

STANDING COMMITTEE ON RURAL DEVELOPMENT

(2012-2013)

41

FIFTEENTH LOK SABHA

MINISTRY OF RURAL DEVELOPMENT

(DEPARTMENT OF RURAL DEVELOPMENT)

**DEMANDS FOR GRANTS
(2013-14)**

FORTY-FIRST REPORT



LOK SABHA SECRETARIAT

NEW DELHI

FORTY-FIRST REPORT

STANDING COMMITTEE ON RURAL DEVELOPMENT

(2012-2013)

(FIFTEENTH LOK SABHA)

MINISTRY OF RURAL DEVELOPMENT

(DEPARTMENT OF RURAL DEVELOPMENT)

DEMANDS FOR GRANTS

(2013-14)

Presented to Lok Sabha on 30.04.2013

Laid in Rajya Sabha on 30.04.2013



LOK SABHA SECRETARIAT

NEW DELHI

April, 2013/Vaisakha 1935 (Saka)

CRD No. 087

Price : Rs.

© 2012 BY LOK SABHA SECRETARIAT

Published under Rule 382 of the Rules of Procedure and Conduct of Business in Lok Sabha (Thirteenth Edition) and Printed by _____.

CONTENTS		Page No
COMPOSITION OF THE COMMITTEE		(iii)
INTRODUCTION		(iv)
ABBREVIATIONS		(v)
REPORT		
PART-I		
NARRATION ANALYSIS		
I.	Introductory	1
II.	Status of implementation of recommendations contained in the Thirtieth report of the Standing Committee on Rural Development on Demands for Grants (2012-13) of the Department of Rural Development (Ministry of Rural Development)	3
III.	Budget Allocation for 2013-14	4
IV.	Review of Five Year Plan	7
	(i) XI th Five Year Plan (2007-12)	7
	(ii) Mid Term Review of XI th Plan (2007-12)	11
	(iii) Outlay/expenditure Annual Plan during 2010-11 and 2011-12	14
	(iv) XII th Five Year Plan (2012-17)	18
	(v) Review of Annual Plan (2012-13)	21
V.	Scheme-wise Analysis	29
	(i) MGNREGA	29
	(a) XII th Five Year Plan (2012-17) outlay and expenditure	29
	(b) Reasons for higher funds for 2013-14 in view of low expenditure during 2011-12 and 2012-13	30
	(c) Coverage of household	31
	(d) Jobs cards issued/employment demanded vis-à-vis employment provided	31
	(e) Households completing 100 days of employment	32
	(f) Timely payment of wages	36
	(g) Creation of durable assets	37
	(h) Convergence of MGNREGA with other schemes	38
	(i) Grievances redressal	40
	(ii) PMGSY	43
	(a) Availability of funds during XII th Five Year Plan (2012-17)	43
	(b) Achievements of objectives	45
	(c) Targets vis-à-vis achievements	46
	(d) PMGSY under Bharat Nirman	47
	(e) Implementation constraints	50
	(f) Coverage in Schedule V areas	53
	(g) Implementation of PMGSY in UT of Andaman & Nicobar Islands	55
	(h) Implementation of PMGSY in Manipur	58
	(iii) Aajeevika	58
	(a) XII th Five Year Plan Outlay	58
	(b) Objectives of NRLM	60
	(c) Salient features	60
	(d) Statewise preparedness	62
	(e) Impact of Aajeevika on reducing dependence of rural population on money lending	66
	(iv) Indira Awas Yojana	67
	(a) XII th Plan outlay	67
	(b) Per Unit Assistance	74

(v)	BPL Survey	76
(a)	Outlay vis-à-vis Expenditure	76
(b)	Requirement of funds	76
(c)	State-wise status of SECC	78
(d)	Methodology evolved for identification of BPL	80
(e)	Estimation of Poverty	81
(vi)	Provision of Urban Amenities in Rural Areas (PURA)	84
(vii)	Grant of NIRD/Assistance to CAPART	89
(a)	Grant to NIRD	89
(b)	Assistance to CAPART	90
(viii)	DRDA Administration	92
(ix)	Management support to Rural Development Programmes and Strengthening of District Planning	94
(x)	Monitoring Mechanism	96
	Vigilance & Monitoring Committees(V&MCs)	96
VI.	Unspent Balances	101
VII.	Fund surrender	104

PART – II

Observations/Recommendations the Committee	107
--	-----

APPENDICES

i.	List of activities included in Schedule-I (Para 1B) of MGNREGA Act*	
ii.	Details of proposals cleared under PMGSY during 2011-12 and 2012-13*	
iii.	Number of works under convergence entered in MIS (till 28.03.2013)*	
iv.	Minutes of the Ninth Sitting of the Committee held on 02 April, 2013	143
v.	Extracts of the Minutes of the of the Tenth Sitting of the Committee held on 18 April, 2013	146

* To be appended later in printed version of the report.

COMPOSITION OF THE STANDING COMMITTEE ON RURAL DEVELOPMENT

(2012-2013)

Shrimati Sumitra Mahajan - *Chairperson*

MEMBERS

LOK SABHA

2. Shri Thangso Baite
3. Shri Pulin Bihari Baske
4. Dr. Ratna De (Nag)
5. Shri Premchand Guddu
6. Shri Bijoy Krishna Handique
7. Shri Maheshwar Hazari
8. Shri Ramesh Vishwanath Katti
9. Shri Nimmala Kristappa
10. Shri Bishnu Pada Ray
11. Shri M. Rajamohan Reddy
12. Shri Anantha Venkatarami Reddy
13. Shri Arjun Charan Sethi
14. Dr. Sanjay Singh
15. Vacant*
16. Smt. Supriya Sule
17. Smt. Annu Tandon
18. Shri Narendra Singh Tomar
19. Smt. Usha Verma
20. Shri P. Viswanathan
21. Shri Madhu Goud Yaskhi

RAJYA SABHA

22. Shri Munquad Ali
23. Shri Mani Shankar Aiyar
24. Shri D. Bandyopadhyay
25. Sardar Sukhdev Singh Dhindsa
26. Shri Vinay Katiyar
27. Shri Mahendra Singh Mahra
28. Dr. Chandan Mitra
29. Shri C.P. Narayanan
30. Shri Mohan Singh
31. Prof. Saif-ud-Din Soz

SECRETARIAT

- | | | |
|----------------------|---|---------------------|
| 1. Sh. Brahm Dutt | - | Joint Secretary |
| 2. Smt. Veena Sharma | - | Director |
| 3. Sh. A.K. Shah | - | Additional Director |
| 4. Sh. Sumesh Kumar | - | Committee Officer |

* Vacancy caused on account of demise of Shri Uma Shankar Singh w.e.f. 24.01.2013.

INTRODUCTION

I, the Chairperson of the Standing Committee on Rural Development (2012-2013) having been authorised by the Committee to submit the Report on their behalf, present the Forty-First Report on Demands for Grants (2013-14) of the Ministry of Rural Development (Department of Rural Development).

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

3. The Committee took evidence of the representatives of the Ministry of Rural Development (Department of Rural Development) on 01 April, 2013.

4. The Report was considered and adopted by the Committee at their sitting held on 26 April, 2013.

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

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

NEW DELHI;
29 April, 2013
09 Vaisakha, 1935 (Saka)

SUMITRA MAHAJAN
Chairperson,
Standing Committee on Rural Development

ABBREVIATIONS

AAP	-	Annual Action Plan
ACA	-	Additional Central Assistance
ADB	-	Asian Development Bank
A & N Island	-	Andaman & Nicobar Island
ATR	-	Action Taken Reports
BE	-	Budget Estimate
BPL	-	Below Poverty Line
BPMUs	-	Block Programme Management Units
CAPART	-	Council for Advancement of People's Action and Rural Technology
CAPEX	-	Capital Expenditure
CCEA	-	Cabinet Committee on Economic Affairs
CD	-	Compact disc
CEO	-	Chief Executive Officer
CFT	-	Cross Functional Teams
DC	-	District Commissioner
DPC	-	District Programme Coordinator
DPP	-	District Perspective Plan
DPR	-	Detailed Project Report
DPMUs	-	District Programme Management Units
DRDA	-	District Rural Development Agency
DRI	-	Differential Rate of Interest
DSS	-	Decision Support System
DVD	-	Digital Versatile Disc
DWS	-	Drinking Water & Sanitation
DAVP	-	Directorate of Advertising and Visual Publicity

EFC	-	Expenditure Finance Committee
EoI	-	Expression of Interest
ETCs	-	Extension Training Centres
FAQs	-	Frequently Asked Question
GOIAY	-	Group of Officer on Indira Awaas Yojana
GP	-	Gram Panchayat
HH	-	Households
HLC	-	Habitation Level Committee
IAY	-	Indira Awaas Yojana
IAP	-	Integrated Action Plan
ICT	-	Information & Communication Technology
IEC	-	Information, Education and Communication
IGNOAPS	-	Indira Gandhi Old Age Pension scheme
IGNWPS	-	Indira Gandhi National Widow Pension scheme
IGNDPS	-	Indira Gandhi National Disability Pension scheme
IT	-	Information Technology
KM	-	Kilometer
LWE	-	Left Wing Extremism Affected Districts
MDG	-	Millennium Development Goals
MGNREGA	-	Mahatma Gandhi National Employment Guarantee Act
MIS	-	Management Information System
M&E	-	Monitoring and Evaluation System
MP	-	Member of Parliament
MKSPs	-	Mahila Kisan Sashaktikaran Pariyojanas
MoRD	-	Ministry of Rural Development
MPR	-	Monthly Progress Report

MSPs	-	Mahila Sashaktikaran Pariyojanas
NABARD	-	National Bank for Agriculture and Rural Development
NA	-	Not Available
NFBS	-	National Family Benefit Scheme
NOs.	-	Numbers
NIC	-	National Informatics Centre
NIRD	-	National Institute of Rural Development
NC	-	Not Covered
NE	-	North-East India
NFDC	-	National Film Division Corporation
NLM	-	National Level Monitor
NMMU	-	National Mission Management Unit
NMT	-	National Management Team
NPAs	-	Non Performing Assets
NR	-	No Response
NGO	-	Non-Governmental Organization
NSAP	-	National Social Assistance Programme
NRLM	-	National Rural Livelihoods Mission
NRRDA	-	National Rural Roads Development Agency
NSSO	-	National sample Survey Organisation
NQMs	-	National Quality Monitors
PMGSY	-	Pradhan Mantri Gram Sadak Yojana
PIU	-	Project implementation Unit
PPP	-	Public Private Partnership
PRC	-	Performance Review Committee
PURA	-	Provision of Urban Amenities in Rural Areas

PRIs	-	Panchayati Raj Institutions
RBI	-	Reserve Bank of India
RD	-	Rural Development
RE	-	Revised Estimate
RfP	-	Request for Proposal
RGGVY	-	Rajiv Gandhi Gramin Vidhyutikarn Yojana
RGI	-	Registrar General of India
Rs.	-	Rupees
RSETIs	-	Rural Self Employment Training Institutes
SC	-	Scheduled Caste
SECC	-	Socio Economic and Caste Census
SHGs	-	Self Help Groups
SGSY	-	Swarnjayanti Gram Swarozgar Yojana
SIRD	-	State Institute of Rural Development
SoP	-	Shelf of Project
SPIP	-	State Perspective Implementation Plan
SPMUs	-	State Project Management Units
SRLMs	-	State Rural Livelihood Mission
ST	-	Scheduled Tribe
SQM	-	State Quality Monitors
TAF	-	Total Available Fund
TSC	-	Total Sanitation Campaign
TV	-	Television
UTs	-	Union territory
VMCs	-	Vigilance and Monitoring Committees

DRAFT REPORT
PART – I
NARRATION ANALYSIS

I. INTRODUCTORY

1.1 The basic function of the Ministry of Rural Development is to realise the objectives of alleviating rural poverty and ensuring improved quality of life for the rural population, especially those below the poverty line. These objectives are sought to be achieved through formulating, developing and implementing programmes relating to various spheres of rural life and activities ranging from income generation to environmental replenishment.

1.2 The Ministry consists of the following two Departments: -

- (i) Department of Rural Development
- (ii) Department of Land Resources

Responsibilities/functions of the Rural Development

1.3 The Department of Rural Development implements schemes for generation of self-employment and wage employment, provision of housing to rural poor and the construction of rural roads. Apart from this, the Department provides support services such as assistance for strengthening of DRDA Administration, training & research, human resource development, development of voluntary action etc. for the proper implementation of the programmes. It also undertakes IEC activities to promote awareness about rural development programmes in rural areas. The objectives of the Department of Rural Development are as follows:-

- (i) Providing livelihood opportunities to those in need including women and other vulnerable sections and food security to rural Below Poverty Line (BPL) households.
- (ii) Providing for the enhancement of livelihood security of households in rural areas by providing at least 100 days of guaranteed wage employment in every financial year to every household.
- (iii) Provision of all-weather rural connectivity to unconnected rural

habitations and upgradation of existing roads to enable them to market access.

- (iv) Providing basic housing and homestead to BPL households in rural areas.
- (v) Providing social assistance to the elderly, widow and disabled persons.
- (vi) Providing urban amenities in rural areas for improvement of quality of life.
- (vii) Capacity development and training of rural development functionaries.
- (viii) Promoting involvement of voluntary agencies and individuals for rural development.

1.4 In order to achieve aforementioned aims, the Department implements the following major programmes:

- (i) Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)
- (ii) Aajeevika – National Rural Livelihoods Mission (NRLM)
- (iii) Pradhan Mantri Gram Sadak Yojana (PMGSY)
- (iv) Indira Awaas Yojana (IAY)
- (v) Provision of Urban Amenities in Rural Areas (PURA)
- (vi) National Social Assistance Programme (NSAP)
- (vii) Management support to rural development programmes and strengthening of District planning.

1.5 The Department of Rural Development has three autonomous bodies viz. Council for Advancement of People's Action and Rural Technology (CAPART), National Institute of Rural Development (NIRD) and National Rural Roads Development Agency (NRRDA).

II. STATUS OF IMPLEMENTATION OF RECOMMENDATIONS CONTAINED IN THE THIRTIETH REPORT OF THE STANDING COMMITTEE ON RURAL DEVELOPMENT ON DEMANDS FOR GRANTS (2012-13) OF THE DEPARTMENT OF RURAL DEVELOPMENT (MINISTRY OF RURAL DEVELOPMENT).

1.6 The Thirtieth Report of the Standing Committee on Rural Development on Demands for Grants (2012-13) pertaining to the Department of Rural Development (Ministry of Rural Development) was presented to Parliament on 3rd May, 2012 and the related Action Taken Report i.e. Thirty Seventh Report was presented to Parliament on 18th December, 2012.

1.7 The Thirtieth Ninth Report contained 21 recommendations out of which the Government accepted 8 recommendations and 14 recommendations were commented upon by the Committee.

1.8 The Department of Rural Development (Ministry of Rural Development) made a Statement in Parliament under Direction 73A of 'the Directions by the Speaker' on 20 December, 2012. Out of the total 21 recommendations contained in the Thirtieth 19 are under process and 2 recommendation have not been implemented.

1.9 The final Action Taken Statement on the recommendations contained in the Thirtieth Report of the Committee is yet to be furnished by the Department of Rural Development (Ministry of Rural Development).

III. BUDGET ALLOCATION FOR 2013-14

1.10 The Demands for Grants (2013-14) in respect of the Ministry of Rural Development (Department of Rural Development) laid on the Table of Lok Sabha on 17 March 2013 vide Demand No. 83 have made a provision of Rs. 74,477.65 crore with Plan component of Rs. 74,483.00 crore and non-Plan component of Rs. 48.65 crore.

1.11 The Plan and Non-Plan provisions for various schemes of the Department of Rural Development are as under:

	Name of Scheme/Programme	Amount (Rs. in crore)
PLAN SCHEMES		
1	Aajeevika – National Rural Livelihood Mission	4000.00
2	Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGA)	33000.00
3	Rural Housing (IAY)	15184.00
4	DRDA Administration	250.00
5	Grants to National Institute of Rural Development (NIRD)	50.00
6	Assistance to CAPART	15.00
7	Provision for Urban Amenities in Rural Areas (PURA)	50.00
8	Management Support to RD Programme & Strengthening District planning process	120.00
9	Pradhan Mantri Gram Sadak Yojana (PMGSY) – Rural Roads	21700.00
10	BPL Survey	59.00
11	Flexi fund	1.00
	TOTAL	74,429.00

Non-Plan Schemes

Sl. No	Name of Scheme/Programme	Amount
(1)	Headquarter establishment of Department of Rural Development	28.55
(2)	Grant to NIRD	18.50
(3)	Production of literature for Rural Development	0.30
(4)	Contribution to International bodies	1.30
	Total Non- Plan	48.65
	Grand Total Plan+Non Plan	74477.65

Funds for rural development in other countries

1.12 Out of the total budget of Union of India of Rs. 16.65 lakh crore, budget for Department of Rural Development ranks fifth largest with Rs. 0.80 lakh crore. First, second, third and fourth being Finance (Rs. 6.30 lakh crore), Health and Family Welfare (Rs. 3.73 lakh crore), Defence (Rs. 2.53 lakh crore) Food, Consumer Affairs & Public Distribution (0.91 lakh crore) and Agriculture ranks tenth in Central Budget (Rs. 0.29 lakh crore).

1.13 Asked about order of priority being given to rural development in annual budget of some developed countries like, US, UK, France and developing countries like China, Brazil etc. the DoRD, in a written note stated:

“Funding for rural development in developed countries is mainly done through agriculture in the total budget of U.S. for 2013 agriculture (\$59.5 billion) ranks eleventh. First, second, third and fourth being defence (\$882.7 billion), health (\$672.9 billion), education (\$246 billion) and expenditure on elderly people (\$154.5 billion). Similarly in the UK budget Industry, agriculture & employment ranks eleventh. First, second, third and fourth being Social Protection, health, education and debt interest.”

1.14 The Committee also enquired about the kinds of rural development schemes that are being funded by Central Government and implemented by State Governments in these countries, the DoRD, in a written note stated:

“Among the developed countries the focus is on how to ensure that the people in rural areas have good living conditions and opportunities and that rural areas are not depopulated. Funding for the rural development is channeled mainly through support for agriculture, much of which is aimed at ensuring an equitable income level for the agricultural population. Notwithstanding the facts that the size of agriculture population is generally small and dwindling, this support is significant. For example; almost half of the E.U Budget is still devoted to agriculture, although broader support for rural development has increased recently. Whereas in developing countries in addition to generic agriculture policy elements, special focus is also given on rural poverty.”

1.15 The Committee pointed out that among developed countries the focus of funds for rural development is on how to ensure that people in rural areas have good living condition and opportunities and rural areas are not depopulated. Further rural development is channelised mainly through support for agriculture whereas in developing countries in addition to agriculture, special focus is on rural poverty. Asked in what way the present day rural exodus to urban areas can be prevented by

interlinking agriculture with rural development in India on the lines of developed countries so that rural areas are not depopulated, DoRD in a written note submitted as under:

"The findings of Independent studies conducted by the Ministry of Rural Development indicate that out-migration from villages has gone down due to implementation of Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA). Creation of employment opportunities, improved of access to basic needs and creation of rural infrastructure through MGNREGA; provision of self-employment opportunities through National Rural Livelihood Mission; and provision of housing and rural connectivity through Indira Awaas Yojana (IAY) and Pradhan Mantri Gram Sadak Yojana (PMGSY) have improved living conditions of the rural masses so that distress migration of the people from rural to urban areas could be reduced. However, studies in respect of developing countries like India show that migration, other than distress migration leads to development. Therefore, depopulation of rural areas should not be looked upon as negative aspects of developing countries like India."

IV. REVIEW OF FIVE YEAR PLAN

(i) XI Five Year Plan (2007-2012)

Review of outlay vis-à-vis expenditure.

1.16 The proposed vis-à-vis actual allocation and expenditure of Department of Rural Development during XI Plan (2007-12) are as under:

(Rs. in lakh crore)	
Outlay	Amount
Proposed	3.97
Actual allocation	2.61
Revised Estimate	2.90
Expenditure	2.78

1.17 The Committee pointed out that there is a gap of Rs. 1.36 lakh crore between amounts proposed vis-à-vis actual allocation of XIth Plan. Moreover, there is a gap of Rs. 12,000 crore between RE and expenditure. In this connection the Committee drew the attention of DoRD that in their Thirtieth Report (para 2.1) on Demand for Grants (2012-13) had recommended the Department to make out a two-pronged strategy to increase their financial-absorption capacity and ask for higher allocations for Twelfth Plan (2012-17).

1.18 The Committee wanted to know the work done by the Department of Rural Development on these two basic issues. The DoRD, in a written note replied as under:

“The Twelfth Plan has been formulated in consultation with the Planning commission and in this process Special Working Groups are generally constituted by them to deliberate on the approach, strategy, thrust areas and other related issues. The total outlay for 2013-2014 is Rs.74,429 crore for the Department of Rural Development (DoRD). This marks an increase of Rs.1,274 crore over the 2012-13 outlay of Rs. 73,175 crore measuring an increase of 1.7%. The outlay proposed for the 12th Five Year plan is Rs.4,03,965 crore for the DoRD constituting the following programmes; (i) MGNREGA (ii) PMGSY (iii) IAY (iv) NRLM/Ajeevika (v) DRDA Administration (vi) PURA (vii) Assistance to CAPART (viii) Management Support to RD Programmes (ix) SECC. Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is a demand based programme, hence, requirement of funds and employment generation depend on demand for

work. The financial outlay (B.E.) under MGNREGA for 2013-14 is Rs.33,000 crore.

(i) In order to enlarge the scope of works under MGNREGA i) Schedule I, paragraph 1, sub para (iv) of National Rural Employment Act 2005, has been amended as per MoRD Notification dated 22nd July, 2009, to provide for “*irrigation facility, horticulture plantation and land development facilities to land owned by households belonging to the Schedule Castes and Schedule Tribes or below poverty line families or to beneficiaries of land reforms or to the beneficiaries under the Indira Awas Yojana of Government of India or that of the small farmers or marginal farmers as defined in the Agriculture Debt Waiver and Debt Relief Scheme, 2008.*”

With improved productivity on lands of small and marginal farmers, more employment will be generated on farmers’ fields as farmers’ capacities are increased through use of modern technologies and agronomic practices. This is a step in the direction of moving from unskilled manual labour to skilled farming practices. The ultimate potential of MGNREGA lies in a renewed focus on improving the productivity of agriculture and convergence to engender allied sustainable livelihoods. With the inclusion of small and marginal farmers, MGNREGA has the potential to help rebuild the stagnated or reduced productivity of land, increase output, spur further sustainable investment and allow these farmers to return to full time farming. The current initiative under MGNREGA would carry this momentum forward in a positive upward spiral, which will broad-base the growth process via downstream multiplier-accelerator effects.

