42 The Department has further informed that in the year 2007-2008, Rs. 3,284 crore was proposed for 155 districts only on the presumption that SGRY programme in 233 districts will subsume into NREGA. The proposed amount excluded Rs. 14,989.64 crore towards settlement of FCI Bills. However, the Planning Commission agreed to provide Rs. 2,620 crore for 338 districts as cash allocation and 15 lakh tonnes of foodgrains. As per the indication, Rs. 2,600 crore has been provided for cash component and Rs. 200 crore for foodgrains component.

3.43 The following conclusions can be drawn from the above information.

- (a) BE during the Tenth Plan was Rs. 22,040 crore
- (b) RE during the Tenth Plan was Rs. 35,816 crore (62.50 per cent increase over BE)
- (c) The actual expenditure during the Tenth Plan (upto February, 2007) is Rs. 35,186.59 crore.
- (d) Payment to FCI under SGRY was projected as Rs. 1,665 crore at RE 2005-2006 stage while the actual expenditure for the component was Rs. 1,701.73 crore.

- (e) Payment to FCI under SGRY(Spl. Component) was projected as Rs. 1,335 crore at RE 2005-2006 stage while the actual expenditure for the component was Rs. 1,229.23 crore.
- (f) No allocation has been made either in foodgrains component or Special Component of SGRY during the year 2006-2007. However, Ministry of Finance has notified Special Securities of Rs. 16,200 crore towards payment of outstanding FCI Bills.
- (g) Rs. 200 crore under foodgrains component of SGRY has been made for the year 2007-2008 while no allocation has been made for Special Component under SGRY.
- (h) The allocation during the year 2007-08 has been reduced by Rs. 400 crore.

#### **The physical and financial performance under SGRY**

3.44 During the year 2005-06, the percentage expenditure of total available funds has been indicated as 83.79 percent. The expenditure is less than 50 percent in States like Arunachal Pradesh, Manipur, Andaman & Nicobar Island, Lakshdweep. In Daman & Diu the expenditure is nil and nothing has been indicated with regard to Dadra and Nagar Haveli.

3.45 During the year 2006-07, the percentage expenditure of the total available funds has been indicated as 43.86 percent. As regards State-wise performance almost all the States bearing Assam, Gujarat, Orissa, and Sikkim have utilised less than 50 percent of the available funds.

3.46 The physical performance under SGRY during 2006-07 as provided by the Department has been given in Appendix-X.

3.47 From the statement, it may be seen that no work has been completed in Manipur, Dadra and Nagar Haveli, Daman & Diu and Lakshadweep while in Goa only 12 works, in Andaman & Nicobar Islands 37 works and in Pondicherry, only 81 works have been completed during 2006-2007. In Dadra and Nagar Haveli and Daman & Diu, during the entire Tenth Plan, not even a single work was completed. Similarly, in Lakshadweep, during the entire Tenth Plan period, only 12 works were completed.

3.48 As per information furnished by the Ministry. The quarterly achievement of mandays generated during the year 2006-2007 is as under:

Quarter	Indicative target	Achievement
First Quarter	10.02 crore mandays	2.35 crore mandays
Second Quarter	10.02 crore mandays	11.14 crore mandays
Third Quarter	17.55 crore mandays	8.51 crore mandays
Fourth Quarter	12.54 crore mandays	—

#### **Financial allocation**

3.49 When asked for the reasons for reduced allocation during the year 2005-06 and 2007-08. The Department has informed that Rs. 4,500 crore and Rs. 5,500 crore were allocated during the years 2004-05 and 2005-06 respectively for all the SGRY districts except those of Delhi and Chandigarh. During 2006-07, Rs. 3,000 crores has been allocated funds for 388 districts consequent upon SGRY programme in 200 districts subsumed into NREGA in the first phase during the year. However, Rs. 2,600 crores have been earmarked provisionally as BE for 2007-08 under SGRY for 338 presuming that SGRY programme in 50 districts will subsume in NREGA in 2007-08. As per the details given by the Department, SGRY Programme in 130 additional districts will subsume into NREGA in the second phase in 2007-08. The allocation of cash component for the year 2007-08 has not been reduced in respect of remaining districts covered under SGRY during the year. The provision for the foodgrain is not met in the cash component of the Budget but is given in addition.

3.50 When the Department was asked as to why that in the Budget allocation for payment to FCI was not projected during 2006-2007 whereas the Ministry of Finance has notified Rs. 16,200 crores towards payment of outstanding FCI bills at the fag end of the financial year, the Department has stated as under:

“In the proposal for Annual Plan of SGRY for 2006-07, Rs. 27,768 crore were proposed for payment as backlog liability for payment of unpaid Bills under SGRY and Special Component of SGRY, in addition to normal requirement of funds for foodgrains for the year 2006-07. No allocation of funds for foodgrains has been made in BE 2006-07. However, a budgetary provision of Rs. 16,200 crore has been made in the Supplementary Grants of this Ministry

against Special Securities to be raised by FCI as per decision of the Government of India. After it was decided to issue Special Securities for Rs. 16,200 crores, modalities for issue of such Special Securities were to be formulated. After detailed consultations with concerned authorities, Ministry of Finance decided to issue Special Securities in three phases i.e. Rs. 5,000 crore each in first and second phase and Rs. 6200 crore in third phase. After making necessary provision through Supplementary Demands for Grants for raising Special Securities and completing all other formalities, the Government could notify the Special Securities during December, 06 to February, 2007."

3.51 When asked, from where has the budgetary provision for the payment of outstanding FCI bills been made, the Department has submitted as under:

'This provision is a notional provision outside the purview of Gross Budgetary Support of this Ministry. This Security has been given by the Reserve Bank of India on behalf of the Central Government.'

3.52 Regarding the calculation of cost of foodgrains at BPL rates and APL rates by various States, the Department have furnished the statement as given at Appendix-XI.

3.53 From the statement which gives the information for the year 2004-2005, it can be inferred that in Chhattisgarh and Karnataka, the cost of wheat has been fixed at APL rates while in case of rice, none of the States have fixed the cost of rice at APL rates. In five States viz. Manipur, Orissa, Tamil Nadu, West Bengal, Andaman & Nicobar Islands and Pondicherry, the cost of rice has been fixed below BPL rates. Further, the information regarding the fixation of cost of foodgrains for the States of Andhra Pradesh, Bihar, Jharkhand, Maharashtra, Meghalaya, Mizoram, Sikkim, Tripura, Uttaranchal, Uttar Pradesh and Dadra & Nagar Haveli have not been indicated.

3.54 When asked whether certain states are not interested in taking foodgrains because the quality of foodgrains is very poor and are of higher price, the Secretary during the course of oral evidence stated as under:

"Actually, we pay the FCI at economic rate. We pay them at around an average price of Rs. 12 per kilogram. It is the Central Government which is subsidizing this foodgrains. So the FCI is not giving poor quality because workers are getting foodgrains

somewhere around Rs. 6 or Rs. 8 per day. We are paying the FCI at economic rate. That is not the reason for the poor quality. Regarding quality, we have instructions that the State Government is to check periodically the quality. In Bihar, Jharkhand and some North-Eastern States, the problem is very complex and ricks do not reach the FCI godowns. Due to the problems, some States like Arunachal Pradesh were exempted from the provision of foodgrains."

3.55 Further, when asked as to whether the Department maintained the information with regard to the number of samples picked by the concerned Officer of DPs/DPAPs, the Department has stated as under:-

'it is the responsibility of the State Government and District Panchayats to implement the provisions of the SGRY guidelines. It would not be desirable to interfere into the powers delegated to the States for smooth implementation of the programme. In view of these, the Ministry has never procured the information regarding the number of samples checked by the officials of DPs/DRDAs. This Ministry always settle the FCI bills for foodgrains after the bills are authenticated by the respective DP/DRDA.'

3.56 As per information given in the Performance Budget 2007-2008 of the Ministry, during 2005-2006 11 States were allocated foodgrains under Special Component and during 2006-2007 only 3 States were allocated foodgrains under the Special Component of the Scheme.

**3.57 The Committee find that during the year 2006-07, the releases made under SGRY against the Revised Estimate allocation is almost 100 per cent. Further, during the year 2006-07, out of Rs. 3,000 crore, Rs. 2439 crore have actually been released as on 28 February, 2007. As regards State-wise performance during the year 2005-06 the percentage expenditure of total available fund is 83.79 per cent. Further, in some of the States like Arunachal Pradesh, Manipur, Andaman & Nicobar Islands, Lakshadweep the expenditure is less than 50 per cent and in Daman & Diu the expenditure is nil. During the year 2006-07, the percentage expenditure of the total available fund is 43.86 per cent. As regards State-wise performance, almost all the States barring Assam, Gujarat, Orissa and Sikkim have utilized less than 60 per cent of the outlay. With regard to physical performance in different States, the information given by the Department indicates that no work has been completed in Manipur, Daman & Diu, Dadra and Nagar Haveli and Lakshadweep**

while in Goa only 12 works, in Andaman & Nicobar Islands 37 works and in Pondicherry 81 works have been completed during the year 2006-07. In Dadra and Nagar Haveli, Daman & Diu and Lakshadweep during the entire Tenth Plan, not even a single work was completed. From the aforesaid scenario, the Committee conclude that whereas the releases from the Union Government are almost 100 per cent, there are problems in certain States as indicated in the financial and physical performance of various States. The Committee would like the Department to analyze the position in various States/UTs and take the necessary action. The Committee may also be kept apprised.

3.58 As regards allocation made under SGRY during the year 2007-08, the Committee note that Rs. 400 crore lesser than the previous year have been allocated. The Committee also note that during the year 2006-07 an additional 130 districts would be covered under NREGA and as such SGRY would be implemented in 130 lesser districts. As per the information provided by the Department, the allocation of cash component for the year 2007-08 has not been reduced in respect of remaining districts covered under SGRY during the year. The Committee also find that the allocation made under SGRY is lesser by Rs. 684 crore if compared to the proposed allocation. The Committee find that the districts where SGRY is being implemented have actually not been covered under NREGA. In view of the aforesaid position, the Department should ensure that adequate outlay to each of the districts is provided by the Department.

3.59 The Committee have repeatedly been recommending to the Government to indicate the outlay required for foodgrains component under SGRY and special component of SGRY, the payment for which has to be paid to FCI/Ministry of Food in the Budget documents and allocate adequate outlay at BE Stage. In spite of this, the position of indicating outlay at supplementary Grants stage continue with the Department. During the years 2005-06 and 2006-07, no allocation for food component was made at BE Stage. However, at the Revised Estimates stage Rs. 2,998 crore (including SGRY special component) and Rs. 3,000 crore respectively were allocated. During the year 2007-08, only Rs. 200 crore have been earmarked at the Budget Estimates stage. The Committee further note that to clear the outstanding dues to FCI, the Government of India has allowed FCI to raise special securities to the tune of Rs. 16,200 crore. This special security has been given by the Reserve Bank of India on behalf of the Central Government. The Department has further stated that the



proposed amount during the year 2007-08 excluded Rs. 14989.64 crore towards settlement of FCI bills. It means that against the requirement of 14989.64 crore, only 200 crore have been provided during the year 2007-08 for foodgrains component. The Committee observe from the aforesaid information that there is utter confusion with regard to the settlement of dues to FCI on account of foodgrains component under SGRY and the erstwhile scheme 'National Food for Work Programme'. The Committee strongly recommend to the Government to settle all the dues to FCI. Besides sufficient allocation should be made at the Budget Estimates stage for foodgrains component under SGRY as has repeatedly been recommended by the Committee. The Committee would like to be apprised about the clear position of the outstanding dues to FCI as on date.

3.60 The Committee further find that the Department has no monitoring mechanism to ensure the quality of foodgrains being provided to the beneficiaries under SGRY. The Ministry has never procured the information regarding the number of samples being checked by the officials of DPs/DRDAs. The Department has mentioned that they settle the FCI bills for foodgrains after the bills are authenticated by the respective DP/DRDA. It has further been mentioned that it would not be advisable to interfere into the powers delegated to the States for smooth implementation of the programme. The Committee are concerned to note the position with regard to the monitoring of quality of foodgrains provided under the aforesaid schemes. Although the allocation is being made by the Union Government, The Department has no concern with regard to the quality of foodgrains. The Committee strongly recommend to the Department to monitor the data with regard to the samples checked by the officials of DPs/DRDAs and take the necessary action to ensure that the foodgrains supplied to the beneficiaries are of at least minimum standard.

3.61 As regards the cost of foodgrains provided under SGRY, the Committee find that there is variation in various States/UTs. Whereas the cost of rice has been fixed at BPL rates, in case of wheat in Chhattisgarh and Karnataka the cost of wheat has been fixed above APL rates. In all other States for which information has been provided, the rate is below BPL rates. The information with regard to 11 different States/UTs has not been indicated in the information given by the Department. The Committee further find that the equal rate of foodgrains calculated at BPL/APL rate is actually deducted from the wages payable to a labourer under SGRY and thus affects the interest of the poorest of the poor. In view of the

aforesaid position, the Committee feel that the position of fixing the rate of foodgrains at BPL and APL rates needs to be reviewed. The Committee would like to be informed about the position of rates of foodgrains in the States in case of which the information has not been furnished so as to analyze the position and comment further in this regard.

3.62 The Committee further find that out of 8,16,813 number of works undertaken under SGRY, as many as 3,74,905 works are still under progress. The Committee would like to strongly recommend to the Department to ensure that the issue of committed liabilities for these ongoing works is handled carefully while switching on from the erstwhile NFFWP and SGRY to NREGA specially when the type of projects allowed under SGRY are not allowed under NREGA. The Committee would also like to be apprised about how the Department has handled the committed liabilities for projects under implementation under SGRY in the 200 districts earlier merged with NREGA and the additional 130 districts which have now been merged with NREGA.

#### C. Rural Housing (RH) Scheme - Indira Awaas Yojana (IAY)

3.63 Indira Awaas Yojana (IAY) is being implemented since 1985-86 to provide assistance to Below Poverty Line (BPL) households in rural areas belonging to the Scheduled Castes/Scheduled Tribes, freed bonded labourers and also from 1993-94 onwards to non-Scheduled Castes/Scheduled Tribes families, households of rural BPL, families of ex-servicemen of the armed forces and para military forces killed in action. The IAY became an independent Scheme *w.e.f.* 1 January 1996. The ceiling on construction assistance under IAY is Rs. 25,000 per unit for plain areas and Rs. 27,500 for hilly/difficult areas and conversion of *kutchha* house into *pucca* house ( *i.e.* upgradation) is Rs. 12,500 *w.e.f.* 1 April 2004. The funds under the Scheme are shared between the Centre and the States in the ratio of 75:25. The Union territories are provided 100 per cent Central assistance. From 2005-06 onwards the allocation criteria for IAY has been modified to assign 75 per cent weightage to housing shortage and 25 per cent to poverty ratio for the State level allocation. Further, giving 75 per cent weightage to housing shortage and 25 per cent weightage to SC/ST component makes the allocation for IAY amongst districts.

3.64 The overall Budget allocation (Central share) for the Indira Awaas Yojana (IAY) during 2006-07 was Rs. 2,920 crore, out of which Rs. 2,111.88 crore was released by 1 March 2007. The BE 2007-08 under

Indira Awaas Yojana has been fixed at Rs. 4,040 crore (*i.e.* an increase of 38.36 per cent increase in the Central allocation over 2006-07). As per the Outcome Budget 2007-08 of the Department, in addition to the Central Plan Budget, different State Governments are expected to release Rs. 1341.49 crore during 2007-08.

3.65 Rural Housing is also one of the six components of 'Bharat Nirman', the ambitious programme of the Government. Under 'Bharat Nirman' sixty lakh houses are to be constructed during the next four years starting from 2005-06. As per the replies, the Planning Commission have set monitorable Socio-Economic Targets of the Eleventh Plan in the 'Approach Paper to the Eleventh Five Year Plan' as per which houses have to be provided to all rural poor by 2016-17.

3.66 As per the guidelines of the scheme certain amount of funds under IAY is kept a part to meet exigencies arising out of Natural Calamities which is as below:

"4.4.15 per cent of the total allocated funds under IAY will be kept apart to meet the exigencies arising out of natural calamities and other emergent situations like riot, arson, fire, rehabilitation under exceptional circumstances etc.

Proposals for this purpose have to come from State Governments/ Admn. of Union territories showing the extent of damage and the estimated fund requirement in respect of the proposed IAY houses provided assistance has not been obtained from other sources. Funds to be released for this purpose shall not exceed Rs. 50 lakhs per district. The relief will be as per the norms with regard to per unit ceiling of assistance for IAY house prescribed under the scheme."

3.67 As per the information furnished to the Committee, the financial and physical performance of IAY since 2005-06 is as below:

**Financial Achievement of IAY since 2005-06**

Year	Allocation (RE)	Central Releases	Percentage of Financial Achievement
2005-2006	2750	2746.56	99.47
2006-2007*	2920	2111.88	72.32
2007-2008	4040	-	-

\*As on 1 March 2007.

### Physical Achievement of IAY since 2005-06

Year	Target (in Nos.)	Number of Houses constructed (Achievement)	Percentage of Physical Achievement
2004-2005	1562356	1516222	97.5
2005-2006	1441241	1515923	107.68
2006-2007*	1533498	892907	58.23
2007-2008	2127184	-	-

\* As per the information received from the State Governments upto 1 March 2007.

#### State-wise performance under IAY

3.68 Outcome Budget indicates the poor financial performance during 2007-08 in respect of the following States/UTs: Arunachal Pradesh (31.91 per cent), Bihar (51.65 per cent), Chhattisgarh (53.43 per cent), Goa (42.75 per cent), Haryana (50.39 per cent), Kerala (44.29 per cent), Manipur (Zero per cent), Meghalaya (48.97 per cent), Rajasthan (44.95 per cent), Andaman and Nicobar Islands (4.99 per cent), Daman and Diu (3.08 per cent) and Pondicherry (40.79 per cent).

3.69 When asked about the reasons for non-satisfactory performance of IAY so far during 2006-2007 in each of the States and Union territories mentioned above, the Department has replied that 9.72 lakh houses have been constructed and 9.28 lakh are under construction as per the reports of the States/Union territories till January/February. There was delay in the release of the first instalment of funds under Indira Awaas Yojana because of non-preparation of permanent Indira Awaas Yojana waitlist by the States. Subsequently, the funds were released with the stipulation that the beneficiaries would be selected only out of the Permanent Indira Awaas Yojana waitlist. This resulted in delayed implementation of the programme during the year. When asked about the corrective action to be taken by the Department during 2007-2008 for a better performance of IAY in the above said States and Union territories, the Department has replied that apart from releasing the Central funds especially the first instalment in the month of April itself, they will pursue the matter vigorously with the State Governments to ensure 100 per cent achievement during the year.

3.70 Regarding the performance of the scheme in Manipur, the representative of the Ministry during the course of oral evidence has stated as under:-

“We have had a lot of problems there. Not a single monthly progress report has come. Every month, we are holding the nodal officers’ meeting; the person does not come. We are writing letters and ringing them up. In the case of Manipur, really there has been non-report from it. Recently now, in the last release for this year, I was trying to make sure that in spite of all this, we are able to release, but we have been left with about a crore, which we could not release to Manipur.”

#### **Per Unit assistance of a dwelling unit under Indira Awaas Yojana**

3.71 As per the Outcome Budget 2007-2008, the ceiling of assistance for construction of a new house *w.e.f.* 1 April, 2004 is Rs. 25,000 for plain areas and Rs. 27,500 for hilly/difficult areas. The Committee in their 22nd Report, 14th Lok Sabha had strongly recommended (*vide* recommendation Para 2.69) that Government should enhance the per unit assistance from the existing rate to Rs. 50,000 in plain areas and Rs. 60,000 in hilly/difficult areas. When asked about the steps taken by the Government in pursuance of the said recommendation of the Committee, the Department has replied that this matter is under consideration and Ministry is actively pursuing it. When the Committee asked about the possible impact of enhancement in the per unit cost of assistance, then the Department has replied that the proposal under consideration is to increase the unit cost for houses without affecting the physical target.

3.72 On the issue of shelterlessness in the country the representative of the Department during the course of oral evidence stated as under:

“The Department estimates it that it is from 200 lakh to 400 lakh. If we take the *kutcha* houses also as those who need houses, then it becomes 400 lakh. But if you take people in a very bad condition only, then, you can restrict it to 200 lakh.”

**3.73 The Committee find that rural housing is one of the six components of Bharat Nirman, the ambitious programme of the Government. The Government plan to construct 60 lakh houses under Indira Awaas Yojana during the Bharat Nirman period i.e. 2005-06 to 2008-09. Besides as per the Approach Paper to Eleventh Plan the Planning Commission have set monitorable Socio-Economic Targets**

under which houses have to be provided to all rural poor by 2016-17. The Secretary during the course of oral evidence has informed the requirement of 200 lakh housing units to end shelterlessness in rural areas. However, if upgradation of kutcha houses is also included, the number comes to 400 lakhs. The data indicated by the Department show that during the year 2005-06 *i.e.* first year of Bharat Nirman period, the Department has achieved more than the physical targets of 15 lakh houses. However, during the year 2006-07, the achievement is just 58.23 per cent. The Department has indicated that the aforesaid shortfall in achievement of target was due to the fact that there was delay in the release of first instalment of funds under Indira Awaas Yojana because of non-preparation of permanent Indira Awaas Yojana waitlist by the States. Subsequently, the funds were released with the stipulation that the beneficiaries will be selected only out of the permanent Indira Awaas Yojana waitlist. This resulted in delayed implementation of the programme during the year 2006-07. The Committee would like to be apprised of the State-wise status of the preparation of permanent Indira Awaas Yojana waitlist. The Committee also emphasize to take the desired steps so that the targets set under Bharat Nirman period are fully achieved.

