

**STANDING COMMITTEE ON RURAL DEVELOPMENT
(2009-2010)**

1

FIFTEENTH LOK SABHA

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

**DEMANDS FOR GRANTS
(2009-2010)**

FIRST REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

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STANDING COMMITTEE ON RURAL DEVELOPMENT
(2009-2010)

(FIFTEENTH LOK SABHA)

MINISTRY OF RURAL DEVELOPMENT
(DEPARTMENT OF RURAL DEVELOPMENT)

DEMANDS FOR GRANTS
(2009-2010)

Presented to Lok Sabha on 17 December, 2009
Laid in Rajya Sabha on 17 December, 2009



LOK SABHA SECRETARIAT
NEW DELHI

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COMPOSITION OF THE STANDING COMMITTEE ON RURAL DEVELOPMENT (2009-2010)

Shrimati Sumitra Mahajan - *Chairperson*

Members***Lok Sabha***

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3. Shri Kunvarjibhai Mohanbhai Bavalia
4. Shri Sanjay Dhotre
5. Shri Sandeep Dikshit
6. Shri Manikrao Hodlya Gavit
7. Shri H.D. Kumaraswamy
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9. Shri Sidhant Mohapatra
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Rajya Sabha

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27. Shri P.R. Rajan
28. Shri Arjun Singh
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30. Shrimati Maya Singh
31. Miss Anusuiya Uikey

Secretariat

1. Shri P.K. Grover - Joint Secretary
2. Shri V.R. Ramesh - Director
3. Shri Sundar Prasad Das - Under Secretary

* Consequent upon the resignation of Shri Ajay Singh Chautala from the membership of Rajya Sabha *w.e.f.* 3rd November, 2009 *vide* Notification No. RS.10/2009-T dated 6 November, 2009.

INTRODUCTION

I, the Chairperson of the Standing Committee on Rural Development (2009-2010) having been authorized by the Committee to submit the Report on their behalf, present the First Report on Demands for Grants (2009-2010) 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 of the Ministry of Rural Development on 09 November, 2009.

4. The Report was considered and adopted by the Committee at their sitting held on 14 December, 2009.

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

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

NEW DELHI;
16 December, 2009
25 Agrahayana, 1931(Saka)

SUMITRA MAHAJAN
Chairperson,
Standing Committee on Rural Development

ABBREVIATIONS

AARDO	-	Afro-Asian Rural Reconstruction Organisation
ADB	-	Asian Development Bank
APL	-	Above Poverty Line
APO	-	Additional Project Officer
ARTS	-	Advancement of Rural Technology Scheme
BE	-	Budget Estimate
BLCC	-	Block Level Coordination Committee for SGSY
BPL	-	Below Poverty Line
CAPART	-	Council for Advancement of People's Action and Rural Technology
CCEA	-	Cabinet Committee on Economic Affairs
CCSS	-	Credit-cum-subsidy Scheme
CIPART	-	CAPART Institute for Poverty Alleviation and Rural Technology
CIRDAP	-	Center on Integrated Rural Development in Asia and Pacific
CLCC	-	Central Level Coordination Committee for SGSY
CLGF	-	Commonwealth Local Government Forum
CMD	-	Chief Managing Director
DAVP	-	Directorate of Advertising and Visual Publicity
DLCC	-	District Level Coordination Committee
DLM	-	District Level Monitoring
DPR	-	Detailed Project Report
DRDA	-	District Rural Development Agency
DRI	-	Differential Rate of Interest
DWCRA	-	Development of Women and Children in Rural Areas
EAS	-	Employment Assurance Scheme
EFC	-	Expenditure Finance Committee
EGoM	-	Empowered Group of Ministers
ETC	-	Extension Training Centre
FAQ	-	Fair Average Quality
FCI	-	Food Corporation of India
GDP	-	Gross Domestic Product
GJRHFS	-	Golden Jubilee Rural Housing Finance Scheme
GKY	-	Ganga Kalyan Yojana
GOI	-	Government of India
GSM	-	Gram Shree Mela
GVA	-	Gramin Vikas Andolan
HCR	-	Head Count Ratio
HLC	-	High Level Committee
HRDS	-	Human Resource Development Scheme of CAPART
HSD	-	High Speed Diesel
HUDCO	-	Housing and Urban Development Corporation Limited
HUPA	-	Housing and Urban Poverty Alleviation
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
IRH	-	Innovative Rural Housing
IRMA	-	Institute of Rural Management, Anand

ITD	-	Information Technology Division
ITEC	-	Indian Technical and Economic Cooperation Programme
IWDP	-	Integrated Wastelands Development Programme
JGSY	-	Jawahar Gram Samridhi Yojana
JRY	-	Jawahar Rozgar Yojana
KM.	-	Kilo Meter
LIBOR	-	London Inter Bank Exchange Rate
MP	-	Member of Parliament
MPR	-	Monthly Progress Report
MNP	-	Minimum Needs Programme
MWS	-	Million Wells Scheme
NABARD	-	National Bank for Agriculture and Rural Development
NA	-	Not Available
NC	-	Not Covered
NCT	-	National Capital Territory
NFFWP	-	National Food for Work Programme
NGA	-	Nirmal Gram Abhiyan
NGO	-	Non-Governmental Organization
NICD	-	National Institute of Community Development
NIRD	-	National Institute of Rural Development
NLM	-	National Level Monitor
NREGA	-	National Rural Employment Guarantee Act, 2005
NRLM	-	National Rural Livelihoods Mission
NRRDA	-	National Rural Roads Development Agency
NSAP	-	National Social Assistance Programme
NSSO	-	National Sample Survey Organisation
NYK	-	Nehru Yuvak Kendra
OB	-	Organization of Beneficiaries of CAPART
OB/UB	-	Opening Balance/ Unspent Balance
OTC	-	Organisation of Training Courses/Seminars/Workshops
PADI	-	People's Action for Development India
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
PRC	-	Performance Review Committee
PURA	-	Provision of Urban Amenities in Rural Areas
PRIs	-	Panchayati Raj Institutions
RAC	-	Research Advisory Committee
RBI	-	Reserve Bank of India
RBC	-	Rural Building Centres
RC	-	Regional Committees of CAPART
RD	-	Rural Development
RE	-	Revised Estimate
RH	-	Rural Housing Schemes
RIDF	-	Rural Infrastructure Development Fund
Rs.	-	Rupees
SAY	-	Samagra Awaas Yojana
SC	-	Scheduled Caste
SEGF	-	State Employment Guarantee Fund

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
SLBC	-	State Level Banker's Committee
SLCC	-	State Level Coordination Committee for SGSY
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
URP	-	Uniform Recall Period (of 30 days)
UT	-	Union territory
VA	-	Voluntary Agency
V&MC	-	Vigilance and Monitoring Committee
VO	-	Voluntary Organisation
WEP	-	Wage Employment Programme
WSD	-	Watershed Development
ZP	-	Zilla Parishad

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, developing and implementing different Yojanas/ Programmes/ Schemes relating to various spheres of rural life and activities. The Ministry consists of the following three Departments:

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

Department of Rural Development

1.2 The Department of Rural Development implements Schemes for generation of self-employment and wage employment, provision of housing to rural poor, construction of rural roads and provides support services 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 rural development programmes in rural areas.

1.3 The Department implements various Central Sector and Centrally Sponsored Schemes. Some of the main Yojanas/Programmes/Schemes being implemented by the Department are:

- (i) National Rural Employment Guarantee Act (NREGA), 2005;
- (ii) Swarnjayanti Gram Swarozgar Yojana (SGSY);
- (iii) Pradhan Mantri Gram Sadak Yojana (PMGSY);
- (iv) Rural Housing (RH): Indira Awaas Yojana (IAY);
- (v) District Rural Development Agency (DRDA) Administration Scheme;
- (vi) Provision of urban amenities in rural areas Scheme (PURA); and
- (vii) Management support to rural development programmes.

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

1.5 The overall Demands for Grants of the Department for BE 2009-10 are for Rs. 1,06,650.08 crore. However, after deducting the recoveries (Rs.43,943.13 crore) expected during the year, the net Budget of the Department during BE 2009-10 is Rs.62,706.95 crore both for Plan and non-Plan.

1.6 The Demands for Grants of the Department have been presented to Parliament under Demand No.80. The detailed Demands for Grants of the Department were laid in Lok Sabha on 10 July 2009.

1.7 In the present Report, the Committee have restricted their examination only to the major issues concerning the budget and the Demands for Grants 2009-2010 of the Department and to some of the major Yojanas/Programmes/Schemes that are being implemented.

CHAPTER II

Overall assessment of the Demands for Grants 2009-2010 of the Department of Rural Development

Status of Implementation of the recommendations made by the Committee in the Reports presented during Fourteenth Lok Sabha under direction 73-A of the Directions by the Speaker, Lok Sabha

As per direction 73A of the Directions by the Speaker, Lok Sabha, the Minister concerned shall make once in six months, a statement in the House regarding the status of implementation of recommendations contained in the Reports of the Departmentally Related Standing Committees of Lok Sabha with regard to his/her Ministry. The Committee had presented the third, ninth, eighteenth and twenty-ninth Reports on Demands for Grants relating to different financial years during the Fourteenth Lok Sabha. The Minister concerned had tabled a Statement on each of the said Reports. However, the recommendations that have been categorized as interim reply in the concerned Action-taken Reports of the Committee are as follows:-

Original Report No.	Recommendation para classified as 'interim'	Action taken Report number	Presented on	Statement due on	Statement presented on
(1)	(2)	(3)	(4)	(5)	(6)
Third (Fourteenth Lok Sabha)	3.80, 3.92, 3.100, 3.133, 3.179	Eighth	19.08.2004	18.02.2005	29.04.2005
Ninth (Fourteenth Lok Sabha)	2.47, 3.34, 3.77, 3.103, 3.104	Seventeenth	20.04.2005	19.10.2005	28.07.2006
Eighteenth (Fourteenth Lok Sabha)	3.90	Twenty-Fifth	18.05.2006	17.11.2006	21.03.2007
Twenty-Ninth (Fourteenth Lok Sabha)	3.29, 3.30, 3.74, 3.136	Thirty-Third	14.05.2007	13.11.2007	06.12.2007
Thirty-Fifth (Fourteenth Lok Sabha)	3.29, 3.31, 3.36, 3.39, 3.60, 3.83, 3.84, 3.95	Forty-Fourth	17.04.2008	16.10.2008	24.10.2008

2.2 It can be seen from the above that 23 different recommendations were categorized as 'interim reply' as per the Action-taken Report on five different Reports on Demands for Grants during Fourteenth Lok Sabha.

2.3 When asked about the review made by the Department on implementation of the recommendations of the Committee, in all the States and Union territories at regular intervals, the Ministry in their reply have stated that the Minister of Rural Development has been laying on the Table of the House, the Statements on the status of

implementation of recommendations contained in the different Reports of the Standing Committee on Rural Development. The implementation of the recommendations, wherever they are applicable to the States and Union territories, is discussed in the meetings of the Performance Review Committee (PRC) held every quarter by the Ministry. Such meetings, addressed by Minister of Rural Development, are attended by Secretaries in charge of Rural Development and other concerned State Secretaries. The progress of implementation is also discussed with State Governments in other meetings held by Minister of Rural Development and senior officers of the Ministry from time to time and also during the visits of the Programme Officers to the States.

2.4 Asked further as to the fate of implementation of recommendations categorized as 'interim' in the aforesaid Statements, the Ministry have replied that on the recommendations to which interim replies had been given, further action has been/is being taken by the Department. The Department would like to be advised regarding the manner by which the Committee could be apprised of the latest status of implementation of these recommendations.

2.5 The Committee note that the Government is not implementing the direction 73 A of the Directions by the Speaker, Lok Sabha, in the right spirit. As per the said direction, the Minister concerned should make the Statement on action-taken by the Government on their recommendations within six months. The Committee observe that none of the Statements were laid within the stipulated once-in-six-months period. Besides, the Statements laid did not indicate the status of action taken on the recommendations which had been categorised as interim reply in the Action-taken Reports of the Committee. They are surprised to find that the Government is still sitting idle all these years and virtually doing nothing on their recommendations categorized as interim as per the Statements presented by the Minister concerned. The Committee, therefore, desire that action taken by Government on the recommendations categorized as interim be intimated to them without any further delay. The Committee further desire that, in future, the Government should review the previous recommendations made by the Committee and intimate the Committee about the stage of their implementation before presentation of Demands for Grants for the next financial year.

Clarification on the amount of recoveries in the Demands for Grants (2009-2010)

2.6 As per the detailed Demands for Grants (2009-10) presented to the Parliament on 10 July, 2009, the Department has demanded Rs. 1,06,650.08 crore as BE 2009-10 as given in **Annexure I**. However, as per the preliminary material furnished to the Committee, the net Budget demanded by the Department is Rs. 62,670 crore for all plan schemes. Rs. 39100 crore has been mentioned as 'recoveries' in relation to the National Rural Employment Guarantee Fund and Rs. 4843.13 crore as 'recoveries' from the Central Road Fund totalling to Rs. 43,943.13 crore in the BE 2009-10.

2.7 When asked about the justification for mentioning only Rs. 62,670 crore as Plan Budget of the Department of Rural Development in BE 2009-10 instead of the entire amount of Rs. 1,06,613.13 crore for plan schemes, the Ministry have replied that in the first page of the Detailed Demands for Grants 2009-2010 of Demand No.80 – Department of Rural Development, the total budget for 2009-2010 has been indicated as Rs.106650.08 crore which includes Plan provision of Rs.106613.13 crore and Non-Plan provision of Rs.36.95 crore. The Plan provision of Rs.106613.13 crore also includes the notional budget provisions which are being shown as transfer to Reserve Fund under the following Schemes:

	<u>(Rs. in crore)</u>
1. National Rural Employment Guarantee Act	39100.00
2. Pradhan Mantri Gram Sadak Yojana (diesel cess)	<u>4843.13</u>
Total:	<u>43943.13</u>

2.8 This provision is national and is not the part of Gross Budgetary Support of the Department of Rural Development which is ultimately nullified by a deduct entry of the same amount as shown at page 13 of the Detailed Demands for Grants 2009-10.

2.9 Thus the net Plan Budget available for 2009-2010 is Rs.62670.00 crore (Rs.106613.13 – Rs.43943.13 crore). In this connection, the Budget provisions indicated at pages 188-189 of Expenditure Budget 2009-2010 (Vol.II), July, 2009 presented to the Parliament by the Ministry of Finance may also be referred to.

2.10 The Committee are unable to comprehend the way the Ministry is presenting its Budget. While the Demands for Grants of the Department for the year 2009-2010 depict a figure of Rs.106613.13 crore for plan schemes, the material now furnished to the Committee indicates that the said demand is for

Rs.62670 crore in BE 2009-2010, leaving aside Rs.43943.13 crore as recoveries. The Committee desire to know as to whether the funds marked as 'recoveries' are being spent in the specific schemes viz. NREGA, PMGSY and whether the Department is monitoring the said funds. If so, they desire that such expenditure should be reflected in the Budget accordingly. They note that Rs.43943.13 crore mentioned as recoveries constitute 41.22 per cent of scarce funds of the demand of the Department in BE 2009-2010. They desire that the Department should take suitable steps to clear the ambiguity in this regard and intimate them accordingly.

Unspent Balance in different schemes

2.11 The Department of Rural Development has an unspent balance of Rs.18,717.42 crore in different planned rural development programmes as on 31 March, 2009, as per the latest figures. The following information regarding unspent balance (as on 31.03.2009) under the major rural development schemes has been furnished in the Outcome Budget 2009-10:-

(Rs. in crore)

	Plan Scheme	UB/OB (as on 31.12.2007)	Unspent balance amount (as on 31.03.2008)	UB/OB (as on 31.03.2009)
I	NREGA	5976.26	4203.18	10345.59
II	PMGSY	2296.39	1588.95	1264.56
III	IAY	1761.12	1062.63	6246.17
IV	SGSY	718.26	438.80	783.16
V	SGRY	623.40	NA	-
VI	DRDA Admn.	NA	32.51	NA
VII	CAPART	12.29	26.35	13.14
VIII	NIRD	0.34	5.00	3.42
IX	SIRD	42.72	40.74	61.38
Total unspent balance:		11430.78	7398.16	18717.42

2.12 When asked about the reasons for such huge amount of funds lying unspent under each of the major Schemes of the Department and why the unspent balance as on 31.03.2009 has increased by more than 50 per cent as compared to that on 31.12.2007, the Ministry have replied that reasons for huge amount of funds lying unspent as on 31.03.2009 and increase in unspent balances as compared to that on 31.12.2007 are as follows:

- (i) The major portion of unspent balances (*i.e.* Rs.10345.59 crore) is under NREGA and this is because of the fact that NREGA allocation at R.E. stage was increased from the B.E. of Rs.16000 crore to Rs.30000 crore including the stimulus package of Rs.3500 crore announced by the Govt. in the last quarter of the financial year (2008-09). The releases of funds in the last quarter of the financial year were Rs.10422.00 crore alone.
- (ii) The additional provisions as a part of fiscal stimulus package of Rs.3050 crore under IAY, Rs.1000 crore under PMGSY, Rs.200 crore under SGSY and Rs.7500 crore under SGRY were also made available in the last quarter.
- (iii) During the last quarter of the financial year, 2008-2009, this Department had released Rs.26264 crore under various Plan Schemes out of the R.E. provision of Rs.56854.00 crore which amounts to 46 per cent of the R.E. provision.
- (iv) The following table will visualize that the unspent balances as on 31.3.2009 were not abnormally high seeing the quantum of funds made available to the States during 2008-09:

Details of Unspent Balance of the Department of Rural Development

(Rs. in crore)

Unspent Balance as on 31.3.2008	B.E. 2008-2009	R.E. 2008-2009	Release during 2008-09	Total Availability of funds with States (1+4)	Expdr. Reported By States	Unspent Balance as on 31.03.2009	Unspent balance as % to total availability
1	2	3	4	5	6	7	8
7398.16	31500	56854	56851	64249.16	45531.74	18717.42	29%

2.13 Asked further about the strategy chalked out to utilize the huge unspent outlays, the Ministry have replied that in the Department of Rural Development, the funds under different programmes are generally released in two installments. First installment is normally released to all the DRDAs/States automatically if the 2nd installment during the previous financial year is not released with any condition. The 2nd installment is released only on utilisation of 60 per cent of available funds and on receipt of Audited Statement of Expenditure of previous year. Each proposal for release of 2nd installment undergoes detailed scrutiny and if DRDAs/States have more unspent balances than the prescribed limit of 10 per cent of the available funds, the excess carry over balance is proportionately deducted from the 2nd installment of Central allocation.

2.14 Besides, the Ministry of Rural Development monitors the financial and physical progress of the programmes very closely through monthly periodic reports as well as

through review meetings at different levels. The Ministry has also introduced on-line monitoring of the programmes. The concerns on the slow pace of implementation of programmes of the Ministry are shared by the Minister of Rural Development with the concerned Chief Ministers, State Government officers and State Ministers of Rural Development.

2.15 The Committee are disturbed to note that during 2008-2009, as high as 29 per cent of the scarce funds released at the revised estimate stage have remained unutilized. At the first place, the Department should not have asked for the funds if the implementing agencies do not have the absorption capacity of spending during that particular year. They feel instead of ensuring that the amount is spent for the purpose it has been sanctioned in the budget, the Government have mindlessly released the entire amount for the implementing agencies year after year and become a mute spectator for the huge unspent balance. The Government lost sight of their own stipulation that if DRDAs/ States have more unspent balances than the prescribed limit of 10 per cent of the available funds, the excess carry over balance is proportionately deducted from the 2nd installment of Central allocation. When the implementing agencies were not able to spend even the funds released at the revised estimates stage, entirely, the Government mindlessly released the fiscal stimulus package in four major schemes viz. IAY, PMGSY, SGSY and SGRY. Further release of as high as 46 per cent of RE provision in the last few days of fiscal 2008-2009 did more harm than good, as the implementing agencies were prevented from getting their next year's installment in time which deprived the millions of needy persons living in rural areas to receive the development benefits in time. They, therefore, recommend that Government should take steps to see that at the end of the financial year not more than stipulated 10 per cent of funds lie with the implementing agencies due to the fault of the Department at centre regarding release of funds at the fag end of the financial year. The Committee while expressing serious concern over the trend of huge unspent balance would like to strongly recommend that the Government should analyse the position state-wise and take corrective measures accordingly. The Committee should also be kept apprised of the follow-up action taken in this regard.

Vigilance and Monitoring Committee (V&MC) at State and District Levels

2.16 As per the Guidelines, the Vigilance and Monitoring Committee meetings are to be convened at least once in each quarter at the State level which is chaired by the Minister of Rural Development in the State concerned. As per the information furnished to the Committee, the defaulter States which have not held even a single Vigilance and Monitoring meeting at the State level since 2006-2007 are as follows: -

State Level Vigilance and Monitoring Committees not held in States since 2006-07

Year	Name of States and Union territories
2006-2007	Gujarat, Haryana, Himachal Pradesh, Sikkim, Uttaranchal, Andaman & Nicobar Islands, Pondicherry
2007-2008	Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir, Meghalaya, Mizoram, Tripura, Uttar Pradesh, Daman & Diu, Dadra & Nagar Haveli
2008-2009	Haryana, Jammu & Kashmir, Maharashtra, Manipur, Mizoram, Nagaland, Dadra & Nagar Haveli

2.17 In reply to a question regarding not holding of even a single meeting of State level Vigilance and Monitoring Committees in different States during the last three years viz. 2006-07, 2007-08 and 2008-09 in Haryana, it has been stated that no information is available for the States of Gujarat, Haryana, Himachal Pradesh, Uttar Pradesh, Uttaranchal and some North Eastern States also in this regard.

Vigilance and Monitoring Committee at State Level

2.18 Asked further as to whether there is virtually no monitoring at all in aforesaid States where not a single State Level meetings of Vigilance and Monitoring took place during the last three years, the Ministry have replied that it is not that no State level Vigilance Monitoring Committees (V&MCs) meetings were held in the above mentioned States in all the three years. It may also be pointed out that the V&MC meetings are held at district level also. Ministry of Rural Development has evolved a comprehensive multi-level and multi-tool system of monitoring its programme. The monitoring tools include Performance Review Committee (PRC) meetings, Area Officers System, National Level Monitors (NLMs), State and District level Vigilance Monitoring Committees (V&MCs), District- wise Data Management, on-line receipt of Monthly Progress Report (MPR), Reviews by Union Ministers Secretary, Rural Development and other senior officers.

Vigilance and Monitoring Committee at District Level

2.19 As per guidelines, the Vigilance and Monitoring Committee meetings at District level should be convened in each quarter. Ideally in 619 rural districts of the country, in each year, there should be 2476 meetings at the District level in each year. Out of 593 districts' for which the information has been made available to the Committee, district level Vigilance and Monitoring Committee meetings were held only in 499 districts during 2006-07. Whereas during 2007-08 and 2008-09, in 612 districts, the number of such meetings was held in 562 and 387 districts respectively, it may be seen that the numbers of these meetings have reduced year after year.

2.20 Asked further about the reasons for such reduction year after year particularly when the number of districts has increased in these years, the Ministry have replied that during 2006-07, 753 District level V&MC meetings had been held in 499 districts and in 2007-08, the number of district level V&MC meetings held had gone up to 912 in 562 districts. However, in 2008-09, the number of meetings held came down to 579 in 387 districts. The reason for the reduction of holding these meetings could be the announcement of elections for the Lok Sabha/State Assemblies. As per the guidelines, the V&MC meetings have to be convened on the directions of the Chairman. In many cases, the Chairmen of the Committees were not able to indicate convenient date for holding of these meetings. In some cases, meetings fixed in consultation with the Chairman of the Committee, had to be postponed due to the Chairman of Committee being busy with some other engagements, etc.

2.21 Asked further about the monitoring of all the schemes of the Department in the absence of single V&M meeting at the district level in the aforesaid States/Union territories in the years as mentioned above, the Ministry have replied that besides the Vigilance Monitoring Committees (V&MCs) meetings, the monitoring of rural development schemes is done through various mechanisms like Performance Review Committee (PRC) meetings, Area Officers System, National Level Monitors (NLMs), District- wise Data Management, on-line receipt of Monthly Progress Report (MPR), Review by Union Ministers, Secretary, Rural Development and other senior officers.

