18

STANDING COMMITTEE ON RURAL DEVELOPMENT (2010-2011)

FIFTEENTH LOK SABHA

MINISTRY OF RURAL DEVELOPMENT
(DEPARTMENT OF RURAL DEVELOPMENT)

[Action taken by the Government on the recommendations contained in the Ninth Report (Fifteenth Lok Sabha) on Demands for Grants (2010-11) of the Ministry of Rural Development (Department of Rural Development)]

EIGHTEENTH REPORT

सत्यमेव जयते

LOK SABHA SECRETARIAT
NEW DELHI

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Presented to Lok Sabha on ....

Laid in Rajya Sabha on ....

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NEW DELHI

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INTRODUCTION

I, the Chairperson of the Standing Committee on Rural Development (2010-2011) having been authorised by the Committee to submit the Report on their behalf, present the Eighteenth Report on the action taken by the Government on the recommendations contained in the Ninth Report of the Standing Committee on Rural Development (Fifteenth Lok Sabha) on Demands for Grants (2010-11) of the Department of Rural Development (Ministry of Rural Development).

2. The Ninth Report (Fifteenth Lok Sabha) was presented to Lok Sabha on 16 April, 2010. The replies of the Government to all the recommendations contained in the Report were received on 30 September, 2010.

3. The Committee considered the action taken replies furnished by the Government at their sitting held on 6 January, 2011. The Committee also took oral evidence of the Representatives of the Department of Rural Development (Ministry of Rural Development) and the Planning Commission on 13 January, 2011 for seeking clarification the replies furnished by the Government.

4. The Draft Report was considered and adopted by the Committee at their sitting held on 7 February, 2011.

5. An analysis of the action taken by the Government on the recommendations contained in the Ninth Report of the Committee (Fifteenth Lok Sabha) is given in **Appendix-VI**.

NEW DELHI;
25 *February,* 2011
6 *Phalguna,* 1932 *(Saka)*

SUMITRA MAHAJAN,
Chairperson,
Standing Committee on
Rural Development.

CHAPTER I

REPORT

This Report of the Committee on Rural Development (2010-11) deals with the action taken by the Government on the recommendations contained in their Ninth Report on Demands for Grants (2010-11) of the Department of Rural Development (Ministry of Rural Development) which was presented to Lok Sabha on 16 April, 2010.

2. Action taken replies have been received from the Government in respect of all the 36 recommendations which have been categorised as follows:--

Chapter II	Recommendations which have been accepted by the Government: Para Nos.: 2.4, 2.7, 2.16, 2.17, 2.18, 2.48, 2.52, 3.16, 3.23, 3.38, 3.44, 3.80, 3.81, 3.90, 3.113, 3.125, 3.134, 3.148, 3.154, 3.168 and 3.169.
Chapter III	Recommendations which the Committee do not desire to pursue in view of Government's replies: Para Nos.: 2.21, 2.55, 2.56, 3.114, 3.149 and 3.167
Chapter IV	Recommendations in respect of which replies of the Government have not been accepted by the Committee: Para Nos.: 2.45, 2.46, 2.47, 2.54, 3.9, 3.13, 3.17, 3.39 and 3.117
Chapter V	Recommendations in respect of which final replies of the Government are still awaited: Nil

3. The Committee further desire that comments in respect of recommendations/observations contained in Chapter-I of this report should be furnished to them within three months of presentation of the Report to Parliament.

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

A. Strict adherence to Monthly Expenditure Plan

[Recommendation Serial No. 3 (Para No. 2.16)]

5. The Committee had recommended as under:—

"The Committee have found that the expenditure of the Department is not being made as per the monthly expenditure plan over the years and except for last 2 to 3 months of the financial year, the expenditure has always been lower than planned expenditure each month. This has resulted in the unspent balances at the end of third quarter during 2009-2010 being as high as 27.45 per cent of the available resources as on 31.12.2009. Further, examination of the furnished information to the Committee also reveal that for SGSY (as on 31.12.2009), the unspent balance was as high as 43.22 per cent of the total available funds. The Committee vide their First Report – Fifteenth Lok Sabha (Recommendation para no. 2.15 refers) had expressed serious concern over the trend of huge unspent balance and recommended the Department to analyse the situation State wise and take corrective steps accordingly. The Committee find that no serious effort has been made by the Department in this regard. They, therefore, recommend that expenditure plan should be evenly spread throughout the year and the total available funds provided for scheme should be spent within that year itself so that no unspent balances are left with the implementing agencies. This will also ensure that the excess carry over of available funds does not go beyond 10 per cent of the available funds, resulting in the deduction of the Central share of funds from the next financial year's release."

(Recommendation Para No. 2.16)

6. The Department in their Action Taken reply has stated as under:—

"The Monthly Expenditure Plan is prepared at the time of finalization of Budget Estimates for the financial year. The Monthly Expenditure Plan is a projection of monthly expenditure based on the trend of expenditure in the previous years to help Ministry of Finance to have an estimation of outgo from the exchequer. However, the actual release of funds to the implementing agencies is made on the basis of proposals received from them. The funds under various programmes of the Department of Rural Development are released in two installments. 1st installment is generally released to all the DRDAs/States in the 1st and 2nd quarters of the financial year and the 2nd installment released in the 3rd and 4th quarters on utilization of 60% 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% of the available funds, the excess carryover balance is proportionately deducted from the 2nd installment of Central Allocation. As the releases are totally dependent on the proposal received from the implementing agencies and fulfilment of desired conditions for release of 2nd installment, it is not possible to follow the monthly expenditure plan uniformly throughout the year. However, in order to avoid accumulation of unspent balances, the releases in the last quarter have been contained within the limit of 33% of the budget allocation during 2008-2009 and 2009-2010 as per norms fixed by the Ministry of Finance. The other measures taken to reduce unspent balances are:—

(i) Any unspent amount as on 31st March of a particular financial year under MGNREGA is adjusted at the time of release of first installment at the beginning of the next financial year based on approved Labour Budget for the year. Further, the State Governments have been instructed to set up State Employment Guarantee Fund in accordance with the Section 21(1) of MGNREG Act. Setting up of State Employment Guarantee Fund by the State Government would provide a greater flexibility to the State Governments in administering the MGNREGA funds in accordance with the needs of the districts.

(ii) As regards IAY, SGSY and DRDA Administration, if the DRDAs have more unspent balance than the prescribed limit of 10% of the available funds, the excess carry over balance is proportionately deducted from the 2nd installment of Central allocation, if the expenditure reported upto 31st December is less than 75% of total funds available during the year including the carry over balance.

It may also be noted that the releases in four quarters of the financial year during 2008-2009 and 2009-2010 has more or less followed the pattern in the Monthly Expenditure Plan (MEP) with variations being in the range of 2% to 20%."

(Reply to Recommendation Para No. 2.16)

7. The Committee note the reasons furnished by the Department for their not being able to adhere to Monthly Expenditure Plan (MEP) over the years. While the contention of the Department about

the unpredictability of financial projections during the second half of the Financial Year can be appreciated to a limited extent, there seems to be no justification for the repeated non-adherence to MEP during the first half of the fiscal year. The intention of the policy makers was to prescribe MEP and other such measures with a view to checking the spate of uneven and last moment spending of scarce public resources and these stipulations should be followed by all Ministries/ Departments without fail. The Committee hope that the measures now being taken by the Ministry to implement the Monthly Expenditure Plan would yield desired result.

B. Finalisation of BPL Census

[Recommendation Serial Nos. 7, 8 & 9 (Para Nos. 2.45, 2.46 & 2.47)]

8. The Committee had recommended as under:—

"The Committee note that the expenditure on BPL Census 1997 which was Rs. 56.08 crore paid from the IRDP head, that increased to Rs. 75.96 crore for the BPL Census 2002 and for the latest BPL Census, Rs. 312 crore have been targeted to be spent. The Committee also note that the Planning Commission is the nodal agency in Government of India for estimation of poverty ratio of persons living below the poverty line in rural and urban areas for all India as well as for the States/UTs. The Committee would like to know the exact number of persons living below poverty line in this country as on date and the definition being used by the Government to define the poverty line for providing funds under different Central Sector/Centrally Sponsored Schemes.

(Recommendation Para No. 2.45)

The Committee note with concern that earlier Below Poverty Line Census conducted during 1992, 1997 and 2002 by the Ministry of Rural Development had reflected many irregularities and shortcomings. The Committee have been informed that several ineligible beneficiaries were selected as people/families living below the Poverty Line in rural areas. In the later stages the same ineligible BPL list cardholders could not be excluded from the BPL Census. The Committee, therefore, recommend that before venturing on calculating the BPL families living in rural areas the Ministry should keep a provision to exclude anyone who is found to be living above the poverty line at any point of time in order to ensure that the benefits of schemes meant for BPL population reach the deserving people only.

The Committee also note that the BPL survey being carried out by the Ministry is to be carried out at the beginning of each Five Year Plan. However, no BPL Survey has been done so far during the 11th Five Year Plan (2007-2012). The Committee note from the reply of the Department that Rs. 150 crore has been released for conducting the BPL survey in 2009-10. They also note that during 2010-11 BE, the Ministry has been allocated Rs. 162 crore. The Committee find that in total Rs. 312 crore has already been made available for conducting the latest BPL Survey. The Committee, therefore, recommend that these funds should be utilized fully and the proposed BPL Survey be made within the targeted time so that benefits intended under various Schemes may reach the genuine beneficiaries well in time. The said survey should reflect the correct persons living below the poverty line.

(Recommendation Para No. 2.46)

The Committee would like to recommend that the Department by using the existing facilities including the latest information technology, should find out the exact status of the BPL families identified by them in the 2002 BPL Census, as of now.

The Committee also desire that the results of the current BPL Census being done by the Department should be made available on the website of the Department, beneficiary wise, so that the conditions of the persons/families living below the poverty line can be verified in subsequent years.

The Committee desire that the Department in subsequent years should judge as to whether the money being spent by them for uplifting families of below poverty line is really giving the desired results or not."

(Recommendation Para No. 2.47)

9. The Department in their Action Taken reply has stated as under:—

"The Planning Commission estimates the percentage and number of persons living below the poverty line (BPL) at national and State level, separately in rural and urban areas from the large sample survey on household consumer expenditure conducted by the National Sample Survey Organization (NSSO) at an interval of approximately five years following the methodology contained in the Report of the Expert Group on Estimation of Proportion and Number of Poor (Lakdawala Committee). The latest estimates of the percentage and number of persons living below the poverty line is available for the year 2004-05 based on the large sample survey of consumer expenditure data of the 61st Round of NSS (July 2004-June 2005). According to these estimates, 30.17 crore persons (27.5% of the total population) lived below the poverty line. State-wise poverty ratio as per poverty estimates of 2004-05 are enclosed at **Appendix-I.**

The Poverty Line estimated by the Planning Commission is expressed in terms of per capita consumption expenditure needed to attain a minimum amount of calorie intake out of food consumption along with a minimum amount of non-food expenditure in order to meet the requirement of clothing, shelter, transport etc. The per capita consumption norms has been fixed at Rs.49.09 per month in rural areas and Rs. 56.64 per month in urban areas at 1973-74 prices at national level corresponding to a basket of goods and services anchored on a norm of per capita daily calorie requirement of 2400 calories (kcal) in rural areas and 2100 calories in urban areas. The national level rural and urban poverty lines (in 1973-74) are disaggregated into State-specific poverty lines using State-specific price indices and inter-State price differentials using the method outlined in the Report of the Expert Group on Estimation of Proportion and Number of Poor (Lakdawala Committee). These State-specific poverty lines of 1973-74 are updated for the later years using State-specific Consumer Price Index of Agricultural Labourers (CPIAL) in the rural areas and Consumer Price Index of Industrial Workers (CPIIW) in the urban areas. The national poverty line at 2004-05 prices is Rs. 356.30 per capita per month in the rural areas and Rs. 538.60 per capita per month in the urban areas.

(Reply to Recommendation Para No. 2.45)

In the guidelines for BPL Census 2002, in order to ensure transparency, the States were advised to give wide publicity to the BPL list, get it approved from the Gram Sabha and to display it on the website and in prominent places like the Panchayat headquarters. A two-stage Appeal Mechanism was also introduced to redress the grievances of the people. Under the appeal mechanism, any household can file first appeal before the designated authority and if still not satisfied, final appeal can be filed with the District Collector. The appeal mechanism provided under the guidelines is a continuous process and could keep the BPL list updated.

While framing guidelines for conducting forthcoming BPL Census, the concerns raised by the Parliamentary Standing Committee regarding provision to exclude anyone who is found to be living above the poverty line at any point of time in order to ensure that the benefits of schemes meant for BPL population reach the deserving people only would be considered.

Rs. 150 crores allocated for BPL Census during 2009-10 have been fully released. Similarly all out efforts would be made to utilize the allocated Rs. 162 crores BPL Census during 2010-11. The BPL Census is conducted by the State governments with technical and financial assistance from the Ministry of Rural Development. While issuing guidelines for conducting BPL Census, the concerns raised by the Parliamentary Standing Committee regarding inclusion of genuine poor in the BPL list would be impressed upon and training and sensitization on this issue of the responsible agencies will be undertaken.

(Reply to Recommendation Para No. 2.46)

It is expected that the two-stage Appeal Mechanism and provision of ceiling for total number of households to be identified as BPL would keep the BPL list updated and this makes the BPL list a dynamic one. The forthcoming BPL Census in any case will further up-date the list. Finding the status of BPL families of BPL Census 2002 against the list generated under forthcoming BPL Census would be considered once results of forthcoming BPL Census are available.

The BPL Census is conducted by the State Governments with technical and financial assistance from the Ministry of Rural Development. While framing guidelines for conducting forthcoming BPL Census, States/UTs would be requested to make the BPL lists available on the website.

The Ministry of Rural Development conducts Impact assessment/ concurrent evaluation studies to assess the Impact of various Rural development programmes from time to time."

(Reply to Recommendation Para No. 2.47)

10. The Committee also wanted to know how the objective of poverty alleviation can be achieved without identifying the rural poor by the Government even after three Reports of Tendulkar Committee, Saxena Committee and Arjun Sen Gupta Committee are available with

the Planning Commission/Government suggesting that poverty has increased even after thousands of crore spent on reduction of poverty year after year. The Committee wanted to know by when the final results of BPL Census will be available. The Department of Rural Development in their written note stated as under:

> "The BPL Census is conducted to identify target households for implementation of various programmes. There was a delay in finalizing the results of the BPL Census 2002 as the Supreme Court passed a Stay Order while hearing a writ-petition No.196/2001 on 5th May, 2003. The Stay Order was vacated on 14th February, 2006. In view of the many uses of the BPL list, the Planning Commission was requested to look into the issue of having a single BPL List for extending various benefits to the poor and constitute a task force for the same. The issue was followed up with the Planning Commission. However, the Planning Commission communicated in July, 2008 that the Ministry of Rural Development should constitute the Expert Group. Accordingly an Expert Group was constituted on 12th August, 2008 to advise the Ministry of Rural Development on the methodology for conducting BPL Census. The Expert Group submitted its report on 21st August, 2009.
>
> The on-going programmes are implemented on the basis of existing BPL list. There is a provision of two-stage Appeal Mechanism and provision of ceiling for total number of households to be identified as BPL, which is being continued. Conducting fresh BPL Census at intervals further basically updates the methodology in accordance with changing economic situation. The BPL Census is likely to commence in the first quarter of 2011-2012 and scheduled to be completed by September, 2011. The preparatory work has already started."

11. During the course of evidence, the Committee pointed out inordinate delay in conducting BPL Survey and enquired about any time-frame fixed for the purpose. The representative of the Ministry informed as under:—

> "Pilot Survey is already over. The results of the pilot are under examination and analysis. In fact, within a month, we are fixing a meeting with all the experts to go through the findings and after that we will be ready with the questionnaire for the survey. This year, in all probability we will be able to do it. The target is end of September. We are working on it and we hope that we would succeed in this."

12. In reply to further question of the Committee, the witness replied that "Guidelines for the census are under finalisation."

13. When further asked about how many States have started cooperating with the Central Ministry, the witnesses clarified that:

> "It will be there for all the States. They will start the census once we convey to them the Methodology. The Pilot Survey have been done with samples from all the State."

14. Elaborating further about the progress with regard to BPL Survey, the representative of the Ministry informed as under:

> "As it known, it is a Census where each and every household is to be counted. That is a massive exercise, and the work has started in right earnest about six months back.
>
> Guidelines are under consideration at the moment because what we did this time is to go for a pilot project and 254 villages were identified from NSSO Survey in all the States. The pilot is already over and, apart from the pilot, we have gone in for Participatory Rural Appraisal (PRA) to supplement the findings of the Survey. That is now being examined. We hope our questionnaire will be ready within a month's time. After that, we will be going in for a massive training of the trainers and training of the enumerators. This exercise will take some time. Probably, in the month of May or June, we will undertake the field survey/visits, after which the data will be compiled."