3.74 The Standing Committee in the earlier report (refer para 2.69 of 22nd Report) had recommended to enhance the existing per unit assistance for construction of IAY house from Rs. 25,000 to Rs. 50,000 in plain areas and from Rs. 27,500 to Rs. 60,000 in hilly difficult areas. The Department has informed that the matter regarding enhancement in per unit cost of construction of IAY house is under consideration and the Department is actively pursuing it. The Committee note that the aforesaid scale of assistance under IAY was fixed way back during 2004. Since then there has been no revision in per unit assistance. Since the prices of construction material have increased considerably specifically during the last couple of years, the Committee strongly recommend that the per unit assistance under IAY should be enhanced as recommended earlier by the Committee. While recommending for enhancement of per unit cost of IAY house, the Committee also recommend that the annual allocation made under IAY needs to be enhanced considerably so that there is no reduction in the set targets under Bharat Nirman period and Eleventh Five Year Plan.

#### **Mismatch between Financial achievement and the Physical achievement**

3.75 While analyzing the performance of IAY during 2005-06 and as per the Outcome Budget 2007-08 of the Department, 79.67 per cent

of the total available funds were reportedly been utilized during 2005-06 to attain physical target of 107.68 per cent. When the attention of the Department was drawn towards the said mismatch (*i.e.* a physical achievement of 107.68 per cent has been reportedly shown by utilizing 79.67 per cent of the available funds), the Department has replied that the achievement is due to completion of houses under construction from the previous year and the inclusion of houses upgraded at a lower cost. During the course of oral evidence, about the mismatch, the representative of the Department has stated as under:—

“ ..... It is a rolling completion, it happened because we had opening balance available with us. Houses under construction were already there to the tune of about six lakh. We have achieved that. We allow the States to take up both new construction and up gradation. We have up gradation of about 20 per cent. The unit cost is half of the new construction. When we fix up the target we speak only about new construction that is why this difference has arisen. Another reason as to why this has happened is, we give some target for construction of houses under special package even if, the funds for the construction of these houses has already been provided in the last year. The opening balance funds left with projects implementing agencies or the State Governments/ Union territory administrations are the funds against which physical targets continue to remain from the previous years”.

**3.76 The Committee find from the data indicated in the Outcome Budget that there is gross mis-match between the physical and financial achievement during different years. During the year 2005-06 whereas the financial achievement was to the tune of 107.68 per cent, the physical achievement was 79.67 per cent. To this anomaly, the Secretary during the course of oral evidence has stated that the mis-match may be due to huge opening balances, achievement of targets under special component and the combined data of new construction and upgradation, (the assistance provided for upgradation is around half of the assistance provided for construction). The Committee note that whereas the Department has separate data for shelterlessness and upgradation the achievement is not monitored separately for upgradation and shelterlessness. The Committee feel that it is difficult to know the position of shelterlessness in the absence of the aforesaid data. The Committee therefore recommend that the targets and achievement for upgradation, new construction as well as special component should be maintained separately so as to know the exact position and do the proper planning.**

### **The provision of outlay under IAY for natural calamity**

#### **Performance of Indira Awaas Yojana Scheme funds released under the special package in Bihar**

3.77 As per the information provided by the Department, Rs. 400 crore was approved during 2004-2005 by the Prime Minister in order to reconstruct IAY Houses damaged by flood in 20 districts (Araria, Begusarai, Bhagalpur, Champaran East, Champaran West, Darbhanga, Gopalganj, Katihar, Khagaria, Kishanganj, Madhepura, Madhubani, Muzaffarpur, Purnia, Saharsa, Samastipur, Sheohar, Sitamarhi, Supul, Vaishali districts) of Bihar. As per replies, rehabilitation following a disaster varies from state-to-state and is also related to specific disasters. Houses under IAY scheme are sanctioned as a part of rehabilitation package. Normally, it is expected that the process of construction of an IAY house will be completed within one year. However, IAY guidelines provide that completion of a dwelling unit, in no case, should take more than two years.

3.78 The Department has informed that full amount of Rs. 400 crore as sanctioned, was released to the State Government. Regarding the physical achievements of the funds released under the special package, there was a target of constructing 2.13 lakh houses against which 91,655 houses only (*i.e.* physical performance of 43.03 per cent) could reportedly constructed so far, as per the reports received from the State Government. Further, as regards the district-wise unspent balance the Department has stated that there is an unspent balance of Rs. 270.74 crore lying with 19 different districts except Darbhanga.

3.79 Rs. 400 crore were sanctioned to 20 flood affected districts of Bihar was in addition to the release made under IAY to these districts during 2004-2005. The Committee were informed that since 2004-2005 till date, only 51.27 per cent of the total available funds could be utilized and only 43.03 per cent of the physical targets could be achieved. Regarding the reasons for this under achievement, the Committee were informed that in spite of constant persuasion and linkage of release of funds to normal Indira Awaas Yojana programme, the implementation of the rehabilitation under special package has been slow in Bihar. Recently, during a meeting with State Government Officers, it was informed that they had no more houses for reconstruction as damaged by floods during the year 2004-05. The State Government officers had, therefore, requested to allow them to transfer the unspent funds under this Head to the normal Indira Awaas Yojana. The case on these lines will be processed after receipt of formal request from the State Government.



3.80 Regarding receipt of utilisation certificates from the concerned twenty districts the Committee were informed that in so far as Bihar is concerned, the Utilisation Certificates for the amount of Rs. 337.95 crore as actually utilised by them out of the special package, has been already received but not for the total amount. As regards other pending Utilisation Certificates, a meeting was taken by Director (RH) with the Project Directors of all the Organisations implementing Rural Building Centre (RBC) where the Utilisation Certificates are pending, in which all concerned were advised to submit the Utilisation Certificate and avail the next instalment of funds to complete the projects at the earliest. This is being followed up through correspondence. During the course of oral evidence, the representative of the Ministry on the issue of the non-utilisation of funds submitted as below:—

“They (Bihar Government) have to either return back the money to us or they have to convert it into the normal Indira Awaas Yojana programme.. ...Regarding the poor physical achievements, it is submitted that it has got two reasons. One, they had not identified the target beneficiary. Regarding the Rs. 270 crore unspent, it has further been found that the State release corresponding to the amount utilised is also yet to be made. There has been inconsistency about the information furnished by them.”

3.81 When the Committee wanted to know about the process of declaration of a district as flood affected the Department has replied that a district is declared ‘flood affected’ by the District authorities/ State Government. Department of Rural Development does not make any such declaration.

**3.82 The Committee find that Rs. 400 crore were sanctioned and released to the State Government of Bihar, during the year 2004-05 in order to re-construct IAY houses damaged by flood in 20 districts. At one place, the Department has stated that out of Rs. 400 crore, Rs. 270.74 crore were lying unspent thereby indicating that only Rs. 129.26 crore *i.e.* a little over 30 per cent could be utilized. At another place it has been mentioned that only 51.27 per cent of the total available funds could be utilized. As regards the physical targets it has been mentioned that 43.03 per cent of the target could be achieved. At another place it has been mentioned that the utilization certificates for the amount of Rs. 337.95 crore actually utilized out of the special package had already been received. The Secretary during the course of oral evidence further stated that State releases corresponding to the amount utilized is also yet to be made. The**

**Committee find from the aforesaid data that there is utter confusion about the releases made and physical and financial targets achieved for the outlay released to Bihar under natural calamities.**

**3.83 The Committee further observe from the information provided by the Department that the funds allocated for calamity relief to 20 districts of Bihar could not be utilized inspite of the linkage of releases of funds to normal IAY. In the same para it has been stated that the State Government officers had requested to allow them to transfer the unspent balance under the calamity head to the normal IAY. Again it has been stated that a case on these lines will be processed after receipt of formal request from the State Government. Three contradictory positions have been indicated in the same para. The Committee disapprove the way the IAY funds for natural calamities are being handled by the Department. The Committee would like clarifications from the Department on the aforesaid observations. They would like to be apprised about the visit of National Level Monitors, Area Officers to these flood affected districts where rehabilitation programme was going on along with their findings so as to know the ground reality in this regard.**

#### **D. Pradhan Mantri Gram Sadak Yojana (PMGSY)**

3.84 '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**

3.85 The targets have 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.

3.86 As per the information furnished in Performance Budget 2006-2007 under PMGSY, out of total 30,00,000 Kms. of road length, 3,69,386 Kms. are eligible and 1,72,772 habitations in 28 States are to

be provided with new connectivity. 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, had 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. In addition to the Central share, Rs. 4,500 crore loan from NABARD would be obtained during 2007-08 as per BE 2007-08.

3.87 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 and financial targets during the year 2005-06 and 2006-07 are as under:

	2005-06		2006-07 (up to Dec.06)	
	Target	Achievement	Target	Achievement
No. of habitations to be connected:	7895	8031	9435	5239
Road length to be constructed (KMs):	17454	22785	27250	17702
Expenditure:	4220	4100	5225	4560

3.88 Regarding the value of proposals cleared, amount released, number of road works, percentage of expenditure and the percentage of road works completed, the Ministry in their Annual Report 2006-2007 have given the following information:

(Rs. in crore)

Phase	Value of proposals cleared	Amount released	No. of road works	% age of expenditure	%age of road works completed
1	2	3	4	5	6
I(2000-2001)	2547.63	2565.30	13192	92.92	96.51
II(2001-2003)	5163.88	5023.55	10963	90.98	92.15

1	2	3	4	5	6
III(2003-2004)	7153.20	5428.78	9040	83.72	77.75
IV(2004-2005)	5283.54	3438.67	7001	81.19	37.72
V(2005-2006)	6806.25	1704.44	7444	78.80	14.37
VI(2006-2007)	5727.52	549.64	6390	98.07	-
ADB/WB	5232.11	1845.64	5071	96.34	29.24
<b>TOTAL</b>	<b>37573.36</b>	<b>20330.52</b>	<b>58947</b>	<b>88.30</b>	<b>59.68</b>

3.89 It may be seen from the above data that the percentage of road works completed in Phase IV is only 37.72 per cent, and in Phase V it is only 14.37 per cent.

3.90 Further, as on 31 December 2006, Rs. 2555.83 crore were lying unspent under PMGSY. The data with regard to number of incomplete roads as taken up from phase-I to Phase-VI 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
Phase VI	2006-2007	6269
ADB/WB		3676
<b>Total</b>		<b>23693</b>

3.91 As per information provided by the Department, the Physical and Financial achievement up to December, 2006 under PMGSY is as follows:

(Rs. in crore)

Phase/Year	Value of proposals cleared	Amount released*	Expenditure to amount released to Dec. 2006	No. of road works	No. of road works up completed up to Dec. 2006
1	2	3	4	5	6
I/2000-01	2547.63	2565.30	2565.30	13192	12732
II/2001-03	5163.88	5023.55	5023.55	10963	10110

1	2	3	4	5	6
III/2003-04	7153.20	5428.78	5428.78	9040	7123
IV/2004-05	5283.54	3438.67	3438.67	7001	3207
V/2005-06	7198.88	1704.44	1704.44	8191	1189
VI/2006-07	5727.52	549.64	549.64	6390	121
ADB/WB	5312.77	1845.64	1845.64	5221	1545

\*release for road works of respective Phase.

### Implementing Authority

3.92 Each State Government/Union territory administration identifies one or two suitable agencies (having a presence in all Districts and with competence in executing time-bound road construction works) designated as Executing Agencies (such as the Public Works Department/Rural Engineering Service/Rural Works Department /Zilla Parishad/Panchayati Raj Engineering Department).

3.93 As per the reply tendering of works takes around three to four months. Thereafter the expected time period for completion of projects is twelve months. Therefore, projects sanctioned under PMGSY take around sixteen to eighteen months for completion from the date of clearance.

3.94 The Budget Estimate (*i.e.*, Central Share) for PMGSY during 2007-08 is Rs. 6,500 crore. Borrowing from International donor organisations is being obtained *viz.* borrowing from Asian Development Bank and International Bank for Reconstruction and Development *i.e.*, World Bank etc. The Outlay for BE 2007-08, includes Rs. 3,825 crore as rural road share of diesel cess, Rs. 75 crore as Budgetary support and Rs. 2,600 crore as externally aided projects (EAP) assistance. As per the Outcome Budget 2007-08 of the Department, in addition to the Central plan budget, different State Governments are expected to release Rs. 1,341.49 crore during 2007-08. In addition to the Central share, Rs. 4,500 crore loan from NABARD would be obtained. Thus Rs. 11,000 crore is targeted to construct 55,000 kms. roads by providing connectivity to 14,000 habitations.

3.95 During the course of oral evidence, Secretary of the Department stated as below:

“Under PMGSY total value of the projects which we have cleared by now is Rs. 42,979 crore and we have released Rs. 21,533 crore

till now. This is the cumulative figure. By now Rs. 19,824 crore or roughly about 92 per cent of the funds released have been spent. ....We have cleared 62,997 road works and 37,704 have been completed. Around 2,17,811 kms of road projects have been cleared, of which 1,14,743 kms have been completed which is roughly about 52.68 per cent because it is on-going project. Phase-wise, about 97 per cent of Phase-I; 93 per cent of Phase-II; 80 per cent of Phase-III; 58 per cent of Phase-IV and 18 per cent of Phase V works have been completed. In the more recent phases, the progress is less. In this project, 34,691 habitations have already been connected.”

3.96 When asked about the details on how the Department is going to raise the funds for achievement of the huge physical targets under PMGSY, in replies, the Secretary of the Department has stated that for the Eleventh Five Year Plan, the Department has projected a total outlay of Rs. 81,801 crore under PMGSY including 575 crore from the cess component, Rs. 10,000 crore under the externally aided project component, Rs. 12,500 crore from NABARD and Rs. 38,726 crore of budgetary support. The residual amount required for completion of the targets under PMGSY is proposed to be financed from the cess accrual, external aid and budgetary support during the Twelfth Five Year Plan.

3.97 During the course of oral evidence, Secretary of the Department stated as under:—

“Currently, the PMGSY programme as a whole as per our assessment cannot be completed in the Eleventh Plan. It has to spill over to the Twelfth Plan”.

3.98 Regarding the construction of missing road links near small bridges, the Secretary, Department of Rural Development during the course of oral evidence has stated as under:

“On the bridges, the current guidelines is that, whenever a road involves a bridge which is 25 metres or above, we do not allow the road work to be tendered unless the DPR for the bridge is approved with provision of funds. Otherwise, the road will be complete and the bridge will be the missing link and the problem of access will remain. Up to 25 metres, we provide funds. Beyond 25 metres, the State has to provide funds. We have also approached NABARD to provide funds for State’s share through RIDF without any further technical examination of DPR. That support we have already secured. As far as the States are

concerned, State Rural Road Development agencies have been established in each State. They have the overall responsibility for construction and maintenance of rural roads, which was fragmented before. These are to be transferred to this agency. Annual maintenance plan for the rural roads, provision of adequate funding and placement of funds are necessary to ensure proper upkeep of rural roads. We are making efforts towards this direction to transfer the rural roads nodal responsibility to this agency. Regarding maintenance, funds have to come from the State Governments. It is a State subject”.

3.99 The Department has furnished the State-wise number eligible habitations covered, number of habitations connected and balance habitations to be covered as per information given in Appendix-XIII. It can be inferred from the statement that out of 1,72,772 habitations, only 34,691 habitations could be covered. Thus, 1,38,581 habitations are yet to be covered. The State-wise position indicates that in Andhra Pradesh out of 980 eligible habitations, 889 habitations could actually be connected. In other States where 50 per cent or above eligible habitations could be covered are Maharashtra, Punjab, Rajasthan and Tamil Nadu. In other States, the number of habitations covered as compared to eligible habitations are less than 50 per cent. Further, analysis of the data indicates that in Bihar, Goa, Jammu and Kashmir, Jharkhand, Tripura and Uttranchal, the performance is worse. In these States less than 10 per cent of the eligible habitations could actually be covered. In Haryana, out of 2 such habitations, none of the habitations could be covered. The States in which the number of unconnected habitations are large is given as under:

State	No. of unconnected habitations
Assam	11298
Bihar	17480
Chhattisgarh	10558
Jharkhand	9798
Madhya Pradesh	14724
Orissa	11881
Uttar Pradesh	17430
West Bengal	22439
Total (for 28 States)	138081

3.100 During the course of oral evidence, Secretary of the Department stated as under:—

“.... Our 3 to 4 States literally have a lions share in these programmes because there the infrastructure development is very poor. For that our focus areas are Bihar, Madhya Pradesh and West Bengal also to some extent and Orissa. In a few States availability of land is also a problem. They are Kerala, West Bengal and Punjab. Delay in obtaining forest clearance here, of course, we have tried at a policy level to interact with the Ministry of Environment and Forest and we had some success. ....Almost we are expecting more than 60 per cent increase over the last year. So the absorption capacity has increased but our concern continues to the States like Bihar, West Bengal and some villages in Orissa where the number of villages which are not connected in the category that I explained 1,000 to 500 and that number of the total villages of the country is still very large in these three to four States”.

**3.101 Pradhan Mantri Gram Sadak Yojana (PMGSY) was launched w.e.f. 24 December, 2000 with the objective to connect all habitations in rural areas with a population of 1000 or above by 2003 and all habitations having population of 500 and above by the year 2007. The targets were further spilled over and the Government projected to cover all habitations having the population of 1000 and above by the end of Tenth Plan. The Tenth Plan is now over and as stated by the Secretary, it is difficult to achieve the aforesaid target of connectivity of habitations having 1000 population even by Twelfth Plan. The Committee deplore the way huge pronouncements of unachievable targets without doing the proper planning are being made by the Government during different plans.**

3.102 The Committee would like to be apprised of the details of the initial projections of the outlay required and the present situation of the requirement of funds to achieve the targets of connectivity of habitations of 1000 or above population. The Committee would also like to be apprised of the details of the States in which all the habitations having 1000 plus population have already been covered to know the exact status of implementation of the programme.

3.103 The Committee while examining the Demands for Grants 2004-05 (refer para no. 3.114 of 3rd Report—Fourteenth Lok Sabha) had been apprised that there are 6,34,321 villages as per 2001 census



and the number of habitations having population of 1000 and above are 2,31,331. The number of habitations below 1000 are as under:

500-1000	205276
250-500	187591
Below 250	285044
<b>Total</b>	<b>909242</b>

3.104 The Department has informed that 1,72,772 habitations having 1000 and above population are eligible to be covered under PMGSY. Out of which 34,691 habitations could be connected. Thus, the balance number of unconnected habitations are 1,38,581. State-wise position indicates that in Andhra Pradesh out of 980 eligible habitations, 889 habitations could actually be connected. Other States where almost 50 per cent or above eligible habitations could be covered are Maharashtra, Punjab, Rajasthan and Tamil Nadu. In other States, the number of habitations covered as compared to eligible habitations are less than 50 per cent. Further, analysis of the data indicates that in Bihar, Goa, Jammu and Kashmir, Jharkhand, Tripura and Uttranchal, the performance is worse. In these States less than 10 per cent of the eligible habitations could actually be covered. In Haryana, out of 2 such habitations, none of the habitations could be covered. The Committee conclude from the aforesaid that the apprehension of the Secretary that it is difficult to achieve the targets of connecting 1,000 population and above by the end of Twelfth Plan seems to be correct. The Committee observe that a laudable initiative has been taken to provide the connectivity in rural areas under PMGSY. The connectivity is the basic infrastructure which can further lead to the economic progress of the rural areas. In this scenario, the Committee would recommend to the Government to take all the desired steps in consultation with the State Governments so that the connectivity to habitation of 1,000 and above population can be provided at least by the end of Eleventh Plan. The issue of providing connectivity to 9,09,242 habitations having less than 1,000 population can be taken subsequently. Besides, the Committee would also like to be apprised of the reasons for very slow progress in the aforesaid States. The Committee would also like to be apprised as to why only 2 eligible habitations in Haryana could not be covered under PMGSY.

3.105 The Department has informed that tendering of works under PMGSY takes around three to four months. Thereafter, the

expected time period for completion of projects is twelve months. The data indicated by the Department show 10,514 incomplete roads under Phase-I to Phase-IV during the period 2000-2001 to 2004-05. The Committee fail to understand as to why such a large number of roads remain incomplete even for the projects taken up during 2004-05. Some of the road works taken up during Phase I and Phase II *i.e.* 2000-2001 and 2002-03 are also lying incomplete, even when six and seven complete years respectively have been passed. The Committee are unable to comprehend the position of such a large number of incomplete works in a programme which contains provisions of penalties for delay of work. The Committee would like the Department to explain the specific reasons for such a large number of incomplete works.