(ii) Under Schedule I, para 1, sub para (iv) of National Rural Employment Guarantee Act 2005, the following has been notified: “*Construction of Bharat Nirman Rajiv Gandhi Sewa Kendra as Village Knowledge Resource Centre and Gram Panchayat Bhawan at gram panchayat level*”

(iii) New work has been included in the schemes of MGNREGA i.e construction of playgrounds in districts as identified by the Central Government for implementation of Integrated Action Plan.

(b) SGSY has been restructured as National Rural Livelihoods Mission (NRLM) renamed as “Aajeevika”-, to implement it in a mission mode across the country. SGSY now will be implemented in a Mission mode as NRLM across the country from 2013-14.

(c) Planning Commission had constituted a ‘Working Group on Rural Housing’ to provide a perspective and approach to rural housing under the Twelfth Five Year Plan. Key recommendations of the Working Group has been derived from an intent to enable meaningful collaborations between diverse stakeholders – Central and State Governments, Panchayati Raj Institutions (PRIs), beneficiary families to address housing shortage in rural India estimated at 40 million households until the end of the twelfth plan period. The Working Group advocated measures to address the need for safe and sustainable housing by all segments of the rural population with the state governments taking a primary role in facilitating access, supported by other stakeholders for ensuring quality as part of a ‘holistic habitat development’

approach. Accordingly, per unit assistance grant to BPL families under IAY has been enhanced to Rs.70,000 and Rs.75,000 respectively for plain and difficult/ hilly areas. Unit cost for purchase of homestead plots under IAY has also been enhanced from Rs.10,000 to Rs.20,000.

(d) Under Rural Connectivity component of Bharat Nirman, all habitations having population of 1000 or more persons (500 or more in hilly and tribal areas) are to be provided connectivity with all-weather roads. The Twelfth Plan aims to connect remaining habitations by constructing about 158000 km of new roads. 84181 km of existing roads are planned to be upgraded during the Twelfth Plan. It has been proposed to launch PMGSY-II, to consolidate the existing rural road network. It would cover up gradation of existing selected rural roads based on a criterion to make the road network vibrant, on sharing basis with the States. The selection of routes would be with the objective of identification of rural growth centres and other critical rural hubs.

1.19 Asked in what way the reduced outlay in 11th Plan has affected implementation of programmes of the Department of rural development in the Country the DoRD, in a written note stated as under:

“Due to lowering of proposed outlay by the Planning Commission, the physical targets for schemes like IAY and PMGSY had to be lowered. MGNREGS being demand driven scheme, the Central Government releases funds to the States/Districts on the basis of labour demand arising at the field level. The actual expenditure on MGNREGS, thus, depends on the labour demand and therefore may vary from the B.E. for it.”

1.20 The Committee wanted to know the actual targets and the extent to which these were lowered the DoRD, in post evidence replies stated as under:

“The Eleventh Plan Document aimed at construction of 150 lakh houses over the period of five years. Due to lowering of outlay for the period only 137 lakh houses could be constructed. During the 11th Five year Plan it was proposed to provide connectivity to 86904 habitations with new connectivity of 1,85,244 km road length and upgradation of 77,276 km existing rural roads.

The physical revised targets were 60,638 habitations with a new connectivity of 1,29,707 Km and upgradation of 1,00,740 km i.e. a total of 2,30,447 km.

Against these targets, 47,809 habitations have been connected by constructing a total length of 2,29,855.71 Km, including upgradation.”

1.21 The Scheme-wise performance of DoRD during Eleventh Plan (2002-2007) has been as under:

Rs. In Lakh Crore

Eleventh Five Year Plan 2007-12					
Sl.	Name of the Scheme				
No.		B.E.	R.E.	Actual	Achivt. with reference to RE (%).
1	2	3	4	5	6
1	Sampoorna Gramin Rozgar Yojana				
	(a) Cash Component	0.026	0.017	0.016	92.78
	(b) Food Grain Component	0.002	0.096	0.096	100.00
	Total: SGRY	0.028	0.113	0.112	98.90
2	MG National Rural Employment Guarantee Scheme	1.472	1.522	1.413	92.81
3	Swarnajayanti Gram Swarozgar Yojana	0.122	0.122	0.113	93.09
4	DRDA Administration	0.016	0.017	0.020	117.70
5	Rural Housing	0.382	0.420	0.417	99.33
6	Pradhan Mantri Gram Sadak Yojana	0.580	0.676	0.674	99.65
7	Grants to National Institute of Rural Dev.	0.003	0.002	0.002	106.58
8	Assistance to C.A.P.A.R.T.	0.004	0.003	0.002	70.91
9	PURA	0.003	0.002	0.002	66.76
10	Management support to RD Programmes and strengthening district planning process	0.005	0.005	0.004	97.12
11	BPL Survey	0.028	0.029	0.027	95.41
	Total (Plan) (RD)	2.642	2.910	2.786	95.73

(ii) Mid Term Review of XIth Plan (2012-2017)

1.22 The Committee enquired whether any Mid Term Review of different Schemes of XIth Plan of Department of Rural Development was undertaken. The DoRD, in a written note stated:

“Yes. Mid Term Review of different Schemes was done by the Planning Commission.”

1.23 Asked about whether any constraints were revealed that were coming in the way of implementation of rural development schemes, the DoRD, in a written note informed:

(i) Under MGNREGA limited capacity of PRIs, lack of awareness about the provisions of the Act, lack of administrative and technical capacity and slow development of mechanism like Social Audit (ii) Under SGSY inadequate infrastructure and insufficient capacity building. (iii) Under IAY insufficient unit assistance to beneficiary, requirement of own land for construction of dwelling by target groups.(iii) Under PMGSY , strengthening contracting capacity, forest and environment clearances, availability of private land for road construction and quality control mechanism. “

1.24 Asked as to whether the ground level situation is different with regard to implementation of almost all the major rural development schemes like, MGNREGA, NRLM and PMGSY, the DoRD in post evidence reply stated as under:

“Yes sir. India is a vast and diverse country with large regional disparity in terms of development. Therefore, the situation at the ground level with regard to the implementation of rural development schemes may be different and would depend to a great extent on the institutional capacities of the state governments to implement these schemes, as the responsibility of implementation of these schemes vests with them.

Various steps have been proposed to be taken during 12th plan, which among others, is aimed at improving the capacity of personnels and institutions involved in the implementation of the programme.“

1.25 The Committee enquired whether certain scheme-wise remedial measures for mid course corrections during the XIth Plan were pointed out the DoRD in a written note submitted as under:

“In the mid-Term Appraisal under ‘way forward’ the Planning Commission pointed out that there is an urgent requirement for a clear set of guidelines on the use of the 6 per cent administrative costs provided under MGNREGA. Proper utilization of this amount holds the key to infusing MGNREGA outcomes with genuine quality.

The most important uses to which this amount must be put are as follows:

- Deployment of cluster-level teams to oversee implementation of MGNREGA for each cluster of around 30 villages.
- Capacity building of these personnel
- Technical support for better convergence and creation of sustainable livelihoods
- Strengthening and improving IT systems.
- Additional personnel for banks/POs till the BC model comes up.
- Monitoring-evaluation, social audit, and grievance redressal.
- Time and motion studies to revise SoRs in states where this is yet to be done.

The remedial measures envisaged under SGSY are restructuring SGSY into NRLM, redesigning the programme so as to tap the emerging opportunities as a result of rapid growth in economy, adoption of Mission Mode approach to tackle rural poverty in a time bound manner, giving strategic shift from present allocation based strategy to a demand driven strategy, creation of people's organisations, emphasis on convergence.

Under IAY addressing housing shortages, enhancing unit cost of construction of dwelling, provision of homestead, provision of administrative cost in the light of increased in load of work and shortage of human resources, etc.

Under PMGSY these include e-procurement, aimed at reducing time for enhancing transparency, rationalization of standards and stakeholders, review of the performance of States, which are lagging behind in achieving targets and strengthening maintenance and monitoring."

1.26 Asked in what way these have been incorporated in Twelfth Five Year Plan (2012-17) the DoRD in a written note clarified stating as under:

"In order to better and effective implementation of various programmes, following initiatives have been taken in the Twelfth Plan :

Under MGNREGA in order to increase transparency and public accountability, instructions for establishment of institution of Ombudsman, notification of social audit rules, putting in place the procedures and principles of Labour Budget, revision of wage rates, establishment of State Employment Guarantee Fund, Ministry recommended for recruitment of one Gram Rozgar sewak Sahayak in every Panchayat, one technical assistant for every five Gram Panchayats, at least one computer assistant per block and one full time dedicated Programme Officer in every block from 6% administrative support system, adoption of integrated approach through convergence mechanism, payment through Bank and post offices, revision of Operational guidelines, enlargement of scope of works and sustainable development, etc.

NRLM is implemented in a Mission mode, which enables the programmes to (i) shift from the allocation based strategy to a demand driven strategy, enabling the states to formulate their livelihoods-based poverty reduction

action plan(ii) focus on targets, outcomes and time bound delivery (iii) continuous capacity building , imparting requisite skills and crating linkages with livelihoods opportunities for the poor, including those emerging in the organized sector and (iii) monitoring against targets of poverty outcomes. The ultimate objective of the NRLM is that the institutions of poor will drive the agenda through participatory planning at grassroots level, implementation of their own plans, reviewing and generating further plans based on their experiences . These plans will be both demand driven and dynamic.

Under IAY , the unit assistance for a dwelling unit has been increased to Rs. 70,000/- and Rs 75000/- in hilly/difficult areas including 82 LWE districts. Financial assistance of Rs. 20,000/- per beneficiary or actual, whichever is less , will be provided for purchase /acquisition of a homestead site of an area around 100-250 sq. mt. , for strengthening administrative structure of the progarmme , 4% of funds for administrative expenses will be made available to state governments.

Under PMGSY , increasing the contracting capacity of the contractors , simplification of forest clearance , special interventions for states where state implementation capacity is inadequate, review of programme implementation, on-line Management, monitoring and accounting system , introduction of quality control system and maintenance of rural roads.”

(iii) Outlays/Expenditure during Annual Plan 2010-11 and 2011-12

1.27 The BE, RE and Actual Expenditure of Department of Rural Development during 2010-11 and 2011-12 has been as under:

(Rs. in crore)

	2010-11	2011-12
B E	66,100.00	74,100.00
R E	76,337.50	67,138.54
Expenditure	72,072.69	64,218.98

1.28 The Committee pointed out that during 2011-12 the BE increased over BE 2010-11 whereas RE and actual expenditure both declined. Asked about the broad reasons for this decline, the DoRD in a written note informed:

“The decline in the actual expenditure is mainly due to decline in expenditure in MGNREGS. MGNREGS being demand driven scheme, the Central Government releases funds to the states/districts on the basis of labour demand arising at the field level. The actual expenditure on MGNREGS, thus, depends on the labour demand and therefore may vary from the B.E. for it.”

1.29 The Committee enquired whether it has not decelerated the process of rural development due to low absorption of funds the DoRD, in a written note stated as under:

“MGNREGS is a demand driven scheme which provides a legal guarantee for 100 days of wage employment in a year to every registered rural household whose adult members volunteer to do unskilled manual work, the Central Government releases funds to the states/districts on the basis of labour demand arising at the field level. The actual expenditure on MGNREGS, thus, depends on the labour demand and therefore may vary from the B.E. for it. However, in order to ascertain the reasons behind unspent balances in rural development schemes including MGNREGS a study under National Institute of Public Finance and Policy (NIPFP) has been initiated and is under consideration of this Department.”

1.30 On the issue of decline in Revised Estimates and expenditure during 2010-11 and 2011-12 the Committee enquired whether there has been inordinately delayed in instituting a study, the DoRD in a written note stated as under:

“NIPFP had submitted the proposal to study high unspent balances in Rural Development Programmes. But it proposed to undertake separate study for all the Programmes. DoRD is of the view that in one such study all the programmes should be included. Accordingly, NIPFP was requested to submit the fresh proposal incorporating MGNREGA, IAY, PMGSY and NRLM in the

study. Now, NIPFP has submitted the fresh proposal incorporating all these porogrammes in a study.”

1.31 Asked about the mandate of such a study and by when such a study will be handed over to NIPFP, the DoRD in a written note stated as under:

“The mandate for the study, inter alia, would include identification and analysis of reasons for unspent balances in Rural Development Schemes, identification of the shortcomings in local capacities to utilize the fund, inter-state comparison in the fund utilization pattern and provide a policy suggestion to address the issue of unspent balances.

The Department is expeditiously working on the fresh proposal of Study submitted by the NIPFP and it will be entrusted to the NIPFP very soon.”

1.32 The Scheme wise outlay vis-à-vis expenditure during 2010-11 and 2011-12 has been as under:

Plan Scheme

(Rs. in crore)

Sl. No	Plan Schemes	Annual Plan 2010-2011			Annual Plan 2011-2012		
		B.E	R.E	Actual Expenditure	B.E	R.E	Actual Expenditure
1	Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGA)	40100.00	40100.00	35841.49	40000.00	31000.00	29212.92
2	Aajeevika – National Rural Livelihood Mission	2984.00	2984.00	2665.18	2914.00	2681.29	2391.61
3	DRDA Administration	405.00	405.00	485.00	461.00	550.00	550.00
4	Rural Housing (IAY)	10000.00	10337.50	10337.50	10000.00	10000.00	9872.06
5	Pradhan Mantri Gram Sadak Yojana (PMGSY)	12000.00	22000.00	22399.80	20000.00	19981.25	19342.31
6	Grants to National Institute of Rural Development (NIRD)	105.00	105.00	105.00	105.00	81.00	81.00
7	Assistance to CAPART	100.00	100.00	50.00	100.00	35.00	0.00
8	Provision for Urban Amenities in Rural Areas (PURA)	124.00	74.00	66.20	100.00	90.00	90.00
9	Management Support to RD Programme & Strengthening District planning process	120.00	120.00	119.87	120.00	120.00	119.71
10	BPL Survey	162.00	112.00	0.65	300.00	2600.00	2559.37
11	Flexi Fund	0.00	0.00	0.00	0.00	0.00	0.00
	TOTAL	66100.00	76337.50	72070.69	74100.00	67138.54	64218.98

1.33 The Committee pointed out that there is a gap of Rs. 4266.81 crore between RE and actual expenditure during 2010-11 largely under MGNREGA and that there is a gap of over Rs. 9881.02 crore between BE and Actual during 2011-12 and major under spending has been in MGNREGA and in Aajeevika. On being enquired about the reasons for less utilization in these schemes and enquired these two schemes, the DoRD in a written note stated as under:

“The MGNREGA is a demand-driven wage employment programme. As per programme MIS data, the actual expenditure in FY 2011-12 incurred by States/UTs was Rs. 37,071.56 cr. As on 26.03.2013 the States/UTs have reported an expenditure of Rs. 33,002.05 cr. Considering data entry lag, in the programme MIS of about one and half months, the final figure of expenditure for FY 2012-13 would undergo a substantial upward change.

Increase in labour demand during FY 2012-3 has led to the revision of RE in respect of MGNREGA from Rs. 29,387 cr. to Rs. 30,287 cr. As on 26.03.2013, an amount of Rs. 29,414.07 cr. has been released to States/Districts under MGNREGA. Thus, the actual release of funds during FY 2012-13 [as on 26/03/2013], is Rs. 199.02 cr. more than the releases made in FY 2011-12.

Considering reduction in the opening balances in the hands of States/districts, annual wage revisions and its overall impact on cost per person-day of wage employment generation, it is expected that Rs. 1.63 lakh cr. would be availed of under MGNREGA during 12th plan (2012-17).

NRLM:

The National Rural Livelihoods Mission (N.R.L.M.), now named as Aajeevika, was launched in June 2011. In order to transit from the Swarnjayanti Gram Swarozgar Yojana (SGSY) to Aajeevika, the States are required to fulfill the following four conditions (as part of State preparedness to implement NRLM):

- i. Set up a State level autonomous society or designate an existing society as the State Rural Livelihoods Mission (SRLM) that will oversee the implementation of Aajeevika in the State;
- ii. Establish a State Project Management Unit (SPMU) with a full time Chief Executive Officer (CEO) and comprising a multi-disciplinary team of professionals;
- iii. Obtain State Government approval for setting up implementation structures at District and sub-district levels; and
- iv. Prepare and submit to MoRD, an Annual Action Plan of the State under Aajeevika

In addition to the fulfillment of the above transition conditions, for ensuring actual programme implementation, it is essential that the States establish district and sub-district Mission Management Unit and recruit train and position professional staff in the 1st phase districts and blocks.

During 2011-12 and 2012-13, most of the States were in the stage of transition from S.G.S.Y. to Aajeevika, i.e. seeking State Government's approvals for setting up the SRLMs, setting up implementation structure at various levels, establishing Mission Operational systems, preparation of Financial Management Manual, Human Resources Manual etc. and subsequently, undertaking the recruitment of professionals for the implementation structures at various levels. Therefore, actual programme implementation could not be initiated in full swing at the ground level and expenditures under S.G.S.Y./Aajeevika remained relatively low.

In respect of districts and blocks under 'intensive' implementation, it is expected that after the initial gestation period, the expenditures will rise rapidly once Mission implementation structures are established and institutions of the rural poor women have been formed and have attained sufficient maturity and the financial support under Aajeevika starts flowing to them. The experience of the states of Andhra Pradesh, Tamil Nadu and Bihar, which have implemented Aajeevika type rural livelihoods programs also suggests that the utilization of project funds would rise significantly after the establishment of SHGs and their federations through which project funds flow to the poor member households.

In the remaining districts and blocks, that are the 'non-intensive' areas, the States are also required to develop a clear strategy for programme implementation. Expenditures are likely to pick up once the States have articulated and started implementing their 'non-intensive' strategy as well.

As 2011-12 and 2012-13 were transition years for Aajeevika, the S.G.S.Y. was being implemented concurrently by the States while they were taking the preparatory steps for transition to Aajeevika from S.G.S.Y. Therefore, programme benefits of S.G.S.Y continued to reach the poor in the rural areas. As of March 2013, 19 States have transited to Aajeevika and the remaining States are expected to transit within the first two quarters of FY 2013-14. S.G.S.Y. will cease to exist from FY 2013-14."

(iv) Twelfth Five Year Plan (2012-2017)

1.34 The DoRD has given the details about the proposed vis-à-vis approved outlay of Department of Rural Development for XIIth (2012-2017) Plan stating as under:

(Rs. In crore)

Sl. No.	Scheme	Proposal for 12th Plan 2012-17	12th Plan (As communicated by Planning Commission)	2012-13 (BE)	2012-13 (RE)	2013-14 (BE)
1	2	3	4	5	6	7
A	Central Sector Schemes					
1	Assistance to CAPART	1100	175	35	12	15
2	Grants to National Institute of Rural Development	4750.3	575	105	47	50
3	Management Support to RD Programs and strengthening of district planning process in lieu of programmes	35451.79	1215	120	145	120
4	BPL Census/ SECC	0	581	275	375.00	59
B	Centrally Sponsored Schemes					
1	M.G. National Rural Employment Guarantee Scheme	358763.00	165059	33000	29387	33000
2	Swaranjayanti Gram Swarozgar Yojana (SGSY)/NRLM	48906	29006.00	3915	2600	4000
3	DRDA Administration	2763	3227	500	410.00	250
4	Rural Housing - IAY	149929.5	59585	11075	9024.00	15184
5	Pradhan Mantri Gram Sadak Yojana (PMGSY)	203000	124013	24000	10000.00	21700
6	Provision for Urban Amenities in Rural Areas (PURA)	16700	1529	150	0.00	50
7	Flexi Fund		19000	-	0.00	1
	Total	821363.59	403965	73175	52000	74429

The allocation for 2014-15, 2015-16 and 2016-17 will be made in consultation with the Planning Commission.”

1.35 Asked whether the approved outlay is adequate for achieving different targets for the Plan period, DoRD in a written note stated as under:

“The allocation received could not be adequate to achieve the targets proposed in the 12th plan.”

1.36 Asked about the justification for proposing an allocation of Rs. 8 lakh crore before the Planning Commission for the XIIth Plan (2012-2017) when the

expenditure in 11th Plan was Rs. 2.78 lakh crore the DoRD in a written note stated as under:

“The proposal for higher allocation for DoRD for the XIIth Plan period was due to higher allocation sought for the major schemes of the Department viz., MGNREGA, NRLM, IAY, PMGSY, DRDA Administration and higher grants/assistance sought for NIRD and CAPART. Higher target in physical outcomes and higher unit cost to achieve these would require higher allocation.”

1.37 The Committee pointed out that the Twelfth Plan (2012-2017) Documents Vol. I speak about global slowdown and also states that domestic economy has also run up against several interval constraints resulting in reduction in rate of investment. The Plan Document therefore underlines that the immediate challenge is to reverse the observed deceleration to growth by regaining investment as quickly as possible. The Plan Document has also mentioned that rapid growth is important for inclusiveness that generate higher revenue which help to finance critical programmes like MGNREGA, PMGSY etc. for inclusive growth.

1.38 On being pointed out by the Committee that DoRD’s spending in first year of 12th Plan i.e. was much below the budget, the DoRD in a written note stated as under:

“There has been a reduction in the plan expenditure in 2012-13 in the RE stage as mentioned in the table below:

Scheme	BE	RE	Reduction
MGNREGA	33,000	29,387	3,613
SGSY/NRLM	3,915	2,600	1,315
PMGSY	24,000	10,000	14,000
IAY	11,075	9,024	2,051

Besides, the pace of implementation of the programmes depends upon the absorption capacity of the concerned states. In many states adequate capacity does not exist, particularly those states which have districts affected by LWE. Nevertheless, steps are being taken by way of regularly holding meetings of the Performance Review Committee (PRC) with the Principal

Secretaries of the States to improve the implementation of the programmes by the state governments.

1.39 The Committee further enquired whether DoRD is going to plan rapid growth in rural development sector during Twelfth Plan as envisioned in the Plan Document the DoRD in a written note stated as under:

“NRLM should build on the existing institutions of the poor wherever such social capital exists. To facilitate this, it is suggested that these pre-existing institutions need to be mapped at entry and graded whether they meet the basic norms; whether they could be trained; or they could be ignored. A strategy, within the context of the non-negotiable principles of NRLM, for way forward then would be evolved. The SHGs and their federations, and other forms of institutions of the poor would be able to become self-managed and self-reliant by building their capacity. The importance of building the capacities of the community organizations, their leaders, staff, volunteers etc., and the support structures, with vulnerability and livelihoods orientation and field immersion to appreciate the best practices and failures have been endorsed by the Group.

The scope of works under MGNREGA has been enlarged for improvement in conservation of water and natural resources besides increasing land productivity in rural area. The initiative taken under MGNREGA would carry momentum forward in a positive upward spiral, which will broad-base the growth process via downstream multiplier-accelerator effects.