15. Regarding delay in Census, the witness informed:

> "My submission is that we do agree that there has been some delay, but nothing was intentional. At the moment, we are committed to finish the census as early as possible. We try to do a much better work this time with full involvement. Whatever flaws were there in the earlier rounds, they will not be repeated. A point was made that 42 per cent of the card holders are bogus. We want to bring it to five per cent. We hope we will be able to succeed. Ideally it should be zero per cent, but given the constraints, we hope, it will be five per cent. That is a commitment we make."

16. The Committee enquired from the Planning Commission about the need for estimating poverty through National Sample Survey Organisation (NSSO) when actual figures are arrived at by BPL Census

through head count, the Planning Commission in a written reply clarified:

"The estimation of poverty based on Consumer Expenditure Survey of National Sample Survey Organisation (NSSO) and identification of BPL households through BPL Census are two separate exercises based on different methodologies, hence, are not comparable. Moreover, the Planning Commission estimates proportion and number of persons living below the poverty line at national and States level separately for rural and urban areas. The Ministry of Rural Development identifies the BPL households in the rural areas through State Governments and Union Territories administration. The Tendulkar Committee, while acknowledging the multi-dimensional nature of poverty, has also recommended that the estimates of poverty will continue to be based on private household consumer expenditure of Indian households as collected by NSSO."

17. In reply to a query about reliability of NSSO figures for estimation of poverty, the Member Secretary, Planning Commission informed during evidence as under:

"First of all, I would like to address this issue of NSSO. Actually the NSSO Surveys began in 1978. Prior to that, in 1950, we have had the NSSO Surveys but the issue relating to poverty was added to the NSSO Surveys in 1978. The fact is that the BPL Census began only in the decade of the 1990s, sometime around 1993.

Now, the NSSO Survey is not only a Survey which actually has an example. It is actually called "a large-sized sample". It is actually 1.5 lakh households. Each household is subjected to a questionnaire which takes about two-and-a-half hours of interviewing. It is actually done in 48 Regions of the country. Some large States actually would have three or four Regions where a little bit of diversity or a little bit of the common feature of a particular Region would lead to that Region being taken as one. Now, for instance, Uttar Pradesh has four Regions; Bihar has three Regions; and two smaller States may comprise as one Region, where there is certain similarity of our lifestyle or agronomical condition, etc. We are actually making an assessment of the extent of poverty. We are doing this on the basis of this quinquennial NSSO Survey, and the results of the Surveys which have been done in 2009 should be shortly becoming available."

18. Regarding reliability of the present NSSO Survey, the Member Secretary, Planning Commission stated:

"But the data to which it is being applied is outdated. We are also currently going to have our Census this year, 2011 Census. So, if we would like to make an absolutely realistic assessment of the flaws of this particular methodology, the right time would be rather sometime in this year. It should be done because we need to know why in a country of this size we should be relying only on 1.5 lakh households."

19. In reply to a query as to whether it is not desirable to have uniform set of norms for assessing the extent of poverty and a single agency entrusted with the task of poverty assessment, the Planning Commission in a written reply informed as under:

"Planning Commission is the nodal agency in the Government of India to assess and release the Official Poverty Estimates. A time series estimates of poverty since 1973-74 have been released by the Planning Commission. The other agencies/Committees have indicated different numbers based on different assumptions, perceptions and context."

20. The Committee during the course of discussion also enquired whether a unique national poverty line can be drawn up for the country through the Gram Sabha with simplest method. The Member Secretary, Planning Commission stated:

"In the States, we do not have a kind of commitment to the need for empowering the Panchayati Raj."

21. The Committee also enquired whether there has been any reduction in poverty through use of rural development funds over the years, the Member Secretary, Planning Commission replied as under:

"On the issue of reduction of poverty, I would just like to quote a speech of Deputy Chairman, Planning Commission which was given recently. He says 'The pace of reduction in poverty is much slower than one would have expected. The percentage of the population below poverty line has been falling at about 0.8 percentage points per year. The latest Planning Commission estimate of poverty, based on the revised rural poverty line recommended by Tendulkar Committee, indicates that 37 per cent of the population was below the poverty line. If this percentage declines at 0.8 percentage points per year, it would take 25 years to reduce poverty by 20 percentage points. This is clearly unacceptable'. Many times this percentage reduction is actually low because all those who are in the poverty list are not there. There are the worries."

22. The Committee also enquired about the number of beneficiaries actually elevated from BPL 2002 figures by way of any impact assessment, a representative of the Department of Rural Development, Ministry of Rural Development candidly admitted as under:

"Unfortunately, we do not have any figures."

23. In reply to a question whether the Department has undertaken impact assessment of its various rural development schemes, the witness replied as under:

"Impact studies have been done for most of the schemes. That should be on the public domain. We should put it on the public domain."

24. The Committee recall that they had made recommendations with regard to BPL Census on four points. One, ascertaining the exact number of BPL population in the country as on date. Two, exclusion of anyone found to be above poverty line from the BPL list. Three completing the BPL survey in a targeted time so that intended benefits reach the genuine beneficiaries. Four, evaluating that money spent for upliftment of BPL families are giving desired results. The Ministry have informed that the Department of Rural Development has broadly followed the methodologies of estimation of number of poors being devised by the Planning Commission based on large sample survey on household consumer expenditure conducted by National Sample Survey Organisation (NSSO) from 1973-74 upto 2004-05, whereas, the Ministry identified the BPL households in rural areas through State Governments and Union Territories administration. For transparency on BPL issue, the Department of Rural Development has informed that in the Guidelines for BPL Census 2002, States were advised to give wide publicity to BPL list followed by their approval from Gram Sabhas with two stage State Appeal Mechanism system in place in the event of any grievance. About detailed latest BPL figures in the country, the Ministry has informed that those would be considered once the outcome of forthcoming BPL Census are available. Similarly, on the issue of actual impact of rural development funds in uplifting BPL to APL, the Department has informed that these are assessed from time to time. From the facts emerged out of action taken replies and evidence of the representatives of the Ministry of Rural Development and Planning Commission, the Committee are astonished to find that there is a lot of confusion about number of poors in the country as three Expert Committees *viz*. Tendulkar

Committee, Saxena Committee and Arjun Sengupta Committee have given different figures of poverty. Two, there is inordinate delay in finalizing BPL list. BPL List which was to be available before the beginning of the Eleventh Five Year Plan is now expected in the terminal year of the Plan *viz.* 2011-12. Three, there is fundamental fault in estimation/identification process of poverty relying on NSSO figures which was originally not mandated for that purpose. Four, the need for evolving pragmatic method for estimation/identification of real poor in the country for accurate assessment including a proposal for setting up of National Poverty Survey in place of NSSO. The Committee recommend that all these suggestions *viz.* undertaking a National Poverty Sample Survey in terms of per capita income and multi-dimensional poverty assessment instead of per capita consumption that have come up before the Committee be utilised by the Planning Commission/Department of Rural Development for bringing about a realistic picture of real poor in the country. On the issue of finalisation of BPL Census, the Committee hope that as admitted before the Committee, the Department of Rural Development should come up with the BPL Census data by September, 2011.

C. Effective functioning of Vigilance and Monitoring Committees (V&MCs)

[Recommendation Serial No. 12 (Para No. 2.54)]

25. The Committee had recommended as under:

"The Committee find that as per the extant guidelines a meeting in each quarter of a year should be held by the State level Vigilance and Monitoring Committees. The composition of the State level Vigilance and Monitoring Committees is such that holding of one such meeting in each quarter of the year is not possible due to various reasons including non-availability of the Chairperson and members. The Committee feel that the stipulation of holding one meeting during each quarter and then finding that the States are not able to hold the required number of State level V&MC meetings might be an indication that the stipulation itself is now proving to be unrealistic. The Committee, therefore, recommend that this aspect may be examined in detail and if found necessary, the guidelines may be amended accordingly."

(Recommendation Para No. 2.54)

26. The Department in their action taken replies has stated as under:

> "Vigilance & Monitoring Committee (V&MC) provides crucial role to MPs and other peoples' representatives in the monitoring of implementation of the RD programmes. As per Guidelines, V&MC meetings are to be held every quarter. As per the information available, State level meetings held in the year 2008-09 and 2009-10 were 36 and 10 respectively. Lesser number of meetings in 2009-10 could be due to the reason that after the formation of XV Lok Sabha, Ministry issued Guidelines for reconstituting V&MCs at State and District level on 26.8.2009. Thereafter, the State/District Authorities started reconstituting the V&MCs and holding their meetings. The Ministry impress upon the States/UTs to hold the regular meetings in view of the large amount of Plan Allocation under the various flagship programmes of the Ministry. Diluting the requirement of holding the meetings every quarter may weaken the monitoring process."

(Reply to Recommendation Para No. 2.54)

27. During the course of evidence, the Committee pointed out that there was difficulty in holding of meetings of Vigilance & Monitoring Committees in Districts where the sitting MP, Lok Sabha who is ex-officio Chairman of V&MCs is unable to hold such meetings by reason of his pre-occupation as Minister as a result such V&MC meetings are not held at all even though there is a provision in Para 7 of V&MC guidelines for holding meetings by the Secretary, which States as under:

> "Member Secretary shall convene the meeting on the direction of the Chairman. In case the Chairman of V&MC is pre-occupied and has not indicated any date for convening of meeting, the Member Secretary, in consultation with Co-Chairman, may ensure that the meeting is convened with in 15 days of end of each quarter, under intimation to Chairman/Co-Chairman and all other members of the Committee. Member Secretary shall be personally responsible for convening Meetings."

28. The Committee wanted to know about steps taken to ensure that regular meeting are held by the officials, the representative of the Department of Rural Development stated as under:

> "So, the issue about the Vigilance and Monitoring Committee is also very valid. We are also concerned that these meetings are not being held regularly. Out of 622 districts in 2009-10 about

499 districts have held this Vigilance and Monitoring Committee meetings; in 2010-11, it is about 488 districts. It is a matter of concern of the Ministry. We note the strong views expressed by the hon. Members and we would continue to put pressure on the State Governments to hold these meetings regularly….. It is the responsibility of the State Government. It is a federal system. We have to write to the State Governments."

29. While observing that the stipulated number of meetings of V & MCs at State and District levels are not being held in different States and Districts for reason of non-availability of Chairpersons or Members, the Committee had recommended that if holding of such meetings, as per guidelines, is becoming impractical, the guidelines be amended accordingly. In the action taken replies, the Department has informed that diluting the requirement of holding quarterly Meetings of V & MCs may weaken the monitoring process. Representatives of the Department of Rural Development were candid in their admissions that not holding the Vigilance & Monitoring Committee meetings was a serious concern. As assured by the Ministry, the Committee trust that the Ministry would vigorously pursue the matter with the State Governments to ensure that V & MCs meetings are held by all States/UTs regularly as per stipulations in the guidelines on the subject *i.e.* at the initiative of the Member Secretary.

D. Delay in completion of work under MGNREGA

[Recommendation Serial Nos. 15, 16 & 18 (Para Nos. 3.9, 3.13 & 3.17)]

30. The Committee had recommended as under:-

"The Committee note with concern that as against a minimum of 100 days of work that should be provided as per the MGNREG Act, the Department could only provide 51 days of work by utilizing all the available funds for the scheme in the year 2009-10. They further find that during the previous years, the number of days of work provided under the Scheme was 48 days during 2008-09 and 42 days during 2007-08. Thus, even after utilizing the entire funds for the MGNREGA as provided in the Budget year after year, the Government have not been able to provide a minimum of 100 days of employment to the needy households who demanded work. The Committee, therefore, find that in order to achieve a minimum of 100 days of employment, either the allocation has to be increased substantially or the number of minimum days for which employment is required to be provided under MGNREGA is to be reduced. The Committee, therefore, desire that the ambiguity created in this regard be cleared at the earliest and the Committee may also be kept apprised about the concrete action taken in this regard.

(Recommendation Para No. 3.9)

The Committee are surprised to find that out of 40.98 lakh works undertaken during 2009-10 [upto February, 2010] under MGNREGA, the implementing agencies could complete merely 40 per cent works. Regarding high percentage of incomplete works, the Department has furnished a vague reply by stating that a work take 2 to 4 months to complete. According to the Department, generally, peak demand season under MGNREGA starts from November and ends in May. On the one hand, of the 28.90 per cent of the total available funds under MGNREGA, has been stated to be available as on 31.12.2009, with the implementing agencies, that are more often released very late and at the fag end of the year. On the other hand, the Committee find that the complete better physical performance of MGNREGA is never found during April and May. When such facts are pointed out on account of availability of unspent balances, the Department advances the excuse that the scheme is demand driven and the works pick up after November. The Committee are of the opinion that the Department is not implementing the scheme in the right spirit. The Committee would like the Department to work out a strategy urgently so that works once commenced are executed properly in order to make MGNREGA actually demand oriented.

(Recommendation Para No. 3.13)

The Committee are concerned to note that only one-third of the job card holders could be encouraged to demand work under MGNREGA during 2009-2010. As per the information furnished to the Committee, during 2009-2010 only 3.68 crore job card holder households could demand work out of 10.91 crore household job cards issued. This indicates that more than two-third job cardholders could not get jobs under the MGNREGA during 2009-2010. Even the one-third of the job cardholders who actually got job, could get only 51 days of employment instead of the minimum 100 days stipulated under the Act. The Committee would like the Government to analyse this disparity in order to find out whether such disparity is due to the shortcomings in the implementation of the scheme or due to certain persons getting the job card issued without really being interested in getting the job. In order to ensure the benefits of MGNREGA reach the intended beneficiaries, there should be some provision in the existing system to exclude those job cardholders who are not demanding jobs over a long period of time. The Committee recommend that the Department should devise some mechanism to ensure transparency and to eliminate chances of corruption in the receipt of job cards."

(Recommendation Para No. 3.17)

31. The Department in their Action Taken reply has informed as under:-

"Under MGNREGA, employment to the adult members of a household is provided on demand subject to a maximum of 100 days per household per year. Para 9 of Schedule II of the Act provides that written application for work may be submitted either to the Gram Panchayat or to the Programme Officer. Therefore, the number of days of employment provided to a household is to be seen against the number of Households provided employment.

Central Government releases funds to the States/UTs based on the labour demand arising at the field level. States have to submit an application in the prescribed format with necessary documents based on the actual demand that is generated at the field level. The first tranche is released based on the Labour Budget prepared by the District Programme Coordinator in bottom up approach with month-wise projections of demand, expenditure and distribution of work and submitted to Empowered Committee. The quantum of first tranche depends on the projection made for the initial six months of the financial year subject to limitation of 50% of the projection of the whole year. The 2nd tranche of funds is released on utilization of 60% of available fund by the districts/States and submission of proposal in the prescribe format alongwith other necessary documents as indicated in paras 8.4 & 11.3 of the operational guidelines. Under the Act, Central Government is committed to bear entire expenditure towards payment of wages to the unskilled workers besides bearing other expenses as stipulated in the Act. Therefore, in case a State falls short of funds, more funds may be released to the States on receipt of proposals alongwith necessary documents.

Number of days of employment availed by a household does not depend on the quantum of funds released by the Centre. Since the Act is demand based, number of days of employment availed by each household depends upon the number of days of employment demanded by a household. It also depends upon the availability of other employment opportunities in an area because a worker is free to avail any other employment opportunity available to him. As per reports received from the States, at national level an average of 54 days of employment was provided to every rural household during 2009-10.

(Reply to Recommendation Para No. 3.9)

As reported by the State Governments, 46.01 lakh works were taken up during 2009-10 out of which 20.94 lakh (45.51%) works had been completed during the year. As implementation of Mahatma Gandhi NREGA is a continuous process, incomplete works during the year are carried over to the next financial year in order to meet the labour demand arising in the next year.

MGNREGA provides a legal guarantee for atleast 100 days of wage employment per household in a financial year on demand. Adult members of a rural household may exercise their right any time during the year. In accordance with para 13 of Schedule-II of the Act, a new work shall be commenced if atleast 10 labourers become available for such work and the labourers cannot be absorbed in the ongoing works. During the peak demand season under MGNREGA which is from November to May, a large number of works are opened to absorb the high labour demand. A large number of these works remain incomplete at the end of the Financial year and are spilled over to the next year.

With a view to address these issues, the Ministry has asked National Institute for Rural Development (NIRD) to conduct work census in one pilot district each in Madhya Pradesh, Andhra Pradesh, Orissa and Rajasthan for the years 2006-07, 2007-08 and 2008-09. Decision has also been taken to undertake quality audit of the works taken up under the Act. The Ministry has finalized the Terms of reference for conducting the quality audit.

(Reply to Recommendation Para No. 3.13)

A Job card issued to a household under MGNREGA is valid for a period of 5 years. Job card is issued to a household if one or more adult members of the household apply for it. Mere issuance of a job card, however, does not entitle the household for an employment under the Act. The adult members of the household who volunteer to do unskilled manual work have to apply for work in writing. A job cardholder may exercise his right for 100 days of guaranteed employment under the Act any time during a financial year. Further, while it is mandatory for a job seeker under MGNREGA to have a job card, it is not mandatory for a job cardholder to take up employment under the Act in a particular financial year.