3.106 The Committee find that as per the guidelines of PMGSY, whenever a road involves a bridge upto 25 metres, the funds are provided under PMGSY. However, beyond 25 metres the State has to provide funds. The Department has also stated that NABARD has been contacted to provide funds for State share through RIDF without any further technical examination of DPR. The Department has also mentioned that road work is not tendered unless the DPR for the bridge is approved with provision of funds. The Committee note that although the adequate provisions have been made in the guidelines to ensure that the road constructed under PMGSY do not remain unutilized due to the missing link and the problem of access, yet there may be cases where roads may have been constructed without making provision for the bridges over rivers. The Committee would like to be informed whether the Department has received any complaints through various levels of monitoring mechanism as well as through Area Officers Scheme etc. to know the ground situation in this regard.

#### **The performance under PMGSY and Bharat Nirman Period**

3.107 The Department has informed that Bharat Nirman (period between 2005-06 to 2008-09) envisage upgradation/renewal of 1,94,130 kms of existing rural roads. This comprises of 60 per cent upgradation and 40 per cent renewal of surface roads. The requirement of funds for Bharat Nirman period is estimated at Rs. 48,000 crore. The availability of funds would be as under:

Cess	Rs. 15,000 crore
ADB/World Bank	Rs. 9,000 crore
NABARD window	Rs. 16,500 crore
Unfinanced gap	Rs. 7,500 (to be provided through budgetary support)

3.108 When the Department was asked as to why the separate targets were not shown in the Outcome Budget, the Department has stated that steps would be taken to incorporate the aforesaid information in the future Outcome Budget. The Secretary during the course of oral evidence of the Department has stated that the rural roads component of Bharat Nirman is implemented through PMGSY. Whereas under PMGSY, all habitations with a population of 500+ in plain areas are eligible for habitations covered under Bharat Nirman, efforts are being made to cover all habitations having 1,000 population. There is no separate scheme funding or guidelines for Bharat Nirman.

3.109 The State-wise allocation of funds for new connectivity and upgradation have been given in Appendix-XIII.

3.110 It could be seen therefrom that the aforesaid ratio of allocation of funds has not been maintained by various States like in Arunachal Pradesh and Manipur, no outlay has been allocated for upgradation. In Meghalaya and Uttar Pradesh, the allocation on upgradation is more than the new connectivity. In the remaining States expenditure is more on new connectivity.

3.111 According to the latest Progress Reports received from States, physical and financial performance of rural roads under Bharat Nirman and PMGSY is as follows:

Year	Bharat Nirman		PMGSY	Expenditure (Rupees in crore)
	New Connectivity (kms)	Upgradation* (kms)	Road length in Kms	
2004-05	-	-	15543.77	3025.26
2005-06	18053.70	3925.60	22785.44	4100.39
2006-07	16379.93	36589.64	24863.72	6060.68

\*Upgradation includes renewal undertaken by States with their own funds.

#### **Creation of State Rural Road Development Agency**

3.112 When the attention of the Department was drawn towards the need of transferring the roads constructed under PMGSY after the contractual period is over to State Rural Road Development Agencies, the representative of the Department during the course of oral evidence stated as under:—

“As far as the States are concerned, State Rural Road Development agencies have been established in each State. They have the

overall responsibility for construction and maintenance of rural roads, which was fragmented before. These are to be transferred to this agency. Annual maintenance plan for the rural roads, provision of adequate funding and placement of funds are necessary to ensure proper upkeep of rural roads. We are making efforts towards this direction to transfer the rural roads nodal responsibility to this agency.”

**3.113 Pradhan Mantri Gram Sadak Yojana is one of the six components of Bharat Nirman programme. Bharat Nirman is the ambitious programme of the Government to achieve monitorable targets under different existing schemes. The Committee find that under Bharat Nirman component of PMGSY, 60 per cent allocation is being provided for upgradation and 40 per cent for new connectivity in different States. The State-wise details of allocation of funds for new connectivity and upgradation indicate that the aforesaid ratio of 60:40 has not been maintained in either of the States. No pattern of new connectivity and upgradation emerges from the State-wise data. In Arunachal Pradesh and Manipur, no outlay has been allocated for upgradation. In Meghalaya and Uttar Pradesh, the allocation of upgradation is more than the new connectivity and in the remaining States expenditure is more on new connectivity. The Committee observe that during the Bharat Nirman Period perhaps more emphasis is being given to upgradation as per the criteria of 60 per cent for upgradation and 40 per cent for renewal whereas the foremost objective of the PMGSY was to provide new connectivity to unconnected habitations. However, 20 per cent of the outlay could be used for upgradation as per the guidelines of PMGSY. In view of the aforesaid position under Bharat Nirman perhaps the objective of connectivity has got the backseat. That may be the reason for not achieving the targets of connectivity in different States, the analysis of which has been given in the preceding para of the report.**

**3.114 The Committee further find that there is a lot of confusion with regard to targets fixed under Bharat Nirman and PMGSY. The Secretary has explained that there is no separate funding or guidelines for Bharat Nirman whereas the Department has given separate data for Bharat Nirman and PMGSY works which indicates that perhaps there are separate targets and achievements under PMGSY and Bharat Nirman component whereas the Department has indicated the separate information in the written replies, no such data has been indicated in the Outcome Budget. However, the Department has assured that during the next year separate targets**

versus achievements would be indicated for Bharat Nirman and PMGSY in the Outcome Budget also. In view of the aforesaid scenario, there is utter confusion between the position of Bharat Nirman and PMGSY. As regards the guidelines, on the one hand it has been stated that the guidelines for PMGSY and Bharat Nirman are same, on the other hand the allocation for upgradation indicates that thrust under Bharat Nirman is more on upgradation whereas PMGSY guidelines give more emphasis on new connectivity. The Committee would like the clarification from the Department on the aforesaid observations so as to analyze the position and comment further in this regard.

3.115 The Committee further observe that under PMGSY the maintenance after completion of contract work of road has to be taken care of for five years by the contractor as per the contractual clause entered in the agreement. The area of concern is maintenance of roads after five years. The Department has informed that there are State Rural Road Development Agencies in each State, which have the overall responsibility for construction and maintenance of rural roads. The Department is making efforts to transfer the responsibility of maintenance of rural roads to this agency. The Committee find that for adequate maintenance of PMGSY roads after the contract, adequate funding and capacity building of State level agencies is required. The Committee would like that the Department should take the decision expeditiously to transfer the roads constructed under PMGSY to State Rural Road Development agencies after the contractual period of five years is over so that the roads constructed after spending crores of money are not damaged after a certain period of time. Besides taking decision to transfer the PMGSY roads to State Rural Road Development agencies, the Union Government has to take decision to partially fund these agencies so that PMGSY roads are maintained properly.

#### **E. Swarnjayanti Gram Swarozgar Yojana (SGSY)**

3.116 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**

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**

3.117 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)**

3.118 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**

3.119 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)**

3.120 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**

3.121 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.

3.122 As per the Outcome Budget 2007-08 (p.8), under SGSY, Rs. 1,800 crore Central share have been allocated. In addition all State Governments are expected to provide Rs. 567.30 crore as State share and Bank credit of about 2-3 times of the central + State allocation would be provided during 2007-08 to assist 115500 new SHGs and 4,81,250 individual swarozgaris. Therefore, the BE 2007-2008 (central share) of SGSY is Rs. 1,800 crore.

3.123 The utilization under SGSY during 2006-2007 (upto January, 2007) has been only 66.38 per cent. When asked about the reasons for this under utilization, the Ministry has replied that the percentage utilisation of funds during the year 2006-07 by now is 71.48% of the available funds (as at the end of February, 2007). The MPRs of certain States are still awaited and the percentage utilisation would go up further by the time the financial year comes to a close. Hence, there is no under-utilisation. Over the last three financial years it has been seen that the percentage utilisation to funds available has been around 86 per cent which is a satisfactory achievement. Besides, the pace of implementation picks up during the last quarter of the year.

3.124 The following information can be drawn from the statement provided under SGSY:

(Rupees in lakh)

Year	Opening balance	Central allocation	State allocation	Total allocation	Central releases	State releases	Misc. receipts	Total funds available	Utilisation	%age of utilisation	Total credit target	Total credit disbursed	%age of credit disbursed
2005-06	24182.59	100000.00	33266.67	133266.67	102955.50	31567.41	9076.32	155852.82	133877.53	85.90	251565.47	182316.07	72.47
2006-07	24423.11	110000.00	36600.00	146600.00	96435.83	21738.28	5292.29	135815.51	79146.43	58.27	286912.31	110535.82	38.53

3.125 Similarly the targets fixed and achievements during 2005-2006 and 2006-2007 (pg. 22, SGSY, pre-mat) has been given as under:

Year	SHGs formed		%age of achievement	Total Swarozgaris assisted		%age of achievement	Average Achievement under both categorie
	Target	Achievement	Target	Achievement	Achievement		
2005-2006	52876	80130	151.54	859230	1151116	133.97	142.75
2006-2007*	77018	103015	133.75	1091081	1341965	122.99	128.37
2007-2008	115500	Not available		1636250	Not available		

\*upto January, 2007

3.126 From the above statements it emerges that during 2005-2006, the total funds available with the State Governments were Rs. 1,55,852.82 lakh and during 2006-2007, the total funds available with the State Governments was Rs. 1,35,815.51 lakh. The percentage of utilisation in the corresponding years was 85.90 per cent and 58.27 per cent (upto January, 2007) respectively.

#### **State-wise performance**

3.127 As per statements furnished by the Ministry, The percentage of credit disbursed by some States like Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, West Bengal and Pondicherry is dismal and well below 50 per cent during 2005-2006. Even during 2006-2007, these States have not performed well.

3.128 When asked about the reasons for these States lagging behind, the Department has replied that in general, the situation in the North Eastern States is attributable to terrain, low population base, under-banked and un-banked blocks etc. further, insurgency has also forced the banks to scale down their services in a few areas. With respect to West Bengal, as a matter of policy the Government is not pushing the beneficiaries to reach up to Grade-II and encourages them to commence economic activities at Grade-I stage itself. As a result, the flow of credit is relatively lower in West Bengal.

3.129 It has been mentioned in the Outcome Budget that the percentage of credit mobilisation has improved over the years and it was 72.45 per cent in the year 2005-2006 as compared to 32.96 per cent in the year 1999-2000. the details of poor performing Bank branches has been collected from all the States and have been forwarded to RBI and Ministry of Finance for necessary action and close monitoring. Various meetings have been organized with the banks to monitor the pace of credit mobilisation.

3.130 When asked the details of poor performing Bank Branches indicating number of poor performing Bank Branches in each State, the Department has furnished the statement as given in Appendix-XIV.

3.131 It can be inferred from the statement that only in the States of Haryana, Jammu & Kashmir, Jharkhand, Maharashtra, Mizoram, Orissa, Punjab, Sikkim, Tamil Nadu and Uttaranchal the number of poor performing Bank branches is below 100. In States like Andhra Pradesh, Bihar, Chhattisgarh, Madhya Pradesh and Uttar Pradesh, the number of poor performing bank branches are above 200. Further, the



data with regard to Arunachal Pradesh, Goa, Manipur, Meghalaya, Nagaland has not been given.

3.132 The Department has further informed that the details of poor performing Bank Branches have been furnished to RBI and Ministry for further necessary action and special monitoring during the current year.

3.133 Ministry of Finance has advised the State Level Bankers Committee (SLBC) in various States to achieve the credit disbursal targets and to improve lending by Banks. Ministry of Finance had issued directions to take stern action against the officers who had failed to achieve the target under SGSY, RBI has convened a special meeting of CMDs of commercial banks to review the poor performance of bank branches on 19 April, 2005. In the Tenth Meeting of CLCC held on 7 February, 2007 it has been decided that each bank will designate an officer in the corporate office as well as the State level for intensive coordination and monitoring of SGSY. Directions have been given to the State Governments to launch a focused campaign in coordination with the banks to reduce the pendency of loan applications by 50 per cent by 31 March, 2007.

3.134 When asked for the outcome of various meetings organised by Banks to raise the rate of credit mobilisation. The Department replied that the rate of credit mobilisation has improved over a period of time. It has improved from 46.9 per cent to 72.47 per cent from the financial year 2002-03 to financial year 2005-06. The percentage of credit disbursal improved from 38 per cent in the month of January, 2007 to 57.57 per cent in the month of February, 2007.

**3.135 From the data provided by the Department regarding performance of SGSY, the Committee find that the percentage of credit disbursed by seven States and one Union territory viz. Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, West Bengal and Pondicherry is dismal and well below 50 per cent during 2005-2006. Even though the Government has furnished the reasons behind the poor disbursement credit in these States, the Committee feel, corrective steps taken are inadequate to have a better result as during 2006-2007, these States have again not performed well. As SGSY is one of the oldest and important Schemes of the Department, the Committee feel that the Government has to critically analyse the performance of SGSY after interacting with the Banks, respective State Governments, PRIs and all other stake holders. Besides, they feel, steps to provide both forward and backward**

linkages to SHGs and individual swarozgaries be taken to maintain the viability of the Scheme.

3.136 The Committee have repeatedly been emphasizing on the need to address the issue of poor performance of Bankers which has resulted in poor credit off-take under SGSY at the various levels. In spite of this, there is no considerable improvement in the performance of various Banks. The information furnished by the Department indicates that as many as 2,643 Bank Branches have been marked as poor performing Bank Branches. Out of these 2,643 poor performing Bank Branches, 1,297 are Commercial Bank Branches and the remaining 1,346 are Regional Rural Banks and Cooperative Bank Branches. The poor performing Branches are more in Andhra Pradesh, Bihar, Gujarat, Assam, Himachal Pradesh, Madhya Pradesh, Rajasthan and Uttar Pradesh. The Committee further note that the details of poor performing Bank Branches have been furnished to Reserve Bank of India and Ministry of Finance for further necessary action and special monitoring during the current year. In spite of the various directions issued by the Ministry of Finance and Reserve Bank of India through various meetings, there is no considerable change in the attitude of Bankers. The Committee feel that Bankers are required to be sensitized about the need to shoulder responsibility with regard to making credit available at affordable rate of interest to the Self Help Groups under SGSY. Since the present efforts being made by way of meetings and directions are not resulting in considerable improvement, perhaps there is a need to have the system of incentives and disincentives for various Bank Branches. Besides, more rural Bank Branches need to be opened by Commercial Banks. It should be ensured that each Panchayat Headquarter has a branch of Commercial Bank within a stipulated period of time. To have proper monitoring by RBI and Ministry of Finance a separate window for making available credit under SGSY needs to be opened. The Committee strongly recommend to the Department to convey aforesaid observations to the Ministry of Finance and the Heads of various Commercial Banks for taking the desired initiative. The follow up action in this regard may be communicated to the Committee.

#### **Marketing of SGSY products**

3.137 As per the replies efforts have been made by the Government to achieve the targets fixed for credit disbursement during 2006-2007. The percentage of credit disbursed by the end of January, 2007 was 38.53 percent. However, this percentage of credit disbursal has increased

to 57.49 percent by the end of February, 2007. It is expected that the credit disbursal will improve by the end of March, 2007.

3.138 Problems faced by the Government in disbursement of credit are:—

- (a) Indifferent attitude of Bankers to Government sponsored anti-poverty programme.
- (b) Unbanked and under banked areas.
- (c) Single-manned Branches/shortage of manpower.

3.139 The Department has informed that certain initiatives have been taken for creation of permanent marketing infrastructure for SGSY products at various prominent locations like Pragati Maidan, Jasola, Pitam Pura etc. in Delhi.

3.140 A part from the creation of Marketing Infrastructure in Delhi, the Ministry has sanctioned the following special projects for creation of permanent marketing infrastructure:—

S.No.	Name of the State	Name of the Project	Project Cost (Rs. in lakh)
1.	Andhra Pradesh	Permanent Marketing Centre in all districts	1300
2.	Goa	Establishment of Goa Bazaar	982.34
3.	Gujarat	Gram Haat in all districts	1200.00
4.	Himachal Pradesh	Marketing Centres in all districts	914.52
5.	Madhya Pradesh	Haat Bazaar in 17 districts	1500
6.	Rajasthan	Permanent marketing centres in 10 districts	700
7.	Uttaranchal	Establishment of Marketing Centres in 3 districts	285
8.	Uttaranchal	Gramin Ship Emporiums for marketing of rural products	482
9.	Tamil Nadu	Strengthening Marketing Infrastructure and establishment of Nodal Centre for Rural Technology	250
10.	Uttar Pradesh	Establishment of SARAS Marketing Centres and Technology & Training Centres in 7 districts	710

3.141 Regarding the technical difficulty in allocating funds for permanent structure to be created for marketing of SGSY products, the representative of the Department during the course of oral evidence have stated that:—

“The Marketing genuinely is the biggest concern of this programme. We have been trying for some time to create some kind of a national institution. The difficulty in most of the programmes at the national level, at the Ministry level is that today our manpower available is very small, but we have been trying to follow the PMGSY model which has been a good model. We will be discussing that in a minute. That can be changed. While we do not want to do any marketing directly, at least we can give technical support and assistance to the SHGs in formulating, selecting the right product and developing proper strategies to market. That is what the hon. Member was saying. Selling of the rural product to the urban buyers is actually the crux of this problem. Marketing is a serious concern. One more area in which we can improve is providing bigger marketing outlets. In very limited places we have set up exclusive markets. We are trying to make a beginning in that respect. That programme can be given bigger support. Bhopal has started some market for SHGs. Two or three other places are there. In Delhi also we are trying to start something. We will try to hire some marketing experts. We will permit the States also to have marketing experts at the State level and District level. Today we have to give some exclusive fund out of this though there is no direct programme in this as such. But as the hon. Member suggested, there is need for a complete overhaul, for a complete calibration to see how it can be further improved. Our budget has got only revenue heads we do not have capital heads. We will take the support of the Committee in this regard, if we have to go into that direction, then, we need to have one agency under SGRY because ultimately even if we create assets, somebody has to run it and we have no one to run it. We cannot sit in Krishi Bhavan and run it. We are thinking of creating an agency, which can actually run it. With the agency and a capital head, we can construct these kinds of things and make it available under SGRY.”

**3.142 The Committee find that most of the Swarozgaris have to sell their products in the market on their own because there is lack of institutional arrangements being made for the aforesaid schemes. The Committee feel that the profits of Swarozgaris are considerably**

reduced if they resort to self marketing. Another area of concern is the competitiveness in the market. The Government has to think of all these aspects seriously and provide the protection to the self help groups. Besides, to enable the self help groups to face the competition in the market stress need to be given to training aspect so that the products produced by the beneficiaries are competitive in the market. More and more Gramshree Melas, like SARAS, organized during the India International Trade Fair in Delhi and Delhi Haat, should be organized in other States of the country so as to enable Swarozagirs to sell their products in such Melas.

3.143 The Committee further find that the Department has taken certain initiatives for creation of permanent infrastructure for marketing of SGSY products in various cities. For creation of aforesaid marketing structure, the State Governments have to help by providing the land free of cost for these projects. However, the entire expenditure on construction has to be borne by the Union Government. The Committee also find that the Department is facing technical problems for addressing to the need of creating marketing structures in different cities. The Department has informed that the current marketing sub-head under the SGSY broad head of account does not permit any capital expenditure it being a revenue head. The creation of such a capital expenditure sub-head will help in creating marketing infrastructure for SGSY products. The Committee recommend to consider creation of a head under the marketing sub-head under SGSY major head so that the technical problem being faced by the Department can be addressed. The Committee also recommend that initially all State Headquarters should have one dedicated marketing complex for rural products particularly of artisans which can be extended to cover all the districts in a time bound manner. The Committee find that at the National level, there is no agency that can exclusively handle the marketing aspects of the rural products in a systematic and sustainable basis connecting all Self Help Groups with domestic and international markets is a task that is not being addressed institutionally by the Department at present. There is an urgent need for creating a dedicated National Marketing Agency for providing professional marketing support to products of Self Help Groups and act as a facilitator. The Committee recommend to the Government to consider setting up of the aforesaid National Marketing Agency.

#### **F. Council for Advancement of People's Action and Rural Technology (CAPART)**

3.144 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;
- Providing the minimum needs in respect of safe drinking water, sanitation etc.

3.145 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'.

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 grass root 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.

3.146 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 proformae 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.

