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**STANDING COMMITTEE ON
RURAL DEVELOPMENT
(2004-2005)**

FOURTEENTH LOK SABHA

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

**DEMANDS FOR GRANTS
(2005-2006)**

NINTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

NINTH REPORT
STANDING COMMITTEE ON
RURAL DEVELOPMENT
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(DEPARTMENT OF RURAL DEVELOPMENT)

DEMANDS FOR GRANTS
(2005-2006)

Presented to Lok Sabha on 20.4.2005

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NEW DELHI

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CONTENTS

	PAGE
COMPOSITION OF THE COMMITTEE	(iii)
ABBREVIATIONS	(v)
INTRODUCTION	(ix)
REPORT	
CHAPTER I Introductory	1
CHAPTER II Overall Evaluation of the Demands for Grants 2005-2006 of the Department of Rural Development	3
Proposed outlay, outlay agreed to, total releases and expenditure	3
Scheme-wise, comparative analysis	5
Cooperative analysis of allocation made in 2005-2006	7
Supplementary Demands for Grants and surrender of outlay	9
Monitoring of different Schemes	10
Below Poverty Line (BPL) Census, 2002	16
Role of Panchayats in implementation of Schemes and simplification of procedure	17
Gender Budgeting	18
Implementation of schemes in North-Eastern Region	20
CHAPTER III Scheme-wise assessment of Demands for Grants (2005-2006) of the Department of Rural Development	21
(i) National Rural Employment Guarantee Scheme <i>Vis-a-vis</i> Sampoorna Grameen Rozgar Yojana (SGRY) and National Food for Work Programme (NFFWP)	21

	PAGE
(ii) Swarnjayanti Gram Swarozgar Yojana (SGSY)	32
(iii) Rural Housing (RH)	43
(iv) Pradhan Mantri Gram Sadak Yojana (PMGSY) ...	47
(v) Provision for Urban Amenities in Rural Areas (PURA)	57
(vi) Training Section: National Institute of Rural Development (NIRD)	59
(vii) Strengthening and establishment of State Institute of Rural Development (SIRD) and Extension Training Centres (ETCs)	60
(viii) Organisation of Training Courses, Seminars and Workshops (OTC)	61
(ix) Assistance to Council for Advancement of People's Action and Rural Technology (CAPART)	62

APPENDICES

I. Statement showing Budget Estimates, Revised Estimates and Actual Expenditure during 9th Plan by the Department of Rural Development	68
II. Statement showing proposed outlay, outlay agreed to, total release, Budget Estimate, Revised Estimate and Actual Expenditure, during 10th Plan by the Department of Rural Development	70
III. Comparative Data with regard to BE 2004-2005, RE 2004-2005 and BE 2005-2006 under various schemes of the Ministry of Rural Development	72
IV. Statement showing implementing Agency and release of funds under various schemes of Department of Rural Development	73
V. List of 150 most backward districts under the National Food for Work Programme during 2004-2005	74
VI. Minutes of the sitting of the Committee held on 29 March, 2005	82
VII. Minutes of the sitting of the Committee held on 8 April, 2005	85
VIII. Statement of observations/recommendations	87

COMPOSITION OF THE STANDING COMMITTEE ON
RURAL DEVELOPMENT (2004-2005)

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(iv)

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4. Shri A.K. Shah — *Under Secretary*
5. Shri Sundar Prasad Das — *Committee Officer*

@ *Vice* Shri Stephen Marandi ceased to be a member of Rajya Sabha *w.e.f.* 16 March, 2005 consequent upon his election to the Jharkhand Legislative Assembly *vide* Rajya Sabha Secretariat notification No. RS. 10/2005-T dated 11 April, 2005.

* *Vice* Shri Keshubhai S. Patel ceased to be a member of the Committee *w.e.f.* 22 March, 2005 consequent upon his resignation from the membership of Standing Committee on Rural Development.

ABBREVIATIONS

AARDO	—	Afro-Asian Rural Reconstruction Organisation
ADB	—	Asian Development Bank
APL	—	Above Poverty Line
BE	—	Budget Estimates
BLCC	—	Block Level Coordination Committee for SGSY
BPL	—	Below Poverty Line
CAPART	—	Council for Advancement of People's Action and Rural Technology
CCSS	—	Credit-cum-subsidy Scheme
CIRDAP	—	Centre on Integrated Rural Development in Asia and Pacific
CLCC	—	Centre Level Coordination Committee for SGSY
CLGF	—	Commonwealth Local Government Forum
DAVP	—	Directorate of Advertising and Visual Publicity
DLCC	—	District Level Coordination Committee
DLM	—	District Level Monitoring
DRDA	—	District Rural Development Agency
DWCRA	—	Development of Women and Children in Rural Areas
EAS	—	Employment Assurance Scheme
ETC	—	Extension Training Centre
FAQ	—	Fair Average Quality
FCI	—	Food Corporation of India
GJRHFS	—	Golden Jubilee Rural Housing Finance Scheme
GKY	—	Ganga Kalyan Yojana
HUDCO	—	Housing and Urban Development Corporation Limited
HLC	—	High Level Committee
HSD	—	High Speed Committee
IAY	—	Indira Awaas Yojana

IBRD	—	International Bank for Reconstruction and Development
ICAR	—	Indian Council for Agricultural Research
IEC	—	Information, Education and Communication
IRDP	—	Integrated Rural Development Programme
IRMA	—	Indian Institute of Rural Management, Anand
IWDP	—	Integrated Wastelands Development Programme
JGSY	—	Jawahar Gram Samridhi Yojana
JRY	—	Jawahar Rozgar Yojana
LIBOR	—	London Inter Bank Offer (Exchange) Rate
MPR	—	Monthly Progress Report
MNP	—	Minimum Needs Programme
MWS	—	Million Wells Scheme
NABARD	—	National Bank for Agriculture and Rural Development
NC	—	Not Covered
NCT	—	National Capital Territory
NGO	—	Non-Governmental Organization
NIRD	—	National Institute of Rural Development
NLM	—	National Level Monitors
NRRDA	—	National Rural Roads Development Agency
NSAP	—	National Social Assistance Programme
NSSO	—	National Sample Survey Organisation
NYK	—	Nehru Yuvak Kendra
OB	—	Organization of Beneficiaries
OTC	—	Organisation of Training Courses/Seminars/Workshops
PC	—	Public Cooperation regarding promotion of Voluntary Action in Rural Development
PDS	—	Public Distribution System
PMGY	—	Prime Minister's Gramodaya Yojana
PMGSY	—	Pradhan Mantri Gram Sadak Yojana
PURA	—	Provision of Urban Amenities in Rural Areas
PRIs	—	Panchayati Raj Institutions
RBI	—	Reserve Bank of India

(vii)

RBC	—	Rural Building Centres
RC	—	Regional Committees of CAPART
RD	—	Rural Development
RE	—	Revised Estimates
RH	—	Rural Housing Schemes
Rs.	—	Rupees
SAY	—	Samagra Awaas Yojana
SC	—	Scheduled Caste
SHG	—	Self Help Group
SGRY	—	Sampoorna Grameen Rozgar Yojana
SGSY	—	Swarnjayanti Gram Swarozgar Yojana
SIDBI	—	Small Industries Development Bank of India
SIRD	—	State Institute of Rural Development
SITRA	—	Supply of Improved Tool Kits to Rural Artisans
SLCC	—	State Level Coordination Committee
SLSC	—	State Level Sanctioning Committee
ST	—	Scheduled Tribe
SVO	—	Support Voluntary Organisations
TRC	—	Technology Resource Centre
TRYSEM	—	Training of Rural Youth for Self-Employment
UB/OB	—	Unspent Balance/Opening Balance
UC	—	Utilisation Certificate
UT	—	Union territory
ZP	—	Zilla Parishad

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 Ninth Report on Demands for Grants (2005-2006) of the Department of Rural Development (Ministry of Rural Development).

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

3. The Committee took evidence of the representatives of the Department of Rural Development (Ministry of Rural Development) on 29 March, 2005.

4. The Report was considered and adopted by the Committee at their sitting held on 8 April, 2005.

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

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

NEW DELHI;
15 April, 2005

25 Chaitra, 1927 (Saka)

KALYAN SINGH,
Chairman,
Standing Committee on
Rural Development.

REPORT

CHAPTER I

INTRODUCTORY

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

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

(i) Department of Rural Development

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

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

- (a) Swarnjayanti Gram Swarozgar Yojana (SGSY);
- (b) Sampoorna Grameen Rozgar Yojana (SGRY);
- (c) National Food for Work Programme (NFFWP);
- (d) Pradhan Mantri Gram Sadak Yojana (PMGSY);
- (e) Rural Housing (RH): Indira Awaas Yojana;
- (f) District Rural Development Agency (DRDA) Administration Scheme.

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

1.5 The overall Demands for Grants of the Department for 2005-06 are for Rs. 22163.37 crore. However, after deducting the recoveries expected during the year, the net Budget of the Department during 2005-06 BE is Rs. 18,353.87 crore both for Plan and non-Plan.

1.6 The Demands for Grants of the Department have been presented to Parliament under Demand No. 79. The detailed Demands for Grants of the Department was laid in Lok Sabha on 18 March, 2005.

1.7 In the present Report, the Committee have restricted their examination only to the major issues concerning the Department and the Programmes/Schemes that are being implemented in the context of Demands for Grants 2005-2006.

CHAPTER II

OVERALL EVALUATION OF THE DEMANDS FOR GRANTS 2004-2005 OF THE DEPARTMENT OF RURAL DEVELOPMENT

Proposed outlay, outlay as agreed to, total releases and expenditure made during 9th and 10th Plan

The Budget Estimates, Revised Estimates and actual expenditure during 9th Plan as a whole and scheme-wise is indicated in *Appendix-I*. The proposed allocation, outlay agreed to by Planning Commission, total releases (up to 15th March, 2005) during 10th Plan as a whole and scheme-wise is indicated in *Appendix-II*.

2.2 The analysis of the comparative data of 9th and 10th Plan indicates the following:

- (i) Budget Estimates during 9th Plan are for Rs. 41,014.70 crore against the outlay agreed to, amounting to Rs. 32,869.87 crore, which means additional Rs. 8,144.83 crore were allocated than what was agreed to during 9th Plan.
- (ii) Revised Estimates during 9th Plan was to the tune of Rs. 40,752.65 crore against the Budget Estimates of Rs. 41,014.70 crore which indicates that allocation was reduced by Rs. 262.05 crore and were allocated lesser at Revised Estimates stage as compared to what was allocated at Budget Estimates stage.
- (iii) Actual expenditure during 9th Plan was Rs. 579.48 crore lesser if compared to Budget Estimates and Rs. 317.43 crore lesser if compared to Revised Estimates of that plan period.
- (iv) During 10th Plan, outlay agreed to is Rs. 56,748 crore against the proposed outlay of Rs. 1,29,464.27 crore which indicate less than half allocation of what was proposed to the Planning Commission was made.
- (v) If outlay actually allocated at Revised Estimates stage during 9th Plan is compared to 10th Plan agreed to outlay, it is Rs. 15,995.35 crore higher.

- (vi) During first three years of 10th Plan *i.e.* 2002-2003, 2003-2004 and 2004-2005 total releases are to the tune of Rs. 41,464.52 crore which indicate that Rs. 15,283.48 crore *i.e.* around 1/4 of the outlay agreed to is the balance for the remaining two years of 10th Plan.

2.3 Finance Minister in his Speech on Budget (2005-2006) has indicated higher targets under certain schemes of Rural Development in line with an overarching vision to build India called 'Bharat Nirman' as referred to by the President in his address to Parliament. Some of the ambitious targets indicated to be achieved by 2009 by the Government are:

- (i) to connect all villages that have a population of 1,000 (or 500 in hilly/tribal areas) with a road;
- (ii) to construct 60 lakh additional houses for the poor.

2.4 The Committee find from the analysis of 9th and 10th Plan outlay as indicated above that although during 9th Plan, the actual allocation was enhanced by Rs. 8,144.83 crore, there was reduction of Rs. 262.05 crore at Revised Estimates stage. The expenditure position further indicates under spending of Rs. 317.43 crore if compared to the outlay given at Revised Estimates stage during 9th Plan. The Committee further note that although the allocation during 10th Plan has been enhanced by Rs.15,995.35 crore if compared to 9th Plan allocation, the allocation as agreed to is far lesser *i.e.* less than half of the projected outlay during 10th Plan. The Committee also find that certain ambitious projections have been made by the Government under the vision 'Bharat Nirman'. The Committee fail to understand how such ambitious targets would be achieved with the outlay that is almost half of what was projected to the Planning Commission. Scheme-wise details have been analysed in the subsequent Paragraphs/Chapters of the Report. The Committee would like to strongly recommend the Government, to pursue with the Planning Commission/Ministry of Finance for adequate allocation commensurating the targets projected by the Government, so that the benefits envisaged under different schemes of the Department could be extended to the poorest of the poor in the country. While approaching Planning Commission/Ministry of Finance in this regard the concerns of the Standing Committee should be duly communicated.

2.5 While recommending for higher outlay, the Committee strongly feel that whatever allocation is agreed to at Budget Estimates stage should not further be reduced at Revised Estimates stage as has been done during 9th Plan, since, even the slightest reduction of outlay means depriving the lakhs of poor of the little hope that is intended by such schemes of the Union Government.

2.6 One of the biggest concern expressed by the Committee almost every year is underutilization of resources. The aforesaid data of under spending *i.e.* Rs. 337.43 crore as compared to Revised Estimates during 9th Plan indicate the shortfall in releases by the Union Government to States/Union territory Administrations. The picture of under spending is more clear when we analyse the under spending by way of huge opening balances with different State Governments, the analysis of which has been done in the subsequent part of the Report. Even if actual releases are taken into consideration, the Committee feel that the amount of Rs.337.43 crore is a big amount in the resources starved economy of the country. In view of the aforesaid position the Committee hold the strong view that not even a single paise of the allocated amount should remain as unutilized. The Committee strongly calls for more effective steps on the part of the Government in this regard.

Scheme-wise comparative analysis of the data with regard to BE 2004-2005 and BE 2005-2006 under the Schemes of the Department of Rural Development

2.7 The Demands for Grants (2005-2006) of the Department of Rural Development have been presented to Parliament *vide* Demand No.79. In the Detailed Demands for Grants (2005-2006) the following data has been indicated:

(In Rs. crore)

Year	Plan	Recoveries from Plan Budget	Net-Plan Budget	Non Plan	Net Budget Col. (4+5)	Percentage change
2003-04 (Actuals)	17826.198	2325	15501.198	18.07	15519.26	
2004-05 (BE)	13585.40	2148	11437.40	18.56	11455.90	
2004-05 (RE)	16014.40	2148	13866.40	19	13885.40	+21.20%
2005-06 (BE)	22143.50	3809.50	18334	19.87	18353.87	+32.18%

2.8 The net Budget of the Department has been increased from Rs.13,885.40 crore in 2004-05 (RE), to Rs.18,353.87 crore in 2005-2006 BE [*i.e.* an increase of Rs. 4,468.47 crore or (+) 32.18 %].

2.9 It can also be seen from the above table that, the net budget of the Department in 2004-2005 BE was Rs. 11,455.90 crore which has been increased to Rs. 18353.87 crore [*i.e.* an increase of Rs. 6897.91 crore or (+) 60.21 percent].

2.10 When asked about the plans of Department to spend the enhanced allocation, the Department has stated in the replies as below:

“The increase in the budget allocation for 2005-2006 as compared to B.E. of 2004-2005 is mainly on account of (i) provision of Rs. 6,000 crore for the new schemes of National Food for Work Programme inclusive of Rs. 1,500 crore for SGRY for districts identified under National Food for Work Programme and (ii) additional provision of Rs.1,767 crore under PMGSY due to higher cess collection from diesel and enhanced provision for Externally Aided Projects. The funds under these schemes will be spent, based on the State-wise allocation made as per the funding criteria provided under the guidelines of these schemes.

Under National Food for Work Programme, it is expected that with this level of investment it will be possible to provide 100 days of supplementary wage employment to one member of each BPL family in the rural areas of the identified 150 districts.

Though no physical targets are fixed under Pradhan Mantri Gram Sadak Yojana, the enhanced allocation will help State Governments to take up more rural road projects during the year 2005-2006 as compared to 2004-2005.

It may also be clarified that out of the total plan budget allocation of Rs. 22,143.50 crore being shown in the Detailed Demands for Grants 2005-2006, the actual expenditure under plan budget of the Department is Rs. 18,334.00 crore. The remaining amount of Rs. 3,809.50 crore is for intra-account transfer to Central Road Fund(CRF) against accruals from the cess on diesel. The amount is a notional provision and is not an addition to the total plan budget of Rs.18,334.00 crore.”

Comparative analysis of allocation made during 2005-2006 as compared to previous year

2.11 A comparative analysis of data with regard to BE 2004-2005 and BE 2005-2006 indicates that there is overall enhancement of Rs. 4,468.47 crore in allocation during 2005-2006 as compared to RE of previous year. The scheme wise analysis (*Appendix III*) however, indicates that there is a shortfall in allocation under the major schemes of the Department *i.e.* SGSY (Rs. 37.76 crore), SGRY (Rs. 990 crore) Housing (Rs. 109.40 crore), DRDA Administration Scheme (Rs. 8.69 crore), and Training Schemes (Rs. 0.4 crore).

2.12 When enquired about the reasons for shortfall in allocation of major schemes of the Department, the following has been submitted:

“The Planning Commission had allocated a total Plan outlay of Rs. 18,334.00 crore for the Department of Rural Development for the year 2005-2006. The scheme-wise distribution of this outlay, as finally approved by the Ministry of Finance, showed reduction in the outlay of certain schemes like SGRY, SGSY, IAY, DRDA Administration and Training. The matter has been taken up with the Ministry of Finance who have agreed to make re-allocation/ re-adjustments through re-appropriations/ Supplementary Demands during the course of the year.”

2.13 So far as the details of the additional allocation sought by the Department is concerned, the Department has furnished the following data:

(Rs. in crore)

Name of the Scheme	Additional allocation proposed to be made during the year 2005-2006
Sampoorna Grameen Rozgar Yojana (SGRY)	400
National Food for Work Programme (NFFWP)	2480*
Swarnjayanti Gram Swarozgar Yojana (SGSY)	Same as last year
Indira Awaas Yojana (IAY)	270
Pradhan Mantri Gram Sadak Yojana (PMGSY)	1767
Watershed Development Programme	143

*NFFWP was launched *w.e.f.* November, 2004 and an allocation of Rs. 2020 crore was made for 2004-2005.

2.14 Further the Secretary during the course of oral evidence submitted the following data with regard to the projection for the year 2005-2006:

	(Rs. in crore)
Allocation asked for	53,740.61
For foodgrains	27325.87
For Schemes other than foodgrains (53740.61 – 27325.87 =)	26414.74
Outlay provided	18334.00
Shortfall against the projections	8080.74

2.15 The Committee find that although the overall outlay (both plan and non plan) during 2005-2006 has been enhanced by Rs. 4,468.47 crore as against Revised Estimates of previous year and by Rs. 6,897.91 crore (excluding North Eastern region allocation) as compared to Budget Estimates of previous year, there is net reduction of outlay under the priority schemes of the Department *viz* Swarnjayanti Gram Swarozgar Yojana, Sampoorna Grameen Rozgar Yojana, Rural Housing, DRDA Administration scheme and Training scheme. The detailed analysis of the impact of reduction on implementation of these schemes has been given in the subsequent part of the Report. Here the Committee from the data furnished by the Department find that the increase in allocation is only under National Food for work Programme and Pradhan Mantri Gram Sadak Yojana (PMGSY). The Committee while appreciating the Government's targets of providing 100 days wage employment to each family in rural India, feel that the outlay for this programme should not be provided at the cost of other established major schemes of the Department. The Committee also note that the Department has approached the Planning Commission for providing enhanced allocation under these schemes. The Committee express their strongest concern over the trend of allocating outlay at the cost of other schemes and disapprove the policy of the Government in providing adequate outlay for a scheme after adjustments in one or the other schemes. The Committee would like that their strongest concern in this regard should be properly conveyed to the Planning Commission/ Ministry of Finance.

2.16 Further, while noting that although the Ministry of Finance has agreed to provide additional allocation at Supplementary Grants stage, the Committee feel that sanction of grants at Supplementary

Grants stage always leads to uncertainty. In view of this, they would like that adequate outlay commensurating the targets should be provided at Budget Estimates stage for the schemes.

Supplementary Demands for Grants and surrender of outlay during 2004-2005

2.17 The details with regard to Supplementary Grants seeking additional requirement of funds during 2004-2005 as submitted by the Department are as under:

Sl.No.	Supplementary Batch No.	Amount (Rs. in crore)	Purpose for which Supplementary Grant was obtained
1.	1st Batch	2020	For implementation of new Scheme of National Food for Work Programme.
		9	For meeting the additional requirement for the Scheme of PURA.
		400	For construction of houses in the flood affected districts of Bihar.
2.	2nd Batch	0.01 (Token)	Token provision was sought for meeting additional requirement (Rs. 242 crore) under the lump-sum provision for North Eastern Region from the savings within the Grant.
		0.01 (Token)	Token provision was sought for meeting additional liability of Rs. 5 crore under the Scheme of State Institutes of Rural Development (SIRDs) from the savings within the Grant.
		0.44	For meeting the additional requirement of Establishment expenditure of the Department.

2.18 The details of the amount surrendered since 2002-2003 are as under:-

PLAN

Year	B.E.	R.E.	Actual Expenditure	Amount surrendered as compared to B.E.	Amount surrendered as compared to R.E.
2002-2003	10270.00	15176.00	15043.19	0.00	132.81
2003-2004	10270.00	15500.00	15503.53	0.00	0.00
NON-PLAN					
2002-2003	19.41	19.13	18.61	0.80	0.52
2003-2004	19.28	18.76	18.03	1.25	0.73

2.19 The Committee are unable to comprehend the position of seeking additional funds as Supplementary Grants and then surrendering the amount at the close of the year. To understand the position in a much better way, the Committee would like to be informed about the details of the physical achievement under the sectors for which Supplementary Grants have been sought for. The Committee would also like to be informed about the position of amount surrendered during 2004-2005 so as to enable them to comment further in this regard.