2.22 Asked further about the corrective steps taken by the Department in this regard, the Ministry have replied that the Union Minister for Rural Development sent letters to the Chief Ministers of States/Union territories, Chairmen/Co-Chairmen of the V&MCs

and emphasized the need to organize the meetings for effective review of the implementation of the RD Programmes. Also, Secretary (RD) sent letters to Chief Secretaries of States/Union territories requesting them to issue the notifications for constituting State and District level V&MCs immediately and also to convene the first meeting of V&MCs by 30th November 2009. In order to streamline District level V&MC meetings, the Ministry also imposed a condition earlier that the 2nd installment for the programme would be released only after getting confirmation of holding of at least one meeting (against the stipulated four meetings every year). However, this condition was waived so that, on account of non-holding of meetings, the beneficiaries are not penalized or denied funds, for no fault of theirs.

2.23 As per the written information furnished to the Committee, district level Vigilance and Monitoring Committee meetings were not held in 225 districts of 21 States and Union territories, during 2008-2009. Similarly, district level Vigilance and Monitoring Committee meetings were held only in 2 districts of 1 State *i.e.* Gujarat during 2008-2009. This speaks volumes on poor performance of holding district level Vigilance and Monitoring Committee meetings in the country during 2008-2009.

2.24 During the course of oral evidence, the representative of the Department stated as under: -

“After the formation of the Lok Sabha, instructions have been sent to everyone and in that context what we have also done is, I have followed it up with a letter to all Chief Secretaries saying that not only should the notifications be issued, but also they have to make sure that one meeting of the District Level Vigilance and Monitoring Committee be held before the end of the November. I have said that the District Convenors must get in touch with their Chairpersons and request for a date so that by the end of November, we should have at least one meeting. The instructions say that there will be one meeting in every quarter.”

2.25 It was also pointed out during the course of oral evidence as below:-

“At one point we had even indicated that we would stop their funding, but we know stopping the fund does not solve the problem.”

2.26 The Committee are unhappy to note that both at State and district levels V&MC meetings are not being held as per the guidelines. It is completely astonishing that when 28 States should have held a maximum of 112 V&MC meetings at the State level each year, during 2006-2007, 2007-2008 and 2008-2009

the meetings held were only 35, 36 and 35 respectively. They also note that, some of the States which have not held a single State level V&MC meeting in the last two years are Haryana, Jammu and Kashmir, Mizoram, Dadra and Nagar Haveli. They are disturbed to find that against a maximum of 2476 meetings of district level V&MCs in a year which should have been held in 619 rural districts, only 912 meetings during 2007-2008 and 579 meetings during 2008-2009 were held. They feel that effective monitoring at the central level is not being done to ensure that the State and District level V&MCs hold a meeting in each quarter, as per the extant guidelines. The Committee desire that the Department should continue to put pressure and vigorously monitor the conduct of the meetings of V&MCs to ensure that meetings of Vigilance and Monitoring Committees both at State and District Level are held as per the existing provisions of the guidelines.

2.27 The Committee also recommend that the role and powers of the MPs and other Members of the V&MCs may be clearly defined so that they can discharge their duties effectively. Besides, the Department should monitor the action taken on the decisions taken during the meeting and the officials of the Ministry should also pay random visits to the districts to know the functioning of V&MCs. Members of Parliament should also be informed well in advance whenever the officers pay such random visit.

2.28 The Committee also desire that the Government devise a mechanism where by the States and Districts which are holding the Vigilance and Monitoring Committees as per the guidelines may be provided with some kind of incentive so that the other States and Districts not holding the meetings regularly are encouraged to do so.

Overall allocation for Department of Rural Development

2.29 The Demands for Grants (2009-2010) of the Department of Rural Development have been presented to Parliament *vide* Demand No.80. In the Detailed Demands for Grants (2009-2010) the following data has been indicated:

(Rs. in crore)

Year	Plan	Recoveries from Plan Budget	Net-Plan Budget	Non Plan	Net Budget Plan+Non Plan Col (4+5)	Percentage change in Net Budget
(1)	(2)	(3)	(4)	(5)	(6)	(7)
2003-04 (Actuals)	17826.198	2325	15501.198	18.07	15519.26	
2007-08 (Actuals)	44618.659	15825	28773.659	23.06	28796.719	
2008-09 (BE)	51546	20046.25	31500	24.06	31524.06	
2008-09 (RE)	90900.25	34046.25	56854	29.54	56883.54	+ 80.44%
2009-10 (BE)	106613.13	43943.13	62670	36.95	62706.95	+ 10.24%

2.30 The net Budget of the Department, both for plan plus non-plan, has been increased from Rs.56883.54 crore in 2008-09 (RE), to Rs.62706.95 crore in 2009-2010 (BE)[i.e. an increase of Rs. 5823.41crore or (+) 10.24 per cent].

2.31 It can also be seen from the above table that, the net budget of the Department in 2008-2009 (BE) was Rs. 31524.06 crore which has been increased to Rs. 62706.95 crore in 2009-10 (BE) [i.e. an increase of Rs.31182.89 crore or (+) 98.91percent].

2.32 It can further be observed that the non-plan budget of Rs.36.95 crore for 2009-2010 is more than double of the actual non-plan expenditure of Rs. 18.07 crore during 2003-04.

Comparative analysis of allocation made during 2009-2010 BE as compared to previous year (2008-09 BE)

2.33 Comparative data with regard to 2008-2009 BE and 2009-2010 BE indicate, as below:

(Rs. in crore)

Sl.No.	Plan Scheme	2008-09 BE (including NER)	2009-10 BE (including NER)	% Increase
1.	SGSY	2150	2350	9.30
2.	Rural Employment	16000	39100	171.53
3.	IAY	5400	8800	62.96
4.	DRDA Administration	250	250	0
5.	NIRD	15	15	0
6.	CAPART	50	50	0
7.	PURA	30	30	0
8.	Management Support	75	75	0
9.	PMGSY	7530	12000	59.36
	Total PLAN	31500	62670	98.95

2.34 The Plan schemes for which the outlay has been enhanced in 2009-10 BE is (i) SGSY (9.30 per cent), (ii) Rural Employment (171.53 per cent), (iii) IAY (62.96 per cent), and (iv) PMGSY (59.36 per cent).

Budget allocation vis-à-vis expenditure

2.35 The expenditure of Ministry of Rural Development and its share of Gross Domestic Product (GDP) during the last three years is as follows :-

Total Expenditure Plan of Department of Rural Development and its share in Gross Domestic Product

Year	Total Expenditure (Plan) (Rs. in crore)	Gross Domestic Product (GDP) at current market prices * (Rs. in crore)	Share of GDP %
2006-07	30982	4129173	0.75
2007-08	37656	4723400	0.80
2008-09	67238	5321753	1.26

* Source : Economic Survey 2008-09

2.36 When asked about the actual monthly expenditure vis-à-vis the monthly expenditure plan during the year 2007-08, 2008-09 and so far during 2009-10 (upto 30 September, 2009), the Ministry have replied that the position is as below :

Reported Utilisation (upto Sept., 2009) in some of the Plan Schemes of the Department (Rs. in crore)

Scheme	UB* As on 31.03.09	BE** (2009-2010)	Funds released (upto Sept., 2009)	Reported (upto Sept., 2009)
NREGA	10345.59	39100	15960.97	17153.41
SGSY	783.16	2350	1021.07	837.44
IAY	6246.17	8800	4039.06	4927.24 (with available funds)
PMGSY	1264.56	12000	7713.82	8169.19
Total	18639.48	62250	28734.92 (40.53%)	31087.28 (49.84 %)

* UB - Unspent Balance

** BE - Budget Estimates

Re-appropriation of funds at the end of the financial year

2.37 When asked about the amount re-appropriated year-wise/scheme-wise alongwith the date of re-appropriation made by the Department at the end of the financial year since 2006-07 and the reason for re-appropriation, the Ministry have replied that the year-wise position since the financial year 2006-2007 is indicated as follows :-

Year	Amount (Rs. in crore)
2006-2007	42.09
2007-2008	43.29
2008-2009	50.85

Total	<u>136.23</u>

Amount Surrendered by the Department

2.38 When asked about the Plan scheme-wise total amount surrendered by the Department of Rural Development during the last three years from 2007-2008 onwards, Ministry have replied that the position is as below :

Year	Amount (Rs. in crore)
2007-2008	3.68
2008-2009	1.65

Total	5.33

2.39 During the course of oral evidence, the Secretary of the Department informed as below :-

“The Ministry of Rural Development is getting maximum funds across all Ministries of Government of India.”

2.40 The Committee are happy to note that the plan budget of the Department for BE 2009-2010 has nearly doubled as compared to that of the previous year. Further the plan expenditure of the Department in the last three years starting from 2006-2007 grew from 0.75 per cent of the GDP to 1.26 pre cent of GDP. The Ministry is stated to be one of the very few Ministries which is getting maximum funds across all Ministries of Government of India, which shows that, of late the Government is giving high priority for rural development. They, therefore, urge the Department to rise to the occasion and ensure that the people who are really in need are benefited out of the funds provided from the scarce resources with a view to achieve inclusive growth so that the benefits are shared by the poorest of the poor in the country.

2.41 The Committee note with concern that the non-plan expenditure made by the Department has more than doubled in the last six year period since 2003-2004. The non-plan expenditure which was only Rs.18.07 crore in 2003-2004 has risen to Rs.36.95 crore in BE 2009-2010. A significant rise in the non-plan expenditure is not a healthy sign. The Committee, therefore, recommend that the Department should take immediate steps to contain the increase in non-plan expenditure to the barest minimum.

2.42 Another disturbing fact which has come to the notice of the Committee is that the Department is in the habit of re-appropriation of funds from one scheme to the other scheme of the Department. They are concerned to point out that more than Rs.136 crore of funds has been re-appropriated by the Department between 2006-2007 and 2008-2009. In addition to the huge allocation received by the Department which has ultimately resulted in accumulation of unspent balances with the implementing agencies at the end of the financial year, the Department has also mindlessly surrendered more than Rs.5 crore of funds during 2007-2008 and 2008-2009. Such practice of re-appropriation and surrender of amount is not a prudent and healthy financial practice to say the least. All these activities give an impression that the Department does not plan well in advance for spending its allocation. The Committee, therefore, recommend that the Department should take necessary steps to ensure that scarce funds are spent for the purpose for which these are allocated and are not re-appropriated or surrendered. The Committee while expressing serious concern over the trend of huge unspent balances would like to strongly recommend the Government to analyse the position State-wise and take corrective action accordingly. The Committee may be kept apprised of the follow up action taken in this regard.

BPL Survey 2007

2.43 As per 11th Five Year Plan document, there are two Policy relevant sets of issues about poverty in the country. First, there has been controversy in the country about measurement of poverty by the Planning Commission. Second, there are issues about identification of poor who are potential beneficiary of Government programmes of Ministry of Rural Development. The two are not unconnected since for some of the programmes, State Governments have to accept the Head Count Ratio (HCR) of poor as measured by the Planning Commission. Therefore, the entire concept of measurement of poverty in the country has to be revised. For this purpose, an Expert Committee has been constituted by the Planning Commission.

2.44 When asked as to whether the Report of the Expert Committee has been submitted by the Planning Commission, the Department of Rural Development have furnished a vague reply stating that it is not aware as to whether the Expert Committee under the Chairmanship of Dr. Tendulkar has submitted its report. Further, at another place it has been mentioned that the same Committee will submit its Report to the Planning Commission.

2.45 At Ministry level, identification of poor since 1992 has been done through quinquennial surveys during 1992, 1997 and 2002. In the third quinquennial survey of 2002, 13 criteria of equal weightage were used to measure the poverty. This survey has been questioned in the Supreme Court. Before commissioning a BPL Survey, the Plan Document suggests a need to constitute an Expert Group with representatives of States, academics, etc. to evolve acceptable criteria. As per Outcome Budget 2009-10 the Hon'ble Supreme Court on 14.2.2006 (*i.e.* more than three and half years back) also had directed that the methodology for the next BPL survey should be finalized by the beginning of the 11th Five Year Plan (2007-2008 to 2011-2012). The fourth quinquennial BPL survey has fallen due since 2007. .

2.46 Asked further as to whether the Government plans to constitute the Expert Group as suggested in the Plan Document, Ministry have replied that the Ministry of Rural Development constituted an Expert Group on BPL Census for 11th Five Year Plan on 12.8.2008 under the chairmanship of Shri M. Shankar, former Secretary(RD) comprising 16 Members. Subsequently a Notification on 16.3.2009 was issued for modification of the Constitution of the Expert Group. Dr. N.C. Saxena became the chairperson of the Expert Group in the place of Shri M. Shankar.

2.47 When asked to state whether any methodology has been chalked out by the Government to finalise next BPL survey in compliance with Hon'ble Supreme Court directions, Ministry have replied that the Expert Group constituted by the Ministry of Rural Development on 12-8-2008 submitted its Report on 21-8-2009. The Report of the Expert Group has been sent to all the States/Union territories (except Chandigarh and Delhi), Central Ministries etc. and also posted on the website of the Ministry inviting comments and suggestions. The Methodology for next BPL census will be finalized after taking into consideration the comments received.

2.48 Asked further about the comments of the Department on the issue arising out of the BPL matter before Supreme Court, Ministry have replied that while vacating the stay on 14-2-2006, one of the directions issued by the Supreme Court is that Survey Methodology for the next BPL census will be designed by the Ministry of Rural Development in consultation with the Supreme Court Commissioners in the Right to Food matter case No. 196/2001 along with other sections of the society latest by the beginning of 11th Five Year Plan. The Ministry, accordingly, constituted an Expert Group which had Dr. N.C. Saxena, Commissioner, Supreme Court as Member/Chairman and Shri Harsh Mander, Special Commissioner, Supreme Court as Member.

2.49 Asked further about how the Government will move forward in view of absence of BPL list, Ministry have replied that till the next BPL census is conducted, benefits under Rural Development Programmes will be provided on the basis of existing list.

2.50 In this connection, Hon'ble President of India during her Address to the Parliament on June 4, 2009 has also stated that the Government will initiate steps within next 100 days (*i.e.* by September 15, 2009) for the following:

2.51 Targeted Identification Cards that would subsume and replace omnibus Below Poverty Line list. Identification of beneficiaries for all programmes of the Department except NREGA which is currently using the omnibus BPL would improve identification based on programme objectives with the common underlying principle that all beneficitation of beneficiaries will be done through Gram Sabha and urban local bodies and the list placed in the public domain to be open to challenge.

2.52 Asked further about the response of the Department on the aforesaid observations of Hon'ble President of India and how these would be implemented, Ministry have replied that the decision in the meeting of the Empowered Group of Ministers (EGoM) to consider issues concerning Sugar, Pulses and proposed Food Security Act, chaired by Hon'ble Finance Minister held on 1.9.2009, clarified as follows:-

- 1) The poverty estimates as notified by the Planning Commission shall be the basis for determining the number of BPL families under the proposed Act.
- 2) There is no need to have a separate BPL list exclusively for the purpose of this Act and that a common BPL list based on (1) above will form the basis for determining the number of families to be covered under the proposed Act.
- 3) The methodology for identification of BPL families for both rural and urban areas will be discussed in the next meeting. For this purpose, the two concerned nodal Ministries, *viz.* Ministry of Rural Development and Ministry of Housing & Urban Poverty Alleviation may be advised to bring up their proposals.

2.53 Accordingly, a note was submitted to Empowered Group of Ministers (EGoM), which was considered in its meeting held on 16.9.2009. The Ministries of Rural Development and Housing & Urban Poverty Alleviation were directed to finalise the methodology for identification of BPL families in rural and urban areas and place it before the EGoM's.

2.54 The Committee note with concern that several agencies of Government of India are engaged in identification of the number of persons living below poverty line in the rural areas like, Planning Commission, National Sample Survey Organisation, Ministry of Rural Development, Ministry of Housing and Urban Poverty Alleviation, etc. simultaneously but without much success. This ultimately hampers development of needy persons of rural areas living below poverty line. They, therefore, urge the Government that a single agency may be entrusted with the task of identifying and ascertaining the number of people living below poverty line in rural areas. The concern of the Committee in this regard may be taken up at the highest level and they may be apprised accordingly.

Magnitude of Poverty

2.55 As per the Speech of the Minister of Finance on Budget 2009-10, "In a medium term perspective the Government would have to(c) reduce the proportion of people living below poverty line to less than half from current levels by 2014".

2.56 Asked further about the comments of Department of Rural Development on the aforesaid objective of the Government to eliminate poverty to half of the present level by 2014, the Ministry have replied that the Ministry of Rural Development is implementing major programmes like NREGA and SGSY to make a dent on poverty by providing wage and self employment.

2.57 Asked further whether any timeframe is fixed by the Department of Rural Development in consultation with Ministry of Finance and the Planning Commission to achieve this goal in near future, Ministry have replied that no such time-frame has been fixed by the Ministry of Rural Development. The latest Poverty Estimates given by Planning Commission are for 2004-05 and are as follows :-

Number and Percentage of Population below poverty line by states - 2004-05
(Based on URP-Consumption)

No	States/U.Ts	Rural		Urban		Combined	
		%age of Persons	No. of Persons (Lakhs)	%age of Persons	No. of Persons (Lakhs)	%age of Persons	No. of Persons (Lakhs)
1	Andhra Pradesh	11.2	64.70	28.0	61.40	15.8	126.10
2	Arunachal Pradesh	22.3	1.94	3.3	0.09	17.6	2.03
3	Assam	22.3	54.50	3.3	1.28	19.7	55.77
4	Bihar	42.1	336.72	34.6	32.42	41.4	369.15
5	Chhattisgarh	40.8	71.50	41.2	19.47	40.9	90.96
6	Delhi	6.9	0.63	15.2	22.30	14.7	22.93
7	Goa	5.4	0.36	21.3	1.64	13.8	2.01
8	Gujarat	19.1	63.49	13.0	27.19	16.8	90.69
9	Haryana	13.6	21.49	15.1	10.60	14.0	32.10
10	Himachal Pradesh	10.7	6.14	3.4	0.22	10.0	6.36
11	Jammu & Kashmir	4.6	3.66	7.9	2.19	5.4	5.85
12	Jharkhand	46.3	103.19	20.2	13.20	40.3	116.39
13	Karnataka	20.8	75.05	32.6	63.83	25.0	138.89
14	Kerala	13.2	32.43	20.2	17.17	15.0	49.60
15	Madhya Pradesh	36.9	175.65	42.1	74.03	38.3	249.68
16	Maharashtra	29.6	171.13	32.2	146.25	30.7	317.38
17	Manipur	22.3	3.76	3.3	0.20	17.3	3.95
18	Meghalaya	22.3	4.36	3.3	0.16	18.5	4.52
19	Mizoram	22.3	1.02	3.3	0.16	12.6	1.18
20	Nagaland	22.3	3.87	3.3	0.12	19.0	3.99
21	Orissa	46.8	151.75	44.3	26.74	46.4	178.49
22	Punjab	9.1	15.12	7.1	6.50	8.4	21.63
23	Rajasthan	18.7	87.38	32.9	47.51	22.1	134.89
24	Sikkim	22.3	1.12	3.3	0.02	20.1	1.14
25	Tamil Nadu	22.8	76.50	22.2	69.13	22.5	145.62
26	Tripura	22.3	6.18	3.3	0.20	18.9	6.38
27	Uttar Pradesh	33.4	473.00	30.6	117.03	32.8	590.03
28	Uttarakhand	40.8	27.11	36.5	8.85	39.6	35.96
29	West Bengal	28.6	173.22	14.8	35.14	24.7	208.36
30	A & N Islands	22.9	0.60	22.2	0.32	22.6	0.92
31	Chandigarh	7.1	0.08	7.1	0.67	7.1	0.74
32	Dadra & N. Haveli	39.8	0.68	19.1	0.15	33.2	0.84
33	Daman & Diu	5.4	0.07	21.2	0.14	10.5	0.21
34	Lakshadweep	13.3	0.06	20.2	0.06	16.0	0.11
35	Pondicherry	22.9	0.78	22.2	1.59	22.4	2.37
	All-India	28.3	2209.24	25.7	807.96	27.5	3017.20

URP consumption = Uniform Recall Period consumption in which the consumer expenditure data for all the items are collected from 30-day recall period.

Notes:

1. Poverty Ratio of Assam is used for Sikkim, Arunachal Pradesh, Meghalaya, Mizoram, Manipur, Nagaland and Tripura.
2. Poverty Line of Maharashtra and expenditure distribution of Goa is used to estimate poverty ratio of Goa.
3. Poverty Ratio of Tamil Nadu is used for Pondicherry and A & N Island.
4. Urban Poverty Ratio of Punjab used for both rural and urban poverty of Chandigarh.
5. Poverty Line of Maharashtra and expenditure distribution of Dadra & Nagar Haveli is used to estimate poverty ratio of Dadra & Nagar Haveli.
6. Poverty Ratio of Goa is used for Daman & Diu.
7. Poverty Ratio of Kerala is used for Lakshadweep.

2.58 During the course of oral evidence, the Secretary of the Department while admitting the drawbacks of the previous BPL census conducted by the Department stated as under:-

“we had set up this Committee (headed by Dr. N.C. Saxena) to look at what were the issues which did not find favour, or which led to a situation that the APL people got into the list and some of the genuine people got left out. The Supreme Court had also instructed that the Supreme Court Commissioners made members of this Committee. So, one of the Supreme Court Commissioners has been made the Chairman of this Committee.*****Some of the NGOs like MKSS has been a member of this Committee. They have looked at the old system, the old methodology in which they had that 13-points on which the households were graded and found that, that had many weaknesses. They have now come up with a new set of recommendations.***** The N.C. Saxena Committee has made its recommendations. They have set down four or five criteria which will be the exclusive criteria. There are some six or seven criteria for exclusion. After excluding, the second criterion is that these people, these households must be included at all costs.***** As we are hearing the Tendulkar Committee Report as asked for by the Planning Commission for identifying the people living below poverty line has not yet submitted its Report. I understand that they have taken into account not only the pure calorie and the hunger criteria, but they have taken a more liberal criteria for estimation of poverty. We felt that, that will give a certain degree of relief to the States. That is where the situation is. As soon as the report of the Tendulkar Committee is submitted to the Planning Commission, the Planning Commission will then notify us that this is the number across the country, these are the numbers for the States, now go ahead and identify them according to this criterion. ”

2.59 As per the information furnished to the Committee the calculation of population below poverty line is old, outdated and faulty and was last done for 2004-2005. The Committee are surprised to find that even in this age of advanced information technology, the poverty ratio of many States and Union territories like all North Eastern States (except Assam), Goa, Dadra and Nagar Haveli, Puducherry, Andaman and Nicobar Islands and Lakshadweep are based on the poverty ratio of the neighbouring States. Obviously, this does not give any exact reality on the ground. It also speaks volumes about the apathy of the Government towards finding out the exact position of poverty in these States and Union territories and the people living below poverty line. The Committee, therefore, urge the Government to ascertain the poverty ratio in all these States and Union territory administrations without any further delay. The Ministry of Rural Development being the nodal Ministry for most of the schemes and programmes

being implemented for benefit of BPL population, should take up this concern of the Committee at the highest level of decision making and impress upon the Planning Commission to conduct survey in all 28 States and 7 Union territories of the country without any further delay.

2.60 The Committee note that the Department is already well aware of the existing limitations of the BPL census carried out by them in the past in which the APL people got into the list and some of the genuine people got left out as has been admitted by the Secretary, Department of Rural Development during the course of oral evidence before the Committee. They also note that the fourth quinquennial BPL census survey being conducted by the Ministry since 1992 regularly at an interval of five years has fallen due since 2007. Enough precious time has already been wasted on some pretext or the other. Huge funds are being released by the Central Government through various welfare schemes meant for poorest of the poor. But unless the BPL list is updated periodically, the benefits intended cannot reach the genuine beneficiaries. The Committee, therefore, recommend that such BPL survey should be conducted without any further delay. An appropriate sum may be earmarked for the purpose of conducting the BPL survey and it should be ensured that the results of the said survey be made available before the close of this financial year. It should further be ensured that the survey so finalized should have a component for correction if ineligible people like APL get into the list. It should also be ensured that only genuine poor people are incorporated in the final list. The Government may take suitable measures to ensure that an independent, unbiased and impartial authority takes the charge of the BPL survey.

CHAPTER III

SCHEME-WISE ASSESSMENT OF DEMANDS FOR GRANTS (2009-2010) OF THE DEPARTMENT OF RURAL DEVELOPMENT

The Committee in this Chapter have analysed the Demands for Grants and performance of some of the major Central Sector and Centrally Sponsored Yojanas/Programmes/Schemes of the Department of Rural Development in the light of BE 2009-2010 as indicated under: -

- (i) Wage Employment programme: National Rural Employment Guarantee Scheme (NREGS);
- (ii) Swarnjayanti Gram Swarozgar Yojana (SGSY);
- (iii) Rural Housing (RH): Indira Awaas Yojana (IAY), Homestead Scheme ;
- (iv) Pradhan Mantri Gram Sadak Yojana (PMGSY);
- (v) Provision of Urban Amenities in Rural Areas (PURA);
- (vi) DRDA Administration Scheme;
- (vii) Assistance to Council for Advancement of People's Action and Rural Technology (CAPART);
- (viii) National Institute of Rural Development (NIRD) ;
- (ix) Management Support to rural development programmes; Training Schemes.

