8

STANDING COMMITTEE ON RURAL DEVELOPMENT
(2004-2005)

FOURTEENTH LOK SABHA

MINISTRY OF RURAL DEVELOPMENT
(DEPARTMENT OF RURAL DEVELOPMENT)

DEMANDS FOR GRANTS
(2004-2005)

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

EIGHTH REPORT

सत्यमेव जयते

LOK SABHA SECRETARIAT
NEW DELHI

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Presented to Lok Sabha on 19.3.2005

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LOK SABHA SECRETARIAT
NEW DELHI

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INTRODUCTION

I, the Chairman of the Standing Committee on Rural Development (2004-2005) having been authorised by the Committee to submit the Report on their behalf, present the Eighth Report on the action taken by the Government on the recommendations contained in the Third Report of the Standing Committee on Rural Development (2004-2005) (Fourteenth Lok Sabha) on Demands for Grants (2004-2005) of the Department of Rural Development (Ministry of Rural Development).

2. The Third Report was presented to Lok Sabha on 19 August, 2004. The replies of the Government to all the recommendations contained in the Report were received on 29 December, 2004.

3. The replies of the Government were examined and the Report was considered and adopted by the Committee at their sitting held on 4 March, 2005.

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

NEW DELHI;
18 *March,* 2005
27 *Phalguna,* 1926 *(Saka)*

KALYAN SINGH,
Chairman,
Standing Committee on
Rural Development.

CHAPTER I

REPORT

This Report of the Committee on Rural Development (2004-2005) deals with the action taken by the Government on the recommendations contained in their Third Report on the subject Demands for Grants (2004-2005) of the Department of Rural Development (Ministry of Rural Development), which was presented to Lok Sabha on 19 August 2004.

2. Action taken notes 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. 2.3, 2.4, 2.18, 2.21, 2.25, 2.31, 2.39, 3.27, 3.30, 3.31, 3.32, 3.33, 3.36, 3.42, 3.45, 3.59, 3.70, 3.71, 3.91, 3.102, 3.110, 3.125, 3.126, 3.127, 3.135, 3.148, 3.160, 3.167, 3.178, 3.180, 3.183, 3.190 and 2.191.

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

Para Nos. 3.34, 3.58 and 3.74.

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

Para Nos. 2.19, 2.20, 3.14, 3.26, 3.28, 3.29, 3.35, 3.40, 3.47, 3.50, 3.61, 3.65, 3.76, 3.93, 3.94, 3.105 and 3.141.

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

Para Nos. 3.80, 3.92, 3.100, 33.133 and 3.179.

3. The Committee desire that final replies in respect of the recommendations for which only interim replies have been given by the Government should be furnished to the Committee within three months of the presentation of the Report.

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

A. The late release of Central share of funds

Recommendation (Para Nos. 2.19 and 2.20)

5. The Committee had recommended as under:

"The Committee find from the data indicated above that there are huge opening balances with the State Governments under the major Schemes of the Department, *viz*. SGRY, SGSY, IAY and DRDA Administration. The Committee are distressed to note that Rs. 2,295.38 crore *i.e.* 18.71 per cent of BE 2002-03 remained unspent with the States and the Union territories administration. Not only that under-spending is a recurrent feature during each of the financial year as is evident from the information furnished by the Department. While appreciating the fact that utilization certificates have to be furnished by the State Government before seeking the second installment under different schemes, the Committee find that even the first installment is released very late. When the Department was asked about the date of release of first installment under different schemes, they have indicated the position only with regard to SGSY. It can be seen that under SGSY, the first installment could be released on 16 June in 2003 and on 15 April in 2004. Thus, during 2003, there was delay of 46 days and during 2004, there was delay of 15 days. The Committee would like to know the information on date of release of funds for all the central sector and Centrally sponsored Schemes of the Department. The Committee find that late release of outlay is the main reason of under spending and thereby resulting in unspent balances with the State Governments. The Department consider the releases as the position of expenditure and reflect a very bright picture before the Committee but there are serious problems in the implementation of several schemes which have been analyzed in the subsequent chapters of the report. Here, the Committee would like to highlight that the outlay during a particular year should be released in a phased manner as per the formula evolved by the Department and there should not be rush of release at the fag end of the financial year, *i.e.* March. The Committee, however, desire that only 10 per cent of funds be released during the month of March, if proposal to this effect is received."

Recommendation (Para No. 2.19)

"The Committee further find that late release of funds by the Union Government further encourages the State Government to delay their share of outlay, thereby hampering the implementation of the programme. To motivate the State Governments, the Union Government has to set good precedents. In view of this, the Committee would like that the Union Government should ensure that the first installment is released in the very first week of the financial year."

Recommendation (Para No. 2.20)

6. The Government in their action taken replies have stated as under:

"While the Ministry of Rural Development shares the concern expressed by the Committee on the large amounts of unspent balances that remain with the Programme Implementing Agencies/ State Governments, there are certain practical difficulties, which have to be taken into account. Till 1997-98, there was a provision to allow 25 per cent of the allocation for a particular year to carry over to the next year. The idea was to allow the Programme Implementing/Executive Agencies to have sufficient funds to implement the programmes of this Ministry during the first quarter of the year, which is considered to be the best period for implementing various programmes. This permissible limit to carry over balances was reduced to 20 per cent of the annual allocation *w.e.f.* 1 April, 1999 and on the suggestion of Ministry of Finance, it was further reduced to 15 per cent *w.e.f.* 1 April, 2000.

This permissible limit of carry over balances is quiet reasonable and it helps the Programme Implementing Agencies to ensure adequate flow and utilization of funds for implementation of the programmes. However, in some States the Programme Implementing Agencies fail to fully utilize the funds due to various reasons which include the limited availability of working season because of weather conditions, or due to natural calamities such as floods, droughts etc. which are a frequent phenomena. In addition to above, it is also pertinent to mention here that the programmes of the Ministry of Rural Development are implemented at the village level and it takes sometime to flow the information from the village to the district and onward to the Ministry. Under the wage-employment programmes, the wages are paid in cash as well as in the form of foodgrains. Lifting of matching share of food grains also takes time. Due to these difficulties, the Programme Implementing Agencies sometimes are not able to claim the second installment at an early date. The late release of second installment and also the late release of matching share by the State Governments reuslts in excessive opening balances. However, the Ministry has introduced a strict monitoring system to maintain the financial discipline and a proportionate cut is imposed on release of Central funds if the proposals for release of second installment are received late in the Ministry. In the normal course, the first installment of Central allocation is released to the DRDAs automatically if the second installment received by them during the previous financial year is without any condition. The release of first installment of the Central funds to the Programme Implementing Agencies starts immediately after the receipt of the approved budget allocation from the Ministry of Finance. For instance, during the current financial year, the Ministry started releasing the first installment in April, 2004 itself. During 2003-2004, there was some delay in release of Central funds because of some procedural issues such as routing the Central funds to DRDAs through the State Governments. The Ministry of Rural Development felt that such a procedure would result in delay of release of funds to the Programme Implementing Agencies. This issue was resolved on 11 June, 2003 and the Ministry started releasing the funds from the same day."

Reply to recommendation (Para No. 2.19)

"The funds under major rural development programmes are released to DRDAs in two installments. The first installment is released to the DRDAs automatically if the second installment in the previous year is received by the DRDAs without any condition immediately after the approval of budget allocation is received from the Ministry of Finance. All possible steps will be taken in the Ministry of release the first installment of Central funds at the earliest possible."

Reply to recommendation (Para No. 2.20)

7. The Committee in their earlier recommendations while expressing their concern on the huge unspent balances had desired:

(i) the information indicating the date of release of first installment for all Central Sector and Centrally sponsored schemes should be furnished;

(ii) outlay should be released in a phased manner as per the formula evolved by the Department; and

(iii) as per the formula (refer Para 2.17 of 3rd Report—14th Lok Sabha) 20 per cent of allocated funds can be released in March. The Committee had desired that only 10 per cent of funds be released during the month of March subject to proposals received from State Governments.

Instead of addressing the aforesaid issues categorically, the Department has tried to justify the position by furnishing several general reasons for huge unspent balances. Further delay in release of first installment under SGSY during 2003-04 has been stated to be due to certain procedural difficulties i.e. releasing the funds to DRDAs through State Governments. Even when the position was rectified, and the funds were released direct to DRDAs during 2004-05, again there was delay of 15 days as cited in the earlier recommendation. The Committee would like the Department to furnish the position regarding the date of release of first installment under all the centrally sponsored schemes so as to enable them to analyse the reasons for underspending in a better way. The Committee feel that 18.71 per cent of unspent outlay in a year *i.e.* 2002-2003 under four main schemes, viz. SGRY, SGSY, IAY and DRDA Administration, as indicated in their earlier recommendations is a matter of serious concern and there is a need for an in depth analysis. The Committee would desire that instead of furnishing the general position, the Government should strive to analyse the position State/Union-territory wise and take the corrective action accordingly. The steps taken in the direction should be intimated to the Committee.

B. Discrepancy in the data indicating the number of Swarozgaries vis-a-vis the number of beneficiaries assisted under SGSY

Recommendation (Para No. 3.14)

8. The Committee had recommended as under:

"The Committee find that SGSY was launched in the place of IRDP and its allied Programmes which lays stress on the formation of Self Help Groups. However, the Committee note that upto 2003-04, number of individual Swarozgaris assisted under SGSY was significantly more than the Swarozgaris who were assisted in Groups. Since each Self Help Group should assist at least

10 persons belonging to families Below Poverty Line which might be reduced to 5 persons in hilly and difficult areas, the Committee are unable to understand as to how 17.35 lakh Self Help Groups reportedly formed during this period could assist only 20.21 lakh Swarozgaris which should have been about 85 to 170 lakh. Keeping in view the information on the number of SHGs and the number of Swarozgaris, the Committee have come to a conclusion that the performance of SGSY in this regard is not satisfactory. They would like the Department to explain the reasons to the Committee."

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

"Under the programme, emphasis is on the group approach through social mobilisation because if the poor are properly organized and supported, they can become self-sufficient. Since group approach is process oriented, it takes some time for a group to mature. To make a group viable for taking up economic activities, the process involves training of members in group behaviour, development of their technical and managerial skills including rudiments of accounting procedures. The group formation stage depend on the literacy, awareness levels, socio-economic background of the people being organized as well as capacity of the facilitators involved in the process of social mobilization. Realising this, a provision of grading system has been kept under the SGSY guidelines. Only after successful Ist grading which is done after six months of formation of a group, it becomes eligible for assistance through revolving fund. Same is not the case with an individual swarozgary. This may be a reason for more individual swarozgaries assisted than group swarozgaries in the initial years of the implementation of the programme. However, with the passage of time, it is expected that more number of groups will be eligible for financial assistance as they will reach the level of maturity.

So far financing of SHGs are concerned only those SHGs can be financed which have passed Grade II test. Against 18.88 lakhs group formed, since the inception of the scheme in April 1999 and up to September, 2004, only 4.74 lakhs groups qualified for financing and 2 lakhs of the later have been financed for economic activities. The lesser number of groups have been able to take up economic activities mainly due to non-cooperation of the banks that are responsible for providing the credit to the SHGs a major component of the scheme. To address this issue, the matter has been taken up with the Ministry of Finance and Chief Executives of the banks. Also, there is a provision under the guidelines that a maximum of 20-30 per cent members of a group may be from families marginally above the Poverty Line (APL) if they are acceptable to BPL members of the group but these APL members of the group will not be eligible for subsidy under the scheme. All these factors including low awareness among the people about the scheme might have been the reasons for not achieving the expected level of performance. Since the number of members in a group widely varies (10-20 in normal case and 5-20 in difficult areas like deserts, hills and sparsely populated areas) it would not be logical to arrive at any average figure assisted per group.

However, the percentage of SHG swarozgaris assisted has increased from 37.25 per cent (in 1999-2000) to 50.16 per cent (in 2002-2003). During 2003-2004, the percentage of SHG swarozgaries assisted to total swarozgaries assisted has gone up to 64.33 per cent. This means the performance of the SGSY to some extent is satisfactory."

10. The Committee in their earlier recommendation had indicated the discrepancy in the data of number of SHG assisted *vis-a-vis* the number of swarozgaries assisted. The number of swarozgaries assisted so far under SGSY was 20.21 lakh whereas the number of SHGs was 17.35 lakh as indicated by the Department. The Committee had felt that the number of beneficiaries assisted was quite lesser in view of the fact that each SHG consisted of an average 15 persons. The Committee express their deep concern on the further data furnished by the Department according to which there is a wide variation between the number of SHGs formed, SHGs qualified for assistance and those finally assisted. The Committee feel that there are serious problems in implementation of one of the major programme of Rural Development *i.e.* SGSY. Further disturbing fact is the complacency factor in the Ministry of Rural Development. Inspite of all this disturbing data, the Department has tried to justify the success of programme by stating that the number of the percentage of SHG swarozgaries assisted is increasing year by year. The Committee are unhappy to note this and would like the Department to analyse the position of implementation of scheme critically and take some corrective action in consultation with banks, State Governments, NGOs, District level officers, PRIs and all other concerned and inform the Committee accordingly.

C. Findings of concurrent evaluation

Recommendation (Para No. 3.26)

11. The Committee had recommended as under:

"The Committee are disturbed to note that serious lacunae in the implementation of SGSY has been found in the Concurrent Evaluation. They are further disturbed to find that the Zamindars, their servants and labourers constitute self-help groups and the benefits were taken away by the Zamindars who are above the Poverty Line and who are otherwise not eligible for it. Equally disturbing is the fact that Bank officials are worried about the non-performing assets and they sanction loans only to those people who have either not availed the loan before or have repaid the first loan. Despite the existing guidelines, finding of a number of serious flaws in the implementation of the Scheme is nothing but regrettable. The Committee hope that the Government will give a serious thought to this and take necessary steps during the current financial year to bring about significant changes in the guidelines of the Scheme, so that the flaws noticed in the Concurrent Evaluation are eradicated and the avowed objectives of the Scheme are achieved."

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

"There may be some cases of the ineligible person taking benefits under the scheme but this is not certainly a general practice. Efforts are on for still better targeting under the scheme. In order to achieve the fruitful results of the programme and effective and efficient implementation of the SGSY, various committees from Central Level down to grass roots have been constituted. These committees include representatives of public (MPs/MLAs/PRI representatives), bankers, rural development officials, NGOs, representatives of line departments etc. These committees are Block Level SGSY Committee, District Level SGSY Committee, State Level SGSY Committee, Central Level Coordination Committee and Vigilance and Monitoring Committees at State/District/Block Level. Regular efforts are being made to improve programme performance in terms of subsidy credit ratio, number of families assisted, total investment etc. and to remove lacunae in the implementation of SGSY as and when came to the notice of the Ministry through meetings at various fora and field visits. At Central Level, the performance is regularly reviewed with the bankers, State

Governments and other Departments through the mechanism of CLCC and through the performance review committee meetings. The Minister of Rural Development and the Ministers of State for Rural Development visit States/Union territories and review the performance of the programme under SGSY with the Chief Ministers, Ministers and officials of the State Governments concerned. Such review meetings provide the much needed impetus in the implementation of the programme by energizing and motivating the implementation agencies.

To address the issues relating to the credit to swarozgaries, some of the measures taken are indicated below:

The Central Level Co-ordination Committee under SGSY is the main fora in which all bottlenecks/shortcomings in the implementation of the programme are discussed. The Committee consists of members drawn from RBI, NABARD, Banking Division of the Ministry of Finance and all CMDs of Commercial Banks. The last meeting of the Committee was held in June 2004.

A meeting was held with Secretary (Banking) on 21 February, 2003 to have a detailed discussion of different credit related issues under SGSY. The issues discussed were under financing, higher interest rates on loans provided to swarozgaries, repayment of loans, issue of mortgages for sanction of loans, absence of bank branches, pendency of applications, relocation of bank branches in North Eastern Regions.

At the instance of the Ministry, a joint meeting by the Ministers of Rural Development and Minister of State for Finance was held in October, 2003 with the Chief Executive of the Banks. There was concern of large scale rejection of loan applications, delay in processing of applications and regular participation of bankers in Block Level SGSY Committee meetings.

Instructions were issued by RBI, NABARD & IBA to Chief Executive/MDs of Banks with advice to monitor the scheme at their own level to achieve the targets set under the SGSY scheme.

The problems associated with credit were also discussed with the bankers in the Project Director Conference held in September, 2004.

The banking division of the Ministry of Finance holds quarterly meetings under the chairmanship of Additional Secretary (Banking) to review the credit flow. These meetings are attended by representatives of RBI, NABARD etc.”

13. The Committee are distressed to note the reaction of the Department on such a serious findings of the concurrent evaluation. One of the lacunae noticed in the concurrent evaluation is taking away the benefits meant for the poorest of the poor in rural areas by the affluent persons of society such as Zamindars. The Department has simply stated that the findings are isolated cases and not a general practice. The Committee fail to understand the utility of the concurrent evaluation if its findings are not deeply probed and corrective action taken immediately. The Committee are not convinced with the general reply of the Department. While reiterating their earlier recommendation, the Committee desire that the findings of concurrent evaluation should be seriously evaluated and ameliorating action taken and the Committee be informed accordingly.

D. Shortfall in credit targets, achievements and disbursement by banks and cooperation between bank officials for implementation of the Programme

Recommendation (Para Nos. 3.28 and 3.29)

14. The Committee had recommended as under:

"Another lacuna noticed by the data furnished by the Department is that there is serious shortfall in credit targets, achievements and credit disbursements. In view of this scenario, the Committee fail to understand how the objective of bringing BPL persons above the poverty line could be achieved. The Committee feel that the Department should take up this matter with Reserve Bank of India so that necessary instructions would be issued to banks for their cooperation in implementation of the programme. Not only that, there should be regular meeting with the representatives of banks as well as RBI and monitoring of the programme should be regularly done. Further the Committee also like to ensure that only the eligible beneficiaries are assisted in the programme the selection of beneficiaries should be done in Gram Sabha only. The bank officials should be directed to be present in Gram Sabha meetings so that the process of selection of beneficiaries and completion of formalities, etc. is completed at one go."

Recommendation (Para No. 3.28)

"Another corrective step to be taken by the Department is to ensure proper coordination between bank officials and block level government representative and the Panchayats. The Committee would like the Department to take corrective steps on the various aspects as raised by the Committee in the aforesaid para and intimate the Committee accordingly."

Recommendation (Para No. 3.29)

15. The Government have replied as under:

"The progress of credit mobilisation *vis-a-vis* targets is periodically reviewed by the Central Level Coordination Committee chaired by Secretary (RD) in which RBI, NABARD and Public Sector Banks are represented. Specific issues and problems with regard to credit delivery are discussed in these meetings. Wherever necessary, instructions are issued by RBI to all banks to smoothen the process of sanction and disbursement of loans.

The banks are closely involved with Government agencies in the planning and implementation of the Scheme. They are associated with preparation of projects, identification of Swarozgaris, capacity building and selection of activity. Banks are also represented in the block and district level SGSY Committees. RBI has issued instructions to all banks to ensure their participation in these Committees.

According to the SGSY guidelines, the list of BPL households identified through BPL census duly approved by the Gram Sabha will form the basis for identification of families for assistance under the Programme. The Self-Help Groups should also be drawn from the BPL list approved by the Gram Sabha.

At the instance of the Ministry, a joint meeting by the Ministers of Rural Development and Minister of State for Finance was held in October, 2003 with the Chief Executive of the Banks. There was concern of large scale rejection of loan applications, delay in processing of applications and regular participation of bankers in Block Level SGSY Committee meetings.

Instructions were issued by RBI, NABARD & IBA to Chief Executive/MDs of Banks with advice to monitor the scheme at their own level to achieve the targets set under the SGSY scheme.

The problems associated with credit were also discussed with the bankers in the Project Director Conference held in September, 2004.

The Banking Division of the Ministry of Finance holds quarterly meetings under the chairmanship of Additional Secretary (Banking) to review the credit flow. These meetings are attended by representatives of RBI, NABARD etc. The problems relating to credit delivery under SGSY are posed for discussion at these meetings.

Target fixed for credit mobilization and actual achievement in the previous years are as follows:

(Rs. in crore)

Year	Credit Target	Credit Mobilised
1999-2000	3205.00	1056.46
2000-2001	3205.00	1459.44
2001-2002	3200.87	1329.68
2002-2003	2525.21	1184.30
2003-2004 (May 04, Prov.)	2129.33	1301.21
2004-2005 (Up to Sept., 04)	2507.67	370.83

The significant shortfall in credit mobilization in spite of lowering the targets has been brought to the notice of the Minister of Finance by the Minister of Rural Development *vide* letter dated 30th November, 2004 for appropriate action. It has also been pointed out that the reasons for total non-performance of some of the banks need to be probed by RBI and NABARD."

Reply to Recommendation (Para No. 3.28)

"Instructions have been already issued by the Ministry to all State/Union territory Governments and by the RBI to All banks to ensure participation of the Service Area Banks in all district/block level SGSY Committees. These instructions will be reiterated.

At the instance of the Ministry, a joint meeting by the Minister of Rural Development and Minister of State for Finance was held in October, 2003 with the Chief Executive of the Banks. There was concern of large scale rejection of loan applications, delay in processing of applications and regular participation of bankers in Block Level SGSY Committee meetings.

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The significant shortfall in credit mobilization in spite of lowering the targets has been brought to the notice of the Minister of Finance by the Minister of Rural Development *vide* letter dated 30 November, 2004 for appropriate action. It has also been pointed out that the reasons for total non-performance of some of the banks need to be probed by RBI and NABARD."

Reply to Recommendation (Para No. 3.29)

16. The Committee while noting the details of the review meetings held at various level with a view to addressing specific issues and problems with regard to implementation of SGSY, would like to have the details of the outcome of the aforesaid meetings. The Committee further find that the part of the recommendation *i.e.* the bank officials should be directed to be present in Gram Sabha meetings so that the process of selection of beneficiaries and completion of formalities etc. is completed at one go has not been addressed in the action taken reply. The Committee would like the reaction of the Department in this regard.