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

(Rs. in Crore)

Year	Funds allocation	Release	Amount actually spent
1999-2000	N.A.	31.55	35.44
2000-2001	N.A.	29.65	43.61
2001-2002	N.A.	30	44.44
2002-2003	30	30	58.64
2003-2004	50	54.96	67.22
2004-2005	65	65	55.05
2005-2006	70	70	46.38
2006-2007	70	20	29.43 (up to 28.02.07)
2006-2007	70	35	44.96 (upto 28.03.07)
2007-2008	60	-	-

3.148 As per supplementary replies, the RE allocation for CAPART in the year 2006-07 is Rs. 70 crore. An amount of Rs. 35 crore has been released in the financial year 2006-07. However, during this year, CAPART had an opening balance of Rs. 27.51 crore. Thus total funds available to CAPART have been Rs. 62.51 crore out of which CAPART have spent Rs. 44.96 crore as on 28.03.07. During the first and second quarters of 2006-07, CAPART concentrated its attention in streamlining the procedure and taking new initiatives as per the recommendations on future role of CAPART made in the two day National Consultation with leading NGOs, GB/EC/NSC Members and eminent personalities



in the rural development sector, held on 9-10 May, 2006. The new initiatives focus at the holistic development of the most backward districts in the States with projects such as Nodal NGO project, Rural YP/Yuva Jyoti, Gramin Vikas Andolan and Nirmal Gram Abhiyan. CAPART has also signed MoU with Centre for Sustainable Technologies (CST) of Indian Institute of Science (IISc), for technology upgradation, adaptation, standardisation of currently available technologies developed at IISc to different regions as well as develop new designs in response to demand on water, sanitation, housing, rural energy, field testing and networking developmental agencies and nodal NGOs. CAPART has also set up C-PART, an Institute on Poverty Alleviation and Rural Technology and launched a radio programme for social messaging and awareness generation on drinking water, rural sanitation, health and CAPART's schemes. CAPART is also creating awareness on water conservartion, sanitation and programmes of Ministry of Rural Development through Gramin Vikas Andolan and Nirmal Gram Abhiyan. In the year 2006-07 CAPART have sanctioned 187 projects. It is expected that on account of various initiatives the performance of CAPART will gradually improve.

3.149 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. It is further mentioned that no UC in respect of CAPART is pending.

3.150 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 activites 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.

3.151 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).

3.152 During the course of oral evidence the representative of CAPART stated as under:—

“We have focused on four or five research areas and we feel very confident; we are on the right track. We have had our first meeting with NGOs at Indian Institute of Science. So, I think, NGOs also know now. We have given them a set of about seven or eight model programmes and I have a feeling that this year it is going to be even more smooth because we have finished of with the administrative restructuring.

Regarding upliftment of health related issues of Rural Housing in the Kitchen, we have kept it in the biogas model but in addition to that through our MoU with the Indian Institute of Science they have an excellent, cheap, completely smoke free chulla. In fact, we have had a workshop there and we have exposed NGOs from two States; we had the NGOs from Bihar and Rajasthan. We plan to step up our exposure of NGOs. That is a very important part of our agenda.

As far as the conveying a village/block is concerned, that is also a focus area. We have formulated proposals; we had excellent response. We have insisted that just going into one village and covering two houses is not going to help; we have to carpet the village and the block. Take one village and carpet it. It is because; only then there is impact.”

3.153 On the query regarding the number of times the officials of CAPART visit all the districts of the country, to collect information on Voluntary Organisations/NGOs working at the grassroots level and whether any standard guidelines exist in this regard, it has been replied that visiting Districts and Blocks is a regular responsibility of CAPART Regional Officials. Further, orientation workshops for CAPART programmes are organised for grassroot level organisations/NGOs and Gram Shree Melas are held at district level. Problems, if any, faced by the NGOs are resolved through interfacing with them. CAPART officials also visit district/block/panchayats for the following purposes:—

1. Visiting NGOs premises
2. Attending workshops
3. Participating in Gram Shree Melas
4. Monitoring of projects.

3.154 The Committee are concerned to note the under-spending by CAPART during 2006-2007. Rs. 70 crore were allocated to CAPART during 2006-2007 against which Rs. 35 crore were released in February 2007. However, during 2006-2007, CAPART had an opening balance of Rs. 27.51 crore. Thus, the total available funds with CAPART during 2006-2007 was Rs. 62.51 crore. The actual expenditure of CAPART upto February, 2007 is Rs. 44.96 crore which means that about Rs. 17.55 crore are still lying unspent with CAPART. The Committee feel that spending of such large amount of funds at the fag end of the year is not a healthy practice. The Committee desire that suitable corrective measures be taken from the year 2007-2008 onwards, so that expenditure is evenly spread throughout the year and heavy expenditure at the fag end of the year is avoided.

3.155 The Committee also note the recent changes like streamlining the procedure and taking new initiatives which focus on the holistic development of the most backward districts in the States. CAPART has also signed a Memorandum of Understanding (MoU) with Centre for Sustainable Technologies (SCT) of Indian Institute of Science (IISc), for technology upgradation, adaptation, standardization of currently available technologies developed at Indian Institute of Science to different regions as well as develop new designs in response to demand on water, sanitation, housing, rural energy, field testing and networking developmental agencies and nodal NGOs. In addition, CAPART is also focusing on four or five research areas in improvement of health of rural women with the help of NGOs. CAPART has also set up about eight model programmes including biogas model for excellent, cheap and smoke free *chullah*. The Committee recommend that CAPART should step up the exposure of NGOs and other implementing agencies to such activities so that certain problem areas of rural development sector like water, sanitation, housing, rural energy, field testing etc. are addressed. The Committee also hope that with the restructuring of CAPART their functioning would be more effective and help in coordinating the activities of the NGOs and other implementing agencies. The Committee would like to be apprised further in this regard.

#### G. National Institute of Rural Development (NIRD)

3.156 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.

3.157 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.

3.158 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. 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.

3.159 The extent of assistance by Department of Rural Development to NIRD since 1999-2000 is as follows:

(Rs. in crore)				
Year	Plan	Non-Plan	Total Budget received from Ministry of Rural Development	Total Budget of NIRD
1999-2000	5	7.15	12.15	
2000-2001	5	7.60	12.60	
2001-2002	5	7.55	12.55	
2002-2003	5.45	7.55	13.00	
2003-2004	6.57	7.50	14.07	17.95
2004-2005	9	7.42	16.42	19.32
2005-2006	10	8.02	18.02	24.98
2006-2007	12	8.86	20.86	24.33
2007-2008 BE	10	9	19	NA

3.160 As per the Outcome Budget 2007-08 of the Department the vision of NIRD is to focus on training in the field of policies and programmes that benefit rural poor.

3.161 When asked as to whether NIRD has a training module on each scheme and programme of Ministry of Rural Development being implemented in the current Financial Year, it has been replied that a lot of Schemes of the Ministry of Rural Development has been restructured and is being newly started. Then the Ministry replied that NIRD has training module for the following four schemes of the Ministry of Rural Development:

1. NREGP
2. SGSY
3. Swajaldhara
4. Indira Awaas Yojana and IWDP

3.162 It has further been replied that the training modules prepared are suitably modified to capture the changes that are made in the schemes of the Ministry from time to time based on requirement and field level experiences. The Institute has also prepared training modules for the Ministry of Panchayati Raj at various levels. When further asked as to whether NIRD was informed in advance about the restructuring and newly launched schemes of Ministry of Rural Development so that it can change its training module accordingly, it has been replied that the Ministry of Rural Development consults the NIRD from time to time on the implementation of its schemes. The NIRD is involved in the consultation process during the restructuring of the existing schemes/programmes and during launch of new programmes by way of organising consultative meetings, seminars and workshops. The NIRD modifies its training modules on the restructured programmes in consultation with the Ministry of Rural Development.

3.163 During the course of oral evidence, the Secretary of the Department stated as under:

“we have addressed and made some preliminary discussion in the NIRD that is regarding starting of academic courses relating to rural development, where NIRD will, hopefully, be able to make a beginning in the next financial year. Therefore, we have identified 26 institutions in the country which are imparting training like IRMA and the Xavier Institute of Management, Bhubaneswar. Some States are doing rural development related

programmes. We will look at it and see to what extent we can support it (the institutions) ..... Some universities are doing good work. They may have some experience in that area. If they come forward with focused academic programmes relating to rural development, we would like to support them and also do a networking of these institutions so that they can be the source for knowledge in the rural development areas as a whole. So, to that extent, we are able to augment our funding. We will try to do that. But, within the existing programme for allocating some training programme to these institutions, we are more than willing to do and we will be happy to take advantage of their expertise”.

3.164 As per information furnished by the Department, the training schemes (SIRD/ETC, IT) IEC and monitoring mechanism has been merged under ‘Management support to Rural Development programmes and strengthening district planning process’ from 2007-08.

‘Management support to Rural Development programmes and strengthening district planning process’

#### **State Institute of Rural Development (SIRD)**

3.165 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).

3.166 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, Central assistance is also provided for the procurement of five core faculty members in each SIRD.

#### **Extension Training Centres (ETCs)**

3.167 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 that do not have ETCs are Goa, Sikkim, Tripura and Uttaranchal. The ETCs function

under State Governments to impart training to rural development functionaries and elected representatives of PRIs. The Ministry of Rural Development through State Governments releases funds for ETCs 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.

3.168 The Department has furnished the following information in respect of allocation, amount released, number of training programmes proposed, number of training programmes conducted, number of research activities proposed and number of research activities completed as under:

(Rs. in crore)

Year	Allocation	Amount released	No. of training programmes proposed	No. of training programmes conducted	No. of Research activities proposed	No. of Research activities completed
2004-05	9.00	9.00	200	215	-	-
2005-06	10.00	10.00	201	230	20	19
2006-2007	12.00	6.00	230	199*	25	**

\*As on 31.01.2007

\*\*in progress

3.169 The Committee note 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 meant for the upliftment of rural masses. However, during 2006-2007, NIRD could conduct only 199 programmes as against the target of conducting 230 programmes. Further, no research activity has been completed in 2006-2007. The shortfall in achievement of targets is a matter of great concern. The Committee feel that with the added responsibilities, the challenge of imparting training to Panchayats and other implementing agencies cannot be met only by NIRD, SIRD and ETCs. While NIRD has designed training modules for some rural development schemes like NREGA, SGSY, Swajaldhara, IAY and IWDP. Further, NIRD has identified 26 institutions like IRMA and Xavier Institute of Management, Bhubaneswar for the purpose of imparting training. The Committee desire that to meet the huge demand of training and

research activities, some Universities and Institutions that are doing good work in the field of rural development may be roped in and measures may be taken to support such institutions. Besides, more training modules may be designed by NIRD to cover other rural development schemes which should be revised suitably as and when the rural development schemes are restructured. The Committee would like to be apprised further in this regard.

NEW DELHI;  
9 May, 2007  

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19 Vaisakha, 1929 (Saka)

KALYAN SINGH,  
Chairman,  
Standing Committee on  
Rural Development.



## APPENDIX I

LOK SABHA SECRETARIAT  
(Standing Committee on Rural Development Branch)

### CRITICAL ANALYSIS OF STATEMENTS MADE BY MINISTER UNDER DIRECTION 73A REGARDING STATUS OF IMPLEMENTATION OF THE RECOMMENDATIONS CONTAINED IN THE 9TH REPORT OF THE STANDING COMMITTEE ON RURAL DEVELOPMENT (2005-2006)

Subject to the Report : Demands for Grants (2005-2006) of the Department of Rural Development  
Date of presentation : 20 April, 2005  
Date of receipt of Action taken notes : 29 August, 2005  
Date of presentation of action taken Report : 21 December, 2005  
Date of Minister's Statement : 28 July, 2006

The Ninth Report of the Standing Committee on Rural Development on Demands for Grants (2004-05) was presented to Parliament on 20 April, 2005. Hon'ble Minister of Rural Development made a statement in the House in pursuance of direction 73A on 28 July, 2006. The detailed analysis of the statement has been given in the succeeding paragraphs:—

Sl.No.	Name of Committee	Ministry/Department	Total No. of Recs.	Total No of Recs. Accepted	No. of Recommendation Implemented	No. of Recs. Under Process	No. of Recommendations not implemented	No. of Recs. Yet to be implemented
1.	Committee on Rural Development	Department of Rural Development	53	24	17	16	20	36* [16 under process+20 not implemented]

\*Para No. 2.5 was categorized under 'need not be pursued' category in the action-taken and has been put as 'under process' category. (The statement laid by Hon'ble Minister Rural Development on 28 July, 2006 does not include the reply of the Government on two recommendations made at para Nos. 3.105, 3.106 and categorized under 'not implemented'.)

## APPENDIX II

## BE, RE AND ACTUAL EXPENDITURE DURING THE TENTH PLAN PERIOD

## PLAN

(Rs. in Crore)

Sl.No.	Name of the Schemes	10th Plan			2002-2003			2003-2004			2004-2005			2005-2006			2006-2007		2007-2008	
		Proposed outlay	Outlay agreed to by Plg. Commn.	Total release (upto 21.3.07) 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.	R.E.	Actual expenditure upto 21.3.2007	B.E.
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
1.	Sampoorna Gramin Rozgar Yojana	48538.00	30000.00	35438.76	4440.00	9086.00	9085.93	4900.00	10130.00	10129.93	5100.00	5100.00	5014.84	4000.00	8500.00	8501.43	3000.00	3000.00	2706.63	2800.00
2.	National Food For Work Programme	—	—	6473.08	—	—	—	—	—	—	0.00	2020.00	2019.00	6000.00	4500.00	4454.08	0.00	0.00	0.00	0.00
3.	Food For 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	0.00	0.00	0.00
4.	National Rural Employment Guarantee Scheme	—	—	8220.25	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	11300.00	8220.25	12000.00
5.	Swarnajayanti Gram Sworozgar Yojana	9850.00	3955.00	4548.95	710.00	710.00	706.04	800.00	800.00	797.55	1000.00	1000.00	958.80	960.00	1000.00	1028.88	1200.00	1200.00	1057.68	1800.00
6.	Pradhan Mantri Gram Sadak Yojana	55000.00	12500.00	16730.28	2500.00	2500.00	2500.00	2325.00	2325.00	2328.60	2468.00	2468.00	2305.40	4235.00	4220.00	4220.00	5225.62	5475.62	5376.28	6500.00
7.	DRDA Administration	1586.27	1100.00	1102.91	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	220.00	219.80	212.00

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
8.	Rural Housing-Indira Awaas Yojana	13040.00	8603.00	11681.90	1725.00	1725.00	1693.14	1900.00	1900.00	1899.50	2500.00	2900.00	2772.55	2775.00	2750.00	2746.57	2920.00	2920.00	2570.14	4040.00
9.	N.I.R.D.	35.00	40.00	37.28	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	6.83	6.83	10.00
10.	Assistance to C.A.P.A.R.T.	250.00	200.00	250.00	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	70.00	35.00	60.00
11.	Provision for Urban Amenities in Rural Areas	—	—	32.64	—	—	—	0.00	0.00	5.78	1.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	6.86	10.00
12.	Management support to P.O. Programmes and strengthening district planning process	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	0.00	0.00	0.00	0.00	0.00	68.00
	(a) Training Schemes**	315.00	150.00	135.25	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	36.97	27.55	0.00
	(b) Information, Education & Communication**	500.00	100.00	63.90	10.00	10.00	10.00	10.00	10.00	10.50	20.00	20.00	16.12	15.00	15.00	15.58	18.00	18.00	11.60	0.00
	(c) Monitoring Mechanism**	350.00	100.00	62.65	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	18.20	10.12	0.00
	Total-Rural Development	129464.27	56748.00	85563.03	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	24275.62	20248.74	27500.00

\*The scheme of Food for Work Programme discontinued from 2003-2004.

\*\*The Training scheme (SIRD/ETC, IC, IT), IEC & Monitoring Mechanism has since been merged under Management support to RD programmes and strengthening district planning process from 2007-2008.

**APPENDIX III**  
**DEPARTMENT OF RURAL DEVELOPMENT**  
**PROGRAMME & STATE-WISE UNSPENT BALANCE OF FUNDS AS ON 31.12.2006**

(Rs. in crore)

**Part A**

Sl.No.	State/UT	SGSY	SGRY	IAY	NREGA	PMGSY	Total
1	2	3	4	5	6	7	8
1.	Andhra Pradesh	29.27	38.13	192.47	553.75	38.45	852.07
2.	Arunachal Pradesh	2.74	12.99	7.28	0.42	30.56	53.99
3.	Assam	32.38	125.01	97.60	230.81	132.04	617.84
4.	Bihar	113.06	161.89	438.33	636.50	179.76	1529.54
5.	Chhattisgarh	9.40	23.37	19.63	199.02	16.56	267.98
6.	Gujarat	10.91	40.18	53.30	44.55	49.89	198.83
7.	Goa	0.24	2.01	1.05	—	4.68	7.98
8.	Haryana	7.33	37.16	5.54	11.07	163.56	224.66

1	2	3	4	5	6	7	8
9.	Himachal Pradesh	2.25	10.12	2.25	13.29	38.54	66.45
10.	Jammu and Kashmir	5.75	12.82	4.40	26.41	64.00	113.38
11.	Jharkhand	22.94	24.60	27.23	299.32	126.98	501.07
12.	Karnataka	21.46	93.91	37.29	72.58	57.03	282.27
13.	Kerala	10.09	27.70	37.00	28.73	36.14	139.66
14.	Madhya Pradesh	26.99	31.06	13.72	580.95	263.65	916.37
15.	Maharashtra	28.17	121.68	55.46	249.32	47.74	502.37
16.	Manipur	1.04	14.42	5.20	9.50	3.77	33.93
17.	Meghalaya	0.60	6.87	6.67	43.95	20.69	78.78
18.	Mizoram	0.77	0.73	-0.04	0.89	50.36	52.71
19.	Nagaland	0.63	7.78	-2.31	2.21	43.88	52.19
20.	Orissa	32.97	47.13	39.66	462.87	336.78	919.41
21.	Punjab	0.13	19.18	1.85	20.97	69.14	111.27
22.	Rajasthan	22.93	56.79	25.07	325.05	53.09	482.93

1	2	3	4	5	6	7	8
23.	Sikkim	0.89	1.27	-1.11	3.21	29.09	33.35
24.	Tamil Nadu	29.81	91.68	13.79	88.18	79.37	302.83
25.	Tripura	4.73	17.18	4.25	1.48	50.22	77.86
26.	Uttar Pradesh	95.67	169.24	2.28	319.68	340.66	927.53
27.	Uttaranchal	5.46	24.64	112.30	25.65	45.31	213.36
28.	West Bengal	37.07	128.43	130.44	228.19	158.61	682.74
29.	A & N Islands	0.60	0.98	2.35	—	10.33	14.26
30.	D & N Haveli	0.86	0.00	-0.05	—	5.00	5.81
31.	Daman and Diu	0.13	0.04	0.09	—	5.06	5.32
32.	Lakshadweep	0.43	1.45	0.07	—	4.89	6.84
33.	Pondicherry	0.34	1.56	0.49	—	0.00	2.39
	Total	558.04	1352.00	1333.55	4478.55	2555.83	10277.97

#### APPENDIX IV

##### DISTRICT LEVEL VIGILANCE & MONITORING COMMITTEES MEETINGS HELD DURING 2006-07

(As on 22.03.2007)

Sl.No.	Name of States	Total No. of Districts	No. of Districts where meetings held	No. of Meetings of District level V & MC
1	2	3	4	5
1.	Andhra Pradesh	23	18	24
2.	Arunachal Pradesh	16	14	17
3.	Assam	23	7	9
4.	Bihar	38	18	22
5.	Chhattisgarh	16	16	24
6.	Goa	2	2	3
7.	Gujarat	25	10	18
8.	Haryana	20	12	17
9.	Himachal Pradesh	12	7	10
10.	Jammu and Kashmir	14	1	1
11.	Jharkhand	22	10	13
12.	Karnataka	27	26	32
13.	Kerala	14	14	18
14.	Madhya Pradesh	48	43	73
15.	Maharashtra	35	15	18
16.	Manipur	9	4	5
17.	Meghalaya	7	2	2
18.	Mizoram	8	7	8

1	2	3	4	5
19.	Nagaland	8	6	6
20.	Orissa	30	27	43
21.	Punjab	17	5	7
22.	Rajasthan	32	20	27
23.	Sikkim	4	3	3
24.	Tamil Nadu	30	26	32
25.	Tripura	4	4	4
26.	Uttaranchal	13	13	15
27.	Uttar Pradesh	70	57	78
28.	West Bengal	18	2	2
29.	UTs	10	0	0
	Total	597	389	531



## APPENDIX V

STATE-WISE LIST OF DISTRICTS FROM WHERE REPORTS  
ABOUT HOLDING MEETINGS OF DISTRICT LEVEL  
VIGILANCE & MONITORING COMMITTEES HAVE  
NOT BEEN RECEIVED SO FAR

Sl.No.	State/UT	District
1	2	3
1.	Andaman & Nicobar Islands	1. Andaman 2. Nicobar
2.	Andhra Pradesh	1. Hyderabad 2. Karimnagar 3. Prakasam
3.	Assam	1. Bongaigaon 2. Cachar 3. Darrang 4. Dhemaji 5. Dibrugarh 6. Hailakandi 7. Jorhat 8. Karbi Anglong 9. Kokrajhar 10. Lakhimpur 11. Nagoan 12. Nalbari
4.	Bihar	1. Aurangabad 2. Banka 3. Buxar 4. Gaya

1	2	3
		5. Kaimur (Bhabua)
		6. Madhepura
		7. Samastipur
		8. Sitamarhi
		9. Supaul
5.	Dadra & Nagar Haveli	Dadra & Nagar Haveli
6.	Daman & Diu	1. Daman
		2. Diu
7.	Gujarat	1. Ahmedabad
		2. Bhavnagar
		3. Gandhinagar
8.	Haryana	1. Fatehabad
		2. Jhajjar
		3. Panipat
		4. Rewari
9.	Himachal Pradesh	1. Chamba
		2. Lahul & Spiti
10.	Jammu and Kashmir	1. Anantnag
		2. Badgam
		3. Baramula
		4. Doda
		5. Jammu
		6. Kargil
		7. Kathua
		8. Kupwara
		9. Leh
		10. Phulwama
		11. Rajauri