(i) Implementation of the National Rural Employment Guarantee Act, 2005 (NREGA)

Background

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

Objective

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

3.4 The NREGA aims to provide a social safety net for the vulnerable groups and an opportunity to combine growth with equity. Its objectivity is to ensure that employment is available locally to every rural household for at least 100 days in a financial year. It is envisaged that in the process of employment generation durable assets are built up that strengthen the livelihood resource base of the rural poor, thus transforming the 'Geography of poverty'.

Coverage

3.5 The Act has been made applicable to areas notified by the Central Government and will cover the whole country within five years. During the year 2006-07 *i.e.* the first year of NREGA, the scheme was implemented in 200 districts across the country, out of which 150 are those where National Food For Work Programme (NFFWP) was in existence and 50 new Districts were identified by the Planning Commission for coverage under NREGA. During the year 2007-08, an additional 130 districts have been included to be covered in the second phase of the programme. From 2008-2009 the Act has been made applicable in all 619 districts of the country. As per the written information the NREGA is being implemented in all 619 rural districts of the country during 2009-2010.

Design shift in NREGA

3.6 The NREGA claimed to have a paradigm shift from the existing wage employment programme (WEPs). The primary difference between the earlier wage employment programmes and the NREGA is that NREGA is not a scheme but an Act passed by Parliament. In other words, the NREGA introduced a right's based framework, that provided a legal guarantee and it mandated time bound action to fulfill guarantee which hinges on an incentive structure for performance (Centre funds 90 per cent of costs of generating employment) and there is a concomitant Disincentive for non-performance (Unemployment allowance is a state liability). The NREGA ensures adequate resource support by making resource availability demand based and giving the Demand a legal authority. Another critical factor built in the framework of NREGA is that the public delivery system has been made accountable, as it envisages an annual report on the outcomes of NREGA to be presented by the Central Government to the Parliament and to the Legislature by the State Government. The basic shift in the

design and approach of NREGA from that of earlier wage employment programmes are as under:

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

Salient features of NREGA

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

- a) Employment to be provided to every rural household, in the notified district, whose adult member volunteers to do unskilled manual work.
- b) Household means a nuclear family comprising mother, father, their children and may include any person wholly or substantially dependent on the head of the family. Household may also comprise a single member family.
- c) Such household is to be provided work for at least 100 days in a financial year.
- d) This is a demand based Programme and demand should emanate from the village through the Gram Sabha.
- e) Every person who is willing to do the work to be provided minimum wages as prescribed under the Minimum Wages Act, 1948 for agricultural labourers in the State. Such wages shall not be less than sixty Rupees per day.
- f) Disbursement of wages to be done on weekly basis but not beyond a fortnight.
- g) Under Section 4 of the Act, every State to formulate the State's Employment Guarantee Scheme to give effect to the provisions to the provisions of the NREGA.
- h) Each employment seeker to be registered by Gram Panchayat after due verification and the household to be provided a Job Card.
- i) A Gram Sabha shall be convened on commencement of the Act for explaining the provisions of the Act, mobilizing applications, registration and verification. Door to door survey be undertaken to identify the persons willing to register for employment under the Act.
- j) Each registered employment seeking household to be provided a job card. A suggestive proforma for the job card was annexed with the guidelines framed by

Ministry of Rural Development to implement NREGA, which contained permanent information of the household as well as entries of work given for five years. Permanent information of the job card included family registration code number, particulars of the applicant and all members of the family regarding sex, age and the names of adults willing to work. Individual identity slips was given to each registered applicant of the family.

- k) Employment be given within 15 days of application for work by an employment seeker.
- l) If Employment is not provided within 15 days, daily unemployment allowance, in cash has to be paid. The legal liability to provide employment is of the States and liability to provide commensurate funds is of the Centre.
- m) Liability of payment of Unemployment Allowance is of the States.
- n) A new work to be commenced if at least 10 labourers become available for work.
- o) At least one-third beneficiaries have to be women.
- p) Gram Sabha to recommend works. Panchayat Raj Institutions (PRIs) have a principal role in planning and implementation.
- q) Gram Panchayats to execute at least 50 per cent of works
- r) Gram Panchayat is responsible for planning, registering, issuing job cards to beneficiaries, allocating employment and monitoring of works.
- s) The Programme Officer at the Block level, not below the rank of Block Development Officer was made to coordinate implementation processes. She/he is responsible for scrutinising village plans, ensuring that the matching between works and employment demanded, the employment demand is met within time and the works receive their due entitlements. She/he was also entrusted with the responsibility of ensuring that the social audit is conducted by Gram Sabha.
- t) The power to allocate employment was vested in both the Programme Officer and Gram Panchayat. The Guidelines framed by Department of Rural Development suggested State Governments to delineate clear coordination mechanisms so that the data on, request for work and work allotment between the Programme Officer and the Gram Panchayat was properly maintained and recorded on the Job Card.

- u) Such work would be selected from the shelf of Projects, which would be for the projects ready with administrative and technical approvals. Shelf of projects is to be prepared on the basis of priority assigned by Gram Panchayat and accordingly a Perspective Plan be prepared.
- v) While allocating work, Priority is given to allot employment on a local work. The work should ordinarily be provided within 5 KM radius of the village or else extra wages to the tune of 10 per cent were to be payable. If some persons were directed to report for work beyond 5 KMs, persons older in age and women are given preference to work on worksites nearer to their residence.
- w) Transparencies, Public accountability, Social Audit were to be ensured through institutional mechanisms at all levels.
- x) Grievance redress mechanisms were to be put in place for ensuring a responsive implementation process.
- y) All accounts and records relating to the Scheme were to be made available for public scrutiny and any person desirous of obtaining a copy of such records be provided such copies on demand and after paying specified fee.
- z) A copy of muster rolls of each scheme be made available in the officers of Gram Panchayat and the Programme Officer [at the Block level] for inspection by any person interested after paying specified fee.

3.8 When asked about the financial activities undertaken under NREGA, the Committee were informed as below :-

Financial Activities under NREGA

B.E. 2008-09 (in 615 rural districts)	Rs.30000 crore
Total available funds	Rs.37383.74 crore
Actual expenditure during 2008-09	Rs.26981.97 crore
Underspending during 2008-09	Rs.10345.59 crore (27.67%)
B.E. 2009-10 (in 619 rural districts)	Rs.39100 crore

3.9 When asked about the physical performance and financial performance under NREGA in the last 3 years, the Committee were informed as below:-

Physical Performance and Financial Performance in the last 3 years

Sl.No.		2006-2007 (for 200 districts)	2007-2008 (for 330 districts)	2008-2009 (for 615 districts)
1.	Total allocation (Rupees)	11,300 crore	12,000 crore	30000 crore
2.	Employment Demanded by households	2.12 crore	6.48 crore	10.07 crore
3.	Enhancement in number of districts	-	130 districts (35%) during 2007-08 and about 285 districts (81.81%) more during 2008-09	285 more districts (86.36 %)
4.	Percentage enhancement in allocation	-	6.1% hike over 2006-07 allocation in 2007-08 and 33.33% hike over 2007-08 allocation in 2008-09	Rs. 18000 crore more (150 % more)
5.	Employment provided to households	2.10 crore	3.39 crore	4.47 crore
6.	Mandays (in crore)			
7.	SC	22.95 (25.35%)	39.36 (27%)	63.29(29%)
8.	ST	32.98 (36.44%)	42.07 (29%)	54.65(25%)
9.	Women	36.79 (40.65%)	61.15(43%)	102.75(48%)
10.	Others	34.56 (38.18%)	62.16 (43%)	97.49(45%)
11.	TOTAL (in crore)	90.50	143.53	215.63
12.	Total available fund (including O.B. for current year)	Rs. 12073.55 crore	19305.81 crore	37383.74 crore
13.	Expenditure	8823.35 crore	15856.89 crore	26981.97crore
14.	Unspent balance	3250.20 crore (26.92%)	5976.29 crore (30.95%)	10345.59 crore (27.67 %)
15.	Works in progress	4.48 lakhs	9.66 lakhs	15.41 lakh
16.	Works completed	3.87 lakhs	8.22 lakhs	11.72 lakh
17.	TOTAL WORKS TAKEN-UP	8.35 lakhs	17.88 lakhs	27.13 lakh
18.	Persons per House Hold	-	42 days	48 days

3.10 When asked about the financial and physical performance of implementation of NREGA, the Committee were informed as below:-

Financial and Physical Performance of implementation of NREGA

Year	Central Outlay	Available funds	Expenditure	Achievement/Outcome
2007-2008	Rs.12,000 crore	Rs.19,305.81 crore	Rs.15856.89 crore (82%)	143.59 crore Mandays Generated during the year
2008-2009	Rs.30,000.19 crore (RE)	Rs.37383.74 crore	Rs.26981.97 crore (72%)	214.84 crore Mandays Generated
2009-2010	Rs.39100 crore			

3.11 During 2008-09, the hike in the number of districts proposed to be covered has been 86.36 per cent, whereas the enhancement in allocation has been 150 per cent over the previous year.

3.12 When asked to justify the afore-said mismatch and whether the enhanced allocation of Rs. 18,000 crore during 2008-2009 has been sufficient to meet the financial requirements of the additional 285 number of districts which have reportedly been covered under NREGA during 2008-2009 as well as whether the Department has chalked out monthly plan for expenditure under NREGA, the Ministry in their reply have stated that NREGA is demand driven programme. Release of central funds is purely based on demand that is actually generated at the field level and hence it cannot be quantified in measurable terms on monthly basis. However, an amount of Rs. 18016.28 crore has been released as on date i.e. 10-11-2009.

3.13 On the question whether the funds of Rs. 39100 crore during 2009-2010 would be sufficient or not to provide 100 days of gainful employment to all the job card holders under NREGA, the Ministry in their reply have stated that as per the Annual Plan proposals 2009-10, a total of 5.5 crore households were estimated at an average of 60 days per household with total financial requirement of Rs. 44500 crore of which central liability was Rs. 41877 crore. This calculation was based on the past trends of NREGA implementation during 2008-09 when a total of 4.51 crore households were provided employment at an average of 48 days. This perception is also substantiated with the fact that the Labour Budgets prepared by the Districts/States for the current year also show that a total of 5.66 crore households would be demanding employment at an average of 57 days with a total cost of Rs 54012 crore with the central liability of Rs. 51852 crore. Against this amount, Rs. 39100 crore is available as current year's allocation besides Rs.9807.45 crore of un-utilised funds from the previous year available as opening balance. Apart from this, Rs.1564 crore would also come as State share against the central release during the current year. Going by the past trends, it is expected that the current level of allocation during 2009-10 under NREGA would meet the requirement of labour demand during the current year. Accordingly, under NREGA, no additional requirement is anticipated as of now during 2009-10. But in case of

unforeseen events, if there is sudden spurt in demand, additional requirement will be projected in the next Supplementary Demands for Grants.

3.14 In regard to a query regarding complaints in the implementation of NREGA, the Ministry in their reply have stated that complaints had been received in the Ministry regarding irregularities in the implementation of NREGA in Tikamgarh district of Madhya Pradesh. The Ministry deputed an National level Monitor (NLM) to the district for investigation of the complaints. NLM has submitted his report which has been shared with the State Government for comments and action taken report in the matter.

3.15 The unspent balance under NREGA during 2006-07 has been to the tune of 26.92 per cent, during 2007-08, it has been 30.95 per cent and during 2008-09 it is 27.67 per cent of the total available funds.

3.16 When asked why such huge amount of funds are lying unspent with the implementing agencies under the flag-ship programme of the Government and whether it is a healthy practice to leave such a huge amount of money being left with the implementing agencies at the end of each financial year and what is the Department's response for reducing the under-expenditure under NREGA during 2009-2010, the Ministry in their reply have stated that as per provisions made under NREG Act, any unspent amount has to be transferred to the NREGA Fund.

3.17 Asked further whether the unspent amount of Rs. 3250.20 crore during 2006-07, Rs.5976.29 crore during 2007-08 and Rs. 10345.59 crore during 2008-09 has been transferred to the NREGA fund and what strategy has been chalked out to utilise the unspent amount at the end of each financial year in this regard, the Ministry in their reply have stated that out of the 27.13 lakh works taken up under the NREGA during 2008-09, only 11.72 lakh works have been completed.

3.18 When asked about the reasons for delay in completion of works and the initiative being undertaken to complete all the works taken up during 2008-09 and whether the works can be completed by utilizing the unspent amount of Rs. 10345.59 crore during 2008-09, Ministry in their reply have stated that the NREG Act provides a legal guarantee to provide employment for at least 100 days to all the persons demanding work within 15 days.

3.19 The Committee note with concern that during 2009-10, the hike in the number of districts proposed to be covered has been 86.36 per cent, whereas the enhancement in allocation has been as much as 150 per cent over the previous year. The unspent balance under NREGA amounting to Rs. 10345.59 crore at the end of 2008-09 is 27.67 per cent of the total available funds. Even with the sufficient amount of total available funds, the Government could provide only 48 days of Persons per household work during 2008-2009. Even though the Employment Guarantee Act is a very improvised programme for wage employment as compared to the previous programmes implemented by the Department, much remains to be done by all stakeholders including the Ministry of Rural Development if the Government is serious to provide at least hundred days of works per household in a financial year as envisaged in the Act. The Committee, therefore, recommend that the Government should gear up the implementing agencies involved in the implementation of NREGA at each level so that all the total available funds including the accumulated unspent balances are utilized to achieve the target of at-least hundred days of employment to those job card holder households who demand work.

Gap between employment demanded vis-à-vis employment provided

3.20 The NREG Act provides a legal guarantee to provide employment for at least 100 days to all the persons demanding work within 15 days. As per 11th Plan document articulation of demand by the rural poor in the basic premise is its operation especially if wage seekers are not literate and not organized. Generation of awareness among local rural communities through Information, Education and Communication (IEC) becomes critical for enabling the rural poor to articulate demand. The information in this regard is as follows:-

Job cards issued, employment demanded and employment provided under implementation of NREGA

(in crore households)

Year	Job cards issued cumulative since inception	Employment demanded	Employment provided
2006-2007	3.78	2.12	2.10
2007-2008	6.48	3.43	3.39
2008-2009	10.01	4.55	4.51
2009-2010 (upto Sept.,2009)	10.68	3.50	3.44

3.21 When asked about the comments of the Department on the aforesaid observation of the Plan Document and the efforts taken by the Government to provide employment as per demand, Ministry in their reply have stated that the job card issued to a rural household under the NREGA is valid for a period of 5 years. Mere issuance of a job card does not entitle a household for employment under the Act. A job card holder has to apply in writing for getting employment under the NREGA. 6.48 crore households had been issued job cards since the inception of NREGA and upto the close of financial year 2007-08 and if not the number of households who demanded employment. As per reports received from the State Governments, 3.43 crore households had demanded employment under NREGA out of which 3.39 crore households were provided employment. Up-to the close of Financial Year 2008-09, 10.01 crore households had been issued job cards. 4.55 crore households had demanded employment and 4.51 crore were provided employment under NREGA. Up-to September, 2009, 10.68 crore households have been issued job cards and 3.50 crore households have demanded employment out of which 3.44 crore have been provided employment. As per NREG Act, the employment demanded by a registered household is to be provided within 15 days. Accordingly, there would always be gap between employment demanded and employment provided even during the year and more prominently at the fag end of a financial year, the demand may be met in the early period of next financial year.

Unemployment allowance

3.22 As per the Preliminary material under the Act employment is guaranteed to be given within 15 days of application for work. If it is not, then unemployment allowance is to be given by the States.

3.23 When asked about the unemployment allowance paid since 2006-2007 to any job card holder who had demanded work but could not be provided work, the names of the State/Union territory where such unemployment allowance was paid along with the amount of unemployment allowance paid to the job seeker, Ministry in their reply have stated as below:-

Details of unemployment allowance paid under NREGA in different States:

Sl. No.	Name of State	Details of Un-employment allowance paid
1.	Madhya Pradesh	During 2006-07, in Badwani district, 1574 applicants were paid a sum of Rs. 4,75,386 as unemployment allowance
2.	Kerala	An amount of Rs. 1063 was sanctioned to a job seeker (Sri A.P. Vimlan, Ajnailikkal House, P.O.:Padichira, Pulpally, District: Wayanad) as unemployment allowance for 32 days during the year 2006-07
3.	Orissa	A total of 543 job seekers have been paid Rs. 1,03,462 as unemployment allowance in three districts viz. Nawarangpur, Kalahandi and Bolangir.
4.	Karnataka	679 applicants have been paid Rs. 1, 68,068 as unemployment allowance in 8 Gram Panchayats of Raichur district.
5	West Bengal	Eight job card holders in South 24-Parganas district of the State have been paid 14 days unemployment allowance each in 2007-08.
6.	Tripura	Unemployment allowance has been paid by the Government of Tripura during the year 2008-09 upto 31 st December, 2008 to 51 registered job seeker.
7.	Jharkhand	Unemployment allowance of Rs. 138330.00 paid to 78 workers of Jerua & Kope villages in Latehar district of Jharkhand.

3.24 The Committee are concerned to note that all the job card holders could not be encouraged to apply for work under NREGA since inception. As per the information furnished to the Committee, for example, during 2008-2009 only 4.55 crore households out of 10.07 crore job card holder households demanded work. Similarly, during 2009-2010, only 3.50 crore households demanded work so far, out of the 10.68 crore households who were given job cards till Sept., 2009. This shows that initial momentum of providing jobs under NREGA is on the decline. The Committee, therefore, urge the Government to make a thorough study of implementation of NREGA without any further delay and initiate suitable corrective measures in the implementation of the scheme and intimate them accordingly.

3.25 From the information furnished to the Committee, it is seen that payment of unemployment allowance to the job card holders who demanded work but could not be provided work since 2006-2007 has become a regular feature of implementation of the NREG Act. The Committee can only conclude that even

though enough money was available with the implementing agencies, the poor job card holders could not be provided much needed employment during the lean season. In this scenario the Committee recommend that existing permissible works should further be broadened. Besides, some sort of flexibility should be provided to the State Governments to identify works keeping in view the geographical conditions and the local needs of that area. The Committee would also like to recommend that the State Governments should be ready with a shelf of schemes so that works are always available when the demand for employment comes so that payment of unemployment allowance is minimised.

Minimum wages paid under NREGA

3.26 When asked about the Prevailing Minimum Wage under NREGA, State/Union-territory-wise in the country as on 31.03.2009, the Ministry in their reply have provided the details given as follows :

State-Wise Prevailing Minimum Wage rate under NREGA as notified by the Central Government on 1.1.2009

Sl.No.	Name of State/Union Territory	Wage rate (in Rs. Per day)
(1)	(2)	(3)
1	Assam	Rs. 79.60
2	Andhra Pradesh	Rs. 80.00
3	Arunachal Pradesh	Area- I (RS.65.00) Area- II (RS.67.00)
4	Bihar	Rs. 81.00
5	Gujarat	Rs. 100.00
6	Haryana	Rs. 141.02
7	Himachal Pradesh	Rs. 100.00
8	Jammu & Kashmir	Rs. 70.00
9	Karnataka	Rs. 82.00
10	Kerala	Rs. 125.00
11	Madhya Pradesh	Rs. 91.00
12	Maharashtra	Rs.72, Rs.70, Rs 68 & Rs.66 respectively for Zone I,II,III,IV
13	Manipur	Rs.81.40 for Hill & Valley
14	Meghalaya	Rs. 70.00
15	Mizoram	Rs. 91.00
16	Nagaland	Rs. 100.00
17	Orissa	Rs. 70.00

18	Punjab	
18(a)	Hoshiarpur	Rs. 98.61
18(b)	Jalandhar	Rs. 93.00
18(c)	Nawanshar	Rs. 94.91
18(d)	Amritsar	Rs. 105.00
19	Rajasthan	Rs. 100.00
20	Sikkim	Rs. 100.00
21	Tamil Nadu	Rs. 80.00
22	Tripura	Rs. 85.00
23	Uttar Pradesh	Rs. 100.00
24	West Bengal	Rs. 75.00
25	Chattisgarh	Rs. 72.23
26	Jharkhand	Rs. 92.00
27	Uttarakhand	Rs. 73.00
28	Goa	Rs. 110.00
		Andaman District
		Rs. 130.00
		Nicobar district
29	Andaman & Nicobar	Rs. 139.00
30	Dadra & Nagar Haveli	Rs. 108.20
31	Daman & Diu	Rs. 102.00
32	Lakshadweep	Rs. 115.00
33	Puducherry	Rs.80.00 for men for six hours of work & Rs. 70.00 for women for five hours of work
34	Chandigarh	Rs. 140.00

3.27 Asked further as to whether the minimum wage rate varies from district to district as well as within the same district and if so, how this problem has been taken care of by the Minimum Wage under NREGA declared on 1.1.2009, the Ministry in their reply have stated that the Section 6(1) of NREGA provides as under:

“Notwithstanding anything contained in the Minimum Wages Act, 1948, the Central Government, may by notification, specify the wage rate for the purpose of this Act: Provided that different rates of wages may be specified for different areas; Provided further that the wage rate specified from time to time under any such notification, shall not be at a rate less than Sixty Rupees per day.”

3.28 The Central Government has notified wage rate under NREGA on 1.1.2009. As may be seen from the above proviso, the wage rate notified by the Central Government is not linked to the minimum wage fixed by the State Governments. Further, the Central government may notify different rate of wages for different areas. Wage rate has since been notified by the Central Government on 1.1.2009.

3.29 Regarding the information as to how many States have revised their Minimum Wage rates after the introduction of NREGA and whether implementation of upward revision of Minimum wages by States has adversely affected the performance of NREGA in different States, the Ministry in their reply have provided that the Central Government has notified wage rate for different States under NREGA with effect from 1.1.2009. After notification of the wage rate by the Central Government, wage rate under NREGA had been de-linked from the Minimum Wage fixed by the State Governments. The details regarding the number of times minimum wage rate has been revised by the States and Union territories before 1.1.2009 is as below :-

S.No.	State	Number of times wage rate has been revised
1	Assam	Four times
2	Andhra Pradesh	Twice
3	Arunachal Pradesh	Thrice
4	Bihar	Four times
5	Chattisgarh	Six times
6	Gujarat	Twice
7	Goa	Once
8	Haryana	Four times
9	Himachal Pradesh	Four times
10	Jammu & Kashmir	Twice
11	Jharkhand	Four times
12	Karnataka	Five times
13	Kerala	Once
14	Madhya Pradesh	Seven times
15	Maharashtra	Once
16	Manipur	Thrice
17	Meghalaya	Twice
18	Mizoram	Once
19	Nagaland	Twice
20	Orissa	Twice
21	Punjab	Thrice
22	Rajasthan	Twice
23	Sikkim	Twice
24	Tamil Nadu	Twice
25	Tripura	Thrice
26	Uttar Pradesh	Twice
27	Uttranchal	Twice
28	West Bengal	Six times
29	Andaman & Nicobar	Twice
30	Puducherry	Once
31	Dadra & Nagar Haveli	Once
32	Daman & Diu	Once
33	Lakshadweep	Once
34	Chandigarh	Once

3.30 The Committee note with concern that the States and Union territories have been revising their minimum wage rate after the minimum wages were declared under NREGA on 1.1.2009 as per Section 6(1). The Committee would like to know whether the reasons for such a situation have been analysed and if so, they may be apprised of the same. Further, confusion in the existing wage rate in States has not been cleared even after the notification of wage rate under NREGA on 1.1.2009 as Rs.141.02 per day per worker in Haryana, Rs.98.61 per day per worker in Hoshiarpur, Rs.94.91 per day per worker in Nawanshar and Rs.72.23 per day per worker in Chhattisgarh. Such declaration of wage rate to be paid in fraction of a Rupee *i.e.* 02 paise, 23 paise or 61 paise is neither desirable nor practical. The Committee, therefore, recommend that such anomalies in the minimum wage rate under NREGA may be wiped out without any further delay.

3.31 The Committee further recommend that as far as practicable the minimum wage rate should not vary much between the adjoining States *e.g.* Karnataka Rs.82 and Kerala Rs.125, West Bengal Rs.75 and Sikkim Rs.100, Chhattisgarh Rs.72 and Madhya Pradesh Rs.91 etc. The Committee feel that the said wide scale variation in the wage rate in the adjoining States will definitely encourage migration instead of curbing it. The Committee, therefore, strongly recommend that the Government should take necessary steps so that the adjoining States and Union territories do not have much difference in the minimum wage rates under the NREGA.