As per available data, 5.25 crore households were provided employment under Mahatma Gandhi NREGA during 2009-10. National average for number of days of employment provided per household during 2009-10 was 54 days per household. With a view to ensure transparency in the implementation of the Act, Ministry has taken the following steps:

(i) A Web enabled Management Information System (MIS) (www.nrega.nic.in) has been made operational which places all critical parameters such as job cards, muster rolls, wage payments, number of days of employment provided and works under execution online for monitoring and easy public access for information. 10.95 crore job cards have been up loaded on the website.

(ii) Wage disbursement to MGNREGA workers through Banks/Post Office accounts has been made mandatory to ensure proper disbursement of wages to MGNREGA workers. 9.19 crore bank/post office accounts have been opened so far. To cover the gaps in financial services and outreach and also to ensure greater transparency in wage disbursement, Rural ATM, hand held devices, smart cards, biometrics and business correspondent models have been initiated.

(iii) The Ministry has accorded utmost importance to the organization of Social Audits by the Gram Panchayats and issued instructions to the States to make necessary arrangements for the purpose. Modifications have been made in para 13 of Schedule-I of the Act to provide for procedures on conducting social audits. The Ministry has issued instructions to the State Governments for enforcement of the new social audit provisions under MGNREGA"

(Reply to Recommendation Para No. 3.17)

32. During the course of evidence, the Committee pointed out that as against the 100 days of guaranteed employment, the actual work given on an average was 54 days only. The Committee enquired whether as against the total demand for work under MGNREGA, the funds released were adequate. Clarifying the position a representative of Department of Rural Development stated as under:

> "The question is about everybody being given a guarantee of up to a hundred days of work. The MGNREGA is meant to give this kind of assurance. But people have other means of livelihood also whether it is in farm or non-farm operations. So, the workers have a choice. Therefore, it is the duty of the Administration to provide work to all the people who have registered themselves and have asked for work. What the State Governments have reported to us is that about 3.94 crore people have demanded work and about 3.9 crore people have been provided work, even though job cards have been given to a much larger number. Job cards have been given to close to 10 crore people, whereas the demand for work has come from 3.94 crore people and work has been provided to 3.9 crore people."

33. Regarding availability of funds, the witness explained:

> "Let me explain and I will also answer this point. First and foremost is that we have advised all the State Governments to start it, using the information technology which is there in all the States, and tying up with the banks; we told them that wherever there is work availability of fund should be ensured and there is no excuse for not doing that. We cannot allow that to happen. In reality, there are some districts and some blocks where money is lying idle. There are other places where the pace of work is very fast and they are running short of money."

34. He further added:

> "If you look at the country's figure, even on the 1st April, 2010, we had almost Rs. 11,000 crore as balance with the States. It could be that the money is stuck in the blocks or districts. Money availability is really not an issue because it is a demand driven scheme. So, the States had Rs. 11,000 crore as the opening balance when the year started. There could be villages where money was not there because money could be stuck in some other block where there is no work going on."

35. Explaining difficulties coming in the way of smooth implementation of MGNREGA, the witness stated as under:

> "The issue here is firstly of the administrative machinery not being adequate. Many States are not having the kind of technical staff that is required at the District, Block and Gram Panchayat level. This is a supply side constraint. The second issue is that there is a gap between the demand and supply, in terms of inadequate emphasis on organizing the workers to demand work. So, it does not mean that only four crore people require work. More people may be requiring work. But there is a gap, whether it is a governance issue or something else. As Madam Secretary (Planning Commission) has said, where Panchayati Raj Institutions have not been empowered there are people even if they are asking for work they will not be registered for work. So, there is both a supply side issue and there is a demand side issue. For improving the supply side issue we have enhanced the administrative costs payable to the State Governments for implementing the programme from four per cent to six per cent."

36. The witness further added:

> "The average days work actually hides the fact that there are some people who have done hundred days work and there are some people who have done much less than the average days of work. It is the constant endeavour of the Government of India and also the State Governments to improve their systems to ensure that more and more people complete hundred days.
>
> It is really I would say a shortcoming or failure on the administrative side at various levels to be ready to actually commence the works. If you do not have enough management capabilities, you also would not like to open up works. Ministry and also State Governments are improving their capabilities to actually handle this large number of works."

37. The Committee pointed out that for making available 100 days of guaranteed employment under MGNREGA, a total of Rs. 1 lakh crore would be the requirement as against the present provision of Rs. 41,000 crore in the Central Budget. Responding to this, a representative of the Department of Rural Development clarified as under:

> "It is Rs. 64,000 crore for 2010-11. That is only a Plan. It is agreed. It is based on the Labour Budget, States and Districts are given first installment".

38. The witness added:

"Labour Budget is an estimate and there is a discussion between the State Government and the Central Government. We release 50 per cent of the amount as the first installment. The State Government can come back when 60 per cent of the money is spent. If Labour Budget increases then, the Government of India will give more funds."

39. The witness further explained as under:

"There is an Empowered Committee which includes the State Secretaries for Rural Development, chaired by the Secretary, Rural Development. In that a figure is arrived at wherein the State Governments participation is also there. But we are not restricted to that. When they spend 60 per cent. They are eligible for revision in the labour budget. Already two States have come to us for upward revision in the labour budget—Andhra Pradesh and Tamil Nadu."

40. The Committee had recommended three things, one, in view of less days of employment given under MGNREGA during the previous three years, as against the guaranteed 100 days of employment, either allocation has to be increased or number of days have to be reduced. Two, in view of less number of works completed during 2009-10 inspite of huge availability of funds, largely released at the end of financial year, a strategy has to be worked out to make the MGNREGA a really demand driven programme. Three, since two-third of the total job card holders had not got employment and remaining one-third getting only about 50 days of employment under MGNREGA during 2009-10, the Government should analyse such a disparity whether it is due to shortcoming in the scheme or due to non-seriousness on the part of job-card holders for job under the scheme.

The Department in their action taken replies has informed that since MGNREGA is demand driven, the number of days of employment given is to be seen against the number of household provided employment. Central releases of funds to States are based on labour demand arising at field level and in the light of month-wise projection of demand expenditure and distribution of work is submitted based on labour budget. If any State falls short of funds more funds are released on receiving of proposal alongwith necessary documents. Number of days of employment given does not depend on quantum of funds released by the Centre. It also

depend upon the availability of other employment opportunities. With a view to addressing these issues National Institute of Rural Development (NIRD) has been asked to conduct work census in different States and has informed various steps taken for bringing about transparency in MGNREGA through MIS, making the payment mandatory through Banks/Post Offices and undertaking social audit.

During the course of evidence held to seek clarifications on implementation of the scheme, the representative of Department of Rural Development admitted before the Committee that there are some Districts and Blocks where money is lying idle and the available balance in the country as on 1 April, 2010 was Rs. 11,000 crore.

The Committee have also been informed that besides inadequate management capabilities machinery and shortage of technical manpower in many States, the representatives of the Department of Rural Development concurred with the Member Secretary, Planning Commission that for success of MGNREGA, Panchayati Raj Institutions are to be sufficiently empowered in different States. Even, though a series of steps have been taken for smooth functioning of MGNREGA, yet the issues of shortage of funds in specific districts, empowerment of Panchayati Raj Institutions (PRIs) etc. need to be addressed comprehensively for the success of the programme. For empowering PRIs, the Committee desire that the issue be taken up by the Ministry of Rural Development with the Ministry of Panchayati Raj being under one Minister for proper co-ordination.

F. Providing Last mile connectivity

[Recommendation Serial No. 21 (Para No. 3.39)]

41. The Committee had recommended as under:—

"The Committee are concerned to note that by not providing the last mile connectivity of around 7700 kms., 8045 habitations in the country as on date remain to be connected. They note that the major hindrances being faced by the Department are construction of cross drainage works, non-availability of land, construction of long span bridge, and non-timely availability of construction materials. The Committee find the said hindrances are also being faced by the Department in construction of the PMGSY roads in general and these are not particular for the last mile connectivity.

The Committee wish to point out that by not providing the last mile construction of roads, the PMGSY roads in a majority of cases do not touch the Panchayat office, local market/haat or the hospital. The Committee, therefore, desire that the Department to take necessary steps to provide priority to the last mile construction of PMGSY roads to the Panchayat office, local market/haat or to the hospital, by chalking out an immediate action plan in this regard."

(Recommendation Para No. 3.39)

42. The Department in their Action Taken reply has stated as under:—

"Under PMGSY, the target habitations are connected upto a proposed point in the habitation which in the opinion of the State is appropriate for the habitation. Though specific instruction that road has to touch Panchayat office, local market, hospital etc. are not prescribed in the guidelines, States have been advised to propose the new road upto a point which is deemed prominent within the habitation. When a habitation falls on a road being constructed to connect another habitation, the road passes through the habitation and may connect more than one prominent point in this habitation."

(Reply to Recommendation Para No. 3.39)

43. During the course of evidence, the Committee wanted to know how the last mile connectivity under PMGSY can be achieved if prominent places which is above 500 meters away in a habitation is not connected. A representative of the Department of Rural Development stated as under:—

"Actually the criteria of 500 meters under PMGSY is not for the purpose of constructing road upto which extent. However, it is for connecting all the habitations whose population is more than 500 or more. When the issue of construction of road comes and the agency which makes the map and constructs the road that agency has been directed in clear terms that the distance upto which they have to construct the road it is for them to decide. Whether they want to bring the road within the village. We have also directed them to take the road upto the prominent place. We do not say that the road should be constructed outside the periphery of village since we cannot check each and every road for the purpose of measurement. We hold the view that whatever agency is constructing the road that agency must have borne in mind the welfare of the local people. Thus the agency should construct such a road which connects the village properly. If in a habitation there are more than one prominent places which are not in straight line in that case they can connect one prominent place under PMGSY but not the other prominent place."

44. The Committee further enquired whether a road under PMGSY could be constructed upto the end of the village, the witness explained as under:—

"If they are constructing the road upto that point we have no objection……we will give this in writing also. We have no objection on this issue."

45. The Committee had recommended that with a view to achieving last mile connectivity under PMGSY, the Department should take steps providing priority to connect Panchayat office, local market or hospital. The Department in action taken reply has informed that connectivity under PMGSY is upto a point in a habitation that in the opinion of the State Government is a prominent place. The Committee recommend that the Ministry would emphasize upon the State Governments to take PMGSY roads upto prominent land marks in the village like Panchayat Bhawan, Hospital etc. *i.e.* within the habitation and not just adjacent to the village.

G. Need for further increasing per unit assistance for Indira Awas Yojana (IAY) unit

[Recommendation Serial No. 28 (Para No. 3.117)]

46. The Committee had recommended as under:—

"The Committee find that the per unit assistance of a dwelling unit being constructed under IAY has been increased *w.e.f.* 1.4.2010 to Rs. 45,000 in plain areas and Rs. 48,500 in hilly areas. The Committee are of the firm opinion that even this enhanced amount of assistance is too low as per the existing cost of materials/ construction. The Committee find that Union territory of Pudducherry is already providing Rs. 1 lakh for construction of a dwelling unit in rural area. The Committee feel that a decent dwelling unit cannot be constructed even with the enhanced cost. The Committee in their earlier Report (First Report – Fifteenth Lok Sabha, para 3.102 refers) had pointed out that the existing definition of a dwelling unit under IAY is not proper for a decent civilized living of rural poor. Keeping this in view, the Committee reiterate their earlier recommendation and desire that the Ministry should further enhance the per unit assistance substantially and define the dwelling unit under IAY suitable for a healthy living in consultation with the Ministry of Health. The Committee should be kept apprised accordingly."

(Recommendation Para No. 3.117)

47. The Department in their Action Taken reply has stated as under:—

"The financial assistance provided under IAY is only a unit assistance and not full cost of construction of the house. The unit assistance has recently been enhanced *w.e.f.* 1.4.2010 from Rs. 35,000 to Rs. 45,000 in plain areas and from Rs. 38,500 to Rs. 48,500 in hilly/difficult areas. It may not be possible to further enhance this unit assistance at this stage. However, the beneficiary can avail a loan of up to Rs. 20,000 at interest rate of 4 per cent per annum. In addition Rs. 2200/- can be availed under Total Sanitation Campaign (TSC) funds for construction of a sanitary latrine. Further, 20 sq. mt. plinth area prescribed in IAY guidelines is the minimum and the beneficiaries can construct an IAY house on a bigger plinth areas as well."

(Reply to Recommendation Para No. 3.117)

48. The Committee are aware that the Government revised assistance level under IAY to Rs. 45,000 in plain areas and Rs. 48,500 in hilly/difficult areas in April, 2010. The Committee are already aware that IAY beneficiary can avail of loan upto Rs. 20,000 at interest rate of 4 per cent per annum and also avail assistance of Rs. 2200 for construction of sanitary latrine under Total Sanitation Campaign (TSC) considering the high rate of inflation leading to steep increase in the cost of construction. The Committee urge that the prevailing per unit assistance for IAY unit should be hiked suitably.

H. Non-realisation of physical and financial targets of CAPART

[Recommendation Serial No. 31 (Para No. 3.148)]

49. The Committee had recommended as under:—

"The Committee note that the BE of CAPART has been doubled from Rs. 50 crore in 2009-10 to Rs. 100 crore in 2010-2011. However, they find that the physical targets for CAPART have not been increased commensurate with the enhanced allocation this year. Further, between these two years the physical target has been increased from 950 projects last year to 1340 projects this year. However, they find even during 2009-10 against a target of 950 projects the CAPART has an achievement of 54 projects only. Similarly, against the target of 50 Gram Shree Melas only 6 Melas has been arranged. Not only that the financial achievement of CAPART has come down from 83.53 per cent in 2008-09 to 47.26 percent during 2009-10 (upto 31.01.2010). The Committee feel that before enhancing the financial outlay of CAPART, the performance *vis-à-vis* a target should have been reviewed and necessary corrective action should have been taken. The Committee would like to urge that the CAPART should take vigorous steps to achieve the financial target in the coming years."

(Recommendation Para No. 3.148)

50. The Department in their Action Taken reply has stated as under:—

"The year 2009-10 was largely spent on reviewing and consolidating the working of CAPART and planning new schemes and programmes that would make CAPART more relevant organisation to respond to new aspirations of rural poor in the context of increasing pace of all round development and changing global realities. It was in this context that the Executive Committee of CAPART consciously decided to give a pause to sanctioning of new projects under old schemes. This also explains the reasons for not achieving physical as well as financial targets.

While increasing the budget the physical targets have not been increased proportionately as the Council expects that the project under newly launched schemes and programmes would require greater outlay and hence the average size of projects would be larger."

(Reply to Recommendation Para No. 3.148)

51. The Committee regret to note that the year 2009-10 was largely spent on reviewing and consolidating the working of CAPART and that sanctioning of new schemes was put on hold. The Committee feel that review of working of an organisation is a regular exercise which in no way should have affected the smooth flow of normal work. The Committee hope that CAPART will not be found wanting in the discharge of its responsibilities and will function effectively and efficiently towards achievement of its stated aims and objectives at least in future.

CHAPTER II

RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation (Serial No. 1, Para No. 2.4)

The Committee note that the Government is not implementing the direction 73A 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 once in six months. It has been noticed that the statement presented to the House is by and large a repetition of the action taken notes furnished by the Government at the end of three months of the presentation of the original Report. The Committee, therefore, desire that in future before making a statement under direction 73A, the Government should meaningfully review actual and factual implementation of recommendations made by the Committee in different States and Union territories of the country and the Statement laid should not be mere repetition of the action taken notes

Reply of the Government

This Department reviews the Action Taken Report sent to the Committee on the Original Report of the Committee and latest status on action taken by the Government on the recommendations made by the Committee, during the period of six months, is incorporated in the statement to be made by the Minister under direction 73 A of the Directions by the Speaker, Lok Sabha. The recommendations of the Committee will be fully kept in view before the statement is made by the Minister.

[O.M. No. H-11020/3/2010 dated September, 2010, Department of Rural Development (Ministry of Rural Development)]

Recommendation (Serial No. 2, Para No. 2.7)

The Committee are not satisfied to find that the Department could utilize only 42 per cent of the planned funds in the first three years of the 11th Five Year Plan. They feel that it should have been to the tune of nearly 60 per cent of the total plan projections if the expenditure were to be evenly spread over the Plan period. Not only that, the Department has always incurred more expenditure than the amount given for the non-plan expenditure in the Budget Estimates. They, therefore, recommend that the Government should introspect the reasons for the lower utilization of Plan funds so far during the 11th Five Year Plan and should initiate remedial measures so that the targets of the said Plan are achieved. Regarding the non-plan expenditure made by the Department, the Committee recommend that the Department should initiate suitable corrective measures to restrict the non-plan expenditure to the barest minimum.