1	2	3
		11. Udampur
		12. Srinagar
11.	Jharkhand	1. Deoghar
		2. Dhanbad
		3. Giridih
		4. Godda
		5. Palamu
		6. Paschimi Singhbhum
		7. Sahibganj
12.	Madhya Pradesh	1. Chhindwara
		2. Raisen
13.	Maharashtra	1. Ahmadnagar
		2. Aurangabad
		3. Nanded
		4. Nandurbar
		5. Nashik
		6. Wardha
		7. Washim
14.	Manipur	1. Chandel
		2. Churachandpur
		3. Ukhrul
15.	Punjab	1. Amritsar
		2. Ludhiana
		3. Muktsar
16.	Rajasthan	1. Bharatpur
		2. Bikaner
		3. Dausa
17.	Sikkim	East Sikkim

1	2	3
18.	Uttar Pradesh	<ol style="list-style-type: none"> <li>1. Ballia</li> <li>2. Etah</li> <li>3. Gautam Budha Nagar</li> <li>4. Sant Kabir Nagar</li> </ol>
19.	West Bengal	<ol style="list-style-type: none"> <li>1. Barddhaman</li> <li>2. Dakshin Dinajpur</li> <li>3. Darjiling</li> <li>4. Jalpaiguri</li> <li>5. Cooch Behar</li> <li>6. Kolkata</li> <li>7. Maldah</li> <li>8. Medinipur</li> <li>9. Murshidabad</li> <li>10. Nadia</li> <li>11. Noth 24 Parganas</li> <li>12. Puruliya</li> <li>13. South 24 Parganas</li> <li>14. Uttar Dinajpur</li> </ol>

## APPENDIX VI

### LIST OF 113 DISTRICTS PROPOSED TO BE COVERED DURING 2007-2008 OUT OF THE 130 NEW DISTRICTS PROPOSED TO BE COVERED

Sl.No.	State/Districts
1	2
	Andhra Pradesh (6)
1.	E. Godavari
2.	Guntur
3.	Kurnool
4.	Nellore
5.	Prakasam
6.	Srikakulam
	Arunachal Pradesh (2)
7.	Lohit
8.	Changlang
	Assam (6)
9.	Barpeta
10.	Cachar
11.	Darrang (Mangaldoi)
12.	Hallakandi
13.	Morigaon
14.	Nalbari
	Bihar (15)
15.	Arwal
16.	Buxar
17.	Saran (Chapra)

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1	2
18.	Siwan
19.	Gopalganj
20.	Sitamarhi
21.	E. Champaran
22.	W. Champaran
23.	Saharsa
24.	Madhepura
25.	Bhagalpur
26.	Banka
27.	Begusarai
28.	Khagaria
29.	Sekhpura
	Chhattisgarh (4)
30.	Janjgirchampa
31.	Korba
32.	Mahasamund
33.	Raipur
	Gujarat (3)
34.	Bharuch
35.	Navsari
36.	Valsad
	Haryana (2)
37.	Ambala
38.	Mewat
	Himachal Pradesh (2)
39.	Kangra
40.	Mandi

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1	2
	Jammu and Kashmir (2)
41.	Anantnag
42.	Jammu
	Jharkhand (2)
43.	Deoghar
44.	E. Singhbhum
	Karnataka (6)
45.	Belgaum
46.	Bellary
47.	Chickmagalur
48.	Hassan
49.	Kodagu
50.	Shimoga
	Kerala (2)
51.	Idukki
52.	Kasaragod
	Madhya Pradesh (13)
53.	Anuppur
54.	Ashoknagar
55.	Burhanpur
56.	Chhindwara
57.	Damoh
58.	Datia
59.	Dewas
60.	Guna
61.	Harda
62.	Katni

1	2
63.	Panna
64.	Rajgarh
65.	Rewa
	Maharashtra (6)
66.	Thane
67.	Osmanabad
68.	Buldana
69.	Akola
70.	Washim
71.	Wardha
	Manipur (2)
72.	Chandel
73.	Churachandpur
	Meghalaya (3)
74.	East Khasi Hills
75.	Jaintia Hills
76.	Ri Bhol District
	Mizoram (2)
77.	Champhai
78.	Lunglei
	Nagaland (4)
79.	Kohima
80.	Makokchung
81.	Tuenseng
82.	Wokha
	Orissa (5)
83.	Angul



1	2
84.	Balasore
85.	Bargarh
86.	Bhadrak
87.	Jajpur
	Punjab (3)
88.	Amritsar
89.	Jalandhar
90.	Nawanshehar
	Rajasthan (6)
91.	Barmer
92.	Chittorgarh
93.	Jaisalmer
94.	Jalore
95.	S. Madhopur
96.	Tonk
	Sikkim (2)
97.	East Sikkim
98.	South Sikkim
	Tripura (2)
99.	South Tripura
100.	West Tripura
	Tamil Nadu (4)
101.	Thanjavur
102.	Thiruvarur A.T.P.
103.	Karur
104.	Tirunelveli

1	2
	Uttaranchal (2)
105.	Haridwar
106.	Udhamsingh Nagar
	West Bengal (7)
107.	Cooch Behar
108.	Darjeeling D.M.
109.	Nadia
110.	North 24 Parganas
111.	Hooghly
112.	Poorvi Midnapur
113.	Burdwan
	Uttar Pradesh
	List of districts in UP will be issued separately

**APPENDIX VII**

**PHYSICAL PERFORMANCE OF NREGA DURING 2006-07**

Sl.No.	State	Employment Generation under NREGA										
		Employment Generated in Lakhs Persondays (Cumulative for the year upto reporting month)										
		SC's		ST's		Others		Total		No. of days Worked by women	No. of Land reform/IAY beneficiary col. 9	Disabled beneficiaries out of col. 9
		House Holds	Persondays	House Holds	Persondays	House Holds	Persondays	House Holds	Persondays (Col. 4+6+8) (Col. 3+5+7)			
1	2	3	4	5	6	7	8	9	10	11	12	13
1.	Andhra Pradesh	492905	126.78	207067	50.73	898410	223.64	1598382	401.15	203.46	953868	18416
2.	Arunachal Pradesh	0	0	16926	0	0	0	16926	0	0	42	0
3.	Assam	38707	27.85	186378	130.41	227390	137.61	452475	295.87	64.76	17175	365
4.	Bihar	978709	91.04	14672	3	1080758	120.07	2074139	241.11	38.76	115458	1079
5.	Gujarat	7679	4.16	91596	35.38	37817	19.42	137092	58.96	31.58	7086	3
6.	Haryana	21680	7.23	0	0	14603	4.92	36283	12.15	3.36	15700	0
7.	Himachal Pradesh	22598	5.17	16584	4.14	33239	8.03	72421	17.34	1.76	43959	14506

1	2	3	4	5	6	7	8	9	10	11	12	13
8.	Jammu and Kashmir	62000	0.63	105630	1.59	672000	7.42	839630	9.65	0.01	3238	7
9.	Karnataka	149025	45.77	101010	29.81	254564	64.74	504599	140.32	75.03	0	0
10.	Kerala	6700	0.51	5300	0.48	31500	2.28	43500	3.26	1.94	500	14
11.	Madhya Pradesh	350641	263.15	1175226	685.69	909595	536.88	2435462	1485.72	593.63	0	0
12.	Maharashtra	0	0	0	0	0	0	0	0	0	0	0
13.	Manipur	0	0	0	8.26	0	0	0	8.26	3.31	0	0
14.	Meghalaya	0	0	14459	2.01	0	0	14459	2.01	5	14	6
15.	Mizoram	0	0	19020	2.43	0	0	19020	2.43	0.79	4800	4800
16.	Nagaland	0	0	27800	11.33	0	0	27800	11.33	3.4	1800	870
17.	Orissa	290338	110.19	571729	222.39	344875	120.73	1206942	453.31	148.04	81059	452
18.	Punjab	0	8.15	0	0	0	2.93	0	11.08	3.82	0	0
19.	Rajasthan	150745	107.67	648062	460.41	239282	140.7	1038089	708.78	458.63	2934000	58200
20.	Sikkim	32	0.01	4063	1.48	16	0.06	4111	1.55	0.3	45	0
21.	Tamil Nadu	199735	39.53	15955	2.23	205141	43.12	420831	84.87	45.92	16885	362
22.	Tripura	12567	7.74	36806	27.7	15178	9.99	64551	45.43	33.19	6628	875

1	2	3	4	5	6	7	8	9	10	11	12	13
23.	Uttar Pradesh	12567	307.44	35603	21.63	847586	212.8	2059332	541.88	87.31	331402	11278
24.	West Bengal	736000	73.97	308000	33.98	1296000	127.57	2340000	235.52	32.79	254810	56700
25.	Chhattisgarh	128053	38.81	410836	214.88	348364	128.63	887253	382.32	203.15	0	0
26.	Jharkhand	0	48.04	0	92.74	0	76.81	0	217.59	67.04	0	0
27.	Uttaranchal	17426	5.19	947	0.32	77464	14.98	95837	20.49	6.08	491	1
	Total	4841683	1319.02	4013669	2043.02	7533782	2003.33	163891.34	636537	2113.06	4788960	167934

\*0 denote non-reporting by concerned States

## APPENDIX VIII

## FINANCIAL PERFORMANCE NREGA DURING 2006-07

(Rs. in Lakhs)

Sl.No.	State	Actual O.B. as on 1st April of the year	Release of last year but received during the Current Year			Release during Current Year			Misc Receipt	Total Availability (Col. 6+9)	Cumulative Expenditure					% age of Exp. against Total Avl. Funds
			Centre	State	Total	Centre	State	Total			On Unskilled Wage	On Semi skilled and skilled wage	On Material	Contingency	Total (12+13+14 +15)	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
1.	Andhra Pradesh	2538.09	5974.85	0	5974.85	87461.46	2344.44	89805.9	0	98318.84	33470.5	84.51	253.58	4135.48	37944.07	38.59
2.	Arunachal Pradesh	0.4	0	0	0	272.85	0	272.85	0	273.25	176.72	0	0	2.96	179.68	65.76
3.	Assam	27062.55	8401.16	0	8401.16	13970.85	132.78	14103.63	5644.43	55211.77	21152.6	1809.57	8608.89	559.51	32130.55	58.20
4.	Bihar	46991.06	10166.8	0	10166.8	41581.38	4500.35	46081.73	1152.24	104391.9	21346.3	2800.32	15245.63	271.7	39663.98	38.00
5.	Gujarat	4018.84	591.52	0	591.52	4113.94	452.11	4586.05	123.08	9299.49	2922.11	26.77	587.34	1308.49	4844.71	52.10
6.	Haryana	1169.58	37.17	0	37.17	2129.39	91.34	2220.73	2.48	3429.96	1145.63	22.77	505.82	33.06	1707.28	49.78
7.	Himachal Pradesh	1046.69	0	0	0	2207.64	225.19	2432.83	4.18	3482.7	1193.21	219.52	728.41	12.82	2153.96	61.85
8.	Jammu and Kashmir	722.06	0	0	0	2776.37	331.74	3108.11	6.51	3836.68	646.73	239.68	154.95	21.29	1062.65	27.70

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
9.	Karnataka	5630.06	1177.47	40.23	1217.7	14595.69	723.23	15318.92	0	22166.68	9332.6	275.39	5042.53	258.16	14908.68	67.26
10.	Kerala	1162.05	0	0	0	2179.51	0	2179.51	0	3341.56	306.25	3.01	3.56	156.03	468.85	14.03
11.	Madhya Pradesh	2405.43	1430.78	673.78	2104.56	160224.2	14997.5	175221.7	10.39	180770.7	76884.9	6699.86	35538.32	1219.15	120342.25	66.57
12.	Maharashtra	22391.56	0	0	0	19235.64	0	19235.64	0	41627.2	0	0	0	0	11130.38	26.74
13.	Manipur	243.4	436.63	0	436.63	1252.89	0	1252.89	0	1932.92	570	41.8	338.2	0	950	49.15
14.	Meghalaya	37.6	2414	0	2414	2064.68	0	2064.68	0	4516.28	77.72	0	12.54	31.02	121.28	2.69
15.	Mizoram	645.7	129.44	0	129.44	783.9	0	783.9	0	1559.04	843.73	0	0	32.28	876.01	56.19
16.	Nagaland	515.86	498.42	45	543.42	430.11	0	430.11	2.65	1492.04	740.52	8.48	493.5	28.87	1271.37	85.21
17.	Orissa	3236.04	1293.73	431.25	1724.98	74856.49	7121.34	81977.83	0	86938.85	21400.8	2671.7	13441.41	338.12	37852.06	43.54
18.	Punjab	340.16	398.77	0	398.77	2755.75	323.39	3079.14	6.5	3824.57	1051.83	0	650.72	24.57	1727.12	45.16
19.	Rajasthan	1905.08	0	0	0	67961	7551.22	75512.22	0	77417.3	35761.8	1375.21	7366.38	408.81	44912.15	58.01
20.	Sikkim	0	0	0	0	451.5	5	456.5	0	456.5	131.87	0	35.63	0	167.5	36.69
21.	Tamil Nadu	4195.89	1402.8	0	1402.8	9889.21	0	9889.21	567.76	16055.66	6789.9	0	0	447.79	7237.69	45.08
22.	Tripura	905.26	1688	0	1688	1456.66	250	1706.66	2.38	4302.3	2688.25	204.42	1215.48	45.88	4154.01	96.55
23.	Uttar Pradesh	27782.55	13512.2	0	13512.2	44498.69	3200	47698.69	186.06	89179.5	30820	2280.05	18372.45	739.32	52211.76	58.55

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
24.	West Bengal	16741.95	1612.19	0	1612.19	26358.84	2539.86	28898.7	114.46	47367.3	16976.4	.394	3217.26	460.75	21048.45	44.44
25.	Chhattisgarh	5788.68	22	0	22	48459.74	4246.33	52706.07	0	58516.75	22472.2	847.78	10971.6	323.89	34615.23	59.15
26.	Jharkhand	23025.9	2620.52	0	2620.52	37618.59	4179.81	41798.4	156.58	54901.4	16289.4	1586.84	9022.05	299.99	27198.28	41.91
27.	Uttaranchal	1711.09	656.69	29.26	685.95	1910.6	765.61	2676.21	7.38	5080.63	1640.14	43.1	796.78	35.69	2515.71	49.52
	Total	199512.63	54465.2	1219.5	55684.7	671497.57	53981.3	725478.8	9015.7	989691.7	326832	21634.77	132603.01	11195.43	503395.65	50.86

0 denotes not-reporting by concerned States



## APPENDIX IX

### STATE-WISE INFORMATION ON THE NUMBER OF HOUSEHOLDS WHICH HAVE COMPLETED 100 DAYS OF EMPLOYMENT

Sl. No.	State	Number of households which have completed 100 days of employment
1	2	3
1.	Andhra Pradesh	46368
2.	Arunachal Pradesh	0
3.	Assam	79767
4.	Bihar	33451
5.	Chhattisgarh	53631
6.	Gujarat	8061
7.	Haryana	3438
8.	Himachal Pradesh	8128
9.	Jammu and Kashmir	11728
10.	Jharkhand	15757
11.	Karnataka	24265
12.	Kerala	66
13.	Madhya Pradesh	309193
14.	Maharashtra	5323
15.	Manipur	0
16.	Meghalaya	0
17.	Mizoram	0
18.	Nagaland	0
19.	Orissa	47642

1	2	3
20.	Punjab	2045
21.	Rajasthan	362313
22.	Sikkim	93
23.	Tamil Nadu	828
24.	Tripura	255
25.	Uttar Pradesh	72191
26.	Uttaranchal	117
27.	West Bengal	4357
	Total	1089017

**APPENDIX X**

**PHYSICAL AND FINANCIAL PERFORMANCE UNDER SAMPOORNA GRAMIN  
ROZGAR YOJANA (SGRY) DURING 2006-2007**

(As on 31.1.2007)  
(Rs. in Lakhs)

Sl.No.	State	Reporting Month code	Allocation		Actual O.B. as on 1.4.2006	Central release of 2005-06 but received during 2006-07	Release During Current Year			Misc. Receipt	Total Availa- bility	Funds Utilization/ Expend- iture	% age Total Against Avail. Funds	Employ- ment (in lakhs Man- days)	Status of Work in (in Number)			
			Centre Share	State Total			Centre	State's Share	Total						No. of Works Under- taken	Works Under- Prog- ress	Works Com- pleted	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
1.	Andhra Pradesh	11	10903.95	3634.65	14536.60	990.72	6542.37	6542.37	3492.13	10034.50	33.55	17601.14	7823.92	44.45	72.31	53668	25673	27995
2.	Arunachal Pradesh	10	1403.63	467.88	1871.53	636.56	842.20	842.20	0.00	842.20	1.29	2322.25	180.75	7.78	2.17	871	447	363
3.	Assam	12	25385.99	8462.00	33847.99	3429.72	10655.14	15231.59	8697.37	23928.96	39.94	38053.76	31724.12	83.37	471.45	63529	22295	41729
4.	Bihar	12	21299.37	7099.79	28399.16	6416.77	1152.47	12779.62	4633.63	17413.25	435.91	25418.40	13697.60	53.89	123.15	27414	14808	12565
5.	Chhattisgarh	12	4937.19	1645.73	6582.92	334.01	4372.15	4818.96	1457.38	6276.34	1.41	10983.91	4199.74	38.24	52.09	21352	8587	12765
6.	Goa	12	417.64	139.21	556.85	13.94	250.58	250.58	130.00	380.58	9.75	654.85	246.11	37.58	1.75	210	212	12
7.	Gujarat	12	8741.19	2913.73	11654.92	1000.39	386.44	7222.60	1898.61	9121.21	0.97	10509.01	6789.57	64.61	55.84	34755	10636	10478

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
8.	Haryana	12	6048.66	2016.22	8064.88	196.49	5891.64	5891.64	1209.74	7101.38	14.18	13203.69	4157.39	31.49	34.36	9975	3036	6939
9.	Himachal Pradesh	12	2296.24	765.41	3061.65	705.08	1431.08	1529.83	432.18	1962.01	75.64	4173.61	1912.00	45.81	17.11	14731	6383	8349
10.	Jammu and Kashmir	11	2628.03	876.01	3504.04	176.68	1900.22	1900.22	1061.26	2961.48	5.11	5043.49	2123.46	42.10	14.47	12946	5617	7397
11.	Jharkhand	6	3338.58	1112.86	4451.44	268.96	2671.43	2671.43	0.00	2671.43	0.00	5611.82	480.06	8.55	4.14	2190	3213	611
12.	Karnataka	11	16224.75	5408.25	21633.00	2539.06	13734.24	13734.24	3822.65	17556.89	5.35	33835.54	11366.81	33.59	148.82	82337	50887.7	31449.3
13.	Kerala	12	8116.50	2705.50	10822.00	809.25	5150.46	5443.63	1623.30	7066.93	135.47	13162.11	6168.59	46.87	36.30	10662	13063	5602
14.	Madhya Pradesh	12	16854.62	5618.21	22472.83	653.99	12342.83	15199.95	3853.81	19053.76	119.95	32170.53	15472.06	48.09	176.19	51741	11359	40382
15.	Maharashtra	10	25703.73	8567.91	34271.64	1303.86	22042.90	22411.31	7859.21	30270.52	188.61	53805.89	16595.39	30.84	191.61	65829	43168	22661
16.	Manipur		2403.18	8010.06	3204.24		1441.90	1441.90		1441.90		2883.80	0.00	0.00	0.00			0
17.	Meghalaya	10	1946.47	648.82	2595.24	243.32	1186.06	1186.06	344.87	1530.93	2.93	2963.24	1072.43	36.19	13.19	3463	2240	1223
18.	Mizoram	11	556.39	185.46	741.85	9.52	333.84	460.11	83.60	543.71	0.00	887.07	374.98	42.27	8.80	1497	231	1282
19.	Nagaland	8	1752.72	584.24	2336.96	16.29	1091.65	1096.12	12.00	1108.12	0.44	2216.50	495.87	22.37	4.50	1372	196	1176
20.	Orissa	12	9623.95	3207.98	12831.93	243.64	0.00	9475.27	2102.71	11577.98	4.29	11825.91	7551.89	63.86	115.81	10912	3955	8241
21.	Punjab	12	6753.65	2251.22	9004.87	419.77	2931.58	2931.58	2939.59	5871.17	14.30	9236.82	4504.53	48.77	23.47	15792	5708	7084
22.	Rajasthan	12	12542.23	4180.74	16722.97	761.06	11534.67	11534.67	4123.85	15658.52	0.00	27954.25	11843.53	42.37	99.57	33669	14798	17306
23.	Sikkim	12	562.78	187.59	750.37	19.18	337.67	337.67	100.00	437.67	0.00	794.52	404.86	50.96	2.62	1418	497	921
24.	Tamil Nadu	11	18850.46	6283.49	25133.95	318.54	18243.24	18243.24	4118.61	22361.85	157.34	41080.97	14714.78	35.82	127.76	69043	47395	21648