F. Elevation of SHGs from consumption or production credit to starting of micro enterprises

Recommendation (Para No. 3.35)

17. The Committee had recommended as under:

"The Committee would like to know from the Department, the number of SHGs who could graduate from consumption or production credit to starting micro-enterprises since the inception of the scheme so as to enable the Committee to know about the real impact of the programme. They would also like to be apprised about the number of SHGs who could be credit linked by different agencies like NABARD, SIDBI and banks."

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

"Since inception of SGSY, 1,82,992 SHGs have taken up economic activities. This implies that these SHGs have graduated from consumption or production credit to starting micro-enterprises. As reported above, there is no physical targets fixed under the SGSY. The trend of group financing is, however, on the increase over the years which is a positive sign as far as the fulfilment of the programme objective of the SGSY is concerned."

19. The Committee find that as per reply of the Department a SHG taking up economic activity is considered to be a group which could graduate from consumption or production credit to starting micro enterprises. The Committee are unhappy to note the reply of the Department which is based on presumptions. They feel that a group taking up economic activity may not always be a group which could after taking credit start a micro-enterprise thus indicating the real success of the programme. The Committee would also like to add that the Finance Minister in the Budget Speech while presenting the Budget of 2004-05 had stated that the Government had set certain targets of credit linking of 5.85 per cent of SHGs during the period up to March 31, 2007 for NABARD, SIDBI (refer para 3.29 of 3rd Report-14th Lok Sabha). No effort seems to have been made to monitor the data in this regard inspite of the fact that certain targets were fixed and achievement of which was promised by the Government. The Committee would like the Department to consider the recommendations in the right perspective and furnish a categorical reply in this regard.

G. Defunct SHGs under SGSY in States and Union territories

Recommendation (Para No. 3.40)

20. The Committee had recommended as under:

"The Committee are unhappy to note that the Department is yet to receive the information regarding existing or defunct Self Help Groups from the States/Union territories. They also note that all the States and Union territories have been requested to furnish the information in this regard from 2003-04. The Committee in their earlier Report (48th Report-13th Lok Sabha, Para No. 3.25 refers) had desired to maintain the information on the number of defunct Self Help Groups which the Government had agreed to provide. It appears that the Government has not given any serious thought as to why SHGs becoming defunct after a certain period. They also do not maintain information regarding existing/defunct SHGs. This is a glaring lapse and needs to be addressed seriously. The success of the Scheme depends on proper review of its functioning and the lacunae detected in its functioning which is required to be done by the Government and expected. The Committee, therefore, desire that Ministry of Rural Development should expedite the requisite information from the States and Union territories without any further delay. The Committee should be kept informed about the steps taken."

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

"Earlier the information regarding defunct Self Help Groups was not being monitored by the Ministry. As per the Standing Committee *vide* its earlier Report (48th Report-13th Lok Sabha), the Ministry has already requested all the State Governments to expedite this information and this information is still awaited. However, it is proposed to take up this matter with the States/ Union territories at a higher level for early furnishing of the required information."

22. The Committee had desired maintenance of data with regard to the number of defunct groups under SGSY in their earlier Report (48th Report-13th Lok Sabha, Para No. 3.25 refers). Although the Department had agreed in principle with the recommendation of the Committee, serious efforts do not seem to have been made in this regard. States and Union territories were requested by the Department to furnish the data but even after the lapse of about two years, not even a single State/Union territory Government has furnished the information. The Committee feel that the status of different groups need to be monitored on a regular basis to know about the various problems being faced by SHGs. This information is all the more crucial when there is large scale difference between the number of groups formed and finally assisted by Banks as stated in the earlier recommendation para of this report. The Committee would further like to add that the information regarding defunt

groups should be included in the regular monitoring proforma. This information should also be included in the Budget documents i.e. Performance Budget and Annual Report.

I. Justification for involving Nehru Yuvak Kendras (NYKs) in the implementation of SGSY

Recommendation (Para No. 3.47)

23. The Committee had recommended as under:

"The Committee are unable to find the reasons as to why Sikkim is excluded from implementing Special Projects Component of SGSY. They find that in addition to other States, Nehru Yuvak Kendras (NYKs) have also been given the task of implementing Special SGSY Projects. The Committee, would like to know the reasons for exclusion of Sikkim, the justification of involving the NYKs as well as the success of SGSY Special Projects."

24. The Government have replied as under:

"Proposals for special projects are initiated from the States to promote novel self-employment initiatives for the rural poor. The objective of each Special Project is to ensure a time bound programme for bringing a specific number of BPL families above the poverty line through self employment. The project may involve different strategies to provide long term sustainable self-employment opportunities either in terms of organisation of rural poor, provision of support infrastructure, technology, marketing, training etc. or a combination of these. Project can be proposed by Government, Semi-Government and International Organisations.

Till date 168 proposals have been sanctioned to the States. No proposal has been received from the State Government of Sikkim".

25. The Committee in their earlier recommendation had desired to know the justification of involvement of Nehru Yuvak Kendras in the special projects as well as the success of these special projects implemented under SGSY. The said part of the recommendation has not been addressed in the action taken reply. The Committee would like the Department to respond to the said recommendation.

J. Frequency of meetings of State, District and Block Level Coordination Committee under SGSY

Recommendation (Para No. 3.50)

26. The Committee had recommended as under:

"While noting that the prescribed frequency of CLCC is generally maintained, the Committee find that as has been pointed out by Concurrent Evaluation, many State Governments like Bihar and Meghalaya do not hold SLCC meeting regularly. Further, the Department of Rural Development also do not monitor the meetings of SLCC, DLCC and BLCC which according to the Department are required to be monitored by the respective State Governments. The Committee desire that the Government should obtain quarterly and six monthly reports from the State Governments on the information of meeting held by SLCC, DLCC and BLCC and pressurize all the States to adhere to the prescribed frequency to the extent possible."

27. The Government have replied as under:

"Efforts are being made to streamline the frequency of SLCC/DLCC/BLCC meetings and State Governments have been advised to adhere to the procedures outlined in the guidelines".

28. The Committee find the reply of the Department on such a serious issue of adhering to the prescribed frequency of meetings of SLCC, DLCC and BLCC as incomplete and vague. The Committee would like the categorical reply stating the details of the efforts made by the Department alongwith the outcome of the said initiatives.

K. Practice of demanding money through Supplementary Grants under SGRY

Recommendation (Para No. 3.61)

29. The Committee had recommended as under:

"The Committee find that Rs. 5,220 crore was obtained through Supplementary Grants during 2003-2004 over and above the Budget estimate of Rs. 4,900 crore. The Committee are disturbed to find that only a token amount is provided at the BE 2004-2005 stage, which has already been exhausted and the Ministry has committed liabilities of 5,111 crore under SGRY and Rs. 6,900 crore for the Special Component of SGRY. Thus, the practice of demanding more funds in the Supplementary Grants is likely to continue in this year also. Persistent demands of Supplementary Grants is not a healthy sign as it does not give the implementing agencies in different districts the idea about the amount of allocations earmarked for effective implementation of the scheme. The implementing agencies should be well aware of the provisions well ahead of time *i.e.* at the beginning of the financial year. Therefore, the Committee recommend that the Government should find out ways and means to overcome this impasse and take suitable steps, so that Planning Commission/Ministry of Finance are persuaded to provide adequate necessary funds for SGRY at the beginning of the financial year."

30. The Government have replied as below:

"The Supplementary Grants to the tune of Rs. 5200 crore was obtained during 2003-04 to meet the requirement for payment of foodgrains to Food Corporation of India (FCI). FCI release food-grains based on authorization by this Ministry. However, this Ministry releases funds to FCI for quantity of foodgrains lifted by Implementing Agencies on receipt of Bills duly verified by the District Panchayat/DRDA. Based on outstanding Bills received from FCI, additional grants are obtained through Supplementary Grants. As such, Supplementary Grants have no bearing with the allocated funds to implementing agencies under the Scheme and it will not affect implementation of the Scheme.

From time to time, this Ministry has been requesting the Ministry of Finance as well as the Planning Commission to allocate adequate funds for payment to FCI at BE stage itself. However, due to scarcity of resources, funds for payment of FCI Bills are being allocated through Supplementary Grants out of overall savings of the Central Government."

31. While appreciating the fact that supplementary grants are being obtained to meet the requirement for payment of foodgrains to Food Corporation of India (FCI), the Committee are not inclined to accept the plea made by the Department that the said practice will not affect the implementation of SGRY. The Committee find that the practice of not allocating adequate outlay to such an important programme like SGRY at the Budget estimate stage will always lead to uncertainty and hamper the implementation of the

programme. Allocating a huge outlay of Rs. 5,200 crore, as supplementary grants, as was done during 2003-04, is not a healthy practice. The Committee would, therefore, like that their concern in this regard should be brought in the knowledge of the Ministry of Finance/Planning Commission. The Department should also pursue the matter with them to ensure that during 2005-06 the allocation under SGRY is made at the Budget Estimate stage.

L. Wide spread variation in Minimum wages paid to beneficiaries of SGRY in different States and Union territories

Recommendation (Para No. 3.65)

32. The Committee had recommended as under:

"It is highly disappointing to note that the Government could provide the information on minimum wages paid to the beneficiaries of the SGRY only in respect of 19 States. While glancing through the limited information available, the Committee find that there is wide variation in the minimum wages paid to the beneficiaries, for example the highest minimum wage, was paid in the State of Kerala, which was Rs. 91, whereas its adjoining State Karnataka paid minimum wage of Rs. 46.25 per day. Similarly variations are found in many major States including Andhra Pradesh, Orissa, Chhattisgarh etc. Even in some States like Andhra Pradesh, the minimum wage rate varies from District to District. The Committee are of the view that widespread variation in minimum wages leads to rapid migration, which hampers better implementation of SGRY. They, therefore, recommend that the Ministry of Rural Development should impress upon all the States/ Union territories to have to the extent possible a uniform wage rate in all the Districts of a particular State and also there should not be much different in the minimum wages in different States so that the SGRY scheme can be implemented effectively. Further the Committee desire that relevant information from the remaining States and Union territories should be obtained expeditiously and they be apprised accordingly."

33. The Government has replied as under:

"Anybody who desires to do unskilled work under this Programme can opt for wage employment. The main effort under this Programme is to generate maximum number of mandays work and to cover maximum number of workers. Thus, to provide maximum flexibility tot he Implementing Agencies, States/Union territory have been authorized to fix minimum wage rates for payment of wages under the Programme. Since cost of living varies from State to State, region to region and even within a State, it would not be advisable to fix any uniform rate for minimum wage throughout the country.

Out of defaulting 9 States and 5 Union territories, relevant information has since been received from 8 States and 3 Union territories. However, the same is still awaited from the State of Goa and Union territory of Dadra and Nagar Haveli and Daman and Diu."

34. The Committee are not able to appreciate the arguments put forth by the Department to justify variation in minimum wages being paid to the manual labourers under SGRY. The variation is noted by the Committee are not inter-State but also inter-District. The Committee find that difference in wage rate within districts leads to rapid migration. The Committee feel that this is an urgent issue and would like the Department to discuss further with the Ministry of Labour and the concerned States/Union territories and the Committee be apprised about the outcome of the deliberations so as to enable them to appreciate the stand taken by the Department in this regard.

M. Evaluation Study of Programmes of the Ministry by NIRD and SIRDs

Recommendation (Para No. 3.76)

35. The Committee had recommended as under:

"The Committee note that the Evaluation Study of SGRY has been commissioned in September 2003 in which 44 reputed institutions have been involved of which 21 are based in Delhi or New Delhi. They also note that neither National Institute of Rural Development (NIRD) nor any of the State Institute of Rural Development (SIRD) are involved in the said study. The Committee desire that as far as possible, the Ministry of Rural Development should try to involve one reputed institution of each State in the Evaluation Study of the Schemes. The possibility of involving NIRD and some of the SIRDs should be explored in this regard."

36. The Government have replied as under:

"The Ministry of Rural Development had drawn a panel of reputed Agencies having the requisite experience and technical competence who are willing to undertake research and evaluation studies of social sector schemes especially the rural development programmes. Such panel is drawn by a Technical Advisory Committee headed by Professor T.S. Papola of Institute of Studies in Industrial Development while other members are from reputed Institutions like IIM, Planning Commission, NSSO, etc. The panel of reputed Agencies is redrawn from time to time. Recently, the Ministry had issued an open advertisement in all the leading national and regional newspapers for empanelment of such Agencies. No SIRD has expressed their interest in taking up such assignment. The NIRD and SIRDs are already preoccupied with other research and training programmes."

37. The Committee are unable to comprehend the reply furnished by the Department stating that NIRD and SIRD are already preoccupied with other research and training programmes. Further non-response of NIRD and SIRD to an open advertisement issued in all the national daily newspapers for empanelment of agencies involved in the evaluation of SGRY, was the sufficient reason for the Department to conclude that these agencies are too busy to show any interest for such studies. The Committee are unhappy to note the way the reply has been furnished. They feel that NIRD and SIRDs are premier institutions for rural development and their experience and expertise would go a long way if they are involved in the evaluation of the important rural development programmes like SGRY. The Committee would like that these institutions should be formally consulted on this issue and Committee be apprised of their response to enable them to comment further in this regard.

N. Delay in meeting formalities for releasing foodgrains under SGRY in States/Union territories affected by natural calamities

Recommendation (Para No. 3.80)

38. The Committee had recommended as under:

"The Committee note with concern that the possibility of considerable delay in meeting the formalities for release of food-grains under Special Component of SGRY to deal with calamities such as drought, earthquake, cyclone, flood etc. cannot be ruled out due to the existing long procedural formalities. The Committee presume that this has resulted in accumulation of unlifted (authorized quantity of) food grains with the State Governments which has been reported to be as high as 16.18 lakh metric tones as on 31 March 2004. They, therefore, desire that the Ministry of Rural Development should in consultation with the Ministry of Agriculture and Ministry of Home Affairs, who are the nodal Ministries for drought and other calamities like flood, earthquake etc. respectively, initiate suitable measures, so that considerable time is not wasted between the occurrence of a calamity and release of food grains under Special Component of SGRY".

39. The Government have recommended as under:

"The observation of the Committee was forwarded to the Ministries of Home Affairs and Agriculture for comments. The comments from both the Ministries are still awaited."

40. The Committee note that the comments from Ministries of Agriculture and Home Affairs on the issue of considerable delay in release of foodgrains for the calamity affected areas due to procedural difficulties are still awaited. The Committee would like that the matter may further be pursued with the said Ministries and they be apprised accordingly.

O. Achievement of targets under IAY and demands for additional funds under the scheme.

Recommendation (Para No. 3.92)

41. The Committee had recommended as under:

"The Committee further note that as per the estimates of Census 2001, there is a shortage of about 149 lakh houses in the country. At the present level of resources available, only about 15 lakh houses can be constructed every year, whereas about 10 lakh additional houses are added annually to existing shelterlessness which aspect also needs to be looked in to. Keeping in view the pace at which the houses are constructed, the Committee are apprehensive about how the Government will achieve the aim to end shelterlessness in rural India. The Committee regret that while there is acute shortage of houses, the funds correspondingly have not been increased to meet the huge gap between demand and supply. They, therefore, recommend that the Ministry should take appropriate steps to achieve the targets set and also request the Planning Commission to re-allocate additional funds to meet the acute shortage of rural housing."

42. The Government have replied as under:

"To end the shelterlessness in rural areas of the country, more funds are required for rural housing. Accordingly, Planning Commission was requested for an amount of Rs. 3,460 crore for the year 2004-2005, but the budget estimate is only for Rs. 2,500 crore in the current financial year. The proposal for Tenth Plan outlay was for Rs. 13,040 crore but the allocation approved by the Planning Commission is only Rs. 8,603 crore. It is also worth mentioning here that the per unit ceiling of assistance for IAY house has been increased from Rs. 20,000 to Rs. 25,000 for plain areas and from Rs. 22,000 to Rs. 27,500 for hilly/difficult areas with effect from 1 April, 2004. Similarly, assistance for upgradation has also been increased from Rs. 10,000 to Rs. 12,500 for all areas. More funds will be needed now."

43. While noting the position of the gap between the requisite outlay and the actual allocation being made to end the shelterlessness in rural areas in the country, the Committee would like that the Ministry of Finance/Planning Commission should further be pursued and the concerns of the Committee be apprised to them so that sufficient outlay is provided under IAY.

P. Verification of all the houses reportedly built under IAY

Recommendation (Para No. 3.93)

44. The Committee had recommended as under:

"The Committee note that so far no attempt has been made to verify all the 1.16 crore houses reportedly built under IAY since inception. They also note that periodical verification is being done by the Ministry by way of taking Concurrent Evaluation and periodical visits by Area Officers. In this scenario, the Committee fail to understand as to what can be the use of taking Concurrent Evaluation if the Department has not monitored the status of the existence of houses. They, therefore, recommend that the Ministry of Rural development should initiate a study to verify all the houses constructed under IAY without further wastage of time."

45. The Government have replied as under:

> "Indira Awaas Yojana (IAY) is being implemented for rural areas by the States/Union territories Governments through their District Rural Development Agencies (DRDAs). Ministry of Rural Development generally go by the reports furnished by the State Governments. Concurrent Evaluation is undertaken by the Ministry to get a feel as to how the programme is implemented. District Level Monitors are verifying the construction of IAY houses in 130 selected districts on 100 per cent basis. To get a survey in respect of all houses constructed so far will be a costly proposition and may not be feasible."

46. The Committee do not agree with the view put forth by the Department that monitoring of physical verification of IAY houses is an expensive proposition. The Committee feel that monitoring of the aspect that the benefits reach the intended beneficiaries is the biggest area of concern so far as the implementation of the rural development programmes is concerned. Since substantial allocation is being made by the Union Government for such a big programme like IAY, the accountability of ensuring that the benefits reach the targeted poorest of the poor lies more with the Union Government. Irrespective of the cost considerations, more emphasis needs to be given on the monitoring aspect. The Committee would like to reiterate their earlier recommendation and urge the Department to re-consider and take the necessary action and apprise them accordingly.

Q. Constitution of Disaster resistant durable houses under IAY

Recommendation (Para No. 3.94)

47. The Committee had recommended as under:

> "The Committee note that several parts of the country are prone to various natural calamities such as flood, cyclone, earthquake etc. They further note that the houses constructed under IAY are being constructed by the beneficiaries themselves who are expected to use available local materials and low cost disaster resistant and environment friendly technologies. However, no separate provision for retrofitting the existing houses against natural calamities has been provided under the guidelines. Therefore, the Committee desire that in order to achieve construction of durable houses, some provision in the guidelines should be made for retrofitting of IAY houses in the natural calamity prone areas."

48. The Government have replied as below:

"The assistance provided for construction of houses under the scheme is not the full cost of the house. It is expected from the beneficiary that they would meet the balance of the cost and to the extent possible they are also expected to make use of available low cost and disaster resistant technologies. Number of RBCs have been established all over the country to provide guidance in this regard."

49. The Committee are constrained to note the casual way in which the Department has responded to such a serious issue of retrofitting of IAY houses in disaster-prone areas. The Committee may like to add that the recent destruction caused by tsunami in coastal areas further emphasises the need for Government's effort for providing disaster proof houses and retrofitting of existing houses in calamity prone areas of the country. The Committee would like to stress upon the Department to discuss this matter with the other concerned Ministries of Union Government, HUDCO, State Governments and all other concerned with R&D in Housing so that whatever number of houses are being built with Government assistance are built with disaster proof technology.

R. Equity support to HUDCO and additional resources raised by HUDCO from open market

Recommendation (Para No. 3.100)

50. The Committee had recommended as under:

"The Committee note that equity support is provided to HUDCO by Department of Rural Development who garner and provide additional resources *i.e.* approximately eight times the size of equity contribution from the market. The Committee are disturbed to note that as HUDCO is under aegis of the Ministry of Urban Development and Urban Employment and Poverty Alleviation, the Ministry of Rural Development does not monitor the performance of HUDCO in rural housing. The Department of Rural Development does not maintain and thus could not provide information relating to the actual houses constructed out of the dwelling units sanctioned under the Two Million Housing Programme of the Department of Rural Development. The Committee, therefore, recommend that the Ministry should obtain the performance of HUDCO on as yearly basis so that they could have a clear cut picture of the role of HUDCO in the field of Rural Housing. In case the performance of HUDCO is found unsatisfactory, the Ministry should take suitable corrective and ameliorative measures so that rural families do not suffer."

51. The Government have replied as below:

"HUDCO has been requested to made available the requisite information relating to the actual houses constructed out of the dwelling units sanctioned by the HUDCO under the two million housing programme. Ministry of Urban Development is also being requested to instruct the HUDCO for supplying us this information."

52. While noting that HUDCO and the Ministry of Urban Development have been requested to furnish the requisite information regarding actual houses constructed under 'Two Million Houses Programme' the Committee would like the Department to pursue the matter further and apprise them about their response in this regard.

S. Obtaining a copy of the West Bengal law regarding title of Land

Recommendation (Para No. 3.105)

53. The Committee had recommended as under:

"The Finance Minister in his Budget speech has stated that a major impediment to credit for rural housing is absence of proper title for the land. He also stated that West Bengal has made a law to simplify the creation of security, which deserve to be emulated by other States. The Ministry has informed that West Bengal State Government has been asked to provide a copy of West Bengal law. The Committee hope that the Government after studying the said law extensively and expeditiously, would issue the guidelines to other State Governments to enact similar laws so that the benefit of different rural development schemes could be extended to rural poor.

54. The Government have replied as under:

"The requisite information relating to the West Bengal law is being pursued with the State Government of West Bengal. Necessary action will be initiated after the receipt of the State's Act."

