

THIRTY-THIRD REPORT  
STANDING COMMITTEE ON  
RURAL DEVELOPMENT  
(2007-2008)

(FOURTEENTH LOK SABHA)

MINISTRY OF RURAL DEVELOPMENT  
(DEPARTMENT OF RURAL DEVELOPMENT)

DEMANDS FOR GRANTS  
(2007-2008)

*[Action taken by the Government on the recommendations contained in  
the Twenty-ninth Report of the Standing Committee on  
Rural Development (Fourteenth Lok Sabha)]*

*Presented to Lok Sabha on  
Laid in Rajya Sabha on*



LOK SABHA SECRETARIAT  
NEW DELHI

*March, 2008/Phalguna, 1929 (Saka)*

**33**

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RURAL DEVELOPMENT  
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**LOK SABHA SECRETARIAT  
NEW DELHI**

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COMPOSITION OF THE STANDING COMMITTEE ON  
RURAL DEVELOPMENT (2007-2008)

Shri Kalyan Singh     *Chairman*

MEMBERS

*Lok Sabha*

2. Shri Mani Charenamei
3. Shri V. Kishore Chandra S. Deo
4. Shri Sandeep Dikshit
5. Shri George Fernandes
6. Shrimati Kiran Maheshwari\*
7. Shri Zora Singh Mann
8. Shri Hannan Mollah
9. Shri D. Narbula
10. Shri A. F. G. Osmani
11. Shri T. Madhusudan Reddy
12. Adv. Renge Patil Tukaram Ganpatrao
13. Shrimati Tejaswini Gowda
14. Shrimati Jyotirmoyee Sikdar
15. Shri Sita Ram Singh
16. Shri D.C. Srikantappa
17. Shri Bagun Sumbrui
18. Shri Tarit Baran Topdar<sup>#</sup>
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 Shrimati Kiran Maheshwari, MP (LS) from Standing Committee on Water Resources to Standing Committee on Rural Development *w.e.f.* 30 August, 2007, *vide* Lok Sabha Bulletin Part II, Para No. 4022 dated August 30, 2007.

<sup>#</sup> Hon ble Speaker has changed the nomination of Shri Tarit Baran Topdar, MP (LS) from Standing Committee on Energy to Standing Committee on Rural Development *w.e.f.* 12 December, 2007 as intimated *vide* Lok Sabha Bulletin Part II, Para No. 4366 dated 12 December, 2007.

*Rajya Sabha*

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

SECRETARIAT

- |                           |                             |
|---------------------------|-----------------------------|
| 1. Shri S.K. Sharma       | <i>Additional Secretary</i> |
| 2. Shri P.K. Grover       | <i>Joint Secretary</i>      |
| 3. Shrimati Sudesh Luthra | <i>Director</i>             |
| 4. Shri G.C. Prasad       | <i>Committee Officer</i>    |

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@Hon ble Chairman, Rajya Sabha nominated Shrimati Kanimozhi, MP, (RS) to Standing Committee on Rural Development *w.e.f.* 15 September, 2007 *vide* Lok Sabha Bulletin Part-II, Para No. 4096 dated 19 September, 2007.

## INTRODUCTION

I, the Chairman of the Standing Committee on Rural Development (2007-2008) having been authorised by the Committee to submit the Report on their behalf, present the Thirty-third Report on the action taken by the Government on the recommendations contained in the Twenty-ninth Report of the Standing Committee on Rural Development (2006-07) on Demands for Grants (2007-2008) of the Department of Rural Development (Ministry of Rural Development).

2. The Twenty-ninth Report was presented to Lok Sabha on 14 May, 2007. The replies of the Government to all the recommendations contained in the Report were received on 23 October, 2007.

3. The replies of the Government were examined and the Report was considered and adopted by the Committee at their sitting held on 25 February, 2008.

4. An analysis of the action taken by the Government on the recommendations contained in the Twenty-ninth Report of the Committee is given in Appendix V.

NEW DELHI;  
04 March, 2008  

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14 Phalgun, 1929 (Saka)

KALYAN SINGH,  
*Chairman,*  
*Standing Committee on*  
*Rural Development.*

## CHAPTER I

### REPORT

This Report of the Committee on Rural Development (2006-07) deals with the action taken by the Government on the recommendations contained in their Twenty-Ninth Report on Demands for Grants (2007-08) of the Department of Rural Development (Ministry of Rural Development) which was presented to Lok Sabha on 14 May, 2007.

2. Action taken replies have been received from the Government in respect of all the 58 recommendations which have been categorised as follows:

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

Para Nos.: 2.22, 2.46, 2.47, 2.48, 2.54, 2.55, 2.56, 3.31, 3.32, 3.33, 3.57, 3.58, 3.59, 3.60, 3.61, 3.62, 3.76, 3.101, 3.102, 3.103, 3.104, 3.105, 3.106, 3.113, 3.114, 3.135, 3.142, 3.143, 3.154, 3.155 and 3.169

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

Para No.: 2.13

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

Para Nos.: 2.9, 2.10, 2.11, 2.12, 2.19, 2.20, 2.21, 2.35, 2.36, 2.37, 2.38, 2.39, 2.42, 2.43, 3.25, 3.26, 3.27, 3.28, 3.73, 3.82, 3.83 and 3.115

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

Para Nos.: 3.29, 3.30, 3.74 and 3.136

**3. The Committee desire that final replies in respect of the recommendations at Para Nos. 3.29, 3.30, 3.74 and 3.136 for which interim replies have been furnished by the Government should be furnished to the Committee within three months of the presentation of the Report.**

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

**A. Comparative position of allocation made for the Department of Rural Development under different Plan schemes**

**Recommendation Serial Nos. 1, 2, 3 & 4  
(Para Nos. 2.9, 2.10, 2.11 & 2.12)**

5. The Committee had recommended as under:

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, PMGSY and IAY aim to improve quality of life for the rural population. The objectives of the various schemes can be achieved only with the adequate allocation during different Plans.

*Recommendation (Para No. 2.9)*

The Committee find that the percentage hike in allocation of outlay has declined after 2005-06. As against the hike of 37.62 per cent during 2005-06 and 23.69 per cent during 2006-07, the hike is just 13.28 per cent during the year 2007-08. 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.

*Recommendation (Para No. 2.10)*

Another trend noticed by the Committee is that whereas during the year 2006-07, 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.

*Recommendation (Para No. 2.11)*

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.

*Recommendation (Para No. 2.12)*

6. The Department in the action taken replies have stated as under:

The mandate of the Ministry is to reduce poverty, development of infrastructure and to provide amenities in the rural areas. There have been consistent efforts to get the enhanced central allocation for the programmes of Ministry of Rural Development. This is evident from the Budget Estimates of 2007-08 as compared to the Budget Estimates of the 2006-07 of the Ministry. The Budget Estimates were Rs. 31443.62 crore in 2006-2007 and it has now been enhanced to Rs. 41060.00 crore during 2007-08 reflecting an increase of 30.6 per cent.

The Budget Estimates for Department of Rural Development is Rs. 32,000 crore which is higher by 33.19 per cent over previous year. The allocation for PMGSY is Rs. 11,000 crore (including Rs. 4500 crore loan from NABARD) *i.e.* 110.50 per cent higher as against Rs. 5225.62 crore during 2006-07. Similarly other programmes which have been provided higher allocations are Rural Housing, Rs. 4040 crore against Rs. 2920 crore of previous year 2006-07 *i.e.* 38.36 per cent higher of the previous year. SGSY budget estimate is Rs. 1800 crore as against Rs. 1200 crore which is 50 per cent higher than that of previous year 2006-07. Since 130 districts have been added under NREGA, number of districts under SGRY has declined hence lower outlay. NREGA is demand based programme, allocation has no implication as funds will be made available whenever needed.

*Reply to Recommendation (Para No. 2.9)*

The trend of Budget Estimates during the last four years in respect of Department of Rural Development indicates that there has been a consistently significant increase in allocation of funds. During 2004-05, the Budget Estimates were Rs. 11437.40 crore which was increased to Rs. 18334 crore representing an increase of 60.30 per cent. During 2006-07, the BE was Rs. 24025.62 crore which reflected an increase of 31.04 per cent over 2005-06 and during 2007-08, the BE have been provided as Rs. 32000 crore (including Rs. 4500 crore NABARD loan) reflecting an increase of 33.19 per cent over the BE of 2006-07. The reduction of outlay under SGRY during 2007-08 is mainly on account of the fact that NREGA has been extended to another 130 districts where the SGRY has been subsumed with NREGA. The NREGA being a demand based programme, BE has no implication as funds will be provided as and when required for it. There has been an overall increase in the Central allocation, however, there has been marginal decrease in respect of Council for Advancement of People's Action and Rural Technology (CAPART) and District Rural Development Agency (DRDA) Administration which are the supporting components.

*Reply to Recommendation (Para No. 2.10)*

Generally, there is no direct co-relation between the growth and tax revenue and the outlay of Department of Rural Development. However, the concern of the Committee regarding the enhancement of social sector outlay in proportion to tax revenue collection is appreciated. The programmes of the Ministry of Rural Development are part of social sector development. There are other Ministries such as Ministry of HRD, Social Justice & Empowerment, Health and so on which are also implementing the programmes relating to social sector. The Department of Rural Development had proposed higher allocation. However keeping in view funds constraints and other issues, funds of rural development programmes have been provided. The size of budget allocation at the beginning of the year may not have any impact on the implementation of NREGA as it is not an allocation based programme and adequate funds will be provided as and when required. As mentioned in reply to Recommendation No. 2.9, there is 30.6 per cent increase in the Central outlay for the schemes of Department of Rural Development during 2007-08 as compared to the Budget allocation of the previous year 2006-07. The Ministry has initiated action to step up implementation of programmes during the year and utilize funds as early as possible.

A meeting of Secretaries of Rural Development Programmes of all States was held on 12-13 April, 2007 to chalk out strategy for this purpose.

*Reply to Recommendation (Para No. 2.11)*

As mentioned in reply to Recommendation No. 2.9, there is 30.6 per cent increase in the Central outlay for the schemes of Ministry of Rural Development during 2007-08 as compared to the Budget allocation of the previous year 2006-07. The Ministry has initiated action to step up implementation of programmes during the year and utilize funds as early as possible. A meeting of Secretaries of Rural Development Programmes of all States was held on 12-13 April, 2007 to chalk out strategy for this purpose.

*Reply to Recommendation (Para No. 2.12)*

**7. While analyzing the Demands for Grants 2007-2008 of the Department of Rural Development, the Committee had expressed concern over the decrease in percentage of allocation in subsequent years during the Tenth Plan period. However, the Department of Rural Development has tried to justify the position by stating that the Budget Estimate of the Ministry of Rural Development during 2006-2007 was Rs. 31,443.62 crore while during 2007-2008, it has been enhanced to Rs. 41,060 crore thus reflecting an increase of 30.6 per cent. As per the earlier information furnished by the Department, the allocation for the Department of Rural Development during 2007-08 was Rs. 27,500 crore which is only 13.28 per cent higher over the pervious year allocation of Rs. 24,275.62 crore. The Committee feel that their observation has not been taken in the right perspective. While the Committee in their report have analysed the allocation of funds over subsequent years of the Tenth Plan period only of the Department of Rural Development, the Department has furnished the data with regard to the entire Ministry which include other Departments also like the Department of Land Resources and the Department of Drinking Water Supply. Not only that the Department has tried to justify the allocation made under different schemes/ programmes during 2007-08, irrespective of the fact that the allocation is 33 per cent less than the projected outlay of the Department and there is reduction in the outlay earmarked under SGRY, CAPART and DRDA administration as observed by the Committee.**

Further, in response to the Committee's observation regarding sharing of tax revenue among the social sector in a way that it is proportionate to the percentage growth in tax revenue collection, the Department has stated that generally, there is no co-relation between the growth and tax revenue and the outlay of Department of Rural Development. Besides the Ministry of Rural Development, other Ministries such as the Ministry of Human Resource Development, Social Justice and Empowerment, Health etc. are also implementing the programmes related to the social sector. The Committee observe that the Department of Rural Development has a great role to play in the development of the social sector when compared to the other Departments. The schemes being implemented by the Department of Rural Development have tremendous impact on the social sector especially in the rural areas by providing drinking water, housing, employment, alleviating poverty, increasing capacity building, improving rural infrastructure, sanitation, encouraging group activity etc. In view of this, the Committee feel that although there may not be any direct co-relation between the growth in tax revenue collected and the outlay of the Department, the enhancement in allocation for the Department of Rural Development should be at least proportionate to the growth in tax revenue collection so that the benefit of rural development schemes reaches a larger group of rural population especially the poorest of the poor. In view of the aforesaid position, the Committee reiterate that the issue of enhancement of allocation under different schemes should be taken up with the Planning Commission and Ministry of Finance and they be apprised of the concerns of the Committee in this regard.

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

##### **Recommendation (Serial Nos. 5, 6 & 7, Para Nos. 2.19, 2.20 & 2.21)**

#### **8. The Committee had recommended as under:**

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 finalized. 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.* 14th 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 finalization of BPL list. On the part of the Ministry, they have repeatedly 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 finalise 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 finalization 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.

*Recommendation (Para No. 2.19)*

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/Minister of State Governments etc. Besides, the matter needs to be deliberated at the Chief Ministries 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 benefit envisaged under the various programmes.

*Recommendation (Para No. 2.20)*

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 the finalization 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.

*Recommendation (Para No. 2.21)*

9. The Department in the action taken replies have stated as under:

As the Committee has rightly observed, this Department has been making consistent efforts to get the results of BPL Census 2002 finalised at the earliest possible. As a result of these efforts, some more States like Karnataka, Punjab, Rajasthan, Mizoram, Himachal Pradesh, Maharashtra, Gujarat and Nagaland have also finalized the new BPL list. In Haryana, the State Government has ordered to carry out the re-survey of the BPL families in view of large scale complaints. The matter is being regularly

reviewed with the remaining States and UTs at various levels. The Committee is well aware of efforts made by the Ministry at each level and even addressed letters to the Chief Ministers. However, due to receipt of a large number of applications/appeals, it took considerable time to dispose them of, through two stage appeal mechanism, which has been provided to redress the grievances of the people. As the Committee is well aware, the Ministry is making concerted efforts and is closely following it up with the States at each level. So far 17 States/UTs have finalized BPL List.

*Reply to Recommendation (Para No. 2.19)*

The concerns of the Committee regarding the delay in finalizing the BPL list are equally shared by this Ministry and the matter has been taken up with the State Governments at various levels such as with the State Secretaries and Chief Secretaries besides discussing the matter in the meetings of the Performance Review Committee. The Hon ble Minister of Rural Development has also taken up this issue with the respective Chief Ministers of the respective States. 12 States/UTs have already finalized the new BPL list and posted on their websites and a number of States will be completing this exercise very soon.

*Reply to Recommendation (Para No. 2.20)*

It may be pointed out that the number and proportion of BPL population living in the country is determined by the Planning Commission and are the only officially recognized estimates. The purpose of BPL Census conducted by this Ministry is only to identify those BPL families in the rural areas who could be targeted under the programmes of this Ministry. There is no point in having a large list of identified BPL families. Identified list should be two-three times of families likely to be assisted during a five year plan keeping in view resources made available, rather than 10-15 times and unnecessarily arise expectations of crore of families to get assistance in poverty alleviation programmes. This may lead to cornering benefits by relatively better of households in the BPL list. Keeping in view the above, States were advised to have a cut off points.

It is clarified that for the BPL Census 2002, the guidelines did not restrict the number to the poverty estimates of 1999-2000 of Planning Commission. In fact it has been provided that the States



can identify the number of BPL families which may be equal to the Poverty Estimates of 1999-2000 or the Adjusted Share whichever is higher with another 10 per cent flexibility. According to Poverty Estimates of 1999-2000, it was estimated that about 3.86 crore families were living Below the Poverty line in rural areas. However under Adjusted Share, the number of such families was worked out as 4.88 crore. With the above option, the States/UTs were having the flexibility to identify roughly up to 5.4 crore families as BPL in the rural areas which is much higher as compared to the Poverty Estimates of 1999-2000, and the latest poverty estimates of 2004-05. This provides enough flexibility to the States/UTs in deciding the number of BPL families. Earlier also it was clarified that since the list of BPL families is to be decided and approved by the Gram Sabhas in a transparent manner, the scope for any discretion on the part of any agency or official etc. has already been minimized. The issue of putting any cap on the total number of BPL families will be discussed while deciding the methodology for the next BPL Census.

*Reply to Recommendation (Para No. 2.21)*

**10. The Committee find that even after so much effort made by the Department, only 17 States/ UTs have finalised the BPL list. Further, the Department has not mentioned whether the mandatory approval of the Gram Sabhas in the 17 States/UTs has been obtained before finalizing the list which is stipulated under the guidelines of BPL Census 2002. The Committee also find from the replies furnished by the Department that in the State of Haryana, the Government has ordered to carry out a re-survey of the BPL families. Further, the status of BPL list in various States as furnished by the Department is contradictory. In reply to recommendation Para No. 2.19, the Department has stated that 17 States/UTs have finalised the BPL list. However, in reply to recommendation Para No. 2.20, the Department has stated that 12 States/UTs have finalised the BPL list.**

While reiterating their recommendation on expediting the finalisation of BPL list, within a stipulated time frame as discussed and decided in consultation with the State Secretaries, the Committee would like to be apprised of the actual number of States/UTs where the BPL list has been finalised and the number of States/UTs who have posted the BPL list on their official website. Further, the Committee would also like to be apprised as to when the last Performance Review Committee meeting was held and what was the outcome of the meeting.



In addition to what has been stated above, the Committee have repeatedly been expressing strong concern over the unnecessary cut off limit imposed by Planning Commission on the number of BPL households to be identified by various State Governments. Even when it has been stated that the aforesaid gap would be discussed while deciding the methodology for the next BPL census, the Department has unnecessarily tried to justify the cut off limit by giving various reasonings. The Committee disapprove the reasoning given by the Department that the identified lists should be 2-3 times of families likely to be assisted rather than 10-15 times which raise expectations of crore of families to get the assistance in the poverty alleviation programmes. The Committee fail to understand how the Union Government can set a limit on the number of BPL households keeping in view the resources available particularly when there is a set criteria of identification of families. How a family which is BPL as per the set criteria can be excluded due to the reasons that sufficient resources are not available with the Government is hard to be comprehended. The Committee are very much concerned about the families actually living below the poverty line but getting deleted on account of the unnecessary cut-off limit imposed by the Government. There appears to be no logic in denying the families their right to the resources meant for the BPL families if they are falling under that category. While reiterating the repeated concerns of the Committee on the cut off limits fixed by Planning Commission, the Committee would like that their concerns should be taken into consideration while deciding the methodology for the next BPL Census.