Monitoring of different Schemes of the Department

2.20 The Finance Minister in his Budget Speech stressed to improve the quality of implementation and enhance the efficiency and accountability of the delivery mechanism. He stated that mechanism will be put in place to measure the development outcome of all major schemes. He also stated that it would be ensured that programmes and schemes will not be allowed to continue indefinitely from one plan period to the next without an independent and in-depth evaluation.

2.21 The Ministry has further substantiated by stating that their monitoring system consists of the following:

- (i) Review of programme implementation by the Union Ministers with the Chief Ministers and other State Ministers and senior officers concerned with the implementation of the Programmes of the Ministry;

- (ii) Performance Review Committee under the chairmanship of Secretary (RD) and consisting of representatives from the Ministry of Finance, Ministry of Programme Implementation, Ministry of Environment and Forests, Planning Commission, Secretaries of Rural Development of all the States besides senior officers of the Ministry;
- (iii) Area Officer's Scheme;
- (iv) Vigilance and Monitoring Committees under the chairmanship of Hon'ble Members of Parliament;
- (v) Periodical progress reports and MIS system;
- (vi) District Level Monitoring through independent professional agencies;
- (vii) National Level Monitors;
- (viii) Concurrent and Quick Evaluation Studies; and
- (ix) Impact Assessment Studies.

It has further been informed by the Ministry that independent in-depth Evaluation Studies have been done for the following schemes/ programmes:

9th Plan

- (i) Concurrent Evaluation of Integrated Rural Development Programme (IRDPA).
- (ii) Concurrent Evaluation of Million Wells Scheme.
- (iii) Quick Evaluation of 7 major schemes such as SITRA, TRYSEM, JRY etc.

10th Plan

- (i) Concurrent Evaluation of Swarnjayanti Gram Swarozgar Yojana (SGSY).
- (ii) Concurrent Evaluation of Special Projects under SGSY.
- (iii) Concurrent Evaluation of Sampoorna Grameen Rozgar Yojana (SGRY).
- (iv) Concurrent Evaluation of Innovative Stream of Rural Housing and Habitat Development projects.

- (v) Concurrent Evaluation of Samagra Awaas Yojana.
- (vi) Intensive Evaluation Study of Watershed Programmes in 15 States.
- (vii) Mid-Term Evaluation of Watershed under DPAP/ DDP/ IWDP in 9 States.
- (viii) Quick Impact Assessment Study of Pradhan Mantri Gram Sadak Yojana (PMGSY) in 9 States.
- (ix) Rapid Evaluation of Sector Reform Projects under the Accelerated Rural Water Supply Programme in 20 Districts of 20 States.
- (x) Impact Assessment Studies of all Rural Development programmes in selected Districts.

Evaluation Studies in progress:

- (i) Evaluation of Sector Reform Projects under the Accelerated Rural Water Supply Programme in 65 Districts of 25 selected States.
- (ii) Concurrent Evaluation of special projects under SGSY.
- (iii) Impact Assessment Studies of all Rural Development programmes in selected Districts.

Vigilance and Monitoring Committees

2.22 As per the information given in the Performance Budget 2005-2006 of the Department, Vigilance and Monitoring Committees are constituted for ensuring quality expenditure and effective monitoring of programmes of the Ministry of Rural Development. These Committees have been constituted at the State/Union territory and district levels to monitor execution of the Scheme/Programmes in the most effective manner and within the given time frame. These Committees are expected to keep a close watch on the implementation of the Programmes of the Ministry as per prescribed procedures and guidelines. As per the guidelines, the meetings of these Committees at each level are to be held at least once, in every quarter after giving sufficient notice to all members.

2.23 As per the written communication received from the Department of Rural Development, 8 State level and 84 district level Vigilance and Monitoring Committees have been constituted so far.

Besides, it has been added that meetings of the district level Vigilance and Monitoring Committees have been held in 19 districts and that of the State level Committees only in one State. When the issue of functioning of such Committees was deliberated, the Secretary during the course of oral evidence stated that the district level Committees have been constituted in all the districts but meetings have not been held in 84 districts. At the State level, the action is being taken at the highest level.

2.24 As regards the position of Chairman of district Committees, it has been stated that the Chairman of district level Vigilance and Monitoring Committees are nominated by the Ministry of Rural Development in accordance with the guidelines issued in this regard.

Area Officers Scheme of the Department of Rural Development

2.25 The officers of Department of Rural Development undertake field visits to different States with a view to monitor the implementation of different schemes of the Department of Rural Development. When asked about the impact of this type of monitoring mechanism, the Department has informed that 43 officers undertook visits during the last three years. The main observations of the area officers are as under :

- (i) On the whole, programmes are being implemented in almost all the districts in accordance with the guidelines issued by the Ministry of Rural Development;
- (ii) The rural poor have been benefited to a large extent and a number of them have crossed the poverty line over the years;
- (iii) The Area Officers have documented, a number of success stories with regard to micro-enterprises development, provision of self-employment, improvement in quality of life of people, solidarity of Self Help Groups etc;
- (iv) A large number of durable community and social assets have been created under the wage employment programme in several districts of the country. These assets, by and large, have proved useful to the community;
- (v) In several States houses build under IAY has been very useful in improving the quality and living environment of the rural poor. There is a high satisfaction level to the extent

of 96 per cent in case of IAY houses. Beneficiary selection under IAY has also been largely made by the Gram Sabhas;

- (vi) People's participation in programme implementation is seen in almost all the States; and
- (vii) There is a visible improvement in the socio economic life of the village community.

2.26 The Area Offices have also brought out certain deficiencies in programme implementation which is as follows:

- (i) In some cases wrong selection of beneficiaries/swarozgaries is reported.
- (ii) In a few cases there is delay in release of State share to the Implementing Agencies.
- (iii) Bunching of loan applications under SGSY/delay in disbursement of loan to the SHGs.
- (iv) At times there is lack of coordination among various Implementing Agencies/Line Departments.
- (v) In a few cases the need to strengthen the monitoring arrangement is felt.
- (vi) Shortage of staff in block and Districts is reported.
- (vii) There is wage differential in the male and female workers in some cases.
- (viii) Distribution of foodgrains under SGRY sometimes is delayed mainly because the low priority accorded by the FCI in supply of grains under this programme.

2.27 The Committee strongly feel that there is an urgent need to improve the quality of implementation and enhance the efficiency and accountability of the monitoring mechanism as stressed by Finance Minister in his speech while presenting the Budget for the year 2005-2006. They also note from the information furnished by the Department that different types of monitoring mechanism like Concurrent Evaluation, different types of Vigilance and Monitoring Committees, Area Officers Schemes etc. are in place. The Committee further find that during 10th Plan, independent and in-depth evaluation studies were conducted for all the major schemes of the Department. The Committee would like to be apprised of the details,

scheme-wise, of the major findings and corrective action taken thereon by the Department so as to enable them to analyse the usefulness of the system and comment further in this regard. The Committee would also like to be informed about the way these studies could provide an input for further improvement in the schemes of the Department.

2.28 The Committee further note that the Ministry has introduced a system of District and State level Vigilance and Monitoring Committees. These Committees are to be constituted by the Union Ministry of Rural Development. From the information provided by the Department it seems that such Committees could be an effective monitoring mechanism only in few States. Not only that, there is confusion on the issue of constitution of such Committees. Different data regarding the constitution of Committees were indicated in the written note as well as during the course of oral evidence as indicated in the preceding para of the report. The Committee are constrained to note that if this is the state of affairs of the Committees that were to be constituted by the Union Government, the status of other Committees being constituted by State Governments can be well imagined. The Committee would like the Department to furnish a detailed note indicating the action taken by them for early constitution of such Committees. Besides it should be ensured that such Committees are constituted in all States and Districts without any further delay. Further no State or Union territory should be allowed to be exempted from constituting the said vigilance and monitoring Committees. Not only that, there is an urgent need to monitor that the sittings of such Committees are held periodically as per guidelines so as to prove an effective mechanism for effective implementation of various schemes of the Department for which crores of rupees are being spent annually.

2.29 The Committee would further like to be apprised about the corrective action taken on the findings of the area officers under the monitoring system of the Ministry of Rural Development. The Committee would also like to be apprised about the number of States/Districts covered by the said scheme during the last three years so as to enable them to analyse the usefulness of this system and comment further in this regard. The Committee would also like to recommend that there should be an inbuilt mechanism in each of the schemes for regular monitoring/evaluation. Not only that, there should be specific allocation of outlay for the purpose. Besides, the Committee find that there is no system of fixing accountability. They

feel that there should be well defined system of fixing accountability and some sort of action against the defaulter officers/agencies involved in the implementation of the schemes/programme to serve as a deterrent for others. Further, there is a need to have a more transparent system for implementation of various schemes so that the public may be well informed about the spending under various schemes. Such a system will automatically put a pressure on the implementing authorities to perform better and deliver results. Gram Sabha in this regard can be the best forum in rural areas. There is an urgent need to strengthen the Gram Sabhas so that they can function as an institution of social audit. The Committee would like the Department to take urgent action in this regard and inform the Committee accordingly.

Below Poverty Line (BPL) Census, 2002

2.30 The Committee were earlier informed that the Ministry of Rural Development has released Rs. 75.96 crore to all States and Union territories for conducting the BPL Census, 2002 (refer paragraph 2.39 of 3rd Report—14th Lok Sabha). Further as stated in the Performance Budget (2005-2006), the Ministry is making efforts to finalise the results and make it operational immediately.

2.31 It has further been stated in the Performance Budget that in consultation with the Planning Commission the Ministry has decided that the number of persons identified through the BPL Census, 2002 may not exceed the number of BPL persons estimated by the Planning Commission during 1999-2000 for the rural sector or the number of persons as per the adjusted share completed by the Planning Commission which ever is higher. An additional 10 per cent may be permitted to account for the transit poor.

2.32 In another document of the Department, the Committee have been informed that the results of BPL Census, 2002 have not yet been finalised because of direction of Hon'ble Supreme Court. The matter is still pending before the Supreme Court. It has further been stated that the exercise of BPL Census, 2002 is yet to be completed in terms of tabulation and analysis, as per the Tabulation Plan of the Ministry. As regards the expenditure with regard to the money released to State Governments for conducting said survey, the Ministry has informed that the complete details of expenditure from the States/Union territories will be received after completion of the survey.

2.33 While noting that the results of BPL survey (2002) could not be finalised due to the direction of Hon'ble Supreme Court, the Committee would like to be apprised about the latest position with regard to the hearing on the aforesaid case by Hon'ble Supreme Court. Further the Committee are concerned to note that the exercise of BPL Census, is further being delayed by the State Governments/ Union territory Administrations. The Committee strongly recommend that pending decision by the Supreme Court, the exercise by States/ Union territories should be completed expeditiously and the provisional results should be made available by the Government so that the results could be finalised immediately when the decision in this regard is taken by the Supreme Court.

2.34 The Committee are further unhappy to note the decision of the Government according to which the number of BPL persons estimated should not exceed those of identified as per 1999-2000 survey. The Committee feel that such an arbitrary limit of BPL persons to be identified will do a great injustice to the genuine BPL persons who could be debarred from certain benefits. Not only that, it would be a major factor for providing unreasonable authority to the agencies involved, thereby inviting corruption and malpractices. The Committee strongly recommend not to fix any such limitations. They would also like that their concern in this regard should also be brought before the Planning Commission and matter should be reviewed afresh.

Role of Panchayats in implementation of schemes and Simplification of procedure under different schemes of the Department

2.35 The different schemes of the Department are implemented by different implementing agencies and funds in most of the cases are directly released to DRDAs. The position in this regard has been indicated in *Appendix-IV*. The implementing Agency under only one scheme *i.e.* SGRY is Panchayats. In all other schemes, the involvement of Panchayats is there but the implementing agency is not exclusively the Panchayats.

2.36 The Committee find that there is an urgent need to implement all the schemes of the Department directly by the Panchayati Raj Institutions in the true spirit of the mandate of the Constitution as per article 243G of the Constitution. Besides the funds for all the schemes should be released directly to Panchayats in the

specific accounts for the purpose. Such a system will not only empower Panchayats but also improve the implementation of the Programme. The common Implementing Agency and the funds transfer agency would further simplify the procedure and avoid delay in transfer of funds. The Committee in their earlier reports had also been drawing the attention of the Government in this regard. While reiterating their earlier stand, the Committee would like that earnest action in this regard should be taken.

Gender Budgeting

2.37 Finance Minister in his Budget speech (2005-2006) has indicated that all the Departments will be required to present gender budgets as well as make benefit incidence analyses.

2.38 As a follow up to the instructions issued by the Ministry of Finance, the Department of Rural Development has created a 'Gender Budgeting Cell' under the overall supervision of Chief Economic Adviser (Monitoring) for dealing with the issues relating to Gender Budgeting. The Department has informed that it was decided that in respect of the Schemes *viz.* SGSY, SGRY, IAY and PMGSY under which women are benefited directly or indirectly, a para in financial provisions/physical targets, if any, benefiting women under these schemes may be included in the Performance Budget and Annual Report. Accordingly a para on Gender Budgeting has been included in the Performance Budget (2005-2006) and Annual Report (2004-2005).

2.39 Under SGSY, it is envisaged that 50 per cent of the SHGs formed in each block should be exclusively for women who will account for at least 40 percent of Swarozgaries. During 2003-2004, percentage of women beneficiaries was 52.46 per cent and during 2004-2005 (upto 31 January, 2005), the percentage of women beneficiaries is 53.60 per cent. Under SGRY, no specific targets for women beneficiaries assisted have been fixed but efforts are made by the Department to provide 30 per cent of employment opportunities for women under the programme. During 2003-2004, as per the data provided by the Department, around 25 per cent of beneficiaries were women and during 2004-2005 around 15 per cent of beneficiaries could be benefited (upto 31 January, 2005). Under Indira Awaas Yojana, as per the guidelines, houses constructed under Yojana are allotted in the name of female member of the beneficiary household. Alternatively it can be allotted in the name of both husband and wife. In case no eligible member in the family is available/alive, IAY house can be allotted to the male member of a deserving BPL family. During

2003-2004, a total number of 9.37 lakh houses were allotted to the women beneficiaries out of which 5.22 lakh houses were allotted exclusively in the name of women members, while 4.15 lakh houses were allotted in the name of both husband and wife. During 2004-2005 (up to 31 January, 2005), a total of 6.75 lakh houses were allotted to the women beneficiaries of which 4.49 lakh houses were allotted exclusively in the name of females and 2.26 lakh houses were allotted in the name of both husband and wife. Women are indirectly benefited in the habitations which are provided connectivity under PMGSY.

2.40 The Standing Committee (2004-2005) during their Study visit to Varanasi and Lucknow during November 2004 had found that the number of women beneficiaries under different schemes particularly SGRY was marginal. The State level representatives clarified that the non-participation of women in labour intensive works under different Centrally sponsored schemes was due to family traditions according to which women prefer to be engaged in the household activities.

2.41 The Committee appreciate the initiative of the Government to present gender budgeting by all the Departments of the Union Government and also to make benefit incidence analyses. They also appreciate the initiative taken by the Department of Rural Development to indicate the data with regard to women beneficiaries. Such type of data brings transparency towards the efforts of different Department for the welfare of women and also help the Government to monitor the implementation of the policies initiated for women welfare.

2.42 The Committee note that in the schemes meant for providing wage employment for manual labour work, like SGRY and Food for Work Programme the participation of women, may not be so encouraging. The data with regard to SGRY, as well as the observation of the Committee during the Study-visit to Varanasi and Lucknow in Uttar Pradesh substantiate this point. The Committee find that the Government propose to provide 100 days of wage employment to each family in rural area. To achieve this objective the Government have brought a legislation, 'The National Employment Guarantee Bill, 2004' which is under examination of this Standing Committee. At present National Food for Work Programme is being launched in 150 districts to achieve the said objective. The Committee feel that serious efforts have to be made by taking suitable action in this regard so as to encourage participation of women under the Employment Guarantee Scheme.

The Committee would further like to hear from the Government about their experience under the National Food for Work Programme as well as the efforts envisaged to protect the interests of women at the work fields to enable the Committee to analyse the position and comment further in this regard.

Implementation of Schemes in North-Eastern Region

2.43 The data with regard to the overall allocation of different schemes to North Eastern Region including Sikkim since 2000-2001, when the concept of per cent exclusive allocation to such Region was started is as under:

(Rs. in crore)

Year	Opening Balance	Total Allocation	Total Release	Total Funds	Total Expenditure
2000-2001	144.58	963.54	442.54	587.13	449.62
2001-2002	128.22	906.15	766.22	894.44	623.24
2002-2003	217.41	795.51	621.68	839.10	609.06
2003-2004	189.14	938.83	803.54	992.68	870.40

2.44 As per the existing position, the funding pattern for all the schemes including North Eastern Region is 75:25 *i.e.* 75 per cent by the Union Government and 25 per cent by State Governments.

2.45 The Department has informed that North Eastern Rural Development Minister's Conference has forwarded a resolution to the Ministry of Rural Development to the effect that funding pattern of the Centrally sponsored Schemes of the Ministry may be made in the ratio of 90 per cent and 10 per cent. Accordingly the matter was taken up with the Planning Commission.

2.46 The Committee note from the data provided by the Department that spending position under different schemes in North Eastern Region has improved. But underspending still persists. The Committee would like the Government to take up the issue of underspending with North-Eastern States so as to improve the position further.

2.47 On the issue of revision of norms for Centre *vis-à-vis* State's allocation, the Committee find that the matter of revision of Centre, State allocation from 75:25 to 90:10 is being taken up with the Planning Commission. The Committee would like to know the final decision when taken in this respect.

CHAPTER III

SCHEME-WISE ASSESSMENT OF DEMANDS FOR GRANTS (2005-2006) OF THE DEPARTMENT OF RURAL DEVELOPMENT

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

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

3.2 The Finance Minister in his speech on Budget 2005-2006, has indicated that it is the Government's intention to convert National Food for Work Programme into the National Rural Employment Guarantee Scheme. When fully rolled out, the scheme will provide livelihood security for crores of poor families. At present National Food for Work Programme is being implemented in 150 districts.

3.3 The National Rural Employment Guarantee Bill, 2004 has been referred to the Committee for examination and report to Parliament. In the Budget speech, Finance Minister has stated that Government intends to convert the National Food for Work Programme into the

National Rural Employment Guarantee Scheme. As per the proposed legislation, 100 days wage employment will be legally guaranteed to each rural household. When asked for the details in this regard the Department has clarified that the objective of scheme and legal guarantee envisaged in the Bill are quite different. The Rural Employment Guarantee Act would guarantee 100 days of wage employment to every rural poor household, whereas under National Food for Work Programme, resources have been allocated based on the same criteria for providing 100 days of wage employment to one member from each rural poor household. The only difference is that under Rural Employment Guarantee Act, there is a provision of legal guarantee of 100 days whereas under the NFFWP, no such guarantee has been envisaged. But the outcome would be the same if the resources allocated to the concerned districts, are utilized to the fullest extent and if the present level of allocation of the SGRY to the concerned Districts, is maintained.

Criteria for selection of 150 districts in the country

3.4 When asked for the criteria for selection of 150 most backward districts in the country, the Department has informed that for the States (other than special category States and States in the North Eastern region except Assam) most backward Districts have been chosen on the basis of an exercise undertaken by the Planning Commission using three parameters, namely (i) agricultural productivity per worker, (ii) agricultural wage rate, and (iii) SC/ST population. For the special category States and States in North Eastern region (except Assam), districts were identified from out of the list selected under Rashtriya Sam Vikas Yojana (RSVY).

3.5 The Department has further informed that at least one district has been selected in each State. All the States except Goa have been covered. The State Governments have been consulted while finalizing the districts.

3.6 The details indicating the names of the identified 150 districts along with allocation of resources (funds and foodgrains) and the releases may be seen at *Appendix-V*.

3.7 When asked about the number of additional districts in which the NFFWP will be implemented during 2005-2006, the Department has given a vague reply. Further on a query asking whether any planning has been made to roll out the programme in whole of the country, the Department has responded that there is no such proposal at this stage. Further it has been stated that no exercise estimating the required outlay in case the scheme is rolled out for the whole of the country has been made by the Ministry.

3.8 The Finance Minister in his Budget Speech has mentioned about 170 most backward districts of the country as identified by an Inter-Ministerial Group (IMG). When asked as to whether 150 districts identified under National Food for Work Programme are different from 170 most backward districts mentioned by the Finance Minister, the Ministry has clarified that, 170 districts mentioned by the Finance Minister are different from 150 most backward districts for the implementation of NFFWP. However there are also common districts in these two exercises.

3.9 When asked as to how the coordination between SGRY and National Food for Work Programme is being maintained specifically when both the programmes have the common objective, the Department has clarified that though, both the programmes have similar objectives of generation of additional supplementary wage employment in rural areas the major difference is that the SGRY is entirely implemented by the Panchayati Raj Institutions (PRIs) whereas NFFWP is implemented by the District Collectors. The SGRY and the NFFWP are complimentary in nature since, the requirement of resources under NFFWP has been calculated taking into account the present level of allocation of the SGRY in a particular district and the balance resources required to provide 100 days of employment to one member of each rural poor family. Moreover, each district has to prepare a Perspective Plan of Five Years taking into account resource availability under all the social sector programmes including that of the SGRY and accordingly a shelf of projects under each programme has to be clearly indicated.

3.10 Further the Department has informed that National Food for Work Programme and SGRY will be merged with National Employment Guarantee Scheme in the areas where Guarantee Scheme is being implemented.

3.11 Clarifying the objective of several wage employment schemes as stated above, the Secretary during the course of oral evidence stated that when the Employment Guarantee Act will be applicable, Food for Work Programme and Sampoorna Grameen Rozgar Yojana will be merged in the districts where Guarantee scheme will be applicable.