55. The Committee feel that it is a pity that in the age of internet and faster connectivity, the Government has not been able to collect a copy of the law from the West Bengal Government in the last six months. This shows the indifferent attitude of the Government towards solving the existing bottlenecks in the implementation of rural housing schemes. The Committee, therefore, desire that the said West Bengal law be obtained immediately and subsequent necessary action be undertaken without further wastage of time.

T. Implementation of PMGSY in Delhi

Recommendation (Para No. 3.133)

56. The Committee had recommended as under:

"The Committee find that as per the information provided by the Ministry the implementation of rural development programmes in Delhi was discontinued on the specific request of the Administration because the rural development schemes are not being implemented in Delhi. Further it has been stated that there are no unconnected habitations in Delhi. The Committee are surprised to find that during 2001-2002, Rs. 5 crore were released to Delhi Government under PMGSY. The Committee would like to be apprised about the clear position of Centrally Sponsored Schemes of the Ministry of Rural Development in Delhi. They would also like to be apprised of the physical and financial achievement with regard to the money released to Delhi during 2001-2002. Further, the Committee would like that the Department should recover the funds, if the released amount during 2001-02 has not so far been spent."

57. The Government have replied as below:

"The schemes of the Ministry of Rural Development are not implemented in the NCT of Delhi. However, an amount of Rs. 5 crore was released during 2001-02 to NCT of Delhi for taking up a road work under the PMGSY. The NCT of Delhi has already been advised to either show progress in execution of the works or refund the funds released along with interest accrued on it."

58. While noting that the National Capital Territory (NCT) of Delhi has been advised to show progress or refund the funds released during 2001-2002 along with the interest accrued, the Committee would like to know the reply of the Government of NCT of Delhi and subsequent action taken by the Union Government in this regard.

U. Uniformity in model staffing structure and broad personnel policies of DRDA's

Recommendation (Para No. 3.141)

59. The Committee had recommended as below:

"The Committee are surprised to find that all the districts of the country do not have a District Rural Development Agency (DRDA) as on 31 March, 2004. They are equally surprised to find that all the 576 established DRDAs do not receive the funds under the DRDA Administration Scheme. Even though guidelines have been prescribed for a model staffing structure and broad personnel policies for four different types of DRDAs, there is no uniformity in this regard. They feel that the Ministry of Rural Development has minimized its role only to release the funds under DRDAs and be a silent spectator in this regard. Further the Government are not aware of the priorities set by DRDAs as if these are not required to be forwarded to the Ministry. They have their own doubts as to how the Government can ensure efficient implementation of Rural Development Programmes without obtaining the annual reports. They, therefore, recommend that model staffing structure, broad personnel policies and furnishing of annual reports of all DRDAs be done without any further delay."

60. The Government have replied as under:

"There were 578 DRDAs as on 31 March, 2004. With the merger of 9 districts in U.P. with other districts in the State, the Govt. of U.P. had requested that the allocation for 2004-05 should be distributed among DRDAs in 61 districts. A new district also came into existence in Tamil Nadu effective from 1 April, 2004. The total number of DRDAs receiving grants under the scheme as on 1 April, 2004 was therefore 570. All the 570 DRDAs are receiving grants under the DRDA Administration Scheme.

Although the DRDA Administration Scheme provides for a model and indicative staff structure, the actual creation of posts and placement of people is a matter lying within the domain of the State Government on which this Ministry has no control. The Ministry has, however, been impressing upon the State

Governments to provide necessary staff in DRDA establishments to enable them to function effectively. The release of grants under the Scheme is also limited to expenditure on personnel actually in position. Although the Annual Plans of the DRDAs are approved by their Governing Bodies, who also review and monitor the implementation of the Plan, the Ministry also obtain monthly, quarterly and annual reports from each DRDA on the physical and financial performance of each Scheme. There are also other mechanisms like District Level Monitoring, Concurrent Evaluation, field visits of Area Officers etc. to evaluate and monitor implementation of Rural Development Programmes on a regular basis."

61. While appreciating the fact that the actual creation of posts and placement of people is a matter lying within the domain of the State Government, the Committee find that DRDA in a State Government is a crucial agency involved in the implementation of various rural development schemes/programmes. Not only that, substantial Central allocation is being made for strengthening these DRDAs under 'The DRDA Administration Scheme'. In this background, the Committee are not inclined to accept the plea of the Department that Central Government have no control on staff matters. They find that certain model guidelines to be formulated by DRDAs had been issued by the Union Government, the details of which are given in para 3.139 of the 3rd report (14th Lok Sabha). Since the guidelines were issued by the Union Government, the implementation of the guidelines has also to be ensured through various reviews and other mechanism. The Committee would like to reiterate their earlier recommendation and desire a categorical response of the Government in this regard.

W. Establishment of Regional Committee of CAPART at the State Level

Recommendation (Para No. 3.179)

62. The Committee had recommended as below:

"The Committee are not happy with the establishment of Regional Committee of CAPART in the places where the Schemes of Department of Rural Development were not being implemented *viz*. Chandigarh and Delhi. They also note that Regional Committees have been set up and are functioning in 9 different places. The Committee, would like to know the jurisdiction of States and Union territories under each of these Regional Committees. They feel that the said jurisdiction should not be administered from a distant area. For example, to oversee the performance of NGOs of Jammu and Kashmir at Chandigarh, is neither justifiable nor practical. They, therefore, recommend that CAPART should consider establishment of Committees at the State level".

63. The Government have replied as under:

"The names of the RCs and their jurisdiction are as under:

Sl.No.	Name of the RC	Jurisdiction of States
1.	Ahmedabad	Maharashtra, Gujarat, Goa, Daman & Diu, Dadar and Nagar Haveli
2.	Bhubaneswar	Orissa, West Bengal, Chhattisgarh, Andaman & Nicobar Island
3.	Chandigarh	Haryana, Himachal Pradesh, Jammu & Kashmir, Chandigarh and Punjab
4.	Dharwad	Karnataka, Kerala & Lakshadweep
5.	Guwahati	Sikkim, Arunachal Pradesh, Assam, Manipur, Nagaland, Mizoram, Tripura & Meghalaya
6.	Hyderabad	Andhra Pradesh, Tamil Nadu and Pondicherry
7.	Jaipur	Delhi, Rajasthan, Madhya Pradesh
8.	Lucknow	Uttar Pradesh, Uttaranchal
9.	Patna	Bihar, Jharkhand

Regarding opening of Regional Committees in other states, the matter will be put up for consideration of Executive Committee."

64. While noting the reply of the Government that the matter regarding opening of State Level Regional Committees, will be put up for consideration of executive committee of CAPART, the Committee would like to know the final decision thereon and the necessary action taken by the Government in this regard.

CHAPTER II

RECOMMENDATIONS THAT HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation (Para No. 2.3)

The Committee note that the Department has got less than half of what was proposed to Planning Commission during 10th Plan. Besides the Department was allocated Rs. 56,748 crore against the expenditure of Rs. 40,435.22 crore during 9th Plan. Therefore the Department has got Rs. 16312.78 crore more than what was the actual expenditure during 9th Plan. They also find that during 9th Plan the Department got Rs. 40,435.22 crore against the outlay of Rs. 32869.87 crore *i.e.* Rs. 7566.35 crore more than the outlay. The Committee note that although the Department has got Rs. 16312.78 crore more during the 10th Plan as against the previous Plan, it is difficult to analysis the hike or decrease in view of the fact that some of the Schemes being implemented during 9th Plan like NSAP and Annapoorna have been transferred to State Governments. Further the Scheme-wise analysis of the data indicate that under one of the major Schemes of the Department *i.e.* SGSY, there is drastic reduction of Rs. 735 crore in 10th Plan as compared to previous Plan. The Committee also note that under IAY Rs. 1318 crore have been allocated more whereas for CAPART the allocation has been enhanced from Rs. 60 crore to Rs. 200 crore. On monitoring, although the Department has got 1/3rd of what was provided during 10th Plan, the allocation has been considerably enhanced *i.e.* from Rs. 5 crore in 9th Plan to Rs. 100 crore. The details of Scheme-wise analysis has been made in the subsequent chapters of the Report. However the Committee would like to highlight here that there is no planning on the part of the Government. The Schemes, like NSAP and Annapoorna started with the laudable objectives of providing social security, after investment of several crore, were hurriedly transferred from one Ministry/Department to other, or to State Governments. Further there is drastic reduction in the outlay of SGSY, one of the important Schemes of Self-employment in rural areas. In this scenario, the Committee final to understand how the objectives of providing employment, housing and infrastructure in rural areas would be achieved. In view of the above, the Committee strongly recommend that adequate outlay under the different Schemes to meet the set objectives should be made. Not only that, the enhanced allocation should be meaningfully utilized by improving the delivery mechanism and taking all the corrective desired steps.

Recommendation (Para No. 2.4)

The Committee further find that under Schemes like IAY, CAPART the allocation has been increased. Similarly, for monitoring the allocation has been enhanced considerably. The Committee hope that the increased allocation for monitoring would ensure effective implementation of the Programme. They further hope that the enhanced allocation under the respective Schemes of the Department would result in better implementation and fulfilment of the desired objectives.

Reply of the Government to Recommendation (Para No. 2.3 and 2.4)

The Ministry of Rural Development shares the concerns expressed by the Committee especially because of the dimension of the problem of rural poverty. In view of the above, the Ministry has approached the Planning Commission for an additional outlay of Rs. 27193.88 crore for the current financial year to meet the total funds requirements.

The Ministry has developed a comprehensive system of Monitoring the implementation of the programmes to ensure full utilization of funds through various mechanisms such as regular visits to the field by Officers and the Area Officers of the Ministry of Rural Development, Meetings of the Performance Review Committee, Periodic Progress Reports from State Governments and a detailed scrutiny of progress before release of funds. Vigilance & Monitoring Committees, with greater role for Members of Parliament, are also reconstituted at State and District levels, to make them vital instruments of effective monitoring of the implementation of the programmes of the Ministry, so that the benefits of the Rural Development Schemes reach the targeted persons in all the States/UTs. The Union Ministers also review the Programmes with the Chief Ministers and other State Government Ministries and officials.

A new initiative of District Level Monitoring of the Rural Development Programmes in 130 districts in 27 States has also been taken. With a view to ensuring transparency and efficacy in the implementation of Rural Development Programmes, the Ministry has prepared a panel of National Level Monitors involving Senior Retired Civil and Defence Service Officers to Monitor the policy and implementation environments of the programmes at grass root level.

[Ministry of Rural Development, O.M. No. H-11020/2/2004-GC dated the 6th January, 2005, Department of Rural Development]

Recommendation (Para No. 2.18)

The Committee note that during 2003-2004 in the first six months, the Department of Rural Development could spend 26.49 per cent of the Plan funds, whereas in the first nine months 67.34 per cent of the allocated funds were spent. On the other hand during the same period, 53.94 and 68.55 per cent. respectively of Non-Plan funds were spent. The Committee feel that this uneven spending especially of Plan funds during the year adversely affects the implementation of the Schemes. The Committee, therefore, urge that adequate steps in the coming years should be taken so that the expenditure of Plan as well as Non-Plan funds is conveniently and uniformly spread throughout the year. The Government should therefore, plan ahead to ensure uniform spending throughout the year and in a phased manner.

Reply of the Government

The Ministry of Rural Development makes all out efforts to ensure that the implementation of the programmes is smooth through out the year by taking up this issue from time-to-time with the State Governments and the Programme Implementing Agencies. However, due to certain practical difficulties the expenditure under rural development programmes is not evenly distributed over the year. As the rural development programmes are implemented at the village level, it takes time to flow the information of expenditure which is required to be collected from different Agencies. This results in late submission of proposals by the Programme Implementing Agencies for claiming the second instalment. Some States face unfavourable weather conditions and natural calamities such as droughts, floods which occur very often. This leaves a very limited working season for the Progrmame Implementing Agencies in these States and consequently there is an uneven distribution of expenditure under the rural development programmes. In addition to above, the elections process in the States for various elected bodies also slows down the implementation of rural development programmes. However, the Ministry of Rural Development will continue its efforts to impress upon the Programme Implementing Agencies to ensure uniform spending of funds for the implementation of the rural development programmes through out the year.

[Ministry of Rural Development, O.M. No. H-11020/2/2004-GC dated the 6th January, 2005, Department of Rural Development]

Recommendation (Para No. 2.21)

The Committee have examined the scheme "monitoring" in the subsequent chapter of the report but here the Committee would like to strongly recommend to the Department to gear up the implementing agencies and strengthen the monitoring mechanism so as to ensure cent-percent utilization of scarce resources.

Reply of the Government

The implementing agencies are impressed upon, from time to time, to gear up the programme implementation. Review meetings are held periodically with the implementing agencies to accelerate the pace of scheme implementation. The Performance Review Committee Chaired by Secretary (RD) while reviewing the progress of work also call for gearing up the implementation machinery at the State level so as to optimally utilize the scarce resources. Periodic Conference of Project Directors of DRDAs are also held during which the need for accelerating the pace of programme implementation is stressed.

[Ministry of Rural Development O.M. No. H-11020/2/2004-GC dated the 6th January, 2005 Department of Rural Development]

Recommendation (Para No. 2.25)

The Committee find that the Department has been making contribution to various International organisations such as AARDO since 1962 and CIRDAP since 1979. Since the Department of Rural Development has been contributing to AARDO, a programme of the Ministry of External Affairs for the last 42 years, the Committee feel that there is a need to review the matter in order to examine the need for continuing this contribution.

The Committee would like to be apprised how far the aforesaid contribution could help the Department of Rural Development in developing understanding among member countries by way of promoting welfare, eradication of thirst, hunger and poverty among rural people and in assisting member countries in obtaining financial and technical assistance for rural development programme to comprehend the need for continuing said assistance.

Reply of the Government

AARDO is an Inter-Governmental, International Organization with its headquarters in New Delhi. It is not a programme of Ministry of

External Affairs as observed by the Committee and the need for continuation of membership of such organisation is reviewed at the time of release of their annual contributions.

This Ministry recently reviewed the need for continuation of AARDO's membership in consultation with Ministry of External Affairs. It was noted that AARDO is a body, which symbolizes the solidarity of the two Continents. It is a forum with which India is closely associated so as to further cooperation in the field of Rural Development in the Member Countries. The fact that it is an initiative by India to show solidarity with countries of Asia and Africa was taken cognizance of and the continuation of membership, it was felt fitted in well with our policy to place emphasis on South South Cooperation. Dissociation from the Organisation might put in question not only our policy on South South Cooperation, but will be detrimental to the bilateral relations of the country with the member countries as it might result in the winding up of the organization from New Delhi and its relocation to another country. The Ministry of External Affairs also strongly supported the continuation of the membership.

As regards developing understanding among member countries by way of our contribution, it may be mentioned that India is the second largest contributor to the AARDO after Japan. The organization has been able to sustain its activities largely due to our contributions. Its main activities are human resource development and development of pilot projects through partnership with the rural beneficiaries, addressing the basic physical and social infrastructure, transfer of technology and poverty alleviation programmes through income and employment generating activities.

The Ministry of External Affairs in collaboration with AARDO has organised various training courses with the participation from different countries on subjects such as (i) Promotion of Micro Enterprises (ii) Assessment and Transfer of Indian Technology (iii) Information Storage and Retrieval System (iv) Small Enterprises Management Consultancy (v) Small Enterprises policy and promotion (vi) Total Quality Management and ISO 9000/QS 9000 (vii) Empowerment of Women through Enterprises (viii) Rural Industry Promotion in Developing Economies (ix) Data Warehousing and Data Mining (x) Adoption of Indian Technologies for sustainable Industrial Development (xi) Training Methods and skill for managers (xii) Promotion of Export oriented Agro Industries (xiii) Small Industry Financing—Approaches and Strategies (xiv) Strategies for Sustainable

Agriculture and Rural Development (xv) Textile Training Quality Control, Textile Extension etc.

AARDO has held meetings with officials of the African Development Bank, United Nation Conference on Trade and Development Commission (UNCTAD), in pursuance of one of the functions of the Organization, to assist the member countries in obtaining financial and technical assistance for their Rural Development Programmes.

The financial resources required to operate CIRDAP and implement its programmes and projects are obtained from two major sources *viz*. the annual contributions of the member countries, which are utilized mainly for meeting the establishment costs, and the project funds provided by donor countries and international agencies. The Government of India (Ministry of Rural Development) in collaboration with CIRDAP has recently organised the following three training courses at NIRD, Hyderabad for the member countries of CIRDAP for promoting Rural Development and developing understanding by way of promoting welfare, eradication of thirst, hunger and poverty among rural people of the member countries:

(i) Capacity building on Rural Development Functionaries for various Anti-Poverty Programmes (August, 2004).

(ii) Training Programmes on Technologies for Rural Development and Integrating them in Rural Development Schemes (September, 2004).

(iii) Regional Training Programmes on Strategies and Programmes for Reducing Poverty in Asia Pacific Region. (October, 2004)

CIRDAP had collaborated with FAI, Commonwealth, JICA, FIDA and other international specialised bodies of UN in promoting People's participation, good governance, gender development, self help project management and other aspects relating to sustainable Rural Development.

[Ministry of Rural Development O.M. No. H-11020/2/2004-GC dated the 6th January, 2005 Department of Rural Development]

Recommendation (Para No. 2.31)

The Committee note that in North Eastern Area, 10% allocation of the total outlay of the Department is earmarked since 2000-01. They are constrained to note the expenditure position since 2002-2003. In 2002-2003, the expenditure position is stated to be nil and from 2003-04 to 2004-05, the position has been stated to be not available. Further the Committee find that there are certain problems in implementation of different schemes of the Department in North Eastern area as is evident from the information given above. They have some problems in allocating the States share besides inadequate presence of banks for credit delivery under SGSY and limited working season due to weather conditions, etc., have been stated to be major reasons which hamper the progress of implementation of schemes and thereby result in under-utilization of outlay in North Eastern Areas. In view of the scenario, the Committee recommend to the Government to find out the position of utilization of resources in each of the North Eastern Area under each of the schemes since 2000-01 and submit the same before the Committee so as to enable the Committee to come to the right conclusions. Besides they would also like that State-wise reasons for the problems of various States in implementation of the schemes should be analysed and corrective action taken so that the scarce resources in the starved economy of the country do not remain unutilized thereby affecting the other schemes of the Government.

Reply of the Government

In the detailed Demands for Grants (2004-05), the Actuals for 2002-03 was shown as 'nil' because of the fact that though the B.E. and R.E. for the year equal to 10% of the total plan allocation is distinctly shown under this head, the expenditure is not booked under this head but under the respective Programme Heads. While booking expenditure under the Programme Heads, the required amount of funds are re-appropriated from the lump sum provision for NE States to the respective Programme Head. This position also holds good for the year 2004-05.

Statements indicating the State-wise release of funds and expenditure incurred under each Scheme by the North Eastern States under major RD Programmes from 2000-2001 onwards are enclosed at Appendix-I.

The issue of opening of new bank branches in the unbanked areas of North Eastern States and expanding the service area of existing banks with a view to facilitate availability of credit for the SGSY Swarozgaris has been already taken up with the RBI at high levels. As stated in earlier reply, the largest State in North East namely, Assam has been released funds under various programmes without insisting on payment of State share for previous years as a special case, keeping in view the State's financial problems. The State of Arunachal Pradesh has also been allowed, as a special case, to receive cash funds under SGRY without minimum lifting and utilization of foodgrains. Unlike other States, cost of transportation of foodgrains under SGRY in North Eastern States is now being re-imbursed at fixed rates. The Ministry has also taken up a proposal to modify the funding pattern for Rural Development Programmes in North Eastern States between Centre and State from the existing ratio of 75 : 25 to 90 : 10. This proposal is presently under consideration of the Planning Commission.

The problems of North Eastern States are thus adequately being analysed and addressed from time to time to facilitate implementation of the Rural Development programmes.

[Ministry of Rural Development O.M. No. H-11020/2/2004-GC dated the 6th January, 2005 Department of Rural Development]

Recommendation (Para No. 2.39)

The Committee find that the Department has released Rs. 75.96 crore to the States and Union Territories for conducting BPL census, 2002. The Committee would like to know the expenditure made by different States and Union Territories out of the releases made so far. The Committee have been informed that the latest Reports regarding completion of spadework and tabulation plans are yet to be received from the States and Union territories. They presume that in the absence of the results of BPL Census, 2002, different State Governments must have been relying on the results of the previous BPL Census, which is too old. Therefore, they recommend that while awaiting the judgement of Supreme Court, the Department of Rural Development should impress upon the States/Union territories that the tentative BPL Census 2002 should be ready without any further delay so that no further time is wasted in identifying the BPL families who are in real need of the anti-poverty Programmes of the Department.

Reply of the Government

The Ministry of Rural Development is already seized of the issue and the position in this regard has been reviewed with the States/UTs very recently in four regional meetings. Instructions have been issued to all the States/UTs to take all necessary steps so that the BPL lists are made operational immediately after getting a direction from the Hon'ble Supreme Court. The States and UTs have also been asked to furnish the statement of accounts with respect to the funds released by this Ministry for the purpose of BPL Census 2002.

[Ministry of Rural Development O.M. No. H-11020/2/2004-GC dated the 6th January, 2005 Department of Rural Development]

Recommendation (Para No. 3.27)

While analysing the position of involvement of banks in the implementation of SGSY, the Committee note that there are serious problems regarding involvement of banks. As pointed out by concurrent evaluation there is complaint of non-cooperation from banks by district authorities. Further there is delay in banking procedure, delay in disbursement of assistance and problem of cooperation with the coordination among banks. Another serious lacuna pointed out by the evaluation is that banks prefer sanctioning of loans to individuals only and release loans individually to members of SHGs for greater accountability. Another problem being faced is banks release only the subsidy portion and thus withholding the credit portion. The Committee feels that in the absence of providing credit, the money given as subsidy would have been used by the beneficiary for their consumption needs and thereby resulting in failure of the achievements of the scheme that is to bring the beneficiaries above the poverty line. Not only that there is lack of cooperation between bank officials and officials of block.