#### C. Revision of the BPL list through appeal mechanism

##### **Recommendation (Serial No. 8, Para No. 2.22)**

##### 11. The Committee had recommended as under:

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.

12. The Department in the action taken replies have stated as under:

The Ministry has taken steps to ensure that the new BPL list is prepared in a transparent manner. It has been provided in the guidelines that a photocopy of the survey form will be provided on demand to anybody to reveal how the scores have been given. A two-stage appeal mechanism has been introduced under which, the first appeal can be filed before the SDM or the Tehsildar as the case may be. However, if somebody still has a grievance, the final appeal can be filed with the Collector. It has also been provided to dispose of the appeals at each level in a time-bound manner. The new names can be added and ineligible names deleted from the BPL list 2002 on a continuous basis through the appeal mechanism as provided under the guidelines.

**13. The Committee appreciate the steps initiated by the Department to provide two stage appeal mechanism in the guidelines whereby new names can be added and the ineligible names deleted from the BPL lists on a regular basis. As per the information provided by the Department, in most of the States BPL list based on Census 2002 are still to be finalized. The Committee feel that the aforesaid process of appeal mechanism can help the beneficiaries whose names have not appeared in the list only when the BPL Survey 2002 results are finally available. Further, the Committee would also like the Department to monitor whether the benefits of the aforesaid two stage appeal mechanism are actually being extended to beneficiaries in the States where BPL lists have been finalized. The poorest of the poor further need to be made aware about the availability of appeal mechanism provided in the guidelines. The State Governments may be required to take the desired steps to make the people aware about it.**

In addition to what has been stated above, the Committee find that the benefits of addition/deletion of BPL households can be provided only when the State Governments have the authority to finalise the BPL list on the basis of criteria fixed in a particular Census. In the event of fixing the cut-off limits by the Union Government, the Committee have the apprehension on the fruitfulness of the aforesaid appeal mechanism. The Committee may like the Department to clarify the position in view of the aforesaid apprehension of the Committee.

#### **D. Monitoring Mechanism**

**Recommendation (Serial Nos. 9, 10, 11, 12 & 13,  
Para Nos. 2.35, 2.36, 2.37, 2.38 & 2.39)**

14. The Committee had recommended as under:

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 in spite 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 Utilisation certificates amounting to Rs.744.45 crore are still pending under different schemes of the Department.

*Recommendation (Para No. 2.35)*

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 meant 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 Committees 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.

*Recommendation (Para No. 2.36)*

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 utilized and the outlays allocated in the social sector projects actually reach to the intended beneficiaries.

*Recommendation (Para No. 2.37)*

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 feedback. There is a need to strengthen the complaint mechanism. The minimum standards prescribed for a project, durability of assets created

etc. should be published 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 along with 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.

*Recommendation (Para No. 2.38)*

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.

*Recommendation (Para No. 2.39)*

15. The Department in the action taken replies have stated as under:

As the Committee has rightly noticed the elaborate system of monitoring in the Ministry, the objectives of having such multi level and multi tool monitoring mechanism is to ensure efficient delivery at grass root level including proper and faster utilization of funds. The Ministry has taken a number of steps to ensure maximum utilization of funds and minimize the closing balances like quarterly target for utilization of funds, certain percentage of utilization of funds to become eligible for release of 2nd installment, cut in allocations/released if opening balances are higher than 10 per cent etc. It may be clarified that as a policy, the Ministry has allowed to carry forward 10 per cent as closing balance to continue programme during next financial year (till the first installment is received by them). The Committee is well aware that due to budgetary approval process, normally it takes 1-2 months to get first instalment by the implementing agencies. The opening balances are utilized by them during this period.

*Reply to Recommendation (Para No. 2.35)*

As per information received from States and District administration the position regarding holding meetings of

Vigilance and Monitoring Committee at District and State levels during 2006-07 is as given below:

**Meetings of the District level V&MCs**

Sl.No.	Year	No. of Districts where meetings of District level V&MCs held	Total number of Distt. V&MC meetings held
1.	2006-07	465	738

**Meetings of the State level V&MCs**

Sl.No.	Year	No. of Districts where meetings of District level V&MCs held	Total number of Distt. V&MC meetings held
1.	2006-07	22	32

This Ministry has taken various steps to ensure that the meetings of the Vigilance and Monitoring Committees at State and District levels are held regularly. To emphasize the importance of the meetings of V&MCs, instructions have been issued to all States/UTs and District Administrations *vide* this Ministry's letter dated 10th August, 2006 that in future while processing proposals for releasing second installment of funds under various programmes of this Ministry, the status of meetings held at State/District level V&MC will also be taken into account. The second installment of funds under various programmes will be released only after getting confirmation that at least one meeting of the V&MC has been held at the State and District level and this information is indicated in the proposals for release of 2nd installment for each programme of this Ministry. However, considering the problems faced by many State Governments and District administrations in holding these meetings, this condition was relaxed for the year 2006-07. Further to ensure that at least one meeting of the District V&MC is held at the State and District level, the guidelines for V&MCs have been amended and a provision has been made for holding a Special Meeting of V&MCs in July or August if no meeting of V&MC could be arranged in the first quarter due to any reason. With the amendment of these guidelines it is hoped that now at least one meeting of the V&MC will be arranged at the State and District level during each year.

The Area Officers make all efforts to visit the allocated districts on Quarterly basis, but due to pre occupations, Parliament Session

and preparation of other documents for various meetings etc. it becomes difficult to adhere to the prescribed schedule. To ensure that all the districts are covered for physical and financial achievements, the district level monitoring mechanism through independent Research Organisations is being implemented. As suggested, the findings of the Area Officers will be indicated in the Outcome Budget document.

*Reply to Recommendation (Para No. 2.36)*

This Ministry has already issued instructions *vide* letter dated 2nd August, 2005 that the District Collector being the Member Secretary is responsible for conducting these meetings regularly. It is also stated in these instructions that in cases where the Chairman of the District V&MC is preoccupied and has not indicated any dates for convening such meetings, the Member Secretary should ensure, in consultation with the co-Chairman, that these meetings are convened within 15 days of the end of each quarter under intimation to the Chairman/co-Chairman and all other members.

This Ministry has also already issued instructions *vide* letter dated 10th August, 2006 that in future while processing release of second installment of funds under various programmes of this Ministry, the status of meetings held at State and district level V&MCs will also be taken into account. The second installment of funds under various programmes will be released only after getting confirmation that at least one meeting of V&MC has been held at the State and District level during that year and this information is indicated in the proposals for release of second installment for each programme of this Ministry. As mentioned in reply to above para, provision has been made for special meeting of the District Level Vigilance and Monitoring Committee to make Member Secretary accountable for not holding of these meetings.

*Reply to Recommendation (Para No. 2.37)*

The Ministry of Rural Development has laid down specific provisions for quality aspects of the projects created under its programmes. The independent agencies are also furnishing regular reports regarding the quality of projects after physical verification of these assets. The State Governments have been advised from time to time to adopt five pronged strategy *i.e.* awareness about the programmes among the rural people, transparency, social



audit/accountability, people participation and strict Vigilance and Monitoring. The complaints received from various parts of the country are immediately brought to the notice of the concerned State Government for furnishing factual position of the case and Action Taken Report. The Ministry is also investigating serious complaints through the field visit of its officers. Social audit is one of the main elements in NREGA. They continuously monitor quality of assets generated. Similarly, there are local committees for SGRY and IWDP works. Further National Level Monitors verify quality of assets created/providing during there visits. Each NLM is required to visit 10-15 villages in each visit and verify each asset created in these villages during the last 3-4 years.

*Reply to Recommendation (Para No. 2.38)*

The suggestion of the Committee is welcomed and the Ministry is continuously trying to improve its monitoring system. In addition of the existing monitoring tools like Districts wise database management, State/District Vigilance and Monitoring Committees, Performance Review Committee, National Level Monitors, etc. the Ministry is emphasizing to switchover to on-line monitoring of monthly and quarterly progress reports. A new system of organizing meeting of State Nodal Officers every month has been introduced and so far twelve such monthly meetings have taken place. Under the Programmes of SGRY and NREGA, the Ministry is insisting all the State Governments to constitute work wise monitoring committee.

For effective monitoring of NREGA, computer based MIS is in the process of being operationalised. For this, efforts are on to strengthen the ICT infrastructure at the Block level. For this a detailed assessment of Block level ICT infrastructure resources such as computer hardware, trained personnel and internet connectivity has been undertaken. The gaps that emerge will be addressed so that all the blocks are connected through the internet. This will bring transparency in NREGA data base and enable monitoring. Social audit has also become an integral tool for transparent and effective monitoring by the stakeholders.

Under PMGSY, a web-based on-line Management & Monitoring Accounting Systems (OMMAS) has been developed by the Centre for Development of Advanced Computer (CDAC). Besides, a three-tier quality mechanism has been operationalised under the programme. At the first-tier, the contractors are required to carry



out mandatory Quality Control tests under the supervision of District Programme Implementation Units (PIUs). In addition, every work is required to be inspected at three stages by State Quality Monitors as per second-tier of quality mechanism and about 10-15 per cent works are inspected by independent National Quality Monitors deployed by the NRRDA.

Guidelines for district level Vigilance & Monitoring Committee have been amended and release of second instalment has been tied up with the holding of Vigilance & Monitoring Committee meeting. Provision for special meeting has been introduced. During the year 2006-07 as many as 808 District level Vigilance & Monitoring Committee were held as against 504 meetings during 2005-06. The National Level Monitors visited 743 times during 2006-07 as against 410 during 2005-06 to monitor rural development programmes. The Minister of Rural Development has also directed all the Ministers, Senior Officers above Deputy Secretary to visit two-three districts and 10 villages each during October-December, 2007. Similarly the 2nd round during January-March, 2008, there by covering all the districts during the financial year. The Ministry is also very particular in organizing meetings of the consultative Committee of Parliament attached to this Ministry every Quarter.

*Reply to Recommendation (Para No. 2.39)*

**16. The Committee in the earlier recommendations, while noting a plethora of monitoring mechanisms introduced by the Ministry, had stressed on actual implementation of the various systems. In pursuance of the recommendation of the Committee, the Department has agreed to indicate the findings of Area Officers scheme in the Outcome Budget document. Further, pursuant to the recommendation of the Committee to hold Member/Secretary accountable for not conducting the meetings at regular intervals as per the guidelines, the Department has taken a favourable decision. Instructions have been issued whereby Collector being the Member/Secretary is responsible for conducting these meetings regularly. The Committee appreciate the aforesaid initiatives taken by the Department.**

The Committee would further like to add that on some of the issues raised by them, the action taken by the Department does not seem to be satisfactory. One of the important recommendations made by the Committee was that reporting format of Utilisation Certificates should include the number of meetings of State and District level

Vigilance and Monitoring Committees held in each quarter of the year. The Committee find that pursuant to the recommendation made by the Committee during the year 2006-07, the Department had instructed the State Governments that the second installment of funds under various programmes would be released only after getting confirmation of holding Vigilance and Monitoring Committee meetings at least once at the State and District level. Even though the Committee reiterated the earlier recommendation while examining the Demands for Grants of previous year 2007-08, they are surprised to note that the aforesaid condition has further been relaxed by the Department. As per the revised guidelines issued, a provision has been made for holding a special meeting of V&MCs in July or August, if such a meeting could not be arranged in the first quarter due to any reason. The Committee cannot understand relaxing the conditions set earlier by the Government. Further, the new guidelines would further provide relaxation to the State Governments to hold only one meeting of Vigilance and Monitoring Committees whereby as per the existing norms such sittings should be held in each quarter of the year. Not only that, holding such meeting in the months of July and August would not generate the desirable pressure on the implementing agencies as the first installment would have already been released to them. Keeping in view the aforesaid position, the Committee reiterate their earlier recommendation and would like that reporting format of Utilisation Certificates should include the number of meetings of V&MCs held in each quarter of the year so that the guidelines are scrupulously followed by the State Governments.

The Committee further note that the data provided by the Department do not give any clear picture about the number of districts/States where not even one Vigilance & Monitoring Committee V&MC meeting has been held both at District and State level and also the number of Districts/States that have held V&MC meetings every quarter as per the norms. Further, the information with regard to the number of district V&MC meetings held during the 2006-07 is conflicting. In reply to recommendation to Para No. 2.39, the Department has stated that 808 V&MC meetings were held while in reply to recommendation Para No. 2.36, the Department has stated that 738 V&MCs meeting were held. The Committee desire the actual information on the aforesaid issue expeditiously from the Department.

## **E. On line Complaint Mechanism for the public**

### **Recommendation Serial Nos. 14 & 15 (Para Nos. 2.42 & 2.43)**

17. The Committee had recommended as under:

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 of the complaints in a time bound manner and inform the complainant about the action taken.

*Recommendation (Para No. 2.42)*

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 right 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.

*Recommendation (Para No. 2.43)*

18. The Department in the action taken replies have stated as under:

The website of the Ministry *i.e.* www.rural.nic.in gives comprehensive information on all important activities and programmes of the Ministry and also provides link to other websites pertaining to both the programmes of the Ministry and also its organizations like NIRD and CAPART. As recommended in the 29th Report on Demands for Grants, the Ministry provides information on the physical and financial performance under all its schemes, proceedings of important meetings, details of sanction orders, circulars and letters issued to DRDAs on policy matters from time to time. Further news in respect of rural development is also provided on the website.

The two flagship programmes of Pradhan Mantri Gram Sadak Yojana (PMGSY) and National Rural Employment Guarantee Scheme (NREGS) have their individual websites also which contain details of operational parameters and progress in an aggregated form as well as with State-wise details. There is a FEEDBACK option in the websites through which the public can offer their advice or comments.

*Reply to Recommendation (Para No. 2.42)*

The execution of the most of the rural development schemes is done through the District Rural Development Agencies (DRDAs). In order to implement the provisions of the Right to Information Act, 2005 the Chief Secretaries of all the States have been requested to issue instructions accordingly to the District Rural Development Agencies (DRDAs)/Zila Parishads and other State level implementing Agencies of Rural Development programmes to comply with the provisions of the RTI Act. The Central Public Information Officers in the Ministry and in the public authorities under the aegis of the Ministry, have been requested to upload the relevant material *suo motu* so that the public may have to resort *minimally* to the use of RTI Act. In the Ministry of Rural Development (Department of Rural Development and Department of Land Resources) a total of 49 cases under the RTI Act have been received and in the public authorities namely Council for Advancement of Peoples Action and Rural Technology (CAPART), National Institute of Rural Development (NIRD) and National Rural Roads Development Agency (NRRDA) 22, 62 and 22 cases under the RTI Act respectively have been received in the financial year 2006-07.

*Reply to Recommendation (Para No. 2.43)*

19. The Committee in the earlier recommendation had recommended to develop an online complaint mechanism under different schemes with unique complaint ID number under each scheme. The Committee had also desired that such complaint should be disposed of in a time-bound manner and the complainant be kept informed in this regard. The Department in the action taken reply has furnished the detailed information with regard to the websites of the Department on different schemes as well as operational guidelines. It has also been mentioned that there is a feedback option in the website through which public can offer their advice and comments. The Department has not addressed to the recommendation on the suggested lines. The aforesaid online mechanism introduced by the Department do not provide the opportunity to public to lodge the complaint and know about the action taken in a time-bound manner. The Committee would like the Department to take the action accordingly and keep them informed.

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

##### **Recommendation Serial Nos. 16 & 17 (Para Nos. 3.25 & 3.26)**

20. The Committee had recommended as under:

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 Rs. 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.

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

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 utilized fully. Since the scheme might pick up during 2007-08 providing of outlay equal to the allocation made during 2006-07 is not justified particularly when 130 additional districts are proposed to be covered during 2007-08. In view of 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.

*Recommendation (Para No. 3.26)*

21. The Department in the action taken replies have stated as under:

The total central release for NREGA in the year 2006-07 was Rs. 8,263.66 crore. The total availability of funds, including Opening Balance with the NREGA States was 12,073.55 crore and total expenditure incurred was Rs. 8823.35 crore. Besides, Rs. 8,263.66 crore, Rs. 377.20 crore were released to 113 Phase - II districts (except 17 districts of Uttar Pradesh). The allocation of Rs. 12,000 crore is initial allocation. Since the programme is demand driven, additional funds, if required, will be demanded at the supplementary stage.

*Reply to Recommendation (Para No. 3.25)*

The allocation of Rs.12,000 crore is initial allocation. NREGA is a demand driven programme and additional funds, if required, will be demanded at the supplementary stage. The Ministry accepts the recommendation that savings under NREGA should remain in National Employment Guarantee Fund and a claim can be made as and when required.

*Reply to Recommendation (Para No. 3.26)*

**22. The Committee note that the total Central release for NREGA during the year 2006-07 was Rs. 8,263.66 crore and the total opening balance was Rs. 12,073.55 crore which implies that the unspent balance of the previous year was Rs. 3,808.85 crore. The Committee in the earlier recommendation had observed that the unspent amount which should have been deposited in the Central Employment Guarantee Fund (CEGF) as per rules was instead diverted to liquidate**

FCI bills. The Committee find that although the Department has agreed to the Committee's recommendation to deposit the unspent amount in Central Employment Guarantee Fund (CEGF) in principle, the compelling reasons for diverting the savings to liquidate FCI bills during 2006-07 have not been furnished. The Committee would like to be apprised about the same. The Committee would further like to emphasize that it should be invariably ensured that any savings under NREGA is deposited in the Central Employment Guarantee Fund.