3.12 The Committee find from the information and clarification provided by the Department that at present National Food for Work Programme along with Sampoorna Grameen Rozgar Yojana (SGRY) is being implemented in 150 selected districts. In the remaining districts Sampoorna Grameen Rozgar Yojana is being implemented. When, the National Employment Guarantee Act will be applicable,

these two programmes will be merged together and shall be known by the name of the Act. While noting the aforesaid scheme of things, the Committee are at a loss to understand the plethora of schemes with the same objective. Not only that it is not clear where the National Employment Scheme will be applicable, indicating clearly whether it is the replacement of Food for Work Programme. The Committee strongly recommend that SGRY and Food for work programme should be merged together in the 150 districts selected so far which will pave the way for 100 days guarantee. The merged scheme should be known as National Employment Guarantee Scheme which will ultimately be proposed to take the shape of legal guarantee after the aforesaid enactment.

3.13 The Committee find from the Budget documents as well as replies furnished by the Department that allocation and utilisation has been indicated State-wise. The Committee note that that in view of the existing system of indicating and monitoring data, it is not possible to know the performance of the programme in the selected 150 districts. The Committee would like to recommend that district-wise physical and financial achievement should be indicated against each of the districts so as to know the impact of the programme in each of the districts. Such data will also enable the Government to know the various shortcomings in the programme which will ultimately be taking the shape of a guarantee scheme.

3.14 The Committee further fail to understand the difference between the most backward districts selected by the Department for the purpose of National Food for Work Programme with those of 170 most backward districts mentioned by the Finance Minister in his Budget speech. The Committee would like the Department to analyse the position in this regard and furnish explanation to the Committee. The Committee would also like to strongly recommend that while selecting the districts for National Food for Work Programme, it should be strictly ensured that parameters for selection of districts are such that first of all the most backward districts in a State get the due priority in the Programme.

3.15 The National Rural Employment Guarantee Bill, (2004) is being examined by this Committee and all related matters will be analysed and suitably recommended in the report. At this stage, the Committee would like to say that although the Government has started the Food for Work Programme in 150 districts meant to achieve the similar objective as of the said legislation, there is no

planning on the part of the Government as to how the Guarantee Scheme will be applicable throughout the country. The Committee are constrained to find that so far no exercise has been made to know about the estimated outlay that will be required to cover the whole country with the said guarantee. The Committee fail to understand how the Government would be achieving the objective of such an ambitious legislation. The Committee strongly recommend that the Government should do the desired home-work so that such a big programme with laudable objectives could be translated into reality.

Implementation of Sampoorna Grameen Rozgar Yojana Outlay for SGRY

3.16 The information on outlay and expenditure under SGRY since 9th plan is as follows:

Outlay for SGRY

	(Rs. in crore)
9th Plan outlay	32869.87
Actual outlay	40435.22
Proposed 10th Plan outlay	48538
Outlay agreed to by Planning Commission	30000
Total releases up to 15.3.2005 in 10th Plan	23972.73
BE 2002-2003	4440
RE 2002-2003	9086
Actual expenditure 2002-2003	9085.93
BE 2003-2004	4900
RE 2003-2004	10130
Actual expenditure 2003-2004	10129.93
BE 2004-2005	5100
RE 2004-2005	5100
Actual expenditure (up to 15.3.2005)	4756.87
Proposed BE 2005-2006 (Cash component)	5428
(Foodgrains component)	27375.87
BE 2005-2006 (Cash component)	4000
(Foodgrains component)	Nil

3.17 When asked to justify the allocation during 2005-2006 under SGRY *i.e.* Rs. 500 crore lesser than the allocation of previous year, the Department has clarified that in BE 2005-2006 allocation under SGRY for 150 districts where NFFWP is under implementation has been shown in the outlay provided under NFFWP. However, on the request of this Ministry, the Planning Commission has reconsidered the matter and has now recommended transfer of this amount of the outlay under SGRY. Accordingly, the allocation now recommended by the Planning Commission for SGRY is Rs. 5,500 crore which is higher than the current year's outlay for the scheme. Thus, there would be no reduction in the outlay for SGRY during 2005-2006.

3.18 The Secretary during the course of oral evidence stated that so far as the question of foodgrain is concerned, last year only partial allocation was made and as such payment of about Rs. 15,000 crore is due for Food Corporation of India. The Committee were further informed during the course of oral evidence that the Ministry of Finance has recently decided that they will directly pay the amount to Ministry of Consumer Affairs, Food and Public Distribution for foodgrains component.

State-wise performance of SGRY during 2004-2005

3.19 The status of utilization of funds for the year 2004-05 in some of the poor performing States is indicated below:—

S.No	States/Union territory	Percentage utilised	Expenditure reported up to	Reasons for less utilisation
1	2	3	4	5
1.	Arunachal Pradesh	26.25	Sept., 04	Utilisation reported from May, 04 to Aug., 04 for 4 months.
2.	Bihar	46.81	Nov., 04	Due to non-availability of foodgrains in FCI Godowns
3.	Manipur	36.59	Nov., 04	Difficulties faced in lifting foodgrains from FCI Godowns to work sites
4.	Mizoram	42.53	Oct., 04	Difficulties faced in lifting foodgrains from FCI Godowns to work sites

1	2	3	4	5
5.	Nagaland	24.07	July, 04	Difficulties faced in lifting foodgrains from FCI Godowns to work sites
6.	Sikkim	0	NYR	—
7.	A&N Islands	2.2	Sept., 04	Poor demand of work under SGRY
8.	Daman & Diu	0	NYR	—
9.	Lakshadweep	29.81	Jan., 05	Poor demand of work under SGRY

NYR – Not Yet Reported

3.20 When asked about the corrective steps taken by the Department, the Committee have been informed that utilisation reports in respect of most of the States mentioned above do not indicate the latest status of utilisation. As per in-built mechanism of the programme, if any district fails to achieve utilisation of 60 per cent of available funds, it will not be eligible for second instalment and funds will be deducted proportionately from second instalment in case more than 15 per cent of available funds is available as Opening Balance.

3.21 As per the Performance Budget 2005-2006, DP/DRDAs are required to identify the nearest depot of FCI from which they are proposing to lift the foodgrains so that there is economy in the transportation charges for lifting of foodgrains.

3.22 As reported by FCI, 112 revenue districts of 33 States/Union territories where this programme is being implemented, are not having any storage capacity with FCI. However, these revenue districts are being fed through the nearest FCI depot. As regards transportation charges, the State Governments/Union territories will bear the transportation cost and other handling charges from their own resources and hence the transportation charges are not being monitored at the Centre.

Special Component of SGRY (SC-SGRY)

3.23 Allocation of foodgrains to the States, under Special Component of SGRY, is made on the basis of requirement to deal with

calamities such as drought, earthquake, cyclone, flood etc. As per the Performance Budget 2004-05, the foodgrains can be utilised in any Scheme of Central or State Government in the district affected by a natural calamity and duly notified as such. The subject of notification of calamity is dealt with by the Ministry of Agriculture and the Ministry of Home Affairs. For drought, the nodal Ministry is Ministry of Agriculture. For other calamities like flood, earthquake etc., the Ministry of Home Affairs is the nodal Ministry. When a calamity takes place in any State, the State Government, after making an assessment, notifies the affected areas. After notification, depending on the nature of the calamity, the magnitude of the problem is assessed by one of these Ministries. It is only when a High Level Committee (HLC) set up for the purpose, decides *inter-alia*, how much of foodgrains under the Special Component shall be released to which of the affected districts of the State, that the Ministry of Rural Development comes into the picture for release of foodgrains accordingly.

3.24 As per the Performance Budget 2005-2006 the foodgrains under SC-SGRY were released to 12 States *viz.* Andhra Pradesh, Assam, Bihar, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Meghalaya, Mizoram, Rajasthan, Sikkim and Tamil Nadu during 2004-2005. Out of all of these States, foodgrains have been lifted and utilized only by Karnataka and Maharashtra. Only Karnataka has generated 287.11 lakh mandays out of the utilization. Mandays generation information about the remaining States is nil.

3.25 The details of foodgrains authorised by the Ministry and utilized by the States during the year 2004-2005 for those States for which progress reports were received as reported by the Department are given below:—

Sl.No.	Name of the State	Foodgrains authorized	Foodgrains Utilised (including the unutilized foodgrains of previous year)
1.	Tamil Nadu	150000	288554
2.	Karnataka	353620	1359230
3.	Andhra Pradesh	402000	554000
4.	Kerala	42000	60878

3.26 The progress reports from the other States have been called which are still awaited. When asked for the corrective steps to be initiated by the Department, during 2005-2006 to overcome the aforesaid problems the Department has stated that the corrective steps will be taken after analysing the reports.

Outlay for calamity affected areas including Tsunami affected areas

3.27 The SGRY guidelines provide that 5 per cent of the funds and foodgrains of SGRY may be retained in the Ministry for utilization in the areas of acute distress arising out of natural calamities. However, during the years 2003-2004 and 2004-2005, no resources were set aside under this provision. During 2003-2004, funds were released under this provision out of expected savings to some drought affected States. In the current year, only Tsunami affected States were given additional allocation amounting to Rs. 360 lakh out of the overall savings. The amount so released is monitored along with funds released as per allocation and hence no separate information for utilization of such grants is maintained.

Review of National Food for Work Programme (NFFWP)

3.28 As stated in the earlier paragraph of the report National Food for Work Programme is being implemented in 150 districts so far.

The analysis of outlay provided under NFFWP

	Rs. in crore
BE 2004-2005	Nil
RE 2004-2005	2020
Actual expenditure (upto 15.3.2005)	1951.66
Proposed BE 2005-2006 (Cash component)	5427
(Foodgrains component)	2313
BE 2005-2006 (Cash component)	6000
(Foodgrains component)	Nil

3.29 The Finance Minister in his Budget Speech has indicated that for 2005-2006, a provision of Rs. 5,400 crore for cash component and 50 lakh MT of foodgrains have been made under Food for Work Programme, which in overall terms, will increase to Rs. 11,000 crore.

He also stated that it is the Government's intention to convert the programme into the National Rural Employment Guarantee Scheme, which when fully rolled out will provide livelihood security for crores of poor families. The Finance Minister also promised to find the money for the programme.

Implementation of NFFWP in Union territories

3.30 When asked whether Union territories were also consulted for choosing 150 most backward districts, the Department has informed that it has been the experience of the Ministry that the Union territories have never utilised their allocated resources to the fullest extent under SGRY and therefore, it was felt if the Union territories do require some additional resources, they can be assisted out of SGRY resources itself and as such they were not considered under NFFWP.

3.31 The Committee find that during 10th Plan under Sampoorna Grameen Rozgar Yojana Planning Commission has allocated for cash component Rs. 18,538 crore lesser than the proposed allocation. Similarly during 2005-2006, the allocation is Rs. 1,428 crore lesser than the proposed allocation. Under National Food for Work Programme during 2005-2006, the allocation for cash component is Rs. 573 crore higher than the proposed allocation. The Committee further note that SGRY will be applicable in the districts where National Food for Work Programme which eventually will be converted into Guarantee Scheme is not applicable. In such a situation, the Committee hold the view that till the scope of NFFWP is further extended, the majority of the districts will be covered by SGRY. In such a situation the Committee recommend that due priority should be accorded to SGRY. The outlay under National Food for Work Programme should not be provided at the cost of SGRY.

3.32 The Committee further find that with regard to the payment for foodgrains component under SGRY as well as NFFWP, there is utter confusion. They note that as per the recent decision, the payment for foodgrains component will directly be managed by the Ministry of Finance. As per the data reported by the Secretary during evidence Rs. 15,000 crore is the outstanding payment to Food Corporation of India. The Committee also note that during 2005-2006, no allocation has been indicated against the proposed allocation of Rs. 27,375.87 crore under SGRY and Rs. 2,313 crore under NFFWP for foodgrains component. In such a scenario the Committee fail to understand how the Government will fulfil the

commitment of providing adequate allocation under the wage employment programme of the Department. The Committee feel that, the specific allocation and outstanding due to Food Corporation of India should invariably be indicated in the Budget documents irrespective of the fact whether payment is made by the Ministry of Rural Development or Ministry of Finance to the Food Corporation of India or to the Department of Food and Public Distribution (Ministry of Consumer Affairs, Food & Public Distribution) so as to know about the clear picture of the allocation. The Committee would like to be clearly informed how the Government propose to arrange for the outlay for the employment guarantee for which ambitious commitments have been made in the National Common Minimum Programme as well as in the Budget announcements.

3.33 The Committee are disappointed to note the implementation of SGRY in some of the States particularly Union territories. The Committee are further constrained to note the reply of the Department stating that Union territories have never utilised their allocated resources to the fullest extent under SGRY and as such no district under Food for Work Programme was included for Union territories. The Committee strongly recommend to analyse the reasons for poor performance in each of the States as indicated in the preceding para of the report and take the corrective action immediately. The Committee may also be kept informed about this. The Committee are unable to understand poor performance of SGRY in Union territories which are directly under the administrative control of the Union Government. They would like the explanation of the Department in this regard.

3.34 The Committee are further constrained to note that out of 12 States to whom foodgrains were released under Special component of SGRY, only 4 States have submitted the progress reports. Further the data submitted by the Department in case of these States is also not clear. Foodgrains authorized indicated is for the year 2004-2005, whereas the utilisation data is cumulative data including utilisation for the year 2004-2005. Thus the performance cannot be evaluated. The Committee would like that the data for each year under specific item should be made individually so as to enable the Committee to come to some meaningful conclusion. The Committee strongly recommend that proper monitoring of data should be done for the outlay earmarked under Special Component of SGRY so as to ensure that the meagre resources earmarked for calamity affected areas reach the intended calamity stricken beneficiaries. The Committee would

like the Department to collect the utilisation data from such States/ Districts and submit before the Committee along with the position of mandays created.

3.35 The Committee further note that during 2005-2006, Rs. 360 crore out of overall savings has been allocated additionally for Tsunami affected States. The Committee strongly recommend to monitor the utilisation position in the said districts/States regularly so that the benefits reach to the targeted persons.

(ii) Swarnjayanti Gram Swarozgar Yojana (SGSY):

3.36 Swarnjayanti Gram Swarozgar Yojana (SGSY), a holistic programme of self-employment, was launched *w.e.f.* 01 April, 1999 following restructuring of the erstwhile Integrated Rural Development Programme (IRDP), Training of Rural Youth for Self-Employment (TRYSEM), Development of Women and Children in Rural Areas (DWCRA), Supply of Improved Tool Kits to Rural Artisans (SITRA) and Ganga Kalyan Yojana (GKY).

Funding Pattern

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

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

Objective

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

Subsidy to individuals and Self-Help Groups (SHGs)

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

Subsidy for Individuals

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

Subsidy for Self Help Groups (SHGs)

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

Implementation

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

Analysis of outlay under SGSY

	(Rs. in Crore)
9th plan outlay	4690
9th plan BE	5308
9th plan RE	4198.94
Actual expenditure 9th plan	4258.59*
10th plan proposed outlay	9850
10th plan outlay agreed to	3955
Total releases upto 15.03.05	2398.86
2003-2004 BE	800
2003-2004 RE	800
Total expenditure	797.55
2004-2005 BE	1000
2004-2005 RE	1000
Actual expenditure-2004-2005	895.27
2005-2006 BE proposed	1300
2005-2006 BE	960

* including IRDP and allied schemes.

3.43 As per the Performance Budget 2005-2006 the total allocation for subsidy to DRDAs during 2004-2005 was Rs. 1,332.67 crore, of which the Central share was Rs. 1,000 crore, which has been reduced to Rs. 960 crore in 2005-2006 BE (*i.e.* a reduction of Rs. 40 crore or 4 per cent).

3.44 The tentative credit mobilisation target under SGSY during 2004-2005 was fixed as Rs. 2,507.67 crore for the States and Union territories out of which up to January, 2005 Rs. 1,068.84 crore credit has been mobilized as per the reply of the Government.

3.45 As per information given in Performance Budget of the Department of Rural Development, performance of SGSY since inception upto December, 2004 is as follows:

	2003-2004	2004-2005
(i) Number of SHGs formed since inception of SGSY in 1999-2000	17.41 lakh	19.12 lakh
(ii) Number of Swarozgaries assisted	8.96 lakh	5.68 lakh
(a) Individual Swarozgaries	3.19 lakh	1.59 lakh
(b) SHG Swarozgaries	5.77 lakh	4.09 lakh

3.46 As per the written reply the matter regarding reduction of SGSY outlay has been taken up with the Planning Commission. The Planning Commission has assured to restore the Central Plan outlay 2005-2006 for SGSY at the level of 2004-2005 *i.e.* Rs. 1,000 crore. Therefore, per family investment and subsidy credit ratio targets under SGSY during 2005-2006 would not be affected.

State-wise performance of SGSY

3.47 As per the Performance Budget 2005-2006 the performance of SGSY is not at all satisfactory in the following States and Union territories:

States/Union territory	Total funds available (In Rs. crore)	Per cent of credit disbursed
1	2	3
Andhra Pradesh	66.21	37.34
Arunachal Pradesh	3.87	3.64

1	2	3
Assam	74.51	12.37
Goa	0.73	19.62
Manipur	0.54	0
Mizoram	1.23	0
Nagaland	1.83	0
West Bengal	81.08	11.25
A&N Islands	0.44	0.22
Daman & Diu	0.82	0
Dadra & Nagar Haveli	0.13	0
Lakshadweep	0.47	0

3.48 None of the States except Himachal Pradesh (69 per cent) and Rajasthan (53 per cent) have distributed more than 50 per cent of credit available under the scheme in the first 10 months of 2004-2005.

3.49 When asked as to whether the aforesaid performance reflect poor monitoring of SGSY during 2004-2005 and the corrective steps so far been initiated by the Department, the Department has replied that the above situation is not because of poor monitoring but due to lesser number of SHGs taking up economic activities. The Area Officers of the Ministry have been regularly visiting their designated States and have observed *viz.* low actual credit disbursement, low per family investment, slow sanctioning process of loans by banks, denial of loans to non willful defaulters, banks not being regular in attending the district/block level meetings etc.

3.50 The Committee are concerned to note a reduction of four per cent outlay under SGSY in 2005-2006 as compared to previous year allocation at BE stage. They also note that during 10th plan the Department has been allocated less than half of what was proposed under SGSY. Similarly during 2005-2006, the Department has got less than 75 per cent of the proposed outlay in this regard. A little over Rs. 1,068 crore credit mobilisation only has so far been achieved by States and Union territories against the target of Rs. 2,508 crore during the previous year. Further alarming is the fact that none of the States except Himachal Pradesh and Rajasthan could distribute

more than 50 per cent of the credit available during 2004-2005. The Committee, therefore, conclude that the Department has to blame itself for the reduction of outlay of the scheme in the current year. They note the assurance of the Planning Commission to restore the Central outlay of SGSY at the level of the previous year *i.e.* Rs. 1,000 crore. They also note the reports of the Area Officers regarding the reasons for poor performance of the scheme. In this scenario the Committee urge the Government to take corrective measures for satisfactory implementation of the scheme and then approach the Planning Commission by which the Commission could be convinced for higher allocation under the scheme.

Monitoring of SGSY

3.51 The Department has informed that the prescribed frequency of CLCC is generally maintained to the extent possible. The meetings of SLCC, DLCC and BLCC are required to be monitored by the respective State Governments.

Observation by the Committee during the Study visit

3.52 The Committee on Rural Development during their Study visit to Varanasi and Lucknow from 24 November to 27 November, 2004 have observed that no certification of quality has been given to the produce of SHGs, even if the product is found to be of a higher quality (*i.e.* Ghee produced by the SHG had not been given Agmark type of quality assurance).

3.53 The Government in reply have stated that an amount of Rs. 5 lakh per DRDA is provided for market research, hiring of consultants, participation in fairs, providing suitable design inputs to the SHG products etc. Apart from this, any assistance sought by the State Government for specific market interventions is also provided by the Ministry of Rural Development as per the norms. Intensive efforts have been made to improve the products in terms of standardization and certification. As per information available with the Ministry, some initiatives have been taken in Madhya Pradesh and Maharashtra for branding of products of SHGs. An AGMARK Laboratory has been established at Wardha out of SGSY infrastructure funds to facilitate quality certification of various products. Other State Governments are also being advised to open such facilities to help the nearby SHGs to get certification of their products.

3.54 The Committee during the aforesaid study visit had also observed that Marketing of SHG products has reduced considerably in Uttar Pradesh after UP Handlooms Corporation and UP Co-optex ceased to exist. These organizations were earlier taking the bulk of SHG products. All SHGs engaged in making sarees were hard pressed and their products were hardly marketed except for in the local market.

3.55 In their reply the Government have stated that this concern of the members of the Standing Committee would be conveyed to the State Government of Uttar Pradesh and the State Government would be advised to devise appropriate market interventions to help marketing of SHG products. Financial support required for such interventions would be considered by the Ministry of Rural Development as per norms within the available Budget.

3.56 The Committee observe that due care has not so far been taken by the Government either to arrange for proper certification or for marketing of SHG products. The Committee note the reply of the Department that some initiatives by only two States *viz.* Madhya Pradesh and Maharashtra have been taken to facilitate quality certification of various SHG products. They feel that these efforts are not enough. The laboratory at Wardha cannot cater to the need of all SHGs of the country. The Committee, therefore, recommend that the Government should help to establish at least one laboratory in each region of the country that too only for certification of SHG products, which can be replicated for establishment of such centers in all States and Union territories in a time bound manner later.

3.57 The Committee also note with concern that marketing of several SHG products including silk sarees has reduced considerably in Uttar Pradesh where the existing marketing organisations ceased to operate. They feel that similar problems might be arising in other States/Union territories from time to time. It is an irony that the SHG members continue to face tremendous problems even now for marketing of their products. As importance of marketing of SHG products cannot be overlooked, the Committee recommend that appropriate action may be taken in this regard and they be apprised accordingly. Further, the Government should also ensure that such problems do not take place in other States and Union territories.