Reply of the Government

There are certain problems in the smooth delivery of bank credit for implementation of the programme. These problems are discussed with the bankers from time to time in the Central Level Coordination Committee meetings. The RBI has issued instructions that the service area banks should ensure participation of bankers in the District/Block Level SGSY Committee meetings. The position regarding credit mobilisation is also required to be reviewed by the Chief Exeuctives of the respective banks on a monthly basis.

As regards preference of banks for individual financing *vis-a-vis* group financing, there is a shift in position in favour of group financing during the last two years, as reflected in the following table.

(Rs. in crore)

Year	Credit to Group	Credit to Individual	% age credit to Group
2002-03	459.08	725.21	38.60
2003-04	769.42	593.41	56.45
2004-05 (upto August, 2004)	104.76	38.65	73.04

Since the subsidy component is back-ended, there is no possibility of this being used by the beneficiary for consumption needs.

[Ministry of Rural Development O.M. No. H-11020/2/2004-GC dated the 6th January, 2005 Department of Rural Development]

Recommendation (Para No. 3.30)

The Committee are constrained to note that efforts made by the Department under SGSY have not culminated into the desired results as even after 5 years of implementation of SGSY Scheme, credit flow to the beneficiaries has not reached the desired level. The Committee would like the Government to go deeply into the methodology and find out the reasons which preclude in obtaining the desired result. The Committee are informed that the scheme was launched with great optimism with an end to having every assisted family above poverty line within three years. However, this appears to have remained a distant dream. The Government should take all ground realities and possibilities into account. The Committee feel that the Department should not merely be a silent spectator in this regard but should seriously introspect on the lacunas detected and come out with ameliorative measures. While setting up the target hyperboles do not help and lead to confusion. The Government should point out serious flaws noticed in the implementation of the Scheme to the Reserve Bank of India (RBI) and Ministry of Finance. They urge the Government to take suitable measures in this regard and apprise them accordingly.

Reply of the Government

The Central Level Coordination Committee (CLCC) set up under the Chairmanship of Secretary (Rural Development) already provides a forum for continuous interaction with banks to come out with workable salutations. Major decisions taken by Central Level Coordination Committee (CLCC) in its meeting held on 18.6.2004 in regard to credit related issues are:

1. RBI should expedite decision for opening new bank branches in unbanked areas.
2. All loan applications pending at the close of the year should be brought forward to the next year and decided upon.
3. Banks should do detailed analysis of the pattern of disposal of loan applications and take necessary steps to avoid delay in disbursal of loan and pendency of loan application.
4. Emphasis should be laid on simplifications of procedure.
5. The Chief Executive Officer of banks will monitor the credit disbursement every month.

A meeting was also held with CMDs of banks by the Minister of State for Finance and the Minister (RD) in October, 2003. Another high level meeting with Bankers is scheduled to be held on 27th September, 2004 as part of the agenda for the Annual Conference of the Project Directors of DRDAs.

[Ministry of Rural Development O.M. No. H-11020/2/2004-GC dated the 6th January, 2005 Department of Rural Development]

Recommendation (Para No. 3.31)

The Committee find from the information provided by the Department that there are certain problems being faced in the implementation of SGSY as pointed out in the concurrent evaluation for the period of 1st April, 1999 to 2001. It has been stated in the findings of said evaluation that only 27 per cent of SHGs could purchase the assets in the first month after the release of loan amount. Another problem indicated in the evaluation seems to be lack of forward and backward linkages. It has been indicated that 42 per cent of SHGs market their products/services on their own. Another disturbing feature noticed by the evaluation is that people who are not eligible for the benefits under SGSY have become beneficiaries including people belonging to non BPL category and those who are influential. The Committee further note that the objective of SGSY is to provide self employment to BPL persons so as to enable them to cross poverty line even by giving the multiple doses of assistance. They are disturbed to know as pointed out by the concurrent evaluation only 15.9 per cent of SHGs could cross poverty line. By analyzing all these factors, the Committee have come to the conclusion that there are serious problems in the implementation of the programme. The issues related to involvement of banks have been analysed separately in the succeeding paras of the Report.

Reply of the Government

As per the SGSY guidelines, the swarozgaries have freedom to procure the assets themselves. They shall procure the asset within one month from the date of release of money by the bank. As per Para 4.54 of concurrent evaluation report, about 37.66% of the groups have said that the procurement of assets is not applicable to them and 27.92% of the sample groups did not respond. On the basis of limited information available, it is difficult to say anything about the delay in procurement of assets.

SGSY is a process oriented scheme. In the initial years, it was not practicable to achieve high degree results of the achievements of the programme. As per one of the findings of the concurrent evaluation, it is clearly reflected that in 48.53% of SHGs, an increase in the income is observed as per the impact of the SGSY activities. So long as groups are not available for financing the States can continue to finance individual swarozgaries. Hence, the prime objective of SGSY in bringing BPL families above poverty line is satisfied to some extent as most of groups have just started their economic activities and may take a year or two more to stabilize.

The survey findings also reveals that a very good percentage (87.37%) of the sample individual swarozgaries were of the opinion that a good market exists for their goods or services. Majority of groups (55.43%) reveal that there is no problem in marketing their products/ services. As per the SGSY guidelines, there is a provision that an amount of Rs. 5.00 lakh annually may be spent from funds available under the scheme on management of professional input related to marketing resource, value addition or product diversification. The State Government have regularly been advised to use this provision for improving marketing of products.

Generally, members of the group formed under SGSY should belong to BPL families. However, if necessary, a maximum of 20% and in exceptional cases, where essentially required, upto a maximum of 30% of the members in a group may be taken from families marginally above the poverty line leaving continuously with BPL families and if they are acceptable to the BPL members of the group. This will help the families of occupational groups like agricultural labourers, marginal farmers and artisans marginally above the poverty line or who have been excluded from the BPL list to become members of the SHG. Relaxation in the becoming members of APL of a SHG is made for providing guidance to the members (BPL) of SHG who are generally either illiterate or just literate. However, the APL members will not be eligible for subsidy under the scheme.

As per SGSY guidelines, multiple doses means assisting a swarozgaries over a period of time with second and subsequent dose(s) enabling him/her to access higher amount of credit so that a swarozgaries cross the poverty line and not cross the poverty line marginally.

SGSY is a process oriented scheme and much of the time during first few years of implementation was utilized to evolve initial preparatory works like consultation with the State Governments, RBI, NABARD and Bankers for finalization of the guidelines and sensitization of the implementing agencies including bankers of local branches. In addition, in the initial years, it also took some time to complete the work such as training, sensitization, identification of key activities, social mobilization of rural poor etc. It has been pointed out in Para 5.11 of the concurrent evaluation report that among the total swarozgaries (individual and groups) who have reported income generation from their SGSY activities, 37.24% individuals and 15.09% SHGs have crossed the poverty line due to the SGSY activities. It has also been mentioned in the report that even thought he share of such swarozgaries is very less as compared to the total number of SGSY beneficiaries, this achievement is remarkable during the initial stages of the implementation of the scheme. The picture of percentage of SHGs who have crossed the poverty line may be picked up steadily in the coming years.

These issues are discussed in the Central Level Coordination Committee from time to time and banks have been advised through RBI to follow the instructions being given to them from time to time in order to sort out the credit related problems in the implementation of the scheme.

[Ministry of Rural Development O.M. No. H-11020/2/2004-GC dated the 6th January, 2005 Department of Rural Development]

Recommendation (Para No. 3.32)

From the data provided by the Department, regarding financial achievement during the year 2003-04, the Committee find that in as many as 8 States, the performance was less than 50 per cent. These States are Arunachal Pradesh, Assam, Goa, Jharkhand, Manipur, Meghalaya, Nagaland and Rajasthan. Further in 3 Union territories the performance was stated to be nil. As regards, the physical achievement, the Committee find that there was declining trend from 1997-98 to 1999-2000. The number of Swarozgaries increased in the year 2000-2001 which further decreased in the following years i.e. 2001-2002, 2002-2003. In 2003-04 although the data has been provided provisional, there is slight increase in the number of Swarozgaries assisted as compared to that of 2002-03.

In view of the aforesaid scenario, the Committee feel that the Government has to analyse critically the performance of SGSY which is one of the oldest and important schemes of the Department after interacting with the respective State Governments, PRIs. Besides the steps to provide forward and backward linkages to the self help groups, should be undertaken so that the viability of the self help groups could be ensured.

Reply of the Government

The funds are released to the DRDAs in two instalments. Ist instalment is released to DRDAs provided the DRDAs have taken 2nd instalment of funds during previous year unconditionally. However, funds to those DRDAs who had not taken 2nd instalment during previous year are released only after receipt of complete proposals from them. 2nd instalment of funds are released to the DRDAs only when 60% of total available funds is utilized by them and accordingly proposals along with utilization certificate and audited statement of expenditure are submitted by them. Some of the North-eastern States such as Manipur and Meghalaya could not avail the central share mainly because of low utilization of funds, non-release of State matching share and non-receipt of project proposals in spite of repeated reminders. Some N-E. States have difficulty in proper implementation of the scheme due to poor/inadequate banking facilities. Financial performance of States like Assam, Goa and Rajasthan during 2003-04 has been reasonably good. Daman & Diu, D&N Haveli, A&N Island and Lakshadweep have problems in formation of Self Help Groups of BPL families. They have been advised to take assistance of facilitators in formation and nurturing of SHGs.

The Ministry has a regular system for analyzing/assessing the progress of the programme in terms of financial and physical and identifying reasons for lack of adequate progress. The programme is monitored at various levels. At the Central level, there is Central Level Coordination Committee (CLCC) headed by Secretary (RD) comprising members from the different Ministries of the Govt. of India, State Secretaries of Rural Development and representatives of various commercial banks. The CLCC has been meeting twice a year to review the programme. Besides this, the programme is also reviewed in the Performance Review Committee of the Deptt. of RD as part of the overall review of the programmes of the Deptt. The programme is also monitored through the monitoring mechanism of the Ministry namely Impact Assessment Studies, National Level Monitoring, District Level Monitoring, Area Officers Scheme etc. The Ministers of RD and Sr. Officers of the Ministry review the programme during their visits to States/UTs.

SGSY lays stress on the cluster approach. Keeping in view this, SGSY guidelines provides that instead of funding diverse activities, each block should concentrate on a few selected activities (key activities) and to attend all aspects of these activities, so that the swarozgaries can draw sustainable incomes from their investments. These key-activities should preferably be taken up in clusters so that the forward and backward linkages can be effectively established, after obtaining more importantly provision of various services required by the swarozgaries, these would facilitate SHGs to establish their viability.

[Ministry of Rural Development O.M. No. H-11020/2/2004-GC dated the 6th January, 2005 Department of Rural Development]

Recommendation (Para No. 3.33)

The Committee further find that most of the Swarozgaries 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 feels that the profits of Swarozgaries 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 the stress need to be given to training aspects 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 Swarozgaries to sell their products in such melas. More and more NGOs should be involved in the programme.

Reply of the Government

The Ministry of Rural Development since 1999, through various schemes and programmes like IRDP, SGSY is encouraging SHG members to take up sustainable group activities that could give them some incremental income. This approach by the Ministry is aimed at higher economic of scale of enterprise operation leading to better competitive products, collective bargaining power, market accessibility etc. through higher level of accessibility to credit, infrastructure and other necessary linkage.

These workshops were organized during SARAS fairs which help in creating awareness among craftsmen for improved products. In these workshop both the producers, exporter and experts on the specific sector were present. These workshops have now become an integral part of all SARAS Fairs. These workshops exposure the crafts person specializing in a particular craft to the technological advancement, innovations and processes in their specific sector. These help them to unleash the latent potential of their craft to its maximum limit, at the same time, also providing an opportunity to the industrial sector to ascertain the magnitude of the qualitative and quantitative skill for harnessing manpower resources.

From 2002-2004, 2 workshops on leather by Rural Non Farm Development Agency (RUDA) and Central Leather Research Institute (CLRI) (Chennai); A cane and bamboo diversification workshop by National Institute of Design, IIT, Mumbai and Cohands; A Workshop on packaging by Institute of Packaging, New Delhi, a workshop on processed Foods by Central Food Technological Research Institute Mysore have been organized. In order to impart specialized training in certain sectors Project for establishment of Training and Marketing Development Facilities in Assam, Uttar Pradesh and Uttaranchal have also been sanctioned.

In order to provide a forum to sell their wares, large number of exhibitions has been organized by Ministry of Rural Development under SGSY Programme.

IITF SARA fair is being organized since 1999. Till 2002 this was the only fair organized by the Ministry of Rural Development. But since April 2003 the concept of the Regional SARAS fairs has taken roots. This enables the States to actively involve themselves in the process of holding fairs and get acquainted with beneficiaries from all parts of the country.

During the year 2003-04 six Regional SARAS fairs were organized at New Delhi (twice), Hyderabad, Guwahati, Mumbai, Bhubaneshwar. In these fairs, on an average in each fair a sale of Rs. 1.5 crore was recorded besides bulk orders. Ministry has also participated in two International Fairs one at Kuala Lumpur (Malaysia) and one at Milan (Italy) in which States of Madhya Pradesh, Gujarat, J&K, Orissa and Rajasthan participated.

During the current year, *i.e.* 2004-05, besides IITF SARAS 2004, Ministry has proposed to organize nine Regional SARAS fairs at Hyderbaad, Bangalore, Jaipur, New Delhi (Twice), Ahmedabad, Mumbai, Bhubaneshwar, Lucknow and Bhopal.

CAPART in order to support NGOs has also been organizing Gram Shree Melas in various parts of India. 12 Gram Shree Melas are proposed to be organized by CAPART during 2004-05. In all these fairs, SGSY beneficiaries of DRDAs would also participate.

[Ministry of Rural Development O.M. No. H-11020/2/2004-GC dated the 6th January, 2005 Department of Rural Development]

Recommendation (Para No. 3.36)

Keeping in view the aforesaid, the Committee concludes that there are some serious problems in implementation of the Programme. They would like the Department to take corrective steps immediately, after consultation with State Governments, Panchayats, Banks and all concerned with the implementation of the programme and apprise the Committee accordingly.

Reply of the Government

The shortcomings in the implementation of the SGSY as and when comes to the notice of the Ministry are taken up with State Governments, Banks etc. for immediate corrective steps. Moreover, the specific problems are also discussed in the CLCC forum from time to time.

[Ministry of Rural Development O.M. No. H-11020/2/2004-GC dated the 6th January, 2005 Department of Rural Development]

Recommendation (Para No. 3.42)

The Committee are dismayed to note that performance of SGSY in several Union Territories and in the State of Manipur is close to nil, as no Central funds have been released to them during 2003-04 and 2004-05. They feel that as the Union Territories get cent-percent Central assistance, the performance of SGSY should have been better as there is no States share involved. The Committee desire to know the specific reasons as to why these Union Territories and the State of Manipur have been deprived of the assistance under SGSY. The Committee, therefore, recommends that monitoring of all the Schemes shall further be strengthened in the current financial year and suitable corrective measures be initiated so that funds under the scheme are released to these Union Territories and Manipur without any further delay.

Reply of the Government

As per the SGSY guidelines, the funds are released to the DRDAs in two equal instalments. 1st instalment is automatically released to DRDAs provdied the DRDAs have taken 2nd instalment without any condition during the previous year. The 2nd instalment is released on the request of the DRDAs on fulfilment of the following conditions:

1. Information about budget provision of the State for meeting the State share.
2. The States should have released its contribution during the previous year. In case any deficiency in release of its share, the central share is to be deducted from the 2nd instalment.
3. Opening balance should not exceed 15% of the District allocation in the previous year. In case this limit is exceeded, the central share of the amount by which it exceeds this limit is deducted at the time of 2nd instalment.
4. Available funds including carry forward funds should have been utilized at least to 60%.
5. Audit Report and Utilisation Certificate for the previous year should be furnished.
6. Any other terms and conditions imposed at the time of the last release should have been met.

As regards Manipur State, despite repeated requests for furnishing the Monthly Progress Report (MPR), no MPR since inception of the scheme of SGSY has been received. During 2003-04, only two districts out of nine were able to avail the central share towards 1st instalment of SGSY. Due to non-fulfilment of certain conditions for release of funds as mentioned above particularly matching share, the State Government has not been able to avail central share under the SGSY. So far no central share is released during the current year. As regards Union Territories, no MPR has been received from Daman & Diu and Nagar Haveli as on date.

A Review Meeting was held under the Chairmanship of Union Minister (Rural Development) with the Rural Development Ministers of North Eastern States at Guwahati on 30th November, 2004 to discuss and review the status of implementation of various rural health programmes. Issues discussed in the meeting *inter-alia*, include, enhancement of Central share in various rural development schemes, relaxation in provisions of guidelines, mode of release of funds. N-E States have been requested to frame specific proposals in respect of SGSY scheme for its efficient and effective implementation in the region.

[Ministry of Rural Development O.M. No. H-11020/2/2004-GC dated the 6th January, 2005 Department of Rural Development]

Recommendation (Para No. 3.45)

The Committee are shocked to notice that credit mobilisation target has never been achieved by the Commercial, Cooperative and Regional Rural Banks since 2001-2002. Further, the Ministry of Rural Development does not monitor the performance of Commercial, Cooperative and Regional Rural Banks as is being done by RBI/ NABARD. They, therefore, urge the Department to monitor credit mobilisation targets *vis-a-vis* achievement separately by Commercial, Cooperative and Regional Rural Banks. It should also be seen that the information in this regard is collected from the DRDAs.

Reply of the Government

Progress reports are presently being received by the Ministry from States/UTs on disbursement of credit and subsidy under the Scheme. These progress reports will be modified to reflect credit mobilisation *vis-a-vis* target set for Commercial, Co-operative and Regional Rural Banks separately.

[Ministry of Rural Development O.M. No. H-11020/2/2004-GC dated the 6th January, 2005 Department of Rural Development]

Recommendation (Para No. 3.59)

The non-availability of information on the total expenditure from 13 States and 3 Union Territories as requested by the Government speaks a lot about the inadequate monitoring of the Scheme. Despite having the existing monitoring mechanism, the Department has failed to obtain the information from all the States/Union territories. The Committee, therefore, desire that the existing monitoring of the Scheme should further be strengthened and these States and Union territories to be persuaded to submit the total expenditure incurred during 2003-2004 without any further delay.

Reply of the Government

As per SGRY Guidelines, States/UTs. will submit consolidated Monthly Progress Report (MPR) every month. At the time of submitting the requisite information in the month of July, 2004, Monthly Progress Report (MPR) for the month of March, 2004 was not received from 12 States and 3 UTs. Perhaps, due to their pre-occupation for General Election, 2004, these States/UTs could not collect data in time from all the implementing agencies at the levels of village, block and district under the SGRY. There is no failure of existing monitoring mechanism under the programme. In the meantime, nine more States have furnished their Reports. The State Governments of Bihar, Tamil Nadu and Sikkim, and the Union Territory Administrations of A&N Islands, D&N Haveli and Daman & Diu, who have not yet furnished MPR for March, 2004, have been requested to expedite it. Based on the latest information received from States/UTs, a statement showing opening balance under the programme on 1 April 2004 is enclosed at Appendix II. The requisite information for remaining States/UTs will be furnished later.

[Ministry of Rural Development O.M. No. H-11020/2/2004-GC dated the 6th January, 2005 Department of Rural Development]

Recommendation (Para No. 3.70)

The Committee find that Food Corporation of India (FCI) has been given mandate to procure foodgrains from the States having surplus foodgrains for distributing throughout the country as per the demand. The Committee desire that FCI should be impressed upon to provide as far as possible the surplus foodgrains procured from the adjoining States or the same State so as to reduce the transportation cost as well as the time taken for delivering the foodgrains to the barest minimum.

Reply of the Government

The Food Corporation of India (FCI) was requested to comply with the suggestion of the Standing Committee. They have intimated that FCI has been performing on the same line as desired by the Committee.

[Ministry of Rural Development O.M. No. H-11020/2/2004-GC dated the 6th January, 2005 Department of Rural Development]

Recommendation (Para No. 3.71)

The Committee also find that there is no provision in the guidelines for receiving back the payment made to FCI for foodgrains of bad quality. The Committee desire the Ministry to look into these aspects and make the necessary provisions in the guidelines to ensure that in case of supply of foodgrains of bad quality, payment made to FCI is received back. The Committee also desire that the Department of Rural Development should take necessary steps, so that for supply of bad quality foodgrains under SGRY, the responsibility should be fixed on the officials involved and action initiated accordingly.

Reply of the Government

This Ministry has already advised the Food Corporation of India (FCI) to provide 'Fair Average Quality (FAQ)' foodgrains to District Panchayats, intermediate Panchayats and Gram Panchayats under the SGRY. The concerned officials of District Panchayat/DRDA are required to conduct joint inspection of the stocks before taking delivery of foodgrains to ensure that foodgrains below the FAQ are not accepted. For lifting bad quality foodgrains from FCI Godowns, individual officers will be held responsible and such foodgrains can not be returned to the FCI. However, if any specific instance is quoted, action could be taken to fix the responsibility for lifting bad quality foodgrains.

[Ministry of Rural Development O.M. No. H-11020/2/2004-GC dated the 6th January, 2005 Department of Rural Development]

Recommendation (Para No. 3.91)

The Committee note that the Government has been setting targets for providing houses to the needy in the rural areas time and again without achieving them. For example in the 'Campaign for Housing for All', it was decided to construct additional 2 million houses, out of which 13 lakh houses were required to be contruced in the rural areas through various Schemes, such as IAY, Credit-cum-Subsidy Scheme, Housing and Urban Development (HUDCO) Scheme, State Governments' Schemes and National Housing Bank/Commercial Banks etc. The Committee, however, not that though 7 to 8 lakh additional houses were admitted to have been constructed over and above the targets of 1999-2000, the actual figure is only 5.43 lakhs. The Department proposed to constructed additional houses for the poor under the Credit-cum-Subsidy Scheme also which remained a non-starter which according to Department was due to the reasons that neither any BPL family came forward nor the Banks were committal. The Committee are dismayed to conclude that the targets of number of houses set under IAY during the years 1999-2000 to 2003-2004 except during the year 2002-2003, were not achieved.

