

THIRTY-SEVENTH REPORT  
STANDING COMMITTEE ON  
RURAL DEVELOPMENT  
(2012-2013)

(FIFTEENTH LOK SABHA)

MINISTRY OF RURAL DEVELOPMENT  
(DEPARTMENT OF RURAL DEVELOPMENT)

*[Action taken by the Government on the recommendations contained  
in the Thirtieth Report (Fifteenth Lok Sabha) on Demands for  
Grants (2012-13) of the Ministry of Rural Development  
(Department of Rural Development)]*

*Presented to Lok Sabha on 18.12.2012*

*Laid in Rajya Sabha on 18.12.2012*



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## CONTENTS

	PAGE
COMPOSITION OF THE COMMITTEE (2012-2013) .....	(iii)
INTRODUCTION .....	(v)
CHAPTER I Report .....	1
CHAPTER II Recommendations which have been accepted by the Government .....	18
CHAPTER III Recommendations which the Committee do not desire to pursue in view of the Government's replies .....	35
CHAPTER IV Recommendations in respect of which replies of the Government have not been accepted by the Committee .....	36
CHAPTER V Recommendations in respect of which final replies of the Government are still awaited .....	41

### APPENDICES

I. General Status of SECC 2011 as on 31 July, 2012 .....	47
II. Extracts of the Minutes of the Fourth sitting of the committee held on 14 December, 2012 .....	49
III. Analysis of the Action Taken by the Government on the recommendations contained in the Thirtieth Report (15th Lok Sabha) of the Standing Committee on Rural Development .....	51



COMPOSITION OF THE STANDING COMMITTEE ON  
RURAL DEVELOPMENT (2012-2013)

Shrimati Sumitra Mahajan — *Chairperson*

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*Lok Sabha*

2. Shri Thangso Baite
3. Shri Pulin Bihari Baske
4. Dr. Ratna De (Nag)
5. Shri Premchand Guddu
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SECRETARIAT

1. Shri Brahm Dutt — *Joint Secretary*
2. Smt. Veena Sharma — *Director*
3. Shri Sumesh Kumar — *Committee Officer*

## INTRODUCTION

I, the Chairperson of the Standing Committee on Rural Development (2012-2013) having been authorised by the Committee to present the Thirty-seventh Report on their behalf on the action taken by the Government on the recommendations contained in the Thirtieth Report of the Standing Committee on Rural Development (Fifteenth Lok Sabha) on Demands for Grants (2012-13) of the Ministry of Rural Development (Department of Rural Development).

2. The Thirtieth Report (Fifteenth Lok Sabha) was presented to Lok Sabha on 03 May, 2012. The replies of the Government to all the recommendations contained in the Report were received on 06 September, 2012.

3. The draft Report was considered and adopted by the Committee at their sitting held on 14 December, 2012.

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

NEW DELHI;  
14 December, 2012  
23 Agraphayana, 1934 (Saka)

SUMITRA MAHAJAN,  
*Chairperson,*  
*Standing Committee on*  
*Rural Development.*





## CHAPTER I

### REPORT

This Report of the Standing Committee on Rural Development (2012-13) deals with the action taken by the Government on the Observations/Recommendations contained in their Thirtieth Report (Fifteenth Lok Sabha) on Demands for Grants of the Ministry of Rural Development (Department of Rural Development) for the year 2012-2013.

2. The Thirtieth Report was presented to Lok Sabha on 03 May, 2012 and was laid on the Table of Rajya Sabha on the same date. The Report contained 21 Observations/Recommendations.

3. Action Taken Notes in respect of all the Observations/Recommendations contained in the Report have been received from the Government. These have been examined and categorised as follows:—

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

Serial Nos. 2, 4, 6, 9, 10, 11, 12, 14, 15, 16, 18, 19, 20 and 21

Total: 14  
Chapter-II

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

Serial No. Nil

Total: Nil  
Chapter-III

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

Serial Nos. 7, 8, 13 and 17

Total: 04  
Chapter-IV

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

Serial Nos. 1, 3 and 5

Total: 03  
Chapter-V

4. The Committee desire that final replies in respect of Observations/Recommendations for which only interim replies have been submitted by the Government and Action Taken Notes on the Observations/Recommendations contained in Chapter-I of the Report may be furnished to the Committee within three months of the presentation of this Report.

5. The Committee will now deal with action taken by the Government on some of their Observations/Recommendations that require reiteration or merit comments.

**A. Eleventh Five Year Plan—Review of performance and Funds for 12th Five Year Plan**

**Recommendation (Serial No. 1, Para No. 2.1)**

6. In the context of huge amount of unspent balances in major programmes being run by Department of Rural Development during Eleventh Five Year Plan, the Committee had recommended as under:—

“The Committee note that various schemes/programmes of rural development have not received the desired level of allocation of funds from the Planning Commission during the Eleventh Plan period (2007–12). For instance, as against the proposal of about Rs. 3.97 lakh crore for Eleventh Plan, the Ministry received only Rs. 2.90 lakh crore. Coming to the utilization, the Committee are concerned to note that the overall performance of the Department has not been encouraging. For instance, against the available allocation of around Rs. 2.90 lakh crore, the total expenditure during Eleventh Plan was around 2.78 lakh crore leaving about Rs. 12000 crore unutilized. Considering the importance of Rural Development, the Committee feel that there should be higher allocation for the flagship programmes provided that the department is able to properly plan their priorities and strategize their work programmes. They, therefore, recommend that the Department should work out a two-pronged strategy *i.e.*, to increase their financial-absorption capacity and thereafter again take up the matter with the Planning Commission for a realistic higher allocation for the Twelfth Five Year Plan.”

7. The Department in their Action Taken Reply has stated as under:—

**“Indira Aawas Yojana**

Total outlay in the 11th Five Year Plan (2007–12) under Rural Housing was initially Rs. 26882.21 crore, against which Rs. 41997.50 crore were provided. The 11th Plan document had aimed for

construction of 150 lakh houses over the period of five years from 2007–12. However, with an allocation of Rs. 26882.21 crore for total 11th Plan Period and with the then existing financial assistance of Rs. 25,000 (plain areas) and Rs. 27,500 (difficult and hilly areas), only 137 lakh houses could have been constructed as fund allocation was not corresponding to the physical target. Further, with the increase in financial assistance twice over last four years from Rs. 25,000 (plain areas) and Rs. 27,500 (hilly areas) to Rs. 35,000/- (Plain areas) and Rs. 37,500/- (for hilly and difficult areas) *w.e.f.* 1st April, 2008 and to Rs. 45,000/- in plain areas and Rs. 48,500/- (for hilly and difficult areas) *w.e.f.* 1st April, 2010, the physical target got reduced further. Therefore only 139.83 lakh houses were expected to be constructed over 11th Plan period against target of 150 lakh houses even when initial allocation of Rs. 26882.21 crore for 11th Plan actually turned out to be Rs. 41977.50 crore. The physical target got further reduced as 78 Left Wing Extremist Districts [35 Left Wing Extremist districts (LWE) *vide* order dated 7.10.2010, 25 Left Wing Extremist districts (LWE) *vide* order dated 23.2.2011 and 18 Left Wing Extremist districts (LWE) *vide* order dated 10.4.2012] were treated as difficult areas and were made eligible for higher rate of unit assistance provided to hilly/difficult areas.

The final report of the working Group for Rural Housing for the Twelfth Five Year Plan has been submitted to the Planning Commission on 13.10.2011. A Committee of Group of Officers on IAY (GOIAY) has been constituted by the Planning Commission to examine the recommendations of the Working Group on Rural Housing for the 12th Five Year Plan and to suggest changes in IAY in the 12th Five Year Plan. It has been proposed to enhance unit assistance for house construction under IAY to Rs. 75,000 and that unit assistance be enhanced incrementally each year to absorb escalation in cost of materials and labour.

The issue of enhancement of allocation for Indira Aawas Yojana for the 12th Five Year Plan was placed before the Planning Commission. The budget proposed for the year 2012-13 *i.e.* the first year of 12th Five Year Plan was Rs. 28569.90 crore (as grant for 15 million houses and subsidy for 5 million houses). However, against this, Planning Commission has allocated Rs. 11075 crores for Indira Aawas Yojana.

#### **Aajeevika — National Rural Livelihood Mission**

The SGSY has been restructured as National Rural Livelihoods Mission (NRLM). Under NRLM sensitive and dedicated support structures at the National, State, district and sub-district levels

would be set up. The Ministry under NRLM has set up National Mission Management Unit for providing technical assistance to all States/UTs and facilitating in implementation of the programme. The State Governments under NRLM will set up State Programme Management Units at State level, District Programme Management Units at district level, and sub-district units at block and/or cluster levels. These sensitive and dedicated support structures would have suitable linkages with PRIs and other line departments. These support structures would be staffed with professionally competent and dedicated human resources through appropriate arrangements including partnerships and outsourcing of services. A clear objective of this support structure is to incubate an internal sensitive support structure, consisting of the institutions of the poor, their staff and other social capital. The demand driven strategies of NRLM and sensitive support structure at various levels would facilitate the states in implementing NRLM properly and also increasing the financial absorption capacities.

As NRLM follows a demand driven strategy, the States have the flexibility to develop their livelihoods-based perspective plans and annual action plans for poverty reduction.

After taking into account all the requirements of NRLM for the 12th Plan period the Ministry has proposed for an amount of Rs. 48906 crore this plan period. The Ministry also had discussions with Planning Commission on providing the proposed outlay to the Ministry under NRLM for the 12th Plan Period.

#### **Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)**

MGNREGA provides a legal guarantee for up to 100 days of wage employment to every household in a financial year for doing unskilled manual work, on demand to be made following prescribed process. Provisions of MGNREGA are effected as demand driven schemes, to be prepared and implemented by State Governments. There is no allocation of funds to States. MGNREGA is a demand driven and funds are released to States/UTs based on advance projection of labour demand by States/UTs and performance in the generation of actual persondays *vis-à-vis* projected labour demand. Under the Act, Central Government is legally committed/bound to bear the entire expenditure towards wages to be paid to unskilled manual workers along with other expenditure as per provisions of the Act. There has been no shortage of funds for this purpose in the past.

### **Pradhan Mantri Gramin Sadak Yojana (PMGSY)**

PMGSY is implemented through State Governments. Absorption capacity of the States has increased during the last few years. To sustain this and to meet cost escalations, adequate funds are required for achieving the physical targets so that physical pace of implementation does not slow down.

Accordingly financial requirement for the 12th Five Year Plan has been worked out at Rs. 2,12,000 crore has been submitted to Planning Commission."

8. The Committee while noticing less than desired level of allocation of funds to the rural development programmes as well as huge amount of unspent balances, had recommended the Department to work out a two-pronged strategy *i.e.* to increase their financial-absorption capacity and thereafter take up the matter with the Planning Commission for a realistic higher allocation for the Twelfth Five Year Plan. In response the Department has furnished information about the funds sought for various schemes run by the Department from Planning Commission. It is evident from the details furnished that either the allocations are much below than the quantum of funds sought or the Planning Commission is yet to decide in the matter. The Committee also note that the Department is silent on the issue of fine tuning of financial absorption capacity of the Department and States concerned. The Committee expect that the replies of the Government should be complete and elaborate. They therefore, await Government response to their recommendation. While reiterating their recommendation, the Committee desire that the Department should continue pursuing with the Planning Commission for higher allocation of funds for all the schemes run by the Department of Rural Development. The Committee find that it has been proposed to enhance unit assistance per house construction under IAY to Rs. 75,000/-. The Committee desire that as per the practice so far, assistance quantum should be higher for hilly areas.