Payment of wages through Post Offices/Banks

3.32 When asked about the problems faced by the Department for arranging payment of wages either through Banks or Post Offices, the Ministry in their reply have stated that the outreach of post offices and banks in remote and inaccessible areas and inadequate personnel both in post offices and banks are the immediate problems faced by States in arranging payment of wages either through banks or post offices.

3.33 Asked further about which States/Union territories are making payment of wages under NREGA through Post Office/Banks, the Ministry in their reply have stated as below:

“Under NREGA, upto September 2009, 42882389 bank accounts were open in all States and Union territories (numbering 34 where NREGA is being implemented) except Daman and Diu, Lakshadweep and Chandigarh. Similarly, during the said period 37022726 post office accounts were opened in all States and Union territories (numbering 34 in which NREGA is being implemented) except in Nagaland, Dadra and Nagar Haveli, Daman and Diu, Lakshadweep and Chandigarh.”

3.34 The Committee appreciate the steps taken by the Department for payment of wages through Banks or Post Offices. However, the system should not only be more transparent but should be adequate also. The Committee note from the reply of the Department that the outreach of post offices and banks in remote and inaccessible areas, inadequate personnel both in post offices and banks are the immediate problems being faced by States in arranging payment of wages to the workers either through the banks or through the post offices. They, therefore, recommend that in consultation with all stakeholders, suitable remedial measures be taken in this regard without any further delay. Personnel deployment and supportive infrastructure in rural branches of Posts offices and banks should be suitably increased as per the needs to handle large volumes of wage disbursements under the scheme. The Committee desire that in consultation with the Department of Posts, Ministry of Finance and the Planning Commission, such problems may be solved without loss of time. The Department should ensure that wages under the implementation of NREGA are paid on weekly basis without any delay.

Employment opportunities for women

3.35 Several areas of our country do not encourage participation of women in taking-up work outside their home.

3.36 When asked about the States in which the aforesaid problem has been faced and how the Government has tackled the aforesaid problem, Ministry in their reply have stated that as per provision contained in paragraph 6 of Schedule II of the Act, priority is given to women in such a way that at least one third of the beneficiaries shall be women who have registered and requested for work under this Act. Women workforce participation at the national level was 43 per cent (in 2007-08) which has increased to 48 per cent in 2008-09 and has further gone up to 51 per cent during the current Financial Year so far, which is much higher than the statutory requirement of 33 per cent. However, it is subjected to variations at the State and the districts level across the country. During 2008-09, woman participation in States like Bihar was 30 per cent, Jharkhand 28 per cent, Uttar Pradesh 18 per cent which has been highlighted by the

Centre continuously with the State Government during the State and National levels meetings, Central Council and EC meetings, Consultative Committee meetings, studies conducted, media reports, and field visits by Ministry officials, Council members NLMs, Area Officers, with State continuously. States have been advised to conduct time and motion studies and revise the Schedule of Rates to be gender sensitive. As observed by the Standing Committee in States like Uttar Pradesh and Bihar social conditions do not permit women to work outside. To look into the reasons of persistent low women participation, an independent study has also been commissioned with National Institute of Rural Development to look into districts with low women participation rates.

3.37 On the other hand, States like Andhra Pradesh, Rajasthan, Karnataka, Kerala, Tamil Nadu and Tripura have more than 50 per cent women participation under NREGA during 2008-09. In Kerala, women participation was 85 per cent, Tamil Nadu 79 per cent, Rajasthan 67 per cent, Andhra Pradesh, 58 per cent.

3.38 The Committee note that the women participation in the activities under NREGA has been increasing from 43 per cent in 2007-2008 to 48 per cent in 2008-2009 and to 51 per cent during 2009-2010 so far against the statutory requirement of 33 per cent. However, in some of the States the percentage of women's participation has been very low. For example during 2008-2009, percentage of women participation in Bihar, Jharkhand and Uttar Pradesh was only 30 per cent, 28 per cent and 18 per cent respectively. The Committee here also note that the Department of Rural Development has commissioned an independent study with the National Institute of Rural Development with the aim to look into districts where low women participation is taking place under the implementation of NREGA and also to look into the reasons of persistent low women participation. The Committee recommend such a study should be completed expeditiously and corrective changes may be made in the implementation of the scheme accordingly.

State-wise performance of NREGA during 2008-2009

3.39 As per the Outcome Budget 2009-2010 the per cent of funds utilisation to total availability under NREGA during 2008-2009 in some of the following States and Union territories are as below :-

State/Union territory	Funds % utilized 2007-08	Works completed % to total works 2007-08	Funds % utilized to available funds 2008-09	Works completed / to total works 2008-09
Maharashtra	37.98	Not given	Not given	9960/23970
Jammu & Kashm.	46.70	Not given	Not given	4619/11917
Karnataka	54.16	Not given	Not given	34431/56538
Punjab	59.76	Not given	Not given	1366/5308
Uttaranchal	62.50	Not given	Not given	10297/20179
Haryana	64.54	Not given	Not given	3509/6348
Assam	68.12	Not given	Not given	7135/17098
Bihar	69.05	Not given	Not given	53668/105603
Arunachal Pradesh	-	Not given	Not given	443/803
A&N Island	-	Not given	Not given	66/140
Daman & Diu	-	Not given	Not given	0
Goa	-	Not given	Not given	0
Lakshadweep	-	Not given	Not given	87/371

3.40 Regarding the 'not given' information and the reasons for poor fund utilisation as well as the poor physical performance under NREGA in the aforesaid States and Union territories during 2007-08 and 2008-2009 and the corrective steps that are going to be initiated by the Department in this regard the Ministry in their reply have stated NREGA is a demand-driven programme. Physical and financial performance under NREGA depends on the actual labour demand arising at the field level. Status of implementation of NREGA varies from State to State. Demand for work under NREGA in a particular area depends on the availability of other employment opportunities in that area. Employment demand is likely to be low in districts that are comparatively more developed with greater opportunities of employment in other avenues both in agricultural and rural non-farm activities. This Ministry has directed all the State Governments to take-up programmes for awareness generation among the rural population through print as well as electronic media so that benefits available under NREGA are availed of by the rural households as per their entitlement provided under the Act.

Impact of drought during 2009-10

3.41 As per the announcement made by the agriculture Minister on the floor of the House, more than half of the country is reeling under severe drought during 2009-10.

3.42 The Committee note the vague reply furnished by the Department regarding performance of many States and Union territories in implementing the NREGA while facing the problems of severe drought or flood etc. that employment demand is likely to be low in the districts that are comparatively more developed with greater opportunities of employment in other avenues both in agricultural and rural non-farm activities without leaving any justification for situations like drought or flood etc. The reply of the Department is vague as far as performance of NREGA in drought affected States/Districts is concerned and the reply that the demand for work under NREGA in a particular area depends on the availability of other employment opportunities in that area. Since, more than half of the country was reeling under severe drought during 2009-2010 it is difficult to say as to whether the performance of NREGA was better in the drought affected districts. The Committee, therefore, recommend that suitable remedial measures be taken to further tune up implementation of NREGA in the drought affected districts without any further delay.

Establishment of State Employment Guarantee Fund

3.43 Under section 21(1) of the NREG Act, States were instructed to establish State Employment Guarantee Fund as per the reply furnished by the Ministry. Such funds have been set up so far only in eight States viz. Rajasthan, Uttar Pradesh, Andhra Pradesh, Karnataka, Himachal Pradesh, Orissa, West Bengal and Madhya Pradesh.

3.44 When asked about the target date by which the remaining 20 States would establish their State Employment Guarantee Fund (SEGF) and steps taken by the Department to establish and functionalise the SEGF in the remaining 20 States so far, the Ministry in their reply have stated as per sub-section-1 of section 21 of the NREG Act "*the State Government may, by notification, establish a fund to be called the State Employment Guarantee Fund for the purposes of implementation of the Scheme.*" As such the establishment of State Fund is not mandatory for the State Governments. However, for effective implementation, judicious and optimum utilization of funds, the Central Government has repeatedly advised States to set up State Fund. So far 8 States have established the said State Fund. As intimated by the Department, the States which have not set up the said State fund continue to get central assistance directly to their districts from the Government of India.

3.45 As per information furnished to the Committee only 46 per cent of work during 2007-2008 and 44 percent of the works were completed during 2008-2009 under NREGA.

3.46 When asked about the non satisfactory performance of completed works under NREGA so far during 2007-2008 and 2008-2009 and what corrective steps have been taken this year to overcome the aforesaid non satisfactory performance of NREGA, the Ministry in their reply stated that NREGA is a demand driven programme. Both, physical as well as financial performance under NREGA depends on the actual demand arising at the field level. Time taken for completion of a work depends upon the number of workers working on a project and this would again depend on the demand for employment in an area.

3.47 The earlier Committee on Rural Development have examined the National Rural Employment Guarantee Bill, 2004 and presented their 13th Report (Fourteenth Lok Sabha) to Parliament in which the Government were urged to establish the said State funds.

3.48 The Committee find that only eight States have so far established State Employment Guarantee Fund. They are not convinced with the reply of the Department that the States which have not set up the State fund continue to get central assistance directly to their districts from the Government of India. Even though the setting up of such a fund is not mandatory, the Committee would recommend that the Department should persuade all the State Governments to establish the State Employment Guarantee Fund within a span of 2-3 years.

3.49 When asked about the State-wise norms being followed by various States for measurement of work under NREGA, Ministry in their reply have stated that the States are required to evolve norms for measurement of works. They are required to ensure that all tasks required for undertaking the works under NREGA are identified clearly and that, nothing remains invisible and underpaid in piece rate work. The measurements should be done in a transparent manner.

3.50 When asked whether there is any uniformity in the methodology adopted for measurement of work by various States and the comments of the Department in this regard, Ministry in their reply have stated as per para 6 of Schedule I of NREG Act, the States are required to ensure that the labourers are paid not less than the prescribed

wage rate. Accordingly, the States taking into consideration various factors such as variability of the soil, geological conditions etc. evolve their norms and methodology for measurement of works for adhering to the provisions of the Act.

3.51 The Committee note with concern that no uniform norms for measurement of work under NREGA have been put in place. The reply of the Department that States are required to evolve norms for measurement of works is very vague. The role and responsibility of the Central Government has been ensured in the Act itself. The Committee, therefore, recommend that Central Government in consultation with all the States and Union territories should ensure uniformity of measurement of work throughout the country without any further delay.

Administrative Expenditure for implementation of the NREGA

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

“we have raised the limit for administrative expenditure from four per cent to six per cent last year. Even that six per cent may not be good enough if you really want good technical people to come in, then you have to pay them. Otherwise, they will not come. At one time, we had asked for 10 per cent administrative costs, but the Ministry of Finance said that if you are not even using six per cent of it, then why you are asking for 10 per cent. Firstly, go to six per cent and if six per cent seems less and if States come up to six per cent level, then you come and ask for 10 per cent.”

3.53 The Committee note that the limit for administrative expenditure under NREGA has been raised from 4 per cent to 6 per cent last year. The Department wants it to be further raised to 10 per cent. The Committee feel that such a fixation of administrative expenditure may lead to lesser funds being available for payment of wages to the workers under the scheme. The reduction of allocation for labourers/workers by increasing the administrative expenses is not a healthy sign. Further, the raising of administrative expenses from six per cent to ten per cent may not by itself solve the problem of getting good technical people for implementation of the NREGA. The Committee agree with the Ministry of Finance in this regard and urge the Department to gear up the implementing machinery for better results within the existing resources.

Convergence of NREGA with all other schemes of the Ministry

3.54 As per the information furnished to the Committee, enough technical personnel are not available to oversee the implementation of the NREGA. Further, under the existing schemes of the Department training to the needy is not being given so that they can be absorbed for the implementation of the NREGA. During the course of oral evidence, the Secretary of the Department stated as under:-

“The point (regarding getting adequate number of skilled personnel for implementation of NREGA) is very much there. Now, what we are doing under the Skill Development Mission and SGSY programme is we are trying to see if we can train mates, barefoot engineers, accountants, etc. so that they can be immediately absorbed in NREGA itself. The reason for why we have got such a small budget for SGSY, especially as it is changing over now to the National Rural Livelihoods Mission. There is a very thin line and, in fact, instructions have already been issued that all households that if a household has completed 100 days of employment under NREGA which includes an unemployed potential rural youth then that person can be given training under the skilled development programme. In other words, if a job card holder has achieved 100 days of work, priority should be given for taking up him/her under the Skill Development Programme. We are sending down these instructions. We want to take up this matter with the States.”

3.55 The Committee are dismayed to note that no serious effort has so far been made by the Ministry for the convergence of NREGA with all the schemes and programmes of the Ministry of Rural Development. The Committee feel that there is an urgent need to evolve some sort of mechanism whereby the works being undertaken under NREGA can be dovetailed with Central and State Government's schemes so that the assets created under NREGA are of good quality and durable. They, therefore, recommend that convergence of all the schemes in three Departments of the Ministry of Rural Development may be made before the end of this financial year. The Ministry of Panchayati Raj may also be consulted with regard to convergence of all Central schemes being implemented by them with the NREGA. The guidelines of respective schemes be suitably revised/modified to reflect the convergence with the implementation of NREGA. The Committee may also be informed accordingly. Such convergence in the implementation of NREGA may ultimately be spread across all the Ministries of Government of India in a time bound manner.

(ii) Swarnjayanti Gram Swarozgar Yojana (SGSY)

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

Funding Pattern

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

Central Allocation	-	75 per cent,
State Allocation	-	25 per cent (States in the North Eastern region are given in 90:10 ratio since 2008-2009), and
Union territory Allocation	-	100 per cent by Centre.

Objective

3.58 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)

3.59 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

3.60 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)

3.61 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

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

3.63 As per the Outcome Budget 2009-10, under SGSY, Rs.2350 crore Central share have been allocated in BE 2009-2010. In addition, all State Governments are expected to provide Rs. 731.12 crore as State share and Bank credit of about 2-3 times of the central + State allocation would be provided during 2009-10 to assist 1.55 lakh new SHGs (in total, 15.53 lakh SHG Swarozgaries), 2.70 lakh individual Swarozgaries (in total, 18.23 lakh Swarozgaries).

3.64 When asked about the Financial Performance of SGSY since 2007-2008 the Committee were informed as below:-

Financial Performance of SGSY since 2007-2008

(Rs. in crore)

Year	Opening Balance As on 1 st April	Central Allocation	State Allocation	Total Funds Available	Utilization	%age of utilization	Total Credit Target	Total Credit Disbursed	In % age
									Credit Disbursed
2007-08	302.58	1702.24	566.58	2394.17	1965.97	82.12	3743.55	2760.30	73.73
2008-09	439.14	2020	623.44	2981.25	2198.08	73.73	3929.80	3343.04	85.07
2009-10	783.16	2350	731.12	5483.16			6162.24 to 9243.36		

3.65 When asked about the Physical Performance of SGSY since 2007-2008 the Committee were informed as below:-

Physical Performance of SGSY since 2007-2008

Year	Progress/Timeliness	Achievement/Outcome
	(Quarterly targets)	(Quarterly achievement)
2007-2008	SHGs to be assisted (in lakh) First - 0.17 Second - 0.23 Third - 0.35 Fourth - 0.40 Swarozgaris to be assisted First - 2.45 Second - 3.27 Third - 4.90 Fourth - 5.74	SHGs assisted (in lakh) First - 0.14 Second - 0.45 Third - 0.39 Fourth - 0.83 Swarozgaris assisted First - 1.69 Second - 4.88 Third - 4.28 Fourth - 6.14
2008-2009	SHGs to be assisted (in lakh) First - 0.21 Second - 0.28 Third - 0.41 Fourth - 0.48 Swarozgaris to be assisted First - 2.64 Second - 3.52 Third - 5.29 Fourth - 6.17	SHGs assisted (in lakh) First - 0.12 Second - 0.25 Third - 0.30 Fourth - 0.48 Swarozgaris assisted First - 2.17 Second - 4.04 Third - 4.62 Fourth - 7.79
2009-2010	SHGs to be assisted : 1.55 lakh new SHGs Swarozgaries to be assisted : 2.70 lakh new Swarozgaries	

3.66 The utilization of funds under SGSY during 2006-2007 (up-to January, 2007) has been only 71.48 per cent of the available funds (as at the end of February, 2007). Over the last three financial years it has been seen that the percentage utilisation to funds available has been around 86 per cent which is a satisfactory achievement. Besides, the pace of implementation picks up during the last quarter of the year.

3.67 When asked about the percentage utilization of funds under SGSY and percentage of credit disbursed since 2007-2008, the Ministry had furnished the following information:-

Percentage utilization of funds under SGSY and percentage of credit disbursed since 2007-2008

(Rupees in lakh)

	Opening balance	Central allocation	State allocation	Total allocation	Central releases	State releases	Misc. receipts	Total funds available	Utilisation	%age of utilisation	Total credit target	Total credit target disbursed	%age of credit disbursed
2007-08	302.58	1702.24	566.58	2268.82	1697.70	475.69	75.62	2394.17	1965.97	82.12	3743.55	2760.31	73.73
2008-09	439.14	2020	672.33	2692.33	1989.60	523.28	29.23	2981.25	2198.08	73.73	3929.80	3343.05	85.07
2009-10	783.16	2350											

3.68 When asked about the progress/timeliness and achievement and outcome of SGSY, the Committee were informed as below : -

Progress/timeliness and achievement and outcome of SGSY

Year	SHGs formed (since inception in 1999)		%age of achievement	Total Swarozgaris assisted		%age of achievement	Average Achievement under both categories
	Target	Achievement		Target	Achievement		
2005-2006	52,876	80,130	151.54	8,59,230	11,51,116	133.97	142.75
2006-2007	77,018	103,015	133.75	10,91,081	13,41,965	122.99	128.37
2007-2008	1,15,500	1,81,000	156.70	1,63,6250	16,99,000	103.83	130.26
2008-2009	13,81,689	1,14,452	82.83	17,62,000	18,25,000	103.57	
2009-2010	15,52,884			18,23,000			

3.69 From the above statements it emerges that during 2008-2009, the total funds available with the State Governments were Rs.2981.24 crore and during 2009-2010, the total funds available with the State Governments was Rs.3133.16 crore excluding the State share and miscellaneous receipts. The percentage of utilisation funds in the corresponding years was 73.73 per cent.

State wise performance

3.70 When asked about the formation of State Level Bankers Committee and the implementation of SGSY the Committee were informed that the Ministry of Finance has advised to form the State Level Bankers Committee (SLBC) in various States to achieve the credit disbursal targets and to improve lending by Banks. Ministry of Finance had

issued directions to take stern action against the officers who had failed to achieve the target under SGSY. The RBI had convened a special meeting of CMDs of commercial banks to review the poor performance of bank branches on 19 April, 2005. In the Tenth Meeting of CLCC held on 7 February, 2007 it was decided that each bank will designate an officer in the corporate office as well as the State level for intensive coordination and monitoring of SGSY. Directions were given to the State Governments to launch a focused campaign in coordination with the banks to reduce the pendency of loan applications by 50 per cent *w.e.f.* 31 March, 2007.

3.71 When asked about the Performance under SGSY regarding SHGs passing grade I and grade II and the per capita investment under SGSY the Committee were informed as below:-

Performance under SGSY regarding SHGs passing grade I and grade II and the per capita investment under SGSY

	2007-08	2008-09	2009-10
No. of SGs formed (lakh)	3.07	5.63	1.23
SHG passed Gr.I(lakh)	2.51	3.22	1.26
SHG passed Gr.II (lakh)	1.17	1.39	0.63
Total swarozgaries assisted(lakh)	16.99 (126%)	18.62 (106%)	4.88(27%)
Number of SC/ST (lakh) (50%)	8.13 (48%)	8.76 (47%)	2.21 (45%)
Number of women (lakh) (40%)	10.84 (64%)	12.06 (65%)	3.12 (64%)
Number of Minorities (lakh) (15%)	1.42 (8%)	2.75 (15%)	0.57 (12%)
Total central release (crore)	1698 (100%)	2338 (100%)	1050 (43%)
Total credit disbursed (crore)	2760 (73%)	3530 (90%)	863 (19%)
Per capita investment (Rs.)	28765	29932	30723

National Rural Livelihood Mission

3.72 As per the information given in the web-site of the Ministry, the National Rural Livelihoods Mission (NRLM) is being prepared to replace the existing Swarnjayanti Gram Swarozgar Yojana (SGSY) Scheme, as a Centrally Sponsored Scheme implemented that was primarily designed to promote Self-employment oriented income generating activities for the BPL households in the rural areas. Woven around the mechanism of Self-Help Groups(SHG), the SGSY had been designed to break the financial, technical and market constraints that the individual BPL households face to cross the threshold of poverty line. As per the Preliminary Material, an EFC

memorandum for restructuring the SGSY as National Rural Livelihood Mission(NRLM) has been approved. Further, a proposal is now being prepared for approval of CCEA.

3.73 The main Features of NRLM is as below:-

- **Mission Mode** approach for outcome based and time bound delivery
- Setting up of Mission at National, State, District & Sub-district levels with professional support at all levels in the required fields
- **Demand Driven Strategy:** Flexibility to states to formulate their own action plan for poverty reduction along with introduction of a system of monitoring poverty outcomes
- **Universal Social Mobilization of rural poor households** into Self-Help Groups (SHGs) by forming about 25 lakh SHGs of BPL
- **Universal Financial Inclusion** through bank linkage of all the beneficiaries and access to insurance services for risk mitigation, etc.
- **Peoples' Institutions:** Setting up of and supporting people centered organization such **federations of rural BPL SHGs** at District, Block & Village level.
- Revised economic package including enhanced rates of RF, Capital subsidy and introduction of Interest Subsidy.
- **Upscaling of Special Projects**, including Placement linked Skill development & innovative projects, by making it as a subset of SGSY.
- Emphasis will be given on vulnerable sections.
- **Convergence** with other programmes of Ministry of Rural Development and of other Ministries for developing synergies and maximizing livelihoods opportunities
- Improved **monitoring, transparency and accountability** through dedicated MIS, social audits and concurrent evaluations.

3.74 **The Committee are dismayed to note the mismatch between the financial and the physical target-achievement under SGSY since 2007-2008. As per the information furnished by the Department the financial utilisation of SGSY was 82.17 per cent during 2007-2008 which declined to 73.73 per cent during 2008-2009. In comparison, the physical performance of SGSY was 126 per cent and 106 per cent in these years respectively that gives a false impression that the**

performance of SGSY is very impressive and does not deserve a re-structuring in the form of National Rural Livelihood Mission (NRLM). It appears that Government have resorted to target chasing under the SGSY so far instead of implementing the SGSY as per the guidelines of the scheme. Further, the Committee feel that per capita investment of Rs.29932 during 2008-2009 under SGSY or that of Rs.30723 so far during 2009-2010 is very low to take some one living below the poverty line to above the poverty line permanently. The Committee, therefore, desire suitable corrective measures be taken in this regard and they be informed accordingly.

3.75 When asked about the recovery rate at national level as well as different States, the Ministry in their reply have stated that as reported by RBI, the National Level Recovery rate for Scheduled Commercial Banks is 47.32 per cent for individual beneficiaries and 57.32 per cent for SHGs under SGSY.

3.76 Regarding improvement in recovery rate it has been stated that the rate can be improved by improving the facilities for training and capacity building of SHG beneficiaries along with strengthening the marketing support to SHG groups in order to ensure more remunerative prices for their products. It also requires additional field level staff for implementing SGSY and involvement of NGOs for hand holding of SHGs and inculcating in them a strong repayments culture and encouraging multiple doses of credit. These issues are proposed to be addressed under the proposed National Rural Livelihoods Mission (NRLM).

3.77 When asked about the unbanked blocks and single manned bank branches in the country and implementation of SGSY in those blocks the Committee were informed that State-wise, 99 unbanked blocks are there in the country. These type of banks largely pertain to the North Eastern States. However, there were initially 145 unbanked blocks in the country.

3.78 When asked about how the infrastructure in 145 unbanked blocks can be strengthened for opening bank branches, the Ministry in their reply have stated that RBI has informed that most of the 99 unbanked blocks are in North Eastern Region. In order to encourage banks to open bank branches in unbanked blocks in NER, a special dispensation has been introduced by RBI in which it has been decided to provide subvention of capital cost and recurring cost for 5 years in respect of all blocks/centres

figuring in an “Agreed List” to be identified by a joint team of Government officials and banks constituted under the aegis of SLBC in North eastern states. The “Agreed Centres” are those where it is considered necessary as per public policy to have branches of banks under different categories viz. general banking, currency chests, forex business, Government business etc. not found to be viable and the banks are not willing to open branches at such Centres.

3.79 Asked further about the Nationalized bank wise break up of single man rural branches in different states, the Ministry in their reply have stated that Ministry of Finance and RBI have informed that this information is not available with them.