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
25.	Tripura	12	3820.26	1273.42	5093.68	161.62	2843.10	3191.39	835.29	4026.68	18.70	7050.10	2602.16	36.91	34.93	8329	1547	6782
26.	Uttaranchal	12	4920.58	1640.19	6560.77	614.45	3332.12	3922.24	1075.09	4997.33	1.75	8945.65	3963.97	44.31	55.59	23061	9210	13856
27.	Uttar Pradesh	12	56504.34	18834.78	75339.12	6168.71	38930.05	50058.12	11851.37	61909.49	121.3	107129.38	49313.40	46.03	523.97	143694	42342	100233
28.	West Bengal	9	15660.57	5220.19	20880.76	6799.83	10670.84	10670.84	3421.62	14092.46	33.93	31597.06	8951.48	28.33	69.35	44129	24349	19780
29.	A & N Islands	10	274.01		274.01	105.68	0.00	0.00		0.00	2.51	108.19	9.89	9.14	0.11	38	7	31
30.	D & N Haveli		180.40		180.40		0.00	0.00		0.00		0.00	0.00		0.00			0
31.	Daman and Diu	9	87.44		87.44	3.98	0.00	0.00		0.00	0.00	3.98	0.00	0.00	0.00			0
32.	Lakshadweep	10	137.05		137.05	28.83	129.55	129.55		129.55	0.03	287.96	13.20	4.58	0.15	4	4	0
33.	Pondicherry	12	277.74		277.74	92.73		166.64		166.64	1.44	260.81	106.96	41.01	0.31	182	41	75
	All India		291154.31	96732.56	387886.87	35482.64	182372.42	231315.57	71179.87	302495.44	1425.92	521776.42	228861.49	43.86	2481.88	816813	374905	428934
	Other Expenditure							411.65										
	Total							231727.22										

**APPENDIX XI**

STATE-WISE INFORMATION ON FIXATION OF COST OF  
FOODGRAINS AT APL OR BPL RATES

Sl.No.	State/UT	Cost of foodgrains charged under SGRY per kg.	
		Wheat	Rice
1	2	3	4
1.	Andhra Pradesh		
2.	Arunachal Pradesh	Exempted from compulsory distribution of foodgrains for 2004-05 & 2005-06	
3.	Assam	—	Rs. 8/-
4.	Bihar		
5.	Chhattisgarh	Rs. 6.50	—
6.	Goa	Exempted from compulsory distribution of foodgrains	
7.	Gujarat	Rs. 5.05	Rs. 7.00
8.	Haryana	Rs. 5.50	—
9.	Himachal Pradesh	Rs. 5.15	Rs. 6.90
10.	Jammu and Kashmir	Rs. 4.75	Rs. 6.25
11.	Jharkhand		
12.	Karnataka	Rs. 6.25	—
13.	Kerala	Rs. 5.50	Rs. 6.20
14.	Madhya Pradesh	Rs. 5.00	Rs. 6.50
15.	Maharashtra		
16.	Manipur	—	Rs. 6.10
17.	Meghalaya		
18.	Mizoram		
19.	Nagaland	Rs. 5.00	Rs. 7.00

1	2	3	4
20.	Orissa	—	Rs. 5.65
21.	Punjab	Rs. 5.00	—
22.	Rajasthan	Rs. 4.60	—
23.	Sikkim		
24.	Tamil Nadu	—	Rs. 5.65
25.	Tripura		
26.	Uttaranchal		
27.	Uttar Pradesh		
28.	West Bengal	—	Rs. 6.00
29.	A&N Islands	—	Rs. 6.06
30.	D&N Haveli		
31.	Daman and Diu	Exempted from compulsory distribution of foodgrains	
32.	Lakshadweep	Exempted from compulsory distribution of foodgrains	
33.	Pondicherry	—	Rs. 5.00
Existing Cost Issue Price (CIP) as on 30.6.2006 for			
		Wheat per quintal	Rice per quintal
Above Poverty Line (APL)		Rs. 610/-	Rs. 830/-
Below Poverty Line (BPL)		Rs. 565/-	Rs. 615/-

## APPENDIX XII

### STATEMENT INDICATING THE STATUS OF ELIGIBLE HABITATIONS, HABITATIONS CONNECTED AND BALANCE HABITATIONS TO BE COVERED UNDER PMGSY

Sl.No.	States	No. of eligible habitations covered under PMGSY	No. of habitations connected	Balance
1	2	3	4	5
1.	Andhra Pradesh	980	889	91
2.	Arunachal Pradesh	415	121	294
3.	Assam	13144	1846	11298
4.	Bihar	17920	440	17480
5.	Chhattisgarh	12561	2803	10558
6.	Goa	55	2	53
7.	Gujarat	4253	1214	3039
8.	Haryana	2	0	2
9.	Himachal Pradesh	3494	948	2546
10.	Jammu and Kashmir	2792	41	2751
11.	Jharkhand	10696	898	9798
12.	Karnataka	876	302	574
13.	Kerala	438	193	245
14.	Madhya Pradesh	18192	3768	14724
15.	Maharashtra	1751	1459	292
16.	Manipur	598	100	498
17.	Meghalaya	756	297	459
18.	Mizoram	285	53	232
19.	Nagaland	94	32	62



1	2	3	4	5
20.	Orissa	14393	2512	11881
21.	Punjab	536	434	102
22.	Rajasthan	11015	5497	5518
23.	Sikkim	318	55	263
24.	Tamil Nadu	2640	1590	1043
25.	Tripura	2091	196	1895
26.	Uttar Pradesh	24284	6854	17430
27.	Uttaranchal	2605	91	2514
28.	West Bengal	25288	2849	22439
	Total States	172772	34691	138081

### APPENDIX XIII

#### THE STATE-WISE ALLOCATION FOR NEW CONNECTIVITY AND UPGRADATION UNDER PMGSY

(Rupees in crore)

Sl.No.	Name of the States	New Connectivity	Upgradation
1	2	3	4
1.	Andhra Pradesh	0	472
2.	Arunachal Pradesh	678	0
3.	Assam	3321	910
4.	Bihar	3776	708
5.	Chhattisgarh	4263	485
6.	Goa	0	20
7.	Gujarat	206	125
8.	Haryana	0	410
9.	Himachal Pradesh	626	370
10.	Jammu and Kashmir	1559	271
11.	Jharkhand	1442	413
12.	Karnataka	0	420
13.	Kerala	0	105
14.	Madhya Pradesh	5450	1425
15.	Maharashtra	0	560
16.	Manipur	478	0
17.	Meghalaya	142	166
18.	Mizoram	249	71
19.	Nagaland	91	35
20.	Orissa	2200	1073

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1	2	3	4
21.	Punjab	0	359
22.	Rajasthan	1522	472
23.	Sikkim	111	22
24.	Tamil Nadu	0	728
25.	Tripura	353	116
26.	Uttar Pradesh	1764	2530
27.	Uttaranchal	557	271
28.	West Bengal	3055	807

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**APPENDIX XIV****STATE-WISE INFORMATION ON THE NUMBER OF POOR  
PERFORMING BANK BRANCHES UNDER SGSY  
DURING 2005-06**

Sl.No.	Name of the State	Number of Bank Branches		Total
		Commercial Banks	RRBs/Coop. Banks	
1	2	3	4	5
1.	Andhra Pradesh	126	81	207
2.	Arunachal Pradesh			
3.	Assam	88	57	145
4.	Bihar	208	160	368
5.	Chhattisgarh	21	219	240
6.	Gujarat	90	18	108
7.	Goa			
8.	Haryana	26	0	26
9.	Himachal Pradesh	95	54	149
10.	Jammu and Kashmir	4	13	17
11.	Jharkhand	20	10	30
12.	Karnataka	Nil	Nil	Nil
13.	Kerala	Nil	Nil	Nil
14.	Madhya Pradesh	80	161	241
15.	Maharashtra	36	20	56
16.	Manipur			
17.	Meghalaya			
18.	Mizoram	10	20	30
19.	Nagaland			

1	2	3	4	5
20.	Orissa	35	22	57
21.	Punjab	33	1	34
22.	Rajasthan	132	201	333
23.	Sikkim	3		3
24.	Tamil Nadu	20	33	53
25.	Tripura	Nil	Nil	Nil
26.	Uttar Pradesh	158	223	381
27.	Uttaranchal	16	18	34
28.	West Bengal	96	35	131
	Total	1297	1346	2643

## APPENDIX XV

### COMMITTEE ON RURAL DEVELOPMENT (2006-2007)

#### MINUTES OF THE SEVENTH SITTING OF THE COMMITTEE HELD ON WEDNESDAY, THE 28 MARCH, 2007

The Committee sat from 1100 hrs. to 1245 hrs. in Committee Room 'E', Basement, Parliament House Annexe, New Delhi.

#### PRESENT

Shri Hannan Mollah—*In the Chair*

#### MEMBERS

#### *Lok Sabha*

2. Shri Mani Charenamei
3. Shri Sandeep Dikshit
4. Shri Zora Singh Mann
5. Shri Krishna Murari Moghe
6. Shri D. Narbula
7. Shri T. Madhusudan Reddy
8. Shrimati Tejaswini Seeramesh
9. Shri Sita Ram Singh
10. Shri Bagun Sumbrui
11. Shri Chandramani Tripathi

#### *Rajya Sabha*

12. Shri Balihari
13. Shri Pyarelal Khandelwal
14. Dr. Chandan Mitra
15. Shri P.R. Rajan

#### SECRETARIAT

1. Shri S.K. Sharma — *Additional Secretary*
2. Shri P.K. Grover — *Joint Secretary*
3. Shrimati Sudesh Luthra — *Director*
4. Shri A.K. Shah — *Deputy Secretary Grade II*
5. Shri Sundar Prasad — *Under Secretary*

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

1. Dr. Subas Pani, 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 Nilam Sawhney, Joint Secretary
7. Shri S.C. Gautam, Chief Economic Adviser
8. Shrimati Veena Sreeram Rao, DG, CAPART
9. Shri V.S. Sampat, DG, NIRD
10. Shri R.P. Meena, CVO, CAPART

2. In the absence of the Chairman, the Committee chose Shri Hannan Mollah, M.P. to act as the 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 convened to take oral evidence of the representatives of the Department of Rural Development (Ministry of Rural Development) on their Demands for Grants (2007-2008).

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

4. 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, Lok Sabha'. He in his welcome address raised the main issues which included adequate enhancement in budget outlay of the Department of Rural Development, unspent balances lying with various State Governments under different schemes, the need for proportionate enhancement in allocation in NREG Scheme in view of additional 130 districts proposed to be covered during 2007-2008.

5. The Secretary, Department of Rural Development first addressed to the concerns raised by Hon'ble Chairman in his welcome speech. Thereafter, the member raised several queries pertaining to effective monitoring and implementation of NREG Scheme, spreading of awareness of NREG Scheme, issue of job cards and maintenance of

the assets created under the scheme. Members also raised queries pertaining to other rural development schemes *viz.* Sampoorna Grameen Rozgar Yojana (SGRY), DRDA Administration etc. The representatives of the Ministry of Rural Development replied to the queries raised by the members.

6. A verbatim record of the proceedings was kept.

*The Committee then adjourned for lunch to meet again at 1400 hrs.*



## APPENDIX XVI

### COMMITTEE ON RURAL DEVELOPMENT (2006-2007)

#### MINUTES OF THE EIGHTH SITTING OF THE COMMITTEE HELD ON WEDNESDAY, THE 28 MARCH, 2007

The Committee sat from 1400 hrs. to 1645 hrs. in Committee Room 'E', Basement, Parliament House Annexe, New Delhi.

#### PRESENT

Shri Hannan Mollah—*In the Chair*

#### MEMBERS

#### *Lok Sabha*

2. Shri Mani Charenamei
3. Shri Sandeep Dikshit
4. Shri Zora Singh Mann
5. Shri Krishna Murari Moghe
6. Shri D. Narbula
7. Shri T. Madhusudan Reddy
8. Adv. Renge Patil Tukaram Ganpatrao
9. Shrimati Tejaswini Seeramesh
10. Shri Sita Ram Singh
11. Shri Bagun Sumbrui
12. Shri Chandramani Tripathi

#### *Rajya Sabha*

13. Shri Balihari
14. Shri Pyarelal Khandelwal
15. Dr. Chandan Mitra
16. Shri P.R. Rajan

#### SECRETARIAT

1. Shri S.K. Sharma — *Additional Secretary*
2. Shri P.K. Grover — *Joint Secretary*
3. Shrimati Sudesh Luthra — *Director*
4. Shri A.K. Shah — *Deputy Secretary Grade II*
5. Shri Sundar Prasad Das — *Under Secretary*

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

1. Dr. Subas Pani, 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 Nilam Sawhney, Joint Secretary
7. Shri S.C. Gautam, Chief Economic Adviser
8. Shrimati Veena Sreeram Rao, DG, CAPART
9. Shri V.S. Sampat, DG, NIRD
10. Shri R.P. Meena, CVO, CAPART

2. The Committee resumed after lunch to take the oral evidence of the representatives of the Department of Rural Development (Ministry of Rural Development). The various issues related to implementation of schemes *viz.* Swarnjayanti Gram Swarozgar Yojana (SGSY), Indira Awaas Yojana (IAY) and Pradhan Mantri Gram Sadak Yojana (PMGSY). The Secretary also briefed the Committee on other vital issues like Gender Budgeting training programmes under NIRD and raising of infrastructure for NIRD and SIRDs, improving the performance of CAPART, strengthening of DRDAs etc. The members then raised several queries on the above subjects which were replied by the representatives of the Ministry of Rural Development.

3. A verbatim record of the proceedings was kept.

*The Committee then adjourned.*

## APPENDIX XVII

COMMITTEE ON RURAL DEVELOPMENT (2006-2007)

EXTRACTS OF MINUTES OF THE THIRTEENTH SITTING OF  
THE COMMITTEE HELD ON FRIDAY, THE 13 APRIL, 2007

The Committee sat from 1100 hrs. to 1330 hrs. in Committee Room  
'E', Basement, Parliament House Annexe, New Delhi.

PRESENT

Shri V. Kishore Chandra S. Deo—*In the Chair*

MEMBERS

*Lok Sabha*

2. Shri Mani Charenamei
3. Shri Zora Singh Mann
4. Shri Krishna Murari Moghe
5. Shri D. Narbula
6. Shri A.F.G. Osmani
7. Adv. Renge Patil Tukaram Ganpatrao
8. Shrimati Tejaswini Seeramesh
9. Shrimati Jyotirmoyee Sikdar
10. Shri Sita Ram Singh
11. Shri Chandramani Tripathi

*Rajya Sabha*

12. Shri Balihari
13. Shri Jayantilal Barot
14. Kumari Nirmala Deshpande
15. Shri Pyarelal Khandelwal
16. Dr. Chandan Mitra
17. Shri P.R. Rajan
18. Shri Bhagwati Singh

SECRETARIAT

1. Shrimati Sudesh Luthra — *Director*
2. Shri A.K. Shah — *Deputy Secretary Grade II*
3. Shri Sundar Prasad Das — *Under Secretary*

2. In the absence of Hon'ble Chairman, the Committee chose Shri V. Kishore Chandra S. Deo, MP to act as Chairman for the sitting under Rule 258(3) of the Rules of Procedure and Conduct of Business in Lok Sabha.

3. \*\*\* \*\*\* \*\*\*

4. Thereafter the Committee took up for consideration the draft report on Demands for Grants (2007-2008) of the Department of Rural Development (Ministry of Rural Development) and adopted the report with a slight modification.

5. The Committee then authorised the Chairman to finalise the aforesaid draft Reports on the basis of factual verification from the concerned Departments and present the same to both the Houses of Parliament.

*The Committee then adjourned.*

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\*\*\*Relevant portions of the minutes not related to the subject have been kept separately.

## APPENDIX XVIII

### STATEMENT OF RECOMMENDATIONS/OBSERVATIONS

Sl.No.	Para No.	Recommendations/Observations
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1.	2.9	<p>The Committee note that Indian economy has been in a robust condition for the last couple of years and has been acknowledged as the booming economy world-wide. The Approach paper for the Eleventh Plan aims at a sustainable growth with a growth rate of ten per cent by the end of the Tenth Plan. To achieve the growth in real terms it is imperative that the poorest of the poor share the benefit of growing economy. In this regard, the Department of Rural Development has launched various Centrally sponsored programmes which aim at alleviating poverty by providing guarantee of employment and self employment. Various schemes SGRY, SGSY and particularly NREGA aim to achieve the aforesaid objective. Besides, the other schemes of the Department like PMGSY and IAY aim to improve objectives quality of life for the rural population. The objectives of the various schemes can be achieved only with the adequate allocation during different Plans.</p>
2.	2.10	<p>The Committee find that the percentage hike in allocation of outlay has declined after 2005-2006. As against the hike of 37.62 per cent during 2005-2006 and 23.69 per cent during 2006-2007, the hike is just 13.28 per cent during the year 2007-2008. Besides, the outlay allocated is 33 per cent less than the projected outlay of the Department. Not only that, there is reduction of outlay under some of the schemes like SGRY, CAPART and DRDA Administration.</p>

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3.	2.11	<p>Another trend noticed by the Committee is that whereas during the year 2006-2007, the percentage growth in tax revenue is 28.01 per cent, the additional resources being made available through favourable tax collection have not been shared correspondingly in the social sector. The hike of just 13.28 per cent in the outlay of the Department of Rural Development substantiates the aforesaid observation. The aforesaid hike of the outlay of the Department of Rural Development is not adequate particularly when NREGA would be applicable in additional 130 districts thereby increasing the number of districts from 200 to 330.</p>
4.	2.12	<p>The scheme-wise analysis of the position of outlay has been made in the subsequent Chapters of the report. The Committee strongly recommend to the Government to enhance the outlay under different schemes so as to achieve the set objectives.</p>
5.	2.13	<p>The Committee further find that the total outlay of the Department has been indicated as Rs. 43,347.86 crore in Demands for Grants 2007-2008. However, after deducting the recoveries to the tune of Rs. 15,825 crore expected during the year, the net Budget of the Department during BE 2007-2008 has been indicated as Rs. 27,522.86 crore for Plan and Non-Plan. The Committee urge the Department to furnish the details of the recoveries so as to enable the Committee to understand the purpose of recoveries and to comment further in this regard.</p>
6.	2.19	<p>The Committee note that the BPL list based on 2002 census has been delayed for a long time. The Committee in their various reports of previous years have been repeatedly emphasizing on the expeditious finalisation of</p>

BPL list. But even after so many years, the Committee find that the results of the BPL survey have not been finalised. Initially the results were delayed due to the imposition of stay by Hon'ble Supreme Court. Now when the stay has been vacated by the Supreme Court *w.e.f.* 14 February 2006, the results are further being delayed by various State and Union territory Administrations. The Committee find that the BPL list so far has been approved only in six States by the Gram Sabhas *viz.* Arunachal Pradesh, Madhya Pradesh, Jharkhand, Chhattisgarh, Uttar Pradesh and Uttarakhand. In other States, the process of getting the mandatory approval from Gram Sabhas is still going on. In some States like Gujarat, Haryana, Bihar, Rajasthan, large number of objections were filed with the appellate authorities to resolve the objections filed by people in connection with the BPL list which means that there would be further delay in finalisation of BPL list. On the part of the Ministry, they have reportedly discussed the issue in every Performance Review Committee (PRC) besides taking up the matter with the Chief Secretaries of the defaulting States. The Committee further note that a lot of efforts are being made by the Department to put pressure on the State Governments to finalize the BPL list. The issue has been discussed in each Performance Review Committee meeting held during the current year. The matter was particularly discussed in the meeting held on 20-21 December, 2006. States have also been informed that release of funds can be tied up with finalisation of BPL list. A meeting of the Performance Review Committee is scheduled to be held in April, 2007 where the issue would be discussed with the State Secretaries and the timeframe finalized.

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7.	2.20	<p>The Committee find that crores of rupees are being allocated by the Union Government through various welfare schemes meant for the poorest of the poor. Unless, the BPL list is finalized, the benefit envisaged under these schemes can not reach to the intended beneficiaries. In spite of best of efforts made by the Department, the results are not forthcoming and the fate of the genuine poor is hanging and thus they are being deprived of the benefits of the various developmental schemes. The Committee strongly recommend to the Department to take up this matter at the highest level. The State Governments should be strictly told to finalise the BPL lists without further delay through meetings with State Secretaries/Chief Secretaries / Ministers of State Governments etc. Besides, the matter needs to be deliberated at the Chief Ministers level. There is an urgent need to fix a deadline. The Committee strongly recommend the Department to take all the desired steps so that the BPL list is finalized and displayed at Gram Panchayat Headquarters so that every household knows its status in the survey list and feels secured that he would get the benefits envisaged under the various programmes.</p>
8.	2.21	<p>Further, the Committee do not understand the logic of the mandatory cut imposed on the number of households to be identified under the BPL Census 2002 in accordance with the mandatory cut off limit imposed by Planning Commission according to which the number of BPL families cannot exceed the limit of 10 per cent of BPL families identified in 1999-2000 BPL survey. The Department has stated that since the resources of the country are limited and thinly distributed, the intention of imposing the mandatory cut off is to ensure that the poorest of the poor in the rural areas are able to avail</p>



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the benefit of the schemes. The Committee have repeatedly been emphasizing in the various reports that such a cut off limit can be a source of corruption and other malpractices. The Committee had strongly recommended that such cut off limit should not be applicable while finalizing the BPL list for Eleventh Plan. The Department has stated that the ranking of the poorest of the poor as decided by the Gram Sabha would address to the concerns of the Committee. The Committee fail to understand the logic of putting unnecessary limitation on BPL persons specifically when the benefit of the schemes has to be provided on the basis of the scores, a BPL family gets in the BPL list. In such a situation the logic of available resources being thinly distributed cannot be understood. Further, the Committee are of the firm opinion that any restriction on the number of BPL families would provide unnecessary discretion to the agencies involved in finalisation of BPL lists and can invite corruption and malpractices. The Committee do not accept all the logic put forth by the Department and strongly recommend to the Government not to impose unnecessary limitations on the number of BPL persons for the purpose of the Eleventh Plan.