Reply of the Government

Indira Awaas Yojana (IAY) is a continuing scheme and the assistance is provided as per the fixed ceiling per unit. Therefore, the targets are fixed against the allocation. The targets are not as per the requirement of the houses but these are fixed according to the allocation made for the scheme. The achievement of targets is generally satisfactory which is around 90 per cent. However, efforts would be made to achieve 100 per cent targets every year. The achievement of targets since 1999-2000 is as under:

Year	Target	Achievement	Percent Achievement
1999-2000	1271619	925679	72.79
2000-2001	1244320	1170926	94.10
2001-2002	1293753	1171081	90.52
2002-2003	1314431	1548641	117.82
2003-2004	1484554	1269267	85.50

As far as the target fixed for the year 1999-2000 is concerned, the targets were 1271619 and the achievement has reported 925679. The figure of 5.43 lakh houses is in respect of those houses only which were under construction during the year 2003-2004 and these were not additional houses.

[Ministry of Rural Development O.M. No. H-11020/2/2004-GC dated the 6th January, 2005 Department of Rural Development]

Recommendation (Para No. 3.102)

While nothing that the States of Jharkhand, Manipur and Nagaland have not submitted their Monthly Progress Reports regularly for the year 2003-2004, the Committee find that the Union territory of Dadra & Nagar Haveli has not submitted the same since November, 2002. As a long time has elapsed since the Monthly Progress Reports were obtained from the above mentioned States and Union territory, the Committee would like the Department to state the reasons as to why the Reports were not obtained from these States and the Union territories, despite Area Officers Scheme in operation.

Reply of the Government

The matter was taken up with the State Governments concerned. The information has now been received from the States of Jharkhand and Nagaland. State Government of Manipur and UT Administration of Dadra Nagar Haveli have been reminded to arrange to send their reports immediately. Area Officers of these State/UT have also been requested to take up this issue with the State/UT concerned.

[Ministry of Rural Development O.M. No. H-11020/2/2004-GC dated the 6th January, 2005 Department of Rural Development]

Recommendation (Para No. 3.110)

The Committee are disturbed to find that out of 85 Rural Building Centres (RBCs) approved, only 35 have become functional so far. On the one hand, the Department has stated that RBCs are expected to be completed within a period of two years by utilizing the funds released in three instalments, on the other hand, it has been stated that no such deadline has been fixed for construction and functioning of all RBCs approved so far. The Committee also note that out of all the 85 approved RBCs, which were to get assistance through HUDCO, only 25 were released the second instalment, whereas the third instalment had been released only to 6 of them. The Committee, therefore, doubt as to how all the RBCs will become functional without receiving the second and the third instalments. Being critical of the poor functioning of RBCs, the Committee hope that the Department will impress upon HUDCO to get the pending work of approval of RBCs completed expeditiously, so that all the approved RBCs become functional at the earliest.

Reply of the Government

The Scheme of setting up of Rural Building Centres (RBCs) has been discontinued from 1.4.2004. However, HUDCO has already been requested to get all the ongoing RBCs completed and functional at the earliest. The progress of all the sanctioned RBCs has been reviewed in a meeting held with the Officials of HUDCO. Efforts would be made to get the maximum RBCs functional within this financial year.

[Ministry of Rural Development O.M. No. H-11020/2/2004-GC dated the 6th January, 2005 Department of Rural Development]

Recommendation (Para No. 3.125)

The Committee note that out of Rs. 9793 crore allocation, Rs. 7321.53 crore have been released under the PMGSY to the States upto March 2004. Further out of 21461 number of roads cleared, only 8260 roads have reportedly been completed. The Committee feel that performance of a number of States is dismal so far as completion of road work is concerned. Keeping in view the variation in the estimates of construction cost indifferent States, the Committee feel that almost double the length of roads can be constructed with the available funds.

Reply of the Government

As regards completion of works, it may be mentioned that out of the 21,461 works only 11,103 were due for completion by march 2004. Road works cleared in 2003-04 and under clearance in 2004-05 would take 3 months or so for tendering and award and another 9-12 months for execution (18 months for hill areas) as mentioned in para 3.122. As such, it is submitted that the completion percentage in relation to works expected to be complete is assessable only in respect of the Phase II works and the percentage *i.e.* 72.25% is *prima-facie* reasonable.

As regards cost of construction, it is submitted that PMGSY roads are constructed as all-weather roads with a 5 year performance guarantee. Design and quality are as per the Indian Roads Congress specifications (IRC: SP: 20-2002). In addition to other features, cross drainage works have to be provided and as such, it may not be possible to compare the cost with costs under other programmes. However, the Committee's concern is being addressed and States have been requested to start the use of technologies like soil stabilisation to reduce cost for low volume roads.

[Ministry of Rural Development O.M. No. H-11020/2/2004-GC dated the 6th January, 2005 Department of Rural Development]

Recommendation (Para No. 3.126)

The Committee note with concern that Rs. 76000 crore would be needed to cover road connectivity to all habitations of 500 plus population and with current allocation rate, it will take over 30 years to complete the new connectivity. They also note that allocation of PMGSY is dependent upon the cess amount collected through the Central Road Fund. They are astonished to find that even though the cess on High Speed Diesel has been increased from Rupee 1 to Rs. 1.50, the Department is not getting the additional funds. Rather the allocation is being reduced in the last couple of years. As the road connectivity is a pre-requisite for rural development and thereby the reduction of rural poverty, the Department should have started the projects only after reassuring themselves about the availability of funds. They are equally surprised to find that between launching of the Scheme and results of core net work, the number of unconnected habitations, increased from 50,600 to 54,800, cost per kilometre increased from Rs. 4.7 lakh to Rs. 19 lakh and average distance per habitation enhanced from 1.26 km. to 2.1 km. The Committee therefore, are inclined to conclude that most of the calculations at the launch of the programme on 24.12.2000 were unrealistic. While recommending for the demand of more allocation under the scheme, they desire that the Department of Rural Development should ensure that these parameters like the number of unconnected habitations, cost per kilometre, average distance between habitations, etc. do not enhance further.

Reply of the Government

While it is true that despite increase in diesel cess from Re 1/litre to Rs. 1.50/litre the budgetary provision has not increased, it is submitted that the matter has been taken up with the Ministry of Finance for the purpose. Since cess funds can only be used for the purpose legislated, the availability of the fund itself is not in doubt.

As regards change in the number of habitations, construction cost per Km. and lead distance for connectivity, it is submitted that as given in para 3.117 the cost per Km was earlier estimated at Rs. 14.7 lakh per Km. Rural roads being a State subject, till recently aggregated data provided by the State was relied upon. As a result of implementation of PMGSY, the concept of Core Network has been accepted in all States, which provides a uniform definition besides ensuring greater accuracy through a physical survey. As regards increase in number of habitations, this is largely attributable to the fact that earlier figures were based on 1991 Census, whereas in the Core Network 2001 Census figures have been used.

[Ministry of Rural Development O.M. No. H-11020/2/2004-GC dated the 6th January, 2005 Department of Rural Development]

Recommendation (Para No. 3.127)

The Committee note with concern that even though the Budget allocation for PMGSY remained same during 2000-2001, 2001-2002, the number of roads cleared came down from 11103 to 1939 in 2004-2005. They are equally surprised to find that even though execution of road works should take 9 to 12 months from actual award, nearly 6 per cent of the road work started in 2000-2001 and 28 per cent of the road works started in 2001-2002, are yet to be completed. Being critical of the way the Government have spent the scarce resources provided under PMGSY, they recommend that Department of Rural Development in consultation with NRRDA should ensure that all the works taken up does not take more than 12 months from actual award as envisaged.

Reply of the Government

Clearance of proposals is an on-going process and is spread throughout the year. At the time of furnishing information, 1939 road works of 2004-05 had been cleared up to 30.09.04. The figure is now 2577, and as proposals of States are received and cleared, the figure will correspondingly increase.

As regards the number of road works, it is submitted that in 2000-01 a portion of the funds were used to complete on going BMS road works. Similarly, the figures of 1939 road works for 2004-05 does not represent the final cleared road works for the year as State Governments bring their proposals as and when they complete the DPR proposals.

The progress in construction of the roads are reviewed in Regional Review Meetings. Instructions have also been issued to States to have Quarterly Meeting of the State Level Standing Committee for PMGSY under the Chairmanship of Chief Secretary to review the progress of works. All the States were also intimated that the time period of completion shall be nine working months or twelve calendar months including monsoon or other seasonal effects and they are expected to complete the tendering process within 75 days so that all cleared works can be reported as completed at the end of fifteenth month from clearance by the Empowered Committee.

[Ministry of Rural Development O.M. No. H-11020/2/2004-GC dated the 6th January, 2005 Department of Rural Development]

Recommendation (Para No. 3.135)

The Committee are surprised to find that both the physical and financial performance of PMGSY in Union territories, except in case of Pondicherry, is either nil or close to nil. The Committee would like to know as to why less importance is given for the performance of the Scheme in the Union territories, despite having a multi-faceted monitoring. They hope that the reasons for poor performance of the Scheme in the Union territories will be looked into without delay so that these places do not remain unconnected in the years to come.

Reply of the Government

Union territories of Andaman & Nicobar Islands, Daman & Diu and Dadra & Nagar Haveli, where progress has been far below expectation, have been requested on 24th Sept. 2004 to take concrete and visible action in implementation of PMGSY. They have been requested to respond with the latest reports on physical and financial progress.

[Ministry of Rural Development O.M. No. H-11020/2/2004-GC dated the 6th January, 2005 Department of Rural Development]

Recommendation (Para No. 3.148)

The Committee note that a new scheme 'Provision for Urban Amenities in Rural Areas' (PURA) with the objective of providing physical and social infrastructure in the identified 3,130 rural clusters was approved by Cabinet. The Committee have been apprised that during 2003-2004, an amount of Rs. 5.78 crore was spent by reappropriation of different schemes of the Department of Rural Development. The Committee also note that Finance Minister in his Budget speech has indicated that additional funds would be provided for the Scheme. The Committee deplore the way the planning for new schemes is being made without ensuring for the outlay. Besides, the Committee fail to understand how Rs. 5.78 crore could be utilized during 2003-2004, when the scheme is still in the process of finalization. The Committee would like to be apprised of the detail guidelines alongwith the details of the expenditure made during 2003-2004.

The Committee further note that Credit-cum subsidy scheme launched since 1999 and Samgra Awas Yojana have been merged with IAY *w.e.f.* 1.4.2004 as these schemes did not pick-up. The Committee are constrained to note the way the Department is hurriedly starting new schemes to achieve the objectives for which comprehensive schemes already exist. The schemes are being started without planning and then merged with other schemes when these schemes could not pick-up. The Committee would like that the approach of the Government should be to provide additional funds to the existing schemes and improve the delivery mechanism by proper monitoring so as to have tangible impact on the lives of rural poor.

Reply of the Government

In the meeting of State Secretaries of Rural Development under the Chairmanship of Secretary (RD) on 7th January 2004 to discuss the scheme of Provision of Urban Amenities in Rural Areas (PURA), it was decided that a Detailed Project Report (DPR) for each of the clusters selected by Planning Commission would be prepared and a sum of Rs. 2 lakh would be paid for each DPR. Accordingly a sum of Rs. 577.35 lakh was released to 47 districts in 19 States for preparation of DPRs by reappropriation of savings under different schemes of the Ministry.

During the current year a Budget provision of Rs. 10 crore has been made under PURA. It has been decided in consultation with the Planning Commission to start a pilot phase of implementation of PURA by taking up one cluster each in 7 States. A Steering Committee has been constituted under the Chairmanship of Secretary (RD) to examine, sanction and monitor the implementation of projects under PURA. Based on the experience of the pilot phase, the detailed guidelines of the scheme will be worked out.

The Credit-cum-Subsidy Scheme and Samgra Awas Yojana (SAY) were launched in the year 1999-2000. The Samgra Awas Yojana was launched on pilot basis in one block each of 25 districts of 24 States and 1 Union territory. The objective of the Samgra Awaas Yojana was to provide sufficient infrastructure by converging all the other schemes such as Housing, Sanitation, Drinking Water etc. at the village level. However, the pilot project could not be implemented satisfactorily and accordingly the Scheme was discontinued on 1.04.2004. The Credit-cum-Subsidy Scheme has been merged with the main Scheme of Indira Awaas Yojana and flexibilities provided to the State Government either they can spent the entire allocated amount on Indira Awaas Yojana or upto 20% can be spent on Credit-cum-Subsidy Scheme. The Ministry of Rural Development agree with the observation of the Committee and accordingly the programme has been restructured from 1.04.2004.

At present, only one programme *i.e.* Indira Awaas Yojana is implemented to provide assistance for construction of houses for the BPL families in the rural areas so that maximum funds can be provided for the construction of rural houses.

[Ministry of Rural Development, O.M. No. H-11020/2/2004-GC dated the 6th January, 2005, Department of Rural Development]

Recommendation (Para No. 3.160)

The Committee find during 2003-2004, Rs. 6.13 crore plan and Rs. 9.12 crore non-plan outlay was spent for the purpose of administrative expenditure and promotion of study of rural development and social change. The Committee are surprised to note that when asked for the status of said study they were informed that no such study is underway. The Committee fail to understand how the expenditure was made for the study which was never made. By noting the data furnished by the Department the Committee find that major expenditure of NIRD is for imparting training whereas NIRD was established with objectives to undertake research and studies on Panchayati Raj Institutions and rural development programmes for continuous policy and programmes upgradation and dissemination information through publication. The Committee feel that the said objectives are not being fulfilled. While the Committee appreciate conducting training programmes they feel that more stress need to be given to research in policy and programmes so as to bring improvement in implementation of various programmes of rural development.

Reply of the Government

The expenditure was made for conducting a study named "Monitoring Rural Change" during 1991-96 and series of seven reports were prepared. Though NIRD has not taken up a research study with the specific title "Rural Development and Social Change", almost all studies of NIRD focus on certain aspects/facts of the subject. Programme Based Research Projects undertaken during 2003-04 like Impact of Road Improvement on the Tribal Economy in the selected States, Community Based Drinking Water and Sanitation Management, Study on Revolutionary process in PRIs and 'Development model plan for Flood Disaster Management and Mitigation at Gram Panchayat level' dealt with some selected aspects of rural development. Similarly the Thrust Area Based Projects such as "Initiatives for Reduction of Gender and Social Disparities in Rural Literacy" and "Empowerment of women through PRIs" mainly focus on the social change that is taking place in Rural India. However, NIRD will soon undertake a specific research study under the banner, "Rural Development and Social Change". The broad objective of the National Institute of Rural Development is promotion of the study of community/rural development, the objective is being sought to be achieved by undertaken and assisting in the organization of training, study courses, seminars etc. However, as per Clause 3 of Memorandum of Association of the NIRD, the Institute is formed to meet the following objectives:

(a) to undertake and assist in the organization of training and study-courses, conferences, seminars and lectures, incorporating latest methodologies of the Training and instruction including distance education methodologies;

(b) to undertake, aid, promote and coordinate training, research and action research through its own or other agencies including non-governmental organizations, universities and other academic institutions and training centres including those established by or with the aid of the Government of India;

(c) to establish schools/centers for (i) study and orientation, (ii) training and instruction, and (iii) Research and Evaluation, and such others activities as may be necessary to achieve the objects of the Society;

(d) to analyse specific problems encountered in the planning and implementation of community development, panchayati raj and other rural development programmes, especially those designed to promote the interest of vulnerable sections including women, and propose solutions thereto;

(e) to follow up in a manner to be mutually agreed upon, the training programmes organized by the Training Centres referred to in (b) above and to advise the Ministry of Rural Areas and Employment (now Ministry of Rural Development) and subject again to mutual agreement, any other Ministries of authorities on their training programmes.

(f) to prepare, print and publish papers, periodicals and books in furtherance of the objects of the society;

(g) To establish and maintain Libraries and information services, and information clearing house in all matters relating to rural development, it will also function as National Repository in rural development literature;

(h) To collaborate with other institutions, associations and societies in India and abroad interested in similar objects;

(i) To offer Fellowships, Scholarships, Prizes and stipends in furtherance of the objects of the society; and

(j) To promote application of science and technology in the development of rural areas through training, research and action research.

Further, clause 3 of the Memorandum of the Association of NIRD containing the preamble states that NIRD will be an apex institute of training and research in the field of rural development. This being so, training has been given an important role in the activity of the NIRD. Policy recommendations are being given by NIRD by bringing out recommendations of each National Workshop or Seminar on various important topics pertaining to rural development. The recommendations are being shared from time to time with the concerned central Ministry and Department of State Governments. However, keeping in view the recommendations of the Standing Committee to accord more stress to research in policy and programmes so as to bring improvement in implementation of various programmes of rural development, the following measures are proposed to be adopted:

(i) A periodical review of recommendations emerging out of field studies, workshops and seminars will be done and respective Government Ministries/Departments would be intimated on possible policy measures.

(ii) Whenever NIRD organizes "study forum" or otherwise organizes presentation on research findings, concerned officers of the Ministry would be invited to participate and interact.

[Ministry of Rural Development O.M. No. H-11020/2/2004-GC dated the 6th January, 2005, Department of Rural Development]

Recommendation (Para No. 3.167)

The Committee note that three SIRDs are yet to be established in Bihar, Chhattisgarh and Uttaranchal. They are surprised to note that several States like Goa, Sikkim, Tripura and Uttaranchal do not have a single ETC. They hope that steps will be taken by Government to establish SIRDs and ETCs without further delay. They also observe that reappropriation from savings of other Schemes is being widely practiced by the Department. As reappropriation is not a healthy practice, the Committee feel that it should be discouraged and desire that utilization of savings from the same Scheme be made to meet higher demands of SIRDs, ETCs and OTCs to the extent possible.

Reply of the Government

The SIRDs in the States of Chhattisgarh and Uttaranchal are already functioning. The Ministry of Rural Development has, however, released funds to these two States during 2003-2004 for construction of buildings for these SIRDs. The Ministry has also requested the Government of Bihar to set up a new SIRD in the State and this is likely to be established shortly.

88 Extension Training Centres (ETCs) have been established all over the country. Out of this, 5 ETCs at Rudrapur, Hawalbagh, Haldwani, Haridwar and Pauri Garhwal are in existence in Uttaranchal. No proposals for establishing ETCs from the State of Goa, Sikkim and Tripura have been received. The observations of Committee to avoid re-appropriation from savings of other Schemes have been noted for future compliance.

[Ministry of Rural Development O.M. No. H-11020/2/2004-GC dated the 6th January, 2005, Department of Rural Development]

Recommendation (Para No. 3.178)

The Committee note with concern that although more than Rs. 71 crore has been released to CAPART which has further been released to the Voluntary Organisations, the CAPART has received utilisation Certificate of Rs. 10 crore only. The Committee are not satisfied with the monitoring of activities of CAPART. As more and more Voluntary Organisations are being black listed by CAPART, the Committee desire that proper scrutiny of Voluntary Orgnisations be made before releasing the funds. They recommend that the monitoring of the funds so released be done on a monthly basis so that chance of having blacklisted VOs are minimised. They also desire that the existing monitoring of different activities of CAPART and its regional committees be further strengthened so that the funds released are meaningfully utilised.

Reply of the Government

Prior to 1995-96, CAPART adopted an ad-hoc monitoring system and projects were sanctioned mostly based on trust and fulfillment of the requirements to become eligible for funding. The schematic funding & *ad-hoc* monitoring system adopted by CAPART resulted in improper implementation of the projects to some extent, which led to blacklisting of some organizations. With the introduction of three stage monitoring, i.e. pre-funding, mid term, & post evaluation CAPART has been able to monitor the implementation of its schemes in a much better manner. The Committee's recommendation to monitor utilization of funds on a monthly basis has been noted. The activities of various wings of CAPART and its RCs are being reviewed quarterly by the Director General, CAPART. Besides, the Ministry also periodically reviews various activities of the organization. However, in view of the observation of the Committee to strengthen the existing monitoring system in the organization, monthly review meetings of the activities of the project divisions and the RCs will be held by Deputy Director General/HoDs on a regular basis.

[Ministry of Rural Development O.M. No. H-11020/2/2004-GC dated the 6th January, 2005, Department of Rural Development]

Recommendation (Para No. 3.180)

The Committee also note that existing guidelines of submission and approval of project does not categorically mention a fixed percentage for smaller NGOs. They presume bigger and established NGOs are getting more benefits at the cost of smaller NGOs. They, therefore, recommend that it should be ensured that smaller NGOs at least get 50 percent of assistance in each scheme being financed by the CAPART. Necessary changes in the guidelines of CAPART be made in this regard and Committee be apprised accordingly.

Reply of the Government

There is no fixed percentage stipulated for assisting smaller NGOs. In order to reach unserved & undeserved areas in the country and to assist smaller organizations, nine Regional Offices of CAPART were opened in the years 1994, 1997 & 1999. The Regional Committees have been delegated financial powers to sanction projects upto twenty lakhs so as to render help to smaller and less established grassroot level NGOs working in remote areas. It is generally seen that about 50% of the organizations assisted by the Regional Committees are first timers and are small, community based organizations. Thus the Committee's recommendation in this regard has already been implemented in CAPART.

[Ministry of Rural Development O.M. No. H-11020/2/2004-GC dated the 6th January, 2005, Department of Rural Development]

Recommendation (Para No. 3.183)

The Committee note with concern that the expenditure on IEC activities has been reduced by more than half in two years starting from 2001-2002. They observe that the rural poor is not yet aware of different activities of the Ministry being implemented for their development. They, therefore, desire that both allocation and utilization of funds for the IEC activities be substantially stepped up so that different schemes of the Ministry are given wide publicity. The rural poor need to be enlightened about the activities being taken up under IEC. Awarness campaign should be stepped up to involve the rural poor. The Committee should be kept informed about the steps taken in this regard.