The Committee in their report had also observed that since NREGA might pick up during 2007-08, providing of outlay equal to the allocation made during 2006-07 is not justified particularly when 130 additional districts were proposed to be covered during 2007-08. The Department has released only Rs. 377.20 crore during 2007-08 to the 113 additional districts (except 17 districts of Uttar Pradesh) of Phase II under NREGA. The Committee recommend that at the time of allocation of funds, due care should be taken by the Department to ensure that the additional funds allocated are in proportion to the number of new additional districts included under NREGA.

**Recommendations Serial Nos. 18 & 19**  
**(Para Nos. 3.27 & 3.28)**

23. The Committee had recommended as under:

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.

*Recommendation (Para No. 3.27)*



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.

*Recommendation (Para No. 3.28)*

24. The Department in the action taken replies have stated as under:

NREG Act provides for a legal guarantee of at least 100 days of wage employment in a financial year to every rural household for doing unskilled manual work on demand. Thus, employment under NREGA is demand based. As and when any job card holding household applies for work, it is provided employment for the number of days for which the household has demanded work. Since, NREGA provides for the enhancement of livelihood security of the households in rural areas, the number of days for which employment is demanded by different households may vary according to their needs. Periodic meetings are being held with State-officials so as to understand State-specific problems pertaining to implementation of NREGA.

*Reply to Recommendation (Para No. 3.27)*

National Rural Employment Guarantee Act aims to enhance livelihood security to poor households in rural areas by providing at least 100 days of guaranteed wage employment to every poor household whose adult members volunteer to do unskilled manual work. As per Section 1 of Schedule 1 of National Rural Employment Guarantee Act, 2005, the focus of the Scheme shall be on the following works in their order of priority:-

- (i) water conservation and water harvesting;
- (ii) drought proofing (including afforestation and tree plantation);



- (iii) irrigation canals including micro and minor irrigation works;
- (iv) provision of irrigation facility to land owned by households belonging to the Scheduled Castes and Scheduled Tribes or to land of beneficiaries of land reforms or that of the beneficiaries under the Indira Awas Yojana of the Government of India;
- (v) renovation of traditional water bodies including desilting of tanks;
- (vi) land development;
- (vii) flood control and protection works including drainage in water logged areas;
- (viii) rural connectivity to provide all-weather access; and
- (ix) any other work which may be notified by the Central Government in consultation with the State Government.

States are to prepare Labour Budget and annual shelf of projects to meet employment demand. If such planning throws up a need for any other work, the case will be examined by the Ministry.

*Reply to Recommendation (Para No. 3.28)*

**25. The Committee note from the replies furnished by the Department that not even a single family could get employment of 100 days in the States/UTs of Arunachal Pradesh, Manipur, Meghalaya, Mizoram & Nagaland. The Department has stated that since NREGA is a demand driven programme, employment is provided only for the number of days for which the household has demanded work. The Department has however not furnished any valid reasons for people not demanding work under NREGA. On the other hand, the Department has stated that plenty of works have been identified under NREGA and beyond that States have to prepare Labour Budget and annual shelf of project to meet the employment demand. Despite this fact, unemployment allowance was paid in Barwani District of Madhya Pradesh which implies the State's incapacity to provide work to the applicants. The Committee observe that NREGA provides legal guarantee of at least 100 days of wage employment in a financial year to every household for doing unskilled manual work on demand. However, provision of wage employment for a period of 100 days under NREGA is the minimum requirement and implementing agencies can provide employment to the household for a period even exceeding 100 days when demanded. The Committee note that even the minimum period of 100 days**

employment has not been attained by most of the States/UTs. The Committee are of the view that the Department cannot wash away its hands by simply stating that, since NREGA is a demand driven programme, employment will be provided only when people demand for it. The Committee desire that the Department should find the compelling reasons as to why people are not demanding work under NREGA and preferring for wage employment elsewhere. Another area that the Department has to work out is to give adequate publicity to NREGA for spreading awareness of the scheme. In addition, the implementing agencies should be equipped with sufficient shelf of works so as to meet the demand under NREGA. The Committee would like the Department to apprise the Committee about the measures taken in this regard.

#### G. Rural Housing (RH) Scheme – Indira Awaas Yojana (IAY)

##### Recommendation Serial No. 20 (Para No. 3.73)

26. The Committee had recommended as under:

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 targets was due to the fact that there was delay in the release of first instalment of fund 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.

27. The Department in the action taken replies have stated as under:

Under Bharat Nirman, 60 lakh houses are to be constructed in four years from 2005-06 to 2008-09. During the year 2005-06, 15.52 lakh houses have been constructed which is more than the target of 14.41 lakh houses. During the year 2006-07, 14.98 lakh houses have been constructed which amounts to achievement of 97.71 per cent of the target. To further improve the coverage of needy people the allocation under IAY for 2007-08 has been increased to 4032.70 crore for achieving the target of 21.27 lakh houses. Sum of Rs.1549.41 crore as on 29.6.2007 has already been released as first instalment to the States. Department is also actively pursuing the matter with the State Governments to ensure that the targets of Bharat Nirman are fully achieved. As far as the issue of permanent IAY wait list is concerned, the Department is actively pursuing the matter with the States. MRD has written to the CMs of all the States on 10.4.2006 for completion of Permanent IAY wait list on the basis of Census 2002. Letters at the level of Secretary (RD) have also been written for early completion of waitlist. Recently, Secretary (RD) has written to the States on 11.4.2007 for completion of the list by 30.6.2007. The statement of status of Permanent IAY waitlist is at Appendix I

**28. The Committee find that whereas BPL list has been finalised in case of 12 or 17 States, (as per conflicting information furnished by the Department as stated in the earlier para of the report), the waitlist of IAY beneficiaries, partially or fully have been prepared in all the States, barring Haryana and Meghalaya. The aforesaid waitlist was to be prepared on the basis of 2002 Survey. The Committee are unable to comprehend how the waitlist for IAY beneficiaries could be prepared/finalised in the States where 2002 Survey results are yet to be finalised. The Committee would like the clarification of the Department in this regard.**

**Recommendation Serial Nos. 21 & 22**  
**(Para Nos.3.82 & 3.83)**

29. The Committee had recommended as under:

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.

*Recommendation (Para No. 3.82)*

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 in spite 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 disapproved 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.

*Recommendation (Para No. 3.83)*

30. The Department in the action taken replies have stated as under:

An amount of Rs.400 crore was released to 20 districts of Bihar in the year 2004-05 under PM s Package for construction of 2.13 lakh houses damaged by floods occurred during that year.

The matter was pursued with the State Government from time to time regarding utilization of funds and rectification of discrepancies noticed in the UCs already submitted. However, as the discrepancies noticed in the utilization certificates and the audit report submitted, were not rectified by the State Government, the release of 2nd instalment of normal IAY funds during the year 2006-07 were initially linked to the settlement of UCs/ARs in respect of the funds released under PM s Package. However, this condition was subsequently postponed till 2nd instalment of 2007-08. As per the information furnished by the State Government in March, 2007, Rs.279.63 crore were utilized out of total available funds of Rs.545.40 crore including State share plus interest earned by DRDAs on this amount. Against the target of construction of 2.13 lakh houses, only 91 thousand houses were constructed (43%).

During the course of a review meeting taken by Secretary (RD) in Patna on 20.2.2007, the State Government had informed that they were having no more flood-affected houses left with the DRDAs for reconstruction. Accordingly, the State Government was advised to send a formal request to surrender the unutilized amount to the Central Government. In this connection, a letter was also sent to the State Government on 10th April, 2007 and again on 23.5.2007.

*Reply to Recommendation (Para No. 3.82)*

In this connection, it is submitted that there is nothing contradictory. From the Statement enclosed at **Appendix – II** in reply to the Question of the Standing Committee, it was clear that utilization of Rs.279.62 crore was out of total available funds of Rs.545.40 crore which comes to 51.27%. Accordingly, unspent amount of Rs.270 crore given at **Appendix –III** was also out of the total available funds of Rs.545.40 crore and not out of Rs.400 crore, as has been observed by the Committee. It may also be mentioned here that while calculating the total funds under IAY, Central share plus due State matching share is always taken into

account irrespective of the fact whether the State Government have released its State share or not. In this case, as per the UCs now received, the State Government has released its due State share.

In this connection, it is rightly stated that settlement of UCs was linked to the release of 2nd instalment of funds under normal IAY. It is also true that the State Government have informed that they do not have more flood-affected houses for reconstruction and therefore, they should be allowed to surrender or transfer the funds to normal IAY. However, this information was verbally given in the review meeting and no formal request in this regard was received. That is why it was informed to the Committee that further action will be taken on receipt of the formal request from the State Government.

As per the latest information received from the State Government, Rs.302.03 crore have been utilized and 97331 houses have been constructed against the target of 2.13 lakh houses. It has since been decided that the unspent amount of PM's Package lying with the Districts will be deducted from the 2nd instalment of normal IAY funds during the current year.

*Reply to Recommendation (Para No. 3.83)*

**31. The Committee find that funds for flood affected districts were sanctioned to the State Government of Bihar in 2004-2005. Out of the total sanctioned fund of Rs. 545.40 crore including State's share plus interest earned by DRDAs on this account, only Rs. 279.63 crore could be utilised. After so many years, when the Secretary, Department of Rural Development held a review meeting in Patna on 20 February 2007, the State Government of Bihar suddenly informed that they no longer required the funds and subsequently, the State Government asked to surrender the unutilized funds. The Committee take a serious view of this situation where the Department has not taken any note of such huge amount of funds lying unutilized with the State Government which could have been used for some other important programme. Not only that the funds released for calamity relief under specific programmes remain unutilised and DRDA earn interest on the un-utilised funds. This is really pathetic. The Committee while taking serious note of it strongly recommend the Department to take all the desired steps to ensure that the funds released under different programmes actually reach the poorest of the poor *i.e.* the intended beneficiaries. Further,**

**strict monitoring is required in case of calamity relief funds to ensure that the needy people are provided immediate help.**

**H. Maintenance of roads constructed under Pradhan Mantri Gram Sadak Yojana (PMGSY)**

**Recommendation Serial No. 23  
(Para No. 3.115)**

32. The Committee had recommended as under:

The Committee observe that under PMGSY the maintenance after completion of contract work of road has to be taken care 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.

33. The Department in the action taken replies have stated as under:

Ministry of Rural Development has addressed the Chief Secretaries of all States on 28.3.2006, requesting them to ensure that due share of the Twelfth Finance Commission award to States for maintenance of roads and bridges (Rs.15,000 crore) is earmarked for rural roads and is efficiently utilized for the purpose. Since the maintenance is funded by the State Governments, Phase-wise and Scheme-wise details are not monitored. However, Planning Commission has been requested to closely monitor performance of the State Governments with



regard to the maintenance of rural roads while finalizing the State Plans. In particular, the Commission has been requested to scrutinize the amount budgeted and spent for maintenance of the Core Network of rural roads in the preceding years.

**34. The Committee in the earlier recommendation, while expressing strong concern over the issue of maintenance of roads constructed under PMGSY after the contractual period of five years is over, had recommended to transfer the responsibility of maintenance of roads to State Rural Development Agencies expeditiously. The Committee had also recommended to partially fund these agencies so that PMGSY roads are properly maintained. The Department has not addressed the issues in the right perspective. In an evasive way a mention has been made to the share of Twelfth Finance Commission funds for roads. The Committee would like the Department to take concrete action on the suggested lines and inform the Committee accordingly.**

**I. Role of Banks in implementation of Swarnjayanti Gram Swarozgar Yojana (SGSY)**

**Recommendation Serial No. 24  
(Para No. 3.136)**

35. The Committee had recommended as under:

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 2,463 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 the 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.

36. The Department in the action taken replies have stated as under:

The 10th CLCC meeting was held on 7th February, 2007 in which the issues of low credit disbursal, poor performance by Bank branches and huge pendency of loan applications were discussed. As a follow up of the meeting, Secretary, Ministry of Rural Development has written to Secretary (Financial Sector), Ministry of Finance to take up the matter of poor credit disbursal by banks with RBI and Indian Banks Association (IBA). The action taken has resulted in good increase in mobilization of credit during the last two months of the financial year 2006-07.

Further, the observation of the Standing Committee has been communicated to the Ministry of Finance as well as Commercial banks for taking appropriate action.

**37. The Committee find that the Department has communicated the following concerns of the Committee to the Ministry of Finance as well as Commercial Banks:**

- (i) there is a need to have the system of incentives and disincentives for various Bank Branches;
- (ii) it should be ensured that each Panchayat Headquarter has a Branch of Commercial Bank within a stipulated period of time;

- (iii) to have proper monitoring by RBI and Ministry of Finance, a separate window for making available credit under SGSY should be opened.

The Committee would like the Department to pursue further with the Ministry of Finance and respective Banks so that the aforesaid recommendation of the Committee are implemented in a stipulated time frame. The Committee may also be kept apprised of the follow up action in this regard.

## CHAPTER II

### RECOMMENDATIONS THAT HAVE BEEN ACCEPTED BY THE GOVERNMENT

#### **Recommendation (Serial No.9, Para No. 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.

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

The Ministry has taken steps to ensure that the new BPL list is prepared in a transparent manner. It has been provided in the guidelines that a photocopy of the survey form will be provided on demand to anybody to reveal how the scores have been given. A two-stage appeal mechanism has been introduced under which, the first appeal can be filed before the SDM or the Tehsildar as the case may be. However, if somebody still has a grievance, the final appeal can be filed with the Collector. It has also been provided to dispose of the appeals at each level in a time-bound manner. The new names can be added and ineligible names deleted from the BPL list 2002 on a continuous basis through the appeal mechanism as provided under the guidelines.

[Department of Rural Development (Ministry of Rural Development)  
O.M.No.H-11020/6/2007-GC (P) dated 23.10.2007]

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

(Please see Paragraph No. 13 of Chapter-I of the Report)

#### **Recommendation (Serial No.17, Para No. 2.46)**

The Committee are perturbed to note that huge amount of funds area 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 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.

### **Reply of the Government**

The funds available for DRDAs under SGSY are basically Central releases and State releases. Any other accruals in a particular financial year by way of interest earned, return of unavailed subsidy, backlog releases etc. are accounted as Miscellaneous receipts.

These miscellaneous receipts account for only minor portion of the total funds. For the financial year 2006-07, miscellaneous receipts were approximately Rs. 40 crores, out of total funds of Rs. 1719 crores which comes only to 2.3%. Out of this amount of Rs. 40 crores only one state (Assam) accounts for Rs. 33 crores. Assam Government clarified that State share for the years 2005-06 and 2006-07 was released in subsequent financial years.

The physical and financial progress of the scheme is regularly monitored through monthly progress reports. Further, quarterly physical and financial targets are fixed for the States. All the State Governments have been instructed to utilize the funds in a time bound manner to achieve the targets set under the scheme.

[Department of Rural Development (Ministry of Rural Development)  
O.M. No. H-11020/6/2007-GC (P) dated 23.10.2007]

### **Recommendation (Serial No.18, Para No. 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.

### **Reply of the Government**

The observation of the Committee has been communicated to all the State Governments for taking follow-up action.

The physical and financial performance under SGSY is monitored every month State-wise. Shortfalls in achievement of physical and financial targets are communicated to Secretaries of Rural Development Department of all State Governments. The last such review was done in April, 2007.

[Department of Rural Development (Ministry of Rural Development)  
O.M.No.H-11020/6/2007-GC (P) dated 23.10.2007]

### **Recommendation (Serial No.19, Para No. 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 Swarozgaries 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.

### **Reply of the Government**

In order to make DRDA a professional body, emphasis is given for getting the officers and staff of DRDA constantly trained in the general field of management of rural areas. State Institute of Rural Development (SIRDs) and National Institute of Rural Development (NIRD) design suitable training programmes for DRDA officials. Ministry of Rural Development has also taken steps to strengthen the DRDA and it has made the amendments in DRDA Administration guidelines enabling the State Governments to hire qualified and experienced persons on contract basis to fill up the vacant sanctioned posts in DRDA in Group A, B & C as per their recruitment rules.

As recommended by the Committee, to analyse the performance of DRDAs the Ministry is in the process of getting an evaluation study carried out to evaluate the effectiveness of the DRDA Administration scheme with respect to coordinating, monitoring and overseeing the implementation of the various Rural Development programmes and to suggest steps to make DRDA Administration more professional and effective in managing the programmes of the Ministry.

[Department of Rural Development (Ministry of Rural Development)  
O.M. No. H-11020/6/2007-GC (P) dated 23.10.2007]

#### **Recommendation (Serial No.20, Para No. 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 percent 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 where as 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 percent which is below the set targets of 30 percent. 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.

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

The latest available information indicate that during the year 2006-07 the percentage of mandays of employment generated for women under SGRY was 23.75 against the target of 30%. However, under NREGA, 3679 lakh persondays of employment were generated for women during the year 2006-07 as against the total persondays of employment of 9050.56 lakhs which works out to more than 40% and is well above the stipulations incorporated in guidelines of the Programme. The NREGA has already been extended to 330 districts of the country and remaining districts are to be covered from 1.4.2008. In view of this situation the SGRY Programme will be subsumed with

the NREGA and the coverage of women under NREGA has been very encouraging. It should not be difficult to maintain this trend.

[Department of Rural Development (Ministry of Rural Development)  
O.M. No. H-11020/6/2007-GC (P) dated 23.10.2007]

**Recommendation (Serial No.21, Para No. 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 along with 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.

**Reply of the Government**

The format for presenting the outcome budget has been prescribed by the Department of Expenditure, Ministry of Finance. The observations of the Committee will be conveyed to that Ministry, so that the concerns of the Committee are addressed to by making suitable changes in the formats for the next year s outcome budget. However, as desired by the Committee, the Ministry will ensure that in the Outcome Budget 2008-09, the consolidated data with regard to the physical and financial targets and achievements for previous two years along with the physical & financial targets of the current year at appropriate place is incorporated.

[Department of Rural Development (Ministry of Rural Development)  
O.M. No. H-11020/6/2007-GC (P) dated 23.10.2007]

**Recommendation (Serial No.22, Para No. 2.56)**

The Committee further find that 15 percent of financial and physical target at the National level have been earmarked for minority

community and State-wise/districts-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 percent 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 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.