### **B. BPL Survey**

#### **Recommendation (Serial No. 3, Para No. 2.3)**

9. The Committee in the context of slow pace of Socio Economic and Caste Census (2011) had recommended as under:—

"The Committee have been informed that in June, 2011, the Ministry of Rural Development commenced the Socio Economic and Caste Census (SECC) through a comprehensive door to door

enumeration across the country. The Committee have also been informed that the shortcomings of the 2002 BPL Survey are being addressed comprehensively in the SECC, 2011 with the threefold objectives, namely (i) to enable households to be ranked based on their socio-economic status thereby enabling the State Governments to prepare a list of families living below the poverty line; (ii) to make available authentic information that will enable caste-wise population enumeration of the country; and (iii) to make available authentic information regarding socio-economic condition, and education status of various castes and sections of the population. The Secretary, Rural Development in his deposition before the Committee spelt out various facets of delivery mechanism of the programme *viz.*, automatic inclusion/exclusion criteria, deprivation indicators, incremental weightage to indicators, enumeration blocks etc. The Committee find that the pace of the Census is not progressing as pre-defined targets. Out of total 24.57 lakh enumeration blocks initially identified by the Government, so far, the enumeration has been completed only in respect of 10.26 lakh Blocks *i.e.*, about 42% of the overall target. The Committee are also unhappy to note that the process of enumeration is still to commence in States like Kerala, Tamil Nadu, Manipur and Uttar Pradesh. With the current pace of Census and its uneven coverage, the Committee are not very sure that the entire exercise which was scheduled to be completed by June, 2012 would be completed in stipulated time. The Committee, therefore, are not satisfied with the pace of this programme and recommend that more action oriented approach including regular monitoring of the progress made is called for in co-ordination with the concerned States so that survey could be completed in the right earnest."

10. The Department in their Action Taken Reply have stated as under:—

"The Ministry of Rural Development has been making continuous efforts to ensure that the Socio Economic and Caste Census, 2011 is completed at the earliest. Close monitoring of the progress of the Census operation is being made with the States/UTs through visits and Video Conferencing to sort out the various issues faced by them. The process of enumeration has since been commenced in the States of Tamil Nadu, Kerala, Manipur and Uttar Pradesh. The enumeration has been completed in 1591523 Enumeration Blocks out of the total number of 2482219 EBs, which is 64.12%. The State wise status of the progress of SECC 2011 as on 31.07.2012 is given in the Annexure."

11. In their action taken reply, the Department has stated that the process of enumeration has since been commenced in the States of Tamil Nadu, Kerala, Manipur and Uttar Pradesh. They have also informed that enumeration has been completed in 64.12% Blocks. However, from the State-wise details (as on 31.07.2012), the Committee are dismayed to note that the process of enumeration which is the first stage of BPL survey, has been completed in only 14.35% and 7.47% of the Blocks in Bihar and Uttar Pradesh. This is alarming particularly in the context that these States cover a major chunk of BPL population. The Committee, therefore, would like the Department to give adequate priority to BPL survey and make sincere efforts in order to ensure availability of up-to-date list of rural poor. The Committee, therefore once again reiterate the need of more action oriented approach as well as regular monitoring and coordination with the States concerned for early completion of BPL survey.

### C. Revamping of District Rural Development Agency (DRDA)

#### Recommendation (Serial No. 5, Para No. 2.5)

12. The Committee had recommended as under:—

“The Committee find that the task of restructuring of DRDA was assigned to a Committee headed by Shri V. Ramachandran which was to submit its Report by May, 2011. However, the Ramachandran Committee have submitted its Report to the Ministry of Rural Development in January, 2012 and the Report is under examination by the Government. Considering the importance of functioning of DRDA, the Committee are unhappy to note that the scheme of restructuring of DRDA, which is one of the main implementing agencies of all rural development schemes at District level, is still at the infancy stage and any further delay in implementation of the Ramachandran Committee Report, the process of merger of District Rural Development Agency (DRDA) with District Panchayats has not been completed in majority of States in the country. The Committee recommend that urgent steps be taken to examine the Report and to implement the recommendations of Ramachandran Committee Report followed by necessary followup action to expedite the crucial reforms in DRDA Administration Scheme.”

13. The Department in their Action Taken Reply have stated as under:—

“The comments of the States/UTs on the Report have been received and examined. The recommendations of the Committee have



generally been accepted by the Government. The main recommendations of the Committee are:—

- (i) The society structure of DRDA should be dissolved forthwith following due process. The existing staff should be absorbed by the respective line departments.
- (ii) District Plan Support Unit (DPSU) to be set up with the responsibility to prepare a district level holistic anti-poverty sub plan converging all the centrally sponsored schemes directly related to the poverty reduction along with similar schemes of the state and local governments and oversee and guide convergent implementation.
- (iii) DPSU to be a lean and coherent professional team driven by a shared vision to eliminate poverty, and it should be located within the District Planning Committee (DPC) as a distinct part of its technical secretariat. However, as DPCs are still in the nascent stage in almost all the states, in the interim during the period of Twelfth Five Year Plan, this unit could be part of the Zila Parishad except in States where DPCs are fully functional.
- (iv) Besides preparing anti-poverty sub plan, DPSU would also be responsible for capacity building, monitoring and evaluation, conducting surveys and studies and documentation of best practices.
- (v) In the North-East wherever Autonomous District Councils (ADCs) are in charge of planning for poverty reduction, the DPSU would support the ADCs."

**14. The Committee note that the Government is in process of taking follow-up action on the recommendations of the Committee constituted under chairmanship of Sh. V. Ramchandran. The recommendations of Ramchandran Committee *inter-alia* include dissolving DRDA and entrusting the responsibility to PRIs at District level. Since, the institution of DRDA was set up with some given responsibilities, the Committee expect that the Government would take the final decision in regard to dissolving DRDAs after ensuring that the process does not have any adverse impact on any of the ongoing rural schemes.**

**D. Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)**

**Recommendation (Serial No. 6, Para No. 2.6)**

15. The Committee had recommended as under:—

"The Committee find that MGNREGA is a flagship programme of the Government which aims at providing livelihood security of people in rural areas by guaranteeing at least 100 days of wage



employment in a financial year to every household whose adult members volunteer to do unskilled manual work. The Committee note with concern that as against the minimum of 100 days of work, the Department could provide an average of 42 days of work during the fiscal year 2011-12. They further find that during the previous years, the number of days of work provided under the scheme was 47 days in 2010-11 and 54 days in 2009-10. The Committee are constrained to believe that the basic methods of assessment of demand are flawed due to which the number of days of employment are receding. The committee are further dismayed to note that number of work days in States like Bihar, Uttar Pradesh was as low as 31 as if people did not need any work. Similarly, in populated States like Uttar Pradesh and Bihar, the percentage of families who got 100 days work was less than 10 percent. It appears that in the name of "demand driven", no real efforts are made at local level to ensure that work is given to the people. The Committee are also not very sure about the involvement of Panchayats/Gram Sabhas in the matter. The committee, therefore, would like the Government to re-examine the entire implementation process including creation of durable assets to take remedial measures."

16. The Department in their Action Taken Reply have stated as under:—

"The objective of MGNREGA is to supplement the income of a rural household and it is not intended to be the sole means of earning livelihood for the rural population. It is demand driven and households holding job cards are required to demand employment following a prescribed process. The workers are free to avail any other employment opportunities available to them. Provisions of MGNREGA are effected as demand driven schemes, to be prepared and implemented by the State Governments and it is the responsibility of the State Governments concerned to provide the number of days of employment guaranteed under section 3 of the Act, if demanded. As employment is provided on demand, households provided employment and persondays generated under MGNREGA by the States/UTs depend on demand for employment.

Section 16(1) of Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) provides that Gram Panchayats shall be responsible for identification of projects in the Gram Panchayat area to be taken up under the scheme as per the recommendations of the Gram Sabha and Ward Sabhas. Section 13(1) of MGNREGA

provides that the Panchayats at district, intermediate and village levels shall be the principal authorities for planning and implementation of the schemes made under the Act. Panchayats have been given a pivotal role in the planning and implementation of projects under MGNREGA. The Act [Section 16(5)] mandates that the Programme Officer shall allot at least 50% of the works in terms of cost to be implemented through Gram Panchayats. However involvement of Gram Panchayats would depend on their capacities, pro-activeness and of extent of autonomy and assertions exercised by them.

After review of MGNREGA operational Guidelines, recently a large number of additional activities/works have been included in Schedule-I of the Act *vide* notification dated 4.5.2012 to broaden scope of works under MGNREGA. The availability of more works under MGNREGA is expected to increase the number of persondays."

**17. The Committee while noticing declining trend of employment generation under MGNREGA specially in States like Uttar Pradesh and Bihar had desired the Department to re-examine the entire implementation process including creation of durable assets to take remedial measures. The Department in their reply, apart from mentioning about objective of MGNREGA to supplement the income of a rural household and not intended to be the sole means of earning livelihood for the rural population has stated that recently a large number of additional activities/works have been included in Schedule-I of the Act to broaden scope of works under MGNREGA. The availability of more works under MGNREGA is expected to increase the number of persondays. The Committee are of view that mere inclusion of added categories of work will not help to improve performance of MGNREGA unless it is augmented by strengthening capacity of Panchayats for planning. The Committee, therefore desire the Department to take steps in this regard for effective utilization of funds of MGNREGA and creation of durable assets.**

#### **E. Payment of Unemployment Allowances**

##### **Recommendation (Serial No. 7, Para No. 2.7)**

18. The Committee had recommended as under:—

"The Committee are also deeply disturbed that government is yet to effectively implement Section 7 of MGNREGA which stipulates the provision of unemployment allowance to households if the

work they seek is not given. In cases where work is not given, the unemployment allowance should be provided by the State Government and Central Government should also contribute for the purpose.”

19. The Department in their Action Taken Reply have stated as under:—

“The provisions in Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) are effected through Schemes to be formulated by States under Section 4(1) of the Act. All State Governments are required to make wage payments including payment of unemployment allowance to the beneficiaries in accordance with the provisions of MGNREG Act. Payment of unemployment allowance to entitled MGNREGA applicants is a legal requirement as per various provisions in the Act. As per Section 7(3) to 7 (6) of the Act, liability for payment of unemployment allowance is on the concerned State Government and it is to be sanctioned and disbursed by the Programme Officer or such local authority as the State Governments may notify. Payment of unemployment allowance shall be made not later than 15 days from the date on which it becomes due and the procedure for payment of unemployment allowance is to be prescribed by the State Governments. As per the provisions of section 22 (2), the State Governments are required to meet the cost of unemployment allowance payable under their respective schemes. The States/UTs have been advised from time to time to comply with the provisions in the Act regarding payment of unemployment allowance to entitled workers following the same pattern as the payment of wages.”

**20. In response to recommendation of the Committee about payment of unemployment allowances to workers as provided in the Act and need of sharing responsibility by the Central Government along with States concerned, the Department has brought out the existing provision in the Act stating that the State Governments are required to meet the cost of unemployment allowances payable under their respective schemes. The Department has further stated that States/UTs are advised from time to time to comply with the provisions in the Act regarding payment of unemployment allowance to entitled workers following the same pattern as the payment of wages. The Committee are of the view that Department cannot shirk its responsibility even if as per the Act States are required to shoulder this expenditure as it will go against the spirit of legal**

guarantee of employment as provided in the Act. The Committee, therefore desire that the Department should explore ways to implement provision regarding payment of unemployment allowances to the workers.