Interest charged by banks on the loan advanced under SGSY

3.58 The Committee during their aforesaid Study visit have found that in some cases banks charge interest on subsidy provided under

SGSY also, which is against the guidelines. Besides, banks are charging old rate of interest from the beneficiaries of SGSY loan which is much higher even after the rate of interest is reduced under new loans obtained under the scheme. The benefit of the lower interest regime was not being extended to the old beneficiaries. When asked for the comments of the Department, the Committee have been informed that as and when such complaints are received, these are taken up with the concerned bank for remedial action.

3.59 The Committee had also noticed that NABARD refinance Banks for SGSY at the rate of 5.50 per cent whereas banks are charging between 8.5 per cent and 9.5 per cent from beneficiaries/groups. When asked about the justification of charging such a high rate of interest, the representative of banks present at the informal meeting during the Study visit stated that this was due to difficulties in the recovery of loans from SHGs. He also stated that three per cent was charged as the administrative charges.

3.60 In reply the Department has stated that the matter of charging high interest rates and other charges has been taken up by the Ministry with the Ministry of Finance and Reserve Bank of India (RBI). However, the interest rate has been deregulated and the individual banks are free to fix the rate of interest depending on the cost of the funds and the risk involved in such lending.

3.61 Regarding the position of recovery of loans provided under SGSY in different States, so far in the 10th Plan, the Government have furnished the following information:

SGSY RECOVERY IN PERCENTAGE DURING 2002-2003

S.No.	STATE	PERCENTAGE OF RECOVERY
1	2	3
1.	Andhra Pradesh	55.4
2.	Assam	31.71
3.	Bihar	36.48
4.	Gujarat	53.12
5.	Harayana	57.89
6.	Himachal Pradesh	56.06

1	2	3
7.	Jammu & Kashmir	42.68
8.	Karnataka	48.61
9.	Kerala	56.06
10.	Madhya Pradesh	27.05
11.	Maharashtra	35.76
12.	Manipur	0
13.	Meghalaya	30.43
14.	Nagaland	33.21
15.	Orissa	22.93
16.	Punjab	53.81
17.	Rajasthan	36.1
18.	Sikkim	75.64
19.	Tamil Nadu	80.81
20.	Tripura	0
21.	Uttar Pradesh	56.18
22.	West Bengal	40.42
23.	Andaman & Nicobar Islands	25
24.	Arunachal Pradesh	12.5
25.	Chandigarh	64.89
26.	Dadra & Nagar Haveli	0
27.	Goa	67.61
28.	Mizoram	0
29.	Pondicherry	91.85
30.	Lakshadweep	0
31.	Damand & Diu	0
32.	Delhi	100
33.	Jharkhand	49.13
34.	Chhattishgarh	37.16
35.	Uttaranchal	57.48
	Total	42.11

3.62 The Secretary during the course of oral evidence acknowledged that for buying a car or a house in urban areas, the rate of interest charged is much lesser than the interest charged for SGSY loans in rural areas. He also informed the Committee that Hon'ble Minister of Rural Development is taking up this matter with the Ministry of Finance.

3.63 The Committee find that over the years there has been considerable reduction in rate of interest being charged by Commercial Banks from the customers. They further note that whereas people in urban areas are enjoying the benefits of this lower interest rate regime, the poorest of the poor are being deprived of the said benefits. People in urban areas can get loan for buying a car or a house at much less rate than the rate of interest being imposed on the poorest of the poor under the social sector schemes like SGSY. Similar may be the position for loans advanced for housing in rural areas. Not only that, whereas banks get refinance at a much cheaper rate of 5.50 per cent, they charge interest at much higher rate between 8.5 to 9.5 per cent as the Committee noticed during the Study visit to Varanasi and Lucknow.

Besides the Committee found during the said study tour that banks were charging old rate of interest *i.e* on the loans advanced earlier under SGSY. The benefit of the lower interest regime is not being extended to the old loans sanctioned to SGSY beneficiaries at much higher rates as compared to present day rate of interest.

While noting the data with regard to recovery of loans under SGSY in various States, the Committee feel that the ground reality in this regard may not be so worse as indicated in the data provided by the Department. Another noticeable point is the zero per cent recovery rate in Manipur, Tripura, Dadra and Nagar Haveli, Mizoram, Lakshadweep, Daman and Diu. The Committee feel that there are certain discrepancies in the data furnished by the Department with regard to the recovery rate of SGSY loan. The Committee would like the Department to explain the position in this regard. Besides, they would like to be apprised of the data with regard to the recovery of commercial lending by banks so as to enable them to react further in this regard. On the issue of administrative charges, the Committee feel that 3 per cent charges as indicated by banks during the Study visit are much on higher side.

3.64 In view of the aforesaid scenario, the Committee strongly feel that there is no justification for charging higher rate of interest from the poorest of the poor in rural areas. While noting that the Government has deregulated the interest rate and banks are free to charge rate of interest from customers, the Committee feel that while dealing with the issues related to the poorest of the poor, some sort of regulation is necessary. Besides there is an urgent need to change the mindset of banks towards lending for social sector. They feel that the mindset of the banks should be pro-poor. The Committee strongly recommend to the Government to take up the issue raised above on an urgent basis with the Ministry of Finance, Reserve Bank of India and all other concerned. Not only that, the intervention at much higher level in this regard is required. The Committee will also like that their concerns in this regard should be communicated to the Cabinet Secretary so that this issue may get the top most priority. The Committee would also like that the said issue should be taken in consideration for Cooperative as well as Regional Rural Banks also as these banks are also charging high rate of interest on social sector lending like SGSY loans.

3.65 The Committee further find that besides the higher rate of interest, there are other severe anomalies as the Committee noticed and the banks admitted during the Study visit. The most glaring anomaly noticed is charging of interest on subsidy which is a gross violation of the guidelines. The reaction of the Department stating that the complaints when received are taken up with the concerned bank, smacks of the casual approach of the Department towards such a serious issue. The Committee feel that this is not a normal complaint. Some sort of accountability should be fixed. Stringent and serious efforts are called for on behalf of the Department when such issues specifically by a Parliamentary Committee are brought to the notice of the Department. The Committee would like the Department to explain the position in this regard.

SGSY Infrastructure

3.66 The Committee have been informed that as per mandated guidelines of SGSY, DRDAs may prioritise the expenditure on different components *i.e.* training and capacity building, revolving funds, subsidy for economic activity based on the local requirements at different stages of group formulation. DRDAs may ensure that there is a balance between the expenditure proposed for different items. The expenditure on infrastructure should not exceed 20 per cent of the total SGSY

allocation, (25 per cent in case of North-Eastern States). Under Special Project Component of SGSY, Projects are approved in the Ministry by an Inter-Ministerial Committee, headed by the Secretary (Rural Development) and the funds are released to the concerned DRDAs/Implementing Agencies. As per the information furnished by the Department, the State of Sikkim till date has not been provided any funds for infrastructure Projects. In addition to 27 other States, Nehru Yuvak Kendras (NYKs) have been involved in the implementation of Special Projects. The information on allocation, release and utilisation of SGSY Special Project funds is given as under:

Year-wise allocation and releases under SGSY Special project since inception

Year	Total Allocation for subsidy to DRDAs under SGSY (Rs. in crore)	Central share under SGSY (Rs. in crore)	15% of the Central allocation under SGSY <i>i.e.</i> Allocation for SGSY special-projects (Rs. in crore)	Funds released for Special Projects (Rs. in crore)	Total funds available for special projects (Rs. in crore)	Funds utilized for Special projects (Rs. in crore)	Funds remaining unspent under Special projects
1999-2000	1472.33	1105	165.75	62.74	165.75	62.74	103.01
2000-2001	1332.50	1000	150	67.37	150	67.37	82.63
2001-2002	774.50	581.50	87.23	102.66	87.23	102.66	-15.43*
2002-2003	756.37	567.90	85.19	105.45	85.19	105.45	-20.26*
2003-2004	1065.83	800	120	111.74	120	111.74	8.26
2004-2005	1332.67	1000	150	55.47	150	55.47	94.53

(*) Excess Amount/Saving was adjusted under normal SGSY.

It can be seen therefrom that Rs. 8.26 crore in 2003-2004 and Rs. 94.53 crore so far during 2004-2005, remained unspent under the SGSY Special projects component.

3.67 Regarding the physical achievement of SGSY Special projects since 1999-2000, the Committee have been informed that there are 178 projects approved under the SGSY Special Projects programme since 1999-2000. Each project has separate specific physical activity to be

undertaken, so no aggregation of physical targets as such for the SGSY Special projects as a whole has been done.

3.68 Regarding the performance of NYKs under SGSY Special Projects, the Committee have been informed that NYK is an autonomous body under the administrative control of Ministry of Youth Affairs and Sports and these are engaged in the Poverty Alleviation programmes with active involvement of Youth Clubs. These are also involved in other activities like Health, Education, Environment etc. Since the projects involve ground level mobilization and interaction with the beneficiaries and NYKs have strength on that account, NYK were involved. It has further been clarified that the NYKs have been involved in the implementation of four Special Projects. Initially the progress of those projects was very slow but now the pace of the project implementation is improving.

3.69 The Committee are unhappy to note the performance of SGSY Special projects. They find that Rs. 8.26 crore during 2003-2004 and Rs. 94.53 crore so far during 2004-05 have remained unspent. Not only that, the Government have involved in the implementation Nehru Yuvak Kendras which are under the administrative control of the Ministry of Youth Affairs and Sports even though DRDAs/ Zilla Parishads continue to implement rural development schemes in all districts of the country. As admitted by the Government, the progress of the projects being implemented by NYKs was very slow but the pace is improving now. The Committee fail to understand as to why the NYKs were involved in the implementation of SGSY projects specifically when DRDAs/Zilla Parishads have been established and are functioning in most of the districts of the country to monitor the implementation of schemes of the Ministry. The Committee in this regard would like the Department to furnish the reasons for involving NYKs in the implementation of SGSY special projects. Besides they would like to be apprised of about the details of such projects indicating the financial and physical performance of these projects which are being taken up by NYKs so as to enable the Committee to ensure the reasons for their involvements and comment further in this regard.

(iii) Rural Housing

3.70 The following four schemes are being implemented by the Department under Rural Housing:

- (a) Indira Awaas Yojana (IAY) is being implemented since 1985-86 to provide assistance to Below Poverty Line (BPL)

households belonging to the Scheduled Castes/Scheduled Tribes, freed bonded labourers and also to non Scheduled Castes/Scheduled Tribes, households of rural BPL, families of ex-servicemen of the armed forces and para military forces killed in action. The ceiling on construction assistance under IAY is Rs. 25,000 per unit for plain areas and Rs. 27,500 for hilly/difficult areas and conversion of *kutchha* house into *pucca* house (upgradation) is Rs. 12,500 *w.e.f.* 1 April, 2004. The funds under the Scheme are shared between the Centre and the States in the ratio of 75:25. The Union territories are provided 100 per cent Central assistance.

- (b) Credit-cum-Subsidy Scheme for Rural Housing: The Scheme was launched *w.e.f.* 1 April, 1999. The Scheme targets rural families having annual income up to Rs. 32,000 while the subsidy is restricted to Rs. 10,000 per household. The upper limit of construction, *i.e.* loan admissible under the scheme is Rs. 40,000 per household. The subsidy component is shared between the Centre and the States in the ratio of 75:25. The Union territories are provided 100 per cent assistance. The scheme has been merged with Indira Awaas Yojana *w.e.f.* 1 April, 2004. Up to 20 per cent of the total funds under IAY (annual district allocation) can be utilized for upgradation of existing *kutchha* houses and towards subsidy for construction of houses with credit from banks/ Financial Institutions or both or for new construction, since 2002-03.
- (c) Innovative Stream for Rural Housing and Development: The Scheme was being implemented on project basis since 1999-2000. Recognised educational/technical institutions, corporate bodies, autonomous societies, State Governments, development institutions and credible NGOs in the field of Rural Housing can apply for assistance under the Scheme. The maximum permissible assistance for Government agencies is Rs. 50 lakh.
- (d) Rural Building Centres (RBCs): The Scheme of Rural Building Centres was launched *w.e.f.* 1 April, 1999. The objective is to achieve technology transfer, information dissemination, skill upgradation through training of rural masons, plumbers etc., production of cost effective and environment friendly material. For setting up a RBC, a total Central grant of Rs. 15 lakh is provided in three instalments.

The Scheme is being implemented and monitored by the Ministry of Rural Development with the assistance of Housing and Urban Development Corporation Limited (HUDCO). As per the written reply, the Innovative stream for Rural Housing and Habitual Development Rural Building Centres and Samagra Awaas Yojana were project based and demand driven schemes. These schemes have been discontinued/merged with the IAY from April 1, 2004.

Overall analysis of Rural Housing Schemes

3.71 The overall Budget allocation for the Rural Housing (RH) during 2005-2006 BE is Rs. 2,775 crore, and the 2004-2005 BE for the schemes was for Rs. 2,500 crore. Thus the 2005-2006 BE has been increased by Rs. 275 crore or 10.78 percent over the previous year. During 2004-2005, Rs. 400 crore additional assistance has been provided to Bihar for construction of nearly 2.13 lakh houses damaged due to floods.

3.72 As per the written reply, the Government propose to construct additional 60 lakh houses during the next four years (2005-2006 to 2008-2009) under Bharat Nirman Programme. Accordingly, the Planning Commission has been requested to allocate additional funds for construction of additional 15 lakh houses annually so that the target of 60 lakh houses during next four years could be met.

3.73 As per the campaign of Housing for all, between 1999-2000 and 2002-2003, additional 13 lakh houses annually were targeted to be constructed in rural areas, which has not been achieved. As per 2001 Census estimates, the housing shortage in the rural areas is estimated at 14.84 million. In addition, about 10 lakh houses are added to the existing shelterlessness every year. Regarding the parallel Rural Housing Scheme being implemented by the States and Union territories the Committee have been informed that Kerala, Tamil Nadu and Gujarat are dovetailing funds with IAY. The Ministry of Rural Development do not monitor other schemes being implemented by State Governments for people other than BPL families.

3.74 During their Study visit to Varanasi and Lucknow from 24 November, 2004 to 27 November, 2004 the Committee have found that several houses constructed under IAY were without proper ventilation and windows. Several such houses also had no drinking water connection.

3.75 The following information has been furnished on the performance of IAY in the 9th Plan *vis-a-vis* 10th Plan relating to IAY:—

(Rs. in crore)

	Plan Proposal by Deptt.	Approved Plan outlay	OB at beginning of the Plan	Central Share allocation	Central Share release	State Share allocation	State Share release	Total allocation (C+S)	Total Release (C+S)	Total available funds	Total Expenditure
9th Plan 1997 to 2002	28042.00	8035.75	372.23	7468.69	7425.12	2265.99	2256.46	9734.68	9681.58	10053.81	9638.36 (95.87%)
10th Plan * 2002 to 2007	13040.00	8603.00	821.42	5987.57	6238.09	1991.86	2076.73	7979.43	6318.63	9136.24	2668.73 (83.94%)

*as on 22.03.2005

3.76 The Committee find from the data indicated above that there is an increase of 11 per cent in the outlay provided during BE 2005-2006, but if compared to RE, there is further reduction of outlay. As clarified by the Department, even if it is accepted that Rs. 400 crore special assistance is provided to Bihar for construction of 2.15 lakh additional houses damaged by floods is included in the outlay, the outlay provided during 2005-2006 is inadequate keeping in view the data of shelterlessness in the country. As per Government's own data 14.84 million is the housing shortage. Not only that shortage of around 10 lakh houses is added to it annually. The Committee find that shelter is basic necessity of life and there is an urgent need to tackle the issue on war footing.

3.77 The Committee further note that ambitious targets of constructing 60 lakh houses in four years (2005-2006 to 2008-09) have been set under 'Bharat Nirman'. They feel that without adequate funding, targets will remain only dreams. To translate such ambitious programmes in to reality, the Committee strongly recommend that adequate outlay should be provided. Ministry of Finance/Planning Commission should be approached for adequate funding. The Committee would like to be apprised of their reaction. With regard to special allocation of Rs. 400 crore as provided to Bihar for construction of 2.15 lakh additional houses damaged by floods, the Committee would like to be apprised of the physical achievement in this regard.

3.78 The Committee further note that the Government have started implementing several sub-schemes hurriedly which have now been merged with IAY from this year. They are astonished to find that the Government have not been able to monitor the physical progress of the sub-Schemes except IAY, after these are merged with IAY. The plea taken by the Department that these sub-schemes are demand driven and hence unmonitorable is unacceptable to the Committee. When scarce resources are being provided, it should be spent judiciously and the target and achievements should be monitored accordingly. Therefore, the Committee would like that the infrastructure created under all sub-schemes of rural housing should be monitored even after these are merged with IAY and should be reflected in the various Budget documents.

3.79 The Committee note that nearly 15 million families were houseless in the rural areas as per 2001 census. In addition, about 10 lakh houses are being added to the existing shelterlessness. The Committee also find that various parallel rural housing schemes are being implemented by the respective State Governments. The States of Kerala, Tamil Nadu and Gujarat are dovetailing funds with IAY. The Committee feel that there is an urgent need for dovetailing the rural housing schemes with IAY in the remaining States. The dovetailing of State Sector Schemes would not only help in avoiding the problem of coordination but would also help in having accurate data about the level of shelterlessness in a particular State. The Committee would like that said issue should be taken up and discussed at the various conference/workshops and through various review meetings conducted by the Ministry in which representatives of State Governments participate. The Committee should also be apprised about the deliberations and outcome of such discussions.

3.80 The Committee are concerned to note that several IAY houses have been constructed without basic necessities, like proper ventilation, provision for windows, drinking water, toilets etc. as found by them during their Study visit. They feel that without the provision for basic necessities the condition of poor people living in IAY houses can not be improved. They, therefore, recommend that it should be ensured to provide basic necessities in IAY houses so that poor people can live with dignity.

(iv) Pradhan Mantri Gram Sadak Yojana (PMGSY)

3.81 PMGSY was launched on 25 December 2000. The objective of the Yojana is to provide road connectivity, through good all-weather

roads, to all rural habitations with a population of more than 500 persons by the year 2007 (terminal year of Tenth Plan Period). Up-gradation (to prescribed standards) of existing roads is permitted to be taken up under the Programme so as to achieve connectivity through good all-weather roads. As per the guidelines of the scheme up-gradation is not central to the Programme and cannot exceed 20 per cent of the State's allocation where unconnected habitations in the State still exist. In up-gradation works, priority should be given to conversion of fair weather roads to all weather roads in the Core Network. This is a cent per cent Centrally Sponsored Scheme.

Implementing Authority

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

3.83 The funding under PMGSY is made by the diesel cess in the Central Road Fund, and some additional funds are obtained through borrowing from domestic financial institutions and multilateral funding agencies.

Outlay under PMGSY

(Rs. in Crore)

Outlay for 10th Plan as proposed by the Department	55,000
Outlay agreed to by Planning Commission	12,500
Total releases up to 15.3.2005	7,077.64
BE 2002-2003	2,500
RE 2002-2003	2,500
Actual Expenditure 2002-2003	2,500
BE 2003-2004	2,325
RE 2003-2004	2,325
Actual Expenditure 2003-2004	2,328.60
BE 2004-2005	2,468
RE 2004-2005	2,468
Actual Expenditure (up to 15.3.2005)	2,249.04
Proposed BE 2005-2006	3,640
BE 2005-2006	4,235

3.84 As per projections made under 'Bharat Nirman', a vision to build India as outlined in the address of President to Parliament, all the habitations having a population of 1000 (or 500 in hilly, tribal areas) are intended to be covered by 2009. As per the targets set earlier, all the habitations with a population of more than 500 persons were intended to be covered by the year 2007. The habitations with a population of 1,000 or more were to be connected by 2003.

Total roads to be constructed under PMGSY

3.85 It is estimated that about 3,68,000 km will be required to be newly constructed under PMGSY and about 3,69,000 km of through routes will need to be upgraded/renewed. The proposal cleared so far by the Government involve construction/upgradation of about 1,30,000 kilometres. As such the total balance for construction/upgradation is about 6,07,000 km.

The allocation required under PMGSY

3.86 As per Economic Survey, a total cost of Rs. 1,33,000 crore as against earlier estimates of Rs. 60,000 crore will be required for new construction as well as upgradation.

3.87 As per the position indicated by the Department, according to current estimates, the total requirement for funding the PMGSY programme is of the order of Rs. 1,32,300 crore. Of this approximately Rs. 75,800 crore is required for new connectivity and Rs. 56,500 crore is required for upgradation/renewal of existing through routes. Annual funding for the programme during the last 5 years has been of the order of Rs. 2500 crore or less. During 2005-2006 the allocation required will depend upon the targets fixed. It is estimated that in order to achieve the Bharat Nirman targets of 2009-2010 with respect of new connectivity, and also to upgrade and renew a portion of the Core Network including the associated through routes in line with the National Common Minimum Programme (NCMP) which speaks of modernization of the rural roads network, approximately Rs. 48,000 crore will be required during next 5 years up to 2009-2010, which implies an annual allocation of Rs. 9,600 crore against the current proposed budget of Rs. 4,235 in 2005-2006.

3.88 PMGSY is funded from a cess of Rs. 1.50 paise per litre on High Speed Diesel (HSD). Loans have also been negotiated with World Bank/ADB. These two sources of funding will continue to be the main source for the foreseeable future. In addition, seeing that the cess on high speed diesel is a continuing revenue source even after the

conclusion of PMGSY, it has been suggested that the cess may be leveraged in order to borrow long term funds from the domestic capital market. The quantum of funding likely to be available will depend on a number of factors including the terms of finance and the depth of the domestic capital market. According to the advice given by the Ministry of Law, the Central Road Fund Act through which the cess is collected and distributed, permits the use of the portion of the cess meant for National Highways to be used to repay loans, what not the portion meant for rural roads. Accordingly, a proposal has been moved to amend the Central Road Fund Act to enable cess funds to be used for repaying loans taken for constructing and upgrading rural roads. This will facilitate the leveraging of the cess in the domestic capital market.