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

On the basis of State-wise ratio of minority population, the targets for coverage of minority communities were conveyed to the States. However, States like Jharkhand, West Bengal and some other States faced certain difficulties to maintain the balance between the targets to be covered for the minority communities and the other target groups including the weaker sections of the society. The issue was reconsidered in the Ministry and the revised targets for 2007-08 with regard to the coverage of minority communities under SGSY and IAY have been conveyed to the States. The State Governments are being advised to give wide publicity to the provisions made for the minority communities. The Ministry has already made specific provisions in the formats prescribed for monitoring the progress of implementation of these programmes to capture the information on coverage of minority communities. The State Governments and the Districts have been advised accordingly to furnish information regarding the coverage of minority communities separately under the three programmes of the Ministry where provisions have been made for the minority communities.

[Department of Rural Development (Ministry of Rural Development)  
O.M. No. H-11020/6/2007-GC (P) dated 23.10.2007]

#### **Recommendation (Serial No.29, Para No. 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.

### **Reply of the Government**

In order to facilitate the process of articulation of demand by the rural poor intensive Information Education Communication (IEC) activities have been given the highest priority. IEC activities suggested to States include one day orientation of all Sarpanchs /Ward members of Gram Panchayats at the Block level, social mobilization, pamphlets and brochures. States have now been directed to arrange training for its officials and PRIs through SIRD or any other Institute in the State. Ministry of Panchayati Raj Institutions are reported to train PRIs to augment their institutional capacity.

[Department of Rural Development (Ministry of Rural Development)  
O.M. No. H-11020/6/2007-GC (P) dated 23.10.2007]

### **Recommendation (Serial No.30, Para No. 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.

### **Reply of the Government**

Minister for Rural Development has written to all Chief Ministers to take full advantage of this amendment.

[Department of Rural Development (Ministry of Rural Development)  
O.M. No. H-11020/6/2007-GC (P) dated 23.10.2007]

### **Recommendation (Serial No.31, Para No. 3.33)**

The Committee note that 130 new districts have been added to the scheme from 2007-08. 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 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.

### **Reply of the Government**

Comprehensive Guidelines outlining critical activities have been sent to the States in respect of 130 new NREGA districts, 113 of which were covered under NREGA *w.e.f.* 1.4.2007 and 17 districts of Uttar Pradesh *w.e.f.* 15.5.2007. They have been informed of the statutory processes that become effective with notification of additional districts. In order to meet these statutory obligations, the States have also been intimated of the set of critical activities that they have to undertake and complete. The concerned districts have been asked to certify to the Ministry that it has completed such activities to ensure that work started under NREGS conforms to the statutory processes of the Act. Two workshops of District Programme Coordinators were also held on 10th April 2007 at New Delhi and on 18th June 2007 at Lucknow. A workshop of National Level Monitors for 130 new districts was held on 26th June 2007 at New Delhi.

It has now been decided by the Government to cover all the remaining 296 districts in the States and Union Territories under NREGA with effect from 1.4.2008. Thus, SGRY operational in these districts will stand discontinued from 1.4.2008. Instructions have been issued to all the States to complete SGRY works by March, 2008 as there will be no allocations under SGRY for the year 2008-2009. Detailed guidelines for implementing NREGA in the additional districts notified under NREGA from 1.4.08 have been issued wherein it has been clearly stated that entire balance funds of SGRY as on 31st March, 2008 must be transferred immediately to a separate account created for NREGA works at the district level. These guidelines also provide the necessary preparatory activities which need to be taken up by the States/UTs to meet the challenges of NREGA.

[Department of Rural Development (Ministry of Rural Development)  
O.M. No. H-11020/6/2007-GC (P) dated 23.10.2007]

### **Recommendation (Serial No.32, Para No. 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.3000 crore, Rs.2439crore have actually been released as on 28.2.2007. 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.

### **Reply of the Government**

As per the latest information available from the States/UTs, in 2006-2007, 75.55% of total available funds has been spent under SGRY. It is submitted that Rs. 634.64 crore became available on 28.3.2007 from the savings of this Ministry for SGRY programme. The entire amount of Rs. 634.64 crore was released to the States/UTs on 29th and 30th March 2007 over and above their normal entitlement under the programme. Further, Rs, 94 crore was released to Rajasthan on 19.3.2007 in lieu of 2 lakh MT of foodgrains for calamity affected areas. Thus an amount of Rs. 728.64 crore was released to the States/UTs in the second fortnight of March 2007. In case, this amount of Rs. 728.64 crore is deducted from total available funds, the percentage of expenditure in 2006-2007 is 88.15% of available funds. Thus 11.85% of available funds remained with the States/UTs against permissible limit of 10%.

On analyzing the financial performance of various States/UTs, it is noted that more than 80% of expenditure against total available funds has been reported by 10 States, namely, Chhattisgarh (83.68%), Goa (96.88%), Haryana (83.76%), Jharkhand (81.96%), Madhya Pradesh (84.02%), Mizoram (81.01%), Orissa (85.09%), Punjab (87.87%), Sikkim (83.83%) and Tamil Nadu (84.43%). 18 States/UTs have reported expenditure ranging between 60% and 80%. These States/UTs are Andhra Pradesh(63.48%), Arunachal Pradesh (67.37%), Assam (76.22%), Bihar (66.53%),Gujarat (78.17%), Himachal Pradesh (72.80%), J&K (76.63%), Karnataka (78.70%), Kerala (67.35%),Maharashtra (76.83%), Manipur (79.27%), Meghalaya (79.63%), Nagaland(70.66%), Tripura (76.71%), Uttaranchal (76.35%),Uttar Pradesh (75.98%), West Bengal (73.44%) and Pondicherry (75.19%). Thus, the performance below 60% has been reported by only 5 States/UTs which are Rajasthan (58.90%), A&N Islands (10.62%), Lakshadweep (8.33%). The expenditure figures are not available from D&N Haveli and Daman.

As regards completion of works, as reported by States/UTs, against 11,34,731 works undertaken, 9,34,215 works have been completed in 2006-07. Goa has reported completion of 25 works in 2006-07 while Manipur 6158 works and A&N Islands 52 works. D&N Haveli, Daman & Diu have not furnished any report while Lakshadweep has furnished progress report upto October, 2006.

D&N Haveli and Daman & Diu have not drawn any instalment under SGRY during the years 2005-06 and 2006-07. We took up the matter with the respective States/UTs with a view to ascertaining the reasons for poor performance. The UT of Daman & Diu has informed that the economic condition of the people of this UT is better in comparison with the rest of the country as there are more than 2000 industrial units where about 55000 youths are working. In addition Hotels Tourism and fishing activities are also providing good opportunity of employment. Hence the people did not prefer to work as labourer under SGRY. As regard Rajasthan, Rs.94 crores was released to the State on 19.3.2007 in lieu of 2 lakh MTs of foodgrains for relief works in calamity affected areas and such works are taken up separately by District Collectors and if this amount is deducted, performance of Rajasthan is around 82.52%.

It is the responsibility of the State Governments/ UT Administrations for implementation of the SGRY programme satisfactorily and draw full Central assistance allocated to the respective States/UTs. The performances of the States/UTs are reviewed from time to time at the high level forums under the Chairmanship of

Secretary (RD) and Hon ble Minister (RD). The reasons for poor performance in the UT of Daman & Diu are explained in the above paragraph.

[Department of Rural Development (Ministry of Rural Development)  
O.M. No. H-11020/6/2007-GC (P) dated 23.10.2007]

**Recommendation (Serial No.33, Para No. 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.

**Reply of the Government**

SGRY Programme does not cover those districts where NREGA is under implementation. In 2007-08, SGRY Programme covers 258 districts of the country. An amount of Rs.1639.97 crore has been allocated to these districts in 2007-2008. There is no reduction of allocation in respect of any SGRY district presently covered under SGRY as compared to the allocation made in 2006-2007.

[Department of Rural Development (Ministry of Rural Development)  
O.M. No. H-11020/6/2007-GC (P) dated 23.10.2007]

**Recommendation (Serial No.34, Para No. 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 year 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. 14,989.64 crore towards settlement of FCI bills. It means that against the requirement of Rs. 14,989.64 crore, only Rs. 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.

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

The BE 2007-2008 provision for foodgrains component under SGRY is Rs. 200 crore. As per the Committee of Secretaries (CoS) decision dated 9th February 2007, adequate budget provision is to be made for supply of foodgrains under SGRY from 2007-08. FCI will supply the foodgrains in case adequate budget provision is available in the Demands for Grants of the Ministry of Rural Development. Accordingly additional budget provision of Rs. 300 crore for foodgrains component has been made through first supplementary grants. In addition Rs. 876.54 crore have been got re-appropriated for the foodgrains component in the first supplementary.

So far as settlement of outstanding dues of FCI bills is concerned, bonds worth Rs. 16,200 crore have been issued in favour of F.C.I. and remaining payment the matter is being submitted for consideration of the Government of India by the Ministry of Consumer Affairs, food and Public Distribution.

[Department of Rural Development (Ministry of Rural Development)  
O.M. No. H-11020/6/2007-GC (P) dated 23.10.2007]

### **Recommendation (Serial No. 35, Para No. 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.

### **Reply of the Government**

SGRY Guidelines provide that it would be the responsibility of the District Panchayats/DRDAs to ensure that the quality of foodgrains supplied to them conforms to Fair Average Quality and the concerned officers of DPs/DRDAs should conduct inspection of the stocks by way of joint sampling before taking delivery of the same to ensure that foodgrains are not below FAQ standard. In case of any complaint, action will be initiated against responsible officers, if any discrepancy is established. Thus, existing mechanism will ensure lifting of foodgrains not below FAQ standard. No report has been received from any of the State or the district regarding poor quality of foodgrains supplied under SGRY in the previous year. NLMs have been requested to specifically check on these aspects on a sample basis during their visits.

[Department of Rural Development (Ministry of Rural Development)  
O.M. No. H-11020/6/2007-GC (P) dated 23.10.2007]

### **Recommendation (Serial No. 36, Para No. 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.

### **Reply of the Government**

A flexibility has been given to States/UTs to fix the cost of foodgrains, to be paid as part of wages under the SGRY, at either BPL rate or APL rate or any where between the two. Some States have fixed based on BPL rates while others on APL rates.

As per the recommendation of the Committee, the State Governments/UT Administrations have been requested to furnish the rate of foodgrains being charged as part of wages. The matter is being regularly followed up with the States and UTs. As a result, some States/UTs have furnished the requisite information. A **statement (Appendix-IV)** showing information received in this regard is enclosed. The information from the remaining States and UTs is being collected and would be furnished.

[Department of Rural Development (Ministry of Rural Development)  
O.M. No. H-11020/6/2007-GC (P) dated 23.10.2007]

### **Recommendation (Serial No. 37, Para No. 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.



### Reply of the Government

The NREGA came into force with effect from 2nd February, 2006 in 200 identified districts in its Ist Phase. The ongoing SGRY & NFFWP were merged with NREGA in these districts. The instructions of the Ministry were amply clear right from the beginning regarding this merger of wage employment programmes and about the completion of ongoing SGRY & NFFWP works. **Key instructions** to the States by the Ministry to ensure smooth transition from SGRY and NFFWP include the following:

- (i) **Merger of SGRY and NFFWP with NREGA:** The National Food for Work Programme (NFFWP) and Samporana Gramin Rojgar Yojana (SGRY) will merge in the identified districts with the Employment Guarantee Scheme, once NREGA comes into force. (*V-2401/46/-NFFWP/NREGA dated 27th December, 2005*)
- (ii) **Incomplete works under SGRY and NFFWP:** The incomplete works under the SGRY/NFFWP, if any, will be allowed to be completed upto 30.06.2006 out of the balance funds available with the districts. (*V-2401/46/-NFFWP/NREGA dated 27th December, 2005*)
- (iii) **Liability of ongoing works under SGRY and NFFWP:** The SGRY works should be completed out of the SGRY funds and no part of the resources being released under NFFWP and NREGA be diverted to SGRY works. The ongoing works under the NFFWP should be completed with the resources already available with the District. If there is paucity of funds for completing the ongoing works, it may be assessed and funded by the Programme officer or by the District Programme Coordinator out of their share. (*V-24011/1/2005-NREGA dated 16th February, 2006*)
- (iv) **Unutilised resources as on 1.4.2006:** All unutilized balance of NFFWP on 1.04.2006 should be transferred to the NREG account. All unutilized balances with executing/ implementing agencies on 1.04.2006 shall be deemed to be resources under NREGA and continuing works deemed as NREGA works to be completed as per NREGA guidelines for employment of labour and contribution of the State share. (*V-24011/46/2005 – NFFWP/NREGA dated 20th March, 2006*)
- (v) **Starting new works under NFFWP/SGRY:** It was informed that there will be no allocation/release under NFFWP and

SGRY in NREGA districts *w.e.f.*, 1.04.2006 and works should be taken up keeping in view this position so that there is no difficulty in completing pending works.

(V-24011/46/2005 – NFFWP/NREGA dated 20th March, 2006)

- (vi) **Status of ongoing works under NFFWP/SGRY:** It was clarified that NFFWP and SGRY have subsumed with NREGA in the notified districts, NFFWP and SGRY have become part of the NREGA and ongoing works under these programmes are an instrument to provide wage employment guarantee to the unskilled labour in the rural areas.

(V-24011/1/2005(NREGA) dated 25th April, 2006)

**INSTRUCTIONS GIVEN TO THE STATES AT THE TIME OF INCLUSION OF ADDITIONAL 130 DISTRICTS UNDER PHASE-II OF NREGA**

- (vii) **Starting new works under SGRY:** No new SGRY works will be taken up in these districts with immediate effect *i.e.* from the date of issue of these instructions. It may be noted that these districts will not be getting any allocation under SGRY from the year 2007-08.
- (viii) **Completion of works:** All out efforts will be made by the implementing agencies at different levels in the district to ensure that all works undertaken SGRY are completed by 31st March, 2007
- (ix) **Completion of spill over works beyond 31st March 2007:** Such SGRY works which cannot be completed due to unavoidable circumstances by 31st March, 2007 may be completed at the earliest with the balance of funds available under the SGRY in each district as on 1st April, 2007. This is absolutely necessary as the SGRY programme shall stand discontinued in the districts on starting of the NREG programme therein and the SGRY will get merged in NREGP.
- (x) **Furnishing of details regarding incomplete works:** it was requested to furnish full details of such works which have not been completed on 31.03.2007 may be compiled. Basic information for each project may be compiled in the format enclosed and a summary may be sent to Ministry of Rural Development by verification of progress of each of the project in the field. This should be completed in a campaign mode latest by 7.04.2007.

- (xi) On the basis of measurements taken up on 31st March, 2007 or within 1st week of April, 2007 at the latest, specific strategies should be developed for completing and closing these projects at the earliest.

(V24011/34/2001-SGRY-I dated 23rd March, 2007)

- (xii) The Ministry has directed that incomplete SGRY works in the phase II districts should be closed positively *w.e.f* 31.08.2007 and no further expenditure is incurred on them.
- (xiii) Accordingly entire balance funds of SGRY as on 31.08.07 must be transferred immediately to a separate account created for NREGA works at the district level in phase II districts. Any expenditure incurred from SGRY funds after 31.08.07 shall be on the State account.
- (xiv) Full details at the time of closure of project should be brought on record and must be sent to the Ministry as sought *vide* above letter dated 23rd March 2007.
- (xv) Those incomplete works which are permissible under NREGA can be taken up as new project under NREGA after following due process of selection of works as laid down in NREGA. Such works would be subject to other terms and conditions *e.g.* shall be duly approved by Gram Sabha and PRIs, only job card holders to get employment on such works, maintenance of 60:40 wage material ratio at the district level, muster rolls to be maintained as prescribed under NREGA, such works to be an instrument to provide 100 days of entitlement of employment to the job card holders etc. Display of the list of incomplete SGRY works in the office of Village/Intermediate/District Panchayat and also the offices of Programme Officers and District Programme Coordinators. Further, the concerned district shall certify for such incomplete SGRY works which are permissible under NREGA that expenditure incurred is accounted and the work was sanctioned within the authorized allocation of the district. The works which are not permissible under NREGA will be funded from the other sources of the State and Central Government programmes. State will bear the entire cost of SGRY works sanctioned after the NREGA notification date for 117 districts of Phase-II on 1.4.2007 and 17 districts in Uttar Pradesh after 15/5/2007.

(V24011/34/2001-NFFWP/NREGA dated 2nd August, 2007)

It may be seen from the summary that clear instructions on transitional issues especially commitments under ongoing NFFWP and SGRY have been given time and again.

[Department of Rural Development (Ministry of Rural Development)  
O.M. No. H-11020/6/2007-GC (P) dated 23.10.2007]

**Recommendation (Serial No.40, Para No. 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 achievements 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 achievements 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.

**Reply of the Government**

Under the guidelines there is a provision for upgradation of IAY houses i.e up to 20 per cent of the total funds can be utilized for upgradation of kutcha houses. State-wise and District-wise data in respect of new construction and upgradation is available with the Department. However, recommendation of the committee is noted for further improvement in collection/compilation of the data.

[Department of Rural Development (Ministry of Rural Development)  
O.M. No. H-11020/6/2007-GC (P) dated 23.10.2007]

**Recommendation (Serial No.43, Para No. 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.

### **Reply of the Government**

The Ministry of Rural Development, while formulating the scheme of Pradhan Mantri Gram Sadak Yojana (PMGSY) for approval of the Cabinet in 2001 had gathered data from the States regarding the status of rural connectivity. As per the data obtained from the States, the total number of unconnected habitations was 2.93 lakhs, out of a total of 7.45 lakh habitations in all the States and Union Territories in the country. Of these, about 1.42 lakh habitations were found eligible for providing new connectivity within the framework of the objectives defined for PMGSY.

After PMGSY was launched, all the States were requested to prepare District Rural Roads Plan (DRRP) from which a Core Network (CN) is to be identified. The Core Network gives the number of unconnected habitations and the rural roads proposed for connecting the same. The Core Network Maps were prepared at Block level and integrated to District Maps. Based on the data derived the number of habitations eligible for new connectivity rose to about 1,78,768 at present. This estimate is based on proper inventory of the habitations and the tracks.