3.80 Asked further about the coordinative action taken by the Department with these banks to strengthen their manpower, the Ministry in their reply have stated that the Department of Rural Development has taken up the issue of strengthening the manpower with the Nationalized Banks and RBI in various meetings of Central Level Co-ordination Committee (CLCC). The states have also been exhorted to offer incentives to the banks in terms of infrastructure facilities, security services etc. to encourage them to open bank branches in unbanked areas. This matter would be again taken up in the forthcoming meeting of CLCC scheduled to be held on 30.11.2009.

3.81 The Committee note that State-wise, 99 unbanked blocks are there in the country and these type of banks largely pertain to the North Eastern States. They further note the reply of the Department that there were initially 145 unbanked blocks in the country. They further note the reply of the Department regarding repayment of the scheme throughout the country. Further, they note the reply of the Department that the issue has been taken up for strengthening the manpower with nationalized banks and the RBI and the States have been requested to offer incentives to banks to encourage them to open bank branches in unbanked areas. The Committee note with dismay about the performance of Banks under SGSY which is not at all satisfactory regarding making available the credit, or on repayment or on while addressing the issue of unbanked blocks or single manned branches. They urge that an independent and impartial study be initiated across the country urgently to find out all of the above aspects in the

implementation of SGSY in consultation with the Ministry of Finance and the Reserve Bank of India.

3.82 The Committee note the information furnished by the Ministry that the National Level Recovery Rate for scheduled commercial banks was 47.32 per cent for individual beneficiaries and 57.32 per cent for Self Help Groups under SGSY. The Committee strongly feel that when the subsidy provided by the Government which is nearly 33 per cent of the assistance provided for SGSY is added to the existing recovery, the recovery of the scheme for the banks is not all that bad. The Committee feel instead of citing the false plea of non satisfactory recovery, the financial institutions *viz.* commercial, cooperative, Regional Rural and Private banks involved in the implementation of the scheme should lay stress on solving serious problems of unbanked and under-banked areas. The Committee find that the shortfall in the achievement of credit targets under SGSY are attributed by the Department to many reasons which include lack of sufficient Bank branches and manpower in rural areas and the improper attitude of Bank officials working in the rural areas. There is also a need for proper training of bank officials posted in the rural areas to change their mind set towards illiterate rural people and the Banking procedure also needs to be simplified for the convenience of the rural people. The Committee desire that the action taken by the Government in this regard may please be intimated to them.

SGSY Infrastructure

3.83 The Committee have been informed that as per mandated guidelines of SGSY, the 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. The DRDAs may ensure that there is a balance between the expenditure proposed for different items. The expenditure on infrastructure should not exceed 20 percent of the total SGSY allocation, (25 percent in case of North-Eastern States). Under Special Project Component of SGSY, Projects are approved by 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 has not been provided any funds for infrastructure Projects. In addition to 27 other States, Nehru Yuvak Kendras (NYKs) were also involved for implementation of Special Projects.

Placement linked Skill Development Projects

3.84 When asked about the salient features and the performance of the Skill Development Projects under the SGSY infrastructure component the Committee were informed as below :-

- 15 per cent of SGSY allocation set apart for Special Projects.
- Earlier project approved were for normal activities. From 2006 the emphasis is on placement linked skill development projects.
- Under this component 29 placement projects sanctioned to cover 3.60 lakh beneficiaries (Total investment Rs. 300 Cr. approx.)

Performance of Skill Development projects under SGSY since 2007-2008

	2007-08	2008-09	2009-10
Projects approved	1	15	6
Beneficiaries	33,000	1,62,000	52,600
Total cost (crore)	14.85	152.19	39.34
Central share (crore.)	11.14	136.79	31.25
Central release (crore)	4.35	34.90	7.81
Progress (cumulative)	Up to 31.3.08	Up to 31.3.09	Up to 31.8.09
Beneficiaries trained	37,000	73,000	87,000
Beneficiaries placed	24,000	51,500	65,000

3.85 The Committee appreciate the efforts made by the Department to develop the skills of the existing beneficiaries of SGSY. They were informed that up-to 31 August 2009, 87000 beneficiaries have been trained out of which 65000 beneficiaries have been placed which shows that so far 22000 beneficiaries trained still remain to be placed. They feel that giving training to the needy and their absorption is one of the important aspects which was not given due

importance so far. They also note the reply of the Department that only one project was approved under this scheme during 2007-2008 which was followed by approval of 15 projects during 2008-2009. They are concerned to note that only six projects have been approved by the end of first half of this fiscal. With the present pace of implementation of the scheme the Government may not be able to approve more than 12 to 13 projects in the current year which is not at all a healthy sign. They therefore, recommend that Government in consultation with the States and Union territories should find out ways and means to extend the scheme to the entire country under the skill development projects in a time bound manner so that BPL youths could be provided training in various skills which can enable them to earn a decent livelihood. Action taken in this regard may be intimated to them.

(iii) Rural Housing (RH) Scheme - Indira Awaas Yojana (IAY)

3.86 The only scheme being implemented by the Department under Rural Housing Scheme is Indira Awaas Yojana (IAY). The IAY is being implemented since 1985-86 to provide assistance to Below Poverty Line (BPL) households in rural areas belonging to the Scheduled Castes/Scheduled Tribes, freed bonded labourers and also from 1993-94 onwards to non-Scheduled Castes/Scheduled Tribes families, households of rural BPL, families of ex-servicemen of the armed forces and para military forces killed in action. The IAY became an independent Scheme *w.e.f.* 1 January 1996. The ceiling on construction assistance under IAY was Rs.25,000 per unit for plain areas and Rs.27,500 for hilly/difficult areas and conversion of *kutcha* house into *pucca* house (*i.e.* upgradation) was 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. In case of North-east States, funds are shared in the ratio of 90:10. The Union territories are provided 100 per cent Central assistance. From 2005-06 onwards the allocation criteria for IAY has been modified to assign 75 per cent weightage to housing shortage and 25 per cent to poverty ratio for the State level allocation. Further, giving 75 per cent weightage to housing shortage and 25 per cent weightage to SC/ST component makes the allocation for IAY amongst districts.

3.87 The overall Budget allocation (Central share) for the Indira Awaas Yojana (IAY) during 2008-09 was Rs.5750 crore, out of which Rs.5645.77 crore was released.

However, Rs.3050 crore were allocated additionally as economic stimulus package during January 2009. The BE 2009-10 under Indira Awaas Yojana has been fixed at Rs.8800 crore (*i.e.* an increase of 62.96 per cent increase in the central allocation over BE 2008-09). As per the Outcome Budget 2009-10 of the Department, in addition to the Central Plan Budget, different State Governments are expected to release their share for the scheme during 2009-10.

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

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

"4.4 Fifteen per cent of the total allocated funds under IAY will be kept apart to meet the exigencies arising out of natural calamities and other emergent situations like riot, arson, fire, rehabilitation under exceptional circumstances etc. Proposals for this purpose have to come from State Governments/Administration of Union territories showing the extent of damage and the estimated fund requirement in respect of the proposed IAY houses provided assistance has not been obtained from other sources. Funds to be released for this purpose shall be upto 10 per cent of district annual allocation under IAY or Rs.70 lakh (including State share) whichever is higher. The relief will be as per the norms with regard to per unit ceiling of assistance for IAY house prescribed under the scheme."

3.90 As per the information furnished to the Committee, the financial and physical performance of IAY since 2007-08 is as follows:

Financial Performance of IAY

(Rs. in crore)

Year	Opening Balance As on 1 st April	Central Allocation	State Allocation	Total Funds Available	Utilization	%age of utilization	Annual Target (units)	Houses under construction (units)
2007-2008	1220.30	4032.70	1341.49	6527.17	5464.54	83.72	2127184	664474
2008-2009	2368.47	5645.77	1878.07	14443.21	8282.86	57.35	2127165	1799679
2009-2010	6160.35	8800	NA					

3.91 When asked about the physical performance of IAY since 2007-2008 the Committee were informed as below :-

Physical Performance of IAY since 2007-2008

Year	Progress/Timeliness (Quarterly targets)	Achievement/Outcome (Quarterly achievement)
2007-2008	Units to be constructed (lakh) First - 2.12 Second - 4.25 Third - 5.32 Fourth - 9.57	Units constructed (in lakh) First - 2.23 Second - 4.08 Third - 4.32 Fourth - 9.28 Per cent achievement is 93.66 per cent
2008-2009	Units to be constructed (lakh) First - 2.13 Second - 4.25 Third - 5.32 Fourth - 9.57	Units constructed (in lakh) First - 2.98 Second - 4.29 Third - 3.76 Fourth - 9.90 Per cent achievement is 98.02 per cent
2009-2010	Units to be constructed (lakh) First - 4.05 Second - 8.10 Third - 10.13 Fourth - 18.24 Total 40.52 lakh houses	

**State-wise performance under IAY
Poor Financial Performance**

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

3.93 During 2008-2009 the poor financial performance under IAY was made in Manipur (8.69 per cent), Andaman and Nicobar Islands (10.88 per cent), Dadra and Nagar Haveli (18.39 per cent), Assam (31.41 per cent), Jharkhand (35.48 per cent), Karnataka (42.77 per cent), Puducherry (43.46 per cent).

Poor Physical Performance

3.94 Outcome Budget indicates the poor physical performance under IAY during 2007-08 in respect of the following States/Union territories: Daman and Diu (8.8 per cent), Puducherry (11.10 per cent), Meghalaya (22.20 per cent), Dadra and Nagar Haveli (39.67 per cent), Andaman and Nicobar (16.25 per cent).

3.95 During 2008-2009 the poor physical performance under IAY has been reported from Manipur (2.59 per cent), Andaman and Nicobar Islands (6.78 per cent), Puducherry (4.62 per cent), Dadra and Nagar Haveli (13.44 per cent).

3.96 The Committee find that during 2008-2009 out of Rs.14443.21 crore available under IAY only Rs.8282.86 crore have been used in the scheme which is only 57.35 per cent of the available funds. The Committee are dismayed to note the poor utilization of available funds under IAY during 2008-2009. Considering that more than Rs.6246 crore of unspent balance is lying with the implementing agencies as on 1.4.2009 there is an urgent need for the Department to fine tune and gear up the existing implementing agencies of Indira Awaas Yojana in all the States and Union territories of the country.

3.97 The Committee note with concern that poor financial performance of IAY in many States and Union territories which was reportedly been in Manipur (8.69 per cent), Andaman and Nicobar Islands (10.88 per cent), Dadra and Nagar Haveli (18.39 per cent), Assam (31.41 per cent), Jharkhand (35.48 per cent), Karnataka (42.77 per cent), Puducherry (43.46 per cent) during 2007-2008. The Committee also note with concern that poor physical performance of IAY in many States and Union territories which has reportedly been in Manipur (2.59 per cent), Andaman & Nicobar Islands (6.78 per cent), Puducherry (4.62 per cent), Dadra and Nagar Haveli (13.44 per cent) during 2008-2009 also was not better either in this regard. The information regarding State-wise physical performance of IAY during 2007-2008 was no better either. The Committee, are therefore, dismayed to note the poor financial and physical performance of IAY during 2007-2008 and 2008-2009 as mentioned above. The Committee would like to know the reasons for the poor performance in each of the States and Union territories mentioned above. They would like to urge the Department to initiate suitable corrective measures during this financial year in each of the aforesaid States and Union territories to achieve

a better performance under the scheme. The Committee recommend that suitable corrective measures may please be initiated in this regard and they may be apprised accordingly.

Per Unit assistance of a dwelling unit under Indira Awaas Yojana

3.98 The Committee were informed that the beneficiary under IAY is assisted for constructing a dwelling unit (single room) having the facility of a smokeless chulla and a toilet. As per the Outcome Budget 2007-2008, the ceiling of assistance for construction of a new dwelling unit *w.e.f.* 1 April, 2004 is Rs.25,000 for plain areas and Rs.27,500 for hilly/difficult areas which has been increased to Rs.35,000 per unit in the plain areas and Rs.38,500 for hilly/difficult areas. The conversion of *kuccha* house into *pucca* house (up-gradation) is Rs.15,000 *w.e.f.* 1.4.2008. In addition to these unit costs, an IAY beneficiary can take a loan upto Rs.20,000 per dwelling unit at 4 per cent rate of interest per annum under the differential rate of interest (DRI) Scheme. The Committee in their 22nd Report, 14th Lok Sabha had strongly recommended (*vide* recommendation Para 2.69) that Government should enhance the per unit assistance from the existing rate to Rs. 50,000 in plain areas and Rs. 60,000 in hilly/difficult areas. When asked about the steps taken by the Government in pursuance of the said recommendation of the Committee, the Department has replied that this matter is under consideration and Ministry is actively pursuing it. When the Committee asked about the possible impact of enhancement in the per unit cost of assistance, then the Department has replied that the proposal under consideration is to increase the unit cost for houses without affecting the physical target.

3.99 When asked about the physical performance under IAY – 11th Plan Period the Committee were informed as follows :-

Physical Performance under IAY – 11th Plan Period

	2007-08	2008-09	2009-10
Physical Target (in lakh)	21.27	21.27	40.52*
Physical Achievement (in lakh)	19.92	21.34	10.96
%Physical Achievement	94%	100 %	27%

*This includes the physical target set against the economic stimulus package released last year

The Indira Awaas Yojana is one of the flag ship housing programmes of the Government which builds houses under Bharat Nirman also in addition to the houses being constructed under the IAY.

Addressing Housing Shortage

3.100 When asked about the housing shortage in the country, the Committee were informed that the Department of Rural Development faces the following herculean tasks in order to solve the problem of shelterlessness in the rural areas of the country :

- Estimated shortage is 281 lakh in 2009
- Houses to be made in 2009-10 is 40.52 lakh
- Housing shortage after 2009-10 will be 240 lakh
- 48 lakh houses required every year to meet the shortage in 5 years
- Rs.12701 crore would be required every year as Central Allocation
- 40 lakh houses required every year if this housing shortage is to be met in 6 years
- In that case fund requirement would be Rs.10621 crore as Central Share

3.101 The Committee note the reply of the Department that the housing shortage in rural areas after 2009-2010 will be around 240 lakh and in this pace of development, 48 lakh houses are required to be build in the next five years by investing Rs.12701 crore every year as central allocation. As against the said target the Department has only been able to build 21.32 lakh houses during 2008-2009 which gives rise to the fear that it may take more than 10 years with the present pace of achievement of targets to have shelterlessness in rural areas of the country. The way the Government is achieving the targets the Committee, therefore, apprehend that the Government cannot achieve the noble goal of eliminating housing shortage for the poor in the rural areas in a time bound manner. The Committee feel that the Department is not giving due importance to implement the flagship housing programme IAY. They, therefore, strongly recommend that all the implementing agencies should further be geared up to show the optimum achievement of physical targets in the subsequent years.

3.102 The Committee are not satisfied with the present definition of a dwelling unit given under the IAY which does not give a clear indication for a decent and civilized living by the rural poor in this country. In their view, a single room with a smokeless *chullah* and a toilet does not give sufficient space for a civilized living

in this country. The Committee, therefore, recommend that the Government should consider revising the definition of a dwelling unit accordingly and intimate them at the earliest.

3.103 The Committee note the information furnished to them in which it has been stated that Rs.35,000 per unit in plain areas and Rs.38,500 in hilly and difficult areas, under the IAY, are being provided to construct a dwelling unit. They feel that the per unit assistance of a dwelling unit under IAY is too little and no where near the actual construction cost even if a beneficiary provides his/her labour. The Committee regret that their earlier recommendation made in this regard (paragraph No. 2.69 of 22nd Report - Fourteenth Lok Sabha *refers*) has not been given due consideration by the Government. The Committee once again reiterate their earlier recommendation made in their 22nd Report (Fourteenth Lok Sabha) that the per unit assistance under IAY be increased from the existing rate to Rs.50,000 in plain areas and Rs.60,000 in hilly/difficult areas from this financial year itself.

Homestead Scheme

3.104 It has been stated by the Department that a proposal has been approved by the government for providing Rs.10,000 to every BPL household which does not have a plot of land for construction of a house wherein the share of Centre and State will be 50:50.

3.105 When asked as to whether a sum of Rs.10,000 is not adequate for arranging a homestead to BPL household, the Ministry in their reply have stated that the amount of Rs.10,000/- has been fixed after deliberations with State Governments and the other Central Ministries concerned including Ministry of HUPA.

3.106 Asked further about the guidelines for the aforesaid homestead scheme of IAY, the Ministry in their reply have stated that the homestead scheme is being implemented from the current year only. The basic parameters for providing homestead sites to the rural BPL households as part of IAY are as under :

- (i) For the purpose of allotting homestead sites, the beneficiaries will be selected only from the Permanent IAY Waitlists as per their priority in the list. Only those BPL households who have neither land nor housesites, will be eligible.

- (ii) In the first instance, the State Government will regularize the land as a homestead site if it is presently occupied by a BPL household and if regularization is permissible as per the existing acts rules.
- (iii) If this is not the case, State Government will allot suitable Government land as homestead site to the eligible BPL household. The Government land includes community land (*gocher* etc.), land belonging to panchayats or other local authorities.
- (iv) In case suitable Government land is not available for allotment as homestead sites, private land may be purchased or acquired for this purpose.
- (v) However, before taking up land purchase or land acquisition, competent authority will certify that it was not possible to regularize occupied land, if any or that there is no suitable government land for allotment as homestead sites.
- (vi) Financial assistance of Rs.10,000/- per beneficiary or actual, whichever is less, will be provided for purchase/acquisition of a homestead site of an area around 100-250 sq.mt.
- (vii) Funding will be shared by Centre and States in the ratio of 50:50 while in the case of Union territories Central Government will fund cent per cent.
- (viii) If the amount per beneficiary falls short, the balance amount will be contributed by the State Government.
- (ix) First installment of the funds will be released only after the State certificates that it has no land to provide to the rural BPL either through regularization or through transfer and that it has identified the land meant for acquisition/purchase. Subsequent installments would be released when the States take possession of the land.
- (x) BPL families allotted land through purchase would be, to the extent feasible, provided house construction assistance in the same year.
- (xi) The State Governments will be incentivized by allocating additional funds under IAY to the extent beneficiaries are provided with homestead site by way of regularization, allotment or purchase/acquisition. If necessary, a provision will be made in the guidelines to keep a portion of IAY funds apart for incentivizing the States. The unspent amount, if any, out of this component will be distributed to the better performing districts.
- (xii) The States will be expected to provide funds for the proposed scheme over and above their existing budget for similar initiatives. This is also subject to the condition that the States should continue to budget for the Scheme an amount not less than their previous year's budget.

When asked for providing a copy of the guidelines of the Homestead Scheme the Ministry could not provide such a guideline.

3.107 The Committee are of the view that efforts of the Department to provide land to the beneficiaries under the Homestead scheme is a step in the right direction. However, the Department has not been able to frame the guidelines of

the scheme which might come in the way of implementation of the scheme in different States and Union territories. The Committee recommend that before giving the final shape to the guidelines it should be ensured that the plot allotted to the poor beneficiary is not far away from the existing habitations. Further, the Government should find out ways and means, in consultation with all the States and Union territories and the Planning Commission so that the benefits of this scheme actually reach the poor people without any land and the scheme does not merely remain on paper.

(iv) Pradhan Mantri Gram Sadak Yojana (PMGSY)

3.108 'Rural Roads' is a State subject and finds mention at Entry No.13 of the State List of the Seventh Schedule to the Constitution. However, it is recognized that rural connectivity is an important instrument in rural poverty reduction. Accordingly, the Pradhan Mantri Gram Sadak Yojana (PMGSY) was launched on 25 December, 2000, as a 100 per cent Centrally funded Scheme, with the target of connecting every habitation with a population of more than 500 by the year 2007 through good all-weather roads.

Objective of the Yojana

3.109 The targets were revised during 2005-2006 and it was proposed to connect all habitations having a population of 1000 and above, and in hilly, tribal and desert areas habitations having a population of 500 or more by 2009. The remaining habitations are proposed to be taken up thereafter. Funds requirement for implementing the targets under Bharat Nirman were stated as firmly tied up so as to ensure timely completion of the works sanctioned.

3.110 As per the information furnished in Performance Budget 2006-2007 under PMGSY, out of total 30,00,000 KMs of road length, 3,69,386 KMs. were eligible and 1,72,772 habitations in 28 States were to be provided with new connectivity. As per the information furnished by the Department, PMGSY is one of the six components of Bharat Nirman, the ambitious programme of the Government of India. To meet the targets of providing all-weather road connectivity and upgradation proposed for the years 2005-06 to 2008-09, the estimated requirement of funds is Rs. 48,000 crore (at

2003-04 rates). Of this, Rs. 16,000 crore is likely availability from Cess on High Speed Diesel. Rs. 9,000 crore will be available from the World Bank & the Asian Development Bank leaving a gap of Rs. 23,000 crore. It was proposed to raise Rs. 16,500 crore through NABARD to meet the gap. The Finance Minister, in his Budget Speech on 28 February, 2006, had proposed to open a separate window under RIDF XII for rural roads with a corpus of Rs. 4,000 crore during 2006-07. The remaining gap is being funded thereafter through Budgetary support. In addition to the Central share, Rs. 4,500 crore loan from NABARD has been obtained during 2007-08 as per BE 2007-08.

3.111 The targets of road works under PMGSY are determined on the basis of annual allocations and proposals of States for road works to be taken up. Physical and financial targets since 2005-06 are as under:

Physical and Financial targets under PMGSY since 2005-2006

	2005-06		2006-07		2007-08		2008-09	
	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement
No. of habitations to be connected	7895	8031	9435	5239	14015	11336	18100	14676
Road length to be constructed (KMs)	17454	22785	27250	17702	55020	41231	64440	52644.42
Expenditure (Rs. in crore)	4220	4100	5225	4560	11000	10618.69	15280.15	15161.90

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

3.113 Further, as on 31 March 2009, Rs.1264.56 crore were lying unspent under PMGSY.

Implementing Authority

3.114 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).

3.115 The Outlay/Budget Estimate (*i.e.* Central Share) for PMGSY 2009-2010 is Rs.12000 crore. In addition, Rs.6500 crore is being obtained as borrowing from RIDF window through NABARD during 2009-2010.

3.116 As per PMGSY Guidelines (Para 3.5) a habitation is a cluster of population, living in an area, the location of which does not change over time. The unit for PMGSY is habitation and not village. There were 6,34,321 villages as per the 2001 census. Generally a village consists of several habitations separated by short distances. The following is the number of habitations of various sizes as reported by the States:—

Number of habitations of various sizes as reported by the States

Population 1000 and above	500-1000	250-500	Below 250	Total
Habitation(No.) 231331	205276	187591	285044	909242

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

Financial and Physical Performance of PMGSY

3.118 When asked about the financial and physical performance of PMGSY since inception, the Committee were informed as below :-

Financial Performance of PMGSY since 2000-2001

Year	Allocation (Rs. in crore)	Expenditure incurred (Rs. in crore)	Remarks
2000-2001	2500	6607.83	Separate year wise information not available
2001-2002	2500		
2002-2003	2500		
2003-2004	2325		
2004-2005	2468 (2148+320*)	3077.45	* assistance from ADB/WB. ** from RIDF Window of NABARD.
2005-2006	4220 (3809.50+410.50)	4100.39	
2006-2007	6273.62 (3725.62+1500*)+798 (Supplementary)+250 (RE)	7304.27	
2007-2008	11000.00 (3900+2600*+4500**)	10618.69	
2008-2009	15280.15 (5530.15+2250*+7500**)	15161.99	

Physical Performance of PMGSY since 2005-2006

	2005-2006		2006-2007		2007-2008		2008-2009	
	Targets	Achievements	Targets	Achievements	Targets	Achievements	Targets	Achievements
Length (in Km.)	17454	22756	27250	30710	55020	41231	64440	52644.62
Habitations (in nos.)	7895	8202	9435	10801	14015	11336	18100	14,676
Expenditure (Rs. crore)	4220	4100	6274	7304	11000	10618.69	15280	15161.99

PMGSY: Target and Achievement

3.119 When asked about the target and achievement of PMGSY, the Committee were informed (as per written information presentation p.21) as below :-

Objective: To connect habitation with population >500

	<u>Target</u>	<u>Achievement (upto March, 2009)</u>
To connect	1.36 lakh habitations	Connected: 62,484 habtn. (55%)
To construct	3.65 lakh Km road	Constructed: 1.44 lakh Km road
To Upgrade	3.68 lakh Km road	Upgraded 0.70 lakh Km* road

* Includes renewal by states

PMGSY: Resources

3.120 When asked about the resources available for implementing PMGSY, the Committee were informed as below :-

Status as on March, 2009

- Total Cost of Projects Sanctioned: Rs. 1.05 lakh crore
- Fund Released to States for Projects: Rs. 47,834 crore
- Expenditure incurred by States: Rs. 46,807 crore

Resources for 2009-10

- Cess & Budget Support: Rs. 10,650 crore
- EAP: Rs. 1,350 crore
- Loan from NABARD: Rs. 6,500 crore
- Total Rs. 18,500 crore

Expected Requirement: Rs. 21,000 crore

3.121 The Committee are concerned at the poor physical performance of the PMGSY during 2008-2009 which has reportedly been 55 per cent inspite of the financial achievement being more than 98 per cent made during that year. This

only shows that all is not well with the implementation of the yojana in different States and Union territories. Not only that, the unspent balance as on 31.3.2009 left with the implementing agencies was to the extent of Rs.1264.56 crore. The Committee deplore the fact that Department is giving more stress on approving the road projects rather than completing the road construction, as is evident from the fact that Rs.1.05 lakh crore cost of projects have so far been sanctioned against which funds to the tune of only Rs.47834 crore have been released to States for all the road projects. The Committee apprehend that with the present pace of PMGSY, the Department would not be able to achieve the goal of full connectivity to all eligible habitations in the country in near future. They, therefore, recommend that immediate corrective steps be initiated by the Government in this regard and the Committee be apprised accordingly.