Under the 12th Plan, it has been envisaged to connect through PMGSY balance habitations by constructing about 158000 km of new roads. 84181 km of existing roads are also proposed to be upgraded during the 12th Plan period. In order to consolidate the existing rural road network, it is proposed to launch PMGSY-II, which would cover up gradation of existing selected rural roads based on a criterion to make the road network vibrant, on sharing basis with the States. The selection of routes would be with the objective of identification of rural growth centres and other critical rural hubs.

In case of IAY, based on the recommendation of the Working Group, in the 12th Plan period, a meaningful collaborations between diverse stakeholders – Central and State Governments, Panchayati Raj Institutions (PRIs), beneficiary families has been envisaged to address housing shortage in rural areas. Measures are also proposed to be taken up to address the need for safe and sustainable housing by all sections of the rural population with the state governments taking a primary role in facilitating access, supported by other stakeholders for ensuring quality based approach of ‘holistic habitat development’.”

(v) Review of Annual Plan (2012-13)

1.40 The B.E. R.E. and actual expenditure of Department of Rural Development during 2012-13 has been as under:-

(Rs. in crore)	
Budget Estimate	73,175.00
Revised Estimate	52,000.00
Expenditure	40,754.00 (up to 31.1.2013)
Releases	48217.08 (upto 26.03.2013)

1.41 The Committee pointed out that during 2012-13 there has been a big gap of Rs. 21,175 crore between Budget Estimate and Revised Estimate. The Committee wanted to know whether the above under-utilisation not make a big question mark on overall financial management of Department of Rural Development. The DoRD in a written note submitted:

“The expenditure up to 31st March, 2013 would increase from that shown upto 31st January, 2013. By 26.3.2013, an amount of Rs. 48217.08 crores was released and this would improve further.”

1.42 Explaining the reasons for keeping RE 2012-13 substantially lower the BE 2012-13 figures, the Secretary, DoRD during the time of evidence stated:

“I must say that at the time of budgeting process, certain assumptions are made with regard to the spending capability and the mechanisms that are in place to enable the funds to flow and get spent. During the year, much of the effort of the Ministry is merely to ensure that those mechanisms do work and towards the fag end of the year a very realistic assessment is made with regard to how much of the capacity has actually been created or augmented. During 2012-13, the Finance Ministry has given certain directions and put in place a framework which consists basically of a direction to all the Ministries, including ours to reduce the balances in hand at the close of the financial year and because of which there are concomitant conditionalities with regard to spending that is allowed in each quarter and particularly in the last quarter and in the last month.”

1.43 The Secretary, DoRD further stated:

“In the last quarter, now, according to the Finance Ministry, the spending cannot exceed 33 per cent of the Budget and in the last month it cannot exceed 15 per cent of the Budget. Now this in itself is actually not a new guideline. Earlier this was done at the Department level in total, but in 2012-

13 the new guideline that was introduced was this and the Finance Ministry specifically said that it must be enforced that these limits will operate at the scheme level. It is, of course, a little unusual for the Finance Ministry to issue guideline to this extent but there are good reasons for that and the need to control the fiscal deficit is quite obviously at the back of this. But the result of this was that the schemes where the pattern of expenditure tended to accumulate in the last quarter and in the last month were actually hit. Therefore, that is the major reason why the RE had to be kept within what we thought we could actually spend in the last quarter, which is January to March, and in particular in the last month.

At the same time, the Finance Ministry has also been very flexible and has been proactively helpful to us because in the last few days of the financial year, we suddenly realised that we needed more money for the MGNREGA and three days before the end of the financial year when we projected this demand, the Finance Minister was particularly quite helpful in ensuring that the RE of the MGNREGA was increased and we were given enough money to be able to spend that money in that particular scheme.”

1.44 The Secretary DoRD also stated:

“The sum and substance of what I am saying is that the 2012-13 RE was relatively conservatively realistic with the intention of not leaving a closing balance in the hands of the State beyond what is absolutely necessary and the spending cuts that were imposed and the spending constraints that were imposed were in furtherance of that, which is why, the RE is lower than the BE and the expenditure is very closely tied up in RE and I can here disclose that the final RE figure for 2012-13 was of the order of Rs.52,000 crore. Out of that, Rs.1357 crore was not available to us because of 15 per cent cut in the last month. So, the total amount that we were authorised to spend up to 31st March was about Rs.50,600 crore and we actually ended up spending Rs.50,164 crore. So, in terms of the estimation at RE stage and the expenditure at RE stage, we were very close to our projection and to that extent the financial prudence and financial management was of good standard.

But the point that you made that why is there such a steep difference between the BE and the RE is something that we also view with concern because it is reflective ultimately of the mechanism, ability to absorb funds and deliver the services of the scheme effectively to the large rural population of the country. I can assure you and to the Committee that all our efforts are actually oriented towards ensuring that the Budget Estimates for 2013-14 are adhered to as closely as possible by augmenting the mechanisms in the States.”

1.45 The Committee also questioned the sanctity of Monthly Expenditure Plan that is appended alongwith Detailed Demand for Grant (2012-13), if that is not followed by the Department in letter and spirit the DoRD in a written note clarified:

“The Monthly Expenditure Plan for 2012-2013 was prepared at the time of finalization of B.E. 2012-2013 and this was an estimation of monthly expenditure based on the trend of expenditure in the previous years. However, the actual release of funds to the implementing agencies are made on the basis of proposals received from them. The funds under various programmes of the Department of Rural Development are released in two instalments. First instalment is generally released to all the DRDAs/States in the first and 2nd quarter of the financial year and the 2nd instalment is released in the 3rd and 4th quarter only on utilisation of 60% of available funds and on receipt of Audited Statement of Expenditure of previous year. Each proposal for release of 2nd instalment undergoes detailed scrutiny and if DRDAs/States have more unspent balances than the prescribed limit, the suitable adjustment is made from the 2nd instalment of Central allocation. As the releases are totally dependent on the proposals received from the implementing agencies and fulfillment of desired conditions for release of 2nd instalment, the monthly expenditure targets could not be met in to-to. The release of funds under each Scheme was also reviewed by Secretary (RD) in the Monthly Management Meetings with reference to the monthly expenditure plan. However, since there were large unspent balances as on 1.4.2012 under the Schemes of PMGSY, IAY and NRLM, there was less demand of funds from implementing agencies under these major Schemes.”

1.46 The DoRD has given the following Scheme-wise outlay vis-à-vis expenditure of different Plan Schemes during 2012-13:-

(Rs. in crore)

Sl. No	Name of Scheme/Programme	Budget Estimates	Revised Estimates	Expenditure
PLAN SCHEMES				
1	Aajeevika – National Rural Livelihood Mission	3915.00	2600.00	1767.85
2	Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGA)	33000.00	29387.00	26004.04
3	Rural Housing (IAY)	11075.00	9024.00	5534.25
4	DRDA Administration	500.00	410.00	262.53
5	Grants to National Institute of Rural Development (NIRD)	105.00	47.00	23.50
6	Assistance to CAPART	35.00	12.00	0.00
7	Provision for Urban Amenities in Rural Areas (PURA)	150.00	0.00	0.00
8	Management Support to RD Programme & Strengthening District planning process	120.00	145.00	89.35
9	Pradhan Mantri Gram Sadak Yojana (PMGSY) – Rural Roads	24000.00	10000.00	6825.76
10	BPL Survey	275.00	375.00	247.04
	TOTAL	73,175.00	52,000.00	40,754.32

1.47 The Committee pointed out that in almost all the schemes BE has been reduced at RE stage and major losers are PMGSY (Rs.14,000 crore) MGNREGA (Rs. 3,613 crore), IAY (Rs. 2,051 crore) Aajeevika (Rs. 1,315 crore).

1.48 Asked about the reasons for such huge reduction at RE level the DoRD in a written note stated:

(i) PMGSY: As implementation of Pradhan Mantri Gram Sadak Yojana (PMGSY) is through concerned State/Union Territory Administration, the pace of implementation depends on various factors including absorption capacity, contractual capacity and area-specific issues faced during construction/upgradation of rural roads under the programme. One major reason for such huge reduction at RE level was availability of huge unspent balance of Rs. 8,885 crore as on 1st April, 2012 at the level of States/UTs. Keeping in view the expenditure trend of States/UTs and slow pace of implementation, it was analysed that States/UTs having availability of unspent balance would not require release of the entire Rs. 24,000 crore (though retaining Rs. 4,486 crore committed for NABARD loan servicing and Grant-in-aid to NRRDA). Thus RE for current financial year was reduced upto Rs. 10,000 crore (RE 2012-13 further reduced to Rs. 8,884.66 crore). Some of the other reasons for such huge reduction at RE level are as below:

- i. Inadequate implementation capacity of some of the States because of limited contracting capacity especially in the Hill States as well as areas under IAP districts.
- ii. Non-availability of construction materials in remote locations/difficult terrain and in Hill States, IAP areas etc.
- iii. Inadequate institutional capacity in some States because of non-availability of sufficient qualified technical personnel including engineers with the contractors.
- iv. Delays in award of tenders due to Law & Order situations; especially in Selected Tribal and Backward districts under IAP.
- v. Non-availability of land including land falling under forest areas (requiring forest clearances); especially in the Hill States.
- vi. Limited working season and adverse climate conditions i.e. very long rainy seasons/floods.

(ii) IAY :The Revised Estimate for IAY for the current year was fixed at a much lower level than the BE on the basis of actual releases upto September, 2012. The slow pace of expenditure during the first half the year was not due to lack of demand but due to a very essential condition imposed by the Ministry that the States should upload the data on the new MIS (Awaassoft) before the release of 2nd installment. This condition was imposed in order to move towards Direct Benefit Transfer and eliminate corruption.

During the year 2011-12 an amount of Rs.2935.42 crores was released in the last quarter which resulted in leaving Rs.5316.83 crores with the implementing agencies as unspent balance. It was felt that past liability need to be adjusted. Moreover, in view of, Ministry of Finance's instructions relating to expenditure management, the allocation for IAY has to be reduced from Rs.11075.00 crores to Rs.9024.00 crores (RE).

IAY is a CSS scheme which is implemented by state governments. Physical and Financial performance in each year depends upon utilization of funds by state governments. Efforts are continuously being made to improve implementation through monitoring, training to ensure implementation as per IAY guidelines.

(iii) NRLM: During 2012-13, most States were in the process of meeting the transition conditions for transiting to Aajeevika. While there has been considerable progress in this respect in the States, the institution building process under Aajeevika, i.e. formation of SHGs of rural poor women, has just been initiated in most states in the selected first phase blocks. Therefore, expenditures in most States remained low and, as a result, off-take of funds from the Centre remained low.

In respect of the Skills and Placement component of Aajeevika also the expenditures remained low. This was on account of the reforms initiated in the implementation of the scheme. A decision has been taken that the Ministry will not implement any multi-State projects. A decision has also been taken that the States will put in place dedicated manpower for Skills and placement and the implementation of the Skills and placement projects will devolve to the states themselves. In all such cases the States will develop their annual action plans to be funded by the Ministry. As of now 4 States have transited to this stage. In respect of the remaining States, the Ministry will take up State specific projects on the recommendations of the respective States, as an interim measure till the states develop the requisite capacity. In view of these reforms, expenditures under skills and placement component also remained low.

Under the Mahila Kisan Sashaktikaran Pariyojana (MKSP), another scheme under Aajeevika, a large number of proposals had been received and sanctioned in 2010-11 and 2011-12. In 2012-13, the effort was in getting proposals from States which had not sent any proposals in the previous years. Accordingly the Ministry has been conducting Regional level workshops for identifying suitable project proposals and partners for MKSP and also building capacity of States for preparing project proposals under MKSP and monitoring their implementation. In addition, unutilized fund of previous Financial Year were also available for meeting the expenditure during 2012-13.

On account of the above reasons, the budget was substantially reduced at the RE stage. With most systems in place now, it is expected that expenditures will rise substantially over the next two years.

1.49 The Committee wanted to know whether these implementation constraints would not affect utilization of funds during 2013-14 under major schemes of DORD.

The DoRD in a written note stated as under:

“Scheme-wise details are as under:

IAY: As far as IAY is concerned during 2011-12 against allocation of Rs.10,000/- crore utilization was Rs.9872.06 crores (98.72%) During 2012-13 against allocation of Rs.11075/- crores (B.E.) the Revised Estimate for IAY for the current year was fixed at a much lower level than the BE on the basis of actual releases upto September, 2012. The slow pace of expenditure during the first half of the year was not due to lack of demand but due to a very essential condition imposed by the Ministry that the States should upload the data on the new MIS (Awaassoft) before the release of 2nd installment. This condition was imposed in order to move towards Direct Benefit Transfer and eliminate corruption. State Governments are being encouraged to achieve the targets fixed for uploading of data on MIS Awaassoft. The progress of uploading of data on Awaassoft has increased significantly in many states and uploading of data is likely to improve further by organizing workshop at State/District level for solving the problems of uploading of data under Awaassoft. The funds for training, employment of technical personnel for uploading data, hardware/software requirement can be met out of 4% of the funds released to State governments for administering the scheme. Hence, the funds allocated for IAY scheme during 2013-14 i.e. Rs.15184.00 crores are likely to be fully utilized and the target of construction of 24 lakh houses will be achieved.

NRLM: Once the recruitment of professionals right upto block level is done by the State missions and the teams are placed after induction, the ground level programme implementation will commence and expenditures will pick up. The bulk of the recruitments in the major States are expected to be over by the third quarter of this year. Therefore, expenditures are likely to be modest in most States, except those few States that already have manpower in place. The allocations under NRLM during 2013-14 has therefore been modest, keeping this scenario in mind. It is expected that the entire allocation of 2013-14 will be utilized.

PMGSY: The issues of pace of implementation and inadequate absorption capacity of the States are reviewed periodically at various fora like Review Meetings Chaired by Hon'ble MRD, Empowered Committee Meetings and Regional Review Meetings (RRMs). Issues related to Implementation and Institutional capacity of States are also identified and communicated to States. The steps taken for faster implementation of the programme by the Ministry include:

- i) Issue of adequacy of number of Programme Implementation Units and State Quality Monitors was taken up with the States during EC meetings and RRM's and many States have taken significant steps to address the issue.

- ii) In IAP areas, relaxations have been given to have better response to bids by taking steps such as decreasing the package size, allowing inclusion of insurance cost of plant & machinery in DPRs etc.
- iii) Training courses have been organized to meet the requirements of Implementing Agencies and personnel of Contractors.
- iv) In high rainfall areas, use of cold mix technology has been permitted.
- v) In IAP areas forest clearance has been simplified by Ministry of Environment & Forests to facilitate construction of public roads etc. as well as for quarrying of materials used in construction of public roads.

1.50 The Committee also asked how far these reductions have retarded the process of rural connectivity under PMGSY, availability of wage employment under MGNREGA, removing the shelterless-ness under IAY and giving self employment under Aajeevika schemes, the DoRD in a written note stated as under:

(i) “PMGSY : Funds are released to the States/UTs in accordance with the PMGSY Guidelines. During the year as per projected requirement, supported by 60% utilization of available funds, of the concerned State/UT Government, releases were made in accordance with the provisions of programme guidelines; thus no State/UT has been adversely affected in the process of rural connectivity under PMGSY, due to paucity of funds.

(ii) IAY : As per 12th Five Year Plan targets estimated 124 million houses are to be constructed for reducing the shelterlessness in the country. In the first year of the plan i.e. 2012-13 out of targeted 30.10 lakh houses 16.60 lakh houses have been completed and 35.14 lakh houses are under construction. Usually construction of houses spill over to next year. During the year 2013-14 a target for completion of 30 lakh houses have been envisaged. It is expected that the targets fixed for 12th Five Year Plan will be achieved.

(iii) NRLM: As mentioned above, the S.G.S.Y. was being implemented concurrently in most states while they were preparing to transit to Aajeevika. In addition, even while the systems were being put in place, a few states like Chhattisgarh, Maharashtra, Jharkhand, Madhya Pradesh, Rajasthan, Jammu and Kashmir etc. have started institution building work in selected Resource blocks (out of the intensive blocks) with support from A.P Government’s rural livelihoods mission – the Society for Elimination of Rural Poverty (S.E.R.P) which has had 13 years of implementation experience. The Ministry had declared 4 State Rural livelihoods missions as Resource agencies to enable the states to roll out N.R.L.M, since these states have been implementing Aajeevika for more than 5 years. The 4 state missions are: (1). S.E.R.P, Govt. of A.P, (2).Kudumbashree Mission, Govt. of Kerala, (3).Bihar Rural Livelihoods Promotion Society, Govt. of Bihar, and (4). Tamilnadu Women

Development Corporation, Govt. of Tamilnadu for supporting states in social mobilisation and institution building under Aajeevika.

The institution building in the Resource blocks of the above 6 states have been initiated by experienced women S.H.G members called Community Resource Persons (CRPs) from Andhra Pradesh, trained specifically for this purpose by SERP. This is expected to create large sized proof of concept in the states, contextualize Aajeevika, and also help in creating internal social capital in the form of CRPs for expanding coverage of the programme rapidly and effectively. These resource blocks can also serve as training and immersion sites for the Aajeevika staff of the states. It is estimated that about 400 good quality SHGs would be created in a year in each resource block, as opposed to an average of approximately 40 SHGs created in each block in a year under S.G.S.Y. In all the 6 states where this strategy has been implemented the results have been very positive and have created positive enthusiasm for Aajeevika in the states. In Chhattisgarh, where this approach first commenced in May 2012 in 4 blocks the results are very impressive. In each block more than 300 S.H.G s have been formed and strengthened in a span of 10 months of intensive work. It is expected that in one year's time about 400 S.H.G s will be formed and nurtured. The women and their family members in these S.H.G s will be provided continuous support for the next 10 years to enable them to come out of abject poverty. In the normal S.G.S.Y approach not more than 40 S.H.G s would have been supported with training, revolving fund and capital subsidy.

(iv) MGNREGA: The MGNREGA is a demand-driven wage employment programme. Based on the demand pattern of the States/UTs, the budget provision at RE level has been reduced in FY 2011-12. While the expenditure during FY 2011-12 remained within the RE ceiling of that year, increase in labour demand during FY 2012-3 has led to the revision of RE from Rs. 29,387 cr. to Rs. 30,287 cr. As on 26.03.2013, an amount of Rs. 29,414.07 cr. has been released to States/Districts under MGNREGA. Thus, the actual release of funds during FY 2012-13 [as on 26/03/2013], is Rs. 199.02 cr. more than the releases made in FY 2011-12.”

IV. SCHEME WISE ANALYSIS

(i) Mahatma Gandhi National Rural Employment Act MGNREGA Scheme

1.51 Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) with its legal framework and rights-based approach was notified on September 5, 2005. It aims at enhancing livelihood security by providing at least one hundred days of guaranteed wage employment in a financial year to every rural household whose adult members volunteer to do unskilled manual work. The Act covered 200 districts in its first phase, on February 2, 2006, and was extended to all the rural districts of the country in phases.

(a) XIIth Five Year Plan (2012-17) outlay and expenditure

1.52 The DoRD stated in a note that as per MoRD Plan Outlay for MGNREGA during 12th Plan is Rs. 1, 63,835.00 crore. Out of which the Outlays for the first two years of the Plan i.e. 2012-13 and 2013-14 are as under:

(Rs. in crore)

Year	B.E.	R.E.	Expenditure
2012-2013	33,000.00	29,387.00	26,547.77 Up to 12.02.2013
2013-2014	33,000.00	-----	-----

1.53 The Committee pointed out that out of total Twelfth Plan Outlay of Rs. 1.63 lakh crore for MGNREGA, the actual allocation in first two years viz 2012-13 and 2013-14 has been only Rs. 0.66 lakh crore.

1.54 Asked whether the DoRD is hopeful of getting remaining funds of around Rs. 1.00 lakh crore for MGNREGA during remaining three years particularly when the funds for 2012-13 are already Rs. 7,000 crore less over previous year, the DoRD in a written note stated as under:

"Considering reduction in the opening balances available with the States/districts, annual wage revisions and its overall impact on cost per person-day of wage employment generation, it is expected that Rs. 0.997 lakh cr. would be availed of under MGNREGA during the remaining three years of 12th plan (2012-17)."

(b) Reasons for seeking higher funds for 2013-14 in view of low expenditure during 2011-12 and 2012-13

1.55 When further asked about the the basis for seeking higher funds for 2013-14 particularly when actual expenditure during the previous two years 2011-12 and 2012-13 was low, the DoRD in a written note explained:

"The increase in labour demand during FY 2012-3 has led to the revision of RE in respect of MGNREGA from Rs. 29,387 cr. to Rs. 30,287 cr. As on 26.03.2013, an amount of Rs. 29,414.07 cr. has been released to States/Districts under MGNREGA. Thus, the actual release of funds during FY 2012-13 [as on 26/03/2013], is Rs. 199.02 cr. more than the releases made in FY 2011-12.

As per programme MIS data, the actual expenditure in FY 2011-12 incurred by States/UTs was Rs. 37,071.56 cr. As on 26.03.2013 the States/UTs have reported an expenditure of Rs. 33,002.05 cr. Considering data entry lag, in the programme MIS, of about one and half months, the final figure of expenditure for FY 2012-13 would undergo a substantial change.

In pursuance to the announcement by Hon'ble Finance Minister in his Budget Speech 2009 to provide a real wage of Rs 100/- a day as an entitlement under the Mahatma Gandhi NREGA, Government of India had taken a decision to index wage rate notified under MGNREGA to the Consumer Price Index for Agricultural Labour every year starting from the FY 2011-12. The latest revision was notified in the Gazette of India, [Extraordinary] dated 26.02.2013. The revised rates would be effective with effect from 1st April 2013."

1.56 Asked about the position State wise of releases of MGNREGA during 2011-12 and 2012-13, the DoRD has furnished the following details:

"During FY 2012-13 [as on 26/03/2013] Rs. 29,414.07 cr. has been released to States/UTs. During FY 2011-12 Rs. 29,181.76 cr. was released to the States /UTs. State-wise details of releases made during FY 2011-12 and 2012-2013 [as on 26/03/2013] are at **Annexure**.

1.57 The Committee also enquired In which month of the calendar year the First and Second installments of MGNREGA funds are generally released and whether the releases of funds to different States is uniform across the country the DoRD in a written note stated as under

"As per the extant policy, funds under MGNREGA are released to States/districts in two tranches. The first tranche under MGNREGA is released subject to 50% of the agreed to labour budget (LB) including opening balance (OB) on the first day of a financial year (FY). The first tranche is, generally, released in the month of April. The second tranche is released upon utilization of 60% of total available fund subject to submission of

Utilisation Certificate (UC) and Audit report (AR) for the previous FY. Hence, the time of release of second tranche is wholly dependent on the capacity of the States/UTs in achieving 60% utilization of Total Available Funds, which in turn is largely dependent on their projecting a realistic Labour Budget."