3.89 The Department has further informed that PMGSY was approved as Centrally Sponsored Scheme by the Union Cabinet on 7th August, 2001. The Ministry of Rural Development was authorized in consultation with Ministry of Finance to negotiate with ADB/World Bank. As a result of negotiations, a loan/credit of \$399.50 million has been signed with World Bank and another loan with the ADB for \$ 400 million in November, 2004. The ADB has agreed to further loans up to 2007. The project appraisal for first of these two loans comprising about \$400 million has already started. The other loan, of about \$350 million is likely to be negotiated by 2007.

3.90 As per the speech of the Minister of Finance on Budget 2005-2006 the cess on petrol and diesel has been increased by 50 paise per litre. The additional cess will be earmarked exclusively for National Highways by making suitable amendment to the Central Road Fund Act, 2000. Since 2003-2004, the PMGSY has not received the enhanced allocation cess on petrol and diesel (para 3.119 of 3rd Report 14th Lok Sabha).

3.91 The Department has informed that arrears of additional diesel cess (imposed in 2003-2004) for the years 2003-2004 and 2004-2005 amounting to about Rs. 2,500 crore have not been provided even though the cess is being collected.

Involvement of Central Agencies for implementation of PMGSY

3.92 It has been mentioned in the Economic Survey that in order to improve the absorption capacity of the States where the performance

has been poor, initiatives have been taken for special intervention like involving Central Agencies for implementation of PMGSY on the request of such States.

3.93 When asked about the name of the States having poor absorption capacity, the Department has informed that PMGSY is a new Central intervention in the rural roads sector, whereas 'rural roads' are included in the State List in the Seventh Schedule to the Constitution of India. State Governments have in the past been following different practices for construction of rural roads. Technical and management standards have also varied, and generally maintenance and renewal are in arrears. PMGSY has resulted in the enforcement of common and high technical and management standards for the construction of rural roads of high quality. During the past five years of implementation of PMGSY, all States have put in place mechanism to manage the programme better, and with assurance of higher quality. The progress in this regard has however been varied to the extent that many States in the North East as well as most of the hill States and States affected by reorganization, such as Uttaranchal, Chhattisgarh, Bihar and Jharkhand are relatively slow in building up capacity.

3.94 Further when enquired in which States, Central Agencies have been involved so far and its impact, the Department has informed that discussions have been held with North Eastern States and Bihar on the issue of induction of Central Agencies in improving executing capacity. Since rural roads is a State subject, execution of PMGSY would have to be done by a State Government agency. Accordingly the arrangement envisages induction of Central agencies like NBCC, NHPC etc., as executing agencies of the State Government. So far this process has been operationalised in the States of Bihar and Tripura.

State-wise performance of PMGSY

3.95 As per Annexure-I of Performance Budget, in Bihar, Gujarat, Kerala, Manipur and Rajasthan percentage utilisation of funds is less than 75 per cent during 2000-2001 (Phase-I). During 2002-2003 (Phase-II), in Goa the utilisation was very dismal *i.e.*, 3.40 per cent. In Himachal Pradesh, Jharkhand, Maharashtra, Meghalaya, Tamil Nadu, Tripura, Uttaranchal, percentage utilisation was less than 75 percent. In 20 States, the utilisation was less than 60 per cent during 2003-2004 (Phase-III). The worst is the position during 2004-2005, (Phase-IV). Excepting two States Rajasthan and Bihar, the utilisation in all States is nil.

3.96 When asked the reasons for under spending, the Department has informed that 2000-2001 was the first year of PMGSY. The programme started on 25 December, 2000 and funds were released as Additional Central Assistance (ACA) for the State Plan. Funds were released on the basis of line estimates. States with incomplete Basic Minimum Services (BMS) works were also allowed to utilize PMGSY funds for completion of such works. As a result, the percentage of utilisation is a less reliable indicator than the length of road works completed or number of road works completed, in some cases. Thus in Gujarat in Phase-I, 95.38 per cent of the road length was reported as complete and in Rajasthan similarly 87.23 per cent of road length was reported as complete. In the other three States namely, Bihar and Manipur due to institutional problems, performance has been less than satisfactory and in the case of Kerala, problems have been partly due to institutional capacity since there was a lack of Executive Engineers at the PIU level, but also partly due to difficulty in obtaining land. In so far as phase-II is concerned in most States significant progress has been made and efforts are underway to get the other States also to complete the balance road works.

3.97 In so far as Phase-III is concerned, it is submitted that in several States, the clearance of these works were delayed because for first time States were asked for detailed DPRs before coming to Empowered Committee for clearance of works. As such clearance was accorded in most cases at the fag end of 2003-2004 and even in the early part of 2004-2005. It may also be mentioned that the work is highly seasonal and many of the proposals of 2003-2004 which were cleared towards the end of the financial year were awarded just before the monsoon of 2004. Further tendering and awarding was held up in many cases due to General Elections and the enforcement of the Model Code of Conduct. Further, the progress of work has not picked up and it is expected that during the current working season significant expenditure will be made.

3.98 In the case of (Phase-IV) 2004-2005, the proposals were cleared mostly during year 2004-2005, and it takes three months to tender the road works after clearance and 9-12 months of actual execution time.

Maintenance of Rural Roads

3.99 As per the guidelines of the scheme, the State Authorities will be required to furnish an undertaking that they would remit (to the identified Panchayati Raj Institution), from the State Government

funds, the requisite cost of maintenance. The State Governments will also offer an undertaking for the release of maintenance costs, along with their project proposals. The Ministry of Rural Development would oversee the implementation of this undertaking. It shall be open to the State Governments/Panchayati Raj institutions to develop sustainable alternative sources of funding for undertaking the maintenance function.....The Rural Roads will be handed over by the Project Implementation Units, on completion of the contract (including guarantee/maintenance period of 5 years), to the designated Panchayati Raj Institution for maintenance, and a separate report will be made in all such cases under Online Management and Monitoring System giving the name of the PRI and the date of its taking over.

Core Network

3.100 As per the Performance Budget 2004-2005 after the PMGSY was launched, all the State Governments were asked to do a survey to establish a 'Core Network' of rural roads which also provided data on length of roads required.

3.101 When asked as to whether all State Governments and Union territories have completed the said survey for establishing the Core Network the Department has replied that Core Network is that network which ensures single all-weather connectivity to all eligible habitations under PMGSY. The Core Network consists of data of habitations and roads connecting the habitations, prepared at the block and district level, and supplemented by a map. Since this level of detail is not required in what is essentially a State subject, the Core Network information is not maintained at the Central level. The Core Network data has been fed by the State Governments into the Online Management and Monitoring System (OMMS) for PMGSY, and can be seen at the programme website *www.pmgsyonline.nic.in*. Most States have completed in putting of the data from the Core Network into the programme database. The following reports are available in the website under the heading 'Core Network Report':—

- DRRP Road-wise
- DRRP Habitation-wise
- Road-wise Core Network
- Habitation-wise Core Network

District Road Plan

3.102 The PMGSY envisages preparation of District Road Plan. As per the information provided by the Department, all States of the country barring Bihar have prepared the District Rural Road Plans (DRRP). In some States the DRRP is under verification. In the case of Bihar the task has been entrusted by the State Government to the Central Road Research Institute (CRRI), New Delhi and the work is reported to be in progress. The Core Network of the States has been extracted from the DRRP Data.

3.103 The Committee note that a laudable programme was launched by the Government on 25 December, 2000 with the objective to provide road connectivity, through good all weather roads, to all unconnected rural habitations with a population of 1000 or more by 2003 and those habitations having population of more than 500 persons by the year 2007. As per the revised estimates under 'Bharat Nirman' the habitations having population of 1000 (or 500 in hilly, tribal areas) are now proposed to be covered by 2009. The earlier estimates of outlay required were for Rs. 60,000 crore. As per Economic Survey, now the said projections have increased to Rs. 1,33,000 crore. Further if the objective set under 'Bharat Nirman' i.e. to upgrade and renew a portion of the Core Network is included, as per the Government's estimates, an outlay of Rs. 48,000 crore will be required during next four years which implies an annual allocation of Rs. 9,600 crore against the current budget of Rs. 4,235 crore during 2005-2006.

3.104 The Committee find from what has been stated above, that the targets of connectivity cannot be achieved with present level of allocation. They also find that due to spillover of targets, the estimates of required outlay have considerably increased. The present estimates of requirement of Rs. 48,000 crore for four years may further enhance, if the set targets are not achieved as per the revised date of coverage of habitation population of 1000 *i.e.* by the year 2009. Thus the Committee conclude that inadequate financial resources is the biggest concern. For augmenting resources for the programme, the Committee suggest the following:

- (i) the projections made by the Department during 2005-2006 do not correspond to the annual requirement of outlay to achieve the objective of Bharat Nirman. The Department

in fact got Rs. 595 crore more than the projected outlay during 2005-2006. The projections made by the Department should commensurate to the overall projections of the Government;

- (ii) There is enough scope to tap external funding from ADB/ World Bank. More efforts need to be made to explore the potential for augmenting available resources with external funding;
- (iii) The Committee in their earlier report (refer paragraph no 3.126 of 3rd Report—14th Lok Sabha) had expressed their concern over not allocating funds on account of increase in diesel cess. As reported by the Department, the arrears amounting to Rs. 2,500 crore on account of additional cess imposed since 2003-2004 have not been allocated to the Department. Besides, during the current year *i.e.* 2005-2006 although there is a proposal to increase the cess on petrol and diesel by 50 paise per litre, the additional resources are proposed to be exclusively earmarked for the National Highways. Keeping in view the escalation in cost of constructing roads due to spillover of the targets as stated above, at least 50 per cent of the additional resources to be procured by the additional cess should be made available for PMGSY;
- (iv) As replied by the Department a proposal has been moved to amend the Central Road Fund Act to enable cess funds to be used for repaying loans taken for constructing and upgrading rural roads to facilitate leverage of the cess in the domestic capital market. The Committee strongly recommend to the Government to finalise the aforesaid proposal which may enable the Government to leverage long-term funds from the domestic capital market.

3.105 While recommending for higher outlay, the Committee feel that there is an urgent need to take stringent steps for the better and effective implementation of the programme. As stated above, the performance of the projects taken under Phase I to IV of PMGSY is not satisfactory in some of the States. The problems as stated by the Department are manifold like institutional problems, and procedural delays etc. The Committee would like that the State-specific problems in the under performing States should be analysed critically and the corrective action taken thereon. The Committee may also be apprised in this regard.

3.106 The Committee further note that the guidelines of the Yojana provide for the maintenance of roads. The roads constructed under PMGSY will be maintained by the Project Implementing Units and after that the maintenance will be taken over by the PRI designated for the purpose. The State authorities are also required to furnish an undertaking that they would remit to the identified PRI from the State Government funds, the requisite cost of maintenance. The Committee find that although an elaborate system has been indicated in the guidelines for the maintenance of roads constructed under PMGSY there is an urgent need that these provisions are strictly adhered to by the State Governments. The Committee would like the Department to take the desired steps in this regard and apprise them accordingly.

3.107 The Committee note that PMGSY was envisaged with a laudable objective of providing connectivity to not connected habitations. The guidelines of the Yojana provides for upgradation of roads up to 20 per cent of the State's allocation where unconnected habitations still exist. The Committee also note that although it has been indicated in the guidelines that upgradation is not central to the Programme, there is a need to monitor and ensure that the main emphasis of Yojana is to provide new connectivity so that the main objective of starting the Yojana is not sidelined. The Committee therefore like the Department to strictly monitor the position in this regard. Besides the Committee would like to be apprised to the data indicating the per cent allocation and expenditure made on new connectivity as well as on maintenance scheme-wise, year-wise and State and Union territory-wise.

3.108 The Committee further note that Central Agencies like NBCC and NHPC have been inducted for construction of roads under PMGSY in Bihar and Tripura. The Committee would like to be apprised whether the induction of Central agencies in said States could help in getting better results. After evaluating the performance of such Central Agencies, the Committee would like that in the under performing States, where there is problem of executing agencies, the possibility of induction of such agencies, should be explored in consultation with State Governments.

3.109 The Committee would also like to recommend to put in place a strict monitoring mechanism to ensure the quality of the roads constructed under PMGSY. Besides, they would like to be

informed the number of States/Union territories who have put the Core Network reports indicating DRRP Road-wise and habitation-wise. Road-wise and habitation-wise network should also be put on the website as per the guidelines. Besides the Committee would like that the details of the projects indicating the date of starting the project, estimated outlay, stage of implementation, total road length etc. should also be put on the website for the purpose of bringing transparency in the implementation of the programme.

3.110 The Committee further find that in Bihar so far District Road Plans have not been prepared. They would like to know the reasons for delay in preparing DRPs, specifically when the Central Agency has been inducted as the executing agency in that State.

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

3.111 The Centrally Sponsored Scheme 'Provision for Urban Amenities in Rural Areas' (PURA) has been started *w.e.f.* 2003-04. It was prepared by the Planning Commission based on the thoughts placed before the Nation by the Hon'ble President of India for bridging the rural urban divide and achieving balanced socio-economic development. The Planning Commission prepared a Cabinet Note for the Scheme. As per the Cabinet Note the Scheme would be implemented in 5,000 rural clusters across the country in the next five years. The scheme aims to provide physical and social infrastructure in the identified rural clusters to further their growth potential, which are:

1. Road transportation and power connectivity,
2. Electronic connectivity in the form of reliable Telecom, Internet and IT services,
3. Knowledge connectivity in the form of good educational and training institutions,
4. Market connectivity that would enable farmers to get the best price for their produce.

3.112 In addition to the above, the Scheme would also include provisions of drinking water supply and upgradation of existing health facilities. A list of towns for PURA was also selected by the Planning Commission as per the criteria suggested in the Cabinet Note. The

Cabinet considered the note in its meeting on 20 January, 2004 approved in principle the 'Provision of Urban Services in Rural Areas' Scheme with the direction that the outlay for the scheme will be within the Gross Budgetary Support.

3.113 The objective of PURA is to provide 7 urban quality facilities *viz.* power, road and transport, telecom, health, education, water supply and marketing in selected rural clusters. The average cost estimated per growth pole center is in the range of Rs. 100 crore. Planning Commission has decided to launch PURA initially in a pilot phase in 7 States with a cluster in each State comprising of 10 to 15 villages. The States selected for pilot phase are: Andhra Pradesh, Assam, Bihar, Maharashtra, Orissa, Rajasthan, and Uttar Pradesh. The pilot phase will be completed in 2 to 3 years with an estimated cost of Rs. 4 crore to Rs. 5 crore per cluster under PURA. As per the Annual Report 2004-05 of the Ministry, the Ministry of Rural Development is the nodal ministry for formulation, implementation and monitoring of PURA. A steering Committee (chaired by the Secretary, Rural Development) has been constituted to examine sanction and monitor the implementation of projects under PURA. The allocation and expenditure under PURA since 2003-04 is as under:

(Rs in crore)

Year	Allocation	Expenditure
2003-04 BE	0	5.78 (up to March 2004)
2004-05 BE	1	-
2004-05 RE	10*	NA
2005-06 BE	10	

*Rs. 9 crore was obtained in the Supplementary Grants 2004-05.

3.114 The Committee note the reply of the Government that Rs. 4 crore to Rs. 5 crore per cluster is estimated to be required for development of a PURA cluster. They also note that since 2003-04, Rs. 20 crore have been allocated under PURA. They, therefore conclude that with these funds only 4 PURA clusters can be taken up for development. For the development of one PURA cluster in 7 selected States at least Rs. 35 crore will be required. With the

present level of allocation under the Scheme, the Government may take another two years to start a single PURA cluster each in all these States. They also apprehend that with the present pace of implementation, the complete development of pilot PURA clusters may not end before 2008-09 as the development of cluster will take about 3 years time. This might delay the framing of the guidelines and the launching of PURA in the Country as a whole. They, therefore, recommend that the Department should approach Planning Commission/Ministry of Finance for adequate outlay for pilot projects. The Department should also ensure that pilot projects are taken up expeditiously so that the ambitious programme could be launched Nation-wide.

(vi) Training Section

National Institute of Rural Development (NIRD)

3.115 In April 1962, the Central Institute of Study and Research in Community Development, Trainers Training Institute were merged to establish National Institute of Community Development (NICD). The NICD became an autonomous registered Society in November 1965. The name of NICD was changed to National Institute of Rural Development (NIRD) in September 1977 which has since set up a regional Centre at Guwahati in July 1983. The policy of NIRD is determined by a 47 member General Council.

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

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

3.118 During 2004-05, NIRD has planned to conduct 200 Training Programmes by 31 January, 2005. The Ministry had proposed a plan outlay of Rs. 15.24 crore against which the Planning Commission has approved Rs. 10 crore for 2005-06.

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

Year	(Rs. in crore)	
	Plan	Non-Plan
1999-2000	5.00	7.15
2000-2001	5.00	7.60
2001-2002	5.00	7.55
2002-2003	5.45	7.55
2003-2004	6.57	7.50
2004-2005(upto 23.02.05)	8.35	7.42

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

(A) SIRDs

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

3.121 28 SIRDs have been established and are functioning in the country. All SIRDs are operating from their own buildings or in rented buildings. Two more SIRDs are yet to be established in the States of Chhattisgrah and Uttaranchal. Since 1994-1995, 100 percent Central assistance is provided to SIRDs for non-recurring expenditure while the recurring expenditure is shared on 50:50 basis between the Centre and the States. During 2004-2005, Rs. 9.07 crore Central share for recurring expenditure has been provided to 23 SIRDs till 20 March, 2005.

(B) ETCs

3.122 In order to impart training to village and block level functionaries, the Scheme of ETCs was taken up since 7th Plan period (1985-90). In 24 States, 88 different Extension Training Centres (ETCs) have been established and functioning as on 1 April, 2004. The States which do not have ETCs are Goa, Sikkim, Tripura and Uttaranchal.

(viii) Organisation of Training Courses, Seminars and Workshops (OTC)

3.123 The funds under OTC scheme are used for funding proposals relating to capacity building, organisation of workshops and training courses on the various rural development schemes and career management of departmental staff. However, after making separate provisions for training of elected members and officials of Panchayati Raj Institutions from the year 2001-02 onwards, there has been a reduction in the number of proposals under the OTC scheme, resulting in savings under the scheme, which were utilised for SIRDs/ETCs.

3.124 The SIRDs and ETCs during 2004-2005, had planned to conduct 5,899 training programmes with 1,74,390 participants against which 1,719 training programmes have been conducted in which 66,002 participated till December, 2004. The SIRDs and ETCs plan to conduct 6,000 training programmes during 2005-2006.

3.125 As per the Performance Budget 2005-2006, allocation for training since 2004-2005 is as below:

(Rs. in crore)

	Plan	Non-Plan	Total
B.E. 2004-2005	33.40	7.60	41
R.E. 2004-2005	33.40	7.42	40.82
B.E. 2005-2006	33.40	7.87	41.87

3.126 Further it has been stated that during 2004-2005, out of Rs. 40.82 crore for training, Rs. 33.40 crore was the expenditure under plan funds upto January 2005. Rs. 26.49 crore and Rs. 7.42 crore was spent separately under non-plan funds.

3.127 The Committee note that during 2004-2005, Rs. 26.49 crore could be spent up to January 2005 out of total allocation of Rs. 33.40 crore earmarked under plan budget for the training. They find that nearly Rs. 7 crore of the plan funds remained unspent for training during 2004-2005 up to the month of January. The Committee further note that even for training schemes there is rush of funds in the last two months of the financial year. The Committee urge the Department to properly plan ahead so that the pace of expenditure for training is evenly spread through out year during 2005-2006.

3.128 The Committee note that out of 28 SIRDs the Central share for recurring expenditure of Rs. 9.07 crore has been provided to 23 SIRDs so far. They, therefore, conclude that 5 SIRDs have not been provided with the funds for recurring expenditure this year. The Committee would like to know the name of the States to which SIRD allocation has not been made. They would also like to be apprised of the reasons for which the said 5 SIRDs have been deprived of the Central funds. As training is an important input for the success of rural development programmes, all SIRDs should receive the funds in time and it should be ensured that the scarce resources are spent in a proper manner. The Committee further note that in 24 States, 88 ETCs have been established and are functioning. ETCs have not been constituted in Goa, Sikkim, Tripura and Uttaranchal. The Committee would like to recommend for the early constitution of ETCs in said States. Besides the Committee would like to be informed about the number of ETCs in each State so as to have a better idea of the functioning of ETCs and recommend further in this regard. The Committee would also like to recommend for early construction of SIRDs in Chhattisgarh and Uttaranchal.

3.129 The Committee further find that SIRDs/ETCs have so far conducted only 1,719 training programmes out of the target of 5,899 training programmes during 2004-2005. They also find that only 66,002 participants have so far taken training against a target of 1,74,390. They, therefore, conclude that the training activity by SIRDs/ETCs are not up to the mark during the said year. The Committee observe that since the training is the basic input for the effective implementation of rural development schemes, there is an urgent need to give more stress in this regard. The Committee strongly recommend to the Department to analyse the position of training programme more critically in each State and it should be ensured that the targets are fully achieved in a particular year. The Committee would also like to be kept informed about the reasons for shortfall in targets State-wise along with the corrective action initiated by the Department.

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

3.130 The Council for Advancement of People's Action and Rural Technology (CAPART) came into existence in September, 1986 following the merger of two erstwhile Societies, namely, People's Action for Development India (PADI) and Council for Advancement of Rural

Technology (CAPART). CAPART's principal aim is to involve the people in the implementation of development programmes and promote need-based, innovative projects through non-governmental voluntary organizations and it works towards creating a peoples' movement for development in the rural areas through higher social mobilization, lowering of social barriers and empowerment of the rural poor. The main objectives of CAPART include:

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

3.131 From the financial year 2001-2002, the Ministry has made the budget provision for CAPART under a single Head, namely, "Assistance to CAPART". This assistance is principally utilized in implementing three Schemes, namely, Promotion of Voluntary Action in Rural Development (PC), Advancement of Rural Technology Scheme (ARTS) and Organization of Beneficiaries (OB). The administrative costs are also met from the Head "Assistance to CAPART".