Reply of the Government

The expenditure during 11th Plan should be seen in the context of approved outlay for the 11th Five Year Plan and not in the context of proposed 11th Plan outlay. As against the proposed 11th Plan outlay of Rs. 328579.72 crore, the approved 11th Five Year Plan outlay was to the tune of Rs. 194933.28 crore. Against the approved 11th Plan outlay of Rs. 194933.28 crore, the expenditure for the first three years *i.e*. 2007-2008 to 2009-2010 (upto 18th March, 2010) was Rs. 139475.93 crore which was 71.55 %. The expenditure upto 31st March, 2010 has gone up to Rs. 142245.99 crore, which is 73% of the total approved 11th Plan outlay. There is, therefore, no underutilization of Plan funds during the first three years of the 11th Plan. Taking into account the BE 2010-2011 of Rs. 66100.00 crore, the estimated expenditure for the first four years of 11th Plan would go upto Rs. 208345.99 crore. Thus, the approved 11th Plan outlay would be exceeded in the first four years of 11th Plan. Planning Commission will be requested to provide additional allocation over and above the approved 11th Plan outlay in the 5th and final year of 11th Plan.

As regards, non-plan expenditure, it may be stated that non-plan expenditure of the Department is very nominal as compared to the Plan budget. The non-plan provision is mainly meant for meeting the administrative expenditure of the secretariat of the Department of Rural Development and National Institute of Rural Development, Hyderabad (an autonomous body under the administrative control of the Department). The increase in non-plan expenditure over the previous years is basically on account of increase under salary head due to pay arrears on account of implementation of 6th Pay Commission recommendations, DA instalments and normal annual increment. However, in order to contain the non-plan expenditure to the barest minimum, the Department has been strictly following the economy instructions issued by Ministry of Finance from time to time including a 10% cut on non-plan provision for non-salaried items of expenditure.

[O.M. No. H-11020/3/2010 dated September, 2010, Department of Rural Development (Ministry of Rural Development)]

Recommendation (Serial No. 3, Para No. 2.16)

The Committee have found that the expenditure of the Department is not being made as per the monthly expenditure plan over the years and except for last 2 to 3 months of the financial year, the expenditure has always been lower than planned expenditure each month. This has resulted in the unspent balances at the end of third quarter during 2009-2010 being as high as 27.45 per cent of the available resources as on 31.12.2009. Further, examination of the furnished information to the Committee also reveal that for SGSY (as on 31.12.2009), the unspent balance was as high as 43.22 per cent of the total available funds. The Committee *vide* their First Report—Fifteenth Lok Sabha (Recommendation para No. 2.15 refers) had expressed serious concern over the trend of huge unspent balance and recommended the Department to analyse the situation State-wise and take corrective steps accordingly. The Committee find that no serious effort has been made by the Department in this regard. They, therefore, recommend that expenditure plan should be evenly spread throughout the year and the total available funds provided for scheme should be spent within that year itself so that no unspent balances are left with the implementing agencies. This will also ensure that the excess carry over of available funds does not go beyond 10 per cent of the available funds, resulting in the deduction of the Central share of funds from the next financial year's release.

Reply of the Government

The Monthly Expenditure Plan is prepared at the time of finalization of Budget Estimates for the financial year. The Monthly Expenditure Plan is a projection of monthly expenditure based on the trend of expenditure in the previous years to help Ministry of Finance to have an estimation of outgo from the exchequer. However, the actual release of funds to the implementing agencies is made on the basis of proposals received from them. The funds under various programmes of the Department of Rural Development are released in two instalments. Ist instalment is generally released to all the DRDAs/States in the 1st and 2nd quarters of the financial year and the 2nd instalment released in the 3rd and 4th quarters on utilization of 60% of available funds and on receipt of Audited Statement of

Expenditure of previous year. Each proposal for release of 2nd instalment undergoes detailed scrutiny and if DRDAs/States have more unspent balances than the prescribed limit of 10% of the available funds, the excess carryover balance is proportionately deducted from the 2nd instalment of Central Allocation. As the releases are totally dependent on the proposal received from the implementing agencies and fulfilment of desired conditions for release of 2nd instalment, it is not possible to follow the monthly expenditure plan uniformly throughout the year. However, in order to avoid accumulation of unspent balances, the releases in the last quarter have been contained within the limit of 33% of the budget allocation during 2008-2009 and 2009-2010 as per norms fixed by the Ministry of Finance. The other measures taken to reduce unspent balances are:—

(i) Any unspent amount as on 31st March of a particular financial year under MGNREGA is adjusted at the time of release of first instalment at the beginning of the next financial year based on approved Labour Budget for the year. Further, the State Governments have been instructed to set up State Employment Guarantee Fund in accordance with the Section 21(1) of MGNREG Act. Setting up of State Employment Guarantee Fund by the State Government would provide a greater flexibility to the State Governments in administering the MGNREGA funds in accordance with the needs of the districts.

(ii) As regards IAY, SGSY and DRDA Administration, if the DRDAs have more unspent balance than the prescribed limit of 10% of the available funds, the excess carry over balance is proportionately deducted from the 2nd instalment of Central allocation, if the expenditure reported upto 31st December is less than 75% of total funds available during the year including the carry over balance.

It may also be noted that the releases in four quarters of the financial year during 2008-2009 and 2009-2010 have more or less followed the pattern in the Monthly Expenditure Plan (MEP) with variations being in the range of 2% to 20%.

[O.M. No. H-11020/3/2010 dated September, 2010, Department of Rural Development (Ministry of Rural Development)]

Comments of the Committee

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

Recommendation (Serial No. 4, Para No. 2.17)

The Committee note that the Department has got 6.34 percent more funds in 2010-11 Budget Estimates over the 2009-10 Revised Estimates. The Committee desire that Department should initiate steps for making optimal utilisation of enhanced funds by strictly adhering to the monthly expenditure plan.

Reply of the Government

The directions of the Committee have been noted. All efforts will be made to regulate the outgo of funds during 2010-2011 in accordance with the Monthly Expenditure Plan to the extent possible.

[O.M. No. H-11020/3/2010 dated September, 2010, Department of Rural Development (Ministry of Rural Development)]

Recommendation (Serial No. 5, Para No. 2.18)

The Committee note from the reply of the Department that the monthly expenditure target for MGNREGS is not being maintained by the Department under the pretext that it is a demand-driven scheme. In the absence of the information on monthly expenditure target, it becomes impossible to know the financial achievement of the MGNREGS. The Committee, therefore, recommends that the trend of expenditure of funds under MGNREGS be shown in each State and Union Territory in the outcome budget of the Department from the next financial year.

Reply of the Government

As Mahatma Gandhi NREGA is demand based, there are no pre-determined targets under the Act. Therefore, monthly expenditure targets can also not be given under the Act. As regards the trend of achievements, this may be given in respect of previous years based on the actual performance of a State/district. Monthly projected expenditure of States based on agreed Labour Budget can, however, be indicated.

[O.M. No. H-11020/3/2010 dated September, 2010, Department of Rural Development (Ministry of Rural Development)]

Recommendation (Serial No. 10, Para No. 2.48)

The Committee are surprised to note that as per instructions of Planning Commission, State-wise allocation of funds under various programmes of the Department including IAY and SGSY, is made on the basis of adjusted share worked out in 1993-94 poverty ratios by the Planning Commission. The Committee express their dissatisfaction over taking into account the calculation of 1993-94 as a basis for allocation of funds since these figures are old and outdated and also not based on the reality as on date. As more than 17 years have elapsed, the same calculation cannot be the basis for allocation of funds. They desire that their unhappiness in this regard be conveyed to the Planning Commission, Ministry of Finance and the Cabinet Secretariat at the highest level. They recommend that the allocation for various schemes of the Department should be based on the latest calculations made by the Planning Commission without any delay.

Reply of the Government

The observations and recommendations of the Committee with regard to State-wise allocation of funds under the allocation based programmes of Department of Rural Development including IAY and SGSY is being communicated to concerned authorities including the Planning Commission.

[O.M. No. H-11020/3/2010 dated September, 2010, Department of Rural Development (Ministry of Rural Development)]

Recommendation (Serial No. 11, Para No. 2.52)

The Committee find that the Department has not given much importance to the concurrent evaluation of the Centrally Sponsored Schemes in the Eleventh Five Year Plan so far as in the case of Tenth Five Year Plan. The Committee also find that during Tenth plan period, the Department have completed concurrent evaluation of four different programmes being implemented by them. They are surprised to find that only one concurrent evaluation has been started by the Department during the Eleventh Five Year Plan which is stated to be under progress. Continuance of the programmes/schemes from one plan to the other without finding out the achievement of their aims and objectives is not a healthy practice. The Committee find that 9 different programmes/schemes are being implemented by the Department at present. The Committee, therefore, strongly recommend that an independent and impartial concurrent evaluation of all the programmes/schemes being implemented by the Department be made during the remaining period of the Eleventh Five Year Plan, so that the relevance of their continuance in their present format or the restructuring of the schemes in the Twelfth Five Plan can be judged.

Reply of the Government

The Ministry of Rural Development places due importance to the evaluation study of rural development programmes. Earlier, the Ministry had a empanel of independent reputed research agencies who have experience in conducting social economic studies in different part of the country and the evaluation studies of rural development programmes are assigned among them as per requirement of the study. During 2007-08, a decision has been taken to invite applications from the willing agencies through tender process following GFR. A Committee for each evaluation study under the chairmanship of Chief Economic Adviser (RD) is constituted with officials of the Ministry and experts in the field and representative of Planning Commission as members to suggest weightage to each parameter. Technical bids are examined accordingly. Thereafter, Financial bids are opened and agencies are shortlisted combining weightage of technical and financial bids. This whole process takes four to six months time in selection of agencies and remaining part *i.e*. finalizations of methodology, tabulation plan, conducting of survey, data entry and preparation draft report takes another six months. Thus the procedure is time consuming, but it ensures transparency in the process of selection of the agencies. The Ministry of Rural Development has taken up the following evaluation studies during XIth Plan:

A. Completed Studies

(i) Evaluation Study of DRDA Administration.

(ii) Sub-mission Projects (quality) under ARWSP.

(iii) Evaluation Study of ARWSP

B. Evaluation Studies under Progress:

- Evaluation Study of SIRD
- Evaluation Study of SGSY
- Impact Assessment Study of PMGSY
- Impact Assessment of all Rural Development Programmes

The evaluation/impact studies of SIRD and SGSY are likely to be completed shortly, where as other studies of PMGSY and Impact Assessment may take some more time. The Ministry targets to complete remaining evaluation/impact studies during XIth Plan.

[O.M. No. H-11020/3/2010 dated September, 2010, Department of Rural Development (Ministry of Rural Development)]

Recommendation (Serial No. 17, Para No. 3.16)

The Committee are constrained to note that the inspection of works taken up under MGNREGA has not been as per the stipulation in this regard. The operational guidelines of the scheme provides for 100 per cent inspection of works at block level, 10 per cent at district level and 2 per cent at the State level. As against this, the Committee find that the percentage of works inspected at block level which was 80.8 per cent during 2008-2009 has fallen to 75.04 per cent during 2009-2010. Similarly, the percentage of works inspected at district level came down from 14.96 per cent in 2008-2009 to 9.43 per cent in 2009-2010. What is more disturbing is the fact that not even a single work has been inspected at the State level during 2008-2009 and 2009-2010. The Committee disapprove of this practice that the works under MGNREGA are not being inspected at various levels in accordance with the stipulations. They, therefore, recommend that the operational guidelines in this regard should be strictly followed so that the impact of the Scheme could be closely monitored.

Reply of the Government

As per reports received from the States/UTs, during 2008-2009, out of 2774660 total works taken up, 27764 (1.00%) works were inspected at State level. During 2009-2010, out of a total of 46.01 lakh works taken up during the year, 4.61 lakh works (10.02%) had been inspected at the district level and 13417 (0.29%) works had been inspected at State level. Ministry has issued instructions to all States to deploy adequate dedicated staff, both technical and non-technical and to strengthen management and administrative support structure for MGNREGA at all levels. Administrative expenses under the Act have been enhanced from 4% to 6% to meet any additional expenditure in this regard.

[O.M. No. H-11020/3/2010 dated September, 2010, Department of Rural Development (Ministry of Rural Development)]

Recommendation (Serial No. 19, Para No. 3.23)

The Committee note from the reply of the Department that in one of the studies made by IIM, Lucknow and NDUAT, Faizabad on NREGA, it has been found that there is an increase in Minimum Wages for agricultural labourer and wage earned per day and the annual income. Further as per the said survey, the bargaining power of labour is stated to have been increased. Similarly, the earnings per household has reportedly been increased from Rs. 2795 in 2006-2007 to Rs. 4060 in 2008-2009. The Committee would like the Department to initiate a study to find out the extent to which the availability of agricultural labour has been affected because of NREGA and apprise the Committee accordingly.

Reply of the Government

Ministry has so far not commissioned any specific study to assess the impact of Mahatma Gandhi NREGA on availability of agricultural labourers. The issue had, however, been raised during the review meeting. The recommendation made by the Committee has been noted.

[O.M. No. H-11020/3/2010 dated September, 2010, Department of Rural Development (Ministry of Rural Development)]

Recommendation (Serial No. 20, Para No. 3.38)

The Committee find that under the Bharat Nirman I, the financial achievement of PMGSY was not at all satisfactory till 2009-2010 as Rs. 13896.17 crore were released upto January 2010 against the allocation of Rs.17840 crore. They also find that the physical performance of PMGSY under Bharat Nirman-I has also not been satisfactory till 2009-2010. For example, regarding habitations under new connectivity, the Department could achieve 63 per cent of the targets, regarding length of new connectivity, the Department could achieve 69 per cent of the target. Further, for upgradation, against the target of 116478 habitations, only 67129 habitations have been achieved till end of January, 2010. The Committee apprehend that with the pace of implementation of PMGSY, the Department may not be able to achieve the goal of Bharat Nirman-I in near future. They, therefore, recommend that immediate corrective steps be initiated by the Government in this regard and the Committee be apprised accordingly.

Reply of the Government

In 2009-2010, total allocation for Pradhan Mantri Gram Sadak Yojana (PMGSY) was Rs. 17,840 crore, which has been released by the end of financial year 2009-2010. Against the target of connecting 54,648 habitations under Bharat Nirman, the project proposals for connecting 54,429 habitations have been cleared by the Ministry and 36,112 habitations have been provided connectivity by March, 2010. Further, under New Connectivity, against a target to construct 1,46,185 km. roads, projects for construction of 1,37,346 km have been cleared and 1,06,157 km. of road length has been constructed up to March, 2010. Further, against the target for Upgradation/renewal of 1,94,131 km.

of road length, 1,97,456 km. have been upgraded/renewed up to March, 2010. The target date for achieving the targets under Bharat Nirman has been revised to March, 2012 by the Government. The Ministry is making efforts to increase the pace of execution in the States. In order to speed up the implementation of the programme, the Ministry has advised the States to take all necessary action to enhance the institutional and execution capacity. In addition, the following measures have been taken by the Ministry to speed up the implementation of the programme:

- Provisions of Standard Bidding Document have been suitably modified to attract more qualified contractors.
- Regular review of the programme by the Ministry.
- On-line monitoring of the Programme.
- Strengthening of 3-tier quality control arrangements.
- Random inspections of PMGSY road projects by National Quality Monitors (NQMs) to ensure quality in works.

[O.M. No. H-11020/3/2010 dated September, 2010, Department of Rural Development (Ministry of Rural Development)]

Recommendation (Serial No. 22, Para No. 3.44)

The Committee note that the Department has decided to provide assistance to 11 States for e-procurement of PMGSY projects during 2009-2010 and 2010-2011. They also note that only one State *i.e.* Orissa has done impact assessment study on the e-tendering process in which participation of bidders from other States have increased in that State. The Committee find that in this system, participation of local and small contractors will be minimized. Moreover, the compulsory maintenance of PMGSY roads after 5 years of construction by the contractors outside the State may be difficult as they are not aware of the local conditions, topography etc. Big contractors having access to the e-tendering might begin to pocket the works under the PMGSY. The Committee, therefore, desire that percentage of works be fixed for the local and small contractors also. Besides, the Committee strongly recommend that there is an urgent need to closely monitor the maintenance of PMGSY roads during the period of contract.

Reply of the Government

Even prior to Ministry of Rural Development introducing e-tendering for all PMGSY works, the States like Andhra Pradesh, Gujarat, Orissa had started the process of e-tendering not only for PMGSY works but for tendering in other departments as part of improving e-governance. Considering the advantages of transparency, improved competition, reduction in time of evaluation and decision making and also the reduction in cost due to switching over from paper tendering, 11 States had come forward in the 1st instance to make use of the assistance provided by the Ministry for e-procurement. Capacity building of the organizations and the contractors is necessary for the successful implementation of e-procurement. The system also provides for free registration to the contractors and accessibility of information regarding tender notices to all the bidders. As such, the assistance provided by the Ministry includes training to various stake-holders, and in providing help-line facilities to answer queries related to the process of e-tendering. Extensive training was imparted to various stake-holders including cyber-cafe owners in Orissa who could assist contractors in the e-tendering process. The system of e-procurement does not require physical presence of the intending bidder, either at the time of purchase of tender document or at the time of submissions or opening. As such any eligible contractor can participate in the bidding process without any fear. Therefore, the system provides equal opportunity to all the contractors- big or small and provides level playing field for all the contractors. Tenders under PMGSY are of relatively small size and are not much likely to attract big contractors from remote places. Further, local contractors would have advantage of being local and hence can match the bigger ones in terms of prices. However, as the system of e-tendering progresses, concerns of the Committee will be kept in mind and if any such trend is observed in future, a suitable decision would be considered at that time.