9. 2.22 The Committee further find that on the direction of Hon'ble Supreme Court, a provision has been made in the guidelines to allow new names to be added and ineligible names deleted from the BPL list on a continuous basis during the period to which the BPL list applies. The Committee welcome the aforesaid move of the Government. The Committee would like to be apprized of the modalities of exclusion/ inclusion of BPL families in the BPL list so as to understand the entire process of revision of BPL list and comment further in this regard.

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10.	2.35	<p>The Committee find that there is an elaborate system of monitoring introduced at various levels which includes periodical progress reports, on line monitoring mechanism, District level and National level monitors, utilization certificates, audit reports etc. In addition to it the officials of the Ministry under area officers scheme and the State level officials undertake field visits to know the ground situation with regard to various schemes. There are District and State level Vigilance Committees constituted by the Union Ministry of Rural Development. Besides, Union and State Ministers of Rural Development also monitor the implementation of the programmes through field visits and meetings. A new initiative of holding a meeting of State Nodal Officers has been introduced by the Department. The Committee find that inspite of having such an elaborate system of monitoring, Rs. 10,277.97 crore which comes to 43.01 per cent of the allocated outlay during 2006-07 are lying unspent with various implementing agencies. Besides, 151 Utilization certificates amounting to Rs. 744.45 crore are still pending under different schemes of the Department.</p>
11.	2.36	<p>As regards the position of the meetings of District and State level, Vigilance and Monitoring Committees held during 2006-07 (upto 10 January, 2007), 531 district level meetings were held in only 389 districts. There are 597 districts in the country which means 208 districts did not hold even a single meeting. Similarly, 12 meetings of State level Vigilance and Monitoring Committees, were held by 8 States and one Union territory which means that most of the States did not hold even a single meeting. As per the guidelines district and State level Vigilance Committees shall hold at least one sitting in each quarter during the</p>

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year. The aforesaid data indicates the failure of the above system of monitoring. With regard to the Area Officers scheme, when the Committee enquired about the shortcomings noticed by different area officers, the Department has replied that the Area Officers undertake field visits not with the fault finding mission rather with the constructive approach which strengthens the relationship between the State Governments and the Union Ministry. The Committee strongly disapprove the way various systems of monitoring are working. The Committee feel that perhaps more than introducing various systems, it is essential that the system works properly with the given objective. The purpose of monitoring by the Area Officers should be to know the various bottlenecks and difficulties being faced by the implementing agencies as well as the beneficiaries. Besides, interacting with the implementing agencies/district level officials, said officers should try to know the ground situation from the beneficiaries and physically check the quality of the various assets created under the scheme. Meeting with the district level officials alone can not provide the desired results. The findings of the area officers should be indicated in the Outcome Budget document.

12. 2.37 With regard to the system of Vigilance and Monitoring Committee the Standing Committee in their 25th Report (refer Para No. 22) while reviewing the position of these Committees has recommended that Member/Secretary should be held responsible for not conducting the meetings at the regular intervals as per the guidelines. The Committee has also recommended that reporting format of utilization certificate should include the number of meetings of Vigilance and Monitoring Committees held in each quarter of the year.

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- The Committee emphasize that crores of rupees every year are being allocated under different schemes of the Department and there is a genuine concern on the part of the exchequer that the taxes deducted from their income/ revenue are purposefully utilised and the outlays allocated in the social sector projects actually reach to the intended beneficiaries.
13. 2.38 The Committee further feel that none of the aforesaid monitoring mechanisms involve general public to act as catalyst in effective monitoring. At least, one issue *i.e.* checking the quality of projects and permanent assets created can be done effectively by active participation of the general public. This could be done by developing effective mechanism for receiving feed back. There is a need to strengthen the complaint mechanism. The minimum standards prescribed for a project, durability of assets created etc. should be publicized by way of prominently displaying at notice board at the site of the project. Besides, there is an urgent need to fix time limit for disposal of each nature of complaint alongwith the name, telephone number and contact address of the authority who can be contacted in the event of deficiency. In addition to what has been stated above, the Committee recommend to the Department to strengthen the monitoring mechanism on the aforesaid levels. Perhaps, there is a need to fix accountability for each specific work.
14. 2.39 The Committee strongly recommend to the Department to act on the suggested lines by the Committee and take all possible measures to strengthen the Monitoring Mechanism without any further delay. The Committee should also be kept apprised.

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15.	2.42	<p>The Committee note the various measures taken by the Ministry to display information on the website. The Committee desire that the Ministry should disclose as much information as possible to the public on their official website so that people need not resort to the provisions of Information Act for getting even small information. The Ministry should also display vital documents such as the Outcome Budget, Annual Report of the Ministry, physical and financial performance of various schemes, minutes of various meetings, highlights of various research studies on rural development etc. on their official website. Besides, there is a need to develop an on-line complaint mechanism with unique complaint ID number under each scheme so as to draw attention of senior officers who should dispose the complaints in a time bound manner and inform the complainant about the action taken.</p>
16.	2.43	<p>The Committee appreciate the efforts of the Department in providing various tools to the public to lodge as well as redressal of complaints through the user friendly technological interventions. People can lodge their complaint through user-friendly websites. The Committee however feel that innocent and illiterate people living in rural areas, at present need the help of NGOs to invoke the various provisions of Right to Information Act. Perhaps there is an urgent need to first of all, enlighten the rural masses about their rights provided through Right to Information Act. In this regard there is an urgent need to empower the Panchayati Raj Institutions in tune with the provisions made under Part IX of the Constitution. The Panchayats equipped with the latest technology and trained manpower can help the public to lodge the complaints. The Committee would like the comments of the</p>

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- Department on the aforesaid observation. Besides the Committee would like to be apprised of the status of data with regard to the number of complaints registered and addressed so far under the Right to Information Act so as to analyze the position and comment further in this regard.
17. 2.46 The Committee are perturbed to note that huge amount of funds are lying with DRDAs as miscellaneous receipts. Miscellaneous receipts essentially include the interest earned by DRDAs while the funds lie with the Banks. The amount of subsidy sanctioned by the Banks which could not be availed of by the beneficiaries and whatever remains, is refunded to DRDAs that gets into a Miscellaneous receipt and form part of the opening balances and get expanded. In this regard the interest income has been shown against some of the States. For example the State of Jharkhand has shown an interest income of Rs. 70.92 lakh when Punjab has shown an amount of Rs. 32.40 lakh as interest. The Committee fail to understand the concept of miscellaneous receipts and funds lying with DRDAs which are being deposited in Banks to earn interest.
18. 2.47 The Committee observe that this is a very serious issue as funds are not given to the States to earn interest but to carry out various rural development programmes. This trend must be discontinued and the concerned DRDAs may be instructed accordingly. Financial performance may be reviewed periodically so that expenditure is actually incurred and do not lie with Banks as unspent balance. The problems faced by Government in disbursement of credit should also be discussed with all the concerned Banks at the highest level.

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19.	2.48	<p>The Committee also find that inadequate or ineffective participation of the programme implementing agencies such as the DRDAs and the Banks is found to be responsible for the slightly indifferent performance of the Programme as indicated in the study conducted by NIRD. DRDAs do not have the required professional competence to provide training to the Swarozgaris and develop their entrepreneurship skills. Besides, the study point out that the DRDAs have not been able to ensure effective participation of the Line Departments. The Committee observe that there is a need to have a relook into the functioning of DRDAs which is main agency responsible for carrying out various rural development programmes. The Committee strongly recommend to the Department to analyze the performance of DRDAs in the light of the aforesaid observation of the Committee. All the required steps should be taken to make DRDAs professionally competent. All the areas concerned with the capacity building of DRDAs should be addressed to and the Committee be apprised accordingly.</p>
20.	2.54	<p>A specific allocation under the employment schemes of the Department where targets of mandays are fixed, keeping in view the specified targets i.e. 30 per cent has been separately made for women. Besides the impact of various other schemes some of the schemes like PMGSY, help women indirectly. The impact of such schemes on the women is being studied through a study commissioned by the Department. The Committee note that whereas under SGSY, the performance of women is remarkable where 63.37 per cent of the swarozgaris during the year 2006-07 are women. However, the employment schemes, the stipulated targets are not being achieved.</p>

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During the year 2006-07 the percentage of mandays of employment for women under SGRY scheme during 2006-07 was 22.85 per cent which is below the set targets of 30 per cent. The Committee would like to be apprised about the position of mandays generated for women during the year 2006-07 under NREGA so as to know the evaluation of Gender Budgeting under one of the important programmes. The Committee strongly recommend to the Department to take all the desired steps so that the targets fixed under different schemes for women are achieved.

21. 2.55 The Committee note that *w.e.f.* 2007-08 Performance Budget has been merged with the Outcome Budget. The Outcome Budget 2007-08 of the Department indicates the consolidated position of the quarter-wise targets fixed during the year 2007-08. As regards the performance during the previous two years *i.e.* 2005-06 and 2006-07, the position has been indicated while reflecting the achievement of different schemes. The consolidated data with regard to the physical and financial targets and achievements of the previous two years alongwith the physical and financial targets of the current year has not been mentioned at one place. In the absence of the aforesaid data at one place, which used to be part of the earlier exercise of Performance Budget, it is difficult to have a comparative position of the targets and achievements in three years *i.e.* the current and the previous two years. The Committee recommend to the Department to ensure that the consolidated position of the quarter-wise targets and achievements of the three years is reflected in the Outcome Budget.
22. 2.56 The Committee further find that 15 per cent of financial and physical targets at the National



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level have been earmarked for minority community and State-wise/district-wise earmarking is done on the basis of their BPL population. The identified minority communities are Muslims, Sikhs, Buddhists, Christians and Parsis. However, these communities would not be treated as minority in the States where their population is in majority. The Ministry of Minority Affairs in consultation with the Planning Commission has given a State-wise ratio as to how this 15 per cent should be divided among the States. The Committee would like to be apprised on the action taken in this regard by the Department of Rural Development and about the response received from various State Governments. The Committee also desire that adequate publicity in this regard be given in all the States so that the minority population are aware of their rights and are able to avail of the benefits provided under the scheme. Further, the Department should maintain a separate data on minority community so that an assessment can be made on whether the minority community is actually benefiting from the rural development schemes.

23.

3.25

The Committee note from the position of outlay provided under NREGA, that Rs. 11,300 crore was provided during the year 2006-07 when 200 districts were to be covered in the first phase. Including the Opening Balance, the Department has roughly Rs. 12,000 crore during 2006-07. Out of this 8,000 crore could actually be spent while the balance Rs. 4,000 crore which should have been deposited in Central Employment Guarantee Fund (CEGF), have actually been diverted to liquidate the FCI bills. During 2007-08 an additional 130 districts have been proposed to be added thus making the total number to 330 districts. The allocation

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		during 2007-08 has been made for Rs. 12,000 crore which is equal to the total available funds during 2006-07, although 130 additional districts are proposed to be covered during 2007-08.
24.	3.26	<p>The Committee strongly object to the aforesaid diversion of funds of NREGA. The Committee find that the year 2006-07 was the first year of implementation of NREGA and the total available funds could not be utilised fully. Since the scheme might pick up during 2007-08 providing of outlay equal to the allocation made during 2006-2007 is not justified particularly when 130 additional districts are proposed to be covered during 2007-2008. In view of the aforesaid position, the Committee strongly recommend the Government to provide adequate allocation under NREGA. Ministry of Finance/Planning Commission may be apprised of the concerns of the Committee in this regard. Besides the transaction of funds should be make strictly as per rules and savings under NREGA should be deposited in National Employment Guarantee Fund and not diverted elsewhere.</p>
25.	3.27	<p>The Committee further note that, out of 1.47 crore households who have been provided employment, only 10,89,017 <i>i.e.</i> 7.41 percent households could complete 100 days of employment, which is the main objective of the Act. The State-wise performance indicates that in Arunachal Pradesh, Manipur, Meghalaya, Mizoram and Nagaland, none of the families could get 100 days of employment. In the progressive State of Kerala, only 66 families could get 100 days of employment. The Committee also note that an amount of Rs. 4,75,386 was paid as unemployment allowance in Barwani District of Madhya Pradesh. The Committee feel that the aforesaid data need to be analysed carefully by the</p>

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		<p>Department so as to understand the peculiar State-wise problems in the implementation of NREGA. Such an analysis would provide the Government necessary input to take the desired State specific action so as to achieve the objectives of ambitious legislation of NREGA.</p>
26.	3.28	<p>The Committee further note that one of the aspect that need to be addressed is to generate works in different districts that can provide 100 days of employment to the families who demand employment particularly when it is a statutory requirement. With the existing works being undertaken under NREGA like deepening of water bodies, water harvesting, drought proofing etc. the Committee have their apprehension that these works may not provide 100 days employment to a family in a year. The Department has to study the implementation of the programme in various States and analyse the position in view of the aforesaid observation of the Committee and also to take decision on allowing certain other works which are at present not permissible under NREGA.</p>
27.	3.29	<p>The Committee during the Study visit to various backward districts of the country have found that the payment of wages to beneficiaries is being made by different methods. In Uttar Pradesh, the payment is being made in cash. In Andhra Pradesh it is being done through Post Offices. In Karnataka, payment is being made through Bank and Post Offices. The Committee have also noted that 2 per cent service expenses were being charged by Post Offices and the representatives of the Banks requested the Committee that similar two percent transaction charges, should be allowed to Banks also. The Committee have selected the subject implementation of NREGA and the</p>

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		issues will be dealt with, in detail, during the course of examination.
28.	3.30	Here the Committee find that the matter regarding charging of service expenses is being taken up with the Department of Posts. The Committee recommend that the matter should be settled between the Department of Rural Development and Department of Posts by sitting across the table. The representatives of the Department of Posts should be persuaded not to deduct any service charges since this is a social sector scheme meant for the poorest of the poor and every section of the Government has the responsibility to ensure that maximum benefit reaches to the beneficiaries . Charging of 2 per cent as service expenses would ultimately result in reduction of 2 per cent of the allocation meant for the poorest of the poor.
29.	3.31	The Committee feel that there is not enough awareness about the scheme among people. In most of the districts in which the Committee visited during the study tours, the Committee found that people mistook the ration card for job card. The Committee have noted that in many places even the local Panchayat is not educated enough to carry out the scheme. The Committee recommend that the Ministry of Rural Development in consultation with the Ministry of Panchayati Raj draw a module covering all rural development schemes for the training of PRIs so that PRIs can effectively discharge their responsibility in carrying out the schemes. The role of NIRD and SIRDs may also be strengthened to organize training programmes for PRIs and District and Block level officials.
30.	3.32	The Committee further note that the guidelines have been slightly amended to allow work on

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		the individual land holdings and the number of persons required to start a work has been reduced to 10 from the existing 50 persons. The Committee only hope that with this amendment more and more people will be benefited by the scheme.
31.	3.33	The Committee note that 130 new districts have been added to the scheme from 2007-2008. During the launching of the scheme in its initial phase, the Committee had observed that the States were not equipped and needed some preparatory time for transfer of work from NFFWP to NREGA. The Committee desire that the concerned State and District Administrations be ready with the plan for the transition by making a list of works which are on-going and try to complete it as starting of the NREGA will require some minimum preparatory time. The machinery for wide publicity of the NREG scheme, issue of job cards, preparation of muster rolls may be geared up so that the problems experienced in the implementation of scheme in its initial phases does not recur.
32.	3.57	The Committee find that during the year 2006-07, the releases made under SGRY against the Revised Estimate allocation is almost 100 per cent. Further, during the year 2006-07, out of Rs. 3,000 crore, Rs. 2439 crore have actually been released as on 28 February, 2007. As regards State-wise performance during the year 2005-06 the percentage expenditure of total available fund is 83.79 per cent. Further, in some of the States like Arunachal Pradesh, Manipur, Andaman & Nicobar Islands, Lakshadweep the expenditure is less than 50 per cent and in Daman & Diu the expenditure is nil. During the year 2006-07, the percentage expenditure of the total available fund is 43.86 per cent. As regards State-wise

performance, almost all the States barring Assam, Gujarat, Orissa and Sikkim have utilized less than 60 per cent of the outlay. With regard to physical performance in different States, the information given by the Department indicates that no work has been completed in Manipur, Daman & Diu, Dadra and Nagar Haveli and Lakshadweep while in Goa only 12 works, in Andaman & Nicobar Islands 37 works and in Pondicherry 81 works have been completed during the year 2006-07. In Dadra and Nagar Haveli, Daman & Diu and Lakshadweep during the entire Tenth Plan, not even a single work was completed. From the aforesaid scenario, the Committee conclude that whereas the releases from the Union Government are almost 100 per cent, there are problems in certain States as indicated in the financial and physical performance of various States. The Committee would like the Department to analyze the position in various States/UTs and take the necessary action. The Committee may also be kept apprised.

33. 3.58 As regards allocation made under SGRY during the year 2007-08, the Committee note that Rs. 400 crore lesser than the previous year have been allocated. The Committee also note that during the year 2006-07 an additional 130 districts would be covered under NREGA and as such SGRY would be implemented in 130 lesser districts. As per the information provided by the Department, the allocation of cash component for the year 2007-08 has not been reduced in respect of remaining districts covered under SGRY during the year. The Committee also find that the allocation made under SGRY is lesser by Rs. 684 crore if compared to the proposed allocation. The Committee find that the districts where SGRY is being implemented have actually not been

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covered under NREGA. In view of the aforesaid position, the Department should ensure that adequate outlay to each of the districts is provided by the Department.

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3.59

The Committee have repeatedly been recommending to the Government to indicate the outlay required for foodgrains component under SGRY and special component of SGRY, the payment for which has to be paid to FCI/ Ministry of Food in the Budget documents and allocate adequate outlay at BE Stage. In spite of this, the position of indicating outlay at supplementary Grants stage continue with the Department. During the years 2005-06 and 2006-07, no allocation for food component was made at BE Stage. However, at the Revised Estimates stage Rs. 2,998 crore (including SGRY special component) and Rs. 3,000 crore respectively were allocated. During the year 2007-08, only Rs. 200 crore have been earmarked at the Budget Estimates stage. The Committee further note that to clear the outstanding dues to FCI, the Government of India has allowed FCI to raise special securities to the tune of Rs. 16,200 crore. This special security has been given by the Reserve Bank of India on behalf of the Central Government. The Department has further stated that the proposed amount during the year 2007-08 excluded Rs. 14989.64 crore towards settlement of FCI bills. It means that against the requirement of 14989.64 crore, only 200 crore have been provided during the year 2007-08 for foodgrains component. The Committee observe from the aforesaid information that there is utter confusion with regard to the settlement of dues to FCI on account of foodgrains component under SGRY and the erstwhile scheme 'National Food for Work Programme'. The Committee strongly recommend to the Government to settle all the

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		<p>dues to FCI. Besides sufficient allocation should be made at the Budget Estimates stage for foodgrains component under SGRY as has repeatedly been recommended by the Committee. The Committee would like to be apprised about the clear position of the outstanding dues to FCI as on date.</p>
35.	3.60	<p>The Committee further find that the Department has no monitoring mechanism to ensure the quality of foodgrains being provided to the beneficiaries under SGRY. The Ministry has never procured the information regarding the number of samples being checked by the officials of DPs/DRDAs. The Department has mentioned that they settle the FCI bills for foodgrains after the bills are authenticated by the respective DP/DRDA. It has further been mentioned that it would not be advisable to interfere into the powers delegated to the States for smooth implementation of the programme. The Committee are concerned to note the position with regard to the monitoring of quality of foodgrains provided under the aforesaid schemes. Although the allocation is being made by the Union Government, The Department has no concern with regard to the quality of foodgrains. The Committee strongly recommend to the Department to monitor the data with regard to the samples checked by the officials of DPs/DRDAs and take the necessary action to ensure that the foodgrains supplied to the beneficiaries are of at least minimum standard.</p>
36.	3.61	<p>As regards the cost of foodgrains provided under SGRY, the Committee find that there is variation in various States/UTs. Whereas the cost of rice has been fixed at BPL rates, in case of wheat in Chattisgarh and Karnataka the cost of wheat has been fixed above APL rates. In</p>



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all other States for which information has been provided, the rate is below BPL rates. The information with regard to 11 different States/UTs has not been indicated in the information given by the Department. The Committee further find that the equal rate of foodgrains calculated at BPL/APL rate is actually deducted from the wages payable to a labourer under SGRY and thus affects the interest of the poorest of the poor. In view of the aforesaid position, the Committee feel that the position of fixing the rate of foodgrains at BPL and APL rates needs to be reviewed. The Committee would like to be informed about the position of rates of foodgrains in the States in case of which the information has not been furnished so as to analyze the position and comment further in this regard.