**F. Pradhan Mantri Gram Sadak Yojana (PMGSY)**

**Recommendation (Serial No. 12, Para No. 2.12)**

21. The Committee had recommended as under:—

“The Committee find that under PMGSY (including Bharat Nirman), the physical performance was not at all satisfactory. For example, regarding habitations under new connectivity, the Department could achieve 52 per cent of the targets, regarding length of new connectivity, the Department could achieve 56 per cent of the targets. Further for upgradation, against the targets of 3,74,844 habitations, only 1,37,634 habitations have been achieved till February, 2012. The Committee apprehend that with the current pace of implementation of PMGSY, the department may not be able to achieve the objective of providing all-weather road connectivity to the rural areas of the country in the near future. They, therefore, recommend that immediate corrective steps be initiated by the Government in this regard and the Committee be apprised accordingly. The Committee also recommend that the Ministry should also address the specific problems of states like Kerala where the existing guidelines are hampering the progress of work so that unconnected habitations are appropriately connected.”

22. The Department in their Action Taken Reply have stated as under:—

“It is true that 52% of the habitations were connected upto February, 2012. However, against the target of 1,58,849 habitations eligible for connecting under PMGSY, 1,14,433 habitations were cleared upto February, 2012 which comes to 72%. Out of this, 82,478 habitations were connected and remaining 31,955 habitations were at various stages of getting connected. Similarly, 76% of the total eligible road length *i.e.* 2,79,811 km. was sanctioned upto February, 2012. Out of which, 2,05,927 km. was constructed and construction of remaining 73,884 km. of road length under PMGSY was at various stages of completion. As regards Upgradation, the target of 3,74,844 km. road length as mentioned in the para includes renewal also which is to be done by the State Governments. The

target of the Central Government is for Upgradation of 2,24,841 km. of road length against which 1,64,096 km. has been sanctioned (73%). Out of this, 1,37,701 km. was completed and remaining 26,394 km. at various stages of completion.”

**23. In response to recommendation of the Committee about need of corrective steps to increase speed of construction of roads under PMGSY (including Bharat Nirman) and to address specific problems of States like Kerala, the Department has stated that 82,478 habitations out of 1,14,433 habitations cleared upto February, 2012 i.e. 72% were connected and remaining 31,955 habitations were at various stages of getting connected. The Department has also mentioned that 2,05,927 kms. were connected out of sanctioned eligible road length of 2,79,811 kms. upto February, 2012. The Committee are of the considered view that there is urgent need to enhance the pace of construction of roads in rural India in order to bring them to the mainstream of economic life of the country. The Committee, therefore reiterate early completion of on-going construction of roads in over 30,000 habitations. Needless to emphasise that the Department would work for early solution in consultation with concerned States like Kerala so that all habitations across the country are connected with proper roads.**

#### **G. Funds Allocation for PMGSY**

##### **Recommendation (Serial No. 13, Para No. 2.13)**

24. The Committee had recommended as under:—

“On the issue of availability of funds for PMGSY, the Committee find that during the Tenth and Eleventh Plan periods, the Department has not been able to get the requisite support from the Planning Commission. For instance, for the Tenth Plan (2002-07), the Department proposed an allocation of Rs. 55,000 crore, whereas, the Planning Commission had approved a plan outlay of Rs. 12,500 crore only. Similarly, for the Eleventh Plan (2007-12), the Department proposed an allocation of Rs. 81,801 crore, whereas, the Planning Commission had approved a Plan outlay of Rs. 59,751 crore. For the Twelfth Plan and the funds allocated for the first year of the Plan *viz.*, 2012-13, the Committee are dismayed to note that though the Department had proposed an allocation of Rs. 2.12 lakh crore for the Twelfth Plan, the Planning Commission has allocated a meagre Rs. 24,000 crore for the fiscal year 2012-13 and at this level, Twelfth Plan allocation will come to about Rs. 1.20 lakh crore. The Committee, therefore, recommend that the

Planning Commission should find ways and means of making available higher allocation in the Twelfth Plan for PMGSY particularly when the scheme has been opened for the states for covering habitations with population below the 1000 set under Bharat Nirman in stages *i.e.*, 500-900, 250-499 based on coverage of higher category. This was earlier stopped by the Government in the name of Bharat Nirman norms and this has added to the backlog of pending connectivity to habitations through pucca roads.”

25. The Department in their Action Taken Reply have stated as under:—

“The position of demand for 10th, 11th and 12th Five Year Plan, approved outlay and the actual allocation, is as under:—

(Rs. in crore)

	Demand of the Ministry	Approved outlay	Actual allocation
10th Five Year Plan	55,000	12,500	17,786
11th Five Year Plan	81,801	59,751	86,120 (86,101.25)*
12th Five Year Plan	2,12,000	Not yet decided	24,000 against demand of 30,000 for the year 2012-13.

\*The Budgetary Outlay for PMGSY for the year 2011-12 was reduced by Rs. 18.75 crore at RE stage due to less receipt of Cess amount.

26. The Committee while noticing the trend of less than desired allocation to PMGSY had recommended that the Planning Commission should find ways and means of making available higher allocation in the Twelfth Plan for PMGSY particularly when the scheme has been opened for the States for covering habitations with population below the 1000 set under Bharat Nirman in stages *i.e.*, 500-900, 250-499 based on coverage of higher category. The Ministry in their action taken reply has stated that Planning Commission is yet to decide on demand of Rs. 2,12,000 crore for PMGSY. The Committee are of the view that investment in infrastructure such as roads in rural areas would provide a momentum to rural economy. The Committee, therefore once again reiterate their recommendation for higher allocation to PMGSY and desire the Department to pursue with the Planning Commission/Ministry of Finance.

## **H. Provision of Urban Amenities in Rural Areas (PURA)**

### **Recommendation (Serial No. 17, Para No. 2.17)**

27. In context of continuation of PURA as pilot project mode, the Committee had recommended as under:—

“The Committee note that PURA scheme was started as a pilot project 2003-04 and continued till 2009-10. The Government restructured PURA in 2010 and decided to initiate new pilot project in PPP mode, wherein, the private developers will be awarded projects on meeting certain specified criteria. The Committee further note that Rs. 156.20 crore was released to DRDA during 2010-11 and 2011-12 for implementation of PURA. Apart from this, Rs. 30 crore were released in 2009-10 for pilot project undertaken during 2004-05 to 2006-07. However, the Committee are dismayed to find that no concrete infrastructure has been created in any of the pilot projects. The Committee are of considered view that a period of nine years for any scheme to continue on a pilot project mode is sufficient to weigh the pros and cons in entirety and therefore, there is no need to run PURA scheme again on a pilot mode. The Committee, therefore, are not satisfied with the way this important scheme is being handled and recommend that more action-oriented approach is called for and the Ministry would take conclusive action in the matter.”

28. The Department in their Action Taken Reply have stated as under:—

“The Provision of Urban Amenities in Rural Areas scheme was initially implemented on a pilot basis for three years, from the year 2004-05 to 2006-07. During this period and subsequently steps were taken to restructure the scheme. The budgetary provision for the year 2007-08, 2008-09 and 2009-10 were Rs. 10.00 crore, Rs. 30.00 crore and Rs. 30.00 crore respectively. Funds were not released in these years as the scheme was being restructured.

The restructured PURA scheme was approved for implementation under PPP mode by Cabinet Committee on Economic Affairs (CCEA) on 21.01.2010. The restructured PURA scheme proposes holistic and accelerated development of compact areas around a potential growth centre in a Gram Panchayat (or a group of Gram Panchayats) through Public Private Partnership (PPP) framework for providing livelihood opportunities and urban amenities to improve the quality of life in rural areas.



The rolling out of the restructured PURA scheme was initiated by formulation of Guidelines. Subsequently, a notice was issued inviting Expression of Interest (EoI) from private sector entities for selecting the private partners. 93 EoIs were received out of which 45 organizations qualified at the EoI Stage. After the RFP stage evaluations were complete, only nine organizations could submit 14 proposals out of which 11 proposals qualified. The concerned private entities were asked to submit to Detailed Project Report (DPR). In response, 6 organizations submitted 9 DPRs. An experts group evaluated the DPRs and suggested many improvements. The qualified bidders have been requested to submit the revised DPRs by 30th September 2011. Inter-Ministerial Empowered Committee has approved two projects in Kerala, *i.e.* Thalikulam and Thirurangadi cluster which have been inaugurated on 24.2.2012. Efforts are being made to launch the remaining projects in the coming months.

Thus, the restructured Scheme is being implemented on pilot basis effectively from 21.1.2010. Budgetary provision of the scheme is Rs. 248 crore for the 11th Plan period. Of the allocation of Rs. 124 crore for the year 2010-11 an amount of Rs. 66.24 crore was released to the DRDAs. The allocation for the year 2011-12 was Rs. 100 crore of which an amount of Rs. 90 crore was released to DRDAs. The remaining Rs.10 crore pertaining to the North-Eastern States has been surrendered as no proposals were received for these States. The two projects inaugurated in Kerala are under 'condition precedent period' (six months from the date of signing of agreement) and the creation of assets will start after this period. Concentrated efforts are being made to bring the remaining pilot projects for consideration by the Empowered Committee.

The Working Group constituted by the Planning Commission has also suggested for taking up of 10-12 more pilot projects during the 12th Plan. Accordingly, this Ministry has called for 'Expression of Interest' from private developers for PURA 2.0 and the last date of submission of EoIs is 6th August, 2012."

**29. The Committee while noticing that the Provision of Urban Amenities in Rural Areas (PURA) scheme which was started as a pilot project in 2003-04 was restructured in 2010 and decided to be continued in PPP mode, had expressed the view that there was no need to run PURA scheme again on pilot mode. The Committee had desired the Department to adopt more action-oriented approach in their action taken reply, the Department has stated that it has**



restructured PURA scheme and Cabinet Committee on Economic Affairs (CCEA) has approved it on 21.01.2010. The Department has also informed that after due process two projects have been started in Kerala under PPP mode and Department has also called for 'Expression of Interest' from private developers for PURA 2.0 after suggestion of the Working Group constituted by the Planning Commission. The Committee are of view that PURA is very noble concept that may have far reaching benefits for betterment of our rural prosperity. However, there must be a time limit for completion of project so that tangible benefits can be seen on the ground. But, unfortunately experience of earlier projects on PURA has not yielded any tangible result. The Committee, therefore, once again reiterate their recommendation and desire the Department to fix a time limit for completion of projects within approved budget outlays. The Committee are unhappy to find that the Ministry has further proposed pilot projects for 12th Plan. With this it is quite clear that the Government is not very serious about implementation of PURA scheme. The Committee deplore such half hearted approach of the Government and accordingly strongly recommend that the scheme should be implemented at the earliest in proper mode leaving out pilot mode.

## CHAPTER II

### RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

#### **Recommendation (Serial No. 2, Para No. 2.2)**

The Committee observe that the outlay for the fiscal year 2012-13 is Rs. 73,175 crore, which is around Rs. 925 crore lower than that of previous fiscal year. The Committee also note that during this fiscal year, though there is increase in allocation of funds for various schemes like Ajeevika (NRLM), Indira Aawas Yojana and Pradhan Mantri Gram Sadak Yojana, there is significant reduction of funds to the tune of Rs. 7000 crore under MGNREGA. The Committee regret to note that reduction of 17.5 percent funds for MGNREGA will retard the momentum of progress in the vital area of employment and therefore would adversely impact the rural populace. The increase in allocation of funds for other schemes is also to be viewed in the context of inflation, wherein, the funds may not have enhanced in real terms. The Committee, therefore, strongly recommend that the issue of additional funds for these schemes, especially the MGNREGA, be vigorously pursued with the Planning Commission/Ministry of Finance. The inclusive growth and overall development of 740 million rural people spread over 625 Districts, especially in view of India's static position in the UN Human Development Index over the last two decades inspite of GDP growth, would only be possible when adequate funds are allocated for rural schemes.