[Department of Rural Development (Ministry of Rural Development)  
O.M. No. H-11020/6/2007-GC (P) dated 23.10.2007]

### **Recommendation (Serial No.44, Para No. 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+population have already been covered to know the exact status of implementation of the programme.

### Reply of the Government

At the beginning of the programme, the number of eligible unconnected habitations was about 1.42 lakhs which included 50728 unconnected habitations under 1000+population category. The average cost of providing fresh connectivity worked out to Rs. 14.75 lakhs per km. while the average distance per habitation was 1.26 km. The total cost for providing fresh connectivity worked out to Rs. 34,200 crores. In addition, it was estimated that the cost of providing upgradation would be Rs. 24000 crore. The total requirement of funds was estimated at Rs. 58,200 crore or say Rs. 60,000 crore.

As per the latest data furnished by the State Governments, there are 178768 eligible habitations under the programme. The category wise details are:

Eligible under PMGSY							
S.No.	Item	Total	Unconnected	1000+	500-999	250-499	Total
1	Rural Habitations	8,82,955	3,46,607	60,030	79,208	39,530	1,78,768
2	Length of rural roads in km	30,00,000	-	1,38,890	1,60,752	70,518	3,70,160

The cost of providing connectivity to 1000+habitations involving length of 1,38,890 km. would be approximately Rs. 1,38,890 x 21 lakhs/km. = Rs. 29,166.9 crore at 2003-04 prices. A statement indicating status of coverage of 1000+habitations is enclosed at **Appendix-V**. Some States have indicated that the balance number of 1000+habitations may not be provided connectivity due to the physical features, forest land or being in Island and as such even though smaller number are remaining, they may be considered to have achieved connectivity to their 1000+ population.

[Department of Rural Development (Ministry of Rural Development)  
O.M. No. H-11020/6/2007-GC (P) dated 23.10.2007]

#### Recommendation (Serial No.45, Para No. 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 is as under:

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

### **Recommendation (Serial No.46, Para No. 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 & Kashmir, Jharkhand, Tripura and Uttaranchal, the performance is worse. In these States less than 10 per cent of the eligible habitations, could actual 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 1000 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 1000 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 1000 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.

### **Reply of the Government**

Under Rural Roads component of Bharat Nirman, a goal has already been set to provide connectivity to all villages with a population of 1000 persons and above (500 persons and above in the case of hilly or tribal areas) with an all weather road by the year 2009.

In reply to Para No. 3.102, category-wise eligible number of habitations and corresponding length has already been enumerated. Out of 60030 eligible habitations, proposals to connect 32979 habitations have already been given. Connectivity to 3,571 habitations of 1000+ population has been provided under other State Sponsored Schemes.



Rural Roads being a State subject, projects are executed by the State Governments through their agencies. Some of the major constraints affecting the pace of implementation of PMGSY are inadequate institutional capacity for programme implementation; inadequate contracting capacity for execution of projects; non availability of critical construction materials; non availability of land; delay in obtaining regulatory clearances including clearance under Forest (Conservation) Act 1980; and security related problems. Measures have been taken to accelerate the pace of implementation of the programme. Some of these are enhanced allocation of funds; training and capacity building of the implementing agencies; revision of interest free advance to the contractors for acquisition of machinery and equipment.; amendment to the Standard Bidding Document & package sizes from Rs 50 lakh-Rs 2 crore & 2 crore-Rs. 10 crore allowed with differential qualification criteria to enable more contractors to participate; flexibility given to States to float packages above Rs. 10 crore to induce participation by big contractors; permitting joint ventures between big and small contractors; performance incentive for timely completion introduced in September 2006 through higher weightage in qualification assessment in future; augmentation of a number of programme implementing units in States and strengthening of State Rural Roads Development Agencies; regular monitoring and review of performance of States where the implementation is lagging behind schedule with a view to augmenting their programme management capacity.

In Bihar and Tripura, Central Agencies have been deployed to speed up implementation of the work. In Goa, because of acute land problem, it has not been possible to proceed further. J&K have now created 13 dedicated Programme Implementing Units and 3 Superintending Engineers. In Haryana due to land acquisition problem, 2 habitations of 500 + population could not be covered.

[Department of Rural Development (Ministry of Rural Development)  
O.M. No. H-11020/6/2007-GC (P) dated 23.10.2007]

**Recommendation (Serial No.47, Para No. 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-II during the period 2000-2001 to 2004-2005. 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.* 2000-01 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.

### **Reply of the Government**

The project proposals are cleared in annual batches and in turn tendering and execution also follows a cyclic order. To achieve a good progress normally project proposal of 2-3 times the annual targets are cleared and that is why there is gap between the number of projects cleared, targeted number of habitations and road length to be covered and actual number of projects completed, habitations connected and road length completed . Some works are getting abnormally delayed because of the delays in forest clearance, non-availability of land which is the responsibility of the State Government. In some cases, dispute or abandonment of the work by the contractors also causes delay. There is a problem of contracting capacity also. The States, through regular review meeting, are being requested to increase the pace of completion of the roads particularly which have been sanctioned in the earlier years through better contract and project management.

The percentage of completed road works in respect of phase-I and phase-II is 96.6% and 92.89% respectively. However, most of the Phase-I & II balance roads are those which have either been completed under some other programme or scheme of the State Governments or are proposed to be dropped by the State Governments. An exercise is being undertaken to ascertain the exact number of roads which will remain pending after they are dropped from the list of pending PMGSY roads.

[Department of Rural Development (Ministry of Rural Development)  
O.M. No. H-11020/6/2007-GC (P) dated 23.10.2007]

### **Recommendation (Serial No.48, Para No. 3.106)**

The Committee find that as per the guidelines of PMGSY, whenever a road involves a bridge upto 25 meters, the funds are provided under PMGSY. However, beyond 25 Meters 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.

### **Reply of the Government**

A Detailed Project Report (DPR) is prepared based on the data collected through topographical surveys, traffic surveys, soil surveys and hydrological surveys. During this exercise itself the need for bridges is established and the location and type of bridge also decided and accordingly provided.

When the proposals are received from the States, NRRDA gets an extract of the DPR in which specific information on Long Span Bridges (more than 25 m) is to be stated and certified by the Executing Agency as well as the State Technical Agency (STA). From the proposals received from 2003-04 onwards, this item is specially checked and ensured that wherever such bridges are required they are being provided.

No specific complaint about the missing bridges on the proposed roads has been received. If any such complaint is received, NRRDA would depute National Quality Monitors (NQMs)/STA Coordinators for ground verification and the State would be advised to propose suitable bridge structure required for providing complete utility of the roads constructed under PMGSY.

[Department of Rural Development (Ministry of Rural Development)  
O.M. No. H-11020/6/2007-GC (P) dated 23.10.2007]

### **Recommendation (Serial No.49, Para No. 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 up gradation and 40 per cent for new connectivity in different States. The State-wise details of allocation of funds for new connectivity and up gradation indicate that the aforesaid ratio of 60:40 has not been maintained in either of the States. No pattern of new connectivity and up gradation emerges from the State wise data. In Arunachal Pradesh and Manipur, no outlay has been allocated for up gradation. In Meghalaya and Uttar Pradesh, the allocation of up gradation 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 up gradation as per the criteria of 60 per cent for up gradation 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.

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

It may be clarified that under Bharat Nirman, 1, 46,185 kms roads for new connectivity is to be constructed to provide connectivity to 66,802 habitations. Further, to provide full farm to market connectivity up gradation of through routes and major rural links totaling to 1,94,130 kms is targeted. However, out of total 1,94,130 kms, it has been enjoined on the State Government that 40% of this road length (77,652 kms) be brought to better standards by the surface renewal through State Governments own funding and the balance 60% of 1,94,130 kms (*i.e.* 1,16,478 kms) will be funded by the Government of India under PMGSY. The funds being provided by Government of India for new connectivity and for up gradation of roads is in the ratio of 70:30 approximately. The proportion of new connectivity and up gradation is varying from State to State because of different proportion of the eligible habitations remaining unconnected in the states and also the total length of core network routes is different in different States.

No physical targets for up gradation have been provided for Arunachal Pradesh and Manipur, as the States do not have any rural road core network through routes or major link routes constructed by the respective States in earlier years under any of the State Sponsored Programme. In Uttar Pradesh, the road length under new connectivity

targets is 7,795 km which is required for providing connectivity to eligible 4,989 habitations under Bharat Nirman. Similar is the case with Meghalaya. Bharat Nirman is a sub set of PMGSY and its objectives still remain to provide connectivity to eligible habitations. After completing the targets of Bharat Nirman, the State Government can provide connectivity or up gradation to eligible roads under PMGSY as per their capacity. In the progress reports under up gradation, lengths include renewal funded and carried out by the State Government under their own resources which gives an impression that achievement under up gradation is much larger than that for new connectivity under Bharat Nirman.

[Department of Rural Development (Ministry of Rural Development)  
O.M. No. H-11020/6/2007-GC (P) dated 23.10.2007]

#### **Recommendation (Serial No.50, Para No. 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 up gradation indicates that thrust under Bharat Nirman is more on up gradation 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.

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

The Bharat Nirman Scheme is within the over all ambit of PMGSY. Accordingly, for reporting the achievement under Bharat Nirman, only eligible category *viz.* habitation with a population of 1000+(500+in case of hilly or tribal areas) is considered whereas for progress under the PMGSY, total achievement under the programme *viz.* all unconnected

Habitations with a population of 500 persons and above (250 in respect of Hill States and Desert Areas as well as Tribal Schedule V areas) is considered. The outcome is linked to the financial outlay in the budget. As stated in reply to Para No. 3.113, Bharat Nirman lays down greater emphasis on new connectivity as compared to upgradation. The ratio of allocation of funds between new connectivity and up gradation is 70:30. The up gradation component has been included so that in addition to improve roads under the links to the eligible habitations, the thorough routes and major link routes are also in better condition for providing full farm to market connectivity.

[Department of Rural Development (Ministry of Rural Development)  
O.M. No. H-11020/6/2007-GC (P) dated 23.10.2007]

#### **Recommendation (Serial No.52, Para No. 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 Government, 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.

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

A close coordination mechanism between different agencies responsible for implementation of SGSY has been evolved by forming block level, district level, State level and Central level SGSY Committees. The State level Bankers Committee (SLBC) has the mandate to approve the bank credit plan and review the credit trend in the State. Considering the significance of these meetings, all the State Governments are instructed to conduct meetings of these Committees as per the schedule prescribed in the SGSY guidelines for effective implementation of this scheme. The States are also instructed to furnish the details of such meetings.

The 10th Central Level Coordination Committee (CLCC) meeting was held on 7th February, 2007 with all CMDs of Public Sector Banks and State Secretaries of Rural Development Departments in which, *inter-alia*, the issues of disbursement of credit and sanctioning of pending loan applications were discussed. Subsequently, Secretary, Rural Development had written to CMDs of all these banks to designate an officer in Corporate office as well as at the State level for coordination and monitoring of SGSY. Chief Secretaries of all States were requested to nominate a Nodal officer for SGSY programme at State level.

[Department of Rural Development (Ministry of Rural Development)  
O.M. No. H-11020/6/2007-GC (P) dated 23.10.2007]

#### **Recommendation (Serial No. 54, Para No. 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 Swarozgaris to sell their products in such Melas.

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

As against a Budget provision of Rs.970.00 lakhs for SGSY (Marketing) during 2006-07, a sum of Rs.7800.00 lakhs has been provided in BE 2007-08 to meet the expenditure for providing improved marketing facilities to the rural artisans. Every year, this Ministry is organizing regional SARAS fairs in major cities of the country. This Ministry is considering to further enhancing number of regional SARAS fairs in the States. Apart from organising SARAS Fairs in the States, Ministry has initiated action to create permanent infrastructure facilities in New Delhi *viz.* construction of (i) Dilli Haat type Complex at Jasola, (ii) Hiring of 44 stalls at Dilli Haat, Pitampura, (iii) Renovation of Rural Development Pavilion at Pragati Maidan, (iv) and Hiring of Gallery at Rajiv Gandhi Crafts Bhavan. These infrastructures will act as an outlet for giving more marketing facilities to the SHGs.

The Ministry has initiated action to set up a National Rural Products Marketing Agency, which will be manned by professionals in the marketing field. This would enable the Self Help Groups to face the competition in the market and to produce competitive products.

[Department of Rural Development (Ministry of Rural Development)  
O.M. No. H-11020/6/2007-GC (P) dated 23.10.2007]

#### **Recommendation (Serial No. 55, Para No. 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 district in a time bound manner. The Committee find that at the National level, there is no agency that can exclusively handle the marketing aspect 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.

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

A separate Head of Account under the Capital Section of the Budget to meet the capital expenditure on marketing infrastructure has been created through First Supplementary Grants.



Permanent marketing infrastructure facilities are already sanctioned for 10 States as Special Projects under SGSY. The proposals from 4 more States are under consideration for sanction of permanent marketing infrastructure. The Hon ble Minister (RD) has requested the remaining 19 States/UTs where such facilities are not available to provide land free of cost and send proposals for financial assistance for creating permanent marketing infrastructure.

The proposal to set up a new National Rural Products Marketing Agency has been sent to Ministry of Finance for approval.

[Department of Rural Development (Ministry of Rural Development)  
O.M. No. H-11020/6/2007-GC (P) dated 23.10.2007]

#### **Recommendation (Serial No. 56, Para No. 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.

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

For the first six months for the financial year 2006-07, CAPART was in the process of establishing sound financial and administrative system both at the Hqrs. and its Regional offices. It was also attending to the clearance of pending files.

Some of the corrective measures taken by CAPART in the year 2006-07 are as under:

- Established new system of receipt of new proposals only up to November 2006, so that the remaining part of the year can be spent in processing and approving the viable projects.



- To bring in greater transparency and accountability, the system of individual monitoring was changed to Institutional Monitoring system where instead of using the services of individual members, technical and specialized Institutions were empanelled for monitoring.
- CAPART pro-actively approached good NGOs with good track records in consultation with State Govts. for formulation of model projects.
- CAPART also facilitated submission of proposals from credible NGOs that was continued till January 2007. Thereafter the proposals were approved by appropriate committees and amount released in the last quarter of the financial year.
- For the year 2007-08, the receipt of applications will be closed in October 2007, and thereafter approvals and financial releases will be made.

[Department of Rural Development (Ministry of Rural Development)  
O.M. No. H-11020/6/2007-GC (P) dated 23.10.2007]

**Recommendation (Serial No.57, Para No. 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 the CAPART should step up the exposure of NGOs and another 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.

## **Reply of the Government**

The Primary focus of CAPART's advocacy activity is to provide exposure of NGOs particularly grass root NGOs to vital issues in the rural development sector such as Water, Sanitation and Rural Energy etc. For this purpose, CAPART regularly organizes workshops at State, District and Taluk Hqrs. throughout the country for providing information regarding the model projects formulated on the Rural Young Professionals, Sanitation, Rain Water Harvesting and Village Knowledge Centre schemes, and on any other issues that the NGOs desire.

### **1. Model Projects**

The credible, well established VOs with sufficient infrastructure have been nominated as Nodal NGOs with an objective to reach the unserved, under-served and unreached areas through targeted project mode in the States of Orissa, Chhattisgarh, West Bengal, Rajasthan, Karnataka, Tamil Nadu, Andhra Pradesh, Jharkhand, Maharashtra and Gujarat. The States of Bihar, U.P., Uttarakhand, Haryana and Punjab will be taken up in 2007-08. The Nodal NGOs will facilitate project and NGO mapping and create a database of grassroots NGOs in each State. The Nodal NGOs are also implementing model projects on following schemes:

- a. Rural YP
- b. Sanitation
- c. Rain Water Harvesting
- d. Village Knowledge Centre
- e. Food Preservation at the Primary level

Through above programmes, CAPART is confident that it will function in a more effective manner and coordinate activities of NGOs in the field.

### **2. Village Knowledge Centre and Technology Resource and Training Center at CGC Vaishali (Bihar)**

- (i) A Village Knowledge Centre for disseminating various technologies appropriate in the rural areas on the pattern of life cycle of rural people has been set up at CGC, Vaishali (Bihar) as a pilot project. The Centre will utilize Space Technology to propagate and disseminate issues of local

importance and relevance, *viz.* weather, crop pattern, health and nutritional issues, etc.

- (ii) Village Knowledge Centres will be established in 1 central site at CGC Vaishali and 49 remote points connected to it during 2007-08. Apart from this CAPART has sanctioned proposals for setting up 12 central and 57 remote sites to the Nodal NGOs.
- (iii) A Technology Resource Training Centre(TRTC) is being set up at CAPART premises at CGC, Vaishali.

### **3. Media**

#### ***Radio Programme***

**'Badhayen Haath CAPART ke Saath'** launched on 14.12.06

52 Episodes weekly program in Hindi being aired from 67 Stations in 10 States

This is a vigorous media campaign through All India Radio focusing through episodes on current issues of rural development. The topics covered include Health, Safe Drinking Water, Nutrition, Literacy (benefits of going to school), Income Generation, Management of Disability, Rural Young Professionals/Life Skill Development, Micro Credit/SHGs, Rain Water Harvesting, Village Knowledge Centres, Rural Sanitation etc.

Good Feedback has been received from the listeners and the Program will be taken up soon in Regional languages during the year 2007-08.

[Department of Rural Development (Ministry of Rural Development)  
O.M. No. H-11020/6/2007-GC (P) dated 23.10.2007]

#### **Recommendation (Serial No. 58, Para No. 3.169)**

The Committee note that NIRD at 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 2006-07, NIRD could conduct only 199 programmes as against the target of conducting 230 programmes. Further, no research activity has been completed in 2006-07. 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.

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

One of the important functions of National Institute of Rural Development (NIRD) is to build the capacities of functionaries involved in implementation of the rural development programmes. To achieve this goal, NIRD is imparting training to officials, PRI representatives and reputed Non-Governmental Organisations (NGOs) from all over the country at NIRD and its Regional Centre at Guwahati for State and District level functionaries. The NIRD organises training programmes for District and Sub-Divisional level functionaries at 28 State Institutes of Rural Development (SIRDs) and at 89 Extension Training Centres (ETCs) for Block and Gram Panchayat level functionaries.