Reply of the Government

Expenditure on IEC activities has increased to Rs. 26.05 crores in 2003-04 as against Rs. 16.78 crores in 2002-03. In the current financial year i.e. 2004-05 the BE under communication cell has gone up to Rs. 20 crores against Rs. 10 crores in 2003-04. In addition to BE of Rs. 20 crores under communication cell Rs. 14.90 crores are also available under different programmes of Rural Development. Besides, broadcast/telecast of sponsored programmes recently, outdoor publicity works are also undertaken through Bus back Panels, Panels on MEMU trains, installation of hoardings in the States where the implementation of the programmes of the Ministry is not par with the other States. Booklets titled 'Gram Vikas—Programmes at a Glance' is also under printing which will be distributed up to the Gram Panchayat level to every Panchayat member. During 2003-04, the Ministry has instituted 'Pandit Deen Dayal Upadhyay Fellowship for Journalism in Rural Development' in order to encourage and build up a core group of journalists particularly in Rural Development as also correct the imbalance noticed in the media coverage of Rural Development issues. The Action Plan of IEC activities for this year (2004-05) is designed to ensure optimum utilization of potential of available modes of communications such as Electronic Media (Radio & T.V.), print and outdoor publicity.

[Ministry of Rural Development O.M. No. H-11020/2/2004-GC dated the 6th January, 2005, Department of Rural Development]

Recommendation (Para No. 3.190)

The Committee note with concern that Area Officers Scheme in its 10 years of existence has not been very useful in obtaining utilization of funds certificates from there States/Union territories. As the coverage of 16 and 11 States in 2002-2003 and 2003-2004 respectively by the Area Officers is too low, they desire that the Government should take adequate steps to ensure that all the State and Union Territories are covered under the Scheme during each couple of years.

Reply of the Government

Government will take necessary action to ensure that all States and Union territories are visited under the Area Officers Scheme. The Area Officers also will be advised to obtain fund utilization certificate from the State Authorities.

[Ministry of Rural Development O.M. No. H-11020/2/2004-GC dated the 6th January, 2005, Department of Rural Development]

Recommendation (Para No. 3.191)

The Committee feel that there is a need to expand District Level Monitoring (DLM) to all the districts. They also feel that similar stress should be given to village based impact assessment studies. The Government should try to cover all the villages from where starvation deaths have been reported in the media recently, under village based impact assessment study, on a priority basis.

Reply of the Government

The District Level Monitoring (DLM) System was first introduced in December, 2001 in 60 districts of 18 States of the country which was subsequently extended to 126 districts in 25 States. With effect from 1.7.2004, the DLM system has been extended to 130 Districts of 27 States. During the current year, the districts under DLM have been changed. Efforts will be made to progressively expand the DLM to all the districts in the country. Village based impact assessment studies are also being taken up in different districts during successive years and all the districts are planned to be covered over a period of time. The villages from where starvation deaths have been reported also will be taken up for impact studies.

[Ministry of Rural Development O.M. No. H-11020/2/2004-GC dated the 6th January, 2005, Department of Rural Development]

CHAPTER III

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

Recommendation (Para No. 3.34)

The Committee further find that Finance Minister has indicated that mature SHGs may be in a position to graduate from consumption or production credit to starting micro enterprises. The Committee find that Finance Minister has indicated an indicative target of credit linking 5.85 lakh SHGs during the period upto March 2007 has been set for NABARD, SIDBI and other agencies. The Committee fail to understand how the Government would achieve the aforesaid targets in the absence of any planning being made in one of the biggest programmes of Self Help Groups *i.e.* SGSY.

Reply of the Government

The target of credit linking 5.85 lakh SHGs during the period upto March, 2007 set for NABARD, SIDBI and other agencies doe not pertain to SGSY. This is the target set for SHG Bank Linkage Programme of NABARD and SIDBI which is not confined to BPL families. The SGSY programme covers only BPL families. Under SGSY over 9,47,463 SHGs have passed the Grade I so far and they have been linked to Banks.

[Ministry of Rural Development O.M. No. H-11020/2/2004-GC dated the 6th January, 2005, Department of Rural Development]

Recommendation (Para No. 3.58)

The Committee note that although the Cash Component of SGRY during 2004-2005 has been increased from Rs. 4,125 crore to Rs. 4,500 crore, the physical target of generating 100 crore mandays annually during the 10th Five Year Plan has not been achieved so far. The Committee feel that besides increasing the funds, additional steps need to be taken by the Department to achieve the set target. The Committee hope that suitable measures to meet the physical performance of SGRY, will be put in place to achieve the targets.

Reply of the Government

Under the SGRY, 5 kg foodgrains are provided to the labourer per manday as part of wages while the balance is to paid in cash to ensure prevailing minimum wage in the State. Average Minimum Wage for unskilled work in the country is Rs. 60-of which cost of foodgrains at average BPL rate of foodgrains is Rs. 30 for 5 kg foodgrains. If the ratio of wages and material is 60:40, the cash component for part wage payment and material cost for 100 crore mandays will be Rs. 7000 crores (*i.e.* cash component of waters—Rs. 3000/-crores and material cost—Rs. 4000/-crores) per year. As against requirement of cash component of Rs. 7,000/-crores per year, an amount of Rs. 4500/-crores has been allocated during the current year. The State share of the cash component is another Rs. 1500/-crores. The total cash availability for the year is Rs. 6000/-crores. As such with the present allocation, it will never be possible to achieve creation of 100 crores additional mandays under the SGRY.

During the year 2002-03, as reported by the States/UTs expenditure of Rs. 5000.01 crores (*i.e.* 77.95% of available funds) was incurred which generated 74.93 crores mandays. Similarly, during the year 2003-04, an amount of Rs. 5886.74 crores (*i.e.* 84.67% of available funds) has been incurred to generate 86.87 crores mandays. As per existing guidelines, 15% of available funds is permissible to be carried forward to next financial year to maintain the continuity of works started under the programme. Thus, the unspent amount over and above the permissible limit is very negligible amount. It is the endeavour of this Ministry to ensure that available funds under the SGRY are used to optimum to generate maximum number of mandays. The cost of inputs and wages are also increasing. If the resources under the SGRY are increased, the generation of mandays under the programme will be increased proportionately.

[Ministry of Rural Development O.M. No. H-11020/2/2004-GC dated the 6th January, 2005 Department of Rural Development]

Recommendation (Para No. 3.74)

The Committee find that the Finance Minister has indicated in the budget speech that the work has begun on the National Employment Guaranty Act which aims to guarantee 100 days of employment in a year to one able bodied person in every poor household. The Committee hope that the said legislation would be finalised expeditiously in consultation with the Ministries of Rural Development, and Labour and Employment. They also hope that provisions of the said legislation, when enacted would also be applicable to the SGRY and other related Schemes of the Department.

Reply of the Government

A National Employment Guarantee Act to provide a legal guarantee for at least 100 days of employment in every year per family to every rural/urban poor household is to be enacted. In his Budget Speech, 2004, the Finance Minister has stated that a suitable legislation in this regard will be enacted by the Ministry of Labour and Employment. However, the Prime Minister has now desired that the Ministry of Rural Development will be the nodal Ministry for piloting the Bill on the National Rural Employment Guarantee Act. This Ministry will prepare a draft legislation in this regard in consultation with the Ministry of Agriculture, Ministry of Panchayati Raj, Ministry of Labour, Ministry of Finance and Planning Commission.

[Ministry of Rural Development O.M. No. H-11020/2/2004-GC dated the 6th January, 2005 Department of Rural Development]

CHAPTER IV

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

Recommendation (Para No. 2.19)

The Committee find from the data indicated above that there are huge opening balances with the State Governments under the major Schemes of the Department, *viz*. SGRY, SGSY, IAY and DRDA Administration. The Committee are distressed to note that Rs. 2,295.38 crore *i.e.* 18.71 per cent of BE 2002-03 remained unspent with the States and the Union territories administration. Not only that under-spending is a recurrent feature during each of the financial year as is evident from the information furnished by the Department. While appreciating the fact that utilization certificates have to be furnished by the State Government before seeking the second instalment under different schemes, the Committee find that even the first instalment is released very late. When the Department was asked about the date of release of first instalment under different schemes, they have indicated the position only with regard to SGSY. It can be seen that under SGSY, the first instalment could be released on 16 June in 2003 and on 15 April in 2004. Thus, during 2003, there was delay of 46 days and during 2004, there was delay of 15 days. The Committee would like to know the information on date of release of funds for all the central sector and Centrally sponsored Schemes of the Department. The Committee find that late release of outlay is the main reason of under spending and thereby resulting in unspent balances with the State Governments. The Department consider the releases as the position of expenditure and reflect a very bright picture before the Committee but there are serious problems in the implementation of several schemes which have been analyzed in the subsequent chapters of the report. Here, the Committee would like to highlight that the outlay during a particular year should be released in a phased manner as per the formula evolved by the Department and there should not be rush of release at the fag end of the financial year, *i.e.* March. The committee, however, desire that only 10 per cent of funds be released during the month of March, if proposal to this effect is received.

Reply of the Government

While the Ministry of Rural Development shares the concern expressed by the Committee on the large amounts of unspent balances that remain with the Programme Implementing Agencies/State Governments, there are certain practical difficulties, which have to be taken into account. Till 1997-98, there was a provision to allow 25 per cent of the allocation for a particular year to carry over to the next year. The idea was to allow the Programme Implementing/ Executive Agencies to have sufficient funds to implement the programmes of this Ministry during the first quarter of the year, which is considered to be the best period for implementing various programmes. This permissible limit of carry over balances was reduced to 20 per cent of the annual allocation *w.e.f.* 1 April, 1999 and on the suggestion of Ministry of Finance, it was further reduced to 15 per cent *w.e.f.* 1 April, 2000.

This permissible limit of carry over balances is quite reasonable and it helps the Programme Implementing Agencies to ensure adequate flow and utilization of funds for implementation of the programmes. However, in some States the Programme Implementing Agencies fail to fully utilize the funds due to various reasons which include the limited availability of working season because of weather conditions, or due to natural calamities such as floods, droughts etc. which are a frequent phenomena. In addition to above, it is also pertinent to mention here that the programmes of the Ministry of Rural Development are implemented at the village level and it takes sometime to flow the information from the village to the district and onward to the Ministry. Under the wage-employment programmes, the wages are paid in cash as well as in the form of foodgrains. Lifting of matching share of foodgrains also takes time. Due to these difficulties, the Programme Implementing Agencies sometimes are not able to claim the second instalment at an early date. The late release of second instalment and also the late release of matching share by the State Governments results in excessive opening balances. However, the Ministry has introduced a strict monitoring system to maintain the financial discipline and a proportionate cut is imposed on release of Central funds if the proposals for release of second instalment are received late in the Ministry. In the normal course, the first instalment of Central allocation is released to the DRDAs automatically if the second instalment received by them during the previous financial year is without any condition. The release of first instalment of the Central funds to the Programme Implementing Agencies starts immediately after the receipt of the approved budget allocation from the Ministry of Finance. For instance, during the current financial year, the Ministry started releasing the first instalment in April, 2004 itself. During 2003-2004, there was some delay in release of Central funds because of some procedural issues such as routing the Central funds to DRDAs through the State Governments. The Ministry of Rural Development felt that such a procedure would result in delay of release of funds to the Programme Implementing Agencies. This issue was resolved on 11 June, 2003 and the Ministry started releasing the funds from the same day.

[Ministry of Rural Development O.M. No. H-11020/2/2004-GC dated the 6th January, 2005 Department of Rural Development]

Comments of the Committee

(Please *see* Para No. 7 of Chapter I of the Report).

Recommendation (Para No. 2.20)

The Committee further find that late release of funds by the Union Government further encourages the State Government to delay their share of outlay, thereby hampering the implementation of the programme. To motivate the State Governments, the Union Government has to set good precedents. In view of this, the Committee would like that the Union Government should ensure that the first instalment is released in the very first week of the financial year.

Reply of the Government

The funds under major rural development programmes are released to DRDAs in two instalments. The first instalment is released to the DRDAs automatically if the second instalment in the previous year is received by the DRDAs without any condition immediately after the approval of budget allocation is received from the Ministry of Finance. All possible steps will be taken in the Ministry to release the first instalment of Central funds at the earliest possible."

[Ministry of Rural Development O.M. No. H-11020/2/2004-GC dated the 6th January, 2005 Department of Rural Development]

Comments of the Committee

(Please *see* Para No. 7 of Chapter I of the Report).

Recommendation (Para No. 3.14)

The Committee find that SGSY was launched in the place of IRDP and its allied Programmes which lays stress on the formation of Self Help Groups. However, the Committee note that upto 2003-04, number of individual Swarozgaries assisted under SGSY was significantly more than the Swarozgaries who were assisted in Groups. Since each Self Help Group should assist at least 10 persons belonging to families Below Poverty Line which might be reduced to 5 persons in hilly and difficult areas, the Committee are unable to understand as to how 17.35 lakh Self Help Groups reportedly formed during this period could assist only 20.21 lakh Swarozgaries which should have been about 85 to 170 lakh. Keeping in view the information on the number of SHGs and the number of Swarozgaries, the Committee have come to a conclusion that the performance of SGSY in this regard is not satisfactory. They would like the Department to explain the reasons to the Committee.

Reply of the Government

Under the programme, emphasis is on the group approach through social mobilisation because if the poor are properly organized and supported, they can become self-sufficient. Since group approach is process oriented, it takes some time for a group to mature. To make a group viable for taking up economic activities, the process involves training of members in group behaviour, development of their technical and managerial skills including rudiments of accounting procedures. The group formation stage depends on the literacy, awareness levels, socio-economic background of the people being organized as well as capacity of the facilitators involved in the process of social mobilization. Realising this, a provision of grading system has been kept under the SGSY guidelines. Only after successful Ist grading which is done after six months of formation of a group, it becomes eligible for assistance through revolving fund. Same is not the case with an individual swarozgary. This may be a reason for more individual swarozgaries assisted than group swarozgaries in the initial years of the implementation of the programme. However, with the passage of time, it is expected that more number of groups will be eligible for financial assistance as they will reach the level of maturity.

So far financing of SHGs are concerned only those SHGs can be financed which have passed Grade II test. Against 18.88 lakh groups formed, since the inception of the scheme in April 1999 and up to

September, 2004, only 4.74 lakhs groups qualified for financing and 2 lakhs of the later have been financed for economic activities. The lesser number of groups have been able to take up economic activities mainly due to non-cooperation of the banks that are responsible for providing the credit to the SHGs a major component of the scheme. To address this issue, the matter has been taken up with the Ministry of Finance and Chief Executives of the banks. Also, there is a provision under the guidelines that a maximum of 20-30 per cent members of a group may be from families marginally above the Poverty Line (APL) if they are acceptable to BPL members of the group but these APL members of the group will not be eligible for subsidy under the scheme. All these factors including low awareness among the people about the scheme might have been the reasons for not achieving the expected level of performance. Since the number of members in a group widely varies (10-20 in normal case and 5-20 in difficult areas like deserts, hills and sparsely populated areas) it would not be logical to arrive at any average figure assisted per group.

However, the percentage of SHG swarozgaries assisted has increased from 37.25 per cent (in 1999-2000) to 50.16 per cent (in 2002-2003). During 2003-2004, the percentage of SHG swarozgaries assisted to total swarozgaries assisted has gone up to 64.33 per cent. This means the performance of the SGSY to some extent is satisfactory.

[Ministry of Rural Development O.M. No. H-11020/2/2004-GC dated the 6th January, 2005 Department of Rural Development]

Comments of the Committee

(Please *see* Para No. 10 of Chapter I of the Report).

Recommendation (Para No. 3.26)

The Committee are disturbed to note that serious lacunae in the implementation of SGSY has been found in the Concurrent Evaluation. They are further disturbed to find that the Zamindars, their servants and labourers constitute self help groups and the benefits were taken away by the Zamindars who are above the Poverty Line and who are otherwise not eligible for it. Equally disturbing is the fact that Bank officials are worried about the non-performing assets and they sanction loans only to those people who have either not availed the loan before or have repaid the first loan. Despite the existing guidelines, finding of a number of serious flaws in the implementation of the Scheme is nothing but regrettable. The Committee hope that the Government will give a serious thought to this and take necessary steps during the current financial year to bring about significant changes in the guidelines of the Scheme, so that the flaws noticed in the Concurrent Evaluation are eradicated and the avowed objectives of the Scheme are achieved."

Reply of the Government

There may be some cases of the ineligible person taking benefits under the scheme but this is not certainly a general practice. Efforts are on for still better targeting under the scheme. In order to achieve the fruitful results of the programme and effective and efficient implementation of the SGSY, various committees from Central Level down to grass roots have been constituted. These committees include representatives of public (MPs/MLAs/PRI representatives), bankers, rural development officials, NGOs, representatives of line departments etc. These committees are Block Level SGSY Committee, District Level SGSY Committee, State Level SGSY Committee, Central Level Coordination Committee and Vigilance and Monitoring Committees at State/District/Block Level. Regular efforts are being made to improve programme performance in terms of subsidy credit ratio, number of families assisted, total investment etc. and to remove lacunae in the implementation of SGSY as and when came to the notice of the Ministry through meetings at various fora and field visits. At Central Level, the performance is regularly reviewed with the bankers, State Governments and other Departments through the mechanism of CLCC and through the performance review committee meetings. The Minister of Rural Development and the Ministers of State for Rural Development visit States/Union territories an review the performance of the programme under SGSY with the Chief Ministers, Ministers and officials of the State Governments concerned. Such review meetings provide the much needed impetus in the implementation of the programme by energizing and motivating the implementation agencies.

To address the issues relating to the credit to swarozgaries, some of the measures taken are indicated below:

The Central Level Co-ordination Committee under SGSY is the main fora in which all bottlenecks/shortcomings in the implementation of the programme are discussed. The Committee consists of members drawn from RBI, NABARD, Banking Division of the Ministry of Finance and all CMDs of Commercial Banks. The last meeting of the Committee was held in June 2004.

A meeting was held with Secretary (Banking) on 21 February, 2003 to have a detailed discussion of different credit related issues under SGSY. The issues discussed were under financing, higher interest rates on loans provided to swarozgaries, repayment of loans, issue of mortgages for sanction of loans, absence of bank branches, pendency of applications, relocation of bank branches in North Eastern Regions.

At the instance of the Ministry, a joint meeting by the Ministers of Rural Development and Minister of State for Finance was held in October, 2003 with the Chief Executive of the Banks. There was concern of large scale rejection of loan applications, delay in processing of applications and regular participation of bankers in Block Level SGSY Committee meetings.

Instructions were issued by RBI, NABARD & IBA to Chief Executive/MDs of Banks with advice to monitor the scheme at their own level to achieve the targets set under the SGSY scheme.

The problems associated with credit were also discussed with the bankers in the Project Director Conference held in September, 2004.

The banking division of the Ministry of Finance holds quarterly meetings under the chairmanship of Additional Secretary (Banking) to review the credit flow. These meetings are attended by representatives of RBI, NABARD etc.

[Ministry of Rural Development O.M. No. H-11020/2/2004-GC dated the 6th January, 2005 Department of Rural Development]

Comments of the Committee

(Please *see* Para No. 13 of Chapter I of the Report).

Recommendation (Para No. 3.28)

Another lacuna noticed by the data furnished by the Department is that there is serious shortfall in credit targets, achievements and credit disbursements. In view of this scenario, the Committee fail to understand how the objective of bringing BPL persons above the poverty line could be achieved. The Committee feel that the Department should take up this matter with Reserve Bank of India so that necessary instructions would be issued to banks for their cooperation in implementation of the programme. Not only that, there should be regular meeting with the representatives of banks as well as RBI and monitoring of the programme should be regularly done. Further the Committee also like to ensure that only the eligible beneficiaries are assisted in the programme the selection of beneficiaries should be done in Gram Sabha only. The bank officials should be directed to be present in Gram Sabha meetings so that the process of selection of beneficiaries and completion of formalities, etc. is completed at one go.

Reply of the Government

The progress of credit mobilisation *vis-a-vis* targets is periodically reviewed by the Central Level Coordination Committee chaired by Secretary (RD) in which RBI, NABARD and Public Sector Banks are represented. Specific issues and problems with regard to credit delivery are discussed in these meetings. Wherever necessary, instructions are issued by RBI to all banks to smoothen the process of sanction and disbursement of loans.

The banks are closely involved with Government agencies in the planning and implementation of the Scheme. They are associated with preparation of projects, identification of Swarozgaries, capacity building and selection of activity. Banks are also represented in the block and district level SGSY Committees. RBI has issued instructions to all banks to ensure their participation in these Committees.

According to the SGSY guidelines, the list of BPL households identified through BPL census duly approved by the Gram Sabha will form the basis for identification of families for assistance under the Programme. The Self-Help Groups should also be drawn from the BPL list approved by the Gram Sabha.

At the instance of the Ministry, a joint meeting by the Ministers of Rural Development and Minister of State for Finance was held in October, 2003 with the Chief Executive of the Banks. There was concern of large scale rejection of loan applications, delay in processing of applications and regular participation of bankers in Block Level SGSY Committee meetings.

Instructions were issued by RBI, NABARD & IBA to Chief Executive/MDs of Banks with advice to monitor the scheme at their own level to achieve the targets set under the SGSY scheme.

The problems associated with credit were also discussed with the bankers in the Project Director Conference held in September, 2004.

The Banking Division of the Ministry of Finance holds quarterly meetings under the chairmanship of Additional Secretary (Banking) to review the credit flow. These meetings are attended by representatives of RBI, NABARD etc. The problems relating to credit delivery under SGSY are posed for discussion at these meetings.