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

##### **(1) Rural Housing Indra Aawas Yojana**

As per the estimation of the Working Group for Rural housing for the 12th Five Year Plan housing shortage can be assumed as 40 million. From the current trends of housing in rural India, It can be assumed about half of the current shortage of 40 million houses would require financing through IAY and interest subsidy assistance. The rest of the 20 million households would be able to construct their houses through State Schemes and their own sources including informal sources. The proposed budget for Rural Housing for the 12th Five Year Plan is Rs. 1,50,000 crore for construction of 20 million houses(15 million through grant and 5 million through subsidy).

## **(2) Ajeevika**

The outlay of NRLM for the year 2012-13 is Rs. 3915 crore which has been increased by 34% from the last year outlay which was Rs. 2914 crore.

## **(3) Mahatma Gandhi National Rural Employment Gurantee Act (MGNREGA)**

MGNREGA provides a legal guarantee for up to 100 days of wage employment to every household in a financial year for doing unskilled manual work, on demand to be made following prescribed process. Provisions of MGNREGA are effected as demand driven schemes, to be prepared and implemented by State Governments. There is no allocation of funds to States. MGNREGA is a demand driven and funds are released to States/UTs based on advance projection of labour demand by States/UTs and performance in the generation of actual persondays *vis-à-vis* projected labour demand. Under the Act, Central Government is legally committed/bound to bear the entire expenditure towards wages to be paid to unskilled manual workers along with other expenditure as per provisions of the Act. There has been no shortage of funds for this purpose in the past.

## **(4) Pradhan Mantri Gramin Sadak Yojana (PMGSY)**

For the 12th Plan the Department had proposed an allocation of Rs. 2,12,000 crore. The Planning Commission has allocated Rs. 24,000 crore for the current financial year *i.e.* 2012-13 whereas allocation in 2011-12 was Rs. 20,000 crore.

[O.M. No. H-11020/05/2012-GC(P) Dated: 16.08.2012, Department of Rural Development (Ministry of Rural Development)]

### **Recommendation (Serial No. 4, Para No. 2.4)**

The Committee find that under the Socio-Economic and Caste Census, 2011, the eligibility and entitlements of the households will be determined only after the survey is completed and the Expert Committee have given their recommendations on the methodology. The Committee are unhappy to note that there is an element of ambiguity on the part of Department in making available the BPL list soon after the completion of survey under SECC. In this connection, the most vital aspect with regard to BPL was identification of genuine poor in the BPL list. Though the Department has informed that under the SECC, the margine of inclusion/exclusion has been significantly

reduced and the automatic exclusion criteria also reduces the possibility of trespass of ineligible households into the BPL list. The Committee would like to be ensured that through proposed exclusion mechanism no genuine BPL family is left out from the list. The Committee, therefore, recommend that appropriate checks and balances should be ensured by the Department so that the entire exercise would facilitate the formulation of improved social welfare schemes for the needy rural populace of the country.

### **Reply of the Government**

In the ongoing Socio Economic and Caste Census-2011, a series of measures has been put in place to ensure that there is no misreporting. All data will be entered in a hand held devices which will greatly reduce the chances of data entry errors, and no possibility of interpolation or falsification of information. The information captured in the hand held device will be read out to the respondent who will verify it. The data collected will be verified by in the Panchayat. After all the information is collected from an Enumeration Block, a draft publication list will be prepared for verification and the list will be read out at the Gram Sabha in all rural areas. Any person can file claims/objections and information furnished before designated officers for the purpose. The draft list will be made available at the Gram Panchayat, Block Development Office, Charge Centre and District Collector's Offices. The list will also be uploaded on the NIC/State Governments, etc. websites. The methodology is expected to ensure that no poor or deprived household will be excluded from coverage under the different Government programmes and schemes.

[O.M. No. H-11020/05/2012-GC(P) Dated: 16.08.2012, Department of Rural Development (Ministry of Rural Development)]

### **Recommendation (Serial No. 6, Para No. 2.6)**

The Committee find that MGNREGA is a flagship programme of the Government which aims at providing livelihood security of people in rural areas by guaranteeing at least 100 days of wage employment in a financial year to every household whose adult members volunteer to do unskilled manual work. The Committee note with concern that as against the minimum of 100 days of work, the Department could provide an average of 42 days of work during the fiscal year 2011-12. They further find that during the previous years, the number of days of work provided under the scheme was 47 days in 2010-11 and 54 days in 2009-10. The Committee are constrained to believe that the basic methods of assessment of demand are flawed due to which the

number of days of employment are receding. The Committee are further dismayed to note that number of work days in States like Bihar, Uttar Pradesh was as low as 31 as if people did not need any work. Similarly, in populated States like Uttar Pradesh and Bihar, the percentage of families who got 100 days work was less than 10 per cent. It appears that in the name of 'demand driven', no real efforts are made at local level to ensure that work is given to the people. The Committee are also not very sure about the involvement of Panchayats/Gram Sabhas in the matter. The Committee, therefore, would like the Government to re-examine the entire implementation process including creation of durable assets to take remedial measures.

### **Reply of the Government**

The objective of MGNREGA is to supplement the income of a rural household and it is not intended to be the sole means of earning livelihood for the rural population. It is demand driven and households holding job cards are required to demand employment following a prescribed process. The workers are free to avail any other employment opportunities available to them. Provisions of MGNREGA are effected as demand driven schemes, to be prepared and implemented by the State Governments and it is the responsibility of the State Governments concerned to provide the number of days of employment guaranteed under Section 3 of the Act, if demanded. As employment is provided on demand, households provided employment and persondays generated under MGNREGA by the States/UTs depend on demand for employment.

Section 16(1) of Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) provides that Gram Panchayats shall be responsible for identification of projects in the Gram Panchayat area to be taken up under the scheme as per the recommendations of the Gram Sabha and Ward Sabhas. Section 13(1) of MGNREGA provides that the Panchayats at district, intermediate and village levels shall be the principal authorities for planning and implementation of the schemes made under the Act. Panchayats have been given a pivotal role in the planning and implementation of projects under MGNREGA. The Act [Section 16(5)] mandates that the Programme Officer shall allot at least 50% of the works in terms of cost to be implemented through Gram Panchayats. However, involvement of Gram Panchayats would depend on their capacities, pro-activeness and of extent of autonomy and assertions exercised by them.

After review of MGNREGA operational Guidelines, recently a large number of additional activities/works have been included in Schedule-I of the Act *vide* notification dated 4.5.2012 to broaden scope

of works under MGNREGA. The availability of more works under MGNREGA is expected to increase the number of persondays.

[O.M. No. H-11020/05/2012-GC(P) Dated: 16.08.2012, Department of Rural Development (Ministry of Rural Development)]

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

(Please see Paragraph No. 17 of Chapter I of the Report.)

#### **Recommendation (Serial No. 9, Para No. 2.9)**

The Committee's examination of the works taken up under MGNREGA, average wage per day person and average earning per household per year has revealed that there is a mismatch in the deliverables. For instance, during 2009-10, 46.17 lakh works were taken up by the implementing agencies and on the basis of average wage of Rs. 90 per day per person, the yearly earning per household was Rs. 4860. Similarly, during the fiscal year 2011-12 (upto 15 March, 2012), 68.27 lakh works were taken up under MGNREGA *i.e.*, an increase of around 48 percent and the average wage has also increased to Rs. 117 per day per person. However, the yearly earning per household has decreased to Rs. 4289 and taking into inflation, this would be even much less in real terms. The Committee are unhappy to find that MGNREGA is beset with fundamental problems with regard to attainment of objectives for which the scheme was launched as a major programme of the Department to give work for minimum 100 days to a family. The Committee, therefore, recommend that the Department should find ways and means to ensure that there is not only yearly increase in the works to be taken up under the scheme but also appreciation in the average earning per household by increasing the number of work days.

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

During 2011-12 (up to 16 May, 2012), 74.14 lakh works (now and spill over from previous year) were taken up under MGNREGA and yearly earning per household has increased to Rs. 4975, as compared to 46.17 lakh works taken up by implementing agencies during 2009-10 and the yearly earning per household of Rs. 4860.

[O.M. No. H-11020/05/2012-GC(P) Dated: 16.08.2012, Department of Rural Development (Ministry of Rural Development)]

#### **Recommendation (Serial No. 10, Para No. 2.10)**

The Committee note that SGSY has been rechristened as Aajeevika-NRLM to implement it in mission mode in a phased manner for targeted and time bound delivery of results. However, the Committee

observe that ambitious mission of the Department is running behind the schedule. The Committee find that so far twenty-one States and one UT have set up State level society as SRLM for implementation of NRLM, whereas, only Andhra Pradesh, Bihar and Kerala have submitted State Perspective Plans and Action Plans for which fund have been released by the Department during the year 2011-12. The Committee also note that most of the States except Andhra Pradesh, Bihar and Kerala are yet to set up dedicated State Project Management Units (SPMUs), District Programme Management Units (DPMUs) and Block Programme Management Units (BPMUs). The Committee also observe that federation of SHGs have not been established at any level in States/UTs except in Andhra Pradesh, Kerala, Odisha, Bihar, Tamil Nadu and Madhya Pradesh. The Committee, therefore, recommend that the department should take immediate steps in coordination with State Governments concerned for establishment of necessary mechanism for time bound achievement of objectives of NRLM.

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

The Ministry agrees with the comments of the Standing Committee that in some of the States the implementation of NRLM is running behind schedule.

For a State to become NRLM compliant, first they have to set up a new society or designate an existing society as the State Rural Livelihoods Mission (SRLM). A CEO and a State Project Management Unit (SPMU) must be positioned in the SRLM. The State's poverty reduction action plan should be prepared and submitted to the Ministry. Several steps are required to be taken in order to complete these activities. These require inter-departmental consultations and approvals of the State cabinet. These are all time consuming processes. The action plans also have to go through a process of desk appraisal and field appraisal by the Ministry before they can be placed before the Empowered Committee (EC) of NRLM in the Ministry. Once the plans are approved by the EC, funds are released to the State Society by the Ministry for NRLM implementation.

During 2012-13, Annual Action Plans (AAPs) of 7 States have been approved by the Empowered Committee. These are in addition to the AAPs of Andhra Pradesh, Bihar & Kerala that were approved during 2011-12. The funds have been released to the State Societies of these States. These States are in process of implementation of NRLM.

The draft AAPs 2012-13 have also been submitted by 12 other States. The Ministry has examined these AAPs and communicated the observations on these plans to the States. These States are now in the



process of finalising their AAPs. It is expected that during 2012-13, the action plans of these States will also be approved by the EC and the implementation of NRLM will be started in these States. The remaining States/UTs are in the process of transitions from SGSY to NRLM. It is expected that most of the remaining States will transit to NRLM by the end of the financial year 2012-13.

The Ministry is making all the efforts for systematic implementation of NRLM and time bound achievement of objectives of NRLM. The Ministry has set up a National Mission Management Unit (NMMU) by inducting professionals and thematic experts of various streams under NRLM for providing technical assistance to all States/UTs for facilitating them in setting up of State Rural Livelihoods Mission, preparation of Annual Action Plans, identification of intensive districts/ blocks and preparation of various Manuals etc.

Keeping in view that NRLM is a process oriented scheme, the implementation of the scheme within a State will be done in phases. The States will start work for setting up of federation in the villages/ blocks as per the phasing strategy of the scheme.