3.132 The aim and objective of the projects implemented under these programmes are as under:—

1. Public Cooperation Scheme:—Projects of innovative and integrated nature only are considered under the scheme which result in harnessing the collective energies and creativity of the rural community and lead to capacity building and enhancement of life.

2. Organisation of Beneficiaries:—Projects for creating awareness organising the beneficiaries into groups and strengthening their bargaining position etc., are considered under this scheme.
3. Watershed Development Scheme:—CAPART Watershed Programme is operational in drought prone and water scarcity areas with the active involvement of grassroot voluntary organizations and village level beneficiaries. The programme involves experienced voluntary organizations representing all the agro-ecological Zones in the country. Capacity building stage in the programme is very useful for the voluntary organizations as well as for village level workers so that implementation work is done adhering to the watershed principles, such as top to bottom and ridge to valley approach. The unique model of Support Voluntary Organisations (SVOs) is to train and technically assist various voluntary organizations approved for watershed and natural resource management. This has been developed for better implementation of the programme.
4. Appropriate Rural Technology Scheme:—Under Rural Technology activity, the mandate of CAPART is to co-ordinate all efforts towards advancement of technology relevant to rural areas except for sectors being dealt with ICAR and its sister organizations. The broad objective of the Council under this is development and dissemination of rural technology. Projects aimed at conducting need based study, survey and adaptive research and development, administration and dissemination of appropriate technologies amongst the poor are funded under this scheme. A programme of setting up of Technology Resource Centre (TRCs) was initiated by CAPART under this scheme. These are VOs equipped with lab facilities that received annual grants from CAPART for development of appropriate technology and dissemination of the same through network of small VOs within their areas of operation.
5. Disability:—Projects relating to the Community Based Rehabilitation of the disabled to facilitate and help them for integration with the community as dignified, self-reliant categories so that they can contribute to the development process of the Society.

3.133 No project under any of CAPART's schemes is sanctioned without pre-funding appraisal and the approval of the National

Standing Committee/Regional Committees which comprises eminent persons in the field of rural development. The VO has to submit progress report in the prescribed Performa within six months of the release of the 1st instalment. Before the second instalment is released, mid term evaluation is done. After completion of the project, the VO has to submit the final progress report and audited statement of accounts alongwith Utilization Certificate and therefore, the entire project is post evaluated.

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

1999-2000	Rs. 13 crore
2000-2001	Rs. 13 crore
2001-2002	Rs. 30 crore
2002-2003	Rs. 30 crore
2003-2004	Rs. 71.46 crore
2004-2005	Rs. 62.50 crore (upto January, 2005)
2005-2006	Rs. 70 crore

3.135 The Department has stated that CAPART's expenditure for the year 2004-2005 was Rs. 62.50 crore against the revised estimate of Rs. 65 crore. The activity wise expenditure of CAPART is as below:

Activity-wise Expenditure upto 28.02.2005

S.No.	Activity	Expenditure upto Feb. 2005 (Rs. in crore)
1.	PC	17.42
2.	OB	0.89
3.	ARTS	11.67
4.	DISABILITY	0.58
5.	WSD	4.89
6.	MEDIA & PUBLICATION	0.34
7.	MARKETING	1.21
8.	Yps	0.58
9.	Administration	6.33
	TOTAL	43.91

3.136 The Ministry of Rural Development monitors the activities of CAPART through a series of meeting at the Secretary (RD) level, which includes monthly staff meeting of Secretary (RD). In addition, CAPART's activities are reviewed by the Chairman, Executive Committee who is also the Minister for Rural Development as well as through Executive Committee and General Body meetings.

3.137 As per the information, 35 different Voluntary Organizations out of 659 NGOs operating in 20 States and two Union territories, have been black-listed by CAPART during 2004-2005.

3.138 As per information furnished to the Committee, the CAPART has identified NGOs as Support Voluntary Organisations (SVOs), Facilitation Centres (FCs) and Technology Resource Centres (TRCs) under three different schemes *viz.* Watershed Development and Conservation Programme, Disability Rehabilitation and Advancement of Rural Technology Programmes. There were 7 SVOs, 7 FCs and 23 TRCs identified by the CAPART.

3.139 The Committee find that CAPART has been constituted with the laudable objectives which include training of voluntary organizations, reduction of rural poverty, selection and encouragement of innovative technologies and their dissemination, providing the minimum need in respect of safe drinking water and sanitation. The Committee would like to be apprised how far CAPART could achieve the aforesaid objectives to enable the Committee to analyse the performance of CAPART.

3.140 From the detailed expenditure position during 2004-2005, the Committee understand that the main expenditure was on account of Public Cooperation Scheme, Advancement of Rural Technology Scheme as well as Administration. The Committee would like to be apprised of the achievement of CAPART under the aforesaid schemes to analyse the position of expenditure and comment further in this regard. On account of expenditure on administration, the Committee would also like to be apprised of the details of organization structure of CAPART for which an amount of Rs. 6.33 crore was spent during 2004-2005. In other sectors the Committee find that the level of expenditure is marginal. The Committee would like a detailed note indicating how the meagre outlay would enable CAPART to achieve the desired results in the different schemes.

3.141 The Committee find that one of the main activities of CAPART is to provide training to voluntary organization. The Committee would like to be apprised of the number of voluntary organizations who could be imparted training so far. Besides they would also like to be apprised of the details of the curriculum for training.

3.142 The Committee note that during 2004-2005, out of 659 NGOs, 22 NGOs were blacklisted. The Committee would like to be apprised of the mechanism to ensure that once an NGO is blacklisted it can not be registered again and get any grant from CAPART. The Committee would also like that stringent monitoring mechanism is required to monitor the activities of NGOs.

NEW DELHI;
15 April, 2005

25 Chaitra, 1927 (Saka)

KALYAN SINGH,
Chairman,
Standing Committee on
Rural Development.

APPENDIX I

**STATEMENT SHOWING BUDGET ESTIMATE, REVISED ESTIMATE AND ACTUAL EXPENDITURE
DURING 9TH PLAN BY THE DEPARTMENT OF RURAL DEVELOPMENT**

(Rs. in Crore)

Sl.No.	Name of the Schemes	9th Plan Outlay	1997-98			1998-99			1999-2000			2000-01			2001-2002			Total Ninth Plan		
			B.E.	R.E.	Actuals	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
	Plan																			
1.	Employment Assurance Scheme	8690.00	1970.00	1905.21	1968.27	1990.00	1990.00	1989.88	1700.00	2040.00	2040.00	1300.00	1600.00	1419.51	1600.00	1875.00	1898.23	8560.00	9410.21	9315.89
2.	Jawahar Gram Samridhi Yojana	7095.90	2077.70	1952.70	1951.61	2095.00	2060.00	2062.26	2095.00	1689.00	1689.00	1650.00	1510.00	1384.88	1650.00	1875.00	1895.58	9567.70	9068.70	8983.33
3.	Food for Work Programme														0.00	800.00	800.00	0.00	800.00	800.00
4.	Swarnajayanti Gram Swarozgar Yojana	4690.00	1183.00	1033.00	1034.45	1410.00	1195.94	1196.17	1215.00	950.00	946.76	1000.00	470.00	544.94	500.00	550.00	536.27	5308.00	4198.94	4258.59
5.	DRDA Administration	915.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	110.00	110.00	220.00	200.00	165.97	220.00	200.00	198.90	440.00	510.00	474.87
6.	N.S.A.P.	3280.00	700.00	490.00	559.41	700.00	640.00	640.11	725.00	710.00	709.94	715.00	715.00	700.55	835.00	635.00	629.85	3675.00	3190.00	3239.86
7.	Rural Housing (Indira Awaas Yojana)	7285.00	1190.00	1143.75	1143.55	1600.00	1532.00	1531.92	1710.00	1659.00	1659.00	1710.00	1710.00	1664.17	1527.00	1991.00	1945.33	7737.00	8035.75	7943.97
8.	Annapoorna	596.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00	100.00	99.80	300.00	100.00	7163	400.00	200.00	171.43
9.	Grants to National Institute of Rural Dev.	30.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	25.00	25.00	25.00

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
10.	Strengthening of State Training Centre	15.00	3.25	3.25	4.07	3.25	3.25	4.26	4.25	6.25	6.25	7.25	9.25	10.39	8.75	8.75	8.75	26.75	30.75	33.72
11.	Org. of Training Courses, Seminars	5.00	0.50	0.50	0.27	0.50	0.50	0.82	1.25	1.25	1.25	1.25	1.25	1.41	1.25	1.25	1.25	4.75	4.75	5.00
12.	Strengthening of Ext. Training Centre	15.00	3.00	3.00	3.45	3.00	3.00	1.99	3.00	4.00	4.00	3.00	3.00	3.00	3.00	3.00	3.00	15.00	16.00	15.44
13.	Communication Cell	45.00	4.00	4.00	4.22	4.00	4.00	4.23	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	28.33	38.00	38.00	56.78
14.	Assistance to C.A.P.A.R.T.	60.00	12.00	12.00	6.00	12.00	12.00	12.00	13.00	13.00	13.00	13.00	13.00	13.00	30.00	30.00	30.00	80.00	80.00	74.00
15.	Promotion of Voluntary Actions Scheme	115.00	10.00	10.00	1.55	20.00	20.00	19.54	26.00	13.00	13.00	13.00	13.00	13.00	0.00	0.00	0.00	69.00	56.00	47.09
16.	Organisation of Beneficiaries	15.97	3.50	3.50	0.50	3.50	3.00	1.75	4.00	4.00	4.00	4.00	2.00	2.00	0.00	0.00	0.00	15.00	12.50	8.25
17.	Panchayat Development and Training	10.00	3.00	3.00	3.01	3.00	2.00	1.79	3.00	3.00	3.00	3.00	3.00	3.00	5.00	10.50	8.77	17.00	21.50	19.57
18.	Roads in Special Problem Areas	2.00	2.00	2.00	1.02	1.50	0.00	0.00	0.50	0.50	0.50	0.50	0.05	0.00	0.00	0.00	0.00	4.50	2.55	1.52
19.	Agricultural Marketing	0.00	7.25	7.25	5.78	7.25	7.25	4.12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	14.50	14.50	9.90
20.	Monitoring Mechanism	5.00	0.00	0.00	0.00	0.50	0.50	0.59	2.00	2.00	2.00	5.00	5.00	4.50	10.00	10.00	8.92	17.50	17.50	16.01
21.	Information technology	0.00													0.00	1.00	0.00	0.00	1.00	0.00
22.	International Cooperation	0.00													0.00	1.00	0.00	0.00	1.00	0.00
23.	Pradhan Mantri Gram Sadak Yojana											2500.00	2500.00	2435.00	2500.00	2500.00	2500.00	5000.00	5000.00	4935.00
Total—Rural Dev. (Including PMGSY)		32869.87	7174.20	6578.16	6692.16	7858.50	7478.44	7476.43	7517.00	7220.00	7216.70	9260.00	8869.55	8480.12	9205.00	10606.50	10569.81	41014.70	40752.65	40433.22

APPENDIX II

**STATEMENT SHOWING PROPOSED OUTLAY, OUTLAY AGREED TO, TOTAL RELEASE, BUDGET ESTIMATE,
REVISED ESTIMATE DURING 10TH PLAN BY THE DEPARTMENT OF RURAL DEVELOPMENT**

(Rs. in Crore)

Sl.No.	Name of the Scheme	10th Plan			2002-03			2003-04			2004-05			2005-06
		Proposed outlay	Outlay agreed to by Plg. Commn.	Total release (upto 15.3.05) in the 10th Plan	B.E.	R.E.	Actual Expenditure	B.E.	R.E.	Actual Expenditure	B.E.	R.E.	Actual Expenditure upto 15.3.2005	B.E.
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Plan														
1.	Sampoorna Grameen Rozgar Yojana	48538.00	30000.00	23972.73	4440.00	9086.00	9085.93	4900.00	10130.00	10129.93	5100.00	5100.00	4756.87	4000.00
2.	National Food For Work Programme										0.00	2020.00	1951.66	6000.00
3.	Food For Work Programme			785.18	600.00	860.00	785.18	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4.	Swarnajayanti Gram Swarozgar Yojana	9850.00	3955.00	2398.86	710.00	710.00	706.04	800.00	800.00	797.55	1000.00	1000.00	895.27	960.00
5.	DRDA Administration Scheme	1586.27	1100.00	630.85	220.00	220.00	199.19	220.00	220.00	220.00	230.00	230.00	211.66	220.00
6.	Rural Housing—Indira Awaas Yojana	13040.00	8603.00	6277.51	1725.00	1725.00	1693.14	1900.00	1900.00	1899.50	2500.00	2900.00	2684.87	2775.00

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
7.	N.I.R.D.	35.00	40.00	20.10	5.00	5.00	5.45	6.00	6.00	6.00	9.00	9.00	8.65	10.00
8.	Training	315.00	150.00	79.16	20.00	20.00	18.02	39.00	39.00	39.84	24.40	24.40	21.30	24.00
9.	Assistance to C.A.P.A.R.T.	250.00	200.00	145.00	30.00	30.00	30.00	50.00	50.00	50.00	65.00	65.00	65.00	70.00
10.	Information, Education & Communication	500.00	100.00	36.04	10.00	10.00	10.00	10.00	10.00	10.50	20.00	20.00	15.54	15.00
11.	Monitoring Mechanism	350.00	100.00	35.67	10.00	10.00	10.24	20.00	20.00	15.83	20.00	20.00	9.60	15.00
12.	Pradhan Mantri Gram Sadak Yojana	55000.00	12500.00	7077.64	2500.00	2500.00	2500.00	2325.00	2325.00	2328.60	2468.00	2468.00	2249.04	4235.00
13.	Provision for Urban Amenities in Rural Areas	55000.00	12500.00	7077.64	2500.00	2500.00	2500.00	2325.00	2325.00	2328.60	2468.60	2468.00	2468.00	2249.04
14.	Provision for Urban Amenities in Rural Areas			5.78				0.00	0.00	5.78	1.00	10.00	0.00	10.00
	Total—Rural Development	129464.27	56748.00	41464.52	10270.00	15176.00	15043.19	10270.00	15500.00	15503.53	11437.40	13866.40	12869.46	18334.00

APPENDIX III

COMPARATIVE DATA WITH REGARD TO BE 2004-2005 RE 2004-2005 AND BE 2005-2006 UNDER VARIOUS SCHEMES OF THE DEPARTMENT OF RURAL DEVELOPMENT

	BE 2004-2005	RE 2004-2005	BE (Rs. in crores) 2005-2006	
SGSY	900	900	862.24	(37.76)
SGRY	4590	4590	36.00	(-990)
Food for Work Programme	—	1818.00	5400	
Total Rural Employment	4590	6408.00	9000 .00	(+4590)
Housing	2247	2607	2497.60	(-1098.40)
DRDA Administration	207	207	198.31	(-8.69)
Training	36.26	36.08	35.32	(-0.4)
Other data for rural development	346.61	354.53	340.43	(-6.18)
PMGSY	2219	2219	3809.50	(6897+ 1590.50)
Lumpsum provision for North Eastern States	1143.74	1386.64	1833.40	(+446.76)
Grand Total	11455.96	13885.40	18353.87	(6897.91 as against BE) (+4468.47 as against RE)

APPENDIX IV

IMPLEMENTING AGENCY AND RELEASE OF FUNDS UNDER VARIOUS SCHEMES OF DEPARTMENT OF RURAL DEVELOPMENT

Name of Programmes/ schemes	Implementing Agency	Release of funds from the Centre
SGSY	DRDAs through Panchayat Samities and with involvement of PRIs	Govt. of India release funds direct to the DRDAs.
SGRY	(A) District Panchayat/DRDA (B) Intermediate Panchayat (C) Village Panchayat	(i) Cash component and foodgrains component released directly to District Panchayats/DRDAs. (ii) Funds to intermediate/Village Panchayats be distributed by DP/DRDA within 15 days of receipt of funds from Central or the State Govt.
NFFWP	Line Department/PRIs/reputed NGOs/SHGs/Other agencies of Central/State Government	Central Govt. will provide foodgrains and cash component directly to the Districts in which NFFWP is under operation. Foodgrains and cash component will be released to DRDA/District Panchayat.
IAY	Zilla Parishad/DRDA/ Implementing Agency	Released to the Zilla Parishads/ DRDAs.
PMGSY	One or two suitable Executive Agencies nominated by the State Govt.	Programme funds, administrative and travel expenses, and quality control funds are released in to the programme and administrative account of the SRRDA.
DRDA Administrative Scheme	DRDA	Funds are released directly to the DRDAs

APPENDIX V

LIST OF 150 MOST BACKWARD DISTRICTS WITH RESOURCES
ALLOCATED AND RELEASED UNDER THE NATIONAL FOOD
FOR WORK PROGRAMME DURING 2004-2005

No.	Name of the State/Districts	Allocation/Release of Funds (Rs. in lakhs)	Allocation/Authorization of Foodgrains (in MTs)
1	2	3	4
Andhra Pradesh			
1.	Adilabad	2148.13	22053
2.	Mahbubnagar	1888.91	19394
3.	Rangareddy	1482.04	15217
4.	Khammam	1647.04	16911
5.	Warangal	1740.88	17874
6.	Nalgonda	1417.24	14553
7.	Anantpur	991.66	10182
8.	Cudappah	898.82	9229
Total		12214.72	125413
Bihar			
1.	Araria	1101.33	11309
2.	Vaishali	2131.55	21886
3.	Gaya	2801.43	28764
4.	Madhubani	1912.82	19639
5.	Muzaffarpur	2142.3	21996
6.	Nawada	1603.29	16462
7.	Samastipur	2051.46	21063
8.	Sheohar	1225.82	11558

1	2	3	4
9.	Katihar	1704.88	17506
10.	Jamui	1792.72	18406
11.	Lakhisarai	1435.38	14738
12.	Monghyr	1446.13	14849
13.	Purnea	1245.94	12793
14.	Supaul	1883.54	19340
15.	Darbhangha	2032.95	20874
	Total	26411.54	271183
Chhattisgarh			
1.	Bastar	1394.13	14314
2.	Dantewada	1049.81	10779
3.	Kanker	892.05	9159
4.	Koria	694.7	9291
5.	Sarguja	1542.51	15837
6.	Jashpur	966.17	9919
7.	Dhamatri	638.31	6554
8.	Raigarh	1014.55	10418
9.	Bilaspur	1132.24	11626
10.	Rajnandgaon	1085.72	11148
	Total	10410.19	109045
Gujarat			
1.	Dangs	669.07	6873
2.	Dohad	901.41	9262
3.	Panch Mahals	820.84	8433
4.	Sabarkantha	640.46	6580
5.	Narmada	393.5	4044
6.	Banaskantha	569.41	5850
	Total	3994.69	41042

1	2	3	4
	Haryana		
	Mohendergarh	281.85	2894
	Himachal Pradesh		
	Chamba	303.91	3121
	Jammu & Kashmir		
1.	Doda	267.91	2750
2.	Kupwara	226.35	2324
	Total	494.26	5074
	Jharkhand		
1.	Saraikela	1142.96	11737
2.	Singhbhum West	2238.74	22987
3.	Godda	1701.24	17467
4.	Simdega	1204	12363
5.	Gumla	1829.68	18787
6.	Chatra	1745.7	17924
7.	Garhwa	2224.2	22838
8.	Palamau	2116.86	21734
9.	Latehar	1192.95	12248
10.	Lohardaga	1113.09	11427
11.	Dumka	1919.19	19706
12.	Jamtara	857.27	8801
13.	Sahebganj	1627.49	16711
14.	Pakur	1682.33	17274
	Total	22595.70	232004
	Karnataka		
1.	Chitradurga	1045.8	10738
2.	Davangere	987.7	10142
3.	Bidar	891.88	9158
	Total	2925.38	30038

1	2	3	4
	Kerala		
	Waynad	547.14	5618
	Madhya Pradesh		
1.	Jhabua	1947.56	19997
2.	Mandla	1135.38	11659
3.	Umari	792.01	8131
4.	Shahdol	1311.8	13470
5.	Barwani	1284.13	13185
6.	Khargone	1258.2	12919
7.	Shivpuri	685.31	7037
8.	Sidhi	1195.02	12270
9.	Tikamgarh	585.55	6012
10.	Balaghat	836.65	8590
11.	Chhattarpur	654.31	6719
12.	Betul	1156.37	11867
13.	Khandwa	1091.56	11209
14.	Seopur	306	3141
15.	Dhar	1568.47	16104
	Total	15808.32	162310
	Maharashtra		
1.	Gadchiroli	1159.83	11909
2.	Gondya	1186.73	12080
3.	Chandrapur	1664.42	17089
4.	Dhule	1220.7	12534
5.	Nandurbar	1635.41	16791
6.	Hingoli	1213.15	12458
7.	Nanded	1734.88	17814

1	2	3	4
8.	Aurangabad	881.58	9053
9.	Ahmednagar	1544.41	15859
10.	Yawatmal	2164.17	22220
11.	Bhandara	1089.98	11191
Total		15495.26	158998
Orissa			
1.	Koraput	1707.54	17533
2.	Malkangiri	1289.3	13237
3.	Nabarangpur	1669.16	17139
4.	Rayagada	1525.09	15715
5.	Mayurbhanj	2408.42	24731
6.	Sundergarh	1715.36	17612
7.	Keonjhar	1598.15	16408
8.	Phulbani	1196.74	12288
9.	Boudh	738.15	7579
10.	Nuapada	989.91	10165
11.	Kalahandi	1390.57	14282
12.	Sambalpur	893.4	9172
13.	Ganjam	1462.85	15020
14.	Deogarh	557.82	5727
15.	Jharsuguda	656.48	6741
16.	Sonepur	629.39	6464
17.	Bolangir	1055.58	10838
18.	Dhenkanal	799.76	8212
Total		22283.67	228863

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	Punjab		
1.	Hoshiarpur	716.32	7356
	Rajasthan		
1.	Banswara	861.06	8841
2.	Dungarpur	805.77	8272
3.	Udaipur	1097.92	11271
4.	Sirohi	387.55	3979
5.	Karauli	380.39	3906
	Total	3532.69	36269
	Tamil Nadu		
1.	Tiruvannamalai	1381.2	14181
2.	South Arcot/Cuddalore	1117.11	11471
3.	Villupuram	1526.93	15679
4.	Nagapattinam	826.34	8484
	Total	4851.58	49815
	Uttaranchal		
1.	Champawat	214.01	2197
2.	Tehri Garhwal	800.85	8221
	Total	1014.86	10418
	Uttar Pradesh		
1.	Sonbhadra	2195.97	22542
2.	Unnao	2511.75	25785
3.	Raebareli	2758.1	28312
4.	Sitapur	3121.3	32041
5.	Hardoi	2710.09	27820
6.	Fatehpur	1799.21	18469
7.	Lalitpur	659.55	6770
8.	Lakhimpur Kheri	1993.76	20467

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9.	Bana	891.91	9156
10.	Chitrakoot	559.84	5747
11.	Mirzapur	1703.06	17482
12.	Kushinagar	1704.08	17492
13.	Mahoba	454.23	4662
14.	Hamirpur	667.19	6850
15.	Barabanki	2648.07	27184
Total		26378.11	270779
West Bengal			
1.	Purulia	3672.95	37715
2.	Malda	1363.74	14002
3.	West Midnapur	2245.43	23059
4.	Bankura	1696.86	17421
5.	West/North Dinajpur	1271.69	13058
6.	Murshidabad	1199.14	12313
Total		11449.81	117568
North Eastern States			
1.	Arunachal Pradesh (1)*	190.80	1249
2.	Assam (5)	4962.59	32490
		2357.71	15437
		3861.41	25282
		2756.37	18047
		2707.71	17728
Total		16645.79	108984

1	2	3	4
3.	Manipur (1)	399.22	2614
4.	Meghalaya (1)	543.85	3562
5.	Mizoram (1)	95.52	626
6.	Nagaland (1)	455.72	2984
7.	Sikkim (1)	315.73	2068
8.	Tripura (1)	1543.37	10105
	Grand Total	201900.00	2000000

APPENDIX VI

COMMITTEE ON RURAL DEVELOPMENT (2004-05)

MINUTES OF THE TWELFTH SITTING OF THE COMMITTEE HELD ON TUESDAY, THE 29 MARCH, 2005

The Committee sat from 1100 hrs. to 1300 hrs. in Committee Room 'E', Basement, Parliament House Annexe, New Delhi.