As per the Seventh Schedule of the Constitution, rural roads are within the jurisdiction of the State Governments. State Governments or PRIs are required to own, construct, operate and maintain the rural roads. PMGSY is a special intervention to provide 100% finance for construction of important rural roads as per core network. As per the programme guidelines, maintenance of assets created under the programme is required to be carried out and funded by the respective State Governments. The aspect of level of maintenance of PMGSY roads by States during contract period, *i.e.* 5 years from the construction, is also being monitored by the National Rural Roads Development Agency (NRRDA). Once the contractual period of maintenance is over, the State Government is expected to make a maintenance plan for maintaining these roads and may award the maintenance contract to same or other contractor or maintain it departmentally as per its choice.

[O.M. No. H-11020/3/2010 dated September, 2010, Department of Rural Development (Ministry of Rural Development)]

Recommendation (Serial No. 23, Para No. 3.80)

The Committee find that the unspent balance under SGSY as on 31.12.2009 is stated to be more than 43 per cent of the available funds which gives the impression that the implementing agencies have enough amount of funds with them. The Committee also note that the financial performance of SGSY was not satisfactory as only 82 per cent of the available funds during 2007-2008 were utilized that came down to 73 per cent in 2008-2009 and to 67 per cent in 2009-2010. The Committee find that the SGSY scheme is being replaced by the National Rural Livelihood Mission. The SGSY Scheme was launched in 1999 with certain aims and objectives. The Committee would like to know how far the said SGSY has achieved its objectives in the last decade. The Committee would also like to know the reasons for restructuring the SGSY. They further note that initially the SGSY also was restructured from the IRDP because of the failure of the said scheme. It cannot be said with certainty that NRLM will not have the same fate as that of the IRDP and SGSY simply by changing the name. Therefore, before venturing on the restructuring and renaming the scheme, the reasons for failure be properly studied and found out. All States, Union territories and the stakeholders may be consulted before the NRLM is implemented in a large scale throughout the country.

Reply of the Government

Under SGSY during the last decade of its implementation about 38 lakh Self Help Groups have been formed out of which 8.9 lakh SHGs have taken up income generating activities and 142 lakh Swarozgaris have been assisted with the bank credit and subsidy out of which 67 lakh Swarozgaris were SC/STs and 83 lakh women Swarozgaris. The total investment under the programme is of Rs. 33798 crore. The per capita investment during 1999 was Rs. 17,000 per sawarozgari which rose to Rs. 31817 during 2009-2010. Under the Special projects 89 placement linked skill development projects to over more than 7.60 lakh rural BPL youth have been sanctioned. About 1.30 lakh beneficiaries have been trained and over 99000 have got placement so far.

The need for restructuring the SGSY has emerged basically due to the following:

(a) The findings of various studies conducted by the agencies National Institute of Rural Development, Banking Institute of Rural Development (BIRD), Concurrent evaluation of SGSY by CMD, Thiruvananthapuram.

(b) Report of the Working Group/ Steering Committee of the Planning Commission of 11th Plan & recommendations of Prof. Radhakrishana Committee set up by the Ministry to review the credit flow to SHGs under the SGSY including policy environment, guidelines and to suggest measures and strategies for effective and adequate credit linkages to the SHGs.

(c) The gaps identified during the implementation of SGSY during the last ten years.

The shortcomings identified under the programme are:—

— Inadequate Manpower and lack of professional expertise to implement the complex and process oriented programme. Existing staff are overburdened with number of schemes being implemented by the District Rural Development Agencies (DRDAs),

— Little flexibility to the states for innovations based on their specific needs,

— Inadequate institutional arrangements for programme implementation,

— Existing institution have limited capacity for training and are inaccessible to rural poor,

— Inadequate flow of credit on account of both supply side constraints like lack of sufficient number of bank branches or adequately manned branches in the rural areas and demand side constraints like inadequate skills among beneficiaries, projects not properly prepared etc.

— High interest rates on credit by banks to the poor beneficiaries,

— Most of the SHG enterprises are economically unviable,

— SHG members need multiple doses of credit and long- term hand holding which is missing at present.

The proposal for restructuring SGSY has been prepared to remove the shortcomings experienced in SGSY based on the recommendations by the following task forces/committees/consultations:

(1) A Task Force under the Chairmanship of Joint Secretary (SGSY), Department of Rural Development, Ministry of Rural Development.

(2) A Committee under the Chairmanship of DDG, NIRD, Hyderabad.

(3) Professor Radhakrishana Committee on Credit related issues of SGSY

(4) A Task Force constituted under the Chairmanship of Minister of Rural Development.

(5) National Level meeting of all State Ministers of Rural Development & Panchayati Raj for soliciting, *inter-alia*, their views on the proposal for National Rural Livelihoods Mission.

(6) Consultations with State Secretaries of Rural Development during various review meetings.

The new approach proposed under NRLM, especially that of having a dedicated sensitive support structure from National, State, district and sub-district levels for better planning and implementation of the programme and the flexibility to be provided to the states for having state specific poverty reduction action plans as per their own requirements, is based on the successful implementation of rural anti poverty programmes through women SHGs in some states *viz* Andhra Pradesh, Kerala and Tamilnadu. In accordance with this approach each State will be expected to develop its own strategy, which will be based on their socio-cultural-economic context. There will be no rigid guidelines for the programme by this Ministry, instead only a broad framework will be provided for the states to develop their own poverty reduction strategies. In addition, there will be no imposition of targets on the states—the process will be self driven.

[O.M. No. H-11020/3/2010 dated September, 2010, Department of Rural Development (Ministry of Rural Development)]

Recommendation (Serial No. 24, Para No. 3.81)

The Committee hope that the present discussions about the norms of the NRLM between the Ministry of Finance and the Department of Rural Development would be concluded within the next 10-15 days, as has been mentioned by the Secretary during the course of oral evidence. The Committee would like to know the details of the final decision on the different opinions of these two Ministries and desire that the same may be communicated to them.

Reply of the Government

The Cabinet Committee on Economic Affairs (CCEA) has approved the proposal for restructuring of SGSY as National Rural Livelihood Mission (NRLM).

[O.M. No. H-11020/3/2010 dated September, 2010, Department of Rural Development (Ministry of Rural Development)]

Recommendation (Serial No. 25, Para No. 3.90)

The Committee note that as per the reply a new initiative in the form of Rural Self Employment Training Institutes (RSETIs) have been established as dedicated institutes for training of rural BPL youth to enable them to take up self employment or wage employment. Further, these institutes should be set up in each rural district, numbering 619 in 2009-10. The committee find that as per the RSETIs guidelines 70 per cent of the trainees should be from rural BPL category which also states that balance 30 per cent can be from APL category. The Committee would like to know the number of BPL youth targeted to be trained and are actually trained District-wise in RSETI, State and Union territory wise. The Committee note that reply of the Department that the training expenditure on rural BPL beneficiary will only be provided by the DRDAs only. They would also like to know as to how many APL youth have been trained State and Union territory wise. The Department should find out ways and means to train APL Youth while giving priority to the BPL youth living in rural areas.

Reply of the Government

The Ministry of Rural Development proposes to support establishment of 500 Rural Self Employment Training Institutes (RSETIs) one each in 500 districts of the country within the 11th Five Year Plan. As per the Guidelines, the RSETIs shall identify, orient, motivate, train, assist and handhold a minimum of 750 rural BPL youth per year to take up self employment or wage employment. The details of BPL and APL youth actually trained District-wise in the country during the year 2009-10 is given in **Appendix-II**. The focus of the Government would continue to be the rural BPL youth till such time they are brought above the poverty line by ensuring appreciable increase in their incomes over a period of time. However, the APL youth would also get training from the RSETIs to the extent of 30 per cent of target numbers.

[O.M. No. H-11020/3/2010 dated September, 2010, Department of Rural Development (Ministry of Rural Development)]

Recommendation (Serial No. 26, Para No. 3.113)

The Committee find that the financial performance of Indira Awaas Yojana (IAY) was not satisfactory during 2009-10 as only Rs. 6248.99 crore were released upto end January 2010 against the target of Rs. 8800 crore. Regarding the physical achievement, the performance of IAY was also less than 50 per cent during 2009-2010 as it has been informed that 18.16 lakh houses were reportedly constructed against the target of 40.52 lakh houses. Another disturbing fact was that the number of houses 'under construction' category was 27.21 lakh whereas the Department could complete construction of 18.15 lakh houses which implies that the houses taken over for construction spilled over to the next financial year. Since the idea behind the scheme is to provide shelter to the poor, the Committee, therefore, recommend that immediate corrective steps be initiated by the Department in each of these aspects for the implementation of IAY and the Committee be apprised accordingly.

Reply of the Government

The funds under Indira Awaas Yojana (IAY) are released in two instalments. While the first instalment amounting to 50% of the allocation, is released *suo moto* in the beginning of the year after passing of the Budget, the second instalment is released only after receipt of proposals from the District Rural Development Agencies (DRDAs) along with Utilization Certificate and Audit Report for the funds released during the previous year and expenditure of at least 60% of the total available funds during the current year. As per IAY guidelines, the last date for receipt of proposals for 2nd instalment is 31st December though there is no bar in submitting the proposals earlier. Accordingly, the 2nd instalment of IAY funds is in the latter part of the year. However, by the end of the year 100% funds provided for Rural Housing were released. Similarly, the physical achievement by the end of the year is 33.36 lakh houses against the physical target of 40.52 lakh houses. Generally, more than 90% of the physical targets are achieved every year. However, the physical target for the year 2009-10 could not be achieved because of imposition of Model Code of Conduct due to General Elections to the Lok Sabha, which remained in force from 1st March to 16th May, 2009. During this period the implementation of IAY Scheme remained suspended. The budget for the year was also passed in the month of July, 2009 and therefore, there was delay in release of funds also, which led to delayed receipt of proposals for 2nd instalment affecting overall performance of IAY during the year. However, efforts will be made to make up the shortfall during the current financial year 2010-11.

[O.M. No. H-11020/3/2010 dated September, 2010, Department of Rural Development (Ministry of Rural Development)]

Recommendation (Serial No. 29, Para No. 3.125)

The Committee note that the restructured Provision of Urban Amenities in Rural Areas (PURA) Scheme was started from 2003-04. Between 2003–04 and 2007-08, the PURA scheme was implemented on a pilot basis. Although, allocation for the scheme was made in each financial year thereafter, the Committee find that the expenditure for the scheme was nil. The Committee also note that for the 2010–11, Budget Estimate of the Scheme is Rs. 124 crore as against the BE of Rs. 30 crore during 2009–10. The Committee find that the PURA scheme is again being implemented as a pilot scheme during the remaining years of the 11th Five Year Plan. They find that the only difference in the implementation of the scheme is that it is now being implemented through a Public Private Partnership (PPP) which has not been attempted till date in any of the programmes of the Department being implemented in rural areas. They, therefore, recommend that before venturing on implementing the pilot projects again, the Government should get the results on ground before implementing the scheme on a test check basis after which the scheme can be extended to the whole country.

Reply of the Government

Ministry of Rural Development implemented Provision of Urban Amenities in Rural Areas (PURA) Scheme on a pilot basis in seven clusters for a period of three years during 2004-05 to 2006-07. No budgetary allocation was made for PURA scheme, however, Rs. 5.78 crore was released in 2003-04 to different States for preparation of Detailed Project Reports (DPRs) by re-appropriation of savings under different scheme of the Ministry. The pilot phase ended in March 2007.

Meanwhile efforts continued towards formulation of a restructured scheme right from the time the pilot phase was in operation. Based on the findings of the evaluation study by NIRD, comments of various Ministries/Departments, feedback received during consultation with private sector representatives and officials of State Governments, and the recommendations of the consulting team of Asian Development Bank (ADB), the scheme of PURA has been restructured. The Government has approved the restructured PURA scheme for implementation on a pilot basis during 11th Plan. The restructured PURA scheme proposes holistic and accelerated development of compact areas around a potential growth centre in a Gram Panchayat (or group of Gram Panchayats) through Public Private Partnership (PPP) framework by providing livelihood opportunities and urban amenities to improve the quality of life in rural areas. The scheme is being implemented to test the unique features *i.e*. Public Private Partnership (PPP) of this scheme on the ground. The Ministry of Rural Development accepts recommendations of the Committee.

[O.M. No. H-11020/3/2010 dated September, 2010, Department of Rural Development (Ministry of Rural Development)]

Recommendation (Serial No. 30, Para No. 3.134)

The Committee note that the entire funds allocated for the scheme since 2006-07 has been released to the DRDAs across the country. The Committee also note that a little over Rs. 249 crore has been released under the DRDA Administration scheme during 2009-2010 against the Central allocation of Rs. 250 crore. The Committee find that the allocation of the Scheme has been increased in 2010-11 to Rs. 405 crore. With this substantial enhancement in funds for the scheme, the Committee desire that the Department should urge all the State and Union Territories to utilize the entire funds given for this Scheme. The Committee should be apprised accordingly.

Reply of the Government

During the last few years the budget allocation under DRDA Administration Scheme has not been adequate and the DRDAs were complaining about difficulty in paying the salary to their staff due to shortage of funds. The budget allocation for the year 2009-10 *i.e.* Rs. 250 crore, was even less than the expenditure for the year 2008-09 which was Rs. 292 crore. During the year 2009-10, the requirement of salary and other administrative costs increased considerably due to implementation of 6th Pay Commission Report by many States. Based on the request of the DRDAs for higher allocation, the Ministry took up the matter with the Planning Commission for increasing the allocation under DRDA administration from Rs. 250 crore to Rs. 385 crore for 2009-10 and Rs. 405 crore for the year 2010-11. The Planning Commission agreed to our request and the allocation for 2009-10 was increased to Rs. 385 crore by way of re-appropriation of funds and allocation for the year 2010-11 was fixed at Rs. 405 crore.

The entire amount of Rs. 385 crore was released to the DRDAs during 2009-10. The allocation of Rs. 405 crore for the year 2010-11 against the previous year's expenditure of Rs. 385 crore is not substantial and it is likely to be fully utilized during 2010-11.

[O.M. No. H-11020/3/2010 dated September, 2010, Department of Rural Development (Ministry of Rural Development)]

Recommendation (Serial No. 31, Para No. 3.148)

The Committee note that the BE of CAPART has been doubled from Rs. 50 crore in 2009-10 to Rs. 100 crore in 2010-11. However, they find that the physical targets for CAPART have not been increased commensurate with the enhanced allocation this year. Further, between these two years the physical target has been increased from 950 projects last year to 1340 projects this year. However, they find even during 2009-10 against a target of 950 projects the CAPART has an achievement of 54 projects only. Similarly, against the target of 50 Gram Shree Melas only 6 Melas has been arranged. Not only that the financial achievement of CAPART has come down from 83.53 percent in 2008-09 to 47.26 percent during 2009-10 (upto 31.01.2010). The Committee feel that before enhancing the financial outlay of CAPART, the performance *vis-à-vis* a target should have been reviewed and necessary corrective action should have been taken. The Committee would like to urge that the CAPART should take vigorous steps to achieve the financial target in the coming years.

Reply of the Government

The year 2009-10 was largely spent on reviewing and consolidating the working of CAPART and planning new schemes and programmes that would make CAPART more relevant organisation to respond to new aspirations of rural poor in the context of increasing pace of all round development and changing global realities. It was in this context that the Executive Committee of CAPART consciously decided to give a pause to sanctioning of new projects under old schemes. This also explains the reasons for not achieving physical as well as financial targets.

While increasing the budget the physical targets have not been increased proportionately as the Council expects that the project under newly launched schemes and programmes would require greater outlay and hence the average size of projects would be larger.

[O.M. No. H-11020/3/2010 dated September, 2010, Department of Rural Development (Ministry of Rural Development)]

Comments of the Committee

(Please *see* Paragraph No. 51 of Chapter-I of the Report)

Recommendation (Serial No. 33, Para No. 3.154)

The Committee note that the Executive Committee of CAPART has approved revised new schemes for implementation that *inter-alia* include 50 most backward districts. The Committee fail to understand the criteria of selecting the backward districts in the first place. Moreover, it has been admitted that the backwardness in the districts chosen cannot be wiped out by the intervention of CAPART only. The Committee desire that the criteria for selection of 50 most backward districts be made clear. Moreover, the schemes proposed to be implemented in these districts may be scrutinized by the Department of Rural Development to ensure that the funds spent on them deliver the intended benefits to the deserving people. The committee may also be kept apprised of the details of schemes being undertaken in these backward districts.

Reply of the Government

The fifty backward districts have been chosen entirely on the basis of the selection made by the Ministry of Rural Development. The recommendation of the Committee is noted for compliance.

[O.M. No. H-11020/3/2010 dated September, 2010, Department of Rural Development (Ministry of Rural Development)]

Recommendation (Serial No. 35, Para No. 3.168)

The NIRD is a premier institute in the country engaged in training, research and consultancy for the last three decades. The Committee note that apart from the funds provided by the Ministry of Rural Development the NIRD was earning income from other Ministries of Government of India during 2003-04 to 2006-07, which has not been shown during the later years. In this regard the Committee desire that NIRD should also strive to obtain assistance from other Ministries on whose behalf research and training projects are being under taken by it. Further, from this year, the Committee desire that NIRD may strive to obtain some overseas consultancy projects in order to augment its resources of funds. The action taken in this regard may be intimated to the Committee.