[O.M. No. H-11020/05/2012-GC(P) Dated: 16.08.2012, Department of Rural Development (Ministry of Rural Development)]

**Recommendation (Serial No. 11, Para No. 2.11)**

The Committee also note that during the Eleventh Plan, about Rs. 11,160 crore were released under SGSY/NRLM by the Central Government and about Rs. 18,000 crore was provided as loan to SHGs. However, the Committee are surprised to find that even after incurring huge expenditure under the scheme, the Department does not have any mechanism to track the progress of beneficiaries who have availed loan/subsidy under the scheme. The Committee feel that in the absence of any mechanism to track the progress of beneficiaries, there would not be any accountability with regard to enormous expenditure incurred by the Ministry. The Committee are of considered view that tracking and monitoring of progress of beneficiaries should be a fundamental requirement for assessing the utility of expenditure made by the Government for reduction of poverty which is one of its stated objectives. The Committee, therefore, strongly recommend that the Department should expedite the process of completion of online monitoring system for tracking the progress of beneficiaries as planned under NRLM without further loss of time.



## Reply of the Government

One of the weaknesses of SGSY was that a formal mechanism at the central level for tracking the progress of beneficiaries (who have availed loan/subsidy under the scheme) was missing. At the level of Block banks only records regarding credit and subsidy disbursed to the beneficiaries. Similar was condition at district and State levels. There as no continuous monitoring of the well being of the beneficiaries. One of major reasons being that there was no staff dedicated for SGSY implementation at block level. These defects are being rectified in NRLM.

Under NRLM, Monitoring of the programme will be done in three way— (i) through the community institutions *i.e.* the federations of SHGs at various levels; (ii) through the dedicated support structure provided at the various levels in the States; and (iii) an ICT based MIS and M&E systems.

- (i) **Monitoring through Institutions of the Poor (IoPs):** Under NRLM federations of SHGs will be set up at various levels. These federations will provide the continuous hand-holding support to the SHGs and will also undertake monitoring of their activities. Mechanisms for monitoring by these institutions will be put in place. In addition, the IoPs will also be involved in social audit of the programme.
- (ii) **Monitoring through the dedicated implementation structure:** NRLM provides for a dedicated implementation structure for programme implementation right from State level to block level. The professionals at each level will, in addition to forming and hand-holding the SHGs and their federations will also monitor their progress.
- (iii) **e-NRLMS:** Under NRLM the Ministry is in process of developing complete ICT based system e-NRLMS which will include a Management Information System (MIS), Fund Management System (FMS) and a Monitoring and Evaluation System ( M&ES). This will enable NRLM to collect all the relevant information regarding the beneficiaries including monitoring of the progress of the beneficiaries who have availed bank credit.

[O.M. No. H-11020/05/2012-GC(P) Dated: 16.08.2012, Department of Rural Development (Ministry of Rural Development)]

### **Recommendation (Serial No. 12, Para No. 2.12)**

The Committee find that under PMGSY (including Bharat Nirman), the physical performance was not at all satisfactory. For example, regarding habitations under new connectivity, the Department could achieve 52 per cent of the targets, regarding length of new connectivity, the Department could achieve 56 per cent of the targets. Further for upgradation, against the targets of 3,74,844 habitations, only 1,37,634 habitations have been achieved till February, 2012. The Committee apprehend that with the current pace of implementation of PMGSY, the department may not be able to achieve the objective of providing all-weather road connectivity to the rural areas of the country in the near future. They, therefore, recommend that immediate corrective steps be initiated by the Government in this regard and the Committee be apprised accordingly. The Committee also recommend that the Ministry should also address the specific problems of States like Kerala where the existing guidelines are hampering the progress of work so that unconnected habitations are appropriately connected.

### **Reply of the Government**

It is true that 52% of the habitations were connected upto February, 2012. However, against the target of 1,58,849 habitations eligible for connecting under PMGSY, 1,14,433 habitations were cleared upto February, 2012 which comes to 72%. Out of this, 82,478 habitations were connected and remaining 31,955 habitations were at various stages of getting connected. Similarly, 76% of the total eligible road length *i.e.* 2,79,811 km. was sanctioned upto February, 2012. Out of which, 2,05,927 km. was constructed and construction of remaining 73,884 km. of road length under PMGSY was at various stages of completion. As regards Upgradation, the target of 3,74,844 km. road length as mentioned in the para includes renewal also which is to be done by the State Governments. The target of the Central Government is for Upgradation of 2,24,841 km. of road length against which 1,64,096 km. has been sanctioned (73%). Out of this, 1,37,701 km. was completed and remaining 26,394 km. at various stages of completion.

[O.M. No. H-11020/05/2012-GC(P) Dated: 16.08.2012, Department of Rural Development (Ministry of Rural Development)]

### **Comments of the Committee**

(Please see Paragraph No. 23 of Chapter-I of the Report)

### **Recommendation (Serial No. 14, Para No. 2.14)**

The Committee note that during the Eleventh Plan period, against the target of providing financial assistance to 1.39 crore BPL families for construction of houses, financial assistance was provided to 1.15 crore BPL families leaving a huge backlog of about 24 lakh BPL families. The Committee also note that various Schemes such as TSC, RGGVY, Aam Aadmi Bima Yojna, Rashtriya Swastha Bima Yojna, etc. of other Ministries/Departments have been converged with IAY. However, on perusal of available information on convergence under IAY for the period 2011-12, the Committee find that against the target of about 27 lakh families, only 2,87,641 beneficiaries under TSC, 15406 beneficiaries under RGGVY, 88,097 beneficiaries under Life Insurance Scheme, 1,85,384 beneficiaries under Health scheme, 1,613 beneficiaries under bio-gas plant and 2,17,166 beneficiaries under smokeless chullah scheme have availed benefits of convergence under IAY. The Committee are of the view that poor performance of implementing agencies on this count shows lack of awareness among the beneficiaries regarding the inherent provision of this scheme. The Committee, therefore, recommend that the department should initiate proactive steps to spread awareness amongst the rural populace so that they could avail benefits associated with IAY.

### **Reply of the Government**

Total outlay in the 11th Five-Year Plan (2007-2012) under Rural Housing was initially Rs. 26882.21 crore, against which Rs. 41997.50 crore were provided. The 11th Plan document had aimed for construction of 150 lakh houses over the period of five years from 2007-2012. However, with an allocation of Rs. 26882.21 crore for total 11th Plan Period and with the then existing financial assistance of Rs. 25,000 (plain areas) and Rs. 27,500 (difficult and hilly areas), only 137 lakh houses could have been constructed as fund allocation was not corresponding to the physical target. Further, with the increase in financial assistance twice over last four years from Rs. 25,000 (plain areas) and Rs. 27,500 (hilly areas) to Rs. 35,000 (Plain areas) and Rs. 37,500 (for hilly and difficult areas) *w.e.f.* 1st April, 2008 and to Rs. 45,000 in plain areas and Rs. 48,500 (for hilly and difficult areas) *w.e.f.* 1st April, 2010, the physical target got reduced further. Therefore only 139.83 lakh houses were expected to be constructed over 11th Plan period against target of 150 lakh houses even when initial allocation of Rs. 26882.21 crore for 11th Plan actually turned out to be Rs. 41977.50 crore. The physical target got further reduced as 78 LWE districts were treated as difficult areas and were made eligible for higher rate of unit assistance provided to hilly/difficult areas.

On convergence of IAY with other schemes, it is stated that the numbers given for convergence may be an under estimate as in most cases uploaded data is not exhaustive.

The recommendation of the Committee on initiating proactive steps to spread awareness among the rural populace about the various inherent benefits of the scheme have been noted for compliance. However, it may be stated that the Ministry has put all the information about convergence of IAY with other schemes on the Ministry's website. Booklets on entitlement of IAY beneficiaries have been printed and distributed. Audio and video spots have been prepared on IAY and are being circulated and publicized. Informative programmes have also been broadcast on radio. Training has been imparted to field level officers so that they in turn can disseminate information to the beneficiaries.

[O.M. No. H-11020/05/2012-GC(P) Dated: 16.08.2012, Department of Rural Development (Ministry of Rural Development)]

**Recommendation (Serial No. 15, Para No. 2.15)**

The Committee find that Homestead Scheme launched under IAY is a pragmatic effort by the Department to provide land to rural BPL households who do not have any land to construct houses. However, the Committee find that the scheme has been declared as 'demand driven' and only 9,93,205 sites have been allotted/regularized to landless rural BPL households in 9 States since the inception of the scheme. The Committee further observe that no estimates have been put forth by the Department for Twelfth Plan and they intend to meet demand for funds from the normal allocation under the scheme. The Committee have experienced that by making any programme as 'Demand Driven', there would not be any pre-determined target and, therefore, whatever deliverable are attained by the organization within a specified timeframe are regarded and brought under the category of achievements. The accountability of optimum utilization of scarce resources also gets vitiated due to the fact that lower utilization of funds is often co-related with lower generation of demand. The Committee are constrained to mention that in order to camouflage the administrative inefficiency and/or fundamental conceptual flaw in the schemes, almost every centrally sponsored scheme of the government is now being transformed to a demand driven approach. The Committee are of considered view that the Homestead Scheme would not be able to deliver the desired results if the scheme continue to be operated on the demand driven mode. The Committee, therefore,

recommend that a quick study should be initiated by the Department to pragmatically analyse the shortcomings of the demand driven approach of scheme so that timely action for re-transforming the scheme to target-oriented approach may be taken. The Committee urge the Government to take the desired steps and apprise the Committee accordingly.

### **Reply of the Government**

As per NSSO's estimates, there are 7.7 million rural BPL households who do not have a house site in the country. In order to make these landless BPL households eligible for a house, the house-site scheme was launched by the Government. However, the land to these landless BPL people has to be provided by the State Governments and the States are incentivised by allocating additional physical targets equal to the number of homestead sites provided by regularization of existing occupied land, allotment of Government land or purchase/acquisition of land, as the case may be. All the State governments were asked to submit proposals in this regard. The States which have submitted proposals in this regard were released funds accordingly. While it was expected that the State Governments will meet the needs of homestead sites for all the eligible target groups by 2011-12, the progress in most States has been slow. The key reasons attributed to the current status have been inadequate assistance provided given the high cost of land and as well as insufficient coordination between different Departments involved in the final access to homestead and house by the family.

However, as recommended by the Committee, steps have been initiated to get a study done to analyse the shortcoming of the scheme pragmatically and retransform it from demand driven to target driven scheme.

[O.M. No. H-11020/05/2012-GC(P) Dated: 16.08.2012, Department of Rural Development (Ministry of Rural Development)]

### **Recommendation (Serial No. 16, Para No. 2.16)**

The Committee note that the issue of enhancement of financial assistance up to Rs. 75,000 and loan facility up to Rs. 50,000 with repayment period of 15 years for BPL rural households for construction of house has been pending before the Committee (Group of Officers). The Committee are of considered view that financial assistance of Rs. 45000 for plain areas and Rs. 48,500 for Hilly Areas and LWE Districts is too meagre to construct a house in view of increasing cost

of construction material in the country. The committee are of the view that financial assistance under IAY should be appropriately enhanced and it may also be linked with Consumer Price Index for automatic periodic revision. The Committee also desire that decision on enhancement of assistance and loan facility under IAY as recommended by the Working Group on Rural Housing for Twelfth Five Year Plan be expedited by the Committee (Group of Officers). Considering the proposed hike in assistance per units, the Committee feel that increased outlay of Rs. 11075 crore for the year 2012-13 from Rs. 10000 crore in 2011-12 may not be adequate to achieve the set goals.