PRESENT

Shri Kalyan Singh — *Chairman*

MEMBERS

Lok Sabha

2. Shri V. Kishore Chandra S. Deo
3. Shri Sandeep Dikshit
4. Shri Mohan Jena
5. Shri A.F. Golam Osmani
6. Shri Anna Saheb M.K. Patil
7. Shrimati Tejaswini Seeramesh
8. Shri P. Chalapathi Rao
9. Shri Nikhilananda Sar
10. Shri Mohan Singh
11. Shri Sita Ram Singh
12. Shri D.C. Srikantappa
13. Shri Bagun Sumbrai

Rajya Sabha

14. Kumari Nirmala Deshpande
15. Prof. Alka Balram Kshatriya
16. Shri Penumalli Madhu
17. Dr. Chandan Mitra
18. Dr. Faguni Ram
19. Prof. R.B.S. Varma

SECRETARIAT

1. Shri V.K. Sharma — *Joint Secretary*
2. Shrimati Sudesh Luthra — *Deputy Secretary*
3. Shri A.K. Shah — *Under Secretary*

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

1. Shri M. Shankar, Secretary
2. Shri V. Subramanian, Additional Secretary & Financial Adviser
3. Shri L.V. Saptharishi, Director General, CAPART
4. Shri Lalit Mathur, Director General, NIRD
5. Dr. P.V. Thomas, Chief Economic Adviser
6. Shri J.K. Mahapatra, Joint Secretary
7. Shri S. Vijay Kumar, Joint Secretary
8. Shri H.K. Srivastav, Director, NRRDA

2. At the outset, the Chairman welcomed the members to the sitting of the Committee convened to take oral evidence of the representatives of the Department of Rural Development (Ministry of Rural Development) on Demands for Grants (2005-06).

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

3. The Chairman thereafter welcomed the representatives of the Department of Rural Development to the sitting. He drew their attention to direction 55(1) of the 'Directions by the Speaker'.

4. The Committee then took oral evidence of the representatives of the Department of Rural Development (Ministry of Rural Development) on Demands for Grants (2005-06). The Secretary, Rural Development briefly explained to the Committee the overall position with regard to the allocation and expenditure during the 9th Plan (1997-2002) period as well as the projections of the Department during the 10th Plan (2002-2007) period. He also dealt with various issues and enumerated the problems being faced with regard to the implementation of various schemes of the Department. The Committee then discussed in detail the issues related to the examination of the Demands for Grants (2005-06) of the Department with special emphasis on major Centrally Sponsored Schemes of the Department. The representatives of the

Department clarified to the queries of the Members and were asked to send written replies thereto which could not be answered during the sitting.

[The Committee then adjourned to meet again at 1500 hrs. to take up the evidence of representatives of Department of Land Resources (Ministry of Rural Development) on Demands for Grants (2005-06)].

A verbatim record of proceedings was kept.

APPENDIX VII

COMMITTEE ON RURAL DEVELOPMENT (2004-05) MINUTES OF THE SIXTEENTH SITTING OF THE COMMITTEE HELD ON FRIDAY, THE 8TH APRIL, 2005

The Committee sat from 1100 hrs. to 1345 hrs. in Committee Room 'C', Ground Floor, Parliament House Annexe, New Delhi.

PRESENT

Shri Kalyan Singh — *Chairman*

MEMBERS

Lok Sabha

2. Shri Sandeep Dikshit
3. Shri Mohan Jena
4. Shri Subhash Maharia
5. Shri Hanan Mollah
6. Shri Anna Saheb M.K. Patil
7. Shri P. Chalapathi Rao
8. Shri S. Sudhakar Reddy
9. Shri Nikhilananda Sar
10. Shri Mohan Singh
11. Shri Sita Ram Singh
12. Shri D.C. Srikantappa
13. Shri Mitrasen Yadav

Rajya Sabha

14. Kumari Nirmala Deshpande
15. Prof. Alka Balram Kshatriya
16. Shri Penumalli Madhu
17. Shri Kalraj Mishra
18. Dr. Chandan Mitra
19. Dr. Faguni Ram
20. Prof. R.B.S. Varma

SECRETARIAT

1. Shri V.K. Sharma — *Joint Secretary*
2. Shrimati Sudesh Luthra — *Deputy Secretary*
3. Shri A.K. Shah — *Under Secretary*

2. At the outset, the Chairman, welcomed the members to the sitting of the Committee. The Committee then took up for consideration the draft Report on Demands for Grants (2005-06) of the Department of Rural Development (Ministry of Rural Development) and adopted the draft Report with slight modifications.

3. ***

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

The Committee then adjourned.

APPENDIX VIII

STATEMENT OF RECOMMENDATIONS/OBSERVATIONS

Sl. No.	Para No.	Recommendations/Observations
1	2	3
1.	2.4	<p>The Committee find from the analysis of 9th and 10th Plan outlay as indicated above that although during 9th Plan, the actual allocation was enhanced by Rs. 8,144.83 crore, there was reduction of Rs. 262.05 crore at Revised Estimates stage. The expenditure position further indicates under spending of Rs. 317.43 crore if compared to the outlay given at Revised Estimates stage during 9th Plan. The Committee further note that although the allocation during 10th Plan has been enhanced by Rs. 15,995.35 crore if compared to 9th Plan allocation, the allocation as agreed to is far lesser <i>i.e.</i> less than half of the projected outlay during 10th Plan. The Committee also find that certain ambitious projections have been made by the Government under the vision 'Bharat Nirman'. The Committee fail to understand how such ambitious targets would be achieved with the outlay that is almost half of what was projected to the Planning Commission. Scheme-wise details have been analysed in the subsequent Paragraphs/Chapters of the Report. The Committee would like to strongly recommend the Government, to pursue with the Planning Commission/ Ministry of Finance for adequate allocation commensurating the targets projected by the Government, so that the benefits envisaged under different schemes of the Department could be extended to the poorest of the</p>

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2.	2.5	<p data-bbox="699 472 1230 607">poor in the country. While approaching Planning Commission/Ministry of Finance in this regard the concerns of the Standing Committee should be duly communicated.</p> <p data-bbox="699 629 1230 965">While recommending for higher outlay, the Committee strongly feel that whatever allocation is agreed to at Budget Estimates stage should not further be reduced at Revised Estimates stage as has been done during 9th Plan, since, even the slightest reduction of outlay means depriving the lakhs of poor of the little hope that is intended by such schemes of the Union Government.</p>
3.	2.6	<p data-bbox="699 999 1230 1850">One of the biggest concern expressed by the Committee almost every year is underutilization of resources. The aforesaid data of under-spending <i>i.e.</i> Rs. 337.43 crore as compared to Revised Estimates during 9th Plan indicate the shortfall in releases by the Union Government to States/Union territory Administrations. The picture of under-spending is more clear when we analyse the under-spending by way of huge opening balances with different State Governments, the analysis of which has been done in the subsequent part of the Report. Even if actual releases are taken into consideration, the Committee feel that the amount of Rs. 337.43 crore is a big amount in the resources starved economy of the country. In view of the aforesaid position the Committee hold the strong view that not even a single paise of the allocated amount should remain as unutilized. The Committee strongly calls for more effective steps on the part of the Government in this regard.</p>

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4.	2.15	<p>The Committee find that although the overall outlay (both plan and non-plan) during 2005-2006 has been enhanced by Rs. 4,468.47 crore as against Revised Estimates of previous year and by Rs. 6,897.91 crore (excluding North Eastern region allocation) as compared to Budget Estimates of previous year, there is net reduction of outlay under the priority schemes of the Department viz Swarnjayanti Gram Swarozgar Yojana, Sampoorna Grameen Rozgar Yojana, Rural Housing, DRDA Administration Scheme and Training Scheme. The detailed analysis of the impact of reduction on implementation of these schemes has been given in the subsequent part of the Report. Here the Committee from the data furnished by the Department find that the increase in allocation is only under National Food for Work Programme and Pradhan Mantri Gram Sadak Yojana (PMGSY). The Committee while appreciating the Government's targets of providing 100 days wage employment to each family in rural India, feel that the outlay for this programme should not be provided at the cost of other established major schemes of the Department. The Committee also note that the Department has approached the Planning Commission for providing enhanced allocation under these schemes. The Committee express their strongest concern over the trend of allocating outlay at the cost of other schemes and disapprove the policy of the Government in providing adequate outlay for a scheme after adjustments in one or the other schemes. The Committee would like that their strongest concern in this</p>

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		regard should be properly conveyed to the Planning Commission/Ministry of Finance.
5.	2.16	Further, while noting that although the Ministry of Finance has agreed to provide additional allocation at Supplementary Grants stage, the Committee feel that sanction of grants at Supplementary Grants stage always leads to uncertainty. In view of this, they would like that adequate outlay commensurating the targets should be provided at Budget Estimates stage for the schemes.
6.	2.19	The Committee are unable to comprehend the position of seeking additional funds as Supplementary Grants and then surrendering the amount at the close of the year. To understand the position in a much better way, the Committee would like to be informed about the details of the physical achievement under the sectors for which Supplementary Grants have been sought for. The Committee would also like to be informed about the position of amount surrendered during 2004-2005 so as to enable them to comment further in this regard.
7.	2.27	The Committee strongly feel that there is an urgent need to improve the quality of implementation and enhance the efficiency and accountability of the monitoring mechanism as stressed by Finance Minister in his speech while presenting the Budget for the year 2005-2006. They also note from the information furnished by the Department that different types of monitoring mechanism like Concurrent Evaluation, different types of Vigilance and

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Monitoring Committees, Area Officers Schemes etc. are in place. The Committee further find that during 10th Plan, independent and in-depth evaluation studies were conducted for all the major schemes of the Department. The Committee would like to be apprised of the details, scheme-wise, of the major findings and corrective action taken thereon by the Department so as to enable them to analyse the usefulness of the system and comment further in this regard. The Committee would also like to be informed about the way these studies could provide an input for further improvement in the schemes of the Department.

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2.28

The Committee further note that the Ministry has introduced a system of District and State level Vigilance and Monitoring Committees. These Committees are to be constituted by the Union Ministry of Rural Development. From the information provided by the Department it seems that such Committees could be an effective monitoring mechanism only in few States. Not only that, there is confusion on the issue of constitution of such Committees. Different data regarding the constitution of Committees were indicated in the written note as well as during the course of oral evidence as indicated in the preceding para of the report. The Committee are constrained to note that if this is the state of affairs of the Committees that were to be constituted by the Union Government, the status of other Committees being constituted by State Governments can be well imagined. The Committee would like the Department to furnish a detailed note

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indicating the action taken by them for early constitution of such Committees. Besides it should be ensured that such Committees are constituted in all States and Districts without any further delay. Further no State or Union territory should be allowed to be exempted from constituting the said vigilance and monitoring Committees. Not only that, there is an urgent need to monitor that the sittings of such Committees are held periodically as per guidelines so as to prove an effective mechanism for effective implementation of various schemes of the Department for which crores of rupees are being spent annually.

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The Committee would further like to be apprised about the corrective action taken on the findings of the area officers under the monitoring system of the Ministry of Rural Development. The Committee would also like to be apprised about the number of States/Districts covered by the said scheme during the last three years so as to enable them to analyse the usefulness of this system and comment further in this regard. The Committee would also like to recommend that there should be an in-built mechanism in each of the schemes for regular monitoring/evaluation. Not only that, there should be specific allocation of outlay for the purpose. Besides, the Committee find that there is no system of fixing accountability. They feel that there should be well defined system of fixing accountability and some sort of action against the defaulter officers/agencies involved in the implementation of the schemes/programme to serve as a deterrent

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		<p>for others. Further, there is a need to have a more transparent system for implementation of various schemes so that the public may be well informed about the spending under various schemes. Such a system will automatically put a pressure on the implementing authorities to perform better and deliver results. Gram Sabha in this regard can be the best forum in rural areas. There is an urgent need to strengthen the Gram Sabhas so that they can function as an institution of social audit. The Committee would like the Department to take urgent action in this regard and inform the Committee accordingly.</p>
10.	2.33	<p>While noting that the results of BPL survey (2002) could not be finalised due to the direction of Hon'ble Supreme Court, the Committee would like to be apprised about the latest position with regard to the hearing on the aforesaid case by Hon'ble Supreme Court. Further the Committee are concerned to note that the exercise of BPL Census, is further being delayed by the State Governments/Union territory Administrations. The Committee strongly recommend that pending decision by the Supreme Court, the exercise by States/Union territories should be completed expeditiously and the provisional results should be made available by the Government so that the results could be finalised immediately when the decision in this regard is taken by the Supreme Court.</p>
11.	2.34	<p>The Committee are further unhappy to note the decision of the Government according to which the number of BPL persons estimated should not exceed those of</p>

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		<p>identified as per 1999-2000 survey. The Committee feel that such an arbitrary limit of BPL persons to be identified will do a great injustice to the genuine BPL persons who could be debarred from certain benefits. Not only that, it would be a major factor for providing unreasonable authority to the agencies involved, thereby inviting corruption and malpractices. The Committee strongly recommend not to fix any such limitations. They would also like that their concern in this regard should also be brought before the Planning Commission and matter should be reviewed afresh.</p>
12.	2.36	<p>The Committee find that there is an urgent need to implement all the schemes of the Department directly by the Panchayati Raj Institutions in the true spirit of the mandate of the Constitution as per article 243G of the Constitution. Besides the funds for all the schemes should be released directly to Panchayats in the specific accounts for the purpose. Such a system will not only empower Panchayats but also improve the implementation of the Programme. The common Implementing Agency and the funds transfer agency would further simplify the procedure and avoid delay in transfer of funds. The Committee in their earlier reports had also been drawing the attention of the Government in this regard. While reiterating their earlier stand the Committee would like that earnest action in this regard should be taken.</p>
13.	2.41	<p>The Committee appreciate the initiative of the Government to present gender budgeting by all the Departments of the Union Government and also to make</p>

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benefit incidence analyses. They also appreciate the initiative taken by the Department of Rural Development to indicate the data with regard to women beneficiaries. Such type of data brings transparency towards the efforts of different Departments for the welfare of women and also help the Government to monitor the implementation of the policies initiated for women welfare.

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The Committee note that in the schemes meant for providing wage employment for manual labour work, like SGRY and Food for Work Programme the participation of women, may not be so encouraging. The data with regard to SGRY, as well as the observation of the Committee during the Study-visit to Varanasi and Lucknow in Uttar Pradesh substantiate this point. The Committee find that the Government propose to provide 100 days of wage employment to each family in rural area. To achieve this objective the Government have brought a legislation, 'The National Employment Guarantee Bill, 2004' which is under examination of this Standing Committee. At present National Food for Work Programme is being launched in 150 districts to achieve the said objective. The Committee feel that serious efforts have to be made by taking suitable action in this regard so as to encourage participation of women under the Employment Guarantee Scheme. The Committee would further like to hear from the Government about their experience under the National Food for Work Programme as well as the efforts envisaged to protect the interests of women at the work fields to enable the Committee

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		to analyse the position and comment further in this regard.
15.	2.46	The Committee note from the data provided by the Department that spending position under different schemes in North Eastern Region has improved. But underspending still persists. The Committee would like the Government to take up the issue of underspending with North-Eastern States so as to improve the position further.
16.	2.47	On the issue of revision of norms for Centre <i>vis-à-vis</i> State's allocation, the Committee find that the matter of revision of Centre, State allocation from 75:25 to 90:10 is being taken up with the Planning Commission. The Committee would like to know the final decision when taken in this respect.
17.	3.12	The Committee find from the information and clarification provided by the Department that at present National Food for Work Programme along with Sampoorna Grameen Rozgar Yojana (SGRY) is being implemented in 150 selected districts. In the remaining districts Sampoorna Grameen Rozgar Yojana is being implemented. When, the National Employment Guarantee Act will be applicable, these two programmes will be merged together and shall be known by the name of the Act. While noting the aforesaid scheme of things, the Committee are at a loss to understand the plethora of schemes with the same objective. Not only that it is not clear where the National Employment Scheme will be applicable, indicating clearly whether it is the replacement of Food for Work Programme.