The NIRD has organised 265 training programmes against the target of 230 programmes in the year 2006-07. The number of participants trained in these programmes is 7371. Thus, there is no shortfall in achieving the targets. The NIRD has completed the following 20 research projects in the year 2006-2007:

- (i) Nation Wide study on Participatory Development Approaches.
- (ii) Comparative study of Institutional Arrangements and Farming Systems: Viable options for Small and Marginal farmers.
- (iii) Food Security for the Poor through State Intervention: A Study across the States.
- (iv) Socio-Economic Status of the Scheduled Caste Women working as Traditional Birth Attendants.

- (v) Fund Utilisation for creation of durable assets A Study of District Rural Development Agency/Zilla Parishad in three States.
- (vi) Community and Government initiatives in Rain Water Harvesting for Drinking Water in Tamil Nadu.
- (vii) Food Grains Delivery mechanism under SGRY A Study in Two States.
- (viii) Collaborative Study on Right to Information and PRIs .
- (ix) Collaborative Study Establishing participative transparent and accountable governance through participation of social movements in electoral politics .
- (x) Study on disparities between Rural and Urban Areas.
- (xi) GIS based development Atlas for India at Micro level.
- (xii) Ground Truthing Development in Naxalite affected areas Present and Future.
- (xiii) Socio-economic Impact of the proposed Polavaram project on the life of Tribals in the affected areas.
- (xiv) Initiatives taken up for augmenting resources in Gram Panchayats Case studies in Four States.
- (xv) Interventions for Women Empowerment.
- (xvi) Development of Entrepreneurship among Rural Women.
- (xvii) Competency Mapping: A Study on Rural Development Functionaries.
- (xviii) Pro-poor Strategy for Micro-credit Delivery systems.
- (xix) Partnership Strategies for Marketing of SGSY products: A study of private sector linkages.
- (xx) Stakeholders participation in Watershed Development: A study in two States.

Five more research projects will be completed by the end of the current year.

To meet the challenge of imparting training to the rural development functionaries comprehensively, State Training Action Plans (STAP) for 2007-2008 have been prepared by the States and were approved by the Ministry for implementation which envisages a greater role of NIRD, SIRDs and ETCs by taking up more off-campus training

programmes at District and Sub-district levels. Based on the STAP, roll out plans under different programmes/schemes of the Ministry have also been prepared by NIRD to ensure comprehensive and continuous coverage.

The NIRD has developed training modules for National Rural Employment Guarantee Programme (NREGP), Swaran Jayanti Swrozgar Yojna (SGSY), Sampoorna Grameen Rozgar Yojna (SGRY), Watershed Development, Drinking Water and Sanitation and Indira Awaas Yojna (IAY) duly taking into consideration the latest guidelines/changes in the strategies for implementation of these programmes. These modules are developed by conducting workshops wherein the representatives of the Ministry of Rural Development, States and State Institutes of Rural Development and experts from the field including the reputed NGOs have participated in the deliberations.

A one day National Consultation was organized under the chairmanship of Minister for Rural Development to have more meaningful linkages with the Institutions like universities and other educational institutes of national repute engaged in conducting courses, research and training on rural development. Issues like suitable curricula for the course in Rural Development-degree/diploma/certificate courses, conducting monitoring and evaluation studies on the rural development programmes and to bridge the gap between theory and practice have come up for deliberations.

NIRD has launched its 1st Certificate Course on participatory Rural Development of 3 months duration with 34 participants.

[Department of Rural Development (Ministry of Rural Development)  
O.M. No. H-11020/6/2007-GC (P) dated 23.10.2007]

### CHAPTER III

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

##### **Recommendation (Serial No. 5, Para No. 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 2007-08. 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 2007-08 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.

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

As per budgetary procedure prescribed by the Ministry of Finance, the Schemes which are funded through Reserve Funds involve a three tier budgetary system in the Detailed Demands for Grants (DDG) as under:

- (i) The budget allocation made for these Schemes is first notionally made in the respective Fund under the head Transfer to Reserve Fund. For example, under National Rural Employment Guarantee Scheme, a notional provision of Rs. 12000.00 crore has been made for 2007-2008 under the following head of account in the Detailed Demands for Grants of Department of Rural Development:

(Rs. in crores)

##### **2505—Rural Employment (Major Head)**

02 Rural Employment Guarantee Scheme  
(Sub-Major Head)

02.797 Transfer to Reserve Fund  
(Minor Head)

01 Transfer to National Rural Employment  
Guarantee Fund

01.01 Assistance for Rural Employment  
Guarantee Schemes

01.01.63 Inter Account Transfer  
(page 8 of DDG)

12000.00

- (ii) In the second tier, a corresponding budget provision is made under the functional budget heads *i.e* Major Head 2505 and Major Head 2552 in the Detailed Demands for Grants for enabling release of funds under NREGS to Non-North Eastern States and N.E. States respectively as per the details shown below:

**2505—Rural Employment (Major Head)**

02 Rural Employment Guarantee Scheme  
(Sub-Major Head)

02.101 National Rural Employment  
Guarantee Scheme 10800.00

(Detailed head-wise break-up is given in  
DDG at pages 8 and 9)

**2552—North Eastern Areas (Major Head)**

451 Rural Employment Guarantee Scheme

National Rural Employment Guarantee  
Scheme 1200.00

(page 13 of DDG)

These heads are related to the Budgetary Support provided by the Planning Commission for NREGS and are operated upon for release of funds under the programme.

- (iii) As and when the funds are released to the implementing agencies during the course of the year, an equal amount is deemed to have been recovered from the National Rural Employment Guarantee Fund. Accordingly, in the third tier, a corresponding deduct entry is made as recoveries adjusted in reduction of expenditure to maintain the level of Budget Support for the Scheme:

(Rs. in crores)

2505 Rural Employment (Major Head)  
60 Other Programmes (Sub-Major Head)  
902 Deduct Amount met from National  
Rural Employment Guarantee Fund  
00.00.70 Deduct recoveries (-) 12000.00  
(page 18 of DDG)



**Thus the net Budgetary Support for NREGS would only be Rs. 12000.00 crores.**

Similarly in the case of PMGSY, the funds are provided from Central Roads Fund (Diesel Cess). The same procedure as outlined above is also followed in this case as per details given below:

(Rs. in crores)

**(i) 3054—Roads and Bridges (Major Head)**

80 General (Sub-Major Head)

80.797 Transfer to Reserve Fund (Minor Head)

03 Transfer to Central Roads Fund

03.01 Pradhan Mantri Gram Sadak Yojana

03.01.63 Inter Account Transfer (page 16 of DDG) 3825.00

**(ii) 3054—Roads and Bridges (Major Head)**

04 District and Other Roads (Sub-Major Head)

04.337 Road Works (Minor Head)

05 Pradhan Mantri Gram Sadak Yojana 3510.00\*

(Detailed head-wise break-up is given in DDG at pages 16 and 17)

\* (Excluding EAP Component of Rs. 2600.00 crore).

**2552—North Eastern Areas (Major Head)**

297 District and Other Roads Road Works (Minor Head)

01 Pradhan Mantri Gram Sadak Yojana 390.00 (page 15 of DDG)

These heads are related to the Budgetary Support provided by the Planning Commission for PMGSY and are operated upon for release of funds under the programme.

**(iii) 3054—Roads and Bridges (Major Head)**

80 General (Sub-Major Head)

903 Deduct Amount met from Central Road Fund (Minor Head)

00.00.70 Deduct recoveries (-) 3825.00 (page 18 of DDG)

**Thus the net Budgetary Support for PMGSY would be Rs. 3900.00 crores.**

(Rs. 3825.00 crore from diesel cess and Rs. 75.00 crore budgetary support)

Thus the total outlay of Rs. 43,347.86 crore for the Department of Rural Development includes the notional provision of Rs. 12000.00 crore for NREGF and Rs. 3825 crore for CRF. By deducting this notional provision from the total outlay, the net budgetary allocation stands at Rs. 27522.86 crore which includes Rs. 27500.00 crore as Plan allocation and Rs. 22.86 as Non-plan allocation and Rs. 15,825.00 crores in NREGF and CRF.

[Department of Rural Development (Ministry of Rural Development)  
O.M. No. H-11020/6/2007-GC (P) dated 23.10.2007]

## CHAPTER IV

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

#### **Recommendation (Serial No. 1, Para No. 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, 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.

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

The mandate of the Ministry is to reduce poverty, development of infrastructure and to provide amenities in the rural areas. There have been consistent efforts to get the enhanced central allocation for the programmes of Ministry of Rural Development. This is evident from the Budget Estimates of 2007-08 as compared to the Budget Estimates of the 2006-07 of the Ministry. The Budget Estimates were Rs. 31443.62 crore in 2006-2007 and it has now been enhanced to Rs. 41060.00 crore during 2007-08 reflecting an increase of 30.6%.

The Budget Estimates for Department of Rural Development is Rs. 32,000 crore which is higher by 33.19% over previous year. The allocation for PMGSY is Rs. 11,000 crore (including Rs. 4500 crore loan from NABARD) *i.e* 110.50% higher as against Rs. 5225.62 crore during 2006-07. Similarly other programmes have been provided higher allocations are Rural Housing Rs. 4040 crore against Rs. 2920 crore of Previous year 2006-07. *i.e* 38.36% higher of the previous year. SGSY budget estimates is Rs. 1800 crore as against Rs. 1200 crore which is

50% higher than that of previous year 2006-07. Since 130 districts have been added under NREGA, number of districts under SGRY has declined hence lower outlay. NREGA is demand based programme, allocation has no implication as funds will be made available whenever needed.

[Department of Rural Development (Ministry of Rural Development)  
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#### **Comments of the Committee**

(Please see Paragraph No. 7 of Chapter-I of the Report)

#### **Recommendation (Serial No. 2, Para No. 2.10)**

The Committee find that the percentage hike in allocation of outlay has declined after 2005-06. As against the hike of 37.62 per cent during 2005-06 and 23.69 per cent during 2006-07, the hike is just 13.28 per cent during the year 2007-08. 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.

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

The trend of Budget Estimates during the last four years in respect of Department of Rural Development indicate that there has been a consistently significant increase in allocation of funds. During 2004-05, the Budget Estimates were Rs.11437.40 crore which was increased to Rs. 18334.00 crore representing an increase of 60.30%. During 2006-07, the BE was Rs. 24025.62 crore which reflected an increase of 31.04% over 2005-06 and during 2007-08, the BE have been provided as Rs. 32000 crore (including Rs. 4500 crore NABARD loan) reflecting an increase of 33.19% over the BE of 2006-07. The reduction of outlay under SGRY during 2007-08 is mainly on account of the fact that NREGA has been extended to another 130 districts where the SGRY has been subsumed with NREGA. The NREGA being a demand based programme, BE has no implication as funds will be provided as and when required for it. There has been an over all increase in the Central allocation, however, there has been marginal decrease in respect of Council for Advancement of People s Action and Rural Technology (CAPART) and District Rural Development Agency (DRDA) Administration which are the supporting components.

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O.M. No. H-11020/6/2007-GC (P) dated 23.10.2007]

### **Comments of the Committee**

(Please see Paragraph No. 7 of Chapter-I of the Report)

#### **Recommendation (Serial No. 3, Para No. 2.11)**

Another trend noticed by the Committee is that whereas during the year 2006-07, the percentage growth in tax revenue is 28.01 per cent, the additional resources being made available through favorable 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.

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

Generally, there is no direct co-relation between the growth and tax revenue and the outlay of D/o Rural Development. However, the concern of the Committee regarding the enhancement of social sector outlay in proportion to tax revenue collection is appreciated. The programmes of the Ministry of Rural Development are part of social sector development. There are other Ministries such as Ministry of HRD, Social Justice & Empowerment, Health and so on which are also implementing the programmes relating to social sector. The Department of Rural Development had proposed higher allocation. However keeping in view funds constraints and other issues, funds of rural development programmes have been provided. The size of budget allocation at the beginning of the year may not have any impact on the implementation of NREGA as it is not an allocation based programme and adequate funds will be provided as and when required. As mentioned in reply to recommendation No. 2.9, there is 30.6% increase in the Central outlay for the schemes of Department of Rural Development during 2007-08 as compared to the Budget allocation of the previous year 2006-07. The Ministry has initiated action to step up implementation of programmes during the year and utilize funds as early as possible. A meeting of Secretaries of Rural Development Programmes of all States was held on 12-13 April, 2007 to chalk out strategy for this purpose. On the basis of pace of utilization of funds, additional requirement would be asked at RE stage.

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### **Comments of the Committee**

(Please see Paragraph No. 7 of Chapter-I of the Report)

#### **Recommendation (Serial No.4, Para No. 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.

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

As mentioned in reply to recommendation No. 2.9, there is 30.6% increase in the Central outlay for the schemes of Ministry of Rural Development during 2007-08 as compared to the Budget allocation of the previous year 2006-07. The Ministry has initiated action to step up implementation of programmes during the year and utilize funds as early as possible. A meeting of Secretaries of Rural Development Programmes of all States was held on 12-13 April, 2007 to chalk out strategy for this purpose. On the basis of pace of utilization of funds, additional requirement would be asked at RE stage.

[Department of Rural Development (Ministry of Rural Development)  
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### **Comments of the Committee**

(Please see Paragraph No. 7 of Chapter-I of the Report)

#### **Recommendation (Serial No. 6, Para No. 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 finalized. 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.* 14th 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 Pradsesh, 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 finalization 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 finalise 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 finalization 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.

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

As the Committee has rightly observed, this Department has been making consistent efforts to get the results of BPL Census 2002 finalised at the earliest possible. As a result of these efforts, some more States like Karnataka, Punjab, Rajasthan, Mizoram, Himachal Pradesh, Maharashtra, Gujarat and Nagaland have also finalized the new BPL list. In Haryana, the State Govt. has ordered to carry out the re-survey of the BPL families in view of large scale complaints. The matter is being regularly reviewed with the remaining States and UTs at various levels. The Committee is well aware of efforts made by the Ministry at each level and even addressed letters to the Chief Ministers. However, due to receipt of a large number of applications/appeals, it took considerable time to dispose them of, through two stage appeal mechanism, which has been provided to redress the grievances of the people. As the Committee is well aware, the Ministry is making concerted efforts and is closely following it up with the States at each level. So far 17 States/UTs have finalized BPL List.

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

(Please see Paragraph No. 10 of Chapter-I of the Report)

### **Recommendation (Serial No. 7, Para No. 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 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 recommended 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/Minister of State Governments etc. Besides, the matter needs to be deliberated at the Chief Ministries 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 benefit envisaged under the various programmes.

### **Reply of the Government**

The concerns of the Committee regarding the delay in finalizing the BPL list are equally shared by this Ministry and the matter has been taken up with the State Governments at various levels such as with the State Secretaries and Chief Secretaries besides discussing the matter in the meetings of the Performance Review Committee. The Hon ble Minister of Rural Development has also taken up this issue with the respective Chief Ministers of the respective States. 12 States/UTs have already finalized the new BPL list and posted on their websites and a number of States will be completing this exercise very soon.

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### **Comments of the Committee**

(Please see Paragraph No. 10 of Chapter-I of the Report)

### **Recommendation (Serial No. 8, Para No. 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 identify in 1999-2000 BPL survey. The Department has stated that since the resources of the country are limited and thinly distributed, the intention of the 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 of 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 the finalization 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.

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

It may be pointed out that the number and proportion of BPL population living in the country is determined by the Planning Commission and are the only officially recognized estimates. The purpose of BPL Census conducted by this Ministry is only to identify those BPL families in the rural areas who could be targeted under the programmes of this Ministry. There is no point in having a large list of identified BPL families. Identified list should be two-three times of families likely to be assisted during a Five Year Plan keeping in view resources made available, rather than 10-15 times and unnecessarily arise expectations of crore of families to get assistance in poverty alleviation programmes. This may lead to cornering benefits by relatively better of households in the BPL list. Keeping in view the above, States were advised to have a cut off points.

It is clarified that for the BPL Census 2002, the guidelines did not restrict the number to the poverty estimates of 1999-2000 of

Planning Commission. In fact it has been provided that the States can identify the number of BPL families which may be equal to the Poverty Estimates of 1999-2000 or the Adjusted Share whichever is higher with another 10% flexibility. According to Poverty Estimates of 1999-2000, it was estimated that about 3.86 crore families were living Below the Poverty Line in rural areas. However under Adjusted Share, the number of such families was worked out as 4.88 crore. With the above option, the States/UTs were having the flexibility to identify roughly up to 5.4 crore families as BPL in the rural areas which is much higher as compared to the Poverty Estimates of 1999-2000, and the latest poverty estimates of 2004-05. This provides enough flexibility to the States/UTs in deciding the number of BPL families. Earlier also it was clarified that since the list of BPL families is to be decided and approved by the Gram Sabhas in a transparent manner, the scope for any discretion on the part of any agency or official etc. has already been minimized. The issue of putting any cap on the total number of BPL families will be discussed while deciding the methodology for the next BPL Census.

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

(Please see Paragraph No. 10 of Chapter-I of the Report)

#### **Recommendation (Serial No. 10, Para No. 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 in spite 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 Utilisation Certificate amounting to Rs. 744.45 crore are still pending under different schemes of the Department.

### **Reply of the Government**

As the Committee has rightly noticed the elaborate system of monitoring in the Ministry, the objectives of having such multi level and multi-tool monitoring mechanism is to ensure efficient delivery at grass root level including proper and faster utilization of funds. The Ministry has taken a number of steps to ensure maximum utilization of funds and minimize the closing balances like quarterly target for utilization of funds, certain percentage of utilization of funds to become eligible for release of 2nd installment, cut in allocations/released if opening balances are higher than 10% etc. It may be clarified that as a policy, the Ministry has allowed to carry forward 10% as closing balance to continue programme during next financial year (till the first installment is received by them). The Committee is well aware that due to budgetary approval process, normally it takes 1-2 months to get first installment by the implementing agencies. The opening balances are utilized by them during this period.

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### **Comments of the Committee**

(Please see Paragraph No. 16 of Chapter-I of the Report)

#### **Recommendation (Serial No. 11, Para No. 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 meant 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 Committees 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 along can not provide the desired results. The findings of the Area Officers should be indicated in the Outcome Budget document.