(c) Coverage of households

1.58 The Committee pointed out that as per in the figures indicated in 'MGNREGA Sameeksha documents' brought out by the Ministry of Rural Development as per NSSO only 35 percent of the total rural households have job card. Asked whether the Development should not have been pro-active to cover the remaining 65% of rural household within the ambit of MGNREGA, the DoRD in a written note stated as under:

"The NSSO 66th Round noted that only 35% of the rural households have Job Cards. However, this number is derived from a survey and may not reflect real time data. MGNREGA's online MIS which notes actual names and photographs of beneficiaries may also be an indicator of the number of rural households who have Job Cards. As per the MIS, 12 crore rural households have Job Cards. This suggests coverage of around 60% of the rural households (2011 census). This suggests significant outreach of the programme.

Admittedly though, there is still a need to increase awareness among beneficiaries on the provisions of MGNREGA. Lack of information limits their ability to fully benefit under the Act. For generating awareness among beneficiaries and potential beneficiaries, several states and districts have taken up innovative methods. There is also a need to capture demand more accurately. MGNREGA Operational Guidelines 2013 enlist provisions for states to further strengthen their institutional capacity through deployment of human resources, timely planning of works and detailed labour budget preparation by involving Gram Sabhas and Gram Panchayats, to capture demand in a better way."

(d) Job cards issued/employment demanded vis-à-vis employment provided

1.59 The Committee pointed out that the implementation status report of MGNREGA for 2011-12, 2012-13 shows the following:

(Rs. In crores)

	(2011-12)	(2012-13)
Cumulative no. of jobs card issued	12.38	12.58
No. of Household who demanded employment	5.09	4.19
No. of Households who were provided employment	5.04	4.15

1.60 The Committee also pointed out that showed that less than 50% of total job card holder households demanded employment. Asked whether MGNREGA is unable to attract the rural households for wage employment, the DoRD in a written note stated as under:

"Drawing a comparison between 2011-12 and 2012-13, the total persondays generated at the end of January 2012 were around 172 crore, in contrast, the persondays upto January 2013 were around 176 crore. This would actually reflect a steady employment being provided by the programme over the years. The MGNREGA data does indicate a decline in proportional percentage participation of SCs and STs. This decline may not necessarily be a bad indicator as it may suggest that MGNREGA beneficiaries have moved away from the Scheme. For instance, MGNREGA allows for works to be taken up on the private land of individual beneficiaries including SCs, STs, BPL, and Small & Marginal Farmers (SMF). As per MIS, 50% of the beneficiaries under category IV (MGNREGA works on private land belonging to Scheduled Castes (SCs)/Scheduled Tribed (STs)/Below Poverty Line (BPL) families or to the beneficiaries of land reforms or Indira Awas Yojana (IAY), Small Marginal Farmers (SMF), have not sought employment under the Scheme, following the work on their land. These households may have moved back to farming on their own land as a result of land development under MGNREGA and/or have alternate livelihood opportunities. This would be a step in the direction of moving from unskilled manual labour to skilled farming practices."

(e) Households completing 100 days of employment

1.61 The Committee also pointed out that the status report on MGNREGA gives the following details about no. of households who had completed 100 days of employment during 2011-12 and 2012-13:

	(Rs. In lakhs)	
	2011-12	2012-13
No. of household who have completed 100 days of employment	40.54	43.65

1.62 The Committee pointed out that out of 5.04 crore households who were provided employment only 40.54 lakh could be provided 100 days employment during 2011-12. During 2012-13 out of 4.15 crore households who were provided employment, only Rs. 43.65 lakh could get 100 days of employment. Asked whether

MGNREGA has not been successful in giving employment in rural areas as desired level, the DoRD in a written note stated as under:

"The primary objective of Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is to enhance the livelihood security of the rural households, by providing up to 100 days of guaranteed wage employment in a year to every household on demand for doing unskilled manual work. Schedule-I of MGNREGA as amended from time to time lists the category of works that any Scheme prepared by a State Government under Section 4 (1) of MGNREG Act shall focus upon. The choice of works suggested in the Act addresses causes of chronic poverty like drought, deforestation, soil erosion, water availability etc. so that the process of employment generation is maintained on a sustainable basis and durable assets are created in rural areas by strengthening the natural resource base. Based on the suggestions and feedback received from various stakeholders including State Governments, changes and modifications to the Schedule and guidelines are carried out from time to time and this is a continuous process. By way of amendments, Schedule I has been substantially expanded to include a large number of additional activities that can be taken up. The list of activities at present included in Schedule-I of the Act is given in **Annexure**.

To generate awareness among potential wage seekers and set up systems that facilitate and rigorously record registration for work, issuance of Job Cards and applications on demand for work, as per the revised Guidelines issued by the ministry, a door-to-door survey should be undertaken by each GP every year to identify eligible households who have been missed out and wish to be registered under the Act. It needs to be ensured that this survey is held at that time of the year when people have not migrated to other areas in search of employment or for other reasons.

Every GP has been advised to organise a **Rozgar Diwas** at least once every month. At this event the GP should pro-actively invite applications for work from potential workers for the current as well as subsequent quarters. Dated receipts will be issued to the applicants at this event. The 'Employment Guarantee Day' (Rozgar Diwas) should be earmarked for processing work applications and related activities such as disclosure of information, allocation of work, payment of wages and payment of unemployment allowances.

The objective of MGNREGA is also 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. The workers are free to avail any other employment opportunities available to them. The demand for work from adult members of household depend on factors like non-availability of other source of income, availability of work nearer to their household, choice of work available etc."

1.63 In reply to a question, the Secretary, DoRD also explained during evidence:

"In one sense, it is true that NREGA is demand driven but it is in the sense of a right. It is not in the sense that we are free from our obligation because the

demand has to arise before we supply. No, that is not how we see it. We clearly see NREGA as part of our poverty reduction. Therefore, we have an obligation to ensure that wherever poor person needs to apply for work, he is enabled and facilitated in that process. If he does apply for work, the demand driven nature of the scheme will say that he cannot be denied it. Therefore, the demand driven is not only one sided, it is part of larger process where we actually facilitate him in being to articulate the demand."

1.64 He further stated:

"We are monitoring many parameters to see whether the demand is actually being projected, whether demand is being suppressed, whether there are people in the structure or hierarchy who are not aligned with the process of ensuring that the demand generation is properly articulated. We are closely watching this. We are looking at the participation of women. We are looking at the participation of Scheduled Castes, Scheduled Tribes, disabled. We are putting in place. For instance of a disabled, we have issued guidelines which say the schedule of rates will be separately drawn up for disabled people and they should be given work which they can do. The idea is not that we only meet the demand. The idea is that we help, create and generate and sustain that demand. We ensure that the widest possible coverage is done to that. We are seeing in some States, there are mechanisms outside NREGA which are actually fostering demand."

1.65 He added:

"Today, Sir, the States which are doing particularly well are Andhra, Karnataka and Kerala where the community structure around livelihoods and support systems are ensuring that no one is left out of the demand generation process whereas in States like UP, Bihar, we were seeing that the demand is far less than what would be expected given their levels and the nature of their poverty both in terms of nature of participation and quantum of participation. We are worried about it. We are asking the States actually to ensure the demand is generated. So, it is not that we are waiting for demand to arise and then we supply. We are actually in the process of trying to increase demand because ultimately the objective is poverty eradication, not merely meeting the demand that has been generated."

1.66 A representative of DoRD further informed:

"Earlier there were discussions whether the demand should come naturally or against stimulated demand. The latest guidelines based on Mihir Shah Committee Report made it very clear that if you proactively stimulate demand, then the labour groups are to be organised, voluntary technical court to be formed, Gram Rozgar Divas to be honoured and IEC activity to be carried out so that you reach out to people, inform them of their rights and enable them to access rights. Of course, it has to be operationalized. That is very much taken on board."

Regarding specificity of works, again based on this, we have notified about 20 to 21 works as per the guidelines including certain kind of works in coastal areas, farmer friendly works so that it will stimulate production. The scope of work has been enhanced. The latest is Anganwadis. They have to work in partnership with Women and Child Development Department to construct Anganwadis. That is also being taken care of."

Preparation of MIS

1.67 The physical performance under MGNREGA as shown in Outcome Budget of DORD (2013-14) indicates the following details:

	2011-2012 626 Districts	2012-2013 632 districts (Upto Dec. 2012)
Employment provided to household	5.04 crore	4.16 crore
Total works taken up (in lakhs)	82.51	70.50
Works completed (In lakhs)	18.56	10.21

1.68 Asked whether the MGNREGA is unable to achieve its basic objective of wage employment in rural areas, the DoRD in a written note stated as under:

"As per data available upto 22.3.2013 and reported by States, more than 4.83 crore households have been provided employment during 2012-13. The total works taken up during the period is 96.05 lakhs whereas works completed is 13.70 lakhs. The data uploading in Management Information System (MIS) by the States is still incomplete and there is a time lag of about one and a half month in data entry. The employment generation during the fag end of the financial year is expected to pick up. The number of employment provided to households is expected to cross 5 crores by the end of the month of March, 2013. Out of The total works taken up during a financial year, some works are likely to spill over to the next financial year (based on experience of previous year), since completion of such works depends on factors like climatic condition, availability of workforce, material etc."

1.69 The Committee further wanted to know about the stage of the MIS preparedness in different States. The DoRD in a reply stated as under:

"Availability of connectivity (IT) and Electricity is one of the factors for some of the states lagging behind in Management Information System preparedness which results in a time lag of 15 days to 45 days in uploading of data in MIS. In the case of states of Jammu & Kashmir and North Eastern states of Manipur, Mizoram, Nagaland, Meghalaya, Sikkim, Arunachal Pradesh as well as Uttarakhand and some of the IAP districts, due to problems of connectivity, the uploading of MIS data is only partial. Whereas, in the states of Bihar and Madhya Pradesh, there is a time lag in data entry of about 2 months."

(f) Timely Payment of wages

1.70 The Committee drew the attention of DoRD that the timely payment of wages has been a big problem that has been raised before the Committee during their study tours in different States. The DOLR in this connection has stated that all States have been recommended to disburse wages through Post offices and Banks and around 8.54 crore and Post Office Accounts have reported on MGNREGA soft for disbursement of wages. The Committee also pointed out that during the study tour of the Committee to Port Blair and Kolkata in February, 2013 the problem of timely payment of wages was highlighted before the Committee. Asked whether the MGNREGA soft has been made operational across all the States and wages being paid through MGNREGA soft, the DoRD in a written note stated as under:

"e-FMS (electronic fund management system) module of MGNREGA MIS (NREGASoft) which uses CBS (core banking system) of Banks and NEFT/RTGS/ECS platform for crediting the bank accounts of workers is being implemented on pilot basis in 4 states viz. Rajasthan, Orissa, Karnataka and Gujarat. 15 more states have opted to initiate e-FMS pilot projects. State wise details of Total Fund Transfer Orders (FTO) Generated, Total Amount (Rs in Lakh) of FTOs and Total Processed Amount (Rs in Lakh) using in e-FMS, are given below:

S.No.	State Name	Total FTO Generated	Total Amount (Rs in Lakh) involved in FTOs	Total Amount Processed & credited (Rs in Lakh)
1	CHHATTISGARH	4	0.25	0.04
2	GUJARAT	5920	848.87	759.32
3	HARYANA	9	1.80	0.63
4	JHARKHAND	37	7.25	2.85
5	KARNATAKA	30895	12618.80	10699.77
6	MP	21	2.01	0.00
7	MAHARASHTRA	64	8.15	5.57
8	ODISHA	35262	9946.83	8367.42
9	PUNJAB	4	1.23	1.14
10	RAJASTHAN	658	222.65	144.52
11	TAMIL NADU	2	0.02	0.00
12	TRIPURA	50	38.74	38.47
13	UP	2	0.25	0.14
14	UTTARAKHAND	9	2.10	0.29
15	PUDUCHERRY	5	3.49	3.49
	Total	72942	23702.45	20023.65

During 2013-14, wages under MGNREGA are planned to be effected using the Aadhar enabled Direct Benefit Transfer process, which requires the use of e-FMS. As such, in the first phase, wages in 46 rural districts (out of the 51

districts selected) will be paid using the e-FMS module of NREGAssoft in 16 States. During 2013-14 these 16 States are expected to switchover to wage payment through NREGA soft."

(g) Creation of durable assets

1.71 The Committee pointed out that with a view to ensuring durable and quality assets the DORD has stated that based on the recommendations of Dr. Mihir Shah Committee, the list of permissible works has been expanded in May, 2012 and convergence of MGNREGA with Nirmal Bharat Abhiyan has been done. Asked about any independent assessment about durability and quality of assets and convergence done in different States, the DoRD in a written note stated as under:

"Utility and durability of the MGNREGA assets have been confirmed through perception surveys of beneficiaries and stakeholders. One of the survey rounds of the MGNREGA National Sample Survey Organization (NSSO) in Andhra Pradesh, Madhya Pradesh and Rajasthan, found that around 99 % of rural households in Rajasthan, 82 % in Madhya Pradesh and 64 % in Andhra Pradesh were using the assets created through MGNREGA works. Further, out of all the MGNREGA assets being used—83 % in Rajasthan, 80 % in Madhya Pradesh and 67 % in Andhra Pradesh—were considered to be of good or very good quality.

The sustainability of an asset depends to a large extent on the soundness of its technical design. A study evaluated 580 different types of works across four districts of Rajasthan and Madhya Pradesh, involving 640 households, with regard to critical design parameters under each category; for example, cost of investment, height, depth, technical design, quality of construction, time to recover the cost, among others. It was found that most of the structures, which have been built under the MGNREGA, are sustainable and will last for their designed average life. In particular, wells, check dams and anicuts had been built with good-quality material and the right kind of technical inputs. These structures could be sustained over a period of 10–15 years and through physical verification did appear sound enough to last that long (Institute for Development of Youth, Women and Child /UNDP 2010)

A comprehensive study on RoI (expected returns on the built asset) related to MGNREGA works across eight districts of Bihar, Gujarat, Kerala and Rajasthan, is indicative of the productive potential of MGNREGA. The study assessed 143 best performing MGNREGA water related assets (for instance irrigation, ponds, wells) and found that RoI estimates are positive in the case of a majority of assets (International Water Management/ Institute of Rural Management, Anand 2010) Specifically, out of 143 assets, 117 assets (for which detailed quantitative data on costs and benefits was calculated) had a RoI of over 100 per cent in the first year, i.e. they recovered their investment

in a single year of use. Across the four States, the RoI on all assets collectively was 126 per cent for Gujarat, 121 per cent for Bihar, 101 per cent for Kerala, and 61 per cent for Rajasthan. Micro-canal systems were found to have the highest rate of return compared to all other MGNREGA works (more than 200 per cent within a year). With renovation carried out under MGNREGA water is available in these canals for up to eight months in a year and this has allowed the farmers to provide 3–6 additional waterings to their paddy crops. While the renovation increased the crop productivity by around 6–15 per cent, the bulk of the benefits for the farmers came in the form of diesel saving as they were able to replace costly well-irrigation."

1.72 Asked about the difficulty in setting of independent assessment on the issue of durability and quality of assets created under MGNREGA across the States, the DoRD in a written note stated as under:

"An important objective of MGNREGA is creation of durable assets, which would not only enhance the livelihood security of rural poor but also result in substantial infrastructure development. An effective quality management mechanism has been designed, which would have three different aspects namely (i) quality control at site (ii) quality supervision and (iii) quality monitoring. These aspects have been discussed in detail in Chapter 14- 'Quality Management of MGNREGA works'- of the operational guidelines, 2013. The Social Audit Unit shall also have Quality Monitors to facilitate evaluation of asset quality during social audit. This will ensure durability of assets and their intended usefulness."

(h) Convergence of MGNREGA with other Schemes

1.73 Currently around Rs. 8,00,000 crore investment is being done annually in rural areas by different Central and State Government through 200 odd schemes with no commensurate result at ground level so convergence of different programmes like watershed programme, Drinking Water, sanitation, BRGs National Agricultural Development Programme (Rashtriya Krishi Vikas Yojana, National Horticulture Mission, BRGF, PMGSY with MGNREGA for creating durable assets has been contemplated by the Ministry of Rural Development. Convergence Guidelines 2009 have been framed by DoRD and amended in November 2011 to include sanitation facilities. Asked whether any progress has been made in other States, the DoRD in a written note stated as under:

"The State/UTs wise details of works taken under convergence as reported by States/UTs in MIS are given in as follows:

Number of works under convergence entered in MIS (till 20.03.2013)

Rs in crores

No.	State	No of works under convergence		Total works (ongoing + completed)	Total Sanctioned Amount (In Lakh)
		Ongoing works	Completed works		
1	Andhra Pradesh	0	0	0	0
2	Arunachal Pradesh	0	0	0	0
3	Assam	15	0	15	48.06
4	Bihar	0	0	0	0
5	Chhattisgarh	0	1	1	0
6	Goa	0	0	0	0
7	Gujarat	2	1	3	4
8	Haryana	538	241	779	1835.32
9	Himachal Pradesh	0	0	0	0
10	Jammu & Kashmir	0	0	0	0
11	Jharkhand	2	1	3	5.09
12	Karnataka	12401	122	12523	19236024.08
13	Kerala	0	0	0	0
14	Madhya Pradesh	3487	530	4017	9245128.33
15	Maharashtra	66	0	66	2402990.22
16	Manipur	0	0	0	0
17	Meghalaya	0	0	0	0
18	Mizoram	0	0	0	0
19	Nagaland	0	0	0	0
20	Odisha	819	434	1253	1392.31
21	Punjab	0	2	2	11.25
22	Rajasthan	2507	185	2692	2663244.13
23	Sikkim	59	0	59	70.2
24	Tamil Nadu	2	0	2	0
25	Tripura	19	5	24	101531.14
26	Uttar Pradesh	20758	1898	22656	15991106.95
27	Uttarakhand	3	0	3	18.6
28	West Bengal	77	8	85	124609.88
29	Andaman and Nicobar	34	0	34	102.94
30	Chandigarh	0	0	0	0
31	Dadra & Nagar Haveli	0	0	0	0
32	Daman & Diu	0	0	0	0
33	Lakshadweep	0	0	0	0
34	Puducherry	0	0	0	0
	Total	40789	3428	44217	49768118.5

No report from Goa and UTs

(i) Grievances Redressal

1.74 The Committee pointed out that grievances on implementation of MGNREGA have been the major cause of concern before the Committee. In this connection, the Committee drew the attention of the DoRD about appointment of Ombudsman at district level for expeditious redressal of grievances and in seven States of Gujarat, Kerala, Madhya Pradesh, Manipur Nagaland, Sikkim and West Bengal have set up Ombudsman in all the districts. Five States of Arunachal, Goa, J&K, Mizoram and Uttar Pradesh have not appointed Ombudsman in any of their districts. Other States have also not appointed Ombudsman in most of the districts.

1.75 Asked about the practical difficulty in not appointing such Ombudsman in other States so that reported cases of irregularities in MGNREGA are removed, the DoRD in a written note stated as under:

"The prescribed selection process for Ombudsman involves open advertisement; meeting of selection committee headed by the Chief Secretary of the State with a representative of the Union Ministry of Rural Development and an eminent civil society person; publishing on the official website the shortlisted panel of candidates prepared by the Selection Committee for comments and objections and also getting their antecedents verified by respective district authorities. All this takes time.

Selection of Ombudsman is to be made from among persons of eminent standing and impeccable integrity with at least twenty years experience in public administration, law, academics, social work or management. As Ombudsman are appointed for a term of 2 years extendable for maximum 1 year or till he/she attains the age of 65 years and they cannot be reappointed, many good performing Ombudsman too have to vacate the post on attaining the prescribed age.. Resignation and death also causes vacancies. Hence the process of recruitment and filling up of vacancies, at times becomes a long drawn process.

The Ministry of Rural Development is reviewing the Order of year 2009 for the establishment of the office of Ombudsman, to make the selection process smooth and less time consuming as well as making the post of Ombudsman more attractive to eligible candidates.

In case of Uttar Pradesh, newspaper advertisement has been issued, applications have been received, the Selection Committee has held its first meeting on 22.1.2013 attended by the representative of Ministry of Rural Development. The applications received are being processed/shortlisted /verified. Current status of appointment of Ombudsman as reported by the States as on 1st March, 2013 is as follows:-

No.	Name of the State	No. of Districts	No. of
1	Andhra Pradesh	22	2
2	Assam	27	22
3	Bihar	38	14
4	Chhattisgarh	27	16
5	Gujarat	26	19
6	Haryana	21	7
7	Himachal Pradesh	12	10
8	Jharkhand	24	7
9	Karnataka	30	26
10	Kerala	14	14
11	Madhya Pradesh	50	50
12	Maharashtra	33	29
13	Manipur	9	9
14	Meghalaya	7	1
15	Nagaland	11	11
16	Orissa	30	24
17	Punjab	22	5
18	Rajasthan	33	20
19	Sikkim	4	1(for all 4
20	Tamil Nadu	31	11
21	Tripura	8	3
22	Uttarakhand	13	11
23	West Bengal	19	6 (for all
24	Uttar Pradesh, J&K, Goa, Mizoram, Arunachal Pradesh and all UT of A&N Islands, Chandigarh, Dadra & Nagar Haveli, Daman & Diu, Lakshdweep and Puducherry	-	NIL (Process underway in UP)

The Ministry of Rural Development has reviewed the status of appointment of Ombudsman in States in the Performance Review Committee (PRC) meetings held on 15-16 October 2012 and 15-16 January 2013 in New Delhi, Regional Review Meetings for North Eastern States held on 30 October 2012 in Guwahati and 18 January 2013 in Aizawl and also in Regional Review Meetings of north, south and west zones and appropriate instructions have been issued to the state governments."

1.76 The Committee during the course of evidence pointed out about complaints of corruption/irregularities in MGNREGA. Asked whether DoRD has identified defaulters and punished them, the Secretary, DoRD informed:

"Sir, in so far as identification of defaulters in MGNREGA is concerned, we have multiple mechanisms for MGNREGA. There is a social audit system; there is quality monitoring system; and normal audit.

In fact, one of the conditions for release of funds is that the audit observations and problems pointed out in audit are actually rectified before releases are

made. Unfortunately, this often leads to hardships because if we stop funds because in one district there is a problem, we cannot stop funds to all the districts or even within that district to people who have nothing to do with that problem. It is a very sensitive issue. There are many cases where we have talked to the Chief Secretaries of the State to put into place mechanisms to ensure that this kind of problem does not happen."

1.77 The Secretary, DoRD further stated:

"Basically, two kinds of problems are happening in MGNREGA. One is use of machinery in place of labour. We have detected many cases including in the J&K, and in two of them we have sent National Quality Monitors who have taken a look and have actually found that in two districts machinery was used and we are taking action in those cases. We have had similar complaints in other States as well. The other is where either embezzlement takes place or where the work is not done and it is claimed that the work was done. Here again, whenever it comes to notice we do take it up very strongly with the State Governments."