### **Reply of the Government**

The final report of the Working Group for Rural Housing for the 12th Five Year plan has been submitted to the Planning Commission on 13.10.2011. A committee of Group of Officers on IAY (GOIAY) has been constituted by the Planning Commission to examine the recommendations of the Working Group on Rural Housing for the 12th Five Year Plan and to suggest changes in IAY in the 12th Five Year Plan. It has been proposed to enhance unit assistance for house construction under IAY to Rs. 75,000 and that unit assistance be enhanced incrementally each year to absorb escalation in cost of materials and labour.

The issue of enhancement of allocation for Indira Aawas Yojana for the 12th Five Year Plan was placed before the Planning Commission. The budget proposed for the year 2012-13 *i.e.* the first year of 12th Five Year Plan was Rs. 28569.90 crore (as grant for 15 million houses and subsidy for 5 million houses). However, against this, Planning Commission has allocated Rs. 11075 crores for Indira Awaas Yojana.

[O.M. No. H-11020/05/2012-GC(P) Dated: 16.08.2012, Department of Rural Development (Ministry of Rural Development)]

### **Recommendation (Serial No. 18, Para No. 2.18)**

The Committee note that NSAP comprising of five schemes namely Indira Gandhi National Old Age Pension Scheme (IGNOAPS), Indira Gandhi National Widow Pension Scheme (IGNWPS), Indira Gandhi National Disabled Pension Scheme (IGNDPS), National Family Benefit Scheme (NFBS) and Annapurna is being implemented as Additional Central Assistance to State Plan. The funds for NSAP and Annapurna are allocated by the Planning Commission and are released as Additional Central Assistance (ACA) by the Ministry of Finance to the State and by the Ministry of Home Affairs to the Union Territories on

recommendation of the Ministry of Rural Development. The Committee also note that an amount of Rs. 24349.59 crore was released to the States during Eleventh Plan period against which the States could utilize only Rs. 21585.85 crore. The Committee find that as per 2001 Census, the total number of old age, widows and disabled persons in the country were 7.7 crore, 3.43 crore and 2.15 crore respectively, whereas, assistance was provided to 1.92 crore old age people, 36.04 lakh widows and 7.69 lakh disabled persons during 2011-12 under the relevant schemes of NSAP. The Committee are of considered view that in order to cover all needy persons under the relevant scheme, a comprehensive record should be maintained at District level to enroll each eligible person under these categories. The Committee, therefore, recommend that the Ministry should take up the matter with the Planning Commission for transforming NSAP as a model programme for the welfare of needy people.

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

As per the latest information, during the eleventh plan States have reported expenditure of Rs. 22656.89 crore.

Under the pension schemes of NSAP, central assistance is provided to only persons belonging to household living the Below Poverty Line (BPL) as per the criteria prescribed by Government of India. Further, as mentioned above, NSAP is under State Plan. States have been given flexibility in implementation of schemes under NSAP. Identification of beneficiaries, sanction of pensions and disbursement are done by the concerned State Government. Universal coverage of all eligible persons is envisaged under all three pension schemes.

The recommendation of transforming NSAP as a model programme for the welfare of needy people is being taken up with the Planning Commission as directed.

[O.M. No. H-11020/05/2012-GC(P) Dated: 16.08.2012, Department of Rural Development (Ministry of Rural Development)]

#### **Recommendation (Serial No. 19, Para No. 2.19)**

The Committee note that NIRD as an autonomous body under the Ministry of Rural Development for organizing courses on developmental issues, capacity building of rural development and Panchayati Raj functionaries. The Committee note that NIRD has conducted 3132 training programmes as against the target of 2911 training programmes during Eleventh Plan period. The Committee also



note that 2941 elected representatives of PRIs have been trained in 98 training programmes organized by NIRD. The Committee are of view that training programmes organized for PRIs are not adequate in view of vast number of elected representatives of PRIs in the country. The Committee, therefore, recommend that the Department should take steps for organizing more training programmes for elected representatives of PRIs. The Committee are of considered view that NIRD should provide a platform to elected representatives of PRIs where they can interact and share their experiences. The Committee also desire that NIRD should organize symposium on relevant topics on rural development involving elected members of PRIs.

### **Reply of the Government**

National Institute of Rural Development (NIRD) has proposed 22 programmes during 2012-13, out of which three programmes will be conducted in Tamil Nadu, Rajasthan and Uttarakhand States, exclusively for elected representatives of PRIs.

NIRD is also planning to organize regional programmes for elected representatives of PRIs at various SIRDs/ETCs.

NIRD is taking steps to mobilize more elected representatives of PRIs for participation by writing to the State Governments.

As suggested, NIRD will also take steps to organize symposium on Rural Development involving elected members of PRIs.

[O.M. No. H-11020/05/2012-GC(P) Dated: 16.08.2012, Department of Rural Development (Ministry of Rural Development)]

### **Recommendation (Serial No. 20, Para No. 2.20)**

The committee observe that Vigilance & Monitoring Committee (V&MCs), as a means of monitoring mechanism, provide crucial role for the elected representatives of Parliament, State Legislatures and PRIs in reviewing the implementation of various rural development programmes. However, the Committee note that adequate co-operation is not being extended to States and District level V&MCs. The Committee also note that 4 States/UTs namely Punjab, Goa, Lakshadweep and Puducherry are yet to re-constitute State Level V&MCs, whereas, District level V&MCs have not been reconstituted in 71 Districts after the constitution of Fifteenth Lok Sabha. This anomalous position has hampered monitoring process of various rural development programmes. The Committee, therefore, recommend that



the Department should impress upon the States for expeditious constitution of State & District V&MCs. The Committee further observe that meetings of both State and District level V&MCs are not being held quarterly as provided in the guidelines of V&MCs. The Committee note that none of the States have held the stipulated number of meetings during the entire Eleventh Plan period, whereas, only six Districts have held the stipulated four meetings in the year 2011-2012. The Committee have been informed that reasons for less number of meetings as reported by the States/Districts, include delay on the part of Chairman in indicating the date(s) for holding the meeting, postponement due to inability of the Chairman to attend meeting, preoccupation of Member Secretary etc. The Committee, therefore, strongly recommend that the Department should frame a schedule of V&MCs meetings at State & District level in consultation with Members of Parliament including Members of Rajya Sabha, State Legislatures and PRIs so that the entire process is streamlined and intended benefits start trickling down at the ground level. The Committee also recommend that due representation of SCs, STs should be provided in V&MCs.

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

After the formation of 15th Lok Sabha, the Ministry advised all State Governments/District administrations to reconstitute the Committees *vide* order dated 26th August 2009 and nominated Chairman/Co-Chairman for district V&MCs. The guidelines have subsequently been revised and a provision has also been made in the guidelines to make the Member Secretary of the Committees personally responsible for convening the Meetings. The importance of re-constitution of V&MCs at State and District levels and holding regular meetings, at stipulated intervals, is invariably stressed in the Performance Review Committee Meetings, which are held on a quarterly basis, with State Secretaries of Rural Development. This point was again re-iterated in the Performance Review Committee Meeting held on 31st May—1st June 2012. Further, all the States/UTs have been individually addressed on 5th June 2012 advising them to ensure that V&MCs are re-constituted at all States/UTs at both State level and District level and four meetings are held every year. The States/UTs have also been reminded that the guidelines allow the Member Secretaries to convene the Meeting within 15 days of end of each quarter, in consultation with Co-Chairman, if the Chairman failed to indicate a date for the Meeting during the quarter. They have also been reminded that the Member Secretary shall be personally responsible for convening Meetings.

The Ministry is of the view that scheduling of the meetings at State/District levels in each State/UT/District, in advance, by the Ministry may not deliver the desired results, as holding the Meeting depends primarily on the convenience of the Chairman, which changes from time to time.

The guidelines of V&MC already stipulate that one representative each of SC/ST is to be nominated to the district level Committee by the Chairman in consultation with other Members of Parliament in the Committee. Also, all the Members of the State Legislative Assembly elected from the district, including those belonging to SC/ST, are members of the district level Committee. At the State level, Managing Director/Head of SC/ST Development Corporation is a member. Therefore, SC/ST segments already have representation in the Committees at both State and district levels.

[O.M. No. H-11020/05/2012-GC(P) Dated: 16.08.2012, Department of Rural Development (Ministry of Rural Development)]

#### **Recommendation (Serial No. 21, Para No. 2.21)**

The Committee are constrained the note that even after persistent recommendations by the Committee, there have been huge amounts lying unspent in all the programmes being implemented by the Department. In this connection, the Committee note that Rs. 1204.04 crore in NRLM, Rs. 7703.77 crore in IAY, Rs. 17968.59 crore in MGNREGS and Rs. 8713.00 crore in PMGSY have been lying as unspent as on 31.12.2011. The Committee have been informed that proposals for release of second instalment with necessary financial documents after reaching the prescribed expenditure level of 60 percent of total available funds were not received from certain States/Districts. The Committee feel that in order to ascertain the exact position State-wise, a study be conducted in different on-going programmes in order to ascertain the reasons for accumulation of unspent balances with the States especially the aspect of complacency on the part of the implementing authorities. Needless to point out that there should be a fund release/utilization tracking system which should be online and has access to village Panchayats.

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

Actions have been initiated by the Programme Divisions to undertake a study, as recommended by the Standing Committee. The Study shall be completed within six months.

[O.M. No. H-11020/05/2012-GC(P) Dated: 16.08.2012, 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 REPLY

-NIL-

## CHAPTER IV

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

#### **Recommendation (Serial No. 7, Para No. 2.7)**

The Committee are also deeply disturbed that Government is yet to effectively implement Section 7 of MGNREGA which stipulates the provision of unemployment allowance to households if the work they seek is not given. In cases where work is not given, the unemployment allowance should be provided by the State Government and Central Government should also contribute for the purpose.

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

The provisions in Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) are effected through Schemes to be formulated by States under Section 4(1) of the Act. All State Governments are required to make wage payments including payment of unemployment allowance to the beneficiaries in accordance with the provisions of MGNREG Act. Payment of unemployment allowance to entitled MGNREGA applicants is a legal requirement as per various provisions in the Act. As per Section 7(3) to 7(6) of the Act, liability for payment of unemployment allowance is on the concerned State Government and it is to be sanctioned and disbursed by the Programme Officer or such local authority as the State Governments may notify. Payment of unemployment allowance shall be made not later than 15 days from the date on which it becomes due and the procedure for payment of unemployment allowance is to be prescribed by the State Governments. As per the provisions of section 22(2), the State Governments are required to meet the cost of unemployment allowance payable under their respective schemes. The States/UTs have been advised from time to time to comply with the provisions in the Act regarding payment of unemployment allowance to entitled workers following the same pattern as the payment of wages.

[O.M. No. H-11020/05/2012-GC(P) Dated: 16.08.2012, Department of Rural Development (Ministry of Rural Development)]

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

(Please see Paragraph No. 20 of Chapter-I of the Report)

### **Recommendation (Serial No. 8, Para No. 2.8)**

In view of less number of days of work, it is not surprising to the Committee that as against Rs. 40,000 crore that was allocated during 2011-12, the actual utilization of fund was to the tune of around Rs. 27,350 crore. The Committee are not happy over the dismal financial performance of the scheme, particularly when the implementation of MGNREGA is the joint responsibility of the Central as well as the State Governments. They find it disappointing and deplorable that, on the one hand, the Ministry pleads helplessness on account of lower allocation of funds, while, on the other hand, they are unable to utilize the available resources by observing strict financial discipline. The Committee, therefore, recommend that the Ministry of Rural Development should draw a realistic plan of action to ensure funds available to MGNREGA do not remain unutilized.