Reply of the Government

NIRD is engaged in training, research and consultancy activities in rural development sector for the last five decades. NIRD conducts training programmes and research studies focusing on flagship programmes of the Ministry of Rural Development, Govt. of India. This is the main focus and mandate of NIRD. NIRD has been concentrating on capacity development of functionaries for major flagship programmes of NIRD like MGNREGA, SGSY, Rural Housing, Rural Roads, Drinking Water etc. where huge amounts are spent by the Ministry. While attaching highest priority for training and research programmes, NIRD is also trying to cater to the needs of other Ministries such as HRD, etc. However, further efforts will be made to take up more sponsored studies from other Ministries with a view to augmenting the resources of funds.

NIRD has continuing relationship with CIRDAP and AARDO. As a result of this collaboration, training and research programmes are taken up to cater to the needs of different countries in Asia and Africa. NIRD has also entered into partnership with the Afghanistan Institute of Rural Development (AIRD), Govt. of Afghanistan, for capacity development of Rural Development functionaries in Afghanistan. As a part of this agreement, faculty members of NIRD have visited AIRD for establishment of Rural Technology Park at AIRD. The officials of the Government of Afghanistan have also attended training programmes on Capacity Development at NIRD. NIRD is making further efforts to increase the number of international research and training activities in collaboration with other institutions in the area of rural development.

[O.M. No. H-11020/3/2010 dated September, 2010, Department of Rural Development (Ministry of Rural Development)]

Recommendation (Serial No. 36, Para No. 3.169)

From the examination of the performance of different Central Sector and Centrally sponsored schemes of the Department of Rural Development, the Committee have received an overall impression that the schemes are not functioning the way, they should have. There is no proper monitoring of the schemes as far as their financial and physical performance is concerned. The targets are not being within the stipulated deadlines. Allocations are being made without proper assessment of the past performance of the schemes. The Committee desire that the Department should ensure that the schemes are formulated and implemented in a way, so that their benefits reach the poorest of the poor living in the rural areas.

Reply of the Government

The Schemes of the Ministry of Rural Development are implemented by the State Govts./UT Administrations as per the programme guidelines. The Ministry of Rural Development has released/utilized 91.05% funds with respect to budget allocation.

The Programme Divisions monitor their respective programmes/ schemes intensively on a regular basis. Besides, the Ministry monitors all the programmes through, (i) periodical progress reports *i.e.* monthly and quarterly progress reports, (ii) Performance Review Committee, (iii) Area Officer's Schemes, (iv) Vigilance and Monitoring Committees at the State and District Levels and (v) National Level Monitors. The State Government and Union Territory Administrations have been advised to adopt a five-pronged strategy to improve the implementation of the rural development schemes consisting of (i) creation of awareness about the schemes, (ii) transparency, (iii) people's participation, (iv) accountability, social audit and (v) vigilance and monitoring of rural development programmes at all levels to achieve maximum success rate.

[O.M. No. H-11020/3/2010 dated September, 2010, Department of Rural Development (Ministry of Rural Development)]

CHAPTER III

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

Recommendation (Serial No. 6, Para No. 2.21)

The Committee note that some interest is earned by the DRDAs on the funds made available to them which includes amount released to them during the previous year. However, no separate accounts were maintained on the interest accrual on unspent balance. In view of the fact that huge amount is left with the implementing agencies, the Committee recommend that the interest earned by the DRDAs on the unspent balance be invariably shown in the Budget documents of the Department from the next financial year. They also recommend that funds released during the last two months of the financial year should not be taken into account while arriving at the excess carry over of the available funds at the beginning of the next financial year.

Reply of the Government

The DRDAs are autonomous bodies registered under the Societies Registration Act. The Central and State share of assistance is released to the DRDAs in the form of grants-in-aid under various Centrally Sponsored Schemes of this Department. The DRDAs maintain separate bank account for each Scheme. The interest earned by DRDAs on the total available funds (which *inter-alia* includes unspent balances for the previous year and the grants-in-aid received during the current financial year) is treated as receipt of the DRDAs and as a part of the Programme Fund. The interest receipt is included in the total available funds at the disposal of DRDAS and is taken into account while releasing further instalment of funds.

Since interest earned by DRDAs is not refunded to the Department, the same can not be treated as the receipt of the Government of India. Therefore, the interest earned by the DRDAs on the total available funds which also include the unspent balance of the previous year cannot be shown in the Budget documents of the Department either in the Receipt Budget or Expenditure Budget.

The other recommendation of the Committee that 'funds released during the last two months of the financial year should not be taken into account while arriving at the excess carry over of the available funds at the beginning of the next financial year', has been noted.

[O.M. No. H-11020/3/2010 dated September, 2010, Department of Rural Development (Ministry of Rural Development)]

Recommendation (Serial No. 13, Para No. 2.55)

The Committee note that at present there is no permanent office of the District Vigilance and Monitoring Committees. They also find that no permanent staff has been posted to provide secretarial assistance to the District level vigilance and monitoring Committees (V&MCs). The Committee, therefore, recommend that the Department of Rural Development should find out ways and means to establish and functionalise permanent Office of the District level V&MC in each district of the country within the next two years.

Reply of the Government

The V&MC meetings are convened by the Member Secretary of the Committee. Member Secretary of the district V&MC is the District Collector/District Magistrate/Deputy Commissioner for the District V&MC. Officers in-charge of the Line Departments (such as PWD, Water Supply, Irrigation, Forest, Agriculture) etc. executing the Programmes of Rural Development and any other related Department assist the Committee in the discharge of its functions. The District authorities provide logistic support for convening the V&MC meetings. As the V&MC meetings are to be held once in a quarter, there does not seem to be any need to have permanent office and personnel/office staff for V&MCs separately.

[O.M. No. H-11020/3/2010 dated September, 2010, Department of Rural Development (Ministry of Rural Development)]

Recommendation (Serial No. 14, Para No. 2.56)

The Committee note the reply of the Department that monitoring of the Schemes of the Department is done through the Area Officers scheme, National Level Monitors (NLMs) etc. They also note that at present Officers from the Central Ministry visit the district to monitor the schemes and find out as to whether the schemes are being implemented as per the guidelines. The Committee find to some extent the same work of monitoring is done by the Vigilance and Monitoring Committees (V&MCs) at the District level. As of now, the Central team of monitors visiting districts do not inform the Vigilance and

Monitoring Committees (V&MCs) about their visit. The Committee desire that the Department should invariably inform the Vigilance & Monitoring Committees (V&MCs) and its Chairman and Vice-Chairman about their visits to the Districts. Necessary changes in the guidelines be made and the Committee be apprised accordingly.

Reply of the Government

The National Level Monitors (NLMs) empanelled by the Ministry of Rural Development to monitor the implementation of its programmes are required to provide a copy of their report to the Chairman of the District Vigilance and Monitoring Committees of the district when they go for regular monitoring of RD programmes. As desired by the Committee, all Area Officers of the Ministry are being directed to inform concerned Chairman/Co-Chairman of the district V&MCs before they proceed to any district for monitoring of Rural Development Programmes.

[O.M. No. H-11020/3/2010 dated September, 2010, Department of Rural Development (Ministry of Rural Development)]

Recommendation (Serial No. 27, Para No. 3.114)

The Committee find that the allocation of funds for IAY is based on 75:25 weightage to housing shortage and the poverty ratio respectively at the State level. They note, the reply of the Department that in addition to the above formula, at the district level the allocation is based on 75:25 weightage to the housing shortage and rural SC/ST population respectively. The Committee also note that this criteria has been changed recently. They note that the Department is conducting the BPL households survey and finding out the number of families living the below poverty line in rural areas at the beginning of each five year plan. They also find that a fresh BPL Survey is being conducted by the Department. The Committee fail to understand the rationale for adopting a different criteria for allocation of funds under IAY on the basis of the type of construction as brought out in the Census Report of the Registrar General of India. The Committee feel that the allocation of funds for IAY being made in this manner is not proper and it should invariably be based on the latest BPL family survey. The Committee in this regard recommend that the allocation for IAY be done as per the fresh BPL survey across the country being done by the Department only and it should not be based on any other criteria like type of construction etc. and they be apprised accordingly.

Reply of the Government

The criteria for allocation of funds under IAY to the States have not been revised recently. The criteria was revised from the year 2005-06 when the figures of housing shortage was supplied to this Ministry by the Registrar General of India in January 2005. The revised criteria was recommended by the Planning Commission and approved by the National Development Council. Further, the criteria is not based on the type of construction but based on the housing shortage in rural areas and poverty ratio. However, the housing data of fresh BPL Survey or of fresh Census will be taken into account as soon as figures of these surveys are made available.

[O.M. No. H-11020/3/2010 dated September, 2010, Department of Rural Development (Ministry of Rural Development)]

Recommendation (Serial No. 32, Para No. 3.149)

The Committee find that the budget of CAPART is not being allocated to each of its Regional Committees located at 9 different cities. The Committee in this regard desire that in order to strengthen the regional committees funds of the CAPART be allocated for each of its Regional Committees from the next financial year.

Reply of the Government

Each Regional Committee is allocated a budget at the beginning of the year as a part of the internal budget exercise.

[O.M. No. H-11020/3/2010 dated September, 2010, Department of Rural Development (Ministry of Rural Development)]

Recommendation (Serial No. 34, Para No. 3.167)

The Committee note that the plan funds of NIRD have been multiplied seven times from Rs. 15 Crores in 2009-10 BE to Rs. 105 Crore in 2010-11 without corresponding increase in physical targets. The targets have more or less remained the same/slightly increased between 2009-10 and 2010-2011. For example, during 2009-10, 475 training programmes were targeted as against 523 training programmes during 2010-11. They also find that number of research and action research studies targeted during 2009-10 was 19 against which during 2010-11 the same has been targeted for 23 studies. Therefore, there is a need to suitably enhance the physical targets also commensurate with the increase in the budget of NIRD for 2010-11.

Reply of the Government

National Institute of Rural Development (NIRD) undertakes capacity development of rural development officials, functionaries, elected representatives, Non-Governmental Organizations (NGOs) and Community Based Organisations (CBOs) through training and research. NIRD also gives policy and programme analysis and feedback on implementation of rural development programmes to the Ministry of Rural Development through action research and impact studies. NIRD has two regional centres, North-Eastern Regional Centre (NERC) at Guwahati and Eastern Regional Centre (ERC) at Patna. Besides a Centre on wage employment and livelihoods is going to be established at Jaipur, Rajasthan.

Another important activity of the NIRD is publications and dissemination of information on rural development matters. The Institute has a strong publication record including research and impact studies reports. NIRD also publishes Journal of Rural Development, a quarterly publication which contains critical articles on various rural development issues of relevance and significance.

NIRD has also introduced one year PG Diploma programme in Rural Development Management (PGDRDM) starting from 2008-2009 onwards, to develop a committed and competent cadre of rural development management professionals in the country. With these multifarious activities, NIRD is fully engaged and strives to achieve excellence in capacity development of rural development functionaries and contribute to policy analysis and programme implementation in rural development in the country.

To meet the requirement of increased number of training and other capacity development programmes, NIRD proposed creation and improvement of infrastructure like training halls and hostel blocks at NIRD and its regional centres at Guwahati and Patna. During 2009-10, the Executive Council of NIRD approved the proposal for establishment of a NIRD Regional Centre at Jaipur on wage employment and livelihoods. The Jaipur Centre is proposed to be a National Centre with full-fledged amenities for training and research activities on the focus areas of wage employment and livelihoods. A NIRD Centre is also proposed to be established in Delhi to cater to the needs of training, research and conducting international programmes.

Thus, the NIRD's budget has been prepared taking into account the requirement of funds for improvement and development of new infrastructure, establishment of new centres, need for larger outreach in terms of training and research, etc.

As regards the observations of the Committee that the Plan funds of NIRD have been multiplied seven times from Rs. 15 crore in 2009-10 to Rs. 105 crore in 2010-11 without corresponding increase in physical targets, the following are submitted:

For the year 2009-10, NIRD had prepared budget estimates for an amount of Rs. 69.17 crore taking into account the capital expenditure for the establishment of new hostels for strengthening the existing physical infrastructure in Patna and NERC, Guwahati and also at the headquarters. However, the required funds were not allocated for NIRD when the Annual Plan was finalized by the Planning Commission.

For the year 2010-11, the budget estimates planned are for an amount of Rs. 105 crore which shows that the increase in the Plan funds during the current year is to the extent of Rs. 35.83 crore over the proposals for 2009-10. This increase is mainly on account of the requirement of funds for the establishment of Jaipur Centre and also development of infrastructure at Guwahati and the proposed NIRD Centre at Delhi.

Besides, NIRD will also be playing a lead role in developing the capacities of more than 10 lakh PRI functionaries through networking with SIRDs, ETCs and other organizations engaged in training.

The target for training programmes in 2010-11 has been enhanced from 551 in 2009-2010 to 906 programmes.

As regards research studies, NIRD has taken up 24 research studies for the current year. A large number of research studies taken up in 2009-2010 are yet to be completed and including such studies altogether 55 research studies will be taken up and completed during 2010-11. This is, because many of the research studies of last year were started towards the fag end of the financial year or initiated during the beginning of the current year.

It may be seen that in the area of training and research, there is substantial increase proposed during the year 2010-2011, although the increase in financial terms is only an amount of Rs. 3.73 crore for training and research as compared to 2009-2010. In the circumstances the outlay of Rs. 105 crores in 2010-2011, Rs. 67.00 crore under capital and Rs. 38.00 crore under revenue is justified in view of the increased activities of the Institute.

[O.M. No. H-11020/3/2010 dated September, 2010, Department of Rural Development (Ministry of Rural Development)]

CHAPTER IV

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

Recommendation (Serial No. 7, Para No. 2.45)

The Committee note that the expenditure on BPL Census 1997 which was Rs. 56.08 crore paid from the IRDP head, that increased to Rs. 75.96 crore for the BPL Census 2002 and for the latest BPL Census, Rs. 312 crore have been targeted to be spent. The Committee also notes that the Planning Commission is the nodal agency in Government of India for estimation of poverty ratio of persons living below the poverty line in rural and urban areas for all India as well as for the States/UTs. The Committee would like to know the exact number of persons living below poverty line in this country as on date and the definition being used by the Government to define the poverty line for providing funds under different Central Sector/ Centrally Sponsored Schemes.

Reply of the Government

The Planning Commission estimates the percentage and number of persons living Below the Poverty Line (BPL) at national and State level, separately in rural and urban areas from the large sample survey on household consumer expenditure conducted by the National Sample Survey Organization (NSSO) at an interval of approximately five years following the methodology contained in the Report of the Expert Group on Estimation of Proportion and Number of Poor (Lakdawala Committee). The latest estimates of the percentage and number of persons living below the poverty line is available for the year 2004-05 based on the large sample survey of consumer expenditure data of the 61st Round of NSS (July 2004-June 2005). According to theses estimates, 30.17 crore persons (27.5% of the total population) lived below the poverty line. State-wise poverty ratio as per poverty estimates of 2004-05 are enclosed at **Appendix-I**.

The Poverty Line estimated by the Planning Commission is expressed in terms of per capita consumption expenditure needed to attain a minimum amount of calorie intake out of food consumption along with a minimum amount of non-food expenditure in order to meet the requirement of clothing, shelter, transport etc. The per capita consumption norms has been fixed at Rs. 49.09 per month in rural areas and Rs. 56.64 per month in urban areas at 1973-74 prices at national level corresponding to a basket of goods and services anchored on a norm of per capita daily calorie requirement of 2400 calories in rural areas and 2100 calories in urban areas. The national level rural and urban poverty lines (in 1973-74) are disaggregated into State-specific poverty lines using State-specific price indices and inter-State price differentials using the method outlined in the Report of the Expert Group on Estimation of Proportion and Number of Poor (Lakdawala Committee). These State-specific poverty lines of 1973-74 are updated for the later years using State-specific Consumer Price Index of Agricultural Labourers (CPIAL) in the rural areas and Consumer Price Index of Industrial Workers (CPIIW) in the urban areas. The national poverty line at 2004-05 prices is Rs. 356.30 per capita per month in the rural areas and Rs. 538.60 per capita per month in the urban areas.

[O.M. No. H-11020/3/2010 dated September, 2010, Department of Rural Development (Ministry of Rural Development)]

Comments of the Committee

(Please *see* Paragraph No. 24 of Chapter-I of the Report)

Recommendation (Serial No. 8, Para No. 2.46)

The Committee note with concern that earlier Below Poverty Line Census conducted during 1992, 1997 and 2002 by the Ministry of Rural Development had reflected many irregularities and shortcomings. The Committee have been informed that several ineligible beneficiaries were selected as people/families living below the Poverty Line in rural areas. In the later stages the same ineligible BPL list cardholders could not be excluded from the BPL Census. The Committee, therefore, recommended that before venturing on calculating the BPL families living in rural areas the Ministry should keep a provision to exclude anyone who is found to be living above the poverty line at any point of time in order to ensure that the benefits of schemes meant for BPL population reach the deserving people only.