1.78 The Secretary, DoRD added:

"While I do not today claim that MGNREGA is corruption-free, I think that over the years what we are trying to do is to put in place better and better systems to ensure that the scope for this is less."

1.79 In reply to a question about in Jammu & Kashmir, the DoRD in a post evidence reply stated:

"In all the complaints received in the Ministry, State Government of Jammu & Kashmir was requested to conduct inquiry. Some cases were also inquired into by the National Level Monitors instituted by the Ministry of Rural Development. The State Government of Jammu & Kashmir, based on the inquiry report, has taken action against the defaulters. The State Government is being pursued to take action in the remaining cases."

1.80 In this connection, the Committee wanted to know whether the DoRD has asked for a CBI enquiry on irregularities in MGNREGA, the Secretary DoRD stated:

"For MGNREGA in Uttar Pradesh, we have written for CBI probe. The matter is pending in High Court. We have submitted a written statement in High Court saying that we have already written to State Government to permit us to set up a CBI enquiry. However, so far we have not receive any response from State Government and the case is pending in the High Court."

1.81 The Committee also pointed out that DoRD has stated that appointment of Ombudsman is a time consuming process and so DORD is reviewing the Order of 2009 for making the process less time consuming and smooth, the DoRD in a post evidence reply stated as under:

"Draft of the revised Ombudsman Order has been prepared and uploaded on MGNREGA website for seeking comments of State Governments, other individuals and organizations. The comments have been obtained and analyzed. Final Ombudsman Order is expected to be disseminated to the States within a month."

(ii) Pradhan Mantri Gram Sadak Yojana (PMGSY)

1.82 The Primary objective of the programme is to provide good all weather connectivity to all eligible unconnected habitation in the core network with a population of 500 (Census-2001) and above. In respect of the Hill States (North-East, Sikkim, Himachal Pradesh, Jammu & Kashmir and Uttarakhand), Desert areas (as identified in the Desert Development Programme), Tribal (Schedule V) Areas and Selected Tribal and Backward Districts (as identified by the Ministry of Home Affairs and Planning Commission) under integrated Action Plan, the Objective is to connect habitations with a population of 250 (Census-2001) and above. The programme envisages single all-weather connectivity.

1.83 With a view to ensuring full farm-to-market connectivity, the programme also provides for the upgradation of the existing Through Routes and Major Rural Links to prescribed standards, through it is not central to the programme.

(a) Availability of funds during XIIth Five Year Plan (2012-17)

1.84 The Committee pointed out that during the XIIth Plan (2012-2017) Outlay for PMGSY is Rs. 1.05 lakh crore out of which the outlay for first two years of current Plan is only Rs. 45,700 crore. Asked whether the DoRD would be able to arrange remaining Rs. 55,000 crore for remaining three years for PMGSY, the DoRD in a written note stated:

"The Plan Outlay for PMGSY for 12th Plan is Rs. 1,05,000 crore out of which the Outlays for the first two years of the Plan i.e. 2012-13 and 2013-14 are as under:-

(Rs. in crore)		
Year	B.E.	R.E.
2012-2013	24,000.00	10,000*
2013-2014	21,700.00	--

*RE 2012-13 further reduced to Rs. 8,884.66 crore.

Therefore, availability of funds under PMGSY for remaining three years of 12th Five Year Plan will be Rs. 73,300 crore. Further, depending upon the pace of implementation in the States and availability of funds in the 12th Five Year Plan, such habitations and road length that are not covered during the 12th Five Year Plan would be covered in the 13th Five Year Plan."

1.85 The DoRD has stated that the BE, RE and actual during 2011-12 and 2012-13 and BE proposed for 2013-14 has been as under:

(Rs. in crore)			
Year	B.E.	R.E.	Actual Expenditure
2011-2012	20,000 (17,789 + 2,211)*	19,981.25	19,342
2012-2013	24,000 (23,000 + 1,000)*	10,000	6,825.76(As on January, 2013)
2013-2014	21700	--	

*Assistance from ADB/W.B.

1.86 The Committee pointed out that BE (2013-14) are Rs. 2,300 crore lower than BE 2012-13. Moreover there is huge reduction of Rs. 14,000 crore (RE 2012-13) and very less expenditure has so far been reported. Asked about the reasons for huge reduction and less expenditure during 2012-13, DoRD in a written note stated as under:

"As implementation of Pradhan Mantri Gram Sadak Yojana (PMGSY) is through concerned State/Union Territory, the pace of implementation depends on various factors including absorption capacity, contracting capacity and area-specific issues faced during construction/upgradation of rural roads under the programme. One major reason for such huge reduction at RE level was availability of huge unspent balance of Rs. 8,885 crore as on 1st April, 2012 at the level of State/UT Governments. Keeping in view the expenditure trend of States/UTs and slow pace of implementation, it was analysed that States having availability of unspent balance would not require release of the entire Rs. 24,000 crore (though retaining Rs. 4,486 crore committed for NABARD loan servicing and Grant-in-aid to NRRDA). Thus RE for current financial year was reduced to Rs. 10,000 crore. Some of the other reasons for such huge reduction at RE level and slow pace of expenditure are as below:

- i. Inadequate implementation capacity of some of the States because of limited contracting capacity especially in the Hill States as well as areas under IAP districts.
- ii. Non-availability of construction materials in remote locations/difficult terrain in Hill States, IAP areas etc.

- iii. Inadequate institutional capacity in some States because of non-availability of sufficient qualified technical personnel including engineers with the contractors.
- iv. Delays in award of tenders due to Law & Order situations; especially in Selected Tribal and Backward districts under IAP.
- v. Non-availability of land including land falling under forest areas (requiring forest clearances); especially in the Hill States, IAP districts, Tribal (Schedule-V) areas etc.
- vi. Limited working season and adverse climate conditions i.e. very long rainy seasons/floods."

1.87 Asked regard to less allocation proposed for 2013-14, the DoRD in a written note stated as under:

"The BE of Rs, 21,700 crore for year 2013-14 is Rs. 2,300 crore lower than BE of Rs. 24,000 crore for year 2012-13. Notably, due to huge unspent balance with States and slow implementation pace, RE 2012-13 was reduced to Rs. 10,000 crore (RE 2012-13 further reduced to Rs. 8,884.66 crore). Therefore, the BE 2013-14 is actually Rs. 11,700 crore higher RE of year 2012-13."

(b) Achievement of objectives

1.88 The Committee enquired whether initial objective of connecting unconnected habitations with a population of 500 and above has been achieved during 12 years of implementation of PMGSY, the DoRD in a written note stated as under:

"Eligible number of unconnected habitations of population 500 and above (as per 2001 census) is 1,27,708, out of which 80,577 habitations have been connected up to February, 2013. State-wise achievement of connecting such habitations is as under:

Coverage of Unconnected Habitations under the PMGSY										Annexure-II (76)			
#	States	Eligible Unconnected Habitations				Total Habitations Cleared till 25th March'13				Habitations connected upto Feb., 2013			
		1000+	500-999	250-499	Total	1000+	500+	250+	Total	1000+	500-999	250-499	Total
1	Andhra Pradesh	315	3337	1167	4819	315	643	606	1564	304	616	466	1386
2	Arunachal Pradesh	47	112	772	931	49	111	204	364	41	96	166	303
3	Assam	6051	6154	0	12205	6029	2618	0	8647	5204	1710	0	6914
4	Bihar	13048	6506	5250	24804	15527	4458	907	20892	8562	1461	0	10023
5	Chhattisgarh	1655	4498	4610	10763	1656	4296	3157	9109	1535	3145	1599	6279
6	Goa	0	20	0	20	0	20	0	20	0	2	0	2
7	Gujarat	437	2034	916	3387	412	1858	754	3024	396	1767	367	2530
8	Haryana	0	1	0	1	0	1	0	1	0	1	0	1
9	Himachal Pradesh	218	848	2659	3725	216	840	1352	2408	194	705	973	1872

10	Jammu & Kashmir	820	1014	2058	3892	720	845	362	1927	384	551	219	1154
11	Jharkhand	1876	4479	5258	11613	1774	3151	2958	7883	1528	1390	943	3861
12	Karnataka	151	1615	0	1766	151	118	0	269	151	118	0	269
13	Kerala	118	317	0	435	118	317	0	435	116	247	0	363
14	Madhya Pradesh	5992	11114	4062	21168	5963	6414	2141	14518	5794	4344	1209	11347
15	Maharashtra	197	988	974	2159	177	743	449	1369	173	673	330	1176
16	Manipur	80	317	626	1023	80	211	157	448	68	117	73	258
17	Meghalaya	9	150	634	793	7	117	91	215	6	89	61	156
18	Mizoram	31	99	116	246	31	99	32	162	30	80	26	136
19	Nagaland	24	41	126	191	24	41	26	91	24	40	26	90
20	Odisha	3752	7341	11118	22211	3604	5540	2818	11962	3522	3011	503	7036
21	Punjab	98	343	0	441	94	331	0	425	93	313	0	406
22	Rajasthan	2798	7357	6646	16801	2803	7826	1984	12613	2735	6414	1688	10837
23	Sikkim	16	138	212	366	16	138	142	296	15	108	64	187
24	Tamil Nadu	555	1648	0	2203	555	1428	0	1983	554	1380	0	1934
25	Tripura	169	604	958	1731	168	604	1001	1773	153	533	781	1467
26	Uttar Pradesh	7434	6423	127	13984	7425	5127	112	12664	7410	3726	0	11136
27	Uttarakhand	121	662	1901	2684	120	520	409	1049	111	369	190	670
28	West Bengal	8051	5485	286	13822	7711	4917	637	13265	5904	2564	0	8468
Total		54063	73645	50476	178184	55745	53332	20299	129376	45007	35570	9684	90261

(c) The Target vis-à-vis Achievement

1.89 The Department has given the following targets and present progress (2011-12) as on 31.12.2012.

		(in Lakhs)		
		Total Eligible	Progress cleared sanctioned	Completed
(i)	Habitations	1.64	1.23	0.89
(ii)	New connectivity (KM in Lakh)	3.81	3.06	2.22
(iii)	Upgradation	3.74	1.76	1.44

1.90 The Committee pointed out that in all the three areas of Habitation, New habitations and upgradation performance was low during 2011-12.

1.91 Asked about the reasons for less performance, the DoRD in a written note stated as under:

"The figures pertain to overall PMGSY targets of Total Eligible Habitations, Out of it Number of Habitations for which Projects Cleared (Sanctioned) and Out of it Number of Habitations Connected. Inadequate absorption capacity in a number of States especially, for contracting is one of the major reasons. Besides, to focus on the habitations eligible under Bharat Nirman Projects, an Advisory was issued in 2009. Accordingly, only Bharat Nirman component eligible projects and World Bank/Asian Development Bank assisted Projects; and Projects in Left Wing Extremism affected areas and International Border Blocks were being cleared. Further, a major portion of new connectivity projects being undertaken are now not in all the States and the States undertaking it does not have adequate matching capacity."

(d) PMGSY under Bharat Nirman

1.92 The Rural Roads has been identified as one of the six components of Bharat Nirman with a goal to provide connectivity to all habitations with a population of 1,000 persons and above (500 persons and above in the case of Hilly or Schedule-V Tribal areas) with All-weather road. The Bharat Nirman programme also has an Upgradation component with a target to upgrade 1.94 lakh Km of existing rural roads (including 40% renewal of rural roads to be funded by the States) in order to ensure full farm to market connectivity. Based on ground verification by States, a total of 63,940 habitations are targeted to be connected under Bharat Nirman. In this connection DoRD clarified that a total number of 1,78,184 unconnected habitations (including 13,335 approved in February 2013 for addition) are to be covered under PMGSY. These include the 63,940 habitations pertaining to Bharat Nirman. The State-wise details of the eligible unconnected habitations as under:

Statewise details of eligible unconnected habitations under PMGSY

#	States	Eligible Habitations			
		1000+	500+	250+	Total
1	Andhara Pradesh	315	3,337	1,167	4,819
2	Arunachal Pradesh	47	112	772	931
3	Assam	6,051	6,154	0	12,205
4	Bihar	13,048	6,506	5,250	24,804
5	Chhattisgarh	1,655	4,498	4,610	10,763
6	Goa	0	20	0	20

7	Gujarat	437	2,034	916	3,387
8	Haryana	0	1	0	1
9	Himachal Pradesh	218	848	2,659	3,725
10	Jammu & Kashmir	820	1,014	2,058	3,892
11	Jharkhand	1,876	4,479	5,258	11,613
12	Karnataka	151	1,615	0	1,766
13	Kerala	118	317	0	435
14	Madhya Pradesh	5,992	11,114	4,062	21,168
15	Maharashtra	197	988	974	2,159
16	Manipur	80	317	626	1,023
17	Meghalaya	9	150	634	793
18	Mizoram	31	99	116	246
19	Nagaland	24	41	126	191
20	Odisha	3,752	7,341	11,118	22,211
21	Punjab	98	343	0	441
22	Rajasthan	2,798	7,357	6,646	16,801
23	Sikkim	16	138	212	366
24	Tamilnadu	555	1,648	0	2,203
25	Tripura	169	604	958	1,731
26	Uttar Pradesh	7,434	6,423	127	13,984
27	Uttaranchal	121	662	1,901	2,684
28	West Bengal	8,051	5,485	286	13,822
	Total	54,063	73,645	50,476	178,184

1.93 The Committee wanted to know whether DoRD is covering the above two kinds of habitations simultaneously or implementing the Bharat Nirman work alone, the DoRD in a written note stated as under:

"Since relaxations of the Advisory of 2009, clearance for habitations under Bharat Nirman as well as remaining PMGSY is being issued. When the Advisory was in force, besides Bharat Nirman component eligible projects; World Bank/Asian Development Bank assisted Projects; Projects in Left Wing Extremism affected areas and International Border Blocks were being cleared, though earlier cleared works of remaining PMGSY were also progressing."

1.94 Asked about the State-wise physical and financial performance coverage of both kinds of habitations during 2011-12 and 2012-13 in different States, the DoRD in a written note stated as under:

"During year 2011-12, a total number of 6,537 habitations were connected and an expenditure of Rs. 10,946 Crore incurred. Similarly, during year 2012-13, a total number of 5,847 habitations have connected and an expenditure of

Rs.6,473 crore has been incurred up to February 2013. State-wise details of Physical and financial performance are attached as under:

Physical and Financial Performance during 2011-12 & 2012-13- PMGSY

Sno.	State	Rs in crores			
		Financial Progress during 2011-12	Habitations connected during 2011-12	Financial Progress during 2012-13 upto Feb'13	Habitations connected during 2012-13 upto Feb'13
1	Andhra Pradesh	292	119	178	32
2	Arunachal Pradesh	173	40	209	8
3	Assam	1312	444	407	301
4	Bihar	2847	2447	1528	2580
5	Chhattisgarh	244	291	191	140
6	Goa	0	0	0	0
7	Gujarat	151	173	25	68
8	Haryana	61	0	33	0
9	Himachal Pradesh	119	46	1	0
10	Jammu & Kashmir	508	201	392	170
11	Jharkhand	323	459	282	711
12	Karnataka	257	0	17	0
13	Kerala	58	8	46	1
14	Madhya Pradesh	894	776	569	446
15	Maharashtra	546	48	132	56
16	Manipur	167	63	61	21
17	Meghalaya	28	6	26	9
18	Mizoram	85	4	38	5
19	Nagaland	12	6	67	0
20	Odisha	1236	574	987	386
21	Punjab	61	0	179	0
22	Rajasthan	248	20	470	399
23	Sikkim	14	24	67	21
24	Tamil Nadu	211	9	21	0
25	Tripura	230	201	133	42
26	Uttar Pradesh	195	55	73	7
27	Uttarakhand	255	68	20	21
28	West Bengal	418	455	324	423
	Total	10946	6537	6473	5847

No report from Goa and UTs

1.95 In this connection the DoRD also stated that keeping in view the primary objective of connecting eligible uncorrected habitation in plain areas since 12th June, 2009 it has been decided that States can send proposals for eligible uncorrected habitation with lower population provided they furnish a certificate showing that 90% work is awarded for eligible habitation for higher population.

1.96 The Committee wanted to know the response thereto in term of proposals received from different States, the DoRD in a written note stated as under:

"The proposals from most of the States are being received. However, in certain cases (including for some Bharat Nirman habitations) the proposals are not prepared by the States due to non-availability of land, non-availability of forest clearance or some of the habitations informed as being non-feasible."

1.97 Asked about the number of projects proposals that have been cleared/completed in different States, the DoRD in a written note stated as under:

"Project proposals for 6,272 roads and 152 bridges were cleared during 2011-12. Similarly, project proposals for 15,359 roads and 1,387 bridges were cleared during the year 2012-13. The State-wise details of Project proposals cleared during the years 2011-12 and 2012-13 are attached at Annexure____

During the year 2011-12, a total 7,643 number of roads having 30,995 km length and in the year 2012-13 (upto February, 2013), 5,668 number of roads with 20,167 km length have been completed. State wise details of works completed during 2011-12 and 2012-13 are attached at Annexure____

(e) Implementation Constraints

1.98 The DoRD stated that as Rural Road is a State subject, execution of PMGSY is done by the State Governments. Implementation of road projects taken up under PMGSY in the States are affected due to following reasons:-

- Inadequate institutional capacity in some of the States.
- Limited contracting capacity in some States.
- Non availability of sufficient qualified technical personnel including engineers with the contractors.
- Limited working season and adverse climate conditions including long rainy seasons.
- Non-availability of construction materials in the locality etc.

1.99 The Committee pointed out that the aforesaid implementation constraints have been figuring in the Annual Report of Department of Rural Development during the last three years. Asked about whether the DoRD itself has to devise ways and means for addressing the problems in close consultation with concerned States, the DoRD in a written note stated as under:

"(i) Issue of inadequate number of Programme Implementation Units and State Quality Monitors was taken up with a number of States and many States have taken significant steps to address the issue.

(ii) In IAP areas, relaxations have been given to have better response to bids by taking steps such as decreasing the package size, allowing inclusion of insurance cost of plant & machinery in DPRs etc.

(iv) Training courses have been organized to meet the requirements of Implementing Agencies and personnel of Contractors.

(v) In high rainfall areas, use of cold mix technology has been permitted

(vi) In IAP areas forest clearance has been simplified by Ministry of Environment & Forests to facilitate construction of public roads etc. as well as for quarrying of materials used in construction of public roads."

1.100 Asked about the details of State specific problems identified by DoRD, the DoRD in a written note stated as under:

"(i) The problem related to availability of construction material is being faced by most of the States/UTs.

(ii) The problem of contracting capacity is being faced by Hill States, areas in the 9 States having IAP districts, in Tribal (Schedule-V) areas etc.

(iii) Inadequate availability of land for full roadway width being faced by States like Kerala and Punjab.

(iv)The problem of landslides is also being faced by the Hill States."

1.101 When further asked about the States that are badly affected by these constraints, the DoRD in a written note informed:

"NE States, Jammu & Kashmir, Himachal Pradesh, Uttarakhand, some Union Territories and areas in States having IAP Districts namely Andhra Pradesh, Bihar, Chhattisgarh, Jharkhand, Madhya Pradesh, Maharashtra, Odisha, Uttar Pradesh and West Bengal are affected by these constraints. Similarly, States like Gujarat, Rajasthan etc. having Tribal (schedule-V) areas as well as States like Punjab and Kerala having inadequate land for roadway width are affected."

**Physical Performance during 2011-12 & 2012-13- PMGSY
Length in Km**

Sl no.	State	Nos. of Roads completed during 2011-12	Length of Roads completed during 2011-12	Nos. of Roads completed during 2012-13 upto Feb'13	Length of Roads completed during 2012-13 upto Feb'13
1	Andhra Pradesh	234	932.14	206	479.57
2	Arunachal Pradesh	58	419.21	41	244.63
3	Assam	705	2131.43	462	1177.12
4	Bihar	2007	7539.82	1517	5626.49
5	Chhattisgarh	291	1053.69	105	538.22
6	Goa	0	0	0	0
7	Gujarat	150	431.44	68	127.98
8	Haryana	25	188.31	15	66.152
9	Himachal Pradesh	74	761.09	70	0
10	Jammu & Kashmir	133	999.62	210	1334.17
11	Jharkhand	250	1123.03	408	1111.42
12	Karnataka	226	1858.64	43	346.71
13	Kerala	71	214.14	44	106.2
14	Madhya Pradesh	790	2926.66	571	2298.45
15	Maharashtra	494	2592.46	161	548.03
16	Manipur	84	374.61	0	416.58
17	Meghalaya	8	44.67	7	19.77
18	Mizoram	5	130.9	5	74.02
19	Nagaland	7	24.89	5	73.5
20	Odisha	979	3167.06	628	1960.96
21	Punjab	11	71.76	6	262.2
22	Rajasthan	147	450.78	482	1740.29
23	Sikkim	34	74.98	242	38.75
24	Tamil Nadu	261	814.1	23	45.93
25	Tripura	100	352.17	43	127.78
26	Uttar Pradesh	171	522.53	111	212.53
27	Uttarakhand	79	639.58	14	343.25
28	West Bengal	249	1154.79	181	846.41
	Total	7643	30994.50	5668	20167.11
No report from Goa and UTs					

(f) Coverage in Scheduled V areas

1.102 The Committee pointed out that there is a general perception that various rural development schemes including PMGSY are not reaching in far flung and remote areas including left wing extremism affected areas and in the Schedule V areas. The Committee wanted to know the factual position on this statement, the DoRD in written note stated:

"Revision of the Core Network for inclusion of left-out unconnected habitations having population of 250 persons and above (as per 2001 census) in Tribal (Schedule-V) areas to provide new connectivity to these habitations and upgradation of certain roads has been allowed by the Competent Authority. Habitations having population below 250 persons are not eligible as per the programme guidelines in any area, including Left Wing Affected IAP districts. However, 'in principle' approval for covering unconnected habitations with population of 100 persons and above (as per 2001 census) in the LWE affected blocks (to be identified in consultations with Ministry of Home Affairs) with a limited provision to complete missing links to form closed loops from Through Routes of the Core Network has been recently allowed by the Competent Authority."

1.103 Asked for reasons of PMGSY not reaching in these areas, the DoRD in a written note stated as under:

"The programme is executed by the States and the responsibility of timely completion of the road works under the programme rests with the States. Though the PMGSY Scheme has reached most of the IAP districts, its coverage in a number of blocks is behind the level of coverage in these States. The major reasons adversely affecting the implementation of the programme in IAP districts are as under:-

- (i) Law & Order problems in the LWE areas;
- (ii) Limited institutional and contracting capacity;
- (iii) Non-availability of land and forest clearance; and
- (iv) Unfavourable weather conditions."

1.104 The Committee wanted to know the position of connectivity in Schedule V areas of not having population of more than 250 persons and above in Left Wing Affected IAP districts so far, the DoRD in a written note stated as under:

"Habitations having population below 250 persons (as per 2001 census) in Schedule V areas of Left Wing Affected IAP districts are not eligible for connectivity under PMGSY as per Guidelines.