37. 3.62 The Committee further find that out of 8,16,813 number of works undertaken under SGRY, as many as 3,74,905 works are still under progress. The Committee would like to strongly recommend to the Department to ensure that the issue of committed liabilities for these ongoing works is handled carefully while switching on from the erstwhile NFFWP and SGRY to NREGA specially when the type of projects allowed under SGRY are not allowed under NREGA. The Committee would also like to be apprised about how the Department has handled the committed liabilities for projects under implementation under SGRY in the 200 districts earlier merged with NREGA and the additional 130 districts which have now been merged with NREGA.
38. 3.73 The Committee find that rural housing is one of the six components of Bharat Nirman, the ambitious programme of the Government. The Government plan to construct 60 lakh houses

under Indira Awaas Yojana during the Bharat Nirman period *i.e.* 2005-06 to 2008-09. Besides as per the Approach Paper to Eleventh Plan the Planning Commission have set monitorable Socio-Economic Targets under which houses have to be provided to all rural poor by 2016-17. The Secretary during the course of oral evidence has informed the requirement of 200 lakh housing units to end shelterlessness in rural areas. However, if upgradation of kutchha houses is also included, the number comes to 400 lakhs. The data indicated by the Department show that during the year 2005-06 *i.e.* first year of Bharat Nirman period, the Department has achieved more than the physical targets of 15 lakh houses. However, during the year 2006-07, the achievement is just 58.23 per cent. The Department has indicated that the aforesaid shortfall in achievement of target was due to the fact that there was delay in the release of first instalment of funds under Indira Awaas Yojana because of non-preparation of permanent Indira Awaas Yojana waitlist by the States. Subsequently, the funds were released with the stipulation that the beneficiaries will be selected only out of the permanent Indira Awaas Yojana waitlist. This resulted in delayed implementation of the programme during the year 2006-07. The Committee would like to be apprised of the State-wise status of the preparation of permanent Indira Awaas Yojana waitlist. The Committee also emphasize to take the desired steps so that the targets set under Bharat Nirman period are fully achieved.

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The Standing Committee in the earlier report (refer para 2.69 of 22nd Report) had recommended to enhance the existing per unit assistance for construction of IAY house from Rs. 25,000 to Rs. 50,000 in plain areas and from

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Rs. 27,500 to Rs. 60,000 in hilly difficult areas. The Department has informed that the matter regarding enhancement in per unit cost of construction of IAY house is under consideration and the Department is actively pursuing it. The Committee note that the aforesaid scale of assistance under IAY was fixed way back during 2004. Since then there has been no revision in per unit assistance. Since the prices of construction material have increased considerably specifically during the last couple of years, the Committee strongly recommend that the per unit assistance under IAY should be enhanced as recommended earlier by the Committee. While recommending for enhancement of per unit cost of IAY house, the Committee also recommend that the annual allocation made under IAY needs to be enhanced considerably so that there is no reduction in the set targets under Bharat Nirman period and Eleventh Five Year Plan.

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3.76

The Committee find from the data indicated in the Outcome Budget that there is gross mis-match between the physical and financial achievement during different years. During the year 2005-06 whereas the financial achievement was to the tune of 107.68 per cent, the physical achievement was 79.67 per cent. To this anomaly, the Secretary during the course of oral evidence has stated that the mis-match may be due to huge opening balances, achievement of targets under special component and the combined data of new construction and upgradation, (the assistance provided for upgradation is around half of the assistance provided for construction). The Committee note that whereas the Department has separate data for shelterlessness and upgradation the achievement is not monitored separately for upgradation and shelterlessness. The Committee

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feel that it is difficult to know the position of shelterlessness in the absence of the aforesaid data. The Committee therefore recommend that the targets and achievement for upgradation, new construction as well as special component should be maintained separately so as to know the exact position and do the proper planning.

41. 3.82 The Committee find that Rs. 400 crore were sanctioned and released to the State Government of Bihar, during the year 2004-05 in order to re-construct IAY houses damaged by flood in 20 districts. At one place, the Department has stated that out of Rs. 400 crore, Rs. 270.74 crore were lying unspent thereby indicating that only Rs. 129.26 crore *i.e.* a little over 30 per cent could be utilized. At another place it has been mentioned that only 51.27 per cent of the total available funds could be utilized. As regards the physical targets it has been mentioned that 43.03 per cent of the target could be achieved. At another place it has been mentioned that the utilization certificates for the amount of Rs. 337.95 crore actually utilized out of the special package had already been received. The Secretary during the course of oral evidence further stated that State releases corresponding to the amount utilized is also yet to be made. The Committee find from the aforesaid data that there is utter confusion about the releases made and physical and financial targets achieved for the outlay released to Bihar under natural calamities.
42. 3.83 The Committee further observe from the information provided by the Department that the funds allocated for calamity relief to 20 districts of Bihar could not be utilized inspite of the linkage of releases of funds to normal IAY. In the same para it has been stated that the State Government officers had requested to

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allow them to transfer the unspent balance under the calamity head to the normal IAY. Again it has been stated that a case on these lines will be processed after receipt of formal request from the State Government. Three contradictory positions have been indicated in the same para. The Committee disapprove the way the IAY funds for natural calamities are being handled by the Department. The Committee would like clarifications from the Department on the aforesaid observations. They would like to be apprised about the visit of National Level Monitors, Area Officers to these flood affected districts where rehabilitation programme was going on along with their findings so as to know the ground reality in this regard.

43. 3.101 Pradhan Mantri Gram Sadak Yojana (PMGSY) was launched *w.e.f.* 24 December, 2000 with the objective to connect all habitations in rural areas with a population of 1000 or above by 2003 and all habitations having population of 500 and above by the year 2007. The targets were further spilled over and the Government projected to cover all habitations having the population of 1000 and above by the end of Tenth Plan. The Tenth Plan is now over and as stated by the Secretary, it is difficult to achieve the aforesaid target of connectivity of habitations having 1000 population even by Twelfth Plan. The Committee deplore the way huge pronouncements of unachievable targets without doing the proper planning are being made by the Government during different plans.
44. 3.102 The Committee would like to be apprised of the details of the initial projections of the outlay required and the present situation of the requirement of funds to achieve the targets of

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		connectivity of habitations of 1000 or above population. The Committee would also like to be apprised of the details of the States in which all the habitations having 1000 plus population have already been covered to know the exact status of implementation of the programme.								
45.	3.103	<p>The Committee while examining the Demands for Grants 2004-05 (refer para no. 3.114 of 3rd Report - Fourteenth Lok Sabha) had been apprised that there are 6,34,321 villages as per 2001 census and the number of habitations having population of 1000 and above are 2,31,331. The number of habitations below 1000 are as under:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td style="text-align: left;">500-1001</td> <td style="text-align: right;">205276</td> </tr> <tr> <td style="text-align: left;">250-501</td> <td style="text-align: right;">187591</td> </tr> <tr> <td style="text-align: left;">Below 250</td> <td style="text-align: right;">285044</td> </tr> <tr> <td style="text-align: left;">Total</td> <td style="text-align: right;">909242</td> </tr> </tbody> </table>	500-1001	205276	250-501	187591	Below 250	285044	Total	909242
500-1001	205276									
250-501	187591									
Below 250	285044									
Total	909242									
46.	3.104	<p>The Department has informed that 1,72,772 habitations having 1000 and above population are eligible to be covered under PMGSY. Out of which 34,691 habitations could be connected. Thus, the balance number of unconnected habitations are 1,38,581. State-wise position indicates that in Andhra Pradesh out of 980 eligible habitations, 889 habitations could actually be connected. Other States where almost 50 per cent or above eligible habitations could be covered are Maharashtra, Punjab, Rajasthan and Tamil Nadu. In other States, the number of habitations covered as compared to eligible habitations are less than 50 per cent. Further, analysis of the data indicates that in Bihar, Goa, Jammu and Kashmir, Jharkhand, Tripura and Uttranchal, the performance is worse. In these States less than 10 per cent of</p>								

the eligible habitations could actually be covered. In Haryana, out of 2 such habitations, none of the habitations could be covered. The Committee conclude from the aforesaid that the apprehension of the Secretary that it is difficult to achieve the targets of connecting 1,000 population and above by the end of Twelfth Plan seems to be correct. The Committee observe that a laudable initiative has been taken to provide the connectivity in rural areas under PMGSY. The connectivity is the basic infrastructure which can further lead to the economic progress of the rural areas. In this scenario, the Committee would recommend to the Government to take all the desired steps in consultation with the State Governments so that the connectivity to habitation of 1,000 and above population can be provided at least by the end of Eleventh Plan. The issue of providing connectivity to 9,09,242 habitations having less than 1,000 population can be taken subsequently. Besides, the Committee would also like to be apprised of the reasons for very slow progress in the aforesaid States. The Committee would also like to be apprised as to why only 2 eligible habitations in Haryana could not be covered under PMGSY.

47. 3.105 The Department has informed that tendering of works under PMGSY takes around three to four months. Thereafter, the expected time period for completion of projects is twelve months. The data indicated by the Department show 10,514 incomplete roads under Phase-I to Phase-IV during the period 2000-2001 to 2004-05. The Committee fail to understand as to why such a large number of roads remain incomplete even for the projects taken up during 2004-05. Some of the road works taken up during Phase I and Phase II *i.e.* 2000-2001 and 2002-03 are also lying incomplete, even

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		when six and seven complete years respectively have been passed. The Committee are unable to comprehend the position of such a large number of incomplete works in a programme which contains provisions of penalties for delay of work. The Committee would like the Department to explain the specific reasons for such a large number of incomplete works.
48.	3.106	The Committee find that as per the guidelines of PMGSY, whenever a road involves a bridge upto 25 metres, the funds are provided under PMGSY. However, beyond 25 metres the State has to provide funds. The Department has also stated that NABARD has been contacted to provide funds for State share through RIDF without any further technical examination of DPR. The Department has also mentioned that road work is not tendered unless the DPR for the bridge is approved with provision of funds. The Committee note that although the adequate provisions have been made in the guidelines to ensure that the road constructed under PMGSY do not remain unutilized due to the missing link and the problem of access, yet there may be cases where roads may have been constructed without making provision for the bridges over rivers. The Committee would like to be informed whether the Department has received any complaints through various levels of monitoring mechanism as well as through Area Officers Scheme etc. to know the ground situation in this regard.
49.	3.113	Pradhan Mantri Gram Sadak Yojana is one of the six components of Bharat Nirman programme. Bharat Nirman is the ambitious programme of the Government to achieve monitorable targets under different existing schemes. The Committee find that under Bharat Nirman component of PMGSY, 60 per cent



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allocation is being provided for upgradation and 40 per cent for new connectivity in different States. The State-wise details of allocation of funds for new connectivity and upgradation indicate that the aforesaid ratio of 60:40 has not been maintained in either of the States. No pattern of new connectivity and upgradation emerges from the State-wise data. In Arunachal Pradesh and Manipur, no outlay has been allocated for upgradation. In Meghalaya and Uttar Pradesh, the allocation of upgradation is more than the new connectivity and in the remaining States expenditure is more on new connectivity. The Committee observe that during the Bharat Nirman Period perhaps more emphasis is being given to upgradation as per the criteria of 60 per cent for upgradation and 40 per cent for renewal whereas the foremost objective of the PMGSY was to provide new connectivity to unconnected habitations. However, 20 per cent of the outlay could be used for upgradation as per the guidelines of PMGSY. In view of the aforesaid position under Bharat Nirman perhaps the objective of connectivity has got the backseat. That may be the reason for not achieving the targets of connectivity in different States, the analysis of which has been given in the preceding para of the report.

50. 3.114 The Committee further find that there is a lot of confusion with regard to targets fixed under Bharat Nirman and PMGSY. The Secretary has explained that there is no separate funding or guidelines for Bharat Nirman whereas the Department has given separate data for Bharat Nirman and PMGSY works which indicates that perhaps there are separate targets and achievements under PMGSY and Bharat Nirman component whereas the Department has indicated the separate information in the

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written replies, no such data has been indicated in the Outcome Budget. However, the Department has assured that during the next year separate targets versus achievements would be indicated for Bharat Nirman and PMGSY in the Outcome Budget also. In view of the aforesaid scenario, there is utter confusion between the position of Bharat Nirman and PMGSY. As regards the guidelines, on the one hand it has been stated that the guidelines for PMGSY and Bharat Nirman are same, on the other hand the allocation for upgradation indicates that thrust under Bharat Nirman is more on upgradation whereas PMGSY guidelines give more emphasis on new connectivity. The Committee would like the clarification from the Department on the aforesaid observations so as to analyze the position and comment further in this regard.

51. 3.115 The Committee further observe that under PMGSY the maintenance after completion of contract work of road has to be taken care of for five years by the contractor as per the contractual clause entered in the agreement. The area of concern is maintenance of roads after five years. The Department has informed that there are State Rural Road Development Agencies in each State, which have the overall responsibility for construction and maintenance of rural roads. The Department is making efforts to transfer the responsibility of maintenance of rural roads to this agency. The Committee find that for adequate maintenance of PMGSY roads after the contract, adequate funding and capacity building of State level agencies is required. The Committee would like that the Department should take the decision expeditiously to transfer the roads constructed under PMGSY to State Rural Road Development agencies after the contractual

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		<p>period of five years is over so that the roads constructed after spending crores of money are not damaged after a certain period of time. Besides taking decision to transfer the PMGSY roads to State Rural Road Development agencies, the Union Government has to take decision to partially fund these agencies so that PMGSY roads are maintained properly.</p>
52.	3.135	<p>From the data provided by the Department regarding performance of SGSY, the Committee find that the percentage of credit disbursed by seven States and one Union territory <i>viz.</i> Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, West Bengal and Pondicherry is dismal and well below 50 per cent during 2005-2006. Even though the Government has furnished the reasons behind the poor disbursement credit in these States, the Committee feel, corrective steps taken are inadequate to have a better result as during 2006-2007, these States have again not performed well. As SGSY is one of the oldest and important Schemes of the Department, the Committee feel that the Government has to critically analyse the performance of SGSY after interacting with the Banks, respective State Governments, PRIs and all other stake holders. Besides, they feel, steps to provide both forward and backward linkages to SHGs and individual swarozgaries be taken to maintain the viability of the Scheme.</p>
53.	3.136	<p>The Committee have repeatedly been emphasizing on the need to address the issue of poor performance of Bankers which has resulted in poor credit off-take under SGSY at the various levels. In spite of this, there is no considerable improvement in the performance of various Banks. The information furnished by the Department indicates that as many as</p>

2643 Bank Branches have been marked as poor performing Bank Branches. Out of these 2643 poor performing Bank Branches, 1,297 are Commercial Bank Branches and the remaining 1,346 are Regional Rural Banks and Cooperative Bank Branches. The poor performing Branches are more in Andhra Pradesh, Bihar, Gujarat, Assam, Himachal Pradesh, Madhya Pradesh, Rajasthan and Uttar Pradesh. The Committee further note that the details of poor performing Bank Branches have been furnished to Reserve Bank of India and Ministry of Finance for further necessary action and special monitoring during the current year. In spite of the various directions issued by the Ministry of Finance and Reserve Bank of India through various meetings, there is no considerable change in the attitude of Bankers. The Committee feel that Bankers are required to be sensitized about the need to shoulder responsibility with regard to making credit available at affordable rate of interest to the Self Help Groups under SGSY. Since the present efforts being made by way of meetings and directions are not resulting in considerable improvement, perhaps there is a need to have the system of incentives and disincentives for various Bank Branches. Besides, more rural Bank Branches need to be opened by Commercial Banks. It should be ensured that each Panchayat Headquarter has a branch of Commercial Bank within a stipulated period of time. To have proper monitoring by RBI and Ministry of Finance a separate window for making available credit under SGSY needs to be opened. The Committee strongly recommend to the Department to convey aforesaid observations to the Ministry of Finance and the Heads of various Commercial Banks for taking the desired initiative. The follow up action in this regard may be communicated to the Committee.

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54.	3.142	<p>The Committee find that most of the Swarozgaris have to sell their products in the market on their own because there is lack of institutional arrangements being made for the aforesaid schemes. The Committee feel that the profits of Swarozgaris are considerably reduced if they resort to self marketing. Another area of concern is the competitiveness in the market. The Government has to think of all these aspects seriously and provide the protection to the self help groups. Besides, to enable the self help groups to face the competition in the market stress need to be given to training aspect so that the products produced by the beneficiaries are competitive in the market. More and more Gramshree Melas, like SARAS, organized during the India International Trade Fair in Delhi and Delhi Haat, should be organized in other States of the country so as to enable Swarozagirs to sell their products in such Melas.</p>
55.	3.143	<p>The Committee further find that the Department has taken certain initiatives for creation of permanent infrastructure for marketing of SGSY products in various cities. For creation of aforesaid marketing structure, the State Governments have to help by providing the land free of cost for these projects. However, the entire expenditure on construction has to be borne by the Union Government. The Committee also find that the Department is facing technical problems for addressing to the need of creating marketing structures in different cities. The Department has informed that the current marketing sub-head under the SGSY broad head of account does not permit any capital expenditure it being a revenue head. The creation of such a capital expenditure sub-head will help in creating marketing infrastructure for SGSY products. The</p>

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Committee recommend to consider creation of a head under the marketing sub-head under SGSY major head so that the technical problem being faced by the Department can be addressed. The Committee also recommend that initially all State Headquarters should have one dedicated marketing complex for rural products particularly of artisans which can be extended to cover all the districts in a time bound manner. The Committee find that at the National level, there is no agency that can exclusively handle the marketing aspects of the rural products in a systematic and sustainable basis connecting all Self Help Groups with domestic and international markets is a task that is not being addressed institutionally by the Department at present. There is an urgent need for creating a dedicated National Marketing Agency for providing professional marketing support to products of Self Help Groups and act as a facilitator. The Committee recommend to the Government to consider setting up of the aforesaid National Marketing Agency.

56. 3.154 The Committee are concerned to note the under-spending by CAPART during 2006-2007. Rs. 70 crore were allocated to CAPART during 2006-2007 against which Rs. 35 crore were released in February 2007. However, during 2006-2007, CAPART had an opening balance of Rs. 27.51 crore. Thus, the total available funds with CAPART during 2006-2007 was Rs. 62.51 crore. The actual expenditure of CAPART upto February, 2007 is Rs. 44.96 crore which means that about Rs. 17.55 crore are still lying unspent with CAPART. The Committee feel that spending of such large amount of funds at the fag end of the year is not a healthy practice. The Committee desire that suitable corrective measures be taken from the year 2007-2008

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		onwards, so that expenditure is evenly spread throughout the year and heavy expenditure at the fag end of the year is avoided.
57.	3.155	<p>The Committee also note the recent changes like streamlining the procedure and taking new initiatives which focus on the holistic development of the most backward districts in the States. CAPART has also signed a Memorandum of Understanding (MoU) with Centre for Sustainable Technologies (SCT) of Indian Institute of Science (IISc), for technology upgradation, adaptation, standardization of currently available technologies developed at Indian Institute of Science to different regions as well as develop new designs in response to demand on water, sanitation, housing, rural energy, field testing and networking developmental agencies and nodal NGOs. In addition, CAPART is also focusing on four or five research areas in improvement of health of rural women with the help of NGOs. CAPART has also set up about eight model programmes including biogas model for excellent, cheap and smoke free <i>chullah</i>. The Committee recommend that CAPART should step up the exposure of NGOs and other implementing agencies to such activities so that certain problem areas of rural development sector like water, sanitation, housing, rural energy, field testing etc. are addressed. The Committee also hope that with the restructuring of CAPART their functioning would be more effective and help in coordinating the activities of the NGOs and other implementing agencies. The Committee would like to be apprised further in this regard.</p>
58.	3.169	<p>The Committee note that NIRD at the Central level, SIRD at the State level and ETCs at the district/block level are the premier institutions</p>

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involved for imparting training and capacity building of Panchayats and other functionaries involved with the implementation of various programmes meant for the upliftment of rural masses. However, during 2006-2007, NIRD could conduct only 199 programmes as against the target of conducting 230 programmes. Further, no research activity has been completed in 2006-2007. The shortfall in achievement of targets is a matter of great concern. The Committee feel that with the added responsibilities, the challenge of imparting training to Panchayats and other implementing agencies cannot be met only by NIRD, SIRD and ETCs. While NIRD has designed training modules for some rural development schemes like NREGA, SGSY, Swajaldhara, IAY and IWDP. Further, NIRD has identified 26 institutions like IRMA and Xavier Institute of Management, Bhubaneswar for the purpose of imparting training. The Committee desire that to meet the huge demand of training and research activities, some Universities and Institutions that are doing good work in the field of rural development may be roped in and measures may be taken to support such institutions. Besides, more training modules may be designed by NIRD to cover other rural development schemes which should be revised suitably as and when the rural development schemes are restructured. The Committee would like to be apprised further in this regard.

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