3.122 The Department has not been able to do the work under PMGSY as per the target and the said targets has been spilled over from the 10th Plan Period to the 11th Plan Period the reason furnished by the Department for not achieving the targets under PMGSY that the targets were not fully achieved primarily on account of low institutional capacity of State Governments and financial shortfall.

3.123 The Committee also find the reply of the Department regarding non achievement of targets under PMGSY during 10th Five Year Plan that it has failed to gear up the low institutional capacity of the State Governments to achieve the targets set under PMGSY since inception of the yojana in the year 2000. The Committee cannot accept the plea of the Department that the cost for constructing a KM of road and the target for achievement of full connectivity have gone up several times under PMGSY since inception. The Committee, therefore, recommend that suitable corrective actions be initiated by the Department now, to gear up implementing agencies further and inform the Committee accordingly.

The performance under PMGSY and Bharat Nirman Period

3.124 The objective of Bharat Nirman for PMGSY was to connect all unconnected habitations that have population of 1000 (or 500 in hilly or tribal areas) and above by 2009 it has been achieved partially in the sense that out of 54648 identified habitations upto March, 2009 only 31924 habitations could have been connected. As a result the target for Bharat Nirman for PMGSY has been revised recently to achieve connectivity for all eligible habitations by 2011-12.

3.125 The Department has informed that Bharat Nirman (period between 2005-06 to 2008-09) envisage upgradation/renewal of 1,94,130 KMs (now as per performance budget scaled down to 1,46,185 KMs) of existing rural roads. This comprises of 60 per cent upgradation and 40 per cent renewal of surface roads. The requirement of funds for Bharat Nirman period is estimated at Rs.48,000 crore. The availability of funds would be as under:

Cess	Rs.16,000 crore
ADB/World Bank	Rs.9,000 crore
NABARD window	Rs.16,500 crore
Unfianced gap	Rs.6,500 (to be provided through budgetary support)

3.126 As per the Outcome Budget 2009-2010, the physical and financial progress under PMGSY (in phase I to VIII+ADB/World Bank) since inception is as below :-

Total value of proposals cleared	-	Rs.105721.34 crore
Amount Released	-	Rs.47834.97 crore (45.24 per cent)
No. of road works cleared	-	100215 (101407 cleared by Aug, 09)
No. of road works completed	-	59314 (59.19 per cent) (63122 completed by Aug, 09)
No. of road works not completed	-	40901
Length of road works cleared	-	388498.03 KM
Length of road works completed	-	214294.91 KM (55.16 per cent)
Length of road works not completed	-	174203.12 KM

Expenditure

Amount released	-	Rs.47834.97 crore
Expenditure reported	-	Rs.46807.23 crore
Utilisation of released funds	-	97.85 per cent
Amount with implementing agencies	-	Rs.1027.04 crore

3.127 The Committee note that the gigantic task to connect all unconnected habitations in the rural areas of the country still remains to be achieved. Similarly, additional targets set under the Bharat Nirman component has been added to the existing targets and is being implemented simultaneously. The Committee desire that the target and achievement under PMGSY and under Bharat Nirman be monitored separately. They also note that in addition to the Department of Rural Development, the National Rural Road Development Agency (NRRDA) and all other implementing agencies in different States under PMGSY are involved in implementing the scheme. They feel the Department of Rural Development, the NRRDA and all other implementing agencies of PMGSY have not been able to show a better physical performance of the scheme so far inspite of it being made a part of the Bharat Nirman. Not withstanding the poor results of PMGSY so far, the Committee feel that more funds may be allocated for the scheme and the Planning Commission and the Ministry of Finance be consulted in this regard. They urge the Department to chalk out a time bound plan to connect all unconnected habitations realistically and intimate them accordingly.

(v) Provision for urban amenities in rural areas (PURA) Scheme

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

3.129 A new Centrally Sponsored Scheme namely, Provision of Urban Amenities in Rural Areas (PURA), 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.

3.130 As per the Cabinet Note the Scheme would be implemented in 4130 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; and
4. Market connectivity that would enable farmers to get the best price for their produce.

3.131 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 20.1.2004 approved in principle the 'Provision of Urban Services in Rural Areas' Scheme with the direction that the outlay for the scheme will be within the Gross Budgetary Support. The Cabinet also decided that the list of towns would have to be reworked in consultation with the State Governments and brought back to the Cabinet. The consultation with the State Governments is under progress.

Allocation and Expenditure of PURA Scheme

(Rs. in crore)

Year	Allocation	Release/Expenditure
2007-2008 (BE) (2007)	10	NIL (pilot scheme ended in March, 2007)
2008-2009 (BE) (2007)	30	NIL (pilot scheme ended in March, 2007)
2009-2010 (BE)	30	NA

3.132 Although no allocation for PURA Scheme was made in 2003-2004 BE, an amount of Rs.5.78 crore was spent by re-appropriation of savings under different Schemes of the Ministry between 2003-2004 and 2005-2006.

3.133 When asked about the information on pilot phase and sanction of funds during pilot phase under PURA, the Committee was informed as below:-

- Implementation of Pilot phase
 - Rs. 30 crore released, Rs. 10 crore each in 2004-05, 2005-06 and 2006-07
 - Expenditure Rs.25.19 crore as on 30.09.09
 - Funds released for connectivity namely roads, market, drinking water, education etc.,
- Sanction of funds during pilot phase
 - Mostly based on projection in individual Detailed Project Report (DPR)
 - As per decision of Steering Committee, constituted under Secretary (RD)

3.134 When asked about the evaluation made for PURA and funding of the scheme, the Committee was informed as below :-

The Ministry has informed that the NIRD evaluation indicated following:

- Convergence with on-going schemes missing, stress on consultation with stakeholders, to be focused on livelihoods in rural areas rather than mere creation of connectivities, etc.,
- The Ministry agrees with the evaluation by NIRD and has taken these into consideration in the restructured scheme.
- Planning Commission have allocated Rs.248 crore only for 11th Plan.
- The EFC on 1st July, 2009 recommended implementation of PURA scheme on a pilot basis during 11th five year plan within the Plan outlay of Rs. 248 crore
- The note for CCEA is under circulation to Ministries for comments.

3.135 The Committee feel that the PURA scheme is a very good scheme the intentions of which have not been properly understood while implementing the scheme. Moreover, the monitoring of the scheme has not been done properly alongwith the implementation. The Committee fail to understand that if pilot scheme of PURA has ended in 2007, why funds were allocated during 2007-2008, 2008-2009 and during the current year. It seems that there has been no planning on the part of the Department to start the PURA scheme in a much larger scale throughout the country and that is why PURA scheme is being implemented as a pilot scheme again during the 11th Five Year Plan. The Committee, therefore, urge the Department to initiate necessary corrective steps so that PURA can be started as a full fledged scheme of the Department without any further delay.

(vi) District Rural Development Agency (DRDA) Administration Scheme

3.136 As per the information furnished to the Committee, the DRDA Administration Scheme was introduced *w.e.f.* 1 April, 1999. Being a Centrally Sponsored Scheme, the funding is shared between Centre and States in the ratio of 75:25. The funding ratio for north-east States have been revised to 90:10 with effect from 2008-2009. For Union territories, the Centre provides cent per cent allocation.

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

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

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

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

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

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

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

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

3.143 When asked about the Central allocation and the amount released under the Scheme during 10th Plan, the Committee were informed as below:—

**Central Allocation and Amount Release under DRDA Administration Scheme
(Rs. in crore)**

Year	Central Allocation	Amount Release
2002-2003	220	199.19
2003-2004	220	220
2004-2005	230	231.81 *
2005-2006	220	235**
2006-2007	220	240
2007-2008	212	250
2008-2009	250	292
2009-2010	250	

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

** Reappropriated from the savings available within the overall budget of the Department.

3.144 As per the Performance Budget 2006-2007, for the funds released upto 31 March 2004, seven different utilisation certificates were due by 31.12.2005 amounting to Rs. 75.54 lakh.

3.145 The information regarding number of Districts, DRDAs, Blocks, Villages, Habitations, Gram Panchayats, Intermediate Panchayats and Zila panchayats in the Country is given in Annexure II. When asked about how many districts are there in the rural areas of the country now and whether the DRDA administration scheme is being implemented in all the rural districts of the country, Ministry in their reply have stated that the 'DRDA Administration Scheme' is being implemented in the 612 rural districts of India numbering 612 at present. However, as per information furnished by the Department, the NREGA is being implemented in 619 rural districts.

3.146 The Committee were informed that most of the DRDA's in the country are inadequately staffed who are on deputation from different Departments of the respective State Governments.

3.147 As per the note received from the Department, the guidelines for DRDA administration scheme lay down a model staffing structure

3.148 Asked further as to whether all the DRDAs follow the model staffing structure as per the guidelines and what corrective steps have been initiated by the Department in this regard, Ministry in their reply have stated the 'DRDA Administration Scheme' provides for a model and indicative staff structure. However, the actual creation of posts and placement of people lies within the domain of the State Government on which this Ministry has no jurisdiction. The Ministry has, however, been impressing upon the State Governments, from time to time, to provide necessary staff in DRDA establishments to enable them to function effectively.

3.149 The Committee note that Rs.252 crore has been released under the DRDA Administration scheme during 2008-2009 against the central allocation of Rs.250 crore which is, reportedly, more than cent percent. Even though financial performance of DRDA Administration scheme is stated to be more than cent per cent, the Committee feel that many DRDAs in the country even today are inadequately staffed. Most of the staff of DRDA are skeleton staff who are on a deputation from different Departments of the State Government. The Committee desire that the Department should urge all the States and Union territories to

provide adequate staff without any further delay. The Committee should be apprised accordingly.

3.150 The Committee note the reply of the Department that during 2008-2009 the NREGA was being implemented in all 619 rural districts of the country whereas the DRDA Administration scheme was being implemented in only 612 districts. The Committee would therefore, like to know as to why the NREGA was being implemented in 619 districts whereas DRDA Administration scheme is implemented in 612 districts during 2008-2009. They recommend that all the rural districts of the country should have a District Rural Development Agency and the DRDA Administration scheme should be implemented in all rural districts from this financial year. Action taken in this regard may be intimated to the Committee.

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

3.151 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.

3.152 As per the information furnished to the Committee, 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.

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

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

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

3.154 No project under any of CAPART's schemes is sanctioned without pre-funding appraisal and the approval of the National Standing Committee/Regional Committees which comprises eminent persons in the field of rural development. The VO has to

submit progress report in the prescribed proformae within six months of the release of the 1st instalment. Before the second installment 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.

3.155 When asked about the amount actually spent by CAPART since 1999-2000, the Committee were informed as below :-

The opening balance, funds allocation, total release and amount actually spent by CAPART since 1999-2000

(Rs. in crore)

Year spent	Opening Balance	Funds allocation	Release	Amount actually
1999-2000		NA	31.55	35.44
2000-2001		N.A.	29.65	43.61
2001-2002		N.A.	30	44.44
2002-2003		30	30	58.64
2003-2004		50	54.96	67.22
2004-2005		65	65	55.05
2005-2006		70	70	46.38
2006-2007		70	35	44.96 (upto 28.03.2007)
2007-08	15.94	60	58.54	NA
2008-2009	26.35	52.20	52.20	NA
2009-2010	14.53	50	NA	18.76 (as on 30.09.2009)

3.156 When asked about the physical performance of CAPART since 2007-2008, the Committee were informed as below :-

Physical performance of CAPART since 2007-2008

Year	Quantifiable/Deliverables/Targets	Achievement/Outcome (Quarterly Achievement)
2007-2008	No. of projects : 1140 approx. Gram Shree Melas : 40 No. of YPs to be trained : 330 No. of beneficiaries : 3,10,000	No. of projects : 788 Gram Shree Melas : 78 No. of YPs trained : 281 No. of beneficiaries : 6,47,929
2008-2009	No. of projects : 950 approx. Gram Shree Melas : 40 No. of YPs to be trained : 330 No. of beneficiaries : 2,50,000	No. of projects : 644 Gram Shree Melas : 64 No. of YPs trained : 186 No. of beneficiaries : 2,41,744

3.157 The Voluntary Organisations (VOs) furnish utilization certificates to CAPART for the amounts released to them and CAPART furnishes Utilisation Certificate to the

Ministry for the entire amount received from the Ministry. This is a continuous process involving Utilisation Certificates relating to releases made in earlier years. It is further mentioned that no UC in respect of CAPART is pending.

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

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

3.160 The Committee were informed that only the credible NGOs/Voluntary Agencies get selected to receive assistance provided by the CAPART which is also verified by CAPART itself. The Ministry of Rural Development in term monitors the activities of CAPART also. About the reasons for blacklisting the NGOs the Committee were informed that it is mainly done because of financial misappropriation or other irregularities done by the NGOs/VAs. When asked about the number of NGOs (State and Union territory wise) blacklisted by CAPART so far, the Ministry in their reply have stated that 833 NGOs have been blacklisted by CAPART as on 9th November, 2009 as follows:-

Number of blacklisted voluntary organisations by CAPART

State	No. of Blacklisted VOs
ANDHRA PRADESH	192
ARUNACHAL PRADESH	1
ASSAM	1
BIHAR	125
CHHATISGARH	1
DELHI	23
GUJARAT	13
HARYANA	20
HIMACHAL PRADESH	5
JAMMU AND KASHMIR	3

JHARKHAND	8
KARNATAKA	75
KERALA	35
MADHYA PRADESH	15
MAHARASHTRA	24
MANIPUR	18
MEGHALAYA	1
MIZORAM	5
NAGALAND	10
ORISSA	32
PONDICHERRY	2
RAJASTHAN	42
TAMILNADU	83
UTTAR PRADESH	72
UTTARANCHAL	1
WEST BENGAL	26
Total	833

3.161 Asked further to furnish the details of the achievement of CAPART since 2007-2008 along with the expenditure met in each of the activities, the Ministry in their reply have stated the achievements of CAPART during the year 2007-08, 2008-09 & 2009-2010 (till September, 2009) are indicated follows:-

Utilisation of funds by CAPART since 2007-2008

(Rs. in crore)

Year	Opening Balance	Budgetary Provisions	Funds released by MoRD	Projects sanctioned including Melas and workshops (in nos.)	Amount sanctioned for projects	Amount released for projects	Expenditure on administration
2007-2008	15.94	60	58.54	866	42.56	40.65	10.24
2008-2009	26.35	50	52.20	708	36.43	53.21	12.20
2009-2010 (till 30.09.2009)	14.53	50	50	46	1.75	10.38	8.38

3.162 During the year 2007-08, 2008-09 and 2009-10 CAPART had an opening balance of Rs.15.94 crore, Rs.26.35 crore and Rs.14.53 crore respectively. When asked about the activity wise expenditure of CAPART since 2007-2008, the Committee were informed as below :-

The activity wise expenditure of CAPART since 2007-2008

(Rs. in lakh)

Activity/Scheme	2007-08	2008-09	2009-10(*)
PC	1079	1936	382
OB/GVA/NGA	379	380	77
ARTS	1141	1145	192
Disability	38	155	36
WSD	538	901	16
HRDS/ Workshop	310	347	183
GSM/ Exh.	321	313	91
Media/ ITD/Pub.	181	79	51
IRH	34	-	-
CIPART/Lib.	44	53	10
Total	4065	5321	1038

(*) till September, 2009

Note: During the year 2007-08, 2008-09 and 2009-10 CAPART had an opening balance of Rs. 15.94 crore, Rs. 26.35 crore and Rs. 14.53 crore respectively.

3.163 When asked about how many NGOs, State and Union territory-wise, got training or were provided assistance by CAPART since 2007-2008, the Ministry in their reply have stated that CAPART have assisted 1176 NGOs since 1 April, 2007 (information as on 09 November, 2009). When asked further about the number of NGOs assisted by CAPART as of today, the Committee were informed as follows:-

Number of NGOs assisted by CAPART since 1.4.2007

State	No. of NGOs assisted
ANDHRA PRADESH	243
ARUNACHAL PRADESH	2
ASSAM	43
BIHAR	115
CHANDIGARH	4
CHHATISGARH	12
DELHI	11
GUJARAT	57
HARYANA	42
HIMACHAL PRADESH	23
JAMMU AND KASHMIR	20
JHARKHAND	21
KARNATAKA	1
KERALA	1
MADHYA PRADESH	20
MAHARASHTRA	33
MANIPUR	44
MEGHALAYA	2
MIZORAM	4
NAGALAND	11

ORISSA	91
PONDICHERRY	1
PUNJAB	10
RAJASTHAN	47
SIKKIM	2
TAMILNADU	34
TRIPURA	10
UTTAR PRADESH	199
UTTARANCHAL	10
WEST BENGAL	63
Total	1176

3.164 The Committee have been informed that a large number of non Government organizations (NGOs) or Voluntary Agencies (VAs) have been blacklisted because of financial misappropriation. The Committee would like to know as to how the said NGOs /VAs got selected to receive the assistance provided by the CAPART in the first instance. They feel that the existing checks and balances at the levels of CAPART and Department of Rural Development are not sufficient to ensure that only credible NGOs get the assistance from CAPART. As a result of this the said irregularities of the voluntary agencies/organizations could not be detected before selecting these for receiving the assistance. The Committee, therefore, desire that the existing guidelines on the matter may be strengthened. They also desire that sufficient publicity about the blacklisted NGOs/VAs be made so that these organizations do not receive any financial assistance from the Government of India.

(viii) Grants to the National Institute of Rural Development (NIRD)

3.165 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 NIRD's policy is determined by a 47 member General Council.

3.166 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 programmes upgradations and disseminates information through various publications.

3.167 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.

3.168 As per information furnished to the Committee, the NIRD has planned to conduct 416 Training Programmes in NIRD, Head Quarters : 41 Training Programmes at NERC, Guwahati and 18 Training Programmes in NERC, Patna (*i.e.* a total of 475 training programmes) during the year 2009-2010. The NIRD has also drawn up a plan for conducting Research Studies, action research projects and consultancy services during the current year.

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

Extent of assistance given by Department of Rural Development to NIRD since 1999-2000
(Rs. in crore)

Year	Plan	Non-Plan	Total received from Ministry of Development	Budget from Rural	Total Budget of NIRD
1999-2000	5	7.15	12.15		
2000-2001	5	7.60	12.60		
2001-2002	5	7.55	12.55		
2002-2003	5.45	7.55	13.00		
2003-2004	6.57	7.50	14.07		17.95
2004-2005	9	7.42	16.42		19.32
2005-2006	10	8.02	18.02		24.98
2006-2007	12	8.86	20.86		24.33
2007-2008 BE	10	9	19		NA
2008-2009	16.81	11.53	27.34		NA
2009-2010	15	NA	NA		NA

3.170 When asked about the physical performance by NIRD since 2007-2008, the Committee were informed as below :-

Physical Performance by NIRD since 2007-2008

Year	Quantifiable/Deliverables/Targets	Processes/Timeliness (Quarterly Targets)	Achievement/Outcome (Quarterly Achievement)
2007-2008	Training Programmes – 300 Research & Action Research No. of studies – 30	Training Programmes 1 st Quarter – 50 2 nd Quarter – 75 3 rd Quarter – 100 4 th Quarter – 75 ----- Total 300 ----- Not given	Training Programmes 1 st Quarter – 55 2 nd Quarter – 70 3 rd Quarter – 84 4 th Quarter – 77 ----- Total 286 ----- Research & Action Research 17 completed and remaining studies in progress
2008-2009	Training Programmes –280 Research & Action Research No. of studies – 30	Training Programmes 1 st Quarter – 40 2 nd Quarter – 80 3 rd Quarter – 100 4 th Quarter – 60 ----- Total 280 ----- Not given	Training Programmes 1 st Quarter – 65 2 nd Quarter – 110 3 rd Quarter – 100 4 th Quarter – 79 ----- Total 354 ----- Research & Action Research 7 completed and remaining studies in progress
2009-2010	Training Programmes - 475		

3.171 The vision of NIRD is to focus on training in the field of policies and programmes that benefit rural poor since 2007-2008.

3.172 As per the brief note received from the Department, the research studies made by the NIRD has not been achieved as per the targets set during 2007-08 and 2008-09.

3.173 When asked about the reasons for non achievement of targets by NIRD as stated above during 2007-08 and 2008-2009 and the corrective steps have so far been taken in this regard, Ministry in their reply have stated that during 2007-08, the NIRD has taken up 30 research studies and completed 26 studies. The remaining 4 research studies being long term research projects will be completed during the current year *i.e.*2009-10.

3.174 During 2008-09, the NIRD has taken up 15 research studies and has completed 13 research studies. As per information furnished to the Committee, the remaining two research studies will be completed during the current year 2009-10.

3.175 The NIRD has taken up 35 new research studies during the current year 2009-10. It has been further mentioned by the Department that there is no significant variation between the targets set and achievements made.

3.176 The Committee were informed that from the year 2008-09 systematic changes have been introduced in the process of approving the research studies. An objective system of screening the research proposals by Research Advisory Committee (RAC) has been initiated. The emphasis has been on maintaining the quality of research taken up by assessing the research proposals through a set of objective parameters. This led to the decrease of research proposals in 2008-09 (15 projects). Once the system become clear to the faculty members the number of research projects has once again gone up to 35 during 2009-10.

3.177 The Ministry has further replied that the research projects that have not been cleared by the RAC during 2008-09 were placed before an internal Committee of Counseling of the proposers. Based on the suggestions of internal Committee, the research proposals are once again revised and placed before the Research Advisory Committee (RAC). The system has been grounded basically to raise the quality of the research work done at the NIRD. The concerned faculty members of the NIRD have been reminded to submit the 4 research reports of the 2007-08 within the stipulated time.

3.178 When asked about the expenditure position of funds available with NIRD since 2007-08, the Committee were informed as follows :-

Expenditure position of funds available with NIRD since 2007-08

(Rs. in crore)

Year	BE			RE			Actual		
	Plan	Non Plan	Total	Plan	Non Plan	Total	Plan	Non Plan	Total
2007-08	10	9.00	19.00	10.00	9.00	19.00	10	9.00	19.00
2008-09	15	9.10	24.10	16.81	11.53	28.34	16.81	11.53	28.34
2009-10	15	14	29.00						

3.179 Regarding the various activities of NIRD in the last three years, the Ministry in their reply have stated that during 2007-10 the NIRD has conducted 236 training

programmes as against 300 programmes proposed during 2007-08 and 368 programmes as against 332 programmes proposed during 2008-09. The NIRD has proposed 475 programmes during the current year and conducted 254 programmes up to November 2009. The funds have been utilized to conduct the training programmes and research studies.

3.180 The Committee are not happy with the performance of the NIRD regarding the conduct of research and action research studies. As per the information furnished to the Committee during the year 2007-2008, against a target of 30 research and action research studies only 17 could be completed and the remaining studies were stated to be under progress. The information regarding the status of the remaining 13 incomplete research and action research studies started during 2007-2008 has not been provided in the subsequent years. Further, against the target of 30 research and action research studies to be conducted during 2008-2009, the NIRD could complete only 7 such studies. The Committee in this regard desire that the activities of the NIRD be further monitored by the Department so that the targets set for the institute are achieved. Moreover, they desire that radical changes in the functioning of NIRD be initiated from this year so as to meet the dynamic challenges of rural development in this country.

(ix) 'Management support to Rural Development programmes and strengthening district planning process'

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

State Institute of Rural Development (SIRD)

3.182 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).