State-wise expenditure in IAP districts during 2012-13 upto February 2013 is as under:

Financial Achievements in IAP Districts			
Sl. No.	State (s)	IAP District	Expenditure incurred during the year 2012-13 (upto Feb.,2013) (Rs. in crore)
1.	Andhra Pradesh	8	107.15
2.	Bihar	11	397.40
3.	Chhattisgarh	10	101.37
4.	Jharkhand	17	232.61
5.	Madhya Pradesh	10	243.82
6.	Maharashtra	2	86.58
7.	Odisha	18	680.55
8.	Uttar Pradesh	3	8.56
9.	West Bengal	3	50.88
	Total:	82	1908.92

1.105 The Committee also enquired about the reasons for absence of rural development schemes including PMGSY in IAP affected areas, the Secretary, DoRD stated as under:

"We have Intensive Action Plan (IAP) where in we have 82 districts where there is an information about nexal activities. There are various places in various district where Government servants are somehow prohibited to do certain acts and their Government run schemes are not being properly implemented as these ought to have seen. In various schemes we attempted to liberalise their terms and conditions so that these are made workable and implementable. Under PMGSY we had prepared a package that was from 5 crore to 15 crore that we have reduced and we have incentivised small contractors to construct the roads in these areas. Similarly in other schemes there are provisions that for IAP districts the provision would be different. Here in Government programmes this will be successful only if the local officials have a feeling that a particular scheme has to be properly implemented and it should qualitative, time bound and money should be properly utilized.

1.106 The Secretary, DoRD further informed

"We are interacting with State Government so that if the scheme is properly implemented, the public will not reject that Scheme. We are talking with State Governments what we can do with the help of local administration. There is

an NGO Bharat Rural Livelihood Foundation that would involve Non-Governmental Agencies in this process. Because in many areas, where Government officials are not permitted, NGOs are doing their work. Their way of working is different. They live in harmony with people. Therefore, we want that where we can not work directly, we can work through these NGOs. A decision is awaited on Livelihood Foundation. If it come, we would start doing the work in this year itself. This is for tribal and difficult areas. This is a new model. If it works, we would be trying it in other areas."

(g) Implementation of PMGSY in Union Territory of Andaman & Nicobar Islands

1.107 The Committee pointed out that during the Study tours of the Standing Committee on Rural Development (2012-13) to Portblair in February 2013 the Committee came across that large number of PMGSY works are pending in UT of Andaman and Nicobar Islands and are yet to be completed Asked about the details of any proposals received from Andaman & Nicobar Islands during the last three–four years, the DoRD in a written note stated as under:

"Fresh proposals from the Union Territory of Andaman and Nicobar have not been received during the last 3-4 years. However, a proposal for revision in the cost estimate of 5 road works sanctioned in Phase I & II was received in 2010. In response the Union Territory was informed that the PMGSY programme does not permit revision in the cost estimates."

1.108 Asked about the role of the DoRD on the process of expeditious clearance/completion of PMGSY road projects in Andaman & Nicobar areas, the DoRD in a written note stated as under:

"The Andaman and Nicobar Union Territory has been requested to prepare the Core Network and seek its approval. Clearance of unconnected eligible habitations as per PMGSY guidelines can be sought out of the approved Core Network."

1.109 In reply to a query the Secretary, DoRD also stated during evidence:

"So far as issues related with group of Island of Andaman & Nicobar areas, I have data that I will share with the Committee before that I would like to assure the august Committee that there is nothing which shows that Andaman & Nicobar is outside the reach of the Ministry of Rural Development or we are not paying enough attention to this area. I myself had visited to Andaman & Nicobar in February this year and I had reviewed the main programme of rural development of Andaman & Nicobar. There problem exist due to distances,

non availability of material, local officials and also of quality. I was told that in Campbell Bay area of Great Nicobar a number of officials are posted who are not efficient as the people in main land"

1.110 The Secretary further stated:

"There are similar problems which local MP might be aware of more than me. I agree that their problem do not fit in our schemes. PMGSY road length is three meter. According to specification this three metre is adequate. In several area people opinion is three meter road is inadequate."

1.111 The Committee pointed out that the various suggestions have come up before the Committee during their study-visit to Andaman & Nichobar Islands regarding delocking the core network under PMGSY for inclusion of fresh rural roads project with in the PMGSY schemes. Asked about the process of delocking the core network and how new projects can be included therein, the DoRD in a written note stated as under:

"The Core Network was not prepared by the Andaman & Nicobar Administration. The matter has been taken up with them. They can prepare Core Network seeking approval. Clearance of unconnected eligible habitations as per PMGSY guidelines can be sought out of the approved Core Network.

The Core Network for PMGSY has been prepared by the States and uploaded on OMMAS. A certified copy of the Core Network has also been provided to MoRD/ NRRDA by the States. The Online Core Network data is unlocked only on the request of the concerned State. On receipt of the request from the State and approval of the same from the Competent Authority, the On-line Core Network is unlocked for a specific period. However, no additional proposals other than already available in the hard copy are allowed to be uploaded in Core Network."

1.112 The Committee pointed out the issue of corruption and non-implementation of construction of roads under PMGSY during 2001-02 and 2002-03 in Middle North district of Andaman & Nicobar Islands. The Committee also pointed out that since 2004 no work under PMGSY has been taken up in UT of Andaman & Nichobar Islands, the Secretary, DoRD in this context informed:

"Sir, in 2000-01, the funds allocated were Rs.10 crore and another Rs.10 crore in 2001-02. Seven road works were given in 2000-01, of which three works have been reported to have been completed and four works are reported to be still in a stage of completion. According to the local administration, they are likely to be completed in 2014."

1.113 Secretary, DoRD also submitted:

"Sir, if I might submit, insofar as the incomplete works are concerned, it is not that we are not aware of it. We have got a special audit also conducted. The audit report has been shared with the State Governments. They are supposed to give the response to that. It is conducted on the demand of somebody for that purpose. We have conducted that audit. Our accounts people have gone there and inspected the records. The very fact that the hon. Member is saying was the subject matter of the inspection by the audit party. These results have all been shared with the State Governments. I am not able to respond further because we have not received the response of the State Government on that audit."

1.114 Secretary further added:

"Sir, I can assure the Committee that insofar as ATR by the Andaman and Nicobar Administration is concerned, we are awaiting it. I take the views of the hon. Member very seriously. We will impress upon the local administration to supply the ATR at the earliest. We will certainly share it with the hon. Committee. We are as interested as the hon. Member in the proper implementation of PMGSY in that province. We will certainly not compromise either in terms of completion or in terms of quality."

1.115 Asked about the findings of Special Audit of PMGSY Projects in Andaman & Nicobar Islands, the DoRD in a post evidence reply stated:

"The main findings of the special audit undertaken by the Ministry of Rural Development is given below:

- (i) Serious irregularities like non-imposition of penalty for delay, non-revalidation of Performance Bank Guarantee, upward revision of cost estimates without the approval of MoRD etc. in execution of the work "construction of rural road from Bimbalitan school to new Bimbalitan No. 6 in South Andaman 1.5 km executed by SAD Zila Parishad"
- (ii) Diversion of funds to other Departments/Sectors
- (iii) Cash books were not maintained properly
- (iv) Final bills were not signed by the Engineer concerned"

1.116 The Committee also enquired whether DoRD has set up any implementation mechanism in the areas like of Andaman & Nichobar Islands for smooth implementation of PMGSY, the DoRD in a written note stated:

"Rural Roads is a State subject and Pradhan Mantri Gram Sadak Yojana (PMGSY) is a one-time special intervention of Government of India to improve the Rural Infrastructure through construction of roads, which is executed by the State Government/Union Territory Administration. A Central Team is

currently visiting Andaman & Nicobar Islands to critically assess the status of implementation of PMGSY works in the UT. Further, a meeting has been convened under the Chairmanship of Secretary (RD) with Chief Secretary, A&N Administration and Secretaries of the implementing Agencies of PMGSY in UT on 25.4.2013 at New Delhi to review and discuss the status of the PMGSY works including implementation issues."

(h) Implementation of PMGSY in Manipur

1.117 The Committee enquired whether Detailed Project Reports (DPRs) for PMGSY works as approved by Silchar Engineering College can be approved by IIT Manipur, as officials of PMGSY are not interested to go to Silchar, the Secretary, DoRD stated:

"Sir, in so far as the hon. Member 's point about the State Technical Agency to be in Manipur rather than currently in Silchar, we know that this problem is there. Basically, the issue, the State Technical Agency is the Agency that vets the DPRs for the roads. It is very essential that they should have a standard and quality that ensure that DPRs are properly designed and meet the technical standards. Till date, they have been going to Silchar and it has been put the State into some difficulty. We are in principle not at all against the local technical agency in Manipur being this job. We have to identify the agency and we have to ensure that they meet the technical standards and have the experience to clear DPRs not only for roads but also for the bridges. If they can do that, then we would have absolutely no problem in getting the State Technical Agency to be situated within Manipur."

(iii) Aajeevika (National Rural Livelihood Mission)

1.118 The SGSY has been restructured as National Rural Livelihoods Missions in June, 2010. Aajeevika-National Rural Livelihoods Mission (NRLM) is being implemented in a mission mode and phased manner for targeted and time bound delivery of results.

(a) XIIth Five Year Plan Outlay

1.119 The DoRD has stated that Plan Outlay for NRLM for 12th Plan is Rs, 28,935.00 crore and have submitted following details regarding Outlays for the first two years of the Plan i.e. 2012-13 and 2013-14:-

(Rs. in crore)

Year	B.E.	R.E.	Expenditure
2012-2013	3915.00	2600.00	1765.85 (Upto January,2013)
2013-2014	4000.00	--	--

1.120 The Committee pointed out that against the total XIIth Plan Outlay of around Rs. 29,000 crore, the Aajeevika programme have got around Rs.8,000 crore in the first two years of the XIIth Plan. Asked about whether in the remaining three years, the Department of Rural Development would utilise remaining Rs. 21000 crore for Aajeevika, the DoRD in a written note stated as under:

"19 States accounting for more than 95% of the NRLM budget have transited to the Mission and have undertaken recruitment for their State units and first phase district and sub-district units. It is, therefore, expected that momentum of implementation will now pick up and expenditures will rise substantially over the next two years. It is, therefore, expected that the Ministry will claim and receive the remaining Rs. 21000 crore for Aajeevika."

1.121 The Committee wanted to know whether did it mean that in the initial years Aajeevika has not picked up well, the DoRD in a written note stated as under:

"Under Aajeevika, as a deliberate strategy, it was proposed that the actual programme implementation will be started only after the States have put in place the trained manpower for its implementation structure, put in place necessary administrative and financial systems and prepared its action plan for poverty reduction, keeping in mind the specific requirements, situations and resources in the respective States. Moreover, it has also been decided to implement the programme in a phased manner, starting with approximately 25% of the districts and 10% of the blocks of the country in the first phase. This would enable the States to test their strategies and make corrections and also to create social capital for rapid and effective coverage of all the districts in the State. All these are considered essential for effective and sustainable implementation of the programme. Considering the strategy adopted, though there were initial delays in the States getting necessary approvals internally and putting in place their initial structures, subsequently, there has been satisfactory progress with 19 States, that account for 95% of the funds allocated to the States under the programme, having already transited to Aajeevika and most of these States having made considerable progress in positioning their manpower at the State and other levels."

(b) Objectives of NRLM

1.122 The objective of the NRLM is to reduce poverty by enabling the poor households to access gainful self-employment and skilled wage employment opportunities resulting in appreciable improvement in their livelihoods on a sustainable basis, through building strong and sustainable grassroots institutions of the poor. Asked about the implementation of NRLM in different States and to achieving the objectives, the DoRD in a written note stated as under:

"Most of the States are in the process of setting up their organizational systems and implementation mechanisms for rolling out Aajeevika in a phased manner. Some of these states such as Chhattisgarh, Maharashtra, Jharkhand, Madhya Pradesh and Rajasthan have initiated an intensive mobilization of poor and poorest of poor households into SHGs in the resource blocks. Once the institutions of the poor are established and their capacities built, NRLM funds and bank credit will flow to these institutions for financing livelihoods of the poor.

However, in States that have implemented similar Rural Livelihoods Programmes such as Andhra Pradesh, Kerala, Tamilnadu and Bihar, a substantial progress has been reported in terms of SHG- credit mobilization, reduce dependence of poor on money lenders, enhanced levels of household incomes and sustained improvement in the levels of empowerment of poor women. An overall improvement in the quality of life of the programme beneficiaries was also observed."

(c) Salient Features

1.123 The Outcome Budget of Department of Rural Development (2013-14) has indicated the following salient features of NRLM

- (i) Universal Social Mobilization
- (ii) Setting up of federations of SHGs
- (iii) Training, Capacity building and skill building
- (iv) Revolving Fund and Capital Subsidy
- (v) Provision of Interest Subsidy
- (vi) Infrastructure creation and Marketing support
- (vii) Skills and Placement Projects
- (viii) Rural Self Employment Training Institutes (RSETIs)

- (ix) Innovations
- (x) Sensitive Support Structures
- (xi) Technical Support
- (xii) Phased Implementation

1.124 Asked whether DoRD has discussed at length the above salient features with different State Governments before launch of the Aajeevika programme, the DoRD in a written note stated as under:

The programme design of N.R.L.M. was finalised only after detailed consultations with the States. In fact, several State representatives were actively involved in the development of the "Framework of implementation" of N.R.L.M. It is a very practical framework and is based on the actual work done on ground in some of the states. In order to practically see programme implementation, most State teams were taken on exposure visits to States like Andhra Pradesh, Bihar, Tamil Nadu, Kerala that have already implemented similar programmes and in fact, Aajeevika is largely modelled on these successful initiatives of the State Governments."

1.125 The Committee also wanted know the reasons for most of the States are lagging behind in overall preparedness of Aajeevika programme even after three years of the launch of the programme. The DoRD in a written note stated as under:

"The Union Cabinet approved the Aajeevika in June 2010. Thereafter, a series of consultations were held with the State government and other stakeholders to develop a common understanding of Aajeevika and to develop a methodology for implementation. It is only on the basis of these consultations, that the Framework of Implementation" of NRLM was evolved. In the meanwhile the states were preparing to take initial steps to transit from SGSY to NRLM. The Mission was formally launched in June 2011.

States required time to seek approval from their Government and to establish appropriate systems and structures mandated under NRLM. A lot of capacities were required to be developed at the State level for undertaking these exercises. All these required time and have resulted in initial delays. But now most of the States have made considerable progress in terms of their preparedness for programme implementation. Three States, namely, Andhra Pradesh, Bihar and Kerala, had systems in place on account of implementing similar programmes transited to Aajeevika in 2011-12 itself. In 2012-13, 16 other states have transited to NRLM. Six other states viz. Himachal Pradesh, Sikkim, Meghalaya, Tripura, Nagaland and Arunachal Pradesh are in the advance stage of transition, having completed most of the requirements. The States of Uttarakhand, Manipur, Goa and Pondicherry and the Union Territory of Andaman and Nicobar islands are being guided to undertaking the transition during 2013-14."

(d) State-wise preparedness

1.126 The area-wise preparedness among different States on NRLM has been as under:-

S. N.	Key Outcomes	Achieved	Not Achieved
1.	Approval of State Govt. for roll out of NRLM and setting up of State Society	26 States/UT	2 States Goa, Manipur
2.	Appointment of fulltime Mission Director/CEO	25 States	3 States Uttarakhand, Manipur, Goa
4.	Recruitment of SMMU core team-full time	18 States	10 States Himachal Pradesh, Uttarakhand, Meghalaya, Nagaland, Manipur, Sikkim, Arunachal Pradesh, Tripura, Uttar Pradesh, Goa
5.	Identification of Intensive districts/blocks completed	24 States	4 States Uttarakhand, Arunachal Pradesh, Manipur, Goa
6	Preparation and submission of Annual Action Plan	25 States	3 States /UTs Uttarakhand, Manipur, Tripura,
7.	Preparation and submission of SPIP	3 States AP, Bihar, Kerala, Tamil Nadu, Madhya Pradesh	23 States /UTs
8.	Approval for recruitment of staff	23 States	8 States Uttarakhand, Manipur, Sikkim, Tripura, Goa
9.	Approval of AAP/SPIP	15 States	13 States /UTs
10.	Identification of Resource Blocks completed (Not required in 4 states)	11 States	7 States

1.127 The Committee were informed that the main reason for slow progress in expenditure is that most of the states are in the stage of transition from S.G.S.Y. to N.R.L.M. which requires putting in place implementation systems including recruiting

professionals for the implementation structure at various levels. Actual expenditure will take place only after all systems are put in place by the States and ground level programme implementation is initiated.

1.128 In this connection, explaining the reasons behind slow progress on Aajeevika programme, the Secretary, DoRD also stated:

"Aajivika is a successor programme to the Swaran Jayanti Gram Swarozgar Yojana where SHGs were formed. Through the SHG system, thrift and saving habits are inculcated. Once the saving takes place at the central group level, then enterprises are started, credit linkages take place with the members and the SHGs and the supplementary livelihood opportunities arise. Now some basic problems were seen in the SHGs under the SGSY Programme. Aajeevika is planning to remedy those shortcomings. That means we have to put in place much more strong systems and mechanisms before the SHGs can move from the old system into the Aajeevika pattern.

So, we are doing it in a phased manner. In the first phase, 150 Districts have been taken up. In over two years the self-help groups there will be stabilised, and then they will go to another 150 Districts. In four phases they will cover all the Districts of the country. In the first phase we have already approved the States of Andhra Pradesh, Tamil Nadu, Odisha, Bihar and Kerala where the annual action plan for this process has been approved. We plan to approve eleven more States during 2013-14. I do admit it is a slow process, but the slow part of the process is because quality is not being compromised."

1.129 He further stated:

"Very often in Government programmes one of the problems we often face is in the hurry to achieve the target and universalisation we tend to lose sight of the human resource and the need to create capacity and knowledge and train the human resource. This is a programme of its own kind where we are placing a lot of emphasis on training people who will be managing that system. So, this year 2013-14, eleven States including West Bengal will be covered in that programme. Hopefully in a phased manner we will be covering them. These are the two main things. One more factual detail is that 19 States which account for more than 90 per cent of India's poor have already come into the mainstream of NRLM through action plans"

1.130 Asked about how much time the DoRD will take for wiping out such delays in preparation particularly when N.R.L.M. has already started and has phased implementation, the DoRD in a written note stated as under:

"19 States have already transited to N.R.L.M and it is expected that by the second quarter of 2013-14, all States would have transited to Aajeevika. The 13 major states (which account for over 90% of rural poverty in India) have got over 13000 positions approved and 2400 positions have been filled up. Recruitments for the most of the state level positions and recruitment required for first phase districts and blocks are most likely to be completed by September, 2013.

However, without waiting for recruitment of field functionaries at the block and district level to be completed, 6 States (Chhattisgarh, Maharashtra, Jharkhand, Madhya Pradesh, Rajasthan and Jammu & Kashmir) have already initiated the institution building process in select resource blocks, situated in socially and economically backward and geographically difficult areas, with the help of dedicated S.H.G members called the Community Resource Persons, drawn from Society for Elimination of Rural Poverty (SERP), Andhra Pradesh. The implementation of resource block strategy was initiated by Chhattisgarh in May, 2012, followed by Maharashtra, Jharkhand, Rajasthan, Madhya Pradesh and Jammu and Kashmir. Assam, Haryana, Karnataka, West Bengal, Gujarat and UP are also expected to initiate this strategy within the next six months. The initial result of social mobilization undertaken in these states is quite impressive. For example, in Chhattisgarh, more than 300 SHGs per block, mostly new, adhering to democratic and financial principles (PANCHSUTRA) have been promoted in a span of about 10 months. The number of functioning SHGs promoted, which is a first critical step towards sustainable livelihoods, is 10 times more than the progress of SGSY in a typical block per year. On the average, under SGSY only 40 SHGs could be promoted per block per year. Similar results were observed in the states adopting resource block strategy. In addition, the resource block strategy is generating "social capital" in the form of internal Community Resource Persons, who could be used to facilitate scaling up of the Mission in a phased manner."

1.131 Asked about the component wise funding pattern in N.R.L.M, the DoRD in a written note stated as under:

"N.R.L.M./Aajeevika provides for Grants-in-aid to the States, based on their Annual Action Plans (AAPs), for programme implementation, which includes the following components:

- i. Institution building
- ii. Training and capacity building
- iii. Revolving Fund and Capital Subsidy
- iv. Interest Subsidy
- v. Infrastructure and Marketing
- vi. Administrative costs

The Grant-in-aid is given as a lump sum amount and not component wise. The allocations are fixed on the basis of the inter-se poverty ratios among

States and the States are required to incur expenditures under the programme based on the approved norms, already indicated in the 'Framework for Implementation' of Aajeevika.

In addition, there are three other components of Aajeevika which are administered directly by Mo RD, as of now. These are (i) Skills and Placements (S&P), (ii) Mahila Kisan Sashaktikaran Pariyojana (MKSP) and (iii) Rural Self Employment Training Institutes (RSETIs).

As of now, upto 15% of the allocation under Aajeevika can be earmarked for Skills and Placement projects. These are implemented in a Public Private Partnership mode. Funds are released to the Project Implementing Agencies through the National Institute of Rural Development (NIRD), Hyderabad or NABCONS. As explained earlier, a decision has been taken to devolve the implementation of this scheme to the States gradually, depending upon the preparedness of the States to implement the scheme at their level. For seeking funding support for this component, the States are expected to submit to MoRD their Action plans for implementing skills and placement projects in the State.

Under the Mahila Kisan Sashaktikaran Pariyojana (MKSP), another scheme under Aajeevika, a large number of proposals had been received and sanctioned in 2010-11 and 2011-12. In 2012-13, the effort was in getting proposals from States which had not sent any proposals in the previous years. Accordingly the Ministry has been conducting Regional level workshops for identifying suitable project proposals and partners for MKSP and also building capacity of States for preparing project proposals under MKSP and monitoring their implementation. In addition, unutilized fund of previous Financial Year were also available for meeting the expenditure during 2012-13.

RSETIs are being set up in each district of the country, in collaboration with the Commercial Banks for skill training of rural poor youth, primarily to enable them to take up self employment. Funds are released to the Banks for infrastructure development of the RSETIs through NIRD, Hyderabad, for which provision is made in the Aajeevika budget.

Aajeevika also has an Externally Aided Project (EAP) component under which Grant in aid is given to 13 high poverty concentrated States for implementation of N.R.L.M. in certain number of blocks in the State. No State-wise allocations are made annually. Funds are provided to the States on the basis of the demand projected by the States, on the basis of their preparedness, in their Annual Action Plans."