Targets fixed for credit mobilization and actual achievement in the previous years are as follows:—

(Rs. in crore)

Year	Credit Target	Credit Mobilised
1999-20000	3205.00	1056.46
2000-2001	3205.00	1459.44
2001-2002	3200.87	1329.68
2002-2003	2525.21	1184.30
2003-2004 (May 04, Prov.)	2129.33	1301.21
2004-2005 (Upto Sept., 04)	2507.67	370.83

The significant shortfall in credit mobilization in spite of lowering the targets has been brought to the notice of the Minister of Finance by the Minister of Rural Development *vide* letter dated 30th November, 2004 for appropriate action. It has also been pointed out that the reasons for total non-performance of some of the banks need to be probed by RBI and NABARD.

[Ministry of Rural Development O.M. No. H-11020/2/2004-GC dated the 6th January, 2005 (Department of Rural Development)]

Comments of the Committee

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

Recommendation (Para No. 3.29)

Another corrective step to be taken by the Department is to ensure proper coordination between bank officials and block level government representative and the Panchayats. The Committee would like the Department to take corrective steps on the various aspects as raised by the Committee in the aforesaid para and intimate the Committee accordingly.

Reply of the Government

Instructions have been already issued by the Ministry to all State/ Union territory Governments and by the RBI to All banks to ensure participation of the Service Area Banks in all district/block level SGSY Committees. These instructions will be reiterated.

At the instance of the Ministry, a joint meeting by the Ministers of Rural Development and Minister of State for Finance was held in October, 2003 with the Chief Executive of the Banks. There was concern of large scale rejection of loan applications, delay in processing of applications and regular participation of bankers in Block Level SGSY Committee meetings.

Instructions were issued by RBI, NABARD & IBA to Chief Executive/MDs of Banks with advice to monitor the scheme at their own level to achieve the targets set under the SGSY scheme.

The problems associated with credit were also discussed with the bankers in the Project Director Conference held in September, 2004.

The Banking Division of the Ministry of Finance holds quarterly meetings under the chairmanship of Additional Secretary (Banking) to review the credit flow. These meetings are attended by representatives of RBI, NABARD etc. The problems relating to credit delivery under SGSY are posed for discussion at these meetings.

The significant shortfall in credit mobilization inspite of lowering the targets has been brought to the notice of the Minister of Finance by the Minister of Rural Development *vide* letter dated 30 November, 2004 for appropriate action. It has also been pointed out that the reasons for total non-performance of some of the banks need to be probed by RBI and NABARD.

[Ministry of Rural Development O.M. No. H-11020/2/2004-GC dated the 6th January, 2005 (Department of Rural Development)]

Comments of the Committee

(Plase *See* Para No. 16 of Chapter I of the Report)

Recommendation (Para No. 3.35)

The Committee would like to know from the Department, the number of SHGs who could graduate from consumption or production credit to starting micro-enterprises since the inception of the scheme so as to enable the Committee to know about the real impact of the programme. They would also like to be apprised about the number of SHGs who could be credit linked by different agencies like NABARD, SIDBI and banks.

Reply of the Government

Since inception of SGSY, 1,82,992 SHGs have taken up economic activities. This implies that these SHGs have graduated from consumption or production credit to starting micro-enterprises. As reported above, there is no physical targets fixed under the SGSY. The trend of group financing is, however, on the increase over the years which is a positive sign as far as the fulfilment of the programme objective of the SGSY is concerned.

[Ministry of Rural Development O.M. No. H-11020/2/2004-GC dated the 6th January, 2005 Department of Rural Development]

Comments of the Committee

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

Recommendation (Para No. 3.40)

The Committee are unhappy to note that the Department is yet to receive the information regarding existing or defunct Self Help Groups from the States/Union territories. They also note that all the States and Union territories have been requested to furnish the information in this regard from 2003-04. The Committee in their earlier Report (48th Report—13th Lok Sabha, Para No. 3.25 refers) had desired to maintain the information on the number of defunct Self Help Groups which the Government had agreed to provide. It appears that the Government has not given any serious thought as to why SHGs become defunct after a certain period. They also do not maintain information regarding existing/defunct SHGs. This is a glaring lapse and needs to be addressed seriously. The success of the Scheme depends on proper review of its functioning and the lacunae detected in its functioning which is required to be done by the Government and expected. The Committee, therefore, desire that Ministry of Rural Development should expedite the requisite information from the States and Union territories without any further delay. The Committee should be kept informed about the steps taken.

Reply of the Government

Earlier the information regarding defunct Self Help Groups was not being monitored by the Ministry. As per the Standing Committee *vide* its earlier Report (48th Report—13th Lok Sabha), the Ministry has already requested all the State Governments to expedite this information and this information is still awaited. However, it is proposed to take up this matter with the States/Union territories at a higher level for early furnishing of the required information.

[Ministry of Rural Development O.M. No. H-11020/2/2004-GC dated the 6th January, 2005 Department of Rural Development]

Comments of the Committee

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

Recommendation (Para No. 3.47)

The Committee are unable to find the reasons as to why Sikkim is excluded from implementing Special Projects Component of SGSY. They find that in addition to other States, Nehru Yuvak Kendras (NYKs) have also been given the task of implementing Special SGSY Projects. The Committee, would like to know the reasons for exclusion of Sikkim, the justification of involving the NYKs as well as the success of SGSY Special Projects.

Reply of the Government

Proposals for special projects are initiated from the States to promote novel self-employment initiatives for the rural poor. The objective of each Special Project is to ensure a time bound programme for bringing a specific number of BPL families above the poverty line through self employment. The project may involve different strategies to provide long term sustainable self-employment opportunities either in terms of organisation of rural poor, provision of support infrastructure, technology, marketing, training etc. or a combination of these. Project can be proposed by Government, Semi-Government and International Organisations.

Till date 168 proposals have been sanctioned to the States. No proposal has been received from the State Government of Sikkim.

[Ministry of Rural Development O.M. No. H-11020/2/2004-GC dated the 6th January, 2005 Department of Rural Development]

Comments of the Committee

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

Recommendation (Para No. 3.50)

While noting that the prescribed frequency of CLCC is generally maintained, the Committee find that as has been pointed out by Concurrent Evaluation, many State Governments like Bihar and Meghalaya do not hold SLCC meeting regularly. Further, the Department of Rural Development also do not monitor the meetings of SLCC, DLCC and BLCC which according to the Department are required to be monitored by the respective State Governments. The Committee desire that the Government should obtain quarterly and six monthly reports from the State Governments on the information of meeting held by SLCC, DLCC and BLCC and pressurize all the States to adhere to the prescribed frequency to the extent possible.

Reply of the Government

Efforts are being made to streamline the frequency of SLCC/DLCC/BLCC meetings and State Governments have been advised to adhere to the procedures outlined in the guidelines.

[Ministry of Rural Development O.M. No. H-11020/2/2004-GC dated the 6th January, 2005 Department of Rural Development]

Comments of the Committee

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

Recommendation (Para No. 3.61)

The Committee find that Rs. 5,220 crore was obtained through Supplementary Grants during 2003-2004 over and above the Budget estimate of Rs. 4,900 crore. The Committee are disturbed to find that only a token amount is provided at the BE 2004-2005 stage, which has already been exhausted and the Ministry has committed liabilities of 5,111 crore under SGRY and Rs. 6,900 crore for the Special Component of SGRY. Thus, the practice of demanding more funds in the Supplementary Grants is likely to continue in this year also. Persistent demands of Supplementary Grants is not a healthy sign as it does not give the implementing agencies indifferent districts the idea about the amount of allocations earmarked for effective implementation of the scheme. The implementing agencies should be well aware of the provisions well ahead of time *i.e.* at the beginning of the financial year. Therefore, the Committee recommend that the Government should find out ways and means to overcome this impasse and take suitable steps, so that Planning Commission/Ministry of Finance are persuaded to provide adequate necessary funds for SGRY at the beginning of the financial year.

Reply of the Government

The Supplementary Grants to the tune of Rs. 5200 crores was obtained during 2003-04 to meet the requirement for payment of food grains to Food Corporation of India (FCI). FCI release foodgrains based on authorization by this Ministry. However, this Ministry releases funds to FCI for quantity of foodgrains lifted by Implementing Agencies on receipt of Bills duly verified by the District Panchayat/DRDA. Based on outstanding Bills received from FCI, additional grants are obtained through Supplementary Grants. As such, Supplementary Grants have no bearing with the allocated funds to implementing agencies under the Scheme and it will not affect implementation of the Scheme.

From time to time, this Ministry has been requesting the Ministry of Finance as well as the Planning Commission to allocate adequate funds for payment to FCI at BE stage itself. However, due to scarcity of resources, funds for payment of FCI Bills are being allocated through Supplementary Grants out of overall savings of the Central Government.

[Ministry of Rural Development, O.M. No. H-11020/2/2004-GC dated the 6th January, 2005, Department of Rural Development]

Comments of the Committee

(Please *see* Para No. 31 of Chapter I of the Report)

Recommendation (Para No. 3.65)

It is highly disappointing to note that the Government could provide the information on minimum wages paid to the beneficiaries of the SGRY only in respect of 19 States. While glancing through the limited information available, the Committee find that there is wide variation in the minimum wages paid to the beneficiaries, for example the highest minimum wage, was paid in the State of Kerala, which was Rs. 91, whereas its adjoining State Karnataka paid minimum wage of Rs. 46.25 per day. Similar variations are found in many major States including Andhra Pradesh, Orissa, Chhattisgarh etc. Even in some States like Andhra Pradesh, the minimum wage rate varies from District to District. The Committee are of the view that widespread variation in minimum wages leads to rapid migration, which hampers better implementation of SGRY. They, therefore, recommend that the Ministry of Rural Development should impress upon all the States/Union territories to have to the extent possible a uniform wage rate in all the Districts of a particular State and also there should not be much difference in the minimum wages in different States so that the SGRY scheme can be implemented effectively. Further the Committee desire that relevant information from the remaining States and Union Territories should be obtained expeditiously and they be apprised accordingly.

Reply of the Government

Anybody who desires to do unskilled work under this Programme can opt for wage employment. The main effort under this Programme is to generate maximum number of mandays work and to cover maximum number of workers. Thus, to provide maximum flexibility to the Implementing Agencies, States/Union territory have been authorized to fix minimum wage rates for payment of wages under the Programme. Since cost of living varies from State to State, region to region and even within a State, it would not be advisable to fix any uniform rate for minimum wage throughout the country.

Out of defaulting 9 States and 5 Union territories, relevant information has since been received from 8 States and 3 Union territories. However, the same is still awaited from the State of Goa and Union territory of Dadra and Nagar Haveli and Daman and Diu. A revised statement indicating minimum wages fixed by States/UTs is enclosed at Appendix-III.

[Ministry of Rural Development O.M. No. H-11020/2/2004-GC dated the 6th January, 2005 Department of Rural Development]

Comments of the Committee

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

Recommendation (Para No. 3.76)

The Committee note that the Evaluation Study of SGRY has been commissioned in September 2003 in which 44 reputed institutions have been involved of which 21 are based in Delhi or New Delhi. They also note that neither National Institute of Rural Development (NIRD) nor any of the State Institute of Rural Development (SIRD) are involved in the said study. The Committee desire that as far as possible, the Ministry of Rural Development should try to involve one reputed institution of each State in the Evaluation Study of the Schemes. The possibility of involving NIRD and some of the SIRDs should be explored in this regard.

Reply of the Government

The Ministry of Rural Development had drawn a panel of reputed Agencies having the requisite experience and technical competence who are willing to undertake research and evaluation studies of social sector schemes especially the rural development programmes. Such panel is drawn by a Technical Advisory Committee headed by Professor T.S. Papola of Institute of Studies in Industrial Development while other members are from reputed Institutions like IIM, Planning Commission, NSSO, etc. The panel of reputed Agencies is redrawn from time to time. Recently, the Ministry had issued an open advertisement in all the leading national and regional newspapers for empanelment of such Agencies. No SIRD has expressed their interest in taking up such assignment. The NIRD and SIRDs are already preoccupied with other research and training programmes.

[Ministry of Rural Development O.M. No. H-11020/2/2004-GC dated the 6th January, 2005 Department of Rural Development]

Comments of the Committee

(Please *see* Para No. 37 of Chapter I of the Report)

Recommendation (Para No. 3.93)

The Committee note that so far no attempt has been made to verify all the 1.16 crore houses reportedly built under IAY since inception. They also note that periodical verification is being done by the Ministry by way of taking Concurrent Evaluation and periodical visits by Area Officers. In this scenario, the Committee fail to understand as to what can be the use of taking Concurrent Evaluation if the Department has not monitored the status of the existence of houses. They, therefore, recommend that the Ministry of Rural Development should initiate a study to verify all the houses constructed under IAY without further wastage of time.

Reply of the Government

Indira Awaas Yojana (IAY) is being implemented for rural areas by the States/Union territory Governments through their District Rural Development Agencies (DRDAs). Ministry of Rural Development generally go by the reports furnished by the State Governments. Concurrent Evaluation is undertaken by the Ministry to get a feel—as to how the programme is implemented. District Level Monitors are verifying the construction of IAY houses in 130 selected districts on 100 per cent basis. To get a survey in respect of all houses constructed so far will be a costly proposition and may not be feasible.

[Ministry of Rural Development O.M. No. H-11020/2/2004-GC dated the 6th January, 2005 Department of Rural Development]

Comments of the Committee

(Please *see* Para No. 46 of Chapter I of the Report)

Recommendation (Para No. 3.94)

The Committee note that several parts of the country are prone to various natural calamities such as flood, cyclone, earthquake etc. They further note that the houses constructed under IAY are being constructed by the beneficiaries themselves who are expected to use available local materials and low cost disaster resistant and environment friendly technologies. However, no separate provision for retrofitting the existing houses against natural calamities has been provided under the guidelines. Therefore, the Committee desire that in order to achieve construction of durable houses, some provision in the guidelines are made for retrofitting of IAY houses in the natural calamity prone areas.

Reply of the Government

The assistance provided for construction of houses under the scheme is not the full cost of the house. It is expected from the beneficiary that they would meet the balance of the cost and to the extent possible they are also expected to make use of available low cost and disaster resistant technologies. Number of RBCs have been established all over the country to provide guidance in this regard.

[Ministry of Rural Development O.M. No. H-11020/2/2004-GC dated the 6th January, 2005 Department of Rural Development]

Comments of the Committee

(Please *see* Para No. 49 of Chapter I of the Report)

Recommendation (Para No. 3.105)

The Finance Minister in his Budget speech has stated that a major impediment to credit for rural housing is absence of proper title for the land. He also stated that West Bengal has made a law to simplify the creation of security, which deserve to be emulated by other States. The Ministry has informed that West Bengal State Government has been asked to provide a copy of West Bengal law. The Committee hope that the Government after studying the said law extensively and expeditiously, would issue the guidelines to other State Governments to enact similar laws so that the benefit of different rural development schemes could be extended to rural poor.

Reply of the Government

The requisite information relating to the West Bengal law is being pursued with the State Government of West Bengal. Necessary action will be initiated after the receipt of the State's Act.

[Ministry of Rural Development O.M. No. H-11020/2/2004-GC dated the 6th January, 2005 Department of Rural Development]

Comments of the Committee

(Please *see* Para No. 55 of Chapter I of the Report)

Recommendation (Para No. 3.141)

The Committee are surprised to find that all the districts of the country do not have a District Rural Development Agency (DRDA) as on 31 March, 2004. They are equally surprised to find that all the 576 established DRDAs do not receive the funds under the DRDA Administration Scheme. Even though guidelines have been prescribed for a model staffing structure and broad personnel policies for four different types of DRDAs, there is no uniformity in this regard. They feel that the Ministry of Rural Development has minimized its role only to release the funds under DRDAs and be a silent spectator in this regard. Further the Government is not aware of the priorities set by DRDAs as if these are not required to be forwarded to the Ministry. They have their own doubts as to how the Government can ensure efficient implementation of Rural Development Programmes without obtaining the annual reports. They, therefore, recommend that model staffing structure, broad personnel policies and furnishing of annual reports of all DRDAs be done without any further delay.

Reply of the Government

There were 578 DRDAs as on 31 March, 2004. With the merger of 9 districts in U.P. with other districts in the State, the Govt. of U.P. had requested that the allocation for 2004-05 should be distributed among DRDAs in 61 districts. A new district also came into existence in Tamil Nadu effective from 1 April, 2004. The total number of DRDAs receiving grants under the scheme as on 1 April, 2004 was therefore 570. All the 570 DRDAs are receiving grants under the DRDA Administration Scheme.

Although the DRDA Administration Scheme provides for a model and indicative staff structure, the actual creation of posts and placement of people is a matter lying within the domain of the State Government on which this Ministry has no control. The Ministry has, however, been impressing upon the State Governments to provide necessary staff in DRDA establishments to enable them to function effectively. The release of grants under the Scheme is also limited to expenditure on personnel actually in position.

Although the Annual Plans of the DRDAs are approved by their Governing Bodies, who also review and monitor the implementation of the Plan, the Ministry also obtain monthly, quarterly and annual reports from each DRDA on the physical and financial performance of each Scheme. There are also other mechanisms like District Level Monitoring, Concurrent Evaluation, field visits of Area Officers etc. to evaluate and monitor implementation of Rural Development Programmes on a regular basis.

[Ministry of Rural Development O.M. No. H-11020/2/2004-GC dated the 6th January, 2005 Department of Rural Development]

Comments of the Committee

(Please *see* Para No. 61 of Chapter I of the Report)

CHAPTER V

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

Recommendation (Para No. 3.80)

The Committee note with concern that the possibility of considerable delay in meeting the formalities for release of foodgrains under Special Component of SGRY to deal with calamities such as drought, earthquake, cyclone, flood etc. cannot be ruled out due to the existing long procedural formalities. The Committee presume that this has resulted in accumulation of unlifted (authorized quantity of) foodgrains with the State Governments which has been reported to be as high as 16.18 lakh metric tones as on 31 March, 2004. They, therefore, desire that the Ministry of Rural Development should in consultation with the Ministry of Agriculture and Ministry of Home Affairs, who are the nodal Ministries for drought and other calamities like flood, earthquake etc. respectively, initiate suitable measures, so that considerable time is not wasted between the occurance of a calamity and release of foodgrains under Special Component of SGRY.

Reply of the Government

The observation of the Committee was forwarded to the Ministry of Home Affairs and Ministry of Agriculture for comments. The comments from both the Ministries are still awaited.

[Ministry of Rural Development O.M. No. H-11020/2/2004-GC dated the 6th January, 2005 Department of Rural Development]

Comments of the Committee

(Please *see* Para No. 40 of Chapter I of the Report)

Recommendation (Para No. 3.92)

The Committee further note that as per the estimates of Census 2001, there is a shortage of about 149 lakh houses in the country. At the present level of resources available, only about 15 lakh houses can be constructed every year, whereas about 10 lakh additional houses are added annually to existing shelterlessness which aspect also needs to be looked in to. Keeping in view the pace at which the houses are constructed, the Committee are apprehensive about how the Government will achieve the aim to end shelterlessness in rural India. The Committee regret that while there is acute shortage of houses, the funds correspondingly have not been increased to meet the huge gap between demand and supply. They, therefore, recommend that the Ministry should take appropriate steps to achieve the targets set and also request the Planning Commission to re-allocate additional funds to meet the acute shortage of rural housing.

Reply of the Government

The end the shelterlessness in rural areas of the country, more funds are required for rural housing. Accordingly, Planning Commission was requested for an amount of Rs. 3460 crore for the year 2004-2005, but the budget estimate is only for Rs. 2500 crore in the current financial year. The proposal for 10th Plan outlay was for Rs. 13040 crore but the allocation approved by the Planning Commission is only Rs. 8603 crore. It is also worth to mentioning here that the per unit ceiling of assistance for IAY house has been increased from Rs. 20,000/- to Rs. 25,000/- for plain areas and from Rs. 22,000/- to Rs. 27,500/- for hilly/difficult areas with effect from 1.4.2004. Similarly, assistance for upgradation has also been increased from Rs. 10,000/- to Rs. 12,500/- for all areas. More funds will be needed now.

[Ministry of Rural Development O.M. No. H-11020/2/2004-GC dated the 6th January, 2005 Department of Rural Development]

Comments of the Committee

(Please *see* Para No. 43 of Chapter I of the Report)

Recommendation (Para No. 3.100)

The Committee note that equity support is provided to HUDCO by Department of Rural Development who garner and provide additional resources *i.e.* approximately 8 times the size of equity contribution from the market. The Committee is disturbed to note that as HUDCO is under aegis of the Ministry of Urban Development and Urban Employment and Poverty Alleviation, the Ministry of Rural Development does not monitor the performance of HUDCO in rural housing. The Department of Rural Development does not maintain and thus could not provide information relating to the actual houses constructed out of the dwelling units sanctioned under the Two Million

Housing Programme of the Department of Rural Development. The Committee, therefore, recommend that the Ministry should obtain the performance of HUDCO on as yearly basis so that they could have a clear cut picture of the role of HUDCO in the field of Rural Housing. In case the performance of HUDCO is found unsatisfactory, the Ministry should take suitable corrective and ameliorative measures so that rural families do not suffer.

Reply of the Government

HUDCO has been requested to made available the requisite information relating to the actual houses constructed out of the dwelling units sanctioned by the HUDCO under the 2 million housing programme. Ministry of Urban Development is also being requested to instruct the HUDCO for supply us this information.

[Ministry of Rural Development O.M. No. H-11020/2/2004-GC dated the 6th January, 2005 Department of Rural Development]

Comments of the Committee

(Please *see* Para No. 52 of Chapter I of the Report)

Recommendation (Para No. 3.133)

The Committee find that as per the information provided by the Ministry the implementation of rural development programmes in Delhi was discontinued on the specific request of the Administration because the rural development schemes are not being implemented in Delhi. Further it has been stated that there are no unconnected habitations in Delhi. The Committee are surprised to find that during 2001-2002 Rs. 5 crore was released to Delhi Government under PMGSY. The Committee would like to be apprised about the clear position of Centrally Sponsored Schemes of the Ministry of Rural Development in Delhi. They would also like to be apprised of the physical and financial achievement with regard to the money released to Delhi during 2001-2002. Further, the Committee would like that the Department should recover the funds, if the released amount during 2001-02 has not so far been spent.