The Committee also note that the BPL Survey being carried out by the Ministry is to be carried out at the beginning of each Five Year Plan. However, no BPL Survey has been done so far during the 11th Five Year Plan (2007-2012). The Committee note from the reply of the Department that Rs. 150 crore has been released for conducting the BPL Survey in 2009-10. They also note that during 2010-11 BE, the Ministry has been allocated Rs. 162 crore. The Committee find that in total Rs. 312 crore has already been made available for conducting the latest BPL Survey. The Committee, therefore, recommend that these funds should be utilized fully and the proposed BPL Survey be made within the targeted time so that benefits intended under various schemes may reach the genuine beneficiaries will in time. The said survey should reflect the correct persons living below the poverty line.

Reply of the Government

In the guidelines for BPL Census 2002, in order to ensure transparency, the States were advised to give wide publicity to the BPL list, get it approved from the Gram Sabha and to display it on the website and in prominent places like the Panchayat headquarters. A two-stage Appeal Mechanism was also introduced to redress the grievances of the people. Under the appeal mechanism, any household can file first appeal before the designated authority and if still not satisfied, final appeal can be filed with the District Collector. The appeal mechanism provided under the guidelines is a continuous process and could keep the BPL list updated.

While framing guidelines for conducting forthcoming BPL Census, the concerns raised by the Parliament Standing Committee regarding provision to exclude anyone who is found to be living above the poverty line at any point of time in order to ensure that the benefits of schemes meant for BPL population reach the deserving people only would be considered.

Rs. 150 crores allocated for BPL Census during 2009-10 have been fully released. Similarly all out efforts would be made to utilize the allocated Rs.162 crores BPL Census during 2010-11. The BPL Census is conducted by the State Governments with technical and financial assistance from the Ministry of Rural Development. While issuing Guidelines for conducting BPL Census, the concerns raised by the Parliamentary Standing Committee regarding inclusion of genuine poor in the BPL list would be impressed upon and training & sensitization on this issue of the responsible agencies will be undertaken.

[O.M. No. H-11020/3/2010 dated September, 2010, Department of Rural Development (Ministry of Rural Development)]

Comments of the Committee

(Please *see* Paragraph No. 24 of Chapter-I of the Report)

Recommendation (Serial No. 9, Para No. 2.47)

The Committee would like to recommend that the Department by using the existing facilities including the latest information technology, should find out the exact status of the BPL families identified by them in the 2002 BPL Census, as of now.

The Committee also desires that the results of the current BPL Census being done by the Department should be made available on the website of the Department, beneficiary-wise, so that the conditions of the persons/families living below the poverty line can be verified in subsequent years.

The Committee desire that the Department in subsequent years should judge as to whether the money being spent by them for uplifting families of below poverty line is really giving the desired results or not.

Reply of the Government

It is expected that the two-stage Appeal Mechanism and provision of ceiling for total number of households to be identified as BPL would keep the BPL list updated and this makes the BPL list a dynamic one. The forthcoming BPL Census in any case will further up-date the list. Finding the Status of BPL families of BPL Census 2002 against the list generated under forthcoming BPL Census would be considered once results of forthcoming BPL Census are available.

The BPL Census is conducted by the State Governments with technical and financial assistance from the Ministry of Rural Development. While framing Guidelines for conducting forthcoming BPL Census, States/UTs would be requested to make the BPL lists available on the website.

The Ministry of Rural Development conducts Impact assessment/ concurrent evaluation studies to assess the Impact of various Rural development programmes from time to time.

[O.M. No. H-11020/3/2010 dated September, 2010, Department of Rural Development (Ministry of Rural Development)]

Comments of the Committee

(Please *see* Paragraph No. 24 of Chapter-I of the Report)

Recommendation (Serial No. 12, Para No. 2.54)

The Committee find that as per the extant guidelines a meeting in each quarter of a year should be held by the State-level Vigilance and Monitoring Committees. The composition of the State-level Vigilance and Monitoring Committees is such that holding of one such meeting in each quarter of the year is not possible due to various reasons including non-availability of the Chairperson and members. The Committee feel that the stipulation of holding one meeting during each quarter and then finding that the States are not able to hold the required number of State-level V&MC meetings might be an indication that the stipulation itself is now proving to be unrealistic. The Committee, therefore, recommend that this aspect may be examined in detail and if found necessary, the guidelines may be amended accordingly.

Reply of the Government

Vigilance & Monitoring Committee (V&MC) provides crucial role to MPs and other peoples' representatives in the monitoring of implementation of the RD programmes. As per Guidelines, V&MC meetings are to be held every quarter. As per the information available, State-level meetings held in the year 2008-09 and 2009-10 were 36 and 10 respectively. Lesser number of meetings in 2009-10 could be due to the reason that after the formation of 15th Lok Sabha, Ministry issued Guidelines for reconstituting V&MCs at State and District level on 26.8.2009. Thereafter, the State/District Authorities started reconstituting the V&MCs and holding their meetings. The Ministry impress upon the States/UTs to hold the regular meetings in view of the large amount of Plan Allocation under the various flagship programmes of the Ministry. Diluting the requirement of holding the meetings every quarter may weaken the monitoring process.

[O.M. No. H-11020/3/2010 dated September, 2010, Department of Rural Development (Ministry of Rural Development)]

Comments of the Committee

(Please *see* Paragraph No. 29 of Chapter-I of the Report)

Recommendation (Serial No. 15, Para No. 3.9)

The Committee note with concern that as against a minimum of 100 days of work that should be provided as per the MGNREG Act, the Department could only provided 51 days of work by utilizing all the available funds for the scheme in the year 2009-10. They further find that during the previous years, the number of days of work provided under the Scheme was 48 days during 2008-09 and 42 days during 2007-08. Thus, even after utilizing the entire funds for the MGNREGS as provided in the Budget year after year, the Government have not been able to provide a minimum of 100 days of employment to the needy households who demanded work. The Committee, therefore, find that in order to achieve a minimum of 100 days of employment, either the allocation has to be increased substantially or the number of minimum days for which employment is required to be provided under MGNREGS is to be reduced. The Committee, therefore, desire that the ambiguity created in this regard be cleared at the earliest and the Committee may also be kept apprised about the concrete action taken in this regard.

Reply of the Government

Under Mahatma Gandhi NREGA, employment to the adult members of a household is provided on demand subject to a maximum of 100 days per household per year. Para 9 of Schedule II of the Act provides that written application for work may be submitted either to the Gram Panchayat or to the Programme Officer. Therefore, the number of days of employment provided to a household is to be seen against the number of Households provided employment.

Central Government releases funds to the States/UTs based on the labour demand arising at the field level. States have to submit an application in the prescribed format with necessary documents based on the actual demand that is generated at the field level. The first tranche is released based on the Labour Budget prepared by the District Programme Coordinator in bottom up approach with month-wise projections of demand, expenditure and distribution of work and submitted to Empowered Committee. The quantum of first tranche depends on the projection made for the initial six months of the financial year subject to limitation of 50% of the projection of the whole year. The 2nd tranche of funds is released on utilization of 60% of available fund by the districts/States and submission of proposal in the prescribed format alongwith other necessary documents as indicated paras 8.4 & 11.3 of the operational guidelines. Under the Act, Central Government is committed to bear entire expenditure towards payment of wages to the unskilled workers besides bearing other expenses as stipulated in the Act. Therefore, in case a State falls short of funds, more funds may be released to the States on receipt of proposals alongwith necessary documents.

Number of days of employment availed by a household does not depend on the quantum of funds released by the Centre. Since the Act is demand based, number of days of employment availed by each household depends upon the number of days of employment demanded by a household. It also depends upon the availability of other employment opportunities in an area because a worker is free to avail any other employment opportunity available to him. As per reports received from the States, at national level an average of 54 days of employment was provided to every rural household during 2009-10.

[O.M. No. H-11020/3/2010 dated September, 2010, Department of Rural Development (Ministry of Rural Development)]

Comments of the Committee

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

Recommendation (Serial No. 16, Para No. 3.13)

The Committee are surprised to find that out of 40.98 lakh works undertaken during 2009-10 [upto February, 2010] under MGNREGA, the implementing agencies could complete merely 40 per cent works. Regarding high percentage of incomplete works, the Department has furnished a vague reply by stating that a work taken 2 to 4 months to complete. According to the Department, generally, peak demand season under MGNREGA starts from November and ends in May. On the one hand, of the 28.90 per cent of the total available funds under MGNREGA, has been stated to be available as on 31.12.2009, with the implementing agencies, that are more often released very late and at the fag end of the year. On the other hand, the Committee find that the complete better physical performance of MGNREGA is never found during April and May. When such facts are pointed out on account of availability of unspent balances, the Department advances the excuse that the scheme is demand driven and the works pick up after November. The Committee are of the opinion that the Department is not implementing the scheme in the right spirit. The Committee would like the Department to work out a strategy urgently so that works once commenced are executed properly in order to make MGNREGA actually demand oriented.

Reply of the Government

As reported by the State Governments, 46.01 lakh works were taken up during 2009-10 out of which 20.94 lakh (45.51%) works had been completed during the year. As implementation of Mahatma Gandhi NREGA is a continuous process, incomplete works during the year are carried over to the next financial year in order to meet the labour demand arising in the next year.

Mahatma Gandhi NREGA provides a legal guarantee for atleast 100 days of wage employment per household in a financial year on demand. Adult members of a rural household may exercise their right any time during the year. In accordance with para 13 of Schedule-II of the Act, a new work shall be commenced if atleast 10 labourers become available for such work and the labourers cannot be absorbed in the ongoing works. During the peak demand season under MGNREGA which is from November to May, a large number of works are opened to absorb the high labour demand. A large number of these works remain incomplete at the end of the Financial year and are spilled over to the next year.

With a view to address these issues, the Ministry has asked National Institute for Rural Development (NIRD) to conduct work census in one pilot district each in Madhya Pradesh, Andhra Pradesh, Orissa and Rajasthan for the years 2006-07, 2007-08 and 2008-09. Decision has also been taken to undertake quality audit of the works taken up under the Act. The Ministry has finalized the Terms of reference for conducting the quality audit.

[O.M. No. H-11020/3/2010 dated September, 2010, Department of Rural Development (Ministry of Rural Development)]

Comments of the Committee

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

Recommendation (Serial No. 18, Para No. 3.17)

The Committee are concerned to note that only one-third of the job card holders could be encouraged to demand work under MGNREGA during 2009-2010. As per the information furnished to the Committee, during 2009-2010 only 3.68 crore job card holder households could demand work out of 10.91 crore household job cards issued. This indicates that more than two-third job cardholders could not get jobs under the MGNREGA during 2009-2010. Even the one-third of the job cardholders who actually got job, could get only 51 days of employment instead of the minimum 100 days stipulated under the Act. The Committee would like the Government to analyse this disparity in order to find out whether such disparity is due to the shortcomings in the implementation of the scheme or due to certain persons getting the job card issued without really being interested in getting the job. In order to ensure the benefits of MGNREGA reach the intended beneficiaries, there should be some provision in the existing system to exclude those job cardholders who are not demanding jobs over a long period of time. The Committee recommend that the Department should devise some mechanism to ensure transparency and to eliminate chances of corruption in the receipt of job cards.

Reply of the Government

A job card issued to a household under Mahatma Gandhi NREGA is valid for a period of 5 years. Job card is issued to a household if one or more adult members of the household apply for it. Mere issuance of a job card, however, does not entitle the household for an employment under the Act. The adult members of the household who volunteer to do un-skilled manual work have to apply for work in writing. A job card holder may exercise his right for 100 days of guaranteed employment under the Act any time during a financial year. Further, while it is mandatory for a job seeker under MGNREGA to have a job card, it is not mandatory for a job card holder to take up employment under the Act in a particular financial year.

As per available data, 5.25 crore households were provided employment under Mahatma Gandhi NREGA during 2009-2010. National average for number of days of employment provided per household during 2009-2010 was 54 days per household. With a view to ensure transparency in the implementation of the Act, Ministry has taken the following steps:

(i) A Web enabled Management Information System (MIS) (www.nrega.nic.in) has been made operational which places all critical parameters such as job cards, muster rolls, wage payments, number of days of employment provided and works under execution online for monitoring and easy public access for information. 10.95 crore job cards have been uploaded on the web site.

(ii) Wage disbursement to MGNREGA workers through Banks/ Post Office accounts has been made mandatory to ensure proper disbursement of wages to MGNREGA workers. 9.19 crore bank/post office accounts have been opened so far. To cover the gaps in financial services and outreach and also to ensure greater transparency in wage disbursement, Rural ATM, hand held devices, smart cards, biometrics and business correspondent models have been initiated.

(iii) The Ministry has accorded utmost importance to the organization of Social Audits by the Gram Panchayats and issued instructions to the States to make necessary arrangements for the purpose. Modifications have been made in para 13 of Schedule-I of the Act to provide for procedures on conducting social audits. The Ministry has issued instructions to the State Governments for enforcement of the new social audit provisions under MGNREGA.

[O.M. No. H-11020/3/2010 dated September, 2010, Department of Rural Development (Ministry of Rural Development)]

Comments of the Committee

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

Recommendation (Serial No. 21, Para No. 3.39)

The Committee are concerned to note that by not providing the last mile connectivity of around 7700 kms, 8045 habitations in the country as on date remain to be connected. They note that the major hindrances being faced by the Department are construction of cross drainage works, non-availability of land, construction of long span bridge, and non-timely availability of construction materials. The Committee find the said hindrances are also being faced by the Department in construction of the PMGSY roads in general and these are not particular for the last mile connectivity. The Committee wish to point out that by not providing the last mile construction of roads, the PMGSY roads in a majority of cases do not touch the Panchayat office, local market/haat or the hospital. The Committee, therefore, desire that the Department to take necessary steps to provide priority to the last mile construction of PMGSY roads to the Panchayat office, local market/haat or to the hospital, by chalking out an immediate action plan in this regard.

Reply of the Government

Under PMGSY, the target habitations are connected upto a proposed point in the habitation which in the opinion of the State is appropriate for the habitation. Though specific instruction that road has to touch Panchayat Office, local market, hospital etc. are not prescribed in the guidelines, States have been advised to propose the new road upto a point which is deemed prominent within the habitation. When a habitation falls on a road being constructed to connect another habitation, the road passes through the habitation and may connect more than one prominent point in this habitation.

[O.M. No. H-11020/3/2010 dated September, 2010, Department of Rural Development (Ministry of Rural Development)]

Comments of the Committee

(Please *see* Paragraph No. 45 of Chapter-I of the Report)

Recommendation (Serial No. 28, Para No. 3.117)

The Committee find that the per unit assistance of a dwelling unit being constructed under IAY has been increased *w.e.f.* 1.4.2010 to

Rs. 45,000 in plain areas and Rs. 48,500 in hilly areas. The Committee are of the firm opinion that even this enhanced amount of assistance is too low as per the existing cost of materials/construction. The Committee find that Union territory of Pudducherry is already providing Rs. 1 lakh for construction of a dwelling unit in rural area. The Committee feel that a decent dwelling unit cannot be constructed even with the enhanced cost. The Committee in their earlier Report (First Report-Fifteenth Lok Sabha, para 3.102 refers) had pointed out that the existing definition of a dwelling unit under IAY is not proper for a decent civilized living of rural poor. Keeping this in view, the Committee reiterate their earlier recommendation and desire that the Ministry should further enhance the per unit assistance substantially and define the dwelling unit under IAY suitable for a healthy living in consultation with the Ministry of Health. The Committee should be kept apprised accordingly.

Reply of the Government

The financial assistance provided under IAY is only a unit assistance and not full cost of construction of the house. The unit assistance has recently been enhanced *w.e.f.* 1.4.2010 from Rs. 35,000 to Rs. 45,000 in plain areas and from Rs. 38,500 to Rs. 48,500 in hilly/difficult areas. It may not be possible to further enhance this unit assistance at this stage. However, the beneficiary can avail a loan of up to Rs. 20,000 at interest rate of 4% per annum. In addition, Rs. 2200/- can be availed under Total Sanitation Campaign (TSC) funds for construction of a sanitary latrine. Further, 20 sq.mt. plinth area prescribed in IAY guidelines is the minimum and the beneficiaries can construct an IAY house on a bigger plinth area as well.

[O.M. No. H-11020/3/2010 dated September, 2010, Department of Rural Development (Ministry of Rural Development)]

Comments of the Committee

(Please *see* Paragraph No. 48 of Chapter-I of the Report)

CHAPTER V

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

—NIL—

NEW DELHI;
25 *February*, 2011
6 *Phalguna*, 1932 *(Saka)*

SUMITRA MAHAJAN,
Chairperson,
Standing Committee on
Rural Development.

APPENDIX I

NUMBER AND PERCENTAGE OF POPULATION BELOW POVERTY LINE BY STATES - 2004-05

(Based on URP-Consumption)

Sl.No.	Name of States/UTs	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	2	3	4	5	6	7	8
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 and 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

1	2	3	4	5	6	7	8
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.	Puducherry	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.