(e) Impact of Aajeevika on reducing dependence of rural population on money lending

1.132 Asked how far the old programme of S.G.S.Y. and renamed Aajeevika reduced the dependence of hapless rural population on money lending system, the DoRD in a written note stated as under:

"In states, which have implemented programs similar to Aajeevika like Andhra Pradesh, Kerala, Tamilnadu, Bihar etc. it has been observed that there had been a significant reductions in the dependence of the rural poor on the traditional money lending systems, largely on account of successful bank credit mobilization by the SHGs.

- For example, the World Bank funded APRPRP reported that about 9.5 Lakh SHGs cumulatively leveraged over Rs. 50000 Cr. from commercial banks, building on the SHG Bank linkage during 2003-04 to 2012-13. The increased access to bank credit also allowed poor households to reduce their high cost debts and lowered the interest charges substantially. In addition, about 1.0 Crore SHG members were enrolled for life and disability insurance coverage.
- The Mid-term evaluation of Tamil Nadu Empowerment of Rural Poor Project (TNEPRP), another World Bank funded rural livelihoods project, which is essentially based on Aajeevika model clearly shows that the dependence of the poor households on money lenders had come down drastically from 45% to 17% during 2006 to 2010.
- In Madhya Pradesh too, the World Bank funded Madhya Pradesh District Poverty Initiative Project (MP-DPIP) and Madhya Pradesh Rural Livelihoods Project (MP-RLP) have contributed to growth in SHG credit linkage, reducing the dependence of SHG members on traditional money lenders to a great extent. The Madhya Pradesh State Perspective Implementation Plan (MP-SPIP) submitted by the Government of Madhya Pradesh that promotion of SHGs-credit linkage program has contributed to a reduction in the dependence of BPL households on money lenders compared to the households that are outside the SHGs framework."

1.133 Asked whether DoRD has made nation-wide assessment over the issue during the last three years, the DoRD in a written note stated as under:

"No such formal assessment has been made during the last three years. However, it is proposed to have biannual impact studies, starting with a baseline study in all the Mission States to assess the changing livelihoods situation of the poor households including their borrowing and debt status. In addition, the NRLM division is also considering the possibility of commissioning a nationwide study to assess the impact of Aajeevika on borrowing of poor households from traditional money lenders."

(iv) Indira Awaas Yojana (IAY) Rural Housing

(a) XIIth Plan Outlay

1.134 Plan Outlay for Rural Housing for XIIth Plan is Rs. 80,085 crore. Financial and Physical achievements under IAY during 2012-13 and 2013-14 are as under:-

Financial Performance (Rs. in crore)			Physical Performance		
Year	B.E.	R.E	Actual	Target (Construction of Houses)	Achievements (Houses constructed)
2012-2013	11,075.00	9024.00	Rs. 7734.69 (15.03.2013)	30.10 Lakh	13.88 Lakh
2013-2014	15,184.00				

1.135 The Committee pointed out that against the total XIIth Plan Outlay of Rs. 8,0065 crore, the total outlay the DoRD got in first two years of the Plan was around Rs.26,000 crore. Asked whether DoRD in remaining three years could get and utilize the remaining Rs.54,000 crore, the DoRD in a written note stated as under:

"Keeping in view the government decision to enhance the unit assistance for IAY from 2013-14 additional resources will be required to meet target kept for 12th Five Year Plan. Matching budgetary support is likely to be made available to the Ministry."

1.136 The Committee pointed out that during 2012-13 there has been reduction of Rs. 2000 crore at RE level. Further the actual is almost half of B.E. physical performance was also less than half of target.

1.137 Asked about the reasons for reduction of allocation under the scheme at RE stage, the DoRD in a written note stated as under:

"The Revised Estimate for IAY for the current year was fixed at a much lower level than the BE on the basis of actual releases upto September, 2012. The slow pace of expenditure during the first half the year was not due to lack of demand but due to a very essential condition imposed by the Ministry that the States should upload the data on the new MIS (Awaassoft) before the release of 2nd installment. This condition was imposed in order to move towards Direct Benefit Transfer and eliminate corruption. In addition, keeping in view Ministry of Finance's instructions relating to expenditure management the allocation for IAY has to be reduced from Rs.11075.00 crores to Rs.9024.00 crores (RE)."

1.138 Asked whether DoRD would be able to utilise B.E. of Rs.15184 crore in view of very low expenditure during 2012-13, the DoRD in a written note stated as under:

"Since the IAY Scheme is allocation based. Physical targets are fixed annually. The targets will be met during the 2013-14 on the basis of the allocation given to the states/DRDA. New guidelines for IAY are to be implemented from next financial year i.e. 2013-14 which is likely to result in better fund flow to implementing agencies and coordinated efforts at state level. The draft guidelines under finalization are likely to reform the fund flow system and replace the existing system of direct releases to DRDAs by releases to state funds. This will enable the state governments to allocate/re-allocate funds more efficiently. In addition, the revised guidelines will focus more on monitoring of completion and will then enable better management of funds."

1.139 The Committee pointed out that the Outcome Budget (2013-14) of Department of Rural Development indicated the following details of financial performance under IAY during 2011-12 and 2012-2013:

	(Rs. in Lakh)		(Rs. in Lakh)	
	2011-12	% of utilization of funds	2012-2013	% of utilization scheme of funds
Total available funds	19.50		13.35	
Total Utilisation	12.92	67.47%	8.64	64.77%

1.140 The Committee also pointed out that the percentage utilization of funds during 2011-12 and 2012-13 has been as low as 67.47% and 64.77%. Further the physical performance during 2011-2012 and 2012-1013 has been 90.64% and 46.13%. Asked about reasons for decline in financial and physical performance under IAY during 2011-12 and 2012-13, the DoRD in a written note stated as under:

"Due to inadequacy of the documentations for processing the proposals for release of second installment all the implementing agencies were not provided with the second installment. Due to non release of state share and adequate matching share, excess carry over, non settlement of accounts under various special packages availed by the states in the past the due amount could not be released to implementing agencies. The completion of houses sanctioned in a year normally spill over to next financial year. Therefore, total number of houses sanctioned, number of houses under construction and completed during financial year vary from year to year basis. The physical performance during 2011-12 was 90.64%. During the current financial year against the target of 30.10 lakh houses 16.60 lakh houses have been completed and 35.14 lakh houses are under construction as on 15.3.2013."

1.141 Asked about are the reasons for huge gap between allocation and releases, the DoRD in a written note stated as under:

"Allocations are made in the beginning of the financial year on the basis of budget provision and calculations as per the guidelines. As per IAY guidelines, Central allocation under IAY is made among the States/UTs giving 75% weightage to rural housing shortage and 25% weightage to poverty ratio. The first instalment is released subject to the condition that second instalment during previous year was claimed and released without any condition. Second instalment is released, subject to compliance of the conditions imposed during previous year if any and the utilization of 60% of the amount released and available unspent balance. Hence there is a gap between allocation and release."

1.142 The Committee were apprised the State-wise allocation/utilization position of some of the States/UTs during 2011-12 has been as under :

Rs. in lakhs		
Name of the States/UTs	Total Central Allocation	Total Central Releases
(i) Uttar Pradesh	1,12,377.53	1,08428.020
(ii) Bihar	250195.40	136059.340
(iii) Maharashtra	51117.44	37756.196
(iv) Punjab	7217.84	1988.516
(v) Assam	72857.40	52634.085
(vi) Chhattisgarh	13107.75	9666.608
(vii) Andaman & Nicobar Island	1075.04	98.040

1.143 Asked about the broad reasons for huge gaps between allocations and releases in these States during 2011-12, the DoRD in a written note stated as under:

The reason for gaps between allocations and releases are indicated below :-

(Rs.in lakh)				
Sl.	Name of the State	Central Allocation 2011-12	Total Central Release	Reasons for Gap between Allocation and Release
1	2	3	4	5
1	ASSAM	72857.40	76768.361	Due to release of additional funds under Homestead Incentive, Natural Calamity and additional on request of state
2	MAHARASHTRA	51117.44	53881.901	
3	UTTAR PRADESH	112377.53	115805.740	
4	CHHATTISGARH	13107.75	25387.097	

				govt.
5	BIHAR	250195.44	217691.099	Due to non-receipts of proposal for 2 nd installment from some districts and deductions on account of unspent balance and short release of state share etc.
6	PUNJAB	7217.84	2175.071	
7	A & N ISLANDS	1075.04	98.040	

1.144 The Committee pointed out that as per latest available figure of 2001 census the shortage of Housing in rural areas is the order of 148.25 lakh houses across different States in the country and States facing major housing shortage are Bihar(42 lakh houses) Assam (22 Lakh house) Uttar Pradesh (13.24 lakh houses).

1.145 On being pointed out by the Committee that a comprehensive policy for wiping out shelterlessness in rural areas of the country, would be essential instead of making IAY units among identified Blocks, DoRD in a written note stated:

"The vision of Indira Awaas Yojana is to ensure adequate and affordable housing for all and facilitate development of sustainable and inclusive habitats in rural areas by extending government support, promoting community participation, self help and public private partnership within the framework of Panchayati Raj. In addition State Governments are also implementing their own housing schemes for rural houseless poors from their own resources supplementing governments efforts to wipe out the shelterlessness in rural areas of the country. Hence any comprehensive policy to be considered should be complementing the Indira Awaas Yojana and state government schemes. List of state government schemes may be seen as given below:

State Housing Schemes

State governments have been working to provide rural housing to the poor in their states both, by **supplementing IAY grant assistance** as well as **complimenting IAY with state level schemes** for rural housing delivery.

To supplement IAY grant assistance, some states have been providing additional funds for construction of IAY houses over and above the state share of 25% of the grant. For instance, Government of Kerala provides additional resources to enhance the unit cost to Rs 75,000 for general category households, Rs 100,000 for SC households as well physically and mentally handicapped persons and Rs 1,25,000 for ST households and destitute families. Government of AP also provides additional Rs 20,000 to SC/ ST beneficiaries of IAY. This enhances the unit cost to Rs 65000 in case of SC / STs while the unit cost for general category remains Rs 45,000. Government of Gujarat has a provision of additional Rs.7,000/- as mandatory beneficiary contribution and convergence with TSC Program for toilet construction of Rs.3,500/- bringing the total value of assistance to Rs.55,500/-

per unit. Thus there is a variation in the unit cost of IAY houses based on supplementary grant provided / facilitated by some of the states.

To complement IAY grant assistance, several state Governments are also facilitating housing delivery through **their own schemes** with a view to provide affordable housing to all particularly for the poorer segment, of the population. Although some of the state run schemes have been reported to even precede the formal IAY intervention, most of these schemes are essentially variants of the IAY. Around 15 States/UTs have reported to have their own schemes, which enable them to extend coverage under rural housing to a much larger group beyond IAY. During the eleventh five year plan, about 30 lakh houses were constructed under the various housing schemes of state governments.

The State-run schemes target different groups of beneficiaries and involve a range of unit costs with varying proportions of subsidy, credit and beneficiary contribution. The implementation agencies also vary from scheme to scheme and from state to state.

Key elements of some of the state specific schemes are given below:

- i. **Government of Tamil Nadu** started “Kaliagnar Housing Scheme (KVVT) in 2010 as an add-on to IAY, but much larger in scope and scale. Under the scheme, all huts in rural areas were to be replaced by permanent houses with a concrete roof. Innovative processes were developed for scheme implementation such as for enumeration of huts, identification of beneficiaries etc. The scheme has been discontinued. The state government has recently announced the “Green House” Scheme. Planned to be implemented from 2011 – 12, the scheme entitles each beneficiary family to a house of 300 sq.ft. and solar lights at a unit cost of Rs.1,80,000/-
- ii. **Government of Andhra Pradesh** provides the following additional financial support over and above the unit cost of the state scheme ‘INDIRAMMA’:
 - a. Rs.5,000/- loan for strengthening of foundations in low lying areas/weak soils; Rs.20,000/- as loan from Housing Budget for all rural SC and ST beneficiaries.
 - b. The state govt. has waived seignorage charges on sand and quarry material for INDIRAMMA houses and cement is supplied at concessional rates. There is an official Complaint Redressal System for responding within 7 days of registering a complaint through a designated Toll Free number.
 - c. A State Monitoring Unit is established in Corporate Office and 55 reputed NGOs are deployed for checking at field level independently.
- iii. **Government of Kerala** is implementing “EMS Housing Scheme” that encompasses various other schemes. Some of these are: ‘Bhavanashree’ which is a loan linked scheme under the state wide anti-

poverty mission. Under the scheme, families having a two years membership of Neighborhood Groups and having at least 1.5 cents of land are eligible. A subsidy of Rs.10,000 is provided with a loan from commercial banks upto Rs 50,000 with a repayment period of ten years. Under the housing scheme of SC Department Rs. 1 lakh assistance is provided to each BPL SC family. Similarly, under the housing Scheme of ST Department, an assistance of Rs 1.25 lakh is provided to eligible ST families. The Department of Fisheries also provides housing assistance to their target group.

- iv. **Government of Gujarat**, in addition to IAY, is implementing nine other schemes for rural housing. Among these, the main ones are Sardar Awas Yojana implemented by District Panchayats, Dr. Ambedkar Awas Yojana for assisting SC families and Deen Dayal Upadhyay Awas Yojana for primitive tribal groups. The state government in the year 2009, brought all rural housing schemes to a common platform with uniform financial assistance of Rs.55,500/- per unit and selection of beneficiaries from BPL list. Thus, the effect of these state housing schemes has been to augment the efforts for rural housing under IAY. The state government has also been pursuing the provision of homestead plots to houseless in a campaign mode. There is a major thrust in all BPL housing schemes to construct earthquake resistant housing design and construction. Type designs and detailed instructions are provided to beneficiary households along with sanction letters. In coordination with the State Level Bankers' Committee (SLBC), loans at Differential Rate of Interest are being provided to IAY beneficiaries in a big way. Towards this end, a common standardized loan form approved by SLBC has been adopted by all banks to facilitate the application process by IAY beneficiaries.
- v. **Government of Jharkhand** is implementing the Birsa Awas Yojana and Siddho- Kanu Awas Yojana. Birsa Awas Yojana is a state government scheme implemented by Welfare department, Government of Jharkhand for providing houses to 44,163 identified households of Primitive Tribal groups in the state. The current estimate approved for per unit assistance is Rs. 100,000. As per the resolution of state government issued by Welfare Department, the funds under Birsa Awas Scheme and IAY are to be dovetailed for construction of a unit in the ratio Rs. 65,000/- and Rs. 35,000/- respectively. Siddho- Kanu Awas Yojana is being implemented by Housing department of Government of Jharkhand. The cost norms of the scheme are similar to that of IAY.
- vi. **Government of Himachal Pradesh** is implementing a scheme for SC / ST and Other Backward Classes (OBC) in rural areas. The assistance provided and other terms and conditions are as per IAY guidelines.
- vii. In **Karnataka** three schemes: Basava Vasathi Yojane, Housing for Special Occupational Groups and Ambedkar Housing Scheme are being implemented. Under Basava Vasathi Yojane for economically weaker sections in rural areas, the assistance provided is Rs 63,500/- of which Rs 50,000 is subsidy provided for all categories, Rs 10,000 is provided

as loan under DRI Scheme and Rs 3,500 is beneficiary contribution. Ambedkar Housing Scheme meant for economically weaker sections among rural SCs/STs is based on a total subsidy of Rs 50,000 and Rs 10,000 a is bank loan under DRI Scheme and Rs 3,500/- is beneficiary contribution. Financial assistance for the special occupational groups varies from project to project based on the subsidy provided by the concerned departments.

- viii. **Government of Madhya Pradesh** has announced the “Chief Minister’s Rural Housing Mission” in 2011. In the pilot phase of the Mission, the strategy is to test and verify all aspects related to delivery of rural housing and habitat and develop a comprehensive policy solution. Simultaneously various financing options are being explored; designs of dwellings unit and habitat are being made, institutional mechanisms to train NGO’s and MFI’s are being developed along with market linkages for ensuring smooth supply of building materials.
- ix. **Rajasthan Government** has launched the '*Mukhya Mantri Gramin BPL Awaas Yojana*' on 3rd June, 2011. This innovative scheme has been launched with the objective of wiping out the huge backlog of waiting list of BPL households eligible under IAY scheme but who, in the normal course, would have to wait for almost 15- 20 years to get a house sanctioned under IAY going by the current rate of annual targets allotted under the Scheme. This Scheme , along with IAY and IAY incentive (additional IAY targets allotted to the State in lieu of grant of housing pattas to the BPL households free of cost) , would enable the state government to provide housing for about 10 lakh rural BPL households within the next three years. The scheme has been financed through a loan of Rs.3400 Crores arranged by the state government from HUDCO for Zilla Parishads in the state.
- x. The method of delivery of the state specific schemes also varies between states. In Karnataka and Andhra Pradesh, Housing Corporations have been set up which not only leverage finances, but also provide technical guidance to beneficiaries at district and block level for construction of houses."

1.146 The Committee pointed out that Criteria for allocation of IAY funds to States/ UTs involve assigning 75% weightage for housing shortage and 25% for poverty ratio. Asked whether this criteria would reduce the housing shortage particularly for the poor, DoRD in a written note stated:

"For a shelterless person a house brings about a profound social change in his/her existence, endowing him/her with an identity and integrating him/her with his/her immediate social milieu. Vision of IAY is to ensure adequate and affordable housing for all and facilitate development of sustainable and inclusive habitats in rural areas by expanding government support, promoting community participation, self help and public private partnership within the framework of Panchayati Raj. The objective of the Indira Awaas Yojana is

primarily to help construction/upgradation of dwelling units of members of Scheduled Castes/Scheduled Tribes, freed bonded labourers, minorities in the below poverty line category and other below poverty line non-SC/ST rural households by providing them a lump sum financial assistance. Hence the above criteria does not perpetually promote housing shortage and poverty among the states."

(b) Per Unit Assistance

1.147 The Committee were informed that w.e.f. 01 April, 2010 the per unit ceiling of assistance for construction of a new house with sanitary latrine and smokeless chulha under IAY has been Rs. 45,000 in plain areas and Rs. 48,500 in hilly and difficult areas. The Cabinet has since approved the enhancement of unit assistance, from Rs. 45,000/- to Rs. 70,000 in plain areas and from Rs. 48,500 to Rs.75,000 in hilly and difficult areas including identified Left Wing Extremism affected districts with effect from 01.04.2013. Asked whether it wanted not entail higher amount under IAY in years to come, the DoRD in a written note stated as under:

"Unit assistance under IAY has been increased keeping in view the significant increase in construction cost and wages in the intervening period. The unit assistance being provided was not considered sufficient by the beneficiaries and the implementing authorities in the state government. The beneficiaries were finding it difficult to construct even the basic structure of house from the unit assistance provided under IAY. Further inadequate financial assistance for the construction of a house resulted in poor quality of house or borrowing of funds by the beneficiaries very often from informal sources to complete the house construction leading to their increased indebtedness. Increase in unit assistance will entail higher amount under IAY in years to come however the same is justified.

1.148 The Committee pointed out the need for raising the amount of per unit assistance for hilly and difficult areas from Rs.75000/- to Rs. 1 lakh under IAY. particularly in the context of cost of construction of IAY houses in hilly and difficult areas has gone up by factors like ban of extraction of stone and use of wood and remoteness of these areas from railway head etc. As such the amount of Rs.75,000 as per unit assistance is inadequate and should be enhanced to Rs.1lakh and Secretary(DoRD) assured the Committee that the matter will be examined. In a post evidence reply DoRD replied:

"Yes, based on the study of Central Building Research Institute (CBRI) and report of the Working Group of the Planning Commission on Rural Housing, the Ministry had moved a comprehensive proposal for revision of unit cost of IAY houses. The Ministry has been able to obtain approval of the Government for enhancing the unit cost to Rs.70,000/- for plain areas and Rs.75,000/- for hilly areas respectively. This decision has been made in the last financial year after deliberating upon the availability of resources in the coming financial year. The revised cost will be applicable w.e.f. 1st April 2013. It will not be feasible to go in for further enhancement at this juncture."

1.149 Asked about the quantum of fund that would be needed for accommodating higher unit assistance w.e.f 1 April, 2013 during remaining three years of XIIth Plan, the DoRD in a written note stated as under:

"As per 12th Five Year Plan proposal approved by Planning Commission an allocation of Rs.80085/- crores has been envisaged for IAY scheme. During remaining three years an amount of Rs.54,000/- crores will be sufficient to meet the targets for 12th Five Year Plan."

1.150 The Department stated that IAY has been converged with Total Sanitation Campaign (TSC), Rajiv Gandhi GraminVidhutikarn Yojana (RGGVY), Drinking Water Supply (DWS,) Aam Aadmi Bima Yojana, Health Insurance, Swaranjyanti Gramin Swarojgar Yojana (SGSY) and Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA). Asked about the State-wise details of beneficiaries who have availed benefits under TSC, RGGVY, DWS, Aam Aadmi Bima Yojana, Health Insurance, Swaranjyanti Gramin Swarojgar Yojana (SGSY) and Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) during 2012-13, the DoRD in a written note stated as under:

"As per the data uploaded by the implementing agencies, State-wise details of beneficiaries who have availed benefits under TSC, RGGVY, DWS, Aam Aadmi Bima Yojana, Health Insurance, Swaranjyanti Gramin Swarojgar Yojana (SGSY) and Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) are as per **Annexure**.

TSC	326728
RGGVY	22572
Jan Shree Bima Yojana (Life Insurance Scheme)	15884
Aam Aadmi Bima Yojana (Life Insurance Scheme)	29980
Aarogya Raksha (Health Insurance Scheme)	396665
Membership acquired under SHG	26677
Job cards issued under NREGA	1773370

The numbers given may be an under estimate as in most cases uploaded data is not exhaustive."

(v) BPL Survey

(a) Outlays vis-à-vis Expenditure

1.151 The Outlay vis-a-vis expenditure on BPL during 2010 -11, 2011-12, 2012-13 has been as under:

(Rs. in crore)

Year	B.E.	R.E.	Expenditure
2010-2011	162.00	112.00	0.65
2011-2012	300.00	2600.00	2559.37
2012-2013	275.00	375.00	247.04
2013-2014	59.00	--	--

1.152 DoRD informed that 'BPL Survey' is for providing financial assistance to States/UTs for conducting BPL census is not a regular scheme as such and generally conducted once in five years. Nature of activity is such that bulk of expenditure occurs in a short span of time and particularly during the period when actual census taken place.

(b) Requirement of funds

1.153 The Committee also pointed out that DoRD has stated that Eleventh Finance Commission has approved Rs.3543.29 crore out of which Rs.3237 crore has been allocated for 2012-13. For 2013-14 estimated requirement would be Rs.306.26 crore.