3.183 At present, there are 28 SIRDs functioning all over the country, one in each State. All SIRDs are operating from their own buildings or in rented buildings. Since

1994-1995, 100 per cent Central assistance is provided to SIRDs for non-recurring expenditure for developing infrastructure while the recurring expenditure is shared on 50:50 basis between the Centre and the States. In addition, Central assistance is also provided for the procurement of five core faculty members in each SIRD.

Physical Progress made by SIRDs

3.184 When asked about the physical progress made by SIRDs, the Committee were informed that against the target of 8000 training programmes, SIRDs/ETCs conducted 17,688 training programmes with the participation of 7.59 lakh participants in 2007-2008. In 2008-2009, against the target of 15,000 training programmes, the SIRDs/ETCs conducted 18,447 training programmes with 9,64,400 participants up to March, 2009. It is proposed to conduct 18,000 training programmes during 2009-2010.

Financial Progress made by SIRDs

3.185 When asked about the financial progress made by SIRDs, the Committee were informed Rs.26.50 crore were released in 2007-2008 to State Institutes of Rural Development against the budget allocation of Rs.35.00 crore for this scheme. In 2008-2009, Rs.39.71 crore has been released to State Institutes of Rural Development/Extension Training Centres against the allocation of Rs.38.00 crore.

Extension Training Centres (ETCs)

3.186 In order to impart training to village and block level functionaries, the Scheme of ETCs was taken up since 7th Plan period (1985-90). In 28 States, 89 different Extension Training Centres (ETCs) have been established and functioning. A new ETC in Mizoram was approved by the Department in 2005-2006. The States that do not have ETCs are Goa, Sikkim, Tripura and Uttaranchal.

3.187 The ETCs function under State Governments to impart training to rural development functionaries and elected representatives of PRIs. The Ministry of Rural Development through State Governments releases funds for ETCs and SIRDs on the basis of demands received from State Governments. 100 per cent Central assistance is provided to State Governments for non-recurring expenditure of ETCs and up to a maximum of Rs.10 lakh per ETC per annum can be given towards recurring expenditure.

Organisation of Training Courses, Seminars and Workshops

3.188 A Central sector Plan scheme to provide financial assistance for holding training courses, seminars and workshops on subjects relevant to rural development has been in operation since the VIth Five Year Plan. The subjects covered relate to ongoing programmes like SGSY, rural housing, Panchayati Raj, rural sanitation and drinking water supply. The objective of the scheme is to train functionaries involved in the implementation of rural development programmes by upgrading professional qualifications. Training programmes, seminars and workshops under the scheme are conducted through SIRDs, ETCs, NGOs and other reputed institutes, including university departments. The Central assistance is limited to Rs.2 lakh per programme. In 2007-2008, the budget provision of Rs.0.50 crore was fully spent against the allocation of Rs.0.50 crore. Against the allocation of Rs.0.50 crore for the year 2008-2009, an amount of Rs.0.62 crore have been spent.

3.189 When asked about the financial and physical performance of SIRDs, ETCs and OTCs since 2007-2008, the Committee were informed as below :-

Financial and Physical Performance of SIRDs, ETCs and OTCs since 2007-2008

Year	Outlays (Rs. in crore)	Quantifiable Deliverables/Targets	Processes/Timeliness (Quarterly Targets)	Achievements (Quarterly Achievement)
2007-2008	35.50	Training Programmes – 8000	1 st Quarter – 1800 2 nd Quarter – 1800 3 rd Quarter – 2200 4 th Quarter – 2200 ----- 8000 -----	1 st Quarter – 1800 2 nd Quarter – 1800 3 rd Quarter – 2200 4 th Quarter – 2200 ----- 8000 -----
2008-2009	35.50	Training Programmes - 15000	1 st Quarter – 2500 2 nd Quarter – 4500 3 rd Quarter – 4500 4 th Quarter – 3500 ----- 15000 -----	1 st Quarter – 2567 2 nd Quarter – 5087 3 rd Quarter – 5324 4 th Quarter – 5469 ----- 18447 -----
2009-2010	35.50			

3.190 The Committee find a mismatch in the performance of the Management Support to Rural Development Programmes Scheme when it was informed that by spending Rs.35.50 crore to SIRDs, ETCs and OTCs during 2007-2008, 8000 training programmes were arranged whereas by spending the same amount during 2008-2009, 18447 training programmes have been arranged. They urge the Department to verify again the number of training courses organized by the SIRDs, ETCs and OTCs under the scheme during 2007-2008 and 2008-2009.

3.191 Further, the Committee desire that the quality of the training programmes should be made up-to-date and appropriate. The training modules being provided by the SIRDs, ETCs and OTCs be modified during the current year to meet the ever changing challenges of rural development in this country. Suitable action may be initiated in this regard by the Department and the Committee be informed accordingly.

NEW DELHI;
16 December, 2009
25 Agrahayana, 1931(Saka)

SUMITRA MAHAJAN
Chairperson,
Standing Committee on Rural
Development

Annexure I

Statement on Demands for Grants (2009-2010) of the Department of Rural Development and additional requirements proposed in R.E. (2009-2010)

(Rs. in crore)

Sl. No.	Scheme	2009-2010	Upto Oct. 2009	2009-2010 Proposed	Requirement in R.E.
(1)	(2)	(4)	(5)	(6)	(7)
1	National Rural Employment Guarantee Scheme	39100.00	16951.78	39100.00	0.00
3	Swarnajayanti Gram Swarozgar Yojana	2350.00	1029.41	3350.00	1000.00
4	DRDA Administration	250.00	132.41	385.00	135.00
5	Rural Housing	8800.00	4460.74	8800.00	0.00
6	Pradhan Mantri Gram Sadak Yojana	12000.00	8830.82	14000.00	2000.00
7	Grants to National Institute of Rural Dev.	15.00	7.50	78.84	63.84
8	Assistance to C.A.P.A.R.T.	50.00	50.00	90.00	40.00
9	PURA	30.00	0.00	30.00	0.00
10	Management support to RD Programmes and strengthening district planning process	75.00	16.05	75.00	0.00
11	BPL Survey	0.00	0.00	250.00	250.00
	Total (Plan) (RD)	62670.00	31478.71	66158.84	3488.84

Total Recoveries

NREGA 39,100

PMGSY 4,843.13

Total 1,06,613.13

Total Non-Plan (RD) 36.95

Total Plan and Non- Plan 1,06,650.08

STATEMENT ON NUMBER OF DISTRICTS, DISTRICT RURAL DEVELOPMENT AGENCIES/ ZILLA PARISHADS, BLOCKS AND VILLAGES IN THE COUNTRY

99									
Sl. No.	State / Union territory	Number of							
		District @	DRDA \$	Block \$	Village	Gram Panchayat *	Intermediate Panchayat *	Zila Panchayat #	Habitation \$\$
1	2	3	4	5	6	7	8	9	10
1	ANDHRA PRADESH	22	22	330	28123	21862	1097	22	71382
2	ARUNACHAL PRADESH	16	16	97	4065	1756	155	16	3880
3	ASSAM	27	27	219	26247	3860	228	26	23152
4	BIHAR	38	38	534	45113	8460	534	38	39824
5	CHHATISGARH	16	16	146	20308	9837	146	16	27606
6	GOA	2	2	11	359	188	0*	2	369
7	GUJARAT	26	25	225	18544	14154	224	25	34187
8	HARYANA	21	21	119	6955	6234	119	21	6745
9	HIMACHAL PRDESH	12	12	75	19831	3241	77	12	18946
10	JAMMU & KASHMIR	22	22	142	6652	4146	142	22	9270
11	JHARKHAND	24	24	212	32615	4559	215	24	36827
12	KARNATAKA	29	29	176	29483	5657	176	29	56682
13	KERALA	14	14	152	1364	999	152	14	14899
14	MADHYA PRDESH	48	48	313	55392	23021	313	48	52117
15	MAHARASHTRA	33	33	347	43722	27891	355	35	61300
16	MANIPUR	9	9	37	2391	2795	0*	4	2984
17	MEGHALAYA	7	7	39	6023	1463	0	0	5362
18	MIZORAM	8	8	26	817	768	5	0	795
19	NAGALAND	11	11	52	1315	1110	0	0	1083
20	ORISSA	30	30	314	51352	6233	314**	30	50101
21	PUNJAB	20	20	141	12729	12809	141	20	13579
22	RAJASTHAN	33	33	237	41353	9200	238	33	39954
23	SIKKIM	4	1	8	452	163	0*	4	901
24	TAMIL NADU	30	30	385	16317	12617	385	30	62919
25	TRIPURA	4	4	40	870	1040	40	4	8133
26	UTTAR PRDESH	71	71	820	107440	52125	820	71	170004
27	UTTARANCHAL	13	13	95	16805	7546	95	13	16800
28	WEST BENGAL	19	19	341	40783	3354	333	18	58263
	Union territories								
29	A&N ISLANDS	3	3	6	547	67	9	3	
30	CHANDIGARH	1			24	17	1	1	
31	D & N HAVELI	1	1	1	70	10	0*	1	
32	DAMAN & DIU	2	1	2	23	14	0*	2	
33	Delhi				165	0	0*	0	
34	LAKSHADWEEP	1	1	10	24	10	0*	1	
35	PONDICHERRY	2	1	6	92	98	10*	0	
	ALL INDIA	619	612	5658	638365	254073	6346	585	888064

Sources :

@ : MIS NREGA, M/o RD

Ministry of Panchayat Raj

\$: DRDA Division. M/o RD

* Two tier Panchayati Raj System

** 2002 election data (2007 election data is not available)

\$\$ PMGSY Division M/o RD

Crd4/md/report/dfg/2009/RD/First Report

COMMITTEE ON RURAL DEVELOPMENT (2009-2010)**EXTRACTS OF THE MINUTES OF THE SECOND SITTING OF THE COMMITTEE
HELD ON TUESDAY, THE 6 OCTOBER, 2009**

The Committee sat from 1500 hrs. to 1800 hrs. in Committee Room No.'139',
First Floor, Parliament House Annexe, New Delhi.

PRESENT

Shrimati Sumitra Mahajan - Chairperson

MembersLok Sabha

2. Shri Pulin Bihari Baske
3. Shri Kunvarjibhai Mohanbhai Bavalia
4. Shri Sandeep Dikshit
5. Shri Sidhant Mohapatra
6. Shri Gobinda Chandra Naskar
7. Shri Rakesh Pandey
8. Shri P.L. Punia
9. Shri A. Venkatarami Reddy
10. Shri Jagdish Sharma
11. Shri Navjot Singh Sidhu
12. Shri Jagdanand Singh
13. Shri Makansingh Solanki
14. Shri Kodikkunnil Suresh
15. Shrimati Usha Verma

Rajya Sabha

16. Shri Ganga Charan
17. Shrimati Kanimozhi
18. Dr. Ram Prakash
19. Shri P.R. Rajan
20. Shri Bhagwati Singh
21. Shrimati Maya Singh
22. Miss Anusuiya Uikey

Secretariat

1. Shri P.K. Grover - Joint Secretary
2. Shri V.R. Ramesh - Director
3. Shri A.K. Shah - Additional Director
4. Shri Sundar Prasad Das - Under Secretary

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

1. Dr. Rita Sharma	-	Secretary (Rural Development)				
2. Shri Arvind Mayaram	-	Additional Secretary & Financial Advisor				
3. Shri K.L. Dutta	-	Chief Economic Adviser				
4. Dr. Amar Singh	-	Joint Secretary				
5. Shrimati Amita Sharma	-	Joint Secretary				
6. Shrimati Nilam Sawhney	-	Joint Secretary				
	X	X	X	X	X	X

2. At the outset the Chairperson, informed the members about the sad demise of Shri Pyarelal Khandelwal, a member of Rajya Sabha and a former member of the Standing Committee on Rural Development during 2006-2007, 2007-2008 and 2008-2009. Thereafter, the Committee adopted a resolution condoling the death of Shri Khandelwal wherein they recalled the contributions made by Shri Khandelwal to the deliberations of the Committee and expressed their heart-felt condolences to the bereaved family. The members of the Committee then stood up in silence for a few moments as a mark of respect to the departed soul.

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

3. The Chairperson welcomed the representatives of the Department of Rural Development and highlighted certain issues related with rural development such as the slow pace of utilization of allocated funds despite the Department getting almost double the amount as compared to previous year particularly in the major schemes like NREGA, PMGSY, SGSY, irregularities in NREGA, etc. Thereafter, the Secretary, Department of Rural Development made a power point presentation about various schemes and programmes of Department of Rural Development viz. NREGA, PMGSY, IAY, etc. showing their financial and physical performance.

4. Subsequently, the members of the Committee sought clarifications. The major points raised by the members inter-alia, included diversion of funds under NREGA to other areas like irrigation at district level, delay in payment of wages in some States on the ground of non-receipt of required funds from Centre, delay in payment of wages by Post Offices, need for strengthening the delivery system, need for updation of Below the Poverty Line (BPL) List in various States of the country etc. The Secretary, thereafter, responded to the queries raised by members. The Chairperson thanked the representatives of the Department of Rural Development for briefing the Committee.

[The witnesses then withdrew.]

5. x	x	x	x	x	x	x
6. x	x	x	x	x	x	x

The Committee then adjourned.

A record of the verbatim proceedings has been kept.

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

COMMITTEE ON RURAL DEVELOPMENT (2009-2010)

**MINUTES OF THE FOURTH SITTING OF THE COMMITTEE HELD ON MONDAY,
THE 9 NOVEMBER, 2009**

The Committee sat from 1100 hrs. to 1400 hrs. in Committee Room No. 'G-074', Parliament Library Building, New Delhi.

PRESENT

Shrimati Sumitra Mahajan - *Chairperson*

Members

Lok Sabha

- 33. Shri Kunvarjibhai Mohanbhai Bavalia
- 34. Shri Sanjay Dhotre
- 35. Shri Sandeep Dikshit
- 36. Shri Rakesh Pandey
- 37. Shri A. Venkatarami Reddy
- 38. Shri Jagdish Sharma
- 39. Shri Navjot Singh Sidhu
- 40. Shri Jagdanand Singh
- 41. Shrimati Usha Verma
- 42. Shri Ramesh Vishwanath Katti

Rajya Sabha

- 43. Shri Ganga Charan
- 44. Dr. Ram Prakash
- 45. Shri P.R. Rajan
- 46. Shri Bhagwati Singh
- 47. Miss Anusuiya Uikey

Secretariat

- | | | | |
|----|------------------------|---|---------------------|
| 1. | Shri P.K. Grover | - | Joint Secretary |
| 2. | Shri V. R. Ramesh | - | Director |
| 3. | Shri A.K. Shah | - | Additional Director |
| 4. | Shri Sundar Prasad Das | - | Under Secretary |

Witnesses

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

- | | | |
|---------------------------|---|--|
| 1. Dr. Rita Sharma | - | Secretary |
| 2. Shri Arvind Mayaram | - | Additional Secretary & Financial Advisor |
| 3. Shri Md. Haleem Khan | - | DG, Council for Advancement of Peoples' Action and Rural Technology (CAPART) |
| 4. Dr. B.K. Sinha | - | DG, National Institute of Rural Development (NIRD) |
| 5. Dr. Amar Singh | - | Joint Secretary |
| 6. Shrimati Amita Sharma | - | Joint Secretary |
| 7. Shrimati Nilam Sawhney | - | Joint Secretary |
| 8. Dr. D. S. Gangwar | - | Joint Secretary |

2. At the outset, the Chairperson welcomed the members and witnesses to the sitting of the Committee convened for taking oral evidence of the representatives of the Department of Rural Development (Ministry of Rural Development) on the Demands for Grants (2009-2010) of the Department. Direction 55(1) of Directions by the Speaker was read out. Thereafter, the Secretary, Department of Rural Development with prior permission of Chairperson gave a powerpoint presentation before the Committee.

3. The Committee, thereafter, took oral evidence of the representatives of the Department of Rural Development (Ministry of Rural Development) on Demands for Grants (2009-2010). The main issues that came up for discussion include need for utilization of large amounts of unspent balances in all the rural development schemes, need for holding meetings of Vigilance and Monitoring Committee (V&MCs) at State and District levels at regular intervals, addressing the irregularities in existing BPL list, taking a comprehensive view on the issue of rural housing based on principles of housing, bringing Banks closer to the poor for their credit requirements, addressing various issues concerning National Rural Employment Guarantee Act (NREGA) like delay in payment of wages, equipping Panchayats with technical manpower for NREGA works, etc. The Secretary, Department of Rural Development thereafter, responded to the queries raised by members. The Chairperson thanked the representatives of Department of Rural Development.

4. A verbatim record of the proceedings has been kept.

The Committee then adjourned.

COMMITTEE ON RURAL DEVELOPMENT (2009-2010)

**EXTRACTS OF MINUTES OF THE SEVENTH SITTING OF THE COMMITTEE HELD ON
MONDAY, THE 14 DECEMBER, 2009**

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

PRESENT

Shrimati Sumitra Mahajan - *Chairperson*

Members

Lok Sabha

2. Shri Pulin Bihari Baske
3. Shri Kunvarjibhai Mohanbhai Bavalia
4. Shri Sanjay Dhotre
5. Shri Gobinda Chandra Naskar
6. Shri Rakesh Pandey
7. Shri P.L. Punia
8. Shri Kodikkunnil Suresh
9. Shrimati Usha Verma

Rajya Sabha

10. Shri Ganga Charan
11. Shri Silvius Condpan
12. Shrimati Maya Singh

Secretariat

- | | | |
|---------------------------|---|---------------------|
| 1. Shri P.K. Grover | - | Joint Secretary |
| 2. Shri V. R. Ramesh | - | Director |
| 3. Shri A.K. Shah | - | Additional Director |
| 4. Shri Sundar Prasad Das | - | Under Secretary |

2. At the outset, the Chairperson welcomed the members to the sitting of the Committee. The Committee then took up for consideration the Draft Report on Demands for Grants (2009-2010) of the Department of Rural Development (Ministry of Rural Development). After some discussion the Committee adopted the Draft Report with slight modification.

3. x x x x x x x

4. x x x x x x x

5. The Committee then authorised the Chairperson 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 VI
STATEMENT OF RECOMMENDATIONS/OBSERVATIONS

Sl. No.	Para No.	Recommendations/Observations
1	2	3
1.	2.5	<p>The Committee note that the Government is not implementing the direction 73 A of the Directions by the Speaker, Lok Sabha, in the right spirit. As per the said direction, the Minister concerned should make the Statement on action-taken by the Government on their recommendations within six months. The Committee observe that none of the Statements were laid within the stipulated once-in-six-months period. Besides, the Statements laid did not indicate the status of action taken on the recommendations which had been categorised as interim reply in the Action-taken Reports of the Committee. They are surprised to find that the Government is still sitting idle all these years and virtually doing nothing on their recommendations categorized as interim as per the Statements presented by the Minister concerned. The Committee, therefore, desire that action taken by Government on the recommendations categorized as interim be intimated to them without any further delay. The Committee further desire that, in future, the Government should review the previous recommendations made by the Committee and intimate the Committee about the stage of their implementation before presentation of Demands for Grants for the next financial year.</p>
2.	2.10	<p>The Committee are unable to comprehend the way the Ministry is presenting its Budget. While the Demands for Grants of the Department for the year 2009-2010 depict a figure of Rs.106613.13 crore for plan schemes, the material now furnished to the Committee indicates that the said demand is for Rs.62670 crore in BE 2009-2010, leaving aside Rs.43943.13 crore as recoveries. The Committee desire to know as to whether the funds marked as 'recoveries' are being spent in the specific schemes viz. NREGA and PMGSY and whether the Department is monitoring the said funds. If so, they desire that such expenditure should be reflected in the Budget accordingly. They note that Rs.43943.13 crore mentioned as recoveries constitute 41.22 per cent of scarce funds of the demand of the Department</p>

in BE 2009-2010. They desire that the Department should take suitable steps to clear the ambiguity in this regard and intimate them accordingly.

3. 2.15

The Committee are disturbed to note that during 2008-2009, as high as 29 per cent of the scarce funds released at the revised estimate stage have remained unutilized. At the first place, the Department should not have asked for the funds if the implementing agencies do not have the absorption capacity of spending during that particular year. They feel instead of ensuring that the amount is spent for the purpose it has been sanctioned in the budget, the Government have mindlessly released the entire amount for the implementing agencies year after year and become a mute spectator for the huge unspent balance. The Government lost sight of their own stipulation that if DRDAs/ States have more unspent balances than the prescribed limit of 10 per cent of the available funds, the excess carry over balance is proportionately deducted from the 2nd installment of Central allocation. When the implementing agencies were not able to spend even the funds released at the revised estimates stage, entirely, the Government mindlessly released the fiscal stimulus package in four major schemes viz. IAY, PMGSY, SGSY and SGRY. Further release of as high as 46 per cent of RE provision in the last few days of fiscal 2008-2009 did more harm than good, as the implementing agencies were prevented from getting their next year's installment in time which deprived the millions of needy persons living in rural areas to receive the development benefits in time. They, therefore, recommend that Government should take steps to see that at the end of the financial year not more than stipulated 10 per cent of funds lie with the implementing agencies due to the fault of the Department at centre regarding release of funds at the fag end of the financial year. The Committee while expressing serious concern over the trend of huge unspent balance would like to strongly recommend that the Government should analyse the position state-wise and take corrective measures accordingly. The Committee should also be kept apprised of the follow-up action taken in this regard.

4. 2.26

The Committee The Committee are unhappy to note that both at State and district levels V&MC meetings are not being held as per the guidelines. It is completely astonishing that when 28 States should

have held a maximum of 112 V&MC meetings at the State level each year, during 2006-2007, 2007-2008 and 2008-2009 the meetings held were only 35, 36 and 35 respectively. They also note that, some of the States which have not held a single State level V&MC meeting in the last two years are Haryana, Jammu and Kashmir, Mizoram, Dadra and Nagar Haveli. They are disturbed to find that against a maximum of 2476 meetings of district level V&MCs in a year which should have been held in 619 rural districts, only 912 meetings during 2007-2008 and 579 meetings during 2008-2009 were held. They feel that effective monitoring at the central level is not being done to ensure that the State and District level V&MCs hold a meeting in each quarter, as per the extant guidelines. The Committee desire that the Department should continue to put pressure and vigorously monitor the conduct of the meetings of V&MCs to ensure that meetings of Vigilance and Monitoring Committees both at State and District Level are held as per the existing provisions of the guidelines.

5. 2.27

The Committee also recommend that the role and powers of the MPs and other Members of the V&MCs may be clearly defined so that they can discharge their duties effectively. Besides, the Department should monitor the action taken on the decisions taken during the meeting and the officials of the Ministry should also pay random visits to the districts to know the functioning of V&MCs. Members of Parliament should also be informed well in advance whenever the officers pay such random visit.

6. 2.28

The Committee also desire that the Government devise a mechanism where by the States and Districts which are holding the Vigilance and Monitoring Committees as per the guidelines may be provided with some kind of incentive so that the other States and Districts not holding the meetings regularly are encouraged to do so.

7. 2.40

The Committee are happy to note that the plan budget of the Department for BE 2009-2010 has nearly doubled as compared to that of the previous year. Further the plan expenditure of the Department in the last three years starting from 2006-2007 grew from 0.75 per cent of the GDP to 1.26 pre cent of GDP. The Ministry is stated to be one of the very few

Ministries which is getting maximum funds across all Ministries of Government of India, which shows that, of late the Government is giving high priority for rural development. They, therefore, urge the Department to rise to the occasion and ensure that the people who are really in need are benefited out of the funds provided from the scarce resources with a view to achieve inclusive growth so that the benefits are shared by the poorest of the poor in the country.

8. 2.41

The Committee note with concern that the non-plan expenditure made by the Department has more than doubled in the last six year period since 2003-2004. The non-plan expenditure which was only Rs.18.07 crore in 2003-2004 has risen to Rs.36.95 crore in BE 2009-2010. A significant rise in the non-plan expenditure is not a healthy sign. The Committee, therefore, recommend that the Department should take immediate steps to contain the increase in non-plan expenditure to the barest minimum.

9. 2.42

Another disturbing fact which has come to the notice of the Committee is that the Department is in the habit of re-appropriation of funds from one scheme to the other scheme of the Department. They are concerned to point out that more than Rs.136 crore of funds has been re-appropriated by the Department between 2006-2007 and 2008-2009. In addition to the huge allocation received by the Department which has ultimately resulted in accumulation of unspent balances with the implementing agencies at the end of the financial year, the Department has also mindlessly surrendered more than Rs.5 crore of funds during 2007-2008 and 2008-2009. Such practice of re-appropriation and surrender of amount is not a prudent and healthy financial practice to say the least. All these activities give an impression that the Department does not plan well in advance for spending its allocation. The Committee, therefore, recommend that the Department should take necessary steps to ensure that scarce funds are spent for the purpose for which these are allocated and are not re-appropriated or surrendered. The Committee while expressing serious concern over the trend of huge unspent balances would like to strongly recommend the Government to analyse the

position State-wise and take corrective action accordingly. The Committee may be kept apprised of the follow up action taken in this regard.