### **Reply of the Government**

MGNREGA is a demand driven and funds are released to Districts/ States on the basis of agreed to Labour Budget. Under MGNREGA, provisions are laid down for formulation of a labour budget. In the month of December every year, the District Programme Coordinator (DPC) under MGNREGA considers the advance plans to prepare a labour budget for the next financial year containing the details of anticipated demand for unskilled manual work in the district and the plan for engagement of labourers in the works covered under the scheme for approval of District Panchayat.

The Gram Panchayat has to forward the development plan with its priorities to the Programme Officer for preliminary scrutiny and approval prior to the commencement of the year in which it is proposed to be executed. The Programme Officer has to consolidate the Gram Panchayat proposals and the proposals of the Intermediate Panchayat into a block plan and after the approval of the Intermediate Panchayat, forward it to the District Programme Coordinator. The DPC will consolidate the Block Plans and proposals from other implementing agencies and the District Panchayat will approve the block-wise shelf of projects. Under the Act, Central Government is committed to bear the entire expenditure towards wages paid to the unskilled manual workers along with other expenditure as per the provisions of the Act. The total expenditure as reported by States/UTs for 2011-12 was Rs. 37656.83 crore as reported till 16.5.2012 by States/UTs on MGNREGA Management Information System (MIS).

[O.M. No. H-11020/05/2012-GC(P) Dated: 16.08.2012, Department of Rural Development (Ministry of Rural Development)]

### Recommendation (Serial No. 13, Para No. 2.13)

On the issue of availability of funds for PMGSY, the Committee find that during the Tenth and Eleventh Plan periods, the Department has not been able to get the requisite support from the Planning Commission. For instance, for the Tenth Plan (2002-07), the Department proposed an allocation of Rs. 55,000 crore, whereas, the Planning Commission had approved a plan outlay of Rs. 12,500 crore only. Similarly, for the Eleventh Plan (2007-12), the Department proposed an allocation of Rs. 81,801 crore, whereas, the Planning Commission had approved a Plan outlay of Rs. 59,751 crore. For the Twelfth Plan and the funds allocated for the first year of the Plan *viz.*, 2012-13, the Committee are dismayed to note that though the Department had proposed an allocation of Rs. 2.12 lakh crore for the Twelfth Plan, the Planning Commission has allocated a meagre Rs. 24,000 crore for the fiscal year 2012-13 and at this level, Twelfth Plan allocation will come to about Rs. 1.20 lakh crore. The Committee, therefore, recommend that the Planning Commission should find ways and means of making available higher allocation in the Twelfth Plan for PMGSY particularly when the scheme has been opened for the states for covering habitations with population below the 1000 set under Bharat Nirman in stages *i.e.*, 500-900, 250-499 based on coverage of higher category. This was earlier stopped by the Government in the name of Bharat Nirman norms and this has added to the backlog of pending connectivity to habitations through pucca roads.

### Reply of the Government

The position of demand for 10th, 11th and 12th Five Year Plan, approved outlay and the actual allocation, is as under:—

(Rs. in crore)

Five Year Plan	Demand of the Ministry	Approved outlay	Actual allocation
10th Five Year Plan	55,000	12,500	17,786
11th Five Year Plan	81,801	59,751	86,120 (86,101.25)*
12th Five Year Plan	2,12,000	Not yet decided	24,000 against demand of 30,000 for the year 2012-13.

\*The Budgetary Outlay for PMGSY for the year 2011-12 was reduced by Rs. 18.75 crore at RE stage due to less receipt of Cess amount.

[O.M. No. H-11020/05/2012-GC(P) Dated: 16.08.2012, Department of Rural Development (Ministry of Rural Development)]

### **Comments of the Committee**

(Please see Paragraph No. 26 of Chapter-I of the Report)

#### **Recommendation (Serial No. 17, Para No. 2.17)**

The Committee note that PURA scheme was started as a pilot project 2003-04 and continued till 2009-10. The Government restructured PURA in 2010 and decided to initiate new pilot project in PPP mode, wherein, the private developers will be awarded projects on meeting certain specified criteria. The Committee further note that Rs. 156.20 crore was released to DRDA during 2010-11 and 2011-12 for implementation of PURA. Apart from this, Rs. 30 crore were released in 2009-10 for pilot project undertaken during 2004-05 to 2006-07. However, the Committee are dismayed to find that no concrete infrastructure has been created in any of the pilot projects. The Committee are of considered view that a period of nine years for any scheme to continue on a pilot project mode is sufficient to weigh the pros and cons in entirety and therefore, there is no need to run PURA scheme again on a pilot mode. The Committee, therefore, are not satisfied with the way this important scheme is being handled and recommend that more action-oriented approach is called for and the Ministry would take conclusive action in the matter.

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

The Provision of Urban Amenities in Rural Areas scheme was initially implemented on a pilot basis for three years, from the year 2004-05 to 2006-07. During this period and subsequently steps were taken to restructure the scheme. The budgetary provision for the year 2007-08, 2008-09 and 2009-10 were Rs. 10.00 crore, Rs. 30.00 crore and Rs. 30.00 crore respectively. Funds were not released in these years as the scheme was being restructured.

The restructured PURA scheme was approved for implementation under PPP mode by Cabinet Committee on Economic Affairs (CCEA) on 21.01.2010. The restructured PURA scheme proposes holistic and accelerated development of compact areas around a potential growth centre in a Gram Panchayat (or a group of Gram Panchayats) through Public Private Partnership (PPP) framework for providing livelihood opportunities and urban amenities to improve the quality of life in rural areas.

The rolling out of the restructured PURA scheme was initiated by formulation of Guidelines. Subsequently, a notice was issued inviting Expression of Interest (EoI) from private sector entities for selecting

the private partners. 93 EoIs were received out of which 45 organizations qualified at the EoI Stage. After the RFP stage evaluations were complete, only nine organizations could submit 14 proposals out of which 11 proposals qualified. The concerned private entities were asked to submit to Detailed Project Report (DPR). In response, 6 organizations submitted 9 DPRs. An experts group evaluated the DPRs and suggested many improvements. The qualified bidders have been requested to submit the revised DPRs by 30th September 2011. Inter-Ministerial Empowered Committee has approved two projects in Kerala, *i.e.* Thalikulam and Thirurangadi cluster which have been inaugurated on 24.2.2012. Efforts are being made to launch the remaining projects in the coming months.

Thus, the restructured Scheme is being implemented on pilot basis effectively from 21.1.2010. Budgetary provision of the scheme is Rs. 248 crore for the 11th Plan period. Of the allocation of Rs. 124 crore for the year 2010-11 an amount of Rs. 66.24 crore was released to the DRDAs. The allocation for the year 2011-12 was Rs. 100 crore of which an amount of Rs. 90 crore was released to DRDAs. The remaining Rs. 10 crore pertaining to the North-Eastern States has been surrendered as no proposals were received for these States. The two projects inaugurated in Kerala are under 'condition precedent period' (six months from the date of signing of agreement) and the creation of assets will start after this period. Concentrated efforts are being made to bring the remaining pilot projects for consideration by the Empowered Committee.

The Working Group constituted by the Planning Commission has also suggested for taking up of 10-12 more pilot projects during the 12th Plan. Accordingly, this Ministry has called for 'Expression of Interest' from private developers for PURA 2.0 and the last date of submission of EoIs is 6th August, 2012.

[O.M. No. H-11020/05/2012-GC(P) Dated: 16.08.2012, Department of Rural Development (Ministry of Rural Development)]

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

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



## CHAPTER V

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

#### **Recommendation (Serial No. 1, Para No. 2.1)**

Rural Development is the core to sustainable and inclusive growth through a multi-pronged strategy for eradication of poverty by increasing livelihood opportunities, providing social safety net and developing infrastructure for growth and improvement of quality of life of rural populace. For inclusive growth, participative development through Panchayati Raj Institutions as mandated by Part IX of the constitution is essential. Under this backdrop, the Committee note that various schemes/programmes of rural development have not received the desired level of allocation of funds from the Planning Commission during the 11th Plan period (2007-12). For instance, as against the proposal of about Rs. 3.97 lakh crore for Eleventh Plan, the Ministry received only Rs. 2.90 lakh crore. Coming to the utilization, the Committee are concerned to note that the overall performance of the Department has not been encouraging. For instance, against the available allocation of around Rs. 2.90 lakh crore, the total expenditure during Eleventh Plan was around 2.78 lakh crore leaving about Rs. 12000 crore unutilized. Considering the importance of Rural Development, the Committee feel that there should be higher allocation for the flagship programmes provided that the department is able to properly plan their priorities and strategize their work programmes. They, therefore, recommend that the Department should work out a two-pronged strategy *i.e.*, to increase their financial-absorption capacity and thereafter again take up the matter with the Planning Commission for a realistic higher allocation for the 12th Five Year Plan.

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

##### **(1) Indira Aawas Yojana**

Total outlay in the 11th Five-Year Plan (2007-2012) under Rural Housing was initially Rs. 26882.21 crore, against which Rs. 41997.50 crore were provided. The 11th Plan document had aimed for construction of 150 lakh houses over the period of five years from 2007-2012. However, with an allocation of Rs. 26882.21 crore for total 11th Plan Period and with the then existing financial assistance of

Rs. 25,000 (plain areas) and Rs. 27,500 (difficult and hilly areas), only 137 lakh houses could have been constructed as fund allocation was not corresponding to the physical target. Further, with the increase in financial assistance twice over last four years from Rs. 25,000 (plain areas) and Rs. 27,500 (hilly areas) to Rs. 35,000/- (plain areas) and Rs. 37,500/- (for hilly and difficult areas) *w.e.f.* 1st April, 2008 and to Rs. 45,000/- in plain areas and Rs. 48,500/- (for hilly and difficult areas) *w.e.f.* 1st April, 2010, the physical target got reduced further. Therefore only 139.83 lakh houses were expected to be constructed over 11th Plan period against target of 150 lakh houses even when initial allocation of Rs. 26882.21 crore for 11th Plan actually turned out to be Rs. 41977.50 crore. The physical target got further reduced as 78 Left Wing Extremist Districts [35 Left Wing Extremist districts (LWE) *vide* order dated 7.10.2010, 25 Left Wing Extremist districts (LWE) *vide* order dated 23.2.2011 and 18 Left Wing Extremist districts (LWE) *vide* order dated 10.4.2012] were treated as difficult areas and were made eligible for higher rate of unit assistance provided to hilly/difficult areas.

The final report of the working Group for Rural Housing for the 12th Five year Plan has been submitted to the Planning Commission on 13.10.2011. A committee of Group of Officers on IAY (GOIAY) has been constituted by the Planning Commission to examine the recommendations of the Working Group on Rural Housing for the 12th Five Year Plan and to suggest changes in IAY in the 12th Five Year Plan. It has been proposed to enhance unit assistance for house construction under IAY to Rs. 75,000 and that unit assistance be enhanced incrementally each year to absorb escalation in cost of materials and labour.

The issue of enhancement of allocation for Indira Aawas Yojana for the 12th Five Year Plan was placed before the Planning Commission. The budget proposed for the year 2012-13 *i.e.* the first year of 12th Five Year Plan was Rs. 28569.90 crore (as grant for 15 million houses and subsidy for 5 million houses). However, against this, Planning Commission has allocated Rs. 11075 crores for Indira Aawas Yojana.