### **Reply of the Government**

As per information received from States and District Administration the position regarding holding meetings of Vigilance and Monitoring Committee at District and State levels during 2006-07 is as given below:

#### **Meetings of the District level V&MCs**

S.No	Year	No. of Districts where meetings of District level V&MCs held	Total number of Distt. V&MC meetings held
1.	2006-07	465	738

#### **Meetings of the State level V&MCs**

S.No	Year	No. States/UTs where meetings of District level V&MCs held	Total number of States V&MC meetings held
1.	2006-07	22	32

This Ministry has taken various steps to ensure that the meetings of the Vigilance and Monitoring Committees at State and District levels are held regularly. To emphasize the importance of the meetings of V&MCs, instructions have been issued to all States/UTs and District Administrations *vide* this Ministry's letter dated 10th August, 2006 that in future while processing proposals for releasing second installment of funds under various programmes of this Ministry, the status of meetings held at State/District level V&MC will also be taken into account. The second installment of funds under various programmes will be released only after getting confirmation that at least one meeting of the V&MC has been held at the State and District level and this information is indicated in the proposals for release of 2nd installment

for each programme of this Ministry. However, considering the problems faced by many State Governments and District Administrations in holding these meetings, this condition was relaxed for the year 2006-07. Further to ensure that at least one meeting of the District V&MC is held at the State and District level, the guidelines for V&MCs have been amended and a provision has been made for holding a Special Meeting of V&MCs in July or August if no meeting of V&MC could be arranged in the first quarter due to any reason. With the amendment of these guidelines it is hoped that now at least one meeting of the V&MC will be arranged at the State and District level during each year.

The Area Officers make all efforts to visit the allocated districts on Quarterly basis, but due to pre occupations, Parliament Session and preparation of other documents for various meetings etc. it becomes difficult to adhere to the prescribed schedule. To ensure that all the districts are covered for physical and financial achievements, the district level monitoring mechanism through independent Research Organisations is being implemented. As suggested, the findings of the Area Officers will be indicated in the Outcome budget document.

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

(Please see Paragraph No. 16 of Chapter-I of the Report)

#### **Recommendation (Serial No. 12, Para No. 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 utilized and the outlays allocated in the social sector projects actually reach to the intended beneficiaries.

### **Reply of the Government**

This Ministry has already issued instructions *vide* letter dated 2nd August, 2005 that the District Collector being the Member Secretary is responsible for conducting these meetings regularly. It is also stated in these instructions that in cases where the Chairman of the District V&MC is preoccupied and has not indicated any dates for convening such meetings, the Member Secretary should ensure, in consultation with the Co-Chairman, that these meetings are convened within 15 days of the end of each quarter under intimation to the Chairman/ Co-Chairman and all other members.

This Ministry has also already issued instructions *vide* letter dated 10th August, 2006 that in future while processing release of second installment of funds under various programmes of this Ministry, the status of meetings held at State and District level V&MCs will also be taken into account. The second installment of funds under various programmes will be released only after getting confirmation that at least one meeting of V&MC has been held at the State and District level during that year and this information is indicated in the proposals for release of second installment for each programme of this Ministry. As mentioned in reply to above para that provision has been made for special meeting of the District Level Vigilance and Monitoring Committee to make Member Secretary accountable for not holding of these meetings.

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### **Comments of the Committee**

(Please *see* Paragraph No. 16 of Chapter-I of the Report)

#### **Recommendation (Serial No. 13, Para No. 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 published 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 along with 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.

### **Reply of the Government**

The Ministry of Rural Development has laid down specific provisions for quality aspects of the projects created under its programmes. The independent agencies are also furnishing regular reports regarding the quality of projects after physical verification of these assets. The State Governments have been advised from time to time to adopt 5 pronged strategy *i.e* awareness about the programmes among the rural people, transparency, social audit/accountability, people participation and strict Vigilance and Monitoring. The complaints received from various parts of the country are immediately brought to the notice of the concerned State Government for furnishing factual position of the case and Action Taken Report. The Ministry is also investigating serious complaints through the field visit of its officers. Social Audit is one of the main elements in NREGA. They continuously monitor quality of assets generated. Similarly, there are local committees for SGRY and IWDP works. Further National Level Monitors verify quality of assets created/providing during their visits. Each NLM is required to visit 10-15 villages in each visit and verify each asset created in these villages during the last 3-4 years.

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### **Comments of the Committee**

(Please *see* Paragraph No. 16 of Chapter-I of the Report)

### **Recommendation (Serial No.14, Para No. 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.

### **Reply of the Government**

The suggestion of the Committee is welcomed and the Ministry is continuously trying to improve its monitoring system. In addition of



the existing monitoring tools like Districts wise database management, State/District Vigilance and Monitoring Committees, Performance Review Committee, National Level Monitors, etc. the Ministry is emphasizing to switchover to on-line monitoring of monthly and quarterly progress reports. A new system of organizing meeting of State Nodal Officers every month have been introduced and so far twelve such monthly meetings have taken place. Under the Programmes of SGRY and NREGA, the Ministry is insisting all the State Governments to constitute work wise monitoring Committee.

For effective monitoring of NREGA, computer based MIS is in the process of being operationalised. For this, efforts are on to strengthen the ICT infrastructure at the Block level. For this a detailed assessment of Block level ICT infrastructure resources such as computer hardware, trained personnel and internet connectivity has been undertaken. The gaps that emerge will be addressed so that all the blocks are connected through the internet. This will bring transparency in NREGA data base and enable monitoring. Social audit has also become an integral tool for transparent and effective monitoring by the stakeholders.

Under PMGSY, a web-based on-line Management & Monitoring Accounting Systems (OMMAS) has been developed by the Centre for Development of Advanced Computer (CDAC). Besides, a three-tier quality mechanism has been operationalised under the programme. At the first-tier, the contractors are required to carry out mandatory Quality Control tests under the supervision of District Programme Implementation Units (PIUs). In addition, every work is required to be inspected at three stages by State Quality Monitors as per second-tier of quality mechanism and about 10-15 per cent works are inspected by independent National Quality Monitors deployed by the NRRDA.

Guidelines for district level Vigilance & Monitoring Committee have been amended and release of second instalment has been tied up with the holding of Vigilance & Monitoring Committee meeting. Provision for special meeting has been introduced. During the year 2006-07 as many as 808 District level Vigilance & Monitoring Committee Meetings were held as against 504 meetings during 2005-06. The National Level Monitors visited 743 times during 2006-07 as against 410 during 2005-06 to monitor rural development programmes. The Minister of Rural Development has also directed all the Ministers, Senior Officers above Deputy Secretary to visit two-three districts and 10 villages each during October December, 2007. Similarly the 2nd round during



January March, 2008, there by covering all the districts during the financial year. The Ministry is also very particular in organizing meetings of the consultative Committee of Parliament attached to this Ministry every Quarter.

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### **Comments of the Committee**

(Please *see* Paragraph No. 16 of Chapter-I of the Report)

#### **Recommendation (Serial No.15, Para No. 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.

### **Reply of the Government**

The website of the Ministry *i.e.* [www.rural.nic.in](http://www.rural.nic.in) gives comprehensive information on all important activities and programmes of the Ministry and also provides link to other websites pertaining to both the programmes of the Ministry and also its organizations like NIRD and CAPART. As recommended in the 29th Report on Demand for Grants, the Ministry provides information on the physical and financial performance under all its schemes, proceedings of important meetings, details of sanction orders, circulars and letters issued to DRDAs on policy matters from time to time. Further news in respect of rural development is also provided on the website.

The two flagship programmes of Pradhan Mantri Gram Sadak Yojana (PMGSY) and National Rural Employment Guarantee Scheme (NREGS) have their individual websites also which contain details of operational parameters and progress in an aggregated form as well as

with state-wise details. There is a FEEDBACK option in the websites through which the public can offer their advice or comments.

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### **Comments of the Committee**

(Please see Paragraph No. 19 of Chapter-I of the Report)

#### **Recommendation (Serial No.16, Para No. 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 feels 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 right 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.

### **Reply of the Government**

The execution of the most of the rural development schemes is done through the District Rural Development Agencies (DRDAs). In order to implement the provisions of the Right to Information Act, 2005 the Chief Secretaries of all the States have been requested to issue instructions accordingly to the District Rural Development Agencies (DRDAs) / Zila Parishads and other State level implementing Agencies of Rural Development programmes to comply with the provisions of the RTI Act. The Central Public Information Officers in the Ministry and in the public authorities under the aegis of the Ministry, have been requested to upload the relevant material *suo motu* so that the public may have to resort *minimally* to the use of RTI Act. In the Ministry of Rural Development (D/o Rural Development and

D/o Land Resources) a total of 49 cases under the RTI Act have been received and in the public authorities namely Council for Advancement of Peoples Action and Rural Technology (CAPART), National Institute of Rural Development (NIRD) and National Rural Roads Development Agency (NRRDA) 22, 62 and 22 cases under the RTI Act respectively have been received in the financial year 2006-07.

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

(Please *see* Paragraph No. 19 of Chapter-I of the Report)

#### **Recommendation (Serial No.23, Para No. 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 8000 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.

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

The total central release for NREGA in the year 2006-2007 was Rs. 8263.66 crores. The total availability of funds, including Opening Balance with the NREGA States was Rs. 12072.51 crores and total expenditure incurred was Rs. 8812.60 crores. Besides, Rs. 8263.66 crores, Rs. 377.20 crores were released to 113 Phase - II districts (except 17 districts of Uttar Pradesh). The allocation of Rs. 12000.00 crores is initial allocation. Since the programme is demand driven, additional funds, if required, will be demanded at the supplementary stage.

[Department of Rural Development (Ministry of Rural Development)  
O.M.No.H-11020/6/2007-GC (P) dated 23.10.2007]

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

(Please *see* Paragraph No. 22 of Chapter-I of the Report)

### **Recommendation (Serial No.24, Para No. 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 utilized fully. Since the scheme might pick up during 2007-08 providing of outlay equal to the allocation made during 2006-07 is not justified particularly when 130 additional districts are proposed to be covered during 2007-08. In view of 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.

### **Reply of the Government**

The allocation of Rs. 12000.00 crores is initial allocation. NREGA is a demand driven programme and additional funds, if required, will be demanded at the supplementary stage. The Ministry accepts the recommendation that savings under NREGA should remain in National Employment Guarantee Fund and a claim can be made as and when required.

[Department of Rural Development (Ministry of Rural Development)  
O.M.No.H-11020/6/2007-GC (P) dated 23.10.2007]

### **Comments of the Committee**

(Please see Paragraph No. 22 of Chapter-I of the Report)

### **Recommendation (Serial No.25, Para No. 3.27)**

The Committee further note that, out Rs. 1.47 crore households who have been provided employment, only Rs. 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.

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

NREG Act provides for a legal guarantee of at least 100 days of wage employment in a financial year to every rural household for doing unskilled manual work on demand. Thus, employment under NREGA is demand based. As and when any job card holding household applies for work, it is provided employment for the number of days for which the household has demanded work. Since, NREGA provides for the enhancement of livelihood security of the households in rural areas, the number of days for which employment is demanded by different households may vary according to their needs. Periodic meetings are being held with state-officials so as to understand state-specific problems pertaining to implementation of NREGA.

[Department of Rural Development (Ministry of Rural Development)  
O.M. No. H-11020/6/2007-GC (P) dated 23.10.2007]

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

(Please *see* Paragraph No. 25 of Chapter-I of the Report)

#### **Recommendation (Serial No.26, Para No. 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.

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

National Rural Employment Guarantee Act aims to enhance livelihood security to poor households in rural areas by providing at least 100 days of guaranteed wage employment to every poor

household whose adult members volunteer to do unskilled manual work. As per Section 1 of Schedule 1 of National Rural Employment Guarantee Act, 2005, the focus of the Scheme shall be on the following works in their order of priority:-

- (i) water conservation and water harvesting;
- (ii) drought proofing (including afforestation and tree plantation);
- (iii) irrigation canals including micro and minor irrigation works;
- (iv) provision of irrigation facility to land owned by households belonging to the Scheduled Castes and Scheduled Tribes or to land of beneficiaries of land reforms or that of the beneficiaries under the Indira Awas Yojana of the Government of India;
- (v) renovation of traditional water bodies including desilting of tanks;
- (vi) land development;
- (vii) flood control and protection works including drainage in water logged areas;
- (viii) rural connectivity to provide all-weather access; and
- (ix) any other work which may be notified by the Central Government in consultation with the State Government.

States are to prepare Labour Budget and annual Shelf of Project to meet employment demand. If such planning throws up a need for any other work, the case will be examined by the Ministry.

[Department of Rural Development (Ministry of Rural Development)  
O.M. No. H-11020/6/2007-GC (P) dated 23.10.2007]

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

(Please *see* Paragraph No. 25 of Chapter-I of the Report)

#### **Recommendation (Serial No.38, Para No. 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 fund 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 emphasizes to take the desired steps so that the targets set under Bharat Nirman period are fully achieved.

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

Under Bharat Nirman, 60 lakh houses are to be constructed in four years from 2005-06 to 2008-09. during the year 2005-06, 15.52 lakh houses have been constructed which is more than the target of 14.41 lakh houses. During the year 2006-07, 14.98 lakh houses have been constructed which amounts to achievement of 97.71% of the target. To further improve the coverage of needy people the allocation under IAY for 2007-08 has been increased to 4032.70 crore for achieving the target of 21.27 lakh houses. Sum of Rs.1549.41 crore as on 29.6.2007 has already been released as first instalment to the States. Department is also actively pursuing the matter with the State Governments to ensure the target of Bharat Nirman are fully achieved. As far as the issue of permanent IAY wait list is concerned, the Department is actively pursuing the matter with the States. MRD has written to the CMs of all the States on 10.4.2006 for completion of Permanent IAY Wait List on the basis of Census 2002. Letter at the level of Secretary (RD) have also been written for early completion of Wait List. Recently, Secretary (RD) has written to the States on 11.4.2007 for completion of the list by 30.6.2007. The statement of status of Permanent IAY waitlist is at **Appendix -I**.

[Department of Rural Development (Ministry of Rural Development)  
O.M. No. H-11020/6/2007-GC (P) dated 23.10.2007]

### **Comments of the Committee**

(Please *see* Paragraph No. 28 of Chapter-I of the Report)

#### **Recommendation (Serial No.41, Para No. 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 laying 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.

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

An amount of Rs.400.00 crore was released to 20 districts of Bihar in the year 2004-05 under PM s Package for construction of 2.13 lakh houses damaged by floods occurred during that year.

The matter was pursued with the State Government from time to time regarding utilization of funds and rectification of discrepancies noticed in the UCs already submitted. However, as the discrepancies noticed in the utilization certificates and the Audit Report submitted, were not rectified by the State Government, the release of 2nd instalment of normal IAY funds during the year 2006-07 were initially linked to the settlement of UCs/ARs in respect of the funds released under PM s Package. However, this condition was subsequently postponed till 2nd instalment of 2007-08. As per the information furnished by the State Government in March, 2007, Rs.279.63 crore were utilized out of total available funds of Rs.545.40 crore including State share plus interest earned by DRDAs on this amount. Against the target of construction of 2.13 lakh houses, only 91 thousand houses were constructed (43%).



During the course of a review meeting taken by Secretary (RD) in Patna on 20.2.2007, the State Government had informed that they were having no more flood-affected houses left with the DRDAs for reconstruction. Accordingly, the State Government was advised to send a formal request to surrender the unutilized amount to the Central Government. In this connection, a letter was also sent to the State Government on 10th April, 2007 and again on 23.5.2007.

[Department of Rural Development (Ministry of Rural Development)  
O.M. No. H-11020/6/2007-GC (P) dated 23.10.2007]

### **Comments of the Committee**

(Please see Paragraph No. 31 of Chapter-I of the Report)

### **Recommendation (Serial No.42, Para No. 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 in spite 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 disapproved 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.

### **Reply of the Government**

In this connection, it is submitted that there is nothing contradictory. From the Statement enclosed as **Appendix – II** in reply to the Question of the Standing Committee, it was clear that utilization of Rs.279.62 crore was out of total available funds of Rs.545.40 crore which comes to 51.27 per cent. Accordingly, unspent amount of Rs.270 crore given as **Appendix –III** was also out of the total available funds of Rs.545.40 crore and not out of Rs.400 crore, as has been observed by the Committee. It may also be mentioned here that while calculating the total funds under IAY, Central share plus due State matching share is

always taken into account irrespective of the fact whether the State Government have released its State share or not. In this case, as per the UCs now received, the State Government has released its due State share.

In this connection, it is rightly stated that settlement of UCs was linked to the release of 2nd instalment of funds under normal IAY. It is also true that the State Government have informed that they do not have more flood-affected houses for reconstruction and therefore, they should be allowed to surrender or transfer the funds to normal IAY. However, this information was verbally given in the review meeting and no formal request in this regard was received. That is why it was informed to the Committee that further action will be taken on receipt of the formal request from the State Government.

As per the latest information received from the State Government, Rs.302.03 crore have been utilized and 97331 houses have been constructed against the target of 2.13 lakh houses. It has since been decided that the unspent amount of PM's Package lying with the Districts will be deducted from the 2nd instalment of normal IAY funds during the current year.

[Department of Rural Development (Ministry of Rural Development)  
O.M. No. H-11020/6/2007-GC (P) dated 23.10.2007]

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

(Please see Paragraph No. 31 of Chapter-I of the Report)

#### **Recommendation (Serial No.51, Para No. 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.

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

Ministry of Rural Development has addressed the Chief Secretaries of all States on 28.3.2006, requesting them to ensure that due share of the Twelfth Finance Commission award to States for maintenance of roads and bridges (Rs.15,000 crore) is earmarked for rural roads and is efficiently utilized for the purpose. Since the maintenance is funded by the State Governments, Phase-wise and Scheme-wise details are not monitored. However, Planning Commission has been requested to closely monitor performance of the State Governments with regard to the maintenance of rural roads while finalizing the State Plans. In particular, the Commission has been requested to scrutinize the amount budgeted and spent for maintenance of the Core Network of rural roads in the preceding years.