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		<p>The Committee strongly recommend that SGRY and Food for work programme should be merged together in the 150 districts selected so far which will pave the way for 100 days guarantee. The merged scheme should be known as National Employment Guarantee Scheme which will ultimately be proposed to take the shape of legal guarantee after the aforesaid enactment.</p>
18.	3.13	<p>The Committee find from the Budget documents as well as replies furnished by the Department that allocation and utilisation has been indicated State-wise. The Committee note that that in view of the existing system of indicating and monitoring data, it is not possible to know the performance of the programme in the selected 150 districts. The Committee would like to recommend that district-wise physical and financial achievement should be indicated against each of the districts so as to know the impact of the programme in each of the districts. Such data will also enable the Government to know the various shortcomings in the programme which will ultimately be taking the shape of a guarantee scheme.</p>
19.	3.14	<p>The Committee further fail to understand the difference between the most backward districts selected by the Department for the purpose of National Food for Work Programme with those of 170 most backward districts mentioned by the Finance Minister in his Budget speech. The Committee would like the Department to analyse the position in this regard and furnish explanation to the Committee. The</p>

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		Committee would also like to strongly recommend that while selecting the districts for National Food for Work Programme, it should be strictly ensured that parameters for selection of districts are such that first of all the most backward districts in a State get the due priority in the Programme.
20.	3.15	The National Rural Employment Guarantee Bill (2004) is being examined by this Committee and all related matters will be analysed and suitably recommended in the report. At this stage, the Committee would like to say that although the Government has started the Food for Work Programme in 150 districts meant to achieve the similar objective as of the said legislation, there is no planning on the part of the Government as to how the Guarantee Scheme will be applicable throughout the country. The Committee are constrained to find that so far no exercise has been made to know about the estimated outlay that will be required to cover the whole country with the said guarantee. The Committee fail to understand how the Government would be achieving the objective of such an ambitious legislation. The Committee strongly recommend that the Government should do the desired home-work so that such a big programme with laudable objectives could be translated into reality.
21.	3.31	The Committee find that during 10th Plan under Sampoorna Grameen Rozgar Yojana Planning Commission has allocated for cash component Rs. 18,538 crore lesser than the proposed allocation. Similarly during 2005-2006, the allocation is Rs. 1,428 crore lesser than the proposed allocation. Under

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22.	3.32	<p>National Food for Work Programme during 2005-2006, the allocation for cash component is Rs. 573 crore higher than the proposed allocation. The Committee further note that SGRY will be applicable in the districts where National Food for Work Programme which eventually will be converted into Guarantee Scheme is not applicable. In such a situation, the Committee hold the view that till the scope of NFFWP is further extended, the majority of the districts will be covered by SGRY. In such a situation the Committee recommend that due priority should be accorded to SGRY. The outlay under National Food for Work Programme should not be provided at the cost of SGRY.</p> <p>The Committee further find that with regard to the payment for food grains component under SGRY as well as NFFWP, there is utter confusion. They note that as per the recent decision, the payment for food grains component will directly be managed by the Ministry of Finance. As per the data reported by the Secretary during evidence Rs. 15,000 crore is the outstanding payment to Food Corporation of India. The Committee also note that during 2005-2006, no allocation has been indicated against the proposed allocation of Rs. 27,375.87 crore under SGRY and Rs. 2,313 crore under NFFWP for food grains component. In such a scenario the Committee fail to understand how the Government will fulfill the commitment of providing adequate allocation under the wage employment programme of the Department. The Committee feel that, the specific allocation and outstanding due to</p>

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		<p>Food Corporation of India should invariably be indicated in the Budget documents irrespective of the fact whether payment is made by the Ministry of Rural Development or Ministry of Finance to the Food Corporation of India or to the Department of Food and Public Distribution (Ministry of Consumer Affairs, Food & Public Distribution) so as to know about the clear picture of the allocation. The Committee would like to be clearly informed how the Government propose to arrange for the outlay for the employment guarantee for which ambitious commitments have been made in the National Common Minimum Programme as well as in the Budget announcements.</p>
23.	3.33	<p>The Committee are disappointed to note the implementation of SGRY in some of the States particularly Union territories. The Committee are further constrained to note the reply of the Department stating that Union territories have never utilised their allocated resources to the fullest extent under SGRY and as such no district under Food for Work Programme was included for Union territories. The Committee strongly recommend to analyse the reasons for poor performance in each of the States as indicated in the preceding para of the report and take the corrective action immediately. The Committee may also be kept informed about this. The Committee are unable to understand poor performance of SGRY in Union territories which are directly under the administrative control of the Union Government. They would like the explanation of the Department in this regard.</p>

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24.	3.34	<p>The Committee are further constrained to note that out of 12 States to whom food grains were released under Special component of SGRY, only 4 States have submitted the progress reports. Further the data submitted by the Department in case of these States is also not clear. Food grains authorised indicated is for the year 2004-2005, whereas the utilisation data is cumulative data including utilisation for the year 2004-2005. Thus the performance cannot be evaluated. The Committee would like that the data for each year under specific item should be made individually so as to enable the Committee to come to some meaningful conclusion. The Committee strongly recommend that proper monitoring of data should be done for the outlay earmarked under Special Component of SGRY so as to ensure that the meagre resources earmarked for calamity affected areas reach the intended calamity stricken beneficiaries. The Committee would like the Department to collect the utilisation data from such States/District and submit before the Committee along with the position of mandays created.</p>
25.	3.35	<p>The Committee further note that during 2005-06, Rs. 360 crore out of overall savings has been allocated additionally for Tsunami affected States. The Committee strongly recommend to monitor the utilisation position in the said Districts/States regularly so that the benefits reach to the targeted persons.</p>
26.	3.50	<p>The Committee are concerned to note a reduction of four per cent outlay under SGSY in 2005-2006 as compared to previous</p>

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year allocation at BE stage. They also note that during 10th plan the Department has been allocated less than half of what was proposed under SGSY. Similarly during 2005-06, the Department has got less than 75 per cent of the proposed outlay in this regard. A little over Rs. 1,068 crore credit mobilisation only has so far been achieved by States and Union territories against the target of Rs. 2,508 crore during the previous year. Further alarming is the fact that none of the States except Himachal Pradesh and Rajasthan could distribute more than 50 per cent of the credit available during 2004-2005. The Committee, therefore, conclude that the Department has to blame itself for the reduction of outlay of the scheme in the current year. They note the assurance of the Planning Commission to restore the Central outlay of SGSY at the level of the previous year *i.e.* Rs. 1,000 crore. They also note the reports of the Area Officers regarding the reasons for poor performance of the scheme. In this scenario the Committee urge the Government to take corrective measures for satisfactory implementation of the scheme and then approach the Planning Commission by which the Commission could be convinced for higher allocation under the scheme.

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3.56

The Committee observe that due care has not so far been taken by the Government either to arrange for proper certification or for marketing of SHG products. The Committee note the reply of the Department that some initiatives by only two States *viz.* Madhya Pradesh and Maharashtra have been taken to facilitate quality certification of various SHG

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		<p>products. They feel that these efforts are not enough. The laboratory at Wardha cannot cater to the need of all SHGs of the country. The Committee, therefore, recommend that the Government should help to establish at least one laboratory in each region of the country that too only for certification of SHG products, which can be replicated for establishment of such centres in all States and Union territories in a time bound manner later.</p>
28.	3.57	<p>The Committee also note with concern that marketing of several SHG products including silk sarees has reduced considerably in Uttar Pradesh where the existing marketing organisations ceased to operate. They feel that similar problems might be arising in other States/Union territories from time to time. It is an irony that the SHG members continue to face tremendous problems even now for marketing of their products. As importance of marketing of SHG products cannot be overlooked, the Committee recommend that appropriate action may be taken in this regard and they be apprised accordingly. Further, the Government should also ensure that such problems do not take place in other States and Union territories.</p>
29.	3.63	<p>The Committee find that over the years there has been considerable reduction in rate of interest being charged by Commercial Banks from the customers. They further note that whereas people in urban areas are enjoying the benefits of this lower interest rate regime, the poorest of the poor are being deprived of the said benefits. People in urban areas can get loan</p>

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for buying a car or a house at much less rate than the rate of interest being imposed on the poorest of the poor under the social sector schemes like SGSY. Similar may be the position for loans advanced for housing in rural areas. Not only that, whereas banks get refinance at a much cheaper rate of 5.50 per cent, they charge interest at much higher rate between 8.5 to 9.5 per cent as the Committee noticed during the Study visit to Varanasi and Lucknow.

Besides the Committee found during the said study tour that banks were charging old rate of interest *i.e* on the loans advanced earlier under SGSY. The benefit of the lower interest regime is not being extended to the old loans sanctioned to SGSY beneficiaries at much higher rates as compared to present day rate of interest.

While noting the data with regard to recovery of loans under SGSY in various States, the Committee feel that the ground reality in this regard may not be so worse as indicated in the data provided by the Department. Another noticeable point is the zero per cent recovery rate in Manipur, Tripura, Dadra and Nagar Haveli, Mizoram, Lakshadweep, Daman and Diu. The Committee feel that there are certain discrepancies in the data furnished by the Department with regard to the recovery rate of SGSY loan. The Committee would like the Department to explain the position in this regard. Besides, they would like to be apprised of the data with regard to the recovery of commercial lending by banks so as to enable them to react further in this regard. On the issue of administrative

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		charges, the Committee feel that 3 per cent charges as indicated by banks during the Study visit are much on higher side.
30.	3.64	In view of the aforesaid scenario, the Committee strongly feel that there is no justification for charging higher rate of interest from the poorest of the poor in rural areas. While noting that the Government has deregulated the interest rate and banks are free to charge rate of interest from customers, the Committee feel that while dealing with the issues related to the poorest of the poor, some sort of regulation is necessary. Besides there is an urgent need to change the mindset of banks towards lending for social sector. They feel that the mindset of the banks should be pro-poor. The Committee strongly recommend to the Government to take up the issue raised above on an urgent basis with the Ministry of Finance, Reserve Bank of India and all other concerned. Not only that, the intervention at much higher level in this regard is required. The Committee will also like that their concerns in this regard should be communicated to the Cabinet Secretary so that this issue may get the top most priority. The Committee would also like that the said issue should be taken in consideration for Cooperative as well as Regional Rural Banks also as these banks are also charging high rate of interest on social sector lending like SGSY loans.
31.	3.65	The Committee further find that besides the higher rate of interest, there are other severe anomalies as the Committee noticed and the banks admitted during the Study visit. The most glaring anomaly noticed is

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charging of interest on subsidy which is a gross violation of the guidelines. The reaction of the Department stating that the complaints when received are taken up with the concerned bank, smacks of the casual approach of the Department towards such a serious issue. The Committee feel that this is not a normal complaint. Some sort of accountability should be fixed. Stringent and serious efforts are called for on behalf of the Department when such issues specifically by a Parliamentary Committee are brought to the notice of the Department. The Committee would like the Department to explain the position in this regard.

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The Committee are unhappy to note the performance of SGSY Special projects. They find that Rs. 8.26 crore during 2003-2004 and Rs. 94.53 crore so far during 2004-2005 have remained unspent. Not only that, the Government have involved in the implementation Nehru Yuvak Kendras which are under the administrative control of the Ministry of Youth Affairs and Sports even though DRDAs/Zilla Parishads continue to implement rural development schemes in all districts of the country. As admitted by the Government, the progress of the projects being implemented by NYKs was very slow but the pace is improving now. The Committee fail to understand as to why the NYKs were involved in the implementation of SGSY projects specifically when DRDAs/Zilla Parishads have been established and are functioning in most of the districts of the country to monitor the implementation of schemes of the Ministry. The Committee in this regard would like

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		<p>the Department to furnish the reasons for involving NYKs in the implementation of SGSY special projects. Besides they would like to be apprised of about the details of such projects indicating the financial and physical performance of these projects which are being taken up by NYKs so as to enable the Committee to ensure the reasons for their involvements and comment further in this regard.</p>
33.	3.76	<p>The Committee find from the data indicated above that there is an increase of 11 per cent in the outlay provided during BE 2005-2006, but if compared to RE, there is further reduction of outlay. As clarified by the Department, even if it is accepted that Rs. 400 crore special assistance is provided to Bihar for construction of 2.15 lakh additional houses damaged by floods is included in the outlay, the outlay provided during 2005-2006 is inadequate keeping in view the data of shelterlessness in the country. As per Government's own data 14.84 million is the housing shortage. Not only that shortage of around 10 lakh houses is added to it annually. The Committee find that shelter is basic necessity of life and there is an urgent need to tackle the issue on war footing.</p>
34.	3.77	<p>The Committee further note that ambitious targets of constructing 60 lakh houses in four years (2005-2006 to 2008-09) have been set under 'Bharat Nirman'. They feel that without adequate funding, targets will remain only dreams. To translate such ambitious programmes in to reality, the Committee strongly recommend that adequate outlay should be provided.</p>

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		<p>Ministry of Finance/Planning Commission should be approached for adequate funding. The Committee would like to be apprised of their reaction. With regard to special allocation of Rs. 400 crore as provided to Bihar for construction of 2.15 lakh additional houses damaged by floods, the Committee would like to be apprised of the physical achievement in this regard.</p>
35.	3.78	<p>The Committee further note that the Government have started implementing several sub schemes hurriedly which have now been merged with IAY from this year. They are astonished to find that the Government have not been able to monitor the physical progress of the sub-Schemes except IAY, after these are merged with IAY. The plea taken by the Department that these sub-schemes are demand driven and hence unmonitorable is unacceptable to the Committee. When scarce resources are being provided, it should be spent judiciously and the target and achievements should be monitored accordingly. Therefore, the Committee would like that the infrastructure created under all sub-schemes of rural housing should be monitored even after these are merged with IAY and should be reflected in the various Budget documents.</p>
36.	3.79	<p>The Committee note that nearly 15 million families were houseless in the rural areas as per 2001 census. In addition, about 10 lakh houses are being added to the existing shelterlessness. The Committee also find that various paralleled rural housing schemes are being implemented by the</p>

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		<p>respective State Governments. The States of Kerala, Tamil Nadu and Gujarat are dovetailing funds with IAY. The Committee feel that there is an urgent need for dovetailing the rural housing schemes with IAY in the remaining States. The dovetailing of State Sector Schemes would not only help in avoiding the problem of coordination but would also help in having accurate data about the level of shelterlessness in a particular State. The Committee would like that said issue should be taken up and discussed at the various conference/workshops and through various review meetings conducted by the Ministry in which representatives of State Governments participate. The Committee should also be apprised about the deliberations and outcome of such discussions.</p>
37.	3.80	<p>The Committee are concerned to note that several IAY houses have been constructed without basic necessities, like proper ventilation, provision for windows, drinking water, toilets etc. as found by them during their Study visit. They feel that without the provision for basic necessities the condition of poor people living in IAY houses can not be improved. They, therefore, recommend that it should be ensured to provide basic necessities in IAY houses so that poor people can live with dignity.</p>
38.	3.103	<p>The Committee note that a laudable programme was launched by the Government on 25 December, 2000 with the objective to provide road connectivity, through good all-weather roads, to all unconnected rural habitations with a</p>

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		<p>population of 1000 or more by 2003 and those habitations having population of more than 500 persons by the year 2007. As per the revised estimates under 'Bharat Nirman' the habitations having population of 1000 (or 500 in hilly, tribal areas) are now proposed to be covered by 2009. The earlier estimates of outlay required were for Rs. 60,000 crore. As per Economic Survey, now the said projections have increased to Rs. 1,33,000 crore. Further if the objective set under 'Bharat Nirman' <i>i.e.</i> to upgrade and renew a portion of the Core Network is included, as per the Government's estimates, an outlay of Rs. 48,000 crore will be required during next four years which implies an annual allocation of Rs. 9,600 crore against the current budget of Rs. 4,235 crore during 2005-2006.</p>
39.	3.104	<p>The Committee find from what has been stated above, that the targets of connectivity cannot be achieved with present level of allocation. They also find that due to spillover of targets, the estimates of required outlay have considerably increased. The present estimates of requirement of Rs. 48,000 crore for four years may further enhance, if the set targets are not achieved as per the revised date of coverage of habitation population of 1000 <i>i.e.</i> by the year 2009. Thus the Committee conclude that inadequate financial resources is the biggest concern. For augmenting resources for the programme, the Committee suggest the following:</p> <p>(i) the projections made by the Department during 2005-2006 do not correspond to the annual requirement of outlay to achieve the objective of Bharat Nirman. The Department in fact got Rs. 595 crore more</p>

than the projected outlay during 2005-2006. The projections made by the Department should commensurate to the overall projections of the Government;

(ii) There is enough scope to tap external funding from ADB/World Bank. More efforts need to be made to explore the potential for augmenting available resources with external funding;

(iii) The Committee in their earlier report (refer paragraph no. 3.126 of 3rd Report—14th Lok Sabha) had expressed their concern over not allocating funds on account of increase in diesel cess. As reported by the Department, the arrears amounting to Rs. 2,500 crore on account of additional cess imposed since 2003-2004 have not been allocated to the Department. Besides, during the current year *i.e.* 2005-2006 although there is a proposal to increase the cess on petrol and diesel by 50 paise per litre, the additional resources are proposed to be exclusively earmarked for the National Highways. Keeping in view the escalation in cost of constructing roads due to spillover of the targets as stated above, at least 50 per cent of the additional resources to be procured by the additional cess should be made available for PMGSY;

(iv) As replied by the Department a proposal has been moved to amend the Central Road Fund Act to enable cess funds to be used for repaying loans taken for constructing and upgrading rural roads to facilitate leverage of the cess in the domestic capital market. The Committee

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		<p>strongly recommend to the Government to finalise the aforesaid proposal which may enable the Government to leverage long term funds from the domestic capital market.</p>
40.	3.105	<p>While recommending for higher outlay, the Committee feel that there is an urgent need to take stringent steps for the better and effective implementation of the programme. As stated above, the performance of the projects taken under phase I to IV of PMGSY is not satisfactory in some of the States. The problems as stated by the Department are manifold like institutional problems, and procedural delays etc. The Committee would like that the State-specific problems in the under performing States should be analysed critically and the corrective action taken thereon. The Committee may also be apprised in this regard.</p>
41.	3.106	<p>The Committee further note that the guidelines of the Yojana provide for the maintenance of roads. The roads constructed under PMGSY will be maintained by the Project Implementing Units and after that the maintenance will be taken over by the PRI designated for the purpose. The State authorities are also required to furnish an undertaking that they would remit to the identified PRI from the State Government funds, the requisite cost of maintenance. The Committee find that although an elaborate system has been indicated in the guidelines for the maintenance of roads constructed under PMGSY there is an urgent need that these provisions are strictly adhered to by the</p>

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		State Governments. The Committee would like the Department to take the desired steps in this regard and apprise them accordingly.
42.	3.107	The Committee note that PMGSY was envisaged with a laudable objective of providing connectivity to not connected habitations. The guidelines of the Yojana provides for upgradation of roads up to 20 per cent of the State's allocation where unconnected habitations still exist. The Committee also note that although it has been indicated in the guidelines that upgradation is not central to the Programme, there is a need to monitor and ensure that the main emphasis of Yojana is to provide new connectivity so that the main objective of starting the Yojana is not sidelined. The Committee therefore like the Department to strictly monitor the position in this regard. Besides the Committee would like to be apprised to the data indicating the per cent allocation and expenditure made on new connectivity as well as on maintenance scheme-wise, year-wise and State and Union territory-wise.
43.	3.108	The Committee further note that Central agencies like NBCC and NHPC have been inducted for construction of roads under PMGSY in Bihar and Tripura. The Committee would like to be apprised whether the induction of Central agencies in said States could help in getting better results. After evaluating the performance of such Central Agencies, the Committee would like that in the under performing States, where there is problem of executing agencies, the possibility of induction of such

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		agencies, should be explored in consultation with State Governments.
44.	3.109	The Committee would also like to recommend to put in place a strict monitoring mechanism to ensure the quality of the roads constructed under PMGSY. Besides, they would like to be informed the number of States/Union territories who have put the Core Network reports indicating DRRP Road wise and habitation wise. Road wise and habitation wise network should be put on the website as per the guidelines. Besides the Committee would like that the details of the projects indicating the date of starting the project, estimated outlay, stage of implementation, total road length etc. should also be put on the web-site for the purpose of bringing transparency in the implementation of the programme.
45.	3.110	The Committee further find that in Bihar so far District Road Plans have not been prepared. They would like to know the reasons for delay in preparing DRPs, specifically when the Central Agency has been inducted as the executing agency in that State.
46.	3.114	The Committee note the reply of the Government that Rs. 4 crore to Rs. 5 crore per cluster is estimated to be required for development of a PURA cluster. They also note that since 2003-04, Rs. 20 crore have been allocated under PURA. They, therefore conclude that with these funds only 4 PURA clusters can be taken up for development. For the development of one PURA cluster in 7 selected States at least Rs. 35 crore will be required. With the

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		<p>present level of allocation under the Scheme, the Government may take another two years to start a single PURA cluster each in all these States. They also apprehend that with the present pace of implementation, the complete development of pilot PURA clusters may not end before 2008-09 as the development of cluster will take about 3 years time. This might delay the framing of the guidelines and the launching of PURA in the Country as a whole. They, therefore, recommend that the Department should approach Planning Commission/Ministry of Finance for adequate outlay for pilot projects. The Department should also ensure that pilot projects are taken up expeditiously so that the ambitious programme could be launched Nation-wide.</p>
47.	3.127	<p>The Committee note that during 2004-2005, Rs. 26.49 crore could be spent up to January 2005 out of total allocation of Rs. 33.40 crore earmarked under plan budget for the training. They find that nearly Rs. 7 crore of the plan funds remained unspent for training during 2004-2005 up to the month of January. The Committee further note that even for training schemes there is rush of funds in the last two months of the financial year. The Committee urge the Department to properly plan ahead so that the pace of expenditure for training is evenly spread through out year during 2005-2006.</p>
48.	3.128	<p>The Committee note that out of 28 SIRDs the Central share for recurring expenditure of Rs. 9.07 crore has been provided to 23 SIRDs so far. They, therefore, conclude that 5 SIRDs have not been provided with the</p>

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funds for recurring expenditure this year. The Committee would like to know the name of the States to which SIRD allocation has not been made. They would also like to be apprised of the reasons for which the said 5 SIRDs have been deprived of the Central funds. As training is an important input for the success of rural development programmes, all SIRDs should receive the funds in time and it should be ensured that the scarce resources are spent in a proper manner. The Committee further note that in 24 States, 88 ETCs have been established and are functioning. ETCs have not been constituted in Goa, Sikkim, Tripura and Uttaranchal. The Committee would like to recommend for the early constitution of ETCs in said States. Besides the Committee would like to be informed about the number of ETCs in each State so as to have a better idea of the functioning of ETCs and recommend further in this regard. The Committee would also like to recommend for early construction of SIRDs in Chhattisgarh and Uttaranchal.

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3.129

The Committee further find that SIRDs/ETCs have so far conducted only 1,719 training programmes out of the target of 5,899 training programmes during 2004-2005. They also find that only 66,002 participants have so far taken training against a target of 1,74,390. They, therefore, conclude that the training activity by SIRDs/ETCs are not up to the mark during the said year. The Committee observe that since the training is the basic input for the effective implementation of rural development schemes, there is an urgent need to give more stress in this regard. The

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		<p>Committee strongly recommend to the Department to analyse the position of training programme more critically in each State and it should be ensured that the targets are fully achieved in a particular year. The Committee would also like to be kept informed about the reasons for shortfall in targets State-wise along with the corrective action initiated by the Department.</p>
50.	3.139	<p>The Committee find that CAPART has been constituted with the laudable objectives which include training of voluntary organizations, reduction of rural poverty, selection and encouragement of innovative technologies and their dissemination, providing the minimum need in respect of safe drinking water and sanitation. The Committee would like to be apprised how far CAPART could achieve the aforesaid objectives to enable the Committee to analyse the performance of CAPART.</p>
51.	3.140	<p>From the detailed expenditure position during 2004-2005, the Committee understand that the main expenditure was on account of Public Cooperation Scheme, Advancement of Rural Technology Scheme as well as Administration. The Committee would like to be apprised of the achievement of CAPART under the aforesaid schemes to analyse the position of expenditure and comment further in this regard. On account of expenditure on administration, the Committee would also like to be apprised of the details of organization structure of CAPART for which an amount of Rs. 6.33 crore was spent during 2004-2005. In other sectors the Committee find that the level of</p>

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52.	3.141	<p>expenditure is marginal. The Committee would like a detailed note indicating how the meagre outlay would enable CAPART to achieve the desired results in the different schemes.</p> <p>The Committee find that one of the main activities of CAPART is to provide training to voluntary organization. The Committee would like to be apprised of the number of voluntary organizations who could be imparted training so far. Besides they would also like to be apprised of the details of the curriculum for training.</p>
53.	3.142	<p>The Committee note that during 2004-2005, out of 659 NGOs, 22 NGOs were blacklisted. The Committee would like to be apprised of the mechanism to ensure that once an NGO is blacklisted it can not be registered again and get any grant from CAPART. The Committee would also like that stringent monitoring mechanism is required to monitor the activities of NGOs.</p>