## **(2) Aajeevika—National Rural livelihood Mission**

The SGSY has been restructured as National Rural Livelihoods Mission (NRLM). Under NRLM sensitive and dedicated support structures at the National, State, district and sub-district levels would be set up. The Ministry under NRLM has set up National Mission Management Unit for providing technical assistance to all States/UTs and facilitating in implementation of the programme. The State Governments under NRLM will set up State Programme Management Units at state level, District Programme Management Units at district

level, and sub-district units at block and/or cluster levels. These sensitive and dedicated support structures would have suitable linkages with PRIs and other line departments. These support structures would be staffed with professionally competent and dedicated human resources through appropriate arrangements including partnerships and outsourcing of services. A clear objective of this support structure is to incubate an internal sensitive support structure, consisting of the institutions of the poor, their staff and other social capital. The demand driven strategies of NRLM and sensitive support structure at various levels would facilitate the States in implementing NRLM properly and also increasing the financial absorption capacities.

As NRLM follows a demand driven strategy, the States have the flexibility to develop their livelihoods-based perspective plans and annual action plans for poverty reduction.

After taking into account all the requirements of NRLM for the 12th Plan period the Ministry has proposed for an amount of Rs. 48906 crore this plan period. The Ministry also had discussions with Planning Commission on providing the proposed outlay to the Ministry under NRLM for the 12th Plan Period.

### **(3) Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)**

MGNREGA provides a legal guarantee for up to 100 days of wage employment to every household in a financial year for doing unskilled manual work, on demand to be made following prescribed process. Provisions of MGNREGA are effected as demand driven schemes, to be prepared and implemented by State Governments. There is no allocation of funds to States. MGNREGA is a demand driven and funds are released to States/UTs based on advance projection of labour demand by States/UTs and performance in the generation of actual person days *vis-à-vis* projected labour demand. Under the Act, Central Government is legally committed/bound to bear the entire expenditure towards wages to be paid to unskilled manual workers along with other expenditure as per provisions of the Act. There has been no shortage of funds for this purpose in the past.

### **(4) Pradhan Mantri Gramin Sadak Yojana (PMGSY)**

PMGSY is implemented through State Governments. Absorption capacity of the States has increased during the last few years. To sustain this and to meet cost escalations, adequate funds are required for achieving the physical targets so that physical pace of implementation does not slow down.

Accordingly financial requirement for the 12th Five Year Plan has been worked out at Rs. 2,12,000 crore has been submitted to Planning Commission.

[O.M. No. H-11020/05/2012-GC(P) Dated: 16.08.2012, Department of Rural Development (Ministry of Rural Development)]

### **Comments of the Committee**

(Please see Paragraph No. 8 of Chapter-I of the Report)

### **Recommendation (Serial No. 3, Para No. 2.3)**

The Committee have been informed that in June, 2011, the Ministry of Rural Development commenced the Socio Economic and Caste Census (SECC) through a comprehensive door to door enumeration across the country. The Committee have also been informed that the shortcomings of the 2002 BPL Survey are being addressed comprehensively in the SECC, 2011 with the threefold objectives, namely (i) to enable households to be ranked based on their socio-economic status thereby enabling the State Governments to prepare a list of families living below the poverty line; (ii) to make available authentic information that will enable caste-wise population enumeration of the country; and (iii) to make available authentic information regarding socio-economic condition, and education status of various castes and sections of the population. The Secretary, Rural Development in his deposition before the Committee spelt out various facets of delivery mechanism of the programme *viz.*, automatic inclusion/exclusion criteria, deprivation indicators, incremental weightage to indicators, enumeration blocks etc. The Committee find that the pace of the Census is not progressing as pre-defined targets. Out of total 24.57 lakh enumeration blocks initially identified by the Government, so far, the enumeration has been completed only in respect of 10.26 lakh Blocks *i.e.*, about 42% of the overall target. The Committee are also unhappy to note that the process of enumeration is still to commence in States like Kerala, Tamil Nadu, Manipur and Uttar Pradesh. With the current pace of Census and its uneven coverage, the Committee are not very sure that the entire exercise which was scheduled to be completed by June, 2012 would be completed in stipulated time. The Committee, therefore, are not satisfied with the pace of this programme and recommend that more action oriented approach including regular monitoring of the progress made is called for in co-ordination with the concerned States so that survey could be completed in the right earnest.

### **Reply of the Government**

The Ministry of Rural Development has been making continuous efforts to ensure that the Socio Economic and Caste Census 2011 is completed at the earliest. Close monitoring of the progress of the Census operation is being made with the States/UTs through visits and Video Conferencing to sort out the various issues faced by them. The process of enumeration has since been commenced in the States of Tamil Nadu, Kerala, Manipur and Uttar Pradesh. The enumeration has been completed in 1591523 Enumeration Blocks out of the total number of 2482219 EBs, which is 64.12%. The State-wise status of the progress of SECC 2011 as on 31.07.2012 is given in the Annexure.

[O.M. No. H-11020/05/2012-GC(P) Dated: 16.08.2012, Department of Rural Development (Ministry of Rural Development)]

### **Comments of the Committee**

(Please see Paragraph No. 11 of Chapter-I of the Report)

### **Recommendation (Serial No. 5, Para No. 2.5)**

The Committee find that the task of restructuring of DRDA was assigned to a Committee headed by Shri V. Ramachandran which was to submit its Report by May, 2011. However, the Ramachandran Committee have submitted its Report to the Ministry of Rural Development in January, 2012 and the Report is under examination by the Government. Considering the importance of functioning of DRDA, the Committee are unhappy to note that the scheme of restructuring of DRDA, which is one of the main implementing agencies of all rural development schemes at District level, is still at the infancy stage and any further delay in implementation of the Ramachandran Committee Report, the process of merger of District Rural Development Agency (DRDA) with District Panchayats has not been completed in majority of States in the country. The Committee recommend that urgent steps be taken to examine the Report and to implement the recommendations of Ramachandran Committee Report followed by necessary follow-up action to expedite the crucial reforms in DRDA Administration Scheme.

### **Reply of the Government**

The comments of the States/UTs on the Report have been received and examined. The recommendations of the Committee have generally been accepted by the Government. The main recommendations of the Committee are:—

- (i) The society structure of DRDA should be dissolved forthwith following due process. The existing staff should be absorbed by the respective line departments.

- (ii) District Plan Support Unit (DPSU) to be set up with the responsibility to prepare a district level holistic anti-poverty sub-plan converging all the centrally sponsored schemes directly related to the poverty reduction along with similar schemes of the state and local governments and oversee and guide convergent implementation.
- (iii) DPSU to be a lean and coherent professional team driven by a shared vision to eliminate poverty, and it should be located within the District Planning Committee (DPC) as a distinct part of its technical secretariat. However, as DPCs are still in the nascent stage in almost all the states, in the interim during the period of Twelfth Five Year Plan, this unit could be part of the Zila Parishad except in States where DPCs are fully functional.
- (iv) Besides preparing anti-poverty sub-plan, DPSU would also be responsible for capacity building, monitoring and evaluation, conducting surveys and studies and documentation of best practices.
- (v) In the North-East wherever Autonomous District Councils (ADCs) are in charge of planning for poverty reduction, the DPSU would support the ADCs.

[O.M. No. H-11020/05/2012-GC(P) Dated: 16.08.2012, Department of Rural Development (Ministry of Rural Development)]

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

(Please see Paragraph No. 14 of Chapter-I of the Report)

NEW DELHI;  
14 December, 2012  
23 Agrahayana, 1934 (Saka)

SUMITRA MAHAJAN,  
*Chairperson,*  
*Standing Committee on*  
*Rural Development.*

**APPENDIX I**

GENERAL STATUS OF SECC 2011 AS ON 31 JULY, 2012

Sl. No.	Name of State/ Union Territories	Total EBs	EBs Enumerated	% of EBs Completed
1	2	3	4	5
1.	Puducherry	2,310	2,310	100.00%
2.	Daman and Diu	439	439	100.00%
3.	Dadra and Nagar Haveli	691	691	100.00%
4.	Chandigarh	2,067	2,067	100.00%
5.	Tripura	7,316	7,316	100.00%
6.	Haryana	49,261	49,261	100.00%
7.	Punjab	52,243	50,712	97.07%
8.	Himachal Pradesh	25,036	25,036	100.00%
9.	Nagaland	4,078	4,078	100.00%
10.	Lakshadweep	117	117	100.00%
11.	Karnataka	126,925	126,925	100.00%
12.	Rajasthan	138,064	137,292	99.44%
13.	Gujarat	113,507	112,569	99.17%
14.	Arunachal Pradesh	6,791	6,791	100.00%
15.	Chhattisgarh	49,222	49,169	99.89%
16.	Sikkim	1,415	1,415	100.00%
17.	Andaman and Nicobar Islands	1,198	1,159	96.74%
18.	Andhra Pradesh	192,143	187,738	97.71%
19.	Uttarakhand	27,878	27,797	99.71%
20.	Jammu and Kashmir	25,200	25,142	99.77%
21.	Madhya Pradesh	156,436	155,428	99.36%

1	2	3	4	5
22.	Goa	3,166	3,072	97.03%
23.	Meghalaya	9,116	9,052	99.30%
24.	Kerala	68,324	68,172	99.78%
25.	Tamil Nadu	138,324	133,669	96.63%
26.	Delhi	33,324	32,941	98.85%
27.	Assam	64,395	61,771	95.93%
28.	Mizoram	2,118	2,094	98.87%
29.	Maharashtra	223,583	192,976	86.31%
30.	West Bengal	178,293	110,124	61.77%
31.	Odisha	96,797	82,315	85.04%
32.	Jharkhand	71,719	38,349	53.47%
33.	Manipur	6,006	2,565	42.71%
34.	Bihar	205,859	29,548	14.35%
35.	Uttar Pradesh	394,253	29,467	7.47%
	Total	2,477,614	1,769,567	71.42%



## APPENDIX II

### STANDING COMMITTEE ON RURAL DEVELOPMENT (2012-2013)

#### EXTRACTS OF THE MINUTES OF THE FOURTH SITTING OF THE COMMITTEE HELD ON FRIDAY, THE 14 DECEMBER, 2012

The Committee sat from 1000 hrs. to 1050 hrs. in Committee Room No. 62, First Floor, Parliament House, New Delhi.

#### PRESENT

Shrimati Sumitra Mahajan — *Chairperson*

#### MEMBERS

#### *Lok Sabha*

2. Shri Maheshwar Hazari
3. Shri Anantha Venkatarami Reddy
4. Dr. Sanjay Singh
5. Smt. Supriya Sule
6. Smt. Annu Tandon
7. Smt. Usha Verma
8. Shri Madhu Goud Yaskhi

#### *Rajya Sabha*

9. Shri Mahendra Singh Mahra
10. Dr. Chandan Mitra
11. Shri C.P. Narayanan
12. Shri Mohan Singh
13. Prof. Saif-ud-Din Soz

#### SECRETARIAT

1. Shri Brahm Dutt — *Joint Secretary*
2. Smt. Veena Sharma — *Director*
3. Shri A.K. Shah — *Additional Director*
4. Smt. Meenakshi Sharma — *Deputy Secretary*



### APPENDIX III

[Vide Para 4 of the Introduction]

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

I. Total number of recommendations:	21
II. Recommendations that have been accepted by the Government:	14
Sl. Nos. 2, 4, 6, 9, 10, 11, 12, 14, 15, 16, 18, 19, 20 and 21	
Percentage to total recommendations:	(66.67)
III. Recommendations which the Committee do not desire to pursue in view of the Government's replies:	0
Sl. No. Nil	
Percentage to total recommendations:	(0)
IV. Recommendations in respect of which replies of the Government have not been accepted by the Committee:	4
Sl. Nos. 7, 8, 13 and 17	
Percentage to total recommendations:	(19)
V. Recommendations in respect of which final replies of the Government are still awaited:	3
Sl. Nos. 1, 3, and 5	
Percentage to total recommendations:	(14.28)