Reply of the Government

The schemes of the Ministry of Rural Development are not implemented in the NCT of Delhi. However, an amount of Rs. 5 crore was released during 2001-02 to NCT of Delhi for taking up a road work under the PMGSY. The NCT of Delhi has already been advised to either show progress in execution of the works or refund the funds released along with interest accrued on it.

[Ministry of Rural Development O.M. No. H-11020/2/2004-GC dated the 6th January, 2005 Department of Rural Development]

Comments of the Committee

(Please *see* Para No. 58 of Chapter I of the Report)

Recommendation (Para No. 3.179)

The Committee are not happy with the establishment of Regional Committee of CAPART in the places where the Schemes of Department of Rural Development were not being implemented *viz*. Chandigarh and Delhi. They also note that Regional Committees have been set up and are functioning in 9 different places. The Committee, would like to know the jurisdiction of States and Union territories under each of these Regional Committees. They feel that the said jurisdiction should not be administered from a distant area. For example, to oversee the performance of NGOs of Jammu and Kashmir at Chandigarh, is neither justifiable nor practical. They, therefore, recommend that CAPART should consider establishment of Committees at the State level.

Reply of the Government

The names of the RCs and their jurisdiction are as under:—

Sl.No.	Name of the RC	Jurisdiction of States
1	2	3
1.	Ahmedabad	Maharashtra, Gujarat, Goa Daman & Diu, Dadar and Nagar Haveli
2.	Bhubaneshwar	Orissa, West Bengal, Chhattisgarh, Andaman & Nicobar Island
3.	Chandigarh	Haryana, Himachal Pradesh, Jammu & Kashmir, Chandigarh and Punjab
4.	Dharwad	Karnataka, Kerala & Lakshadweep
5.	Guwahati	Sikkim, Arunachal Pradesh, Assam Manipur, Nagaland, Mizoram, Tripura & Meghalaya

1	2	3
6.	Hyderabad	Andhra Pradesh, Tamil Nadu and Pondicherry
7.	Jaipur	Delhi, Rajasthan, Madhya Pradesh
8.	Lucknow	Uttar Pradesh, Uttaranchal
9.	Patna	Bihar, Jharkhand

Regarding opening of Regional Committees in other States, the matter will be put up for consideration of Executive Committee.

[Ministry of Rural Development O.M. No. H-11020/2/2004-GC dated the 6th January, 2005 Department of Rural Development]

Comments of the Committee

(Please *see* Para No. 64 of Chapter I of the Report)

NEW DELHI;
18 *March*, 2005
27 *Phalguna*, 1926 *(Saka)*

KALYAN SINGH,
Chairman,
Standing Committee on
Rural Development.

APPENDIX I

FINANCIAL PERFORMANCE OF MAJOR RURAL DEVELOPMENT PROGRAMMES IN NORTH-EASTERN STATES AND SIKKIM

(Rs. in lakh)

Year : 2000-2001

Programme	Arunachal Pradesh		Assam		Manipur		Meghalaya		Mizoram		Nagaland		Sikkim		Tripura	
	Total Funds	Total Exp.	Total Funds	Total Exp.	Total Funds	Total Exp.	Total Funds	Total Exp.	Total Funds	Total Exp.	Total Funds	Total Exp.	Total Funds	Total Exp.	Total Funds	Total Exp.
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
JGSY	612.05	428.11	2,487.00	1,426.61	762.10	108.36	1244.92	811.86	280.30	330.54	624.98	807.16	30.67	248.45	1915.98	1908.67
EAS	1,274.12	1,064.19	8,086.60	5,880.31	697.76	308.27	736.63	420.90	552.29	517.00	1040.94	1025.17	625.5	625.09	1616.3	1401.74
SGSY	362.90	179.93	2,209.46	2,071.74	24.94	N/R	364.80	88.94	154.50	110.48	348.85	143.4	216.71	151.69	1301.13	1231.26
DRDA Admn.	351.21	351.21	534.24	534.24	208.74	208.74	146.40	146.40	195.78	195.78	200.65	200.65	44.89	44.89	115.07	115.07
IAY	939.20	875.29	15,532.56	11,991.24	490.81	104.34	844.03	804.58	407.91	412.96	991.12	682.67	287.23	273.06	2263.92	2271.35
NFBS	18.92	10.19	1,271.03	853.54	57.43	40.39	71.08	53.80	20.16	20.16	33.92	24.67	6.59	6.52	114.62	97.19
NMBS	6.92	0.21	334.29	139.31	43.21	30.04	41.31	23.98	15.12	15.11	34.86	26.42	7.14	7.08	69.85	54.77
NOPAS	68.98	25.77	2,539.86	1,620.27	284.45	210.41	350.00	239.37	91.66	91.61	230.92	169.06	94.57	94.56	516.51	464.48

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
IWDP	0.00	0.00	520.01	520.01	368.91	368.91	142.28	142.28	451.32	451.32	992.00	992.00	203.00	203.00	0.00	0.00
RWS	2,206.50	2,163.45	7,407.96	6,053.00	329.88	76.36	2122.93	1519.67	1176.65	1175.80	1324.33	1195.54	1351.12	513.18	1521.00	1580.00
Total	5840.8	5098.35	40923.01	31090.27	3268.23	1455.82	6064.38	4251.78	3345.69	3320.76	5822.57	5266.74	3141.42	2167.52	9434.38	9124.53

Abbreviations:—

1. JGSY—Jawahar Gram Samridhi Yojana
2. EAS—Employment Assurance Schemes
3. SGSY—Swarnjayanti Gram Swarojgar Yojana
4. DRDA—Administration—District Rural Development Agency Administration
5. IAY—Indira Awas Yojana
6. NFBS—National Family Benefit Scheme
7. NMBS—National Maternity Benefit Scheme
8. NOPAS—National Old Age Pension Scheme
9. IWDP—Integrated Wastelands Development Programme
10. RWS—Rural Water Supply
11. NR—Not Reported

FINANCIAL PERFORMANCE OF MAJOR RURAL DEVELOPMENT PROGRAMME IN NORTH-EASTERN STATES AND SIKKIM

Year : 2001-2002 (Rs. in lakhs)

Programme	Arunachal Pradesh		Assam		Manipur		Meghalaya		Mizoram		Nagaland		Sikkim		Tripura	
	Total Funds	Total Exp.	Total Funds	Total Exp.	Total Funds	Total Exp.	Total Funds	Total Exp.	Total Funds	Total Exp.	Total Funds	Total Exp.	Total Funds	Total Exp.	Total Funds	Total Exp.
JGSY	937.77	733.83	18,435.00	11,145.93	639.56	287.16	1505.11	1281.81	411.36	331.42	1049.22	324.39	452.22	279.75	2778.13	2166.52
EAS	892.00	298.20	17,934.38	12,103.40	523.72	N/R	1233.71	974.54	574.95	475.54	811.54	413.22	387.58	170.00	2436.14	2396.72
SGSY	356.55	185.57	4,553.28	2,989.44	13.02	N/R	485.61	305.43	111.51	101.77	266.46	337.85	156.02	231.06	1183.92	1170.46
DRDA Admn.	385.39	385.39	1030.79	1030.79	108.01	108.01	65.59	65.59	160.43	198.01	198.01	198.01	47.13	47.13	136.71	136.71
IAY	1048.29	822.02	15,675.78	10,974.00	502.32	293.45	760.62	754.91	243.02	223.78	824.38	648.52	240.30	237.31	2225.35	1713.38
NFBS	19.32	5.59	1,519.00	1063.73	59.75	43.26	78.20	68.03	17.69	17.69	30.39	20.73	5.87	0.95	114.05	105.97
NOPAS	63.87	27.81	2,754.01	2,542.72	328.43	278.10	399.85	425.12	91.67	91.62	247.95	197.16	102.31	45.47	660.04	573.66
IWDP	85.86	85.86	1619.93	1619.93	327.99	327.99	53.37	53.37	481.91	481.91	1162.69	1162.69	371.91	371.91	160.23	160.23
RWS	2,474.96	2,365.67	6,712.63	5,125.00	1075.02	517.23	1672.00	1518.38	1634.95	1255.48	1700.40	1700.40	696.80	696.80	2026.70	1578.94
Total	6264.01	4909.94	70234.98	48594.94	3577.82	1855.20	6254.06	5447.18	3727.64	6291.04	3139.64	5002.97	2460.14	2080.38	11721.27	10002.59

Abbreviations:—

1. JGSY—Jawahar Gram Samridhi Yojana
2. EAS—Employment Assurance Schemes
3. SGSY—Swarnjayanti Gram Swarojgar Yojana
4. DRDA Administration—District Rural Development Agency Administration
5. IAY—Indira Awas Yojana
6. NFBS—Natiional Family Benefit Scheme
7. NOPAS—National Old Age Pension Scheme
8. IWDP—Integrated Wastelands Development Programme
9. RWS—Rural Water Supply
10. NR—Not Reported

FINANCIAL PERFORMANCE OF MAJOR RURAL DEVELOPMENT PROGRAMME IN NORTH-EASTERN STATES AND SIKKIM

Year : 2002-2003 (Rs. in lakh)

Programme	Arunachal Pradesh		Assam		Manipur		Meghalaya		Mizoram		Nagaland		Sikkim		Tripura	
	Total Funds	Total Exp.	Total Funds	Total Exp.	Total Funds	Total Exp.	Total Funds	Total Exp.	Total Funds	Total Exp.	Total Funds	Total Exp.	Total Funds	Total Exp.	Total Funds	Total Exp.
SGRY-I	907.27	798.29	19,746.95	16,049.33	997.12	N/R	1423.36	877.68	542.50	448.43	556.21	600.26	332.42	138.10	2711.24	1831.63
SGRY-II	810.11	312.34	17,123.01	12,679.74	386.00	N/R	1447.65	531.98	446.48	420.98	352.57	286.8	329.28	230.70	2523.20	2379.85
SGSY	279.37	162.5	4,885.00	3,587.09	0.00	0.00	235.97	86.88	107.06	84.03	192.71	184.01	161.78	129.80	843.16	975.63
DRDA Admn.	516.53	516.53	1183.37	1251.60	115.27	115.27	119.97	119.97	159.67	159.67	222.29	222.29	49.50	49.50	179.81	179.81
IAY	1237.18	665.38	16,976.83	10,433.62	489.58	551.34	1267.16	362.08	257.46	231.06	519.32	653.83	219.44	155.17	3056.41	1953.96
IWDP	553.4	458.54	1440.19	1440.19	642.18	642.18	23.68	23.68	1156.16	1156.16	1740.56	1740.56	184.12	184.12	0.00	0.00
RWS	3,759.29	2,597.79	6,840.13	6,096.34	1504.79	1193.41	3089.12	1635.32	2484.47	1773.69	2573.40	1628.40	1100.92	597.06	2875.36	1558.04
Total	8063.15	5511.37	68195.48	51537.91	4134.94	2502.20	7606.91	3637.59	5153.08	4274.02	6157.06	5316.15	2377.46	1484.45	12189.18	8878.92

Abbreviations:—

1. SGRY—Sampurna Grameen Rozgar Yojana
2. SGSY—Swarnjayanti Gram Swarojgar Yojana
3. DRDA Administration—District Rural Development Agency Administration
4. IAY—Indira Awas Yojana
5. RWS—Rural Water Supply
6. NR—Not Reported

FINANCIAL PERFORMANCE OF MAJOR RURAL DEVELOPMENT PROGRAMMES IN NORTH-EASTERN STATES AND SIKKIM

Year : 2003-2004 (Rs. in lakh)

Programme	Arunachal Pradesh		Assam		Manipur		Meghalaya		Mizoram		Nagaland		Sikkim		Tripura	
	Total Funds	Total Exp.	Total Funds	Total Exp.	Total Funds	Total Exp.	Total Funds	Total Exp.	Total Funds	Total Exp.	Total Funds	Total Exp.	Total Funds	Total Exp.	Total Funds	Total Exp.
SGRY-I	1001.49	523.30	21,477.61	19,324.61	897.29	396.37	1643.47	974.95	509.67	457.66	679.61	531.21	668.36	393.00	3666.15	2707.01
SGRY-II	1,199.13	734.44	18,899.23	22,098.53	577.48	179.29	1611.27	1082.71	485.71	344.02	646.98	481.72	521.34	367.00	2777.61	1767.29
SGSY	265.12	164.75	6,419.72	7,417.91	56.75	NR	354.96	161.90	147.57	138.00	257.73	105.63	201.18	230.30	962.45	967.15
DRDA Admn.	600.66	N/R	1216.35	1450.74	386.91	NR	135.51	NR	403.30	NR	342.19	NR	51.96	NR	188.69	NR
IAY	1496.64	1215.55	21,787.38	14,318.27	654.55	188.70	797.68	1147.50	433.80	390.72	960.29	412.04	297.94	308.97	2697.69	2749.89
IDWP	351.89	N/R	1729.91	NR	313.25	NR	443.65	NR	612.44	NR	1868.31	NR	268.98	NR	31.61	NR
RWS	5,112.84	2,878.86	7,766.26	5,490.00	1955.53	11.1	3268.92	2119.7	2088.78	2085.52	2571.35	1671.12	1019.44	1005.32	3462.48	2438.07
Total	10027.77	5516.90	79296.46	70100.06	4841.76	775.46	8255.46	5486.76	4681.27	3415.92	7326.46	3201.72	3029.20	2304.59	13786.68	10629.41

Abbreviations:—
1. SGRY—Sampurna Grameen Rozgar Yojana
2. SGSY—Swarnjayanti Gram Swarojgar Yojana
3. DRDA Administration—District Rural Development Agency Administration
4. IAY—Indira Awas Yojana
5. RWS—Rural Water Supply
6. NR—Not Reported

APPENDIX II

OPENING BALANCE AS ON 1.4.2004 UNDER THE SGRY (PROVISINAL)

(Rs. in Lakh)

Sl.No.	State/UTs	Opening Balance
1.	Andhra Pradesh	1538.98
2	Arunachal Pradesh	952.08
3.	Assam	14045.22
4.	Bihar	N.A.
5.	Chhattisgarh	1094.51
6.	Goa	71.78
7.	Gujarat	2043.82
8.	Haryana	151.88
9.	Himachal Pradesh	1920.00
10.	Jammu & Kashmir	8495.64
11.	Jharkhand	5485.68
12.	Karnataka	3159.16
13.	Kerala	3925.44
14.	Madhya Pradesh	249.88
15.	Maharashtra	2176.02
16.	Manipur	874.28
17.	Meghalaya	801.58
18.	Mizoram	196.42
19.	Nagaland	54.05
20.	Orissa	1778.69
21.	Punjab	865.16
22.	Rajasthan	289.33
23.	Sikkim	NA
24.	Tamil Nadu	0.00
25.	Tripura	640.68
26.	Uttaranchal	1314.15
27.	Uttar Pradesh	14313.24
28.	West Bengal	12961.20
29.	A&N Islands	N.A.
30.	Dadra and Nagar Haveli	N.A.
31.	Daman & Diu	N.A.
32.	Lakshadweep	41.14
33.	Pondicherry	98.17
	All India	79538.18

APPENDIX III

(*Vide* reply to Recommendation Para No. 3.65)

MINIMUM WAGES FIXED BY THE STATE GOVERNMENTS UNDER THE SGRY

(in Rupees)

S.No.	Name of States/UTs	Rate of Minimum Wage
1.	Andhra Pradesh*	80.00
2	Arunachal Pradesh	35.00
3.	Assam	48.00
4.	Bihar	58.64
5.	Chhattisgarh	52.66
6.	Goa	—
7.	Gujarat	61.00
8.	Haryana	80.00
9.	Himachal Pradesh	60.00
10.	Jammu & Kashmir	60.00
11.	Jharkhand	64.61
12.	Karnataka	46.25
13.	Kerala	134.00
14.	Madhya Pradesh	54.56
15.	Maharashtra	47.00
16.	Manipur	44.65
17.	Meghalaya	50.00
18.	Mizoram	84.00
19.	Nagaland	25.00
20.	Orissa	50.00
21.	Punjab	84.00
22.	Rajasthan	60.00
23.	Sikkim	50.00
24.	Tamil Nadu	54.00
25.	Tripura	50.00
26.	Uttar Pradesh	58.00
27.	Uttaranchal	58.00
28.	West Bengal	62.00
29.	A & N Islands	60.00
30.	Dadra and Nagar Haveli	—
31.	Daman & Diu	—
32.	Lakshadweep	50.00
33.	Pondicherry	80.00

*Minimum wage rate varies from district to district. Rs. 80.00 is average wage rate for the State as a whole.

APPENDIX IV

PRADHAN MANTRI GRAM SADAK YOJANA (PMGSY)

Sl.No.	State	Value of proposals (Rs. in Crore)	Amount released (Rs. in Crore)	No. of road works	No. of road works completed (up to August, 04)	Expenditure (up to August, 04) (Rs. in Crore)
1	2	3	4	5	6	7
	Phase I (2000-2001)					
1.	Arunachal Pradesh	40.95	40.95	202	202	40.95 (100.00)
2.	Assam	75.00	75.00	212	211	70.77 (94.40)
3.	#Manipur	40.00	40.00	663	404	31.33 (78.33)
4.	Meghalaya	34.95	34.95	208	208	34.95 (100.00)
5.	Mizoram	23.12	23.12	19	19	19.93 (100.00)
6.	Nagaland	19.75	19.75	127	127	19.75 (100.00)
7.	Sikkim	13.16	13.16	30	30	13.16 (100.00)
8.	Tripura	24.75	24.75	194	194	31.03 (125.40)
	Phase II (2001-2002)					
1.	Arunachal Pradesh	86.51	86.51	137	108	79.67 (92.1)
2.	Assam	154.92	154.92	294	237	137.11 (88.5)
3.	#Manipur	80.71	40.00	127	0	0.00 (0.0)
4.	Meghalaya	80.72	80.72	109	40	41.27 (51.1)
5.	Mizoram	49.38	49.38	26	26	48.20 (97.6)
6.	Nagaland	47.76	47.76	27	27	46.07 (96.5)
7.	Sikkim	37.81	37.81	30	8	28.64 (75.7)
8.	Tripura	51.85	51.85	54	1	14.09 (27.2)

Figures in breckets are percentages

#upto September, 2003

1	2	3	4	5	6	7
	Phase III (2003-2004)					
1.	Assam	399.83	100.00	107	0	38.22 (38.2)
2.	Mizoram	48.81	48.81	21	0	29.09 (59.6)
3.	Nagaland	21.44	21.44	22	1	9.45 (44.1)
4.	Sikkim	35.30	20.00	21	0	0.53 (2.7)

Figures in breckets are percentages

	Phase IV (2004-2005)					
1.	Assam	244.46	122.09	195	0	0
2.	Mizoram	83.40	0.00	12	0	0
3.	Nagaland	37.51	0.00	9	0	0

APPENDIX V

COMMITTEE ON RURAL DEVELOPMENT
(2004-2005)

EXTRACTS OF THE MINUTES OF THE ELEVENTH SITTING OF THE COMMITTEE HELD ON FRIDAY, THE 4 MARCH, 2005

The Committee sat from 1500 hrs. to 1630 hrs. in Committee Room 'D', Parliament House Annexe, New Delhi.

PRESENT

Shri Kalyan Singh—*Chairman*

MEMBERS

Lok Sabha

2. Shri Mohan Jena
3. Shri Dawa Narbula
4. Shrimati Tejaswini Seeramesh
5. Shri Mohan Singh
6. Shri Bagun Sumbrai

Rajya Sabha

7. Kumari Nirmala Deshpande
8. Prof. Alka Balram Kshatriya
9. Shri Penumalli Madhu
10. Dr. Chandan Mitra
11. Dr. Faguni Ram
12. Prof. R.B.S. Varma

Secretariat

1. Shrimati Sudesh Luthra — *Deputy Secretary*
2. Shri A.K. Shah — *Assistant Director*

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

3. *** *** ***

4. The Committee then took up for consideration Memorandum No. 5 alongwith the draft action taken report on Demands for Grants (2004-2005) of the Department of Rural Development. After discussion, the Committee adopted the draft report without any modification.

5. The Committee then authorized the Chairman to finalise the said draft action taken reports on the basis of factual verification from the concerned Ministry/Department and to present the same to Parliament.

The Committee then adjourned.

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

APPENDIX VI

[*Vide* Para 4 of the Introduction]

ANALYSIS OF THE ACTION TAKEN BY THE GOVERNMENT ON THE RECOMMENDATIONS CONTAINED IN THE THIRD REPORT OF THE STANDING COMMITTEE ON RURAL DEVELOPMENT (FOURTEENTH LOK SABHA)

I.	Total number of recommendations	58
II.	Recommendations that have been accepted by the Government Para Nos. 2.3, 2.4, 2.18, 2.21, 2.25, 2.31, 2.39, 3.27, 3.30, 3.31, 3.33, 3.36, 3.42, 3.45, 3.59, 3.70, 3.71, 3.91, 3.102, 3.110, 3.125, 3.126, 3.127, 3.135, 3.148, 3.160, 3.167, 3.178, 3.180, 3.183, 3.190 and 3.191	33
	Percentage of the Total recommendations	(56.90%)
III.	Recommendations which the Committee do not desire to pursue in view of the Government's replies Para Nos. 3.34, 3.58 and 3.75	3
	Percentage of the Total recommendations	(5.17%)
IV.	Recommendations in respect of which replies of the Government have not been accepted by the Committee Para Nos. 2.19, 2.20, 3.14, 3.26, 3.28, 3.29, 3.35, 3.40, 3.47, 3.50, 3.61, 3.65, 3.76, 3.93, 3.94, 3.104 and 3.141	17
	Percentage of the Total recommendations	(29.31%)
V.	Recommendations in respect of which final replies of the Government are still awaited Para Nos. 3.80, 3.92, 3.100, 3.133 and 3.179	5
	Percentage of the Total recommendations	(8.62%)