10. 2.54 The Committee note with concern that several agencies of Government of India are engaged in identification of the number of persons living below poverty line in the rural areas like, Planning Commission, National Sample Survey Organisation, Ministry of Rural Development, Ministry of Housing and Urban Poverty Alleviation, etc. simultaneously but without much success. This ultimately hampers development of needy persons of rural areas living below poverty line. They, therefore, urge the Government that a single agency may be entrusted with the task of identifying and ascertaining the number of people living below poverty line in rural areas. The concern of the Committee in this regard may be taken up at the highest level and they may be apprised accordingly.
11. 2.59 As per the information furnished to the Committee the calculation of population below poverty line is old, outdated and faulty and was last done for 2004-2005. The Committee are surprised to find that even in this age of advanced information technology, the poverty ratio of many States and Union territories like all North Eastern States (except Assam), Goa, Dadra and Nagar Haveli, Puducherry, Andaman and Nicobar Islands and Lakshadweep are based on the poverty ratio of the neighbouring States. Obviously, this does not give any exact reality on the ground. It also speaks volumes about the apathy of the Government towards finding out the exact position of poverty in these States and Union territories and the people living below poverty line. The Committee, therefore, urge the Government to ascertain the poverty ratio in all these States and Union territory administrations without any further delay. The Ministry of Rural Development being the nodal Ministry for most of the schemes and programmes being implemented for benefit of BPL population, should take up this concern of the Committee at the highest level of decision making and impress upon the Planning Commission to conduct survey in all 28 States and 7 Union territories of the country without any further delay..

12. 2.60 The Committee note that the Department is already well aware of the existing limitations of the BPL census carried out by them in the past in which the APL people got into the list and some of the genuine people got left out as has been admitted by the Secretary, Department of Rural Development during the course of oral evidence before the Committee. They also note that the fourth quinquennial BPL census survey being conducted by the Ministry since 1992 regularly at an interval of five years has fallen due since 2007. Enough precious time has already been wasted on some pretext or the other. Huge funds are being released by the Central Government through various welfare schemes meant for poorest of the poor. But unless the BPL list is updated periodically, the benefits intended cannot reach the genuine beneficiaries. The Committee, therefore, recommend that such BPL survey should be conducted without any further delay. An appropriate sum may be earmarked for the purpose of conducting the BPL survey and it should be ensured that the results of the said survey be made available before the close of this financial year. It should further be ensured that the survey so finalized should have a component for correction if ineligible people like APL get into the list. It should also be ensured that only genuine poor people are incorporated in the final list. The Government may take suitable measures to ensure that an independent, unbiased and impartial authority takes the charge of the BPL survey.
13. 3.19 The Committee note with concern that during 2009-10, the hike in the number of districts proposed to be covered has been 86.36 per cent, whereas the enhancement in allocation has been as much as 150 per cent over the previous year. The unspent balance under NREGA amounting to Rs. 10345.59 crore at the end of 2008-09 is 27.67 per cent of the total available funds. Even with the sufficient amount of total available funds, the Government could provide only 48 days of Persons per House Hold work during 2008-2009. Even though the Employment Guarantee Act is a very improvised programme for wage employment as compared to the previous programmes implemented by the Department, much remains to be done by all stakeholders including the Ministry of Rural Development if the Government is serious to provide at least hundred days of works per

household in a financial year as envisaged in the Act. The Committee, therefore, recommend that the Government should gear up the implementing agencies involved in the implementation of NREGA at each level so that all the total available funds including the accumulated unspent balances are utilized to achieve the target of at-least hundred days of employment to those job card holder households who demand work.

14. 3.24

The The Committee are concerned to note that all the job card holders could not be encouraged to apply for work under NREGA since inception. As per the information furnished to the Committee, for example, during 2008-2009 only 4.55 crore households out of 10.07 crore job card holder households demanded work. Similarly, during 2009-2010, only 3.50 crore households demanded work so far, out of the 10.68 crore households who were given job cards till Sept., 2009. This shows that initial momentum of providing jobs under NREGA is on the decline. The Committee, therefore, urge the Government to make a thorough study of implementation of NREGA without any further delay and initiate suitable corrective measures in the implementation of the scheme and intimate them accordingly.

15. 3.25

From the information furnished to the Committee, it is seen that payment of unemployment allowance to the job card holders who demanded work but could not be provided work since 2006-2007 has become a regular feature of implementation of the NREG Act. The Committee can only conclude that even though enough money was available with the implementing agencies, the poor job card holders could not be provided much needed employment during the lean season. In this scenario the Committee recommend that existing permissible works should further be broadened. Besides, some sort of flexibility should be provided to the State Governments to identify works keeping in view the geographical conditions and the local needs of that area. The Committee would also like to recommend that the State Governments should be ready with a shelf of schemes so that works are always available when the demand for employment comes so that payment of unemployment allowance is minimised.

16. 3.30 The Committee note with concern that the States and Union territories have been revising their minimum wage rate after the minimum wages were declared under NREGA on 1.1.2009 as per Section 6(1). The Committee would like to know whether the reasons for such a situation have been analysed and if so, they may be apprised of the same. Further, confusion in the existing wage rate in States has not been cleared even after the notification of wage rate under NREGA on 1.1.2009 as Rs.141.02 per day per worker in Haryana, Rs.98.61 per day per worker in Hosiharpur, Rs.94.91 per day per worker in Nawanshar and Rs.72.23 per day per worker in Chhattisgarh. Such declaration of wage rate to be paid in fraction of a Rupee *i.e.* 02 paise, 23 paise or 61 paise is neither desirable nor practical. The Committee, therefore, recommend that such anomalies in the minimum wage rate under NREGA may be wiped out without any further delay.
17. 3.31 The Committee further recommend that as far as practicable the minimum wage rate should not vary much between the adjoining States *e.g.* Karnataka Rs.82 and Kerala Rs.125, West Bengal Rs.75 and Sikkim Rs.100, Chhattisgarh Rs.72 and Madhya Pradesh Rs.91 etc. The Committee feel that the said wide scale variation in the wage rate in the adjoining States will definitely encourage migration instead of curbing it. The Committee, therefore, strongly recommend that the Government should take necessary steps so that the adjoining States and Union territories do not have much difference in the minimum wage rates under the NREGA.
18. 3.34 The Committee appreciate the steps taken by the Department for payment of wages through Banks or Post Offices. However, the system should not only be more transparent but should be adequate also. The Committee note from the reply of the Department that the outreach of post offices and banks in remote and inaccessible areas, inadequate personnel both in post offices and banks are the immediate problems being faced by States in arranging payment of wages to the workers either through the banks or through the post offices. They, therefore, recommend that in consultation with all stakeholders, suitable remedial measures be taken in this regard without any further delay. Personnel deployment and supportive infrastructure in rural branches of Posts offices and banks should be suitably increased as per the needs

to handle large volumes of wage disbursements under the scheme. The Committee desire that in consultation with the Department of Posts, Ministry of Finance and the Planning Commission, such problems may be solved without loss of time. The Department should ensure that wages under the implementation of NREGA are paid on weekly basis without any delay.

19. 3.38

The Committee note that the women participation in the activities under NREGA has been increasing from 43 per cent in 2007-2008 to 48 per cent in 2008-2009 and to 51 per cent during 2009-2010 so far against the statutory requirement of 33 per cent. However, in some of the States the percentage of women's participation has been very low. For example during 2008-2009, percentage of women participation in Bihar, Jharkhand and Uttar Pradesh was only 30 per cent, 28 per cent and 18 per cent respectively. The Committee here also note that the Department of Rural Development has commissioned an independent study with the National Institute of Rural Development with the aim to look into districts where low women participation is taking place under the implementation of NREGA and also to look into the reasons of persistent low women participation. The Committee recommend such a study should be completed expeditiously and corrective changes may be made in the implementation of the scheme accordingly.

20. 3.42

The Committee note the vague reply furnished by the Department regarding performance of many States and Union territories in implementing the NREGA while facing the problems of severe drought or flood etc. that employment demand is likely to be low in the districts that are comparatively more developed with greater opportunities of employment in other avenues both in agricultural and rural non-farm activities without leaving any justification for situations like drought or flood etc. The reply of the Department is vague as far as performance of NREGA in drought affected States/Districts is concerned and the reply that the demand for work under NREGA in a particular area depends on the availability of other employment opportunities in that area. Since, more than half of the country was reeling under severe drought during 2009-2010 it is difficult to say as to whether the performance of NREGA was better in the

- drought affected districts. The Committee, therefore, recommend that suitable remedial measures be taken to further tune up implementation of NREGA in the drought affected districts without any further delay
21. 3.48 The Committee find that only eight States have so far established State Employment Guarantee Fund. They are not convinced with the reply of the Department that the States which have not set up the State fund continue to get central assistance directly to their districts from the Government of India. Even though the setting up of such a fund is not mandatory, the Committee would recommend that the Department should persuade all the State Governments to establish the State Employment Guarantee Fund within a span of 2-3 years.
22. 3.51 The Committee note with concern that no uniform norms for measurement of work under NREGA have been put in place. The reply of the Department that States are required to evolve norms for measurement of works is very vague. The role and responsibility of the Central Government has been ensured in the Act itself. The Committee, therefore, recommend that Central Government in consultation with all the States and Union territories should ensure uniformity of measurement of work throughout the country without any further delay.
23. 3.53 The Committee note that the limit for administrative expenditure under NREGA has been raised from 4 per cent to 6 per cent last year. The Department wants it to be further raised to 10 per cent. The Committee feel that such a fixation of administrative expenditure may lead to lesser funds being available for payment of wages to the workers under the scheme. The reduction of allocation for labourers/workers by increasing the administrative expenses is not a healthy sign. Further, the raising of administrative expenses from six per cent to ten per cent may not by itself solve the problem of getting good technical people for implementation of the NREGA. The Committee agree with the Ministry of Finance in this regard and urge the Department to gear up the implementing machinery for better results within the existing resources.
24. 3.55 The Committee are dismayed to note that no serious effort has so far been made by the Ministry for the convergence of NREGA with all the schemes and

programmes of the Ministry of Rural Development. The Committee feel that there is an urgent need to evolve some sort of mechanism whereby the works being undertaken under NREGA can be dovetailed with Central and State Government's schemes so that the assets created under NREGA are of good quality and durable. They, therefore, recommend that convergence of all the schemes in three Departments of the Ministry of Rural Development may be made before the end of this financial year. The Ministry of Panchayati Raj may also be consulted with regard to convergence of all Central schemes being implemented by them with the NREGA. The guidelines of respective schemes be suitably revised/modified to reflect the convergence with the implementation of NREGA. The Committee may also be informed accordingly. Such convergence in the implementation of NREGA may ultimately be spread across all the Ministries of Government of India in a time bound manner

25. 3.74

The Committee are dismayed to note the mismatch between the financial and the physical target-achievement under SGSY since 2007-2008. As per the information furnished by the Department the financial utilisation of SGSY was 82.17 per cent during 2007-2008 which declined to 73.73 per cent during 2008-2009. In comparison, the physical performance of SGSY was 126 per cent and 106 per cent in these years respectively that gives a false impression that the performance of SGSY is very impressive and does not deserve a re-structuring in the form of NRLM. It appears that Government have resorted to target chasing under the SGSY so far instead of implementing the SGSY as per the guidelines of the scheme. Further, the Committee feel that per capita investment of Rs.29932 during 2008-2009 under SGSY or that of Rs.30723 so far during 2009-2010 is very low to take some one living below the poverty line to above the poverty line permanently. The Committee, therefore, desire suitable corrective measures be taken in this regard and they be informed accordingly.

26. 3.81

The Committee note that State-wise, 99 unbanked blocks are there in the country and these type of banks largely pertain to the North Eastern

States. They further note the reply of the Department that there were initially 145 unbanked blocks in the country. They further note the reply of the Department regarding repayment of the scheme throughout the country. Further, they note the reply of the Department that the issue has been taken up for strengthening the manpower with nationalized banks and the RBI and the States have been requested to offer incentives to banks to encourage them to open bank branches in unbanked areas. The Committee note with dismay about the performance of Banks under SGSY which is not at all satisfactory regarding making available the credit, or on repayment or on while addressing the issue of unbanked blocks or single manned branches. They urge that an independent and impartial study be initiated across the country urgently to find out all of the above aspects in the implementation of SGSY in consultation with the Ministry of Finance and the Reserve Bank of India.

27. 3.82

The Committee note the information furnished by the Ministry that the National Level Recovery Rate for scheduled commercial banks was 47.32 per cent for individual beneficiaries and 57.32 per cent for Self Help Groups under SGSY. The Committee strongly feel that when the subsidy provided by the Government which is nearly 33 per cent of the assistance provided for SGSY is added to the existing recovery, the recovery of the scheme for the banks is not all that bad. The Committee feel instead of citing the false plea of non satisfactory recovery, the financial institutions *viz.* commercial, cooperative, Regional Rural and Private banks involved in the implementation of the scheme should lay stress on solving serious problems of unbanked and under-banked areas. The Committee find that the shortfall in the achievement of credit targets under SGSY are attributed by the Department to many reasons which include lack of sufficient Bank branches and manpower in rural areas and the improper attitude of Bank officials working in the rural areas. There is also a need for proper training of bank officials posted in the rural areas to change their mind set towards illiterate rural people and the Banking procedure also needs to be simplified for the convenience of the rural people. The Committee desire that the action taken

by the Government in this regard may please be intimated to them.

28. 3.85

The Committee appreciate the efforts made by the Department to develop the skills of the existing beneficiaries of SGSY. They were informed that up-to 31 August 2009, 87000 beneficiaries have been trained out of which 65000 beneficiaries have been placed which shows that so far 22000 beneficiaries trained still remain to be placed. They feel that giving training to the needy and their absorption is one of the important aspects which was not given due importance so far. They also note the reply of the Department that only one project was approved under this scheme during 2007-2008 which was followed by approval of 15 projects during 2008-2009. They are concerned to note that only six projects have been approved by the end of first half of this fiscal. With the present pace of implementation of the scheme the Government may not be able to approve more than 12 to 13 projects in the current year which is not at all a healthy sign. They therefore, recommend that Government in consultation with the States and Union territories should find out ways and means to extend the scheme to the entire country under the skill development projects in a time bound manner so that BPL youths could be provided training in various skills which can enable them to earn a decent livelihood. Action taken in this regard may be intimated to them.

29. 3.96

The Committee find that during 2008-2009 out of Rs.14443.21 crore available under IAY only Rs.8282.86 crore have been used in the scheme which is only 57.35 per cent of the available funds. The Committee are dismayed to note the poor utilization of available funds under IAY during 2008-2009. Considering that more than Rs.6246 crore of unspent balance is lying with the implementing agencies as on 1.4.2009 there is an urgent need for the Department to fine tune and gear up the existing implementing agencies of Indira Awaas Yojana in all the States and Union territories of the country.

30. 3.97

The Committee note with concern that poor financial performance of IAY in many States and Union territories which was reportedly been in Manipur (8.69 per cent), Andaman and Nicobar Islands (10.88 per

cent), Dadra and Nagar Haveli (18.39 per cent), Assam (31.41 per cent), Jharkhand (35.48 per cent), Karnataka (42.77 per cent), Puducherry (43.46 per cent) during 2007-2008. The Committee also note with concern that poor physical performance of IAY in many States and Union territories which has reportedly been in Manipur (2.59 per cent), Andaman & Nicobar Islands (6.78 per cent), Puducherry (4.62 per cent), Dadra and Nagar Haveli (13.44 per cent) during 2008-2009 also was not better either in this regard. The information regarding State-wise physical performance of IAY during 2007-2008 was no better either. The Committee, are therefore, dismayed to note the poor financial and physical performance of IAY during 2007-2008 and 2008-2009 as mentioned above. The Committee would like to know the reasons for the poor performance in each of the States and Union territories mentioned above. They would like to urge the Department to initiate suitable corrective measures during this financial year in each of the aforesaid States and Union territories to achieve a better performance under the scheme. The Committee recommend that suitable corrective measures may please be initiated in this regard and they may be apprised accordingly.

31. 3.101

The Committee note the reply of the Department that the housing shortage in rural areas after 2009-2010 will be around 240 lakh and in this pace of development, 48 lakh houses are required to be build in the next five years by investing Rs.12701 crore every year as central allocation. As against the said target the Department has only been able to build 21.32 lakh houses during 2008-2009 which gives rise to the fear that it may take more than 10 years with the present pace of achievement of targets to have shelterlessness in rural areas of the country. The way the Government is achieving the targets the Committee, therefore, apprehend that the Government cannot achieve the noble goal of eliminating housing shortage for the poor in the rural areas in a time bound manner. The Committee feel that the Department is not giving due importance to implement the flagship housing programme IAY. They, therefore, strongly recommend that all the implementing agencies should further be geared up to show the optimum achievement of physical targets in the subsequent years.

32. 3.102 The Committee are not satisfied with the present definition of a dwelling unit given under the IAY which does not give a clear indication for a decent and civilized living by the rural poor in this country. In their view, a single room with a smokeless *chullah* and a toilet does not give sufficient space for a civilized living in this country. The Committee, therefore, recommend that the Government should consider revising the definition of a dwelling unit accordingly and intimate them at the earliest.
33. 3.103 The Committee note the information furnished to them in which it has been stated that Rs.35,000 per unit in plain areas and Rs.38,500 in hilly and difficult areas, under the IAY, are being provided to construct a dwelling unit. They feel that the per unit assistance of a dwelling unit under IAY is too little and no where near the actual construction cost even if a beneficiary provides his/her labour. The Committee regret that their earlier recommendation made in this regard (paragraph No. 2.69 of 22nd Report - Fourteenth Lok Sabha *refers*) has not been given due consideration by the Government. The Committee once again reiterate their earlier recommendation made in their 22nd Report (Fourteenth Lok Sabha) that the per unit assistance under IAY be increased from the existing rate to Rs.50,000 in plain areas and Rs.60,000 in hilly/difficult areas from this financial year itself.
34. 3.107 The Committee are of the view that efforts of the Department to provide land to the beneficiaries under the Homestead scheme is a step in the right direction. However, the Department has not been able to frame the guidelines of the scheme which might come in the way of implementation of the scheme in different States and Union territories. The Committee recommend that before giving the final shape to the guidelines it should be ensured that the plot allotted to the poor beneficiary is not far away from the existing habitations. Further, the Government should find out ways and means, in consultation with all the States and Union territories and the Planning Commission so that the benefits of this scheme actually reach the poor people without any land and the scheme does not merely remain on paper.

34. 3.121 The Committee are concerned at the poor physical performance of the PMGSY during 2008-2009 which has reportedly been 55 per cent inspite of the financial achievement being more than 98 per cent made during that year. This only shows that all is not well with the implementation of the yojana in different States and Union territories. Not only that, the unspent balance as on 31.3.2009 left with the implementing agencies was to the extent of Rs.1264.56 crore. The Committee deplore the fact that Department is giving more stress on approving the road projects rather than completing the road construction, as is evident from the fact that Rs.1.05 lakh crore cost of projects have so far been sanctioned against which funds to the tune of only Rs.47834 crore have been released to States for all the road projects. The Committee apprehend that with the present pace of PMGSY, the Department would not be able to achieve the goal of full connectivity to all eligible habitations in the country in near future. They, therefore, recommend that immediate corrective steps be initiated by the Government in this regard and the Committee be apprised accordingly.
35. 3.123 The Committee also find the reply of the Department regarding non achievement of targets under PMGSY during 10th Five Year Plan that it has failed to gear up the low institutional capacity of the State Governments to achieve the targets set under PMGSY since inception of the yojana in the year 2000. The Committee cannot accept the plea of the Department that the cost for constructing a KM of road and the target for achievement of full connectivity have gone up several times under PMGSY since inception. The Committee, therefore, recommend that suitable corrective actions be initiated by the Department now, to gear up implementing agencies further and inform the Committee accordingly.
36. 3.127 The Committee note that the gigantic task to connect all unconnected habitations in the rural areas of the country still remains to be achieved. Similarly, additional targets set under the Bharat Nirman component has been added to the existing targets and is being implemented simultaneously. The Committee desire that the target and achievement under PMGSY and under Bharat Nirman be monitored separately. They also note that in addition to the Department of Rural Development, the National

Rural Road Development Agency (NRRDA) and all other implementing agencies in different States under PMGSY are involved in implementing the scheme. They feel the Department of Rural Development, the NRRDA and all other implementing agencies of PMGSY have not been able to show a better physical performance of the scheme so far inspite of it being made a part of the Bharat Nirman. Notwithstanding the poor results of PMGSY so far, the Committee feel that more funds may be allocated for the scheme and the Planning Commission and the Ministry of Finance be consulted in this regard. They urge the Department to chalk out a time bound plan to connect all unconnected habitations realistically and intimate them accordingly.

37. 3.135

The Committee feel that the PURA scheme is a very good scheme the intentions of which have not been properly understood while implementing the scheme. Moreover, the monitoring of the scheme has not been done properly alongwith the implementation. The Committee fail to understand that if pilot scheme of PURA has ended in 2007, why funds were allocated during 2007-2008, 2008-2009 and during the current year. It seems that there has been no planning on the part of the Department to start the PURA scheme in a much larger scale throughout the country and that is why PURA scheme is being implemented as a pilot scheme again during the 11th Five Year Plan. The Committee, therefore, urge the Department to initiate necessary corrective steps so that PURA can be started as a full fledged scheme of the Department without any further delay.

38. 3.150

The Committee note that Rs.252 crore has been released under the DRDA Administration scheme during 2008-2009 against the central allocation of Rs.250 crore which is, reportedly, more than cent percent. Even though financial performance of DRDA Administration scheme is stated to be more than cent per cent, the Committee feel that many DRDAs in the country even today are in inadequately staffed. Most of the staff of DRDA are skeleton staff who are on a deputation from different Departments of the State Government. The Committee desire that the Department should urge all the States and Union territories to provide adequate staff without any further delay. The Committee should be apprised accordingly.

39. 3.151 The Committee note the reply of the Department that during 2008-2009 the NREGA was being implemented in all 619 rural districts of the country whereas the DRDA Administration scheme was being implemented in only 612 districts. The Committee would therefore, like to know as to why the NREGA was being implemented in 619 districts whereas DRDA Administration scheme is implemented in 612 districts during 2008-2009. They recommend that all the rural districts of the country should have a District Rural Development Agency and the DRDA Administration scheme should be implemented in all rural districts from this financial year. Action taken in this regard may be intimated to the Committee.
40. 3.164 The Committee have been informed that a large number of non Government organizations (NGOs) or Voluntary Agencies (VAs) have been blacklisted because of financial misappropriation. The Committee would like to know as to how the said NGOs /VAs got selected to receive the assistance provided by the CAPART in the first instance. They feel that the existing checks and balances at the levels of CAPART and Department of Rural Development are not sufficient to ensure that only credible NGOs get the assistance from CAPART. As a result of this the said irregularities of the voluntary agencies/organizations could not be detected before selecting these for receiving the assistance. The Committee, therefore, desire that the existing guidelines on the matter may be strengthened. They also desire that sufficient publicity about the blacklisted NGOs/VAs be made so that these organizations do not receive any financial assistance from the Government of India.
41. 3.180 The Committee are not happy with the performance of the NIRD regarding the conduct of research and action research studies. As per the information furnished to the Committee during the year 2007-2008, against a target of 30 research and action research studies only 17 could be completed and the remaining studies were stated to be under progress. The information regarding the status of the remaining 13 incomplete research and action research studies started during 2007-2008 has not been provided in the subsequent years. Further,

against the target of 30 research and action research studies to be conducted during 2008-2009, the NIRD could complete only 7 such studies. The Committee in this regard desire that the activities of the NIRD be further monitored by the Department so that the targets set for the institute are achieved. Moreover, they desire that radical changes in the functioning of NIRD be initiated from this year so as to meet the dynamic challenges of rural development in this country.

42. 3.191

The Committee find a mismatch in the performance of the Management Support to Rural Development Programmes Scheme when it was informed that by spending Rs.35.50 crore to SIRDs, ETCs and OTCs during 2007-2008, 8000 training programmes were arranged whereas by spending the same amount during 2008-2009, 18447 training programmes have been arranged. They urge the Department to verify again the number of training courses organized by the SIRDs, ETCs and OTCs under the scheme during 2007-2008 and 2008-2009.

43. 3.192

Further, the Committee desire that the quality of the training programmes should be made up-to-date and appropriate. The training modules being provided by the SIRDs, ETCs and OTCs be modified during the current year to meet the ever changing challenges of rural development in this country. Suitable action may be initiated in this regard by the Department and the Committee be informed accordingly.