[Department of Rural Development (Ministry of Rural Development)  
O.M. No. H-11020/6/2007-GC (P) dated 23.10.2007]

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

(Please *see* Paragraph No. 34 of Chapter-I of the Report)

## CHAPTER V

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

#### **Recommendation (Serial No. 27, Para No. 3.29)**

The Committee during the Study visit the 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 Banks 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.

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

Mode of payment is to be decided by State Governments.

[Department of Rural Development (Ministry of Rural Development)  
O.M. No. H-11020/6/2007-GC (P) dated 23.10.2007]

#### **Recommendation (Serial No. 28, Para No. 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.

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

The matter is being taken up with the Department of Posts.

[Department of Rural Development (Ministry of Rural Development)  
O.M. No. H-11020/6/2007-GC (P) dated 23.10.2007]

#### **Recommendation (Serial No. 39, Para No. 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.

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

The Department is actively considering the matter of revision of unit cost. As suggested by Standing Committee earnest efforts are being made to get annual allocation for IAY considerably enhanced. It may be noted here that allocation for 2007-08 for IAY is Rs. 4040.00 crore which is 38% higher than the previous year.

[Department of Rural Development (Ministry of Rural Development)  
O.M. No. H-11020/6/2007-GC (P) dated 23.10.2007]

#### **Recommendation (Serial No. 53, Para No. 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 2,463 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.

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

The 10th CLCC meeting was held on 7th February, 2007 in which the issues of low credit disbursal, poor performance by bank branches and huge pendency of loan applications were discussed. As a follow up of the meeting, Secretary, Ministry of Rural Development has written to Secretary (Financial Sector), Ministry of Finance to take up the matter of poor credit disbursal by banks with RBI and Indian Banks Association (IBA). The action taken has resulted in good increase in mobilization of credit during the last two months of the financial year 2006-07.

Further, the observation of the Standing Committee has been communicated to the Ministry of Finance as well as Commercial banks for taking appropriate action.

[Department of Rural Development (Ministry of Rural Development)  
O.M. No. H-11020/6/2007-GC (P) dated 23.10.2007]

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

(Please see Paragraph No. 37 of Chapter-I of the Report)

NEW DELHI;  
04 March, 2008  
14 Phalgun, 1929 (Saka)

KALYAN SINGH,  
Chairman,  
Standing Committee on  
Rural Development.

## APPENDIX I

### STATUS OF IAY WAITLISTS

As on 12.07.2007

Sl.No.	Name of State	Status
1	2	3
1.	A&N Islands	BPL List has been prepared in Andaman.
2.	Arunachal Pradesh	Waitlists prepared in all the 15 districts, displayed in 9 districts and painted on the walls in 8 districts.
3.	Assam	Lists prepared, displayed and booklets printed by all the 23 districts, painted on walls in 12 districts. Painting work in other districts is in progress. Information furnished on format.
4.	Bihar	BPL lists prepared and kept in the Gram Sabha for seeking objections. After settlement of objections, final BPL lists will be prepared by August 2007 after which permanent IAY waitlists will be prepared.
5.	Chhattisgarh	<b>Waitlists completed in all respects, including wall painting, by all districts.</b>
6.	Goa	Waitlists prepared and same are affixed on the Notice Board in both the districts of Goa.
7.	Gujarat	IAY waitlists have been completed and painting work is on verge of completion.
8.	Haryana	BPL survey conducted in 2002 was found faulty and therefore it has been

1	2	3
		decided to conduct a fresh BPL Survey. Accordingly, fresh survey has been conducted and lists will be finalized by July, 2007.
9.	Himachal Pradesh	Waitlists are proposed to be finalized shortly.
10.	J & K	Waitlists have been prepared for Jammu division and are likely to be completed for Kashmir division shortly.
11.	Jharkhand	Waitlists prepared by all the 22 districts, displayed by 19 districts, painted on walls by 7 districts. Information furnished on format.
12.	Karnataka	Out of 5652 Panchayats, 4800 have prepared the lists.
13.	Kerala	Data collected for BPL 2002 is being vetted by Kutumbashree Groups and after BPL list is prepared, IAY lists will be prepared.
14.	Lakshadweep	List published and waiting for complaints.
15.	Madhya Pradesh	Waitlists prepared and wall painting done in all the 48 districts. Also put on the website.
16.	Maharashtra	75% Gram Sabhas prepared the list.
17.	Meghalaya	Survey completed, but waitlists still to be prepared.
18.	Mizoram	Waitlists prepared by all districts.
19.	Nagaland	IAY waitlists prepared, displayed and painted on the walls in all the 11 districts. However, the work of uploading and printing as booklet is in progress. Information furnished on format.



1	2	3
20.	Orissa.	IAY waitlist prepared based on 1997 BPL Survey. Painting on walls done by 95% Gram Sabhas. The State Govt. has been advised to re-do it based on 2002 Survey.
21.	Punjab	Waitlists prepared and painted on the walls in 8 districts and will be painted in other districts shortly.
22.	Pondicherry	1,17,000 families have been identified as BPL out of the BPL Census 2002. 25000 families are unsatisfied whose complaints are pending. It will take time to sort out the issue.
23.	Rajasthan	Waitlists prepared and painted in all the 32 districts. Booklet printed in 21 districts and put on website by 3.
24.	Sikkim	Lists prepared. The waitlists are ready but they have not been uploaded or painted on the walls.
25.	Tamil Nadu	Waitlists are ready and were displayed on notice board and updating done on the district website but painting is not being taken up.
26.	Tripura	IAY Waitlist prepared and displayed by all districts.
27.	Uttar Pradesh	Waitlists prepared and displayed by all districts. Painted on walls by 57 districts. Information furnished on the format.
28.	Uttaranchal	Waitlists prepared, displayed and painted on walls by all districts.
29.	West Bengal	Earlier, the State Government had requested to exempt from preparation of waitlists during the year 2006-07. Now, being MoRD s methodology of 2002 Census the BPL census 2005 has been carried out and that the BPL lists are ready and that IAY waitlists will be prepared shortly.

## APPENDIX II

DISTRICT-WISE FINANCIAL PERFORMANCE AND PHYSICAL ACHIEVEMENTS OF  
20 FLOOD AFFECTED DISTRICTS DURING 2004-05

2004-05 to 2006-07

BIHAR

(Rs. in lakhs)

Sl. No.	Name of the Districts	Opening Balance as on 1.4.2004	Allocation		Releases				State Release			Total Available Funds TAFs Col. 11+13	Utilisation of TAFs	Percentage of Utilisation on TAFs	Nos. of Houses			
			Central	State Matching Share	Central	1st Instalment	2nd Instalment	Total	State Matching Share (SMS)	Total Col. 9-10	SMS Release by State Govt.				Misc. receipts interest etc.	Target	Const- ructed/ Upgraded	Percentage of Target Achieved
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
1.	Araria	0.00	3743.75	1247.92	4991.67	1871.84	1871.84	3743.68	1247.89	4991.57	0.00	0.00	4991.57	3428.59	68.69	19967	9425	47.20
2.	Begusarai	0.00	2267.00	755.67	3022.67	1133.50	1133.50	2267.00	755.67	3022.67	0.00	0.00	3022.67	1652.03	54.65	12091	8029	66.40
3.	Bhagalpur	0.00	914.75	304.92	1219.67	457.38	457.38	914.76	304.92	1219.68	0.00	1206.82	2426.50	1648.00	67.92	4879	4006	82.11
4.	Champan East	0.00	2729.50	909.83	3639.33	1364.75	1364.75	2729.50	909.83	3639.33	0.00	0.00	3639.33	2485.34	68.29	14557	7290	50.08
5.	Champan West	0.00	107.50	35.83	143.33	53.75	53.75	107.50	35.83	143.33	17.92	0.00	143.33	37.76	26.34	573	74	12.91
6.	Darbhanga	0.00	2359.25	786.42	3145.67	1179.63	1179.63	2359.26	786.42	3145.68	393.21	0.00	3145.68	3478.31	110.57	12583	11092	88.15
7.	Gopalganj	0.00	1014.75	338.25	1353.00	507.38	507.38	1014.76	338.25	1353.01	0.00	0.00	1353.01	547.88	40.49	5412	2088	38.58
8.	Katihar	0.00	103.00	34.33	137.33	51.50	51.50	103.00	34.33	137.33	0.00	0.00	137.33	129.08	93.99	549	533	97.09

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
9.	Khagaria	0.00	5152.50	1717.50	6870.00	2576.25	2576.25	5152.50	1717.50	6870.00	858.75	0.00	6870.00	291.12	4.24	27480	235	0.86
10.	Kishanganj	0.00	1208.00	402.67	1610.67	604.00	604.00	1208.00	402.67	1610.67	0.00	0.00	1610.67	285.23	17.71	6443	3366	52.24
11.	Madhepura	0.00	589.75	196.58	786.33	294.88	294.88	589.76	196.59	786.35	0.00	0.00	786.35	485.27	61.71	3145	1049	33.35
12.	Madhubani	0.00	4378.00	1459.33	5837.33	2189.00	2189.00	4378.00	1459.33	5837.33	729.66	0.00	5837.33	2482.76	42.53	23349	16217	69.45
13.	Muzaffarpur	0.00	2768.75	922.92	3691.67	1384.38	1384.38	2768.76	922.92	3691.68	0.00	0.00	3691.68	2371.06	64.23	14767	11994	81.22
14.	Purnia	0.00	231.25	77.08	308.33	115.63	115.63	231.26	77.09	308.35	0.00	0.00	308.35	284.05	92.12	1233	742	60.18
15.	Saharsa	0.00	965.50	321.83	1287.33	482.75	482.75	965.50	321.83	1287.33	0.00	0.00	1287.33	981.25	76.22	5149	677	13.15
16.	Samastipur	0.00	5849.50	1949.83	7799.33	2924.75	2924.75	5849.50	1949.83	7799.33	974.92	0.00	7799.33	6144.74	78.79	31197	10560	33.85
17.	Sheohar	0.00	675.25	225.08	900.33	337.63	337.63	675.26	225.09	900.35	0.00	0.00	900.35	708.17	78.66	3601	2619	72.73
18.	Sitamarhi	0.00	2211.00	737.00	2948.00	1105.50	1105.50	2211.00	737.00	2948.00	0.00	0.00	2948.00	0.00	0.00	11792	0	0.00
19.	Supul	0.00	2542.00	847.33	3389.33	1271.00	1271.00	2542.00	847.33	3389.33	0.00	0.00	3389.33	105.82	3.12	13557	477	3.52
20.	Vaishali	0.00	189.00	63.00	252.00	94.50	94.50	189.00	63.00	252.00	0.00	0.00	252.00	416.07	165.11	1008	1182	117.26
	Total	0.00	40000.00	13333.33	53333.33	20000.00	20000.00	40000.00	13333.33	53333.33	2974.46	1206.82	54540.15	27962.53	51.27	213332	91655	42.96

### APPENDIX III

STATEMENT SHOWING DISTRICT-WISE UNSPENT BALANCE  
UNDER 400 CRORE SANCTIONED TO 20 DISTRICTS  
OF BIHAR FOR FLOODS

		(Rs. in lakhs)
Sl.No.	Name of the Districts	Unspent Balance
1.	ARARIA	1562.98
2.	BEGUSARAI	1370.64
3.	BHAGALPUR	778.50
4.	CHAMPARAN EAST	1153.99
5.	CHAMPARAN WEST	105.57
6.	DARBHANGA	0.00
7.	GOPALGANJ	805.13
8.	KATIHAR	8.25
9.	KHAGARIA	6578.88
10.	KISHANGANJ	1325.44
11.	MADHEPURA	301.08
12.	MADHUBANI	3354.57
13.	MUZAFFARPUR	1320.62
14.	PURNIA	24.30
15.	SAHARSA	306.08
16.	SAMASTIPUR	1654.59
17.	SHEOHAR	192.18
18.	SITAMARHI	2948.00
19.	SUPUL	3283.51
20.	VAISHALI	0.00
□	TOTAL	27074.31

**APPENDIX IV**

STATEMENT SHOWING COST OF FOODGRAINS CHARGED  
UNDER SGRY BY VARIOUS STATES/UTS

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.	J&K	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		

1	2	3	4
19.	Nagaland	Rs. 5.00	Rs. 7.00
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& 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 V**

**STATEMENT INDICATING STATUS OF COVERAGE OF  
1000+ HABITATIONS UNDER PMGSY**

#	States	Eligible Unconnected Habitations 1000+	1000+ Habitations Cleared	1000+ Habitations connected under PMGSY upto June 2007	1000+ Habitations Covered by other Schemes	1000+ Balance Habitations to be Covered =3-4-6	1000+ Habitations balance to be connected =3-5-6	Remarks
1	2	3	4	5	6	7	8	9
1.	Andhra Pradesh	167	160	158	0	7	9	Land Acquisition problem for remaining habs
2.	Arunachal Pradesh	49	36	16	0	13	33	
3.	Assam	7323	2657	1343	0	4666	5980	
4.	Bihar	8187	3030	1197	0	5157	6990	
5.	Chhattisgarh	2604	1592	973	226	786	1405	
6.	Goa	0	0	0	0	0	0	

1	2	3	4	5	6	7	8	9
7.	Gujarat	472	385	369	52	35	51	Land acquisition in process
8.	Haryana	0	0	0	0	0	0	
9.	Himachal Pradesh	262	212	126	0	50	136	
10.	Jammu & Kashmir	785	469	16	0	316	769	
11.	Jharkhand	2622	873	551	0	1749	2071	
12.	Karnataka	156	151	149	5	0	2	
13.	Kerala	121	118	75	0	3	46	
14.	Madhya Pradesh	5804	5368	2911	0	436	2893	
15.	Maharashtra	187	154	154	20	13	13	
16.	Manipur	71	47	9	0	24	62	
17.	Meghalaya	9	6	4	0	3	5	
18.	Mizoram	47	35	23	0	12	24	
19.	Nagaland	24	24	14	0	0	10	
20.	Orissa	3703	2576	1515	78	1049	2110	



1	2	3	4	5	6	7	8	9
21.	Punjab	103	94	94	0	9	9	Land Acquisition problem for remaining 1000+ habs
22.	Rajasthan	2725	2688	2650	37	0	38	□
23.	Sikkim	16	16	10	0	0	6	□
24.	Tamil Nadu	577	562	530	0	15	47	30 habitation Island, forest land
25.	Tripura	179	147	20	0	32	159	□
26.	Uttar Pradesh	10898	7322	5318	3138	438	2442	□
27.	Uttaranchal	152	118	44	15	19	93	□
28.	West Bengal	12790	4139	2342	0	8651	10448	□
□	Total	60033	32979	20611	3571	23483	35851	□

## APPENDIX VI

COMMITTEE ON RURAL DEVELOPMENT (2007-2008)

MINUTES OF THE EIGHTH SITTING OF THE COMMITTEE  
HELD ON MONDAY, THE 25TH FEBRUARY, 2008

The Committee sat from 1500 hrs. to 1645 hrs. in Committee Room  
E, Basement, Parliament House Annexe, New Delhi.

### PRESENT

Shri Kalyan Singh — *Chairman*

### MEMBERS

#### *Lok Sabha*

2. Shri Mani Charenamei
3. Shri Hannan Mollah
4. Shri D. Narbula
5. Shrimati Jyotirmoyee Sikdar
6. Shri Sita Ram Singh
7. Shri Dharmendra Yadav

#### *Rajya Sabha*

8. Shri Balihari Babu
9. Kumari Nirmala Deshpande
10. Dr. Ram Prakash
11. Shri P. R. Rajan

### SECRETARIAT

- |                           |                                  |
|---------------------------|----------------------------------|
| 1. Shri P. K. Grover      | <i>Joint Secretary</i>           |
| 2. Shrimati Sudesh Luthra | <i>Director</i>                  |
| 3. Shri A. K. Shah        | <i>Deputy Secretary Grade-II</i> |
| 4. Shri Hoti Lal          | <i>Deputy Secretary Grade-II</i> |

2. At the outset, the Hon ble Chairman welcomed the members to the sitting of the Committee convened for consideration and adoption of two draft action taken reports on Demands for Grants (2007-2008) of the Department of Rural Development and Ministry of Panchayati Raj. \*\*\* \*\*

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

4. The Committee, thereafter, took up for consideration Memoranda Nos. 4 and 5 regarding draft action taken reports on Twenty-ninth report of the Committee on Demands for Grants (2007-08) of the Department of Rural Development (Ministry of Rural Development) and Thirtieth report of the Committee on Demands for Grants (2007-08) of the Ministry of Panchayati Raj respectively. The Committee after deliberations adopted the aforesaid draft reports without any modification

5. The Committee then authorized the Chairman to finalize the aforesaid draft action taken reports on the basis of factual verification from the concerned Department/Ministry 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 VII

[Vide Para 4 of the Introduction]

### ANALYSIS OF THE ACTION TAKEN BY THE GOVERNMENT ON THE RECOMMENDATIONS CONTAINED IN THE TWENTY- NINTH REPORT OF THE STANDING COMMITTEE ON RURAL DEVELOPMENT (14th LOK SABHA)

I. Total number of recommendations	58
II. Recommendations that have been accepted by the Government	31
Para Nos.: 2.22, 2.46, 2.47, 2.48, 2.54, 2.55, 2.56, 3.31, 3.32, 3.33, 3.57, 3.58, 3.59, 3.60, 3.61, 3.62, 3.76, 3.101, 3.102, 3.103, 3.104, 3.105, 3.106, 3.113, 3.114, 3.135, 3.142, 3.143, 3.154, 3.155 and 3.169	
Percentage to the total recommendations	(53.45%)
III. Recommendations which the Committee do not desire to pursue in view of the Government's replies	1
Para No.: 2.13	
Percentage to total recommendations	(1.72%)
IV. Recommendations in respect of which replies of the Government have not been accepted by the Committee	22
Para Nos.: 2.9, 2.10, 2.11, 2.12, 2.19, 2.20, 2.21, 2.35, 2.36, 2.37, 2.38, 2.39, 2.42, 2.43, 3.25, 3.26, 3.27, 3.28, 3.73, 3.82, 3.83 and 3.115	
Percentage to total recommendations	(37.93%)
V. Recommendations in respect of which final replies of the Government are still awaited	4
Para Nos.: 3.29, 3.30, 3.74 and 3.136	
Percentage to total recommendations	(6.90%)