Source: - Poverty Estimates for the Year 2004-05 released by the Planning Commission

APPENDIX II

NUMBER OF TRAINED YOUTHS DURING 2009-10 UNDER RSETI (STATE/UT-WISE)

Sl.No.	State	District/Bank/Org	Total No. of Training Programmes	Total No. of Youths	BPL Trainees	APL Trainees
1	2	3	4	5	6	7
1.	Andhra Pradesh	East Godavari-ANB(ABIRD)	29	438	306	132
2.	Andhra Pradesh	Krishna-ANB(PMIRD)	36	771	555	216
3.	Andhra Pradesh	Srikakulam-ANB(ABIRD)	23	504	363	141
4.	Andhra Pradesh	Kurnool-SYB	26	915	715	200
5.	Andhra Pradesh	Kadapa-SYB	18	528	375	153
6.	Andhra Pradesh	Vishakapatnam-SBI	7	241	188	53
7.	Andhra Pradesh	Vizianagaram-SBI	4	177	160	17
8.	Andhra Pradesh	Medak-SBI	1	42	42	0
9.	Andhra Pradesh	Mahbubnagar-SBI	1	37	37	0
10.	Bihar	Vaishali-RUDSETI	23	690	429	261
11.	Chhattisgarh	Durg-DEN	4	53	53	0
12.	Gujarat	Bhavanagar-SBI	21	435	356	79
13.	Gujarat	Rajkot-SBI	2	54	48	6
14.	Gujarat	Jamnagar-SBI	6	120	88	32
15.	Gujarat	Mehasana-DEN	22	508	268	240
16.	Gujarat	Rajpipla(Narmada)-BOB	0	0	0	0
17.	Gujarat	Surendranagar	11	301	278	23
18.	Haryana	Gurgaon-RUDSETI	26	801	617	184
19.	Haryana	Mewat/Nuh-SYB	23	655	427	228

1	2	3	4	5	6	7
20.	Himachal Pradesh	Hamirpur-PNB	29	804	630	174
21.	Jharkhand	Saraikela-PNB	10	216	149	67
22.	Jharkhand	Ramgarh-PNB	34	867	359	508
23.	Jharkhand	Hazaribagh-ALB	29	752	472	280
24.	Jharkhand	East Singhbhum-BOI	9	274	204	70
25.	Karnataka	Gulbarga-KGB	223	3490	290	3200
26.	Karnataka	Chickmagalur-COR	87	2773	1361	1412
27.	Karnataka	Bagalkot-ING	9	2506	1816	690
28.	Karnataka	Dakshina Kannada-RUDSETI	25	644	585	59
29.	Karnataka	Dharwad-RUDSETI	45	1650	1427	223
30.	Karnataka	Chitradurga-RUDSETI	43	1541	1268	273
31.	Karnataka	Mysore-RUDSETI	38	1434	1193	241
32.	Karnataka	Bijapur-RUDSETI	27	1054	881	173
33.	Karnataka	Haveri-VYB	72	2968	2660	308
34.	Karnataka	Mandya-VYB	56	1843	1582	261
35.	Karnataka	Uttara Kannada-SYB	47	1357	1188	169
36.	Karnataka	Belgaum-SYB	42	1705	1374	331
37.	Karnataka	Gadag-SBI(GITSERD)	52	1514	915	599
38.	Karnataka	Ramanagara-CNB	46	2251	1479	772
39.	Karnataka	Kolar-CNB	70	3413	2871	542
40.	Karnataka	Shimoga-CNB	32	1062	883	179
41.	Karnataka	Hassan-CNB	50	2114	1159	955
42.	Kerala	Kasaragod-ANB(BIRED)	23	410	296	114
43.	Kerala	Kollam/Kottiyam-SYB	31	1124	984	140
44.	Kerala	Alappuzha-SBT	1	23	11	12
45.	Kerala	Kottayam-SBT	1	22	15	7

1	2	3	4	5	6	7
46.	Kerala	Pathanamthitta-SBT	9	230	86	144
47.	Kerala	Wayanad-SBT	37	1212	981	231
48.	Kerala	Ernakulam-UBI	24	488	320	168
49.	Kerala	Malapuram-CNB	25	679	411	268
50.	Madhya Pradesh	Bhopal-RUDSETI	21	647	472	175
51.	Madhya Pradesh	Datia-PNB	31	764	568	196
52.	Madhya Pradesh	Rewa-UBI	9	219	219	0
53.	Maharashtra	Pune-BOM	9	197	197	0
54.	Maharashtra	Amravati-BOM	10	223	223	0
55.	Maharashtra	Aurangabad-BOM	10	238	238	0
56.	Maharashtra	Nagpur-BOM	10	210	210	0
57.	Maharashtra	Nashik-BOM	10	229	229	0
58.	Maharashtra	Ratnagiri-BOI	12	452	354	98
59.	Orissa	Ganjam-ANB(ABIRD)	22	463	333	130
60.	Orissa	Baripada-BOI	13	357	255	102
61.	Orissa	Keonjhar-BOI	13	569	567	2
62.	Punjab	Jalandhar-RUDSETI	17	443	259	184
63.	Punjab	Ludhiana-PSB	9	252	211	41
64.	Punjab	Moga-PSB	3	92	82	10
65.	Punjab	Ferozpur-OBC	41	1821	964	857
66.	Punjab	Faridkot-PSB	4	107	99	8
67.	Rajasthan	Bhilwara	0	0	0	0
68.	Rajasthan	Bikaner-SBBJ	21	626	437	189
69.	Rajasthan	Sirohi-SBBJ	13	249	15	234
70.	Rajasthan	Jhalawar(Jhalara Patan)	4	98	98	0
71.	Rajasthan	Nathadwara(Rajasamand)-SBBJ	75	1309	1225	84
72.	Rajasthan	Hanumangarh-SBBJ	6	115	20	95
73.	Rajasthan	Udaipur-BOR	14	1622	1475	147

1	2	3	4	5	6	7
74.	Rajasthan	Tonk-BOB	13	292	201	91
75.	Rajasthan	Karauli-BOB	26	789	266	523
76.	Rajasthan	Chittorgarh-BOB	37	1689	1135	554
77.	Rajasthan	Dungarpur-BOB	30	868	674	194
78.	Rajasthan	Banswara-BOB	35	957	742	215
79.	Rajasthan	Churu-BOB	22	632	266	366
80.	Rajasthan	Ajmer-BOB	61	1461	523	938
81.	Rajasthan	Dausa-UCO	16	817	817	0
82.	Tamil Nadu	Karaikudi Sivagangai-CNB	4	33	28	5
83.	Tamil Nadu	Salem-INB	16	516	516	0
84.	Tamil Nadu	Vellore-INB	36	924	924	0
85.	Tamil Nadu	Coimbatore-CNB	35	1108	1063	45
86.	Uttarakhand	Almora-SBI	10	193	193	0
87.	Uttar Pradesh	Moradabad-SYB	24	988	289	699
88.	Uttar Pradesh	Meerut-SYB	19	540	374	166
89.	Uttar Pradesh	Mathura-SYB	0	0	0	0
90.	Uttar Pradesh	Amethi-BOB	23	569	322	247
91.	Uttar Pradesh	Faizabad-BOB	21	644	308	336
92.	Uttar Pradesh	Bareilly-BOB	17	546	175	371
93.	Uttar Pradesh	Udham Singh Nagar-BOB	0	0	0	0
94.	West Bengal	South 24 Paraganas-UTB	16	361	195	166
95.	West Bengal	Jalpaiguri-CBI	45	719	552	167
96.	West Bengal	Murshidabad-RUDSETI	28	773	439	334
97.	West Bengal	Birbhum-ALB	52	1556	1556	0
98.	West Bengal	Paschim Midnapur-ALB	20	578	365	213
99.	Puducherry	Puducherry-INB	20	519	247	272
	Total		2512	77064	54075	22989

APPENDIX III

COMMITTEE ON RURAL DEVELOPMENT (2010-2011)

EXTRACTS OF THE MINUTES OF THE THIRD SITTING OF THE COMMITTEE HELD ON THURSDAY, THE 6 JANUARY, 2011

The Committee sat from 1500 hrs. to 1730 hrs. in Committee Room No. 'B', Ground Floor, Parliament House Annexe, New Delhi.

PRESENT

Shrimati Sumitra Mahajan — *Chairperson*

MEMBERS

Lok Sabha

2. Dr. Pulin Bihari Baske
3. Shri Kunvarjibhai Mohanbhai Bavaliya
4. Shri Sanjay Dhotre
5. Shri H.D. Kumaraswamy
6. Shri Govind Chandra Naskar
7. Shri Rakesh Pandey
8. Shri P.L. Punia
9. Shri A. Venkatarami Reddy
10. Shri Navjot Singh Sidhu
11. Shri Jagdanand Singh
12. Shri Makansingh Solanki
13. Shri Kodikkunnil Suresh

Rajya Sabha

14. Shri Ganga Charan
15. Sardar Sukhdev Singh Dhindsa
16. Dr. Ram Prakash
17. Shrimati Maya Singh
18. Shri Mohan Singh
19. Dr. (Smt.) Kapila Vatsyayan

SECRETARIAT

1. Shri A. Louis Martin — *Joint Secretary*
2. Shri Shiv Singh — *Director*
3. Shri A.K. Shah — *Additional Director*
4. Shri Raju Srivastava — *Deputy Secretary*

2. The Chairperson welcomed the members to the sitting of the Committee and greeted them on the occasion of 'New Year'. There were four Memoranda regarding draft action taken Reports ***.

3. The Committee first took up for consideration the following memoranda one by one:-

(i) Memorandum No. 7 regarding consideration and adoption of draft action taken Report on the recommendations contained in the Ninth Report of the Committee on Demands for Grants (2010-11) relating to Department of Rural Development (Ministry of Rural Development).

(ii) * * * * * *

(iii) * * * * * *

(iv) * * * * * *

(v) * * * * * *

4. The Committee considered the action taken replies circulated *vide* Memorandum No. 7 and were not satisfied with the Government's replies to the recommendations concerning BPL census, delay in completion of works under MGNREGA and providing last mile connectivity. The Committee noted that the replies were evasive in nature. The Committee, while noting that Planning Commission is responsible for estimation of poverty ratios, felt that there is confusion about the exact number of persons living Below Poverty Line (BPL) in the country. The Committee, therefore, decided to discuss this matter and about delay in conducting BPL Census with the representatives of Planning Commission and Department of Rural Development and about other action taken replies with the representatives of the latter.

5. * * * * * *

6. * * * * * *

7. * * * * * *

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

The Committee then adjourned.

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

APPENDIX IV

COMMITTEE ON RURAL DEVELOPMENT (2010-2011)

MINUTES OF THE FOURTH SITTING OF THE COMMITTEE HELD ON THURSDAY, THE 13 JANUARY, 2011

The Committee sat from 1500 hrs. to 1750 hrs. in Committee Room No. 'C', Ground Floor, Parliament House Annexe, New Delhi.

PRESENT

Shrimati Sumitra Mahajan — *Chairperson*

MEMBERS

Lok Sabha

2. Shri Sanjay Dhotre
3. Shri A. Venkatarami Reddy
4. Shri Navjot Singh Sidhu
5. Shri Jagdanand Singh
6. Dr. Sanjay Singh

Rajya Sabha

7. Shri Mani Shankar Aiyar
8. Shrimati Maya Singh
9. Miss Anusuiya Uikey
10. Dr. (Smt.) Kapila Vatsyayan

SECRETARIAT

1. Shri A. Louis Martin — *Joint Secretary*
2. Shri A.K. Shah — *Additional Director*
3. Shri Raju Srivastava — *Deputy Secretary*

WITNESSES

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

1. Shri P.K. Padhy — Chief Economic Advisor
2. Shri T. Vijay Kumar — Joint Secretary
3. Shri Sanjay Kumar Rakesh — Joint Secretary
4. Shri S.R. Meena — Director

5. Shri Y.S. Dwivedi	—	Director
6. Shri Rohit Kumar	—	Director
7. Smt. Indu Sharma	—	Director
8. Shri P.K. Katare	—	Director
9. Shri B.P. Chandrasekhar	—	Director
10. Shri R. Chouhan	—	Director

Representatives of Planning Commission

1. Ms. Sudha Pillai	—	Member Secretary
2. Dr. Pronab Sen	—	Principal Adviser (PC & MD)
3. Sh. Ashok Sahu	—	Senior Adviser (LEM/PP)
4. Ms. Suman Kaushik	—	Adviser (RD)
5. Dr. P.C. Mishra	—	Director (RD)

2. Welcoming the members to the Sitting of the Committee, the Chairperson apprised the members that as decided at the previous sitting, the Committee would be seeking clarifications from the representatives of Planning Commission and Department of Rural Development (Ministry of Rural Development) on action taken replies furnished by the Department of Rural Development on recommendations contained in their Ninth Report on Demands for Grants (2010-2011) of Department of Rural Development on the issue of delay in finalization of BPL List and also seeking clarifications from the representatives of the Department of Rural Development (Ministry of Rural Development) on the issue of last mile connectivity under PMGSY and delay in completion of works under MGNREGA.

[*Witnesses were then called in*]

4. The Chairperson then read out Direction 59 (1). Thereafter, the Committee sought clarifications from representatives of Planning Commission and Department of Rural Development on the issue of delay in finalization of BPL Survey. The main issues that came up for discussion before the Committee were absence of updated BPL figures in the country, inappropriateness of estimation of poverty by the Planning Commission based on Consumer Expenditure Survey and need for undertaking National Poverty Sample Survey for accurate estimation of poverty in terms of per capita income and multi-dimensional poverty assessment instead of per capita consumption etc. The members raised queries which were responded to by the witnesses.

(Thereafter, the representatives of Planning Commission withdrew).

5. Subsequently, the Committee sought clarifications from the representatives of Department of Rural Development on delay in completion of works under MGNREGA and last mile connectivity under PMGSY. The members raised queries which were answered by the witnesses.

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

The Committee then adjourned.

APPENDIX V

COMMITTEE ON RURAL DEVELOPMENT (2010-2011)

EXTRACTS OF THE MINUTES OF THE FIFTH SITTING OF THE COMMITTEE HELD ON THURSDAY, THE 7TH FEBRUARY, 2011

The Committee sat from 1500 hrs. to 1730 hrs. in Committee Room 'C', Ground Floor, Parliament House Annexe, New Delhi.

PRESENT

Shrimati Sumitra Mahajan — *Chairperson*

MEMBERS

Lok Sabha

2. Shri Kunvarjibhai Mohanbhai Bavalia
3. Shri H.D. Kumaraswamy
4. Shri Raghuvir Singh Meena
5. Shri P.L. Punia
6. Shri Jagdish Sharma
7. Shri Jagdanand Singh
8. Shri Kodikkunnil Suresh
9. Shrimati Usha Verma

Rajya Sabha

10. Shri Mani Shankar Aiyar
11. Dr. Ram Prakash
12. Shrimati Maya Singh
13. Shri Mohan Singh
14. Miss Anusuiya Uikey
15. Dr. (Smt.) Kapila Vatsyayan

SECRETARIAT

1. Shri Brahm Dutt — *Joint Secretary*
2. Shri Shiv Singh — *Director*
3. Shri Raju Srivastava — *Deputy Secretary*

*   *   *   *   *   *

2. *   *   *   *   *   *

3. *   *   *   *   *   *

4. After detailed discussions, the Committee, thereafter considered Memoranda No.(s) 7 **** on Draft Action Taken Reports on action taken by the Government on recommendations contained in Ninth Report *** of the Committee on Demands for Grants (2010-11) of the Department of Rural Development (Ministry of Rural Development) ***, without any modifications.

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

The Committee then adjourned.

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

APPENDIX VI

[*Vide* Para 4 of the Introduction]

ANALYSIS OF THE ACTION TAKEN BY THE GOVERNMENT ON THE RECOMMENDATIONS CONTAINED IN THE NINTH REPORT OF THE STANDING COMMITTEE ON RURAL DEVELOPMENT (15TH LOK SABHA)

I.	Total number of recommendations:	36
II.	Recommendations that have been accepted by the Government: Para Nos.: 2.4, 2.7, 2.16, 2.17, 2.18, 2.48, 2.52, 3.16, 3.23, 3.38, 3.44, 3.80, 3.81, 3.90, 3.113, 3.125, 3.134, 3.148, 3.154, 3.168 and 3.169	21
	Percentage to total recommendations:	(58.33)
III.	Recommendations which the Committee do not desire to pursue in view of the Government's replies: Para Nos.: 2.21, 2.55, 2.56, 3.114, 3.149 and 3.167	6
	Percentage to total recommendations:	(16.67)
IV.	Recommendations in respect of which replies of the Government have not been accepted by the Committee: Para Nos.: 2.45, 2.46, 2.47, 2.54, 3.9, 3.13, 3.17, 3.39 and 3.117	9
	Percentage to total recommendations:	(25.00)
V.	Recommendations in respect of which final replies of the Government are still awaited: Para No. : Nil	
	Percentage to total recommendation:	(0)