1.154 Asked about whether DoRD would be able complete the work with above funds, the DoRD in a written note stated:

"The Expenditure Finance Committee (EFC) has approved the expenditure of Rs.3543.29 crore for the Socio Economic and Caste Census, 2011(SECC, 2011). Out of this, an amount of Rs.3077.84 crore has been released up- to 26th March, 2013. Further, amount of Rs.28 crore is expected to be released up to 31st March, 2013 thus making the total release to Rs. 3105. 65 up to 31st March, 2013.

For the FY 2013-14, an amount of Rs.306.29 has been projected by the Ministry of Rural Development. However, the Planning Commission has made an allocation of Rs.59 crore only for the year 2013-2014, leaving a balance amount of Rs.247.3 crore to be allocated out of the amount approved by EFC.

In addition to above, about Rs.390 crore (excluding Service Tax) is still required to be paid to the CPSUs as mentioned in column (5) below.

(Rs. in lakh).

Releases made to CPSUs for SECC upto 2012-1013				
Sl.No.	CPSU	Total amount required	Amount released	Balance
(1)	(2)	(3)	(4)	(5) (3-4)
1.	BEL	54632.88	46437.53	8195.35
2.	ITI	48562.56	34338.15	14224.41
3.	ECIL	48562.56	36742.05	11820.51
4.	Tablet PCs (To be paid to BEL)	31898.7	27150.00	4748.7
	Grand Total	183656.7	144667.73	38988.97

Rs.152.87 crore would be required for payment to the States/UTs during the FY 2013-14 by way of the residual amount to be released to them after completion of SECC.

Further, States have been requesting for additional funds for publication of draft list and CPSUs have also requested for additional funds for payment of Service Tax and machine matching of NPR and SECC data so that the draft list of beneficiaries is published in text format. The requirement of funds would be as under:

Sl.No.	Name of Agencies	Amount required(Rs. in Crore)
1.	CPSUs	Rs. 389.88
2.	States/UTs	Rs. 152.87
3.	Service Tax	Rs. 230.00
4.	Machine Match of data and man-power costs due to delay in completion of SECC by States.	Rs.150.00
	Total	Rs.922.75

The requirement of funds given above will be projected at R.E. Stage."

1.155 The Committee pointed out that BPL survey for 11th Five Year Plan which was due in 2007 was not held. DoRD in their outcome Budget (2013-14) now stated that Socio-Economic and Caste Census (SECC 2011) has been launched on 29th June 2011 in the country which would be carried out by the respective State/Union Territories Governments with the financial and technical support of the Government of India in a phased manner taking into consideration the preparedness of States/UT and other relevant considerations. The Census is expected to be completed by May, 2013.

(c) State-wise status of SECC

1.156 Asked about status of Socio-Economic and Caste Census 2011 in different States/UTs till date, the DoRD in a written note stated:

"The status of Socio Economic and Caste Census 2011 as on 26.03.2013 in different States/UTs is given at below:

General Status of SECC 2011 as on 26th March, 2013.				
Sl. No.	Name of States/Union Territories	Total EBs	% age of EBs Enumerated	% age of EBs Enumerated
1.	Diu & Daman	439	439	100.00%
2.	Haryana	49,261	49,261	100.00%
3.	Lakshadweep	117	117	100.00%
4.	Nagaland	4,078	4,078	100.00%
5.	Puducherry	2,310	2,310	100.00%
6.	Dadra & N H	690	690	100.00%
7.	Chandigarh	2,067	2,067	100.00%
8.	Tripura	7,316	7,316	100.00%
9.	Punjab	52,243	51,306	98.21%
10.	Himachal Pradesh	25,036	25,036	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.	Arunchal Pradesh	6,791	6,791	100.00%
15.	Chhattisgarh	49,222	49,169	99.89%
16.	Jammu and Kashmir	25,160	25,139	99.92%
17.	A & N Islands	1,198	1,159	96.74%
18.	Sikkim	1,415	1,415	100.00%
19.	Kerala	68,388	68,369	99.97%
20.	Mizoram	2,301	2,234	97.09%
21.	Goa	3,167	3,165	99.94%
22.	Uttarakhand	27,815	27,815	100.00%
23.	Madhya Pradesh	156,359	156,307	99.97%
24.	Delhi	33,174	33,174	100.00%
25.	Andhra Pradesh	191,655	187,738	97.96%
26.	Tamilnadu	143,690	142,106	98.90%
27.	Maharashtra	222,601	222,601	100.00%
28.	Meghalaya	9,116	9,106	99.89%

29	Assam	64,458	64,450	99.99%
30	West Bengal	178,211	177,341	99.51%
31	Orissa	95,757	94,109	98.28%
32	Jharkhand	71,719	69,215	96.51%
33	Manipur	6,004	5,643	93.99%
34	Bihar	206,653	178,833	86.54%
35	U.P	394,253	387,373	98.25%
	Total	2,481,160	2,432,658	98.05%

1.157 The Committee also wanted to know whether the Ministry are confident of completing SECC 2011 by May, 2013, the DoRD in a written note stated:

"The Ministry of Rural Development launched Socio Economic and Caste Census (SECC 2011) on 29th June, 2011 in the country to generate a large number of social and economic indicators relating to households across the country for both rural & urban areas and involves the Ministry of Housing and Urban Poverty Alleviation, Office of the Registrar General and Census Commissioner and the State Governments. The SECC 2011 is being conducted in a phased manner throughout the country by the respective State/Union Territory administration with the financial and technical support of the Ministry of Rural Development.

Due to Assembly Election/Local Bodies Election, etc. some of the states could not started the enumeration work as scheduled resulting in the delay in progress of the BPL Census/Socio Economic and Caste Census. Besides, the enumeration work took more time to complete than anticipated. In order to improve the robustness of the data, a Verification and Correction module has also been incorporated into the process over and above the standard procedure which is an added job. This has resulted in a time over run. About 98% of the enumeration work in all the States/UTs has been completed. After the enumeration, the States/UTs would enter the Claim & Objection stage for publication of the final list. Depending upon the preparedness of different States/UTs, the Final List would be published at different times. For majority of States/UTs, the Final List is likely to be published by the end of September, 2013."

1.158 The Committee enquired whether after current Socio-Economic and Caste Census the DoRD wanted exclude and eliminate such cases for keeping genuine BPL families with in the BPL list, the DoRD in a written note stated:

"A proposal to set up permanent BPL machinery in the Department is under consideration. This would interface with the States to ensure that only genuine BPL families are included in the list of beneficiaries eligible for various government schemes and that those not satisfying the eligibility requirements are taken out of the list by the States on a continuous basis following transparent and equitable processes which will be set out in guidelines."

(d) Methodology evolved for identification of BPL

1.159 Asked about the methodology adopted by DoRD for identification of genuine BPL families, the DoRD in a written note stated:

"From the data gathered in the SECC, the classification of households would be done in three steps. First step would be to apply an exclusion criterion. The exclusion criteria would be that any household satisfying any of the identified criteria as follow:-

- Households owning Motorized Two/Three/Four Wheelers/Fishing boats (which require registration);
- Households owning mechanized Three/Four wheeler agricultural equipments such as tractors, harvesters etc;
- Households having Kisan Credit Card with the credit limit of Rs.50,000 and above;
- Households with any member as Government Employee: 80azette and non-gazetted employees of Centre government, State government, Public Sector Undertakings, Government-aided autonomous bodies and local bodies. This will exclude incentive and other honorarium based workers like ASHA, Anganwadi workers etc;
- Households with Enterprises registered with the Government for any purpose: any non agricultural enterprise registered with the Central or State Governments;
- Households with any member in the family earning more than Rs. 10,000 p.m.;
- Households paying income tax or professional tax;
- Households with three or more rooms with pucca walls and pucca roof;
- Households owning Refrigerator;
- Households owning landline phones;
- Households owning 2.5 acres or more irrigated land with at least one irrigation equipment such as diesel/ electric operated borewell/ tubewell;
- 5 acres or more land irrigated for two or more crop seasons;
- Households owning 7.5 acres or more land with at least one irrigation equipment such as diesel/ electric operated borewell /tubewell;

Certain Households would be compulsorily included subject to exclusion criteria mentioned above, based on identified criteria out of the following:-

- Households without shelter;
- Destitutes/living on alms;
- Manual scavengers;
- Primitive Tribal Groups;
- Legally released bonded labourers;

The remaining households (subject to exclusion and inclusion criteria) will then be assigned deprivation scores depending on the number of deprivation indicators they satisfy. The following are the deprivation indicators all or any contravention of which can be used for prioritization: -

- Households with only one room with kucha walls and kucha roof;
- Households with no adult member between age 16 to 59;
- Female headed households with no adult male member between age 16 to 59;
- Households with any disabled member and no able bodied adult member;
- SC/ST households;
- Households with no literate adult above 25 years;
- Landless households deriving the major part of their income from manual casual labour;

The Ministry of Rural Development has constituted an Expert Committee on 28th December, 2012 under the Chairmanship of Prof. Abhijit Sen to examine the SECC indicators and the data analysis and recommend appropriate methodologies for determining classes of beneficiaries for different rural development programmes. The Committee has not yet submitted its Report."

(e) Estimation of poverty

1.160 The Committee asked for the details of the latest State-wise figures of rural poverty in the country as estimated by the Planning Commission, the DoRD in a written note stated:

"The Planning Commission estimates the percentage and number of persons living below poverty line at national and state level, separately in rural and urban areas on the basis of a large sample survey of Consumer Expenditure carried out by the National Sample survey Organization (NSSO) after an interval of 5 years approximately. The latest poverty estimates released by the Planning Commission are based on the 66th Round of NSSO carried out for the year 2009-10. State-wise details of people living under poverty line in the country are given at as under:

Number of Population below poverty line by States -2009-2010.

(in lakhs)

S. No.	States	Rural	Urban	Total
1	Andhra Pradesh	127.9	48.7	176.6
2	Arunachal Pradesh	2.7	0.8	3.5
3	Assam	105.3	11.2	116.4
4	Bihar	498.7	44.8	543.5
5	Chhattisgarh	108.3	13.6	121.9
6	Delhi	0.3	22.9	23.3
7	Goa	0.6	0.6	1.3
8	Gujarat	91.6	44.6	136.2
9	Haryana	30.4	19.6	50
10	Himachal Pradesh	5.6	0.9	6.4
11	Jammu & Kashmir	7.3	4.2	11.5
12	Jharkhand	102.2	24	126.2
13	Karnataka	97.4	44.9	142.3
14	Kerala	21.6	18	39.6
15	Madhya Pradesh	216.9	44.9	261.8
16	Maharashtra	179.8	90.9	270.8
17	Manipur	8.8	3.7	12.5
18	Meghalaya	3.5	1.4	4.9
19	Mizoram	1.6	0.6	2.3
20	Nagaland	2.8	1.4	4.1
21	Orissa	135.5	17.7	153.2
22	Puducherry	0.01	0.1	0.1
23	Punjab	25.1	18.4	43.5
24	Rajasthan	133.8	33.2	167.0
25	Sikkim	0.7	0.1	0.8
26	Tamil Nadu	78.3	43.5	121.8
27	Tripura	5.4	0.9	6.3
28	Uttar Pradesh	600.6	137.3	737.9
29	Uttarakhand	10.3	7.5	17.9
30	West Bengal	177.8	62.5	240.3
31	Andaman & Nicobar Island	0.01	0.004	0.01
32	Chandigarh	0.03	0.9	1
33	Dadra and Nagar	1	0.3	1.3
34	Daman and Diu	0.2	0.5	0.8
35	Lakshwadeep	0.03	0.01	0.04
	All India	2782.1	764.7	3546.8

Notes:

1. Population as on 1st March 2010 has been used for estimating number of persons below poverty line.(interpolated between 2001 and 2011 population census)
2. Poverty line of Tamil Nadu is used for Andaman and Nicobar Island.
3. Urban Poverty Line of Punjab is used for both rural and urban areas of Chandigarh.
4. Poverty line of Maharashtra is used for Dadra & Nagar Haveli.
5. Poverty line of Goa is used for Daman & Diu.
6. Poverty line of Kerala is used for Lakshadweep.

1.161 The Committee were informed by DoRD that identification of families living below the poverty line is the work of State Governments. The MoRD provides financial and technical assistance to States Governments for conducting BPL survey. Both estimation of poverty and identification of BPL families have been the subject matter of debate in Parliament and has even gone before Hon'ble Supreme Court and has also been examined by different Committees as well. Crores of rupees have been spent on this exercise and the Standing Committee on Rural Development have been recommending for expediting the BPL survey i examination of Demands of Grants annually, yet the common man does not know who the poor is and how many are the poor in the country. In the connection DoRD stated that on 28 December, 2012 Prof. Abhijeet Sen Committee has been set up to examine the SECC indicators of multiple dimensions of deprivation and recommend appropriate methodology for determining class of beneficiaries of Rural Development Programme.

1.162 Asked about the workdone by the SECC and whether any indicators have been known to the DoRD since SECC work is likely to be completed by May, 2013, the DoRD in a written note stated:

"As already indicated in the forgoing, about 98% of the enumeration work in all the States/UTs has been completed by the States/UTs. Haryana, Nagaland, Diu & Daman and Lakshadweep have published the draft list. In another 23 States/UTs, enumeration/Supervision work has been completed and Verification/Correction module is under process. In the remaining 8 States, enumeration work is almost completed. For majority of the States/UTs, the Final List is likely to be published by the end of September, 2013."

(vi) Provision of Urban Amenities in Rural Areas (PURA)

1.163 The DoRD in their Outcome Budget (2013-14) have stated that Provision of Urban Amenities in Rural Areas (PURA) Scheme was restructured for implementation on pilot basis in 11th Five Year Plan with the budgetary provision of Rs. 248 crore. The primary objectives of the scheme are the provision of livelihood opportunities and urban amenities in rural areas to bridge the rural – urban divide. The DoRD stated that Plan Outlay for PURA for 12th Plan is Rs.1325 crore, out of which the Outlays for the first two years of the Plan i.e. 2012-13 and 2013-14 are as under:

(Rs. in crore)

Year	B.E.	R.E.
2012-13	150.00	0.00
2013-14	50.00	--

1.164 Asked about the reasons for nil allocation at RE stage for the scheme during 2012-13, the DoRD in a written note stated:

"The B.E. of Rs. 150 crore was based on the assumption that more projects of PURA 1.0 would be approved for implementation. However, this has not happened due to lack of required approvals at various levels including at the level of State Governments. Therefore, anticipating the possibility of non-requirement of funds in 2012-13, the R.E. was made 'Nil'."

1.165 Asked about physical target that have been set under the scheme during current financial year, the DoRD in a written note stated:

The physical targets set for PURA (2013-14) are :-

- (i) Execution of State Support Agreements and Concession Agreements for remaining 7 pilot projects of PURA 1.0
- (ii) Calling for Request for Proposal (RfP) from 47 short listed applicants and evaluation of RfPs of PURA 2.0
- (iii) Short-listing of 2nd batch of 10-15 pilot projects and issue of letters seeking Detailed Project Reports

(iv) Commencement of construction activities in respect of remaining projects of PURA 1.0

1.166 The Committee also wanted to know the reasons for decline in RE and further low expenditure during 2010-11, the DoRD in a written note stated:

"The BE for the year 2010-11 which was Rs.124 crore was reduced to Rs. 74 crore in the R.E. as there was no expenditure during the first half of the financial year. However, since 10% of the funds were earmarked for North-Eastern States, only Rs.66.20 crore could be released to various DRDAs where the PURA projects were proposed."

1.167 The DoRD has furnished status of release of funds under Restructured PURA during 2010-11 and 2011-12.

(Rs. in lakh)

S.No.	State	Name of the DRDA	2010-11	2011-12	Cumulative
1	Rajasthan	Jaipur	1071	1456	2527
2		Rajsamand	912	1240	2152
3	Uttarakhand	Dehradun	509	692	1201
4	Kerala	Thrissur	848	1153	2001
5		Malappuram	1004	1365	2369
6	Puducherry	Karaikal	624	848	1472
7	Andhra Pradesh	Krishna	598	813	1411
8		Warangal	1054	1433	2487
TOTAL			6620	9000	15620

* Funds released to concerned DRDAs.

1.168 Asked whether utilization certificate of expenditure during 2010-11 and 2011-12 under PURA have been submitted by the implementing agencies concerned, the DoRD in a written note stated:

"Under restructured PURA, the implementing agency is not the DRDA but the private sector entity who is supposed to provide the UC. The funds released to DRDAs are kept in a separate account and are transferred further to the projects accounts of private sector entities based on the progress reported. Thus no UC has become due for the amount so released by this Ministry and kept with DRDAs."

1.169 The DoRD has submitted that following are the key elements of the restructured PURA:

Amenities to be provided under MoRD Schemes	Amenities to be provided under Non-MoRD Schemes	Add-on Projects (Revenue earning, people centric projects)
1. Water and Sewerage	7. Village Street Lighting	10. Village based tourism
2. Construction and maintenance of Village Streets	8. Telecom	11. Integrated Rural Hub, Rural Market.
3. Drainage	9. Electricity, etc.	12. Agri – Common Services Centre and Warehousing
4. Solid Waste Management		13. Any other rural-economy based project
5. Skill Development		
6. Development of Economic Activities		

1.170 Asked about the difficulty in implementing PURA on above lines across different states, the DoRD in a written note stated:

The concept of Public Private Partnership (PPP) in rural development is a new paradigm. The process of implementing the Scheme under PPP mode involved understanding the concept itself by all stakeholders which include State Governments, Gram Panchayats, other Ministries/Departments of the Government of India. Besides calling for Expression of Interest from potential private developers, evaluating the EOIs and short-listing of private developers. In addition, the PURA envisages convergence of various schemes of MoRD and other Ministries besides bringing in private capital for rural development in a earmarked cluster of gram panchayats. Mandatory requirements of support of the State Governments and the concerned Panchayat(s) for the PURA projects and ensuring coordination between multiple-agencies are the other major aspects that have to be tackled before a project is approved for implementation."

1.171 The Committee pointed out that two projects of the first set of pilots were launched in Malappuram and Thrissur Districts of Kerala on 24th February, 2012. The remaining projects are under various stages of approval/appraisal. For the next set of 10-15 pilots, 99 Expression of Interests (Eols) received from private sector entities are under evaluation. Based on the experience of these two set of pilots,

there is a plan to upscale to scheme to include more areas during 12th Five Year Plan. Asked about the status of pilot project being undertaken in Kerala, the DoRD in a written note stated:

"In case of the two pilot PURA projects in Kerala while concession agreement and state support agreement have been signed, condition precedent is not fully met. The Private developer i.e. INKEL is still in the process of getting local level approvals and is reworking the work schedule to start actual construction."

1.172 Asked about the State-wise details in respect of other projects, the DoRD in a written note stated:

The Status of other projects under PURA 1.0 is as under:

S.No.	State	District	Status
1	Andhra Pradesh	Krishna	The Project has been approved by the Empowered Committee in its meeting on 21.03.2013
2		Warangal	The private partner is revising the DPR for the Water Supply sub-component for submission to State Government for approval.
3	Uttarakhand	Dehradun	The private developer has submitted all approvals on 19 th March, 2013 and sought consideration of the project by Project Screening and Monitoring Committee.
4	Rajasthan	Jaipur	Project approval pending with State Government
5		Rajsamand	Project approval pending with State Government
6	Maharashtra	Sangli	Project approval pending with State Government
7	Puducherry	Karaikal	Detailed Project Report is being revised by Private Partner to incorporate modifications.

1.173 The Committee also enquired about the experience of other developed countries like U.S., Japan, etc. in bringing urban amenities in rural areas, the DoRD in a written note stated:

"There is no comparable PPP in rural sector in these countries."

1.174 The Committee also wanted to know this innovative scheme is not being implemented vigorously as it was initiated in Eleventh Plan, the DoRD in a written note stated:

"For taking up another 10-15 pilot projects under PURA 2.0, this Ministry has published an Expression of Interests (EoI) in all important national newspapers. A total of 99 EoIs have been received. These have been evaluated by the Transaction Adviser to short list 47 eligible private developers. After this set of pilots, there is a proposal to up-scale the scheme by carrying out appropriate modifications in the scheme to include more areas during the 12th Five Year Plan. 12th Plan Document suggests that In order to ensure scaling of the PURA Scheme, it would necessary for State Governments to lead the entire process of managing PURA projects. The key activities would involve undertaking the procurement process for selection of private developers, facilitating/interacting with the private players in the course of preparation of Concept Plans and DPRs and undertaking its obligations under the Concession and State Support Agreements. Further the State Governments would need to identify their nodal departments and build capacities of these nodal departments to handle PURA Projects. In addition, a funding pattern for PURA Grant in the ratio of 80:20, with 80 per cent of the funding for PURA Grant coming from MoRD and 20 per cent from the concerned State Government will be adopted. The role of MoRD will be that of a facilitator and the final approving and monitoring authority of the PURA Projects."

1.175 The Committee also wanted to know whether in the light of almost no progress on the issue of PURA, whether Government is considering to close PURA, the Secretary DoRD explained:

"As regards PURA, it is still in a pilot stage. Only two projects are functional and they were sanctioned to Kerala two years ago. It has got a lot of teething problem though it is a very innovative and interesting concept. It is slow to take off. The third project has been just approved last week. It will take some time for the whole thing because it requires a lot of convergence. It requires an active role of a private partner which is not coming forth. Now we have gone for another expression of interest. We have got about 99 people who have expressed their interest. It is too early to dump it in a burial because it is still in a pilot stage."

(vii) Grant to NIRD/Assistance to CAPART

1.176 The BE, RE and expenditure during 2010-11, 2011-12 and 2012-13 and BE proposed for 2013-14 are as under:

	2010-11			2011-12			2012-13			2013-14
	B.E.	R.E.	Actual	B.E.	R.E.	Actual	B.E.	R.E.	Actual	B.E.
Grant of NIRD	105.00	105.00	105.00	105.00	81.00	81.00	105.00	47.00	23.60	50.00
Assistance to CAPART	100.00	100.00	50.00	100.00	35.00	0.00	35.00	12.00	0.00	15.00

(a) Grant to NIRD

1.177 The National Institute of Rural Development (NIRD) is an apex institute for training and research in rural development in India. It is an autonomous organization of the Ministry of Rural Development. It is located at Hyderabad with three Regional Centres of NIRD: the North Eastern Regional Centre (NERC) at Guwahati, Assam, established in 1983, the Eastern Regional Centre (ERC) at Patna, Bihar established in 2008 and the NIRD-Jaipur Centre at Jaipur, Rajasthan established in October 2010, to supplement the training and research activities of NIRD, to meet specific training needs of the North Eastern Region, Eastern Region and Northern Region of India respectively. The management and general control of the institute is vested in the General Council presided over by the Union Minister of Rural Development. Besides this, there is an Executive Council presided over by the Union Minister of Rural Development which is responsible for the management and administration of the Institute subject to the general control and direction of the General Council.

1.178 Asked about the reasons for decline in expenditure during 2011-12 and 2012-13 under Grant to NIRD, the DoRD in a written note stated:

"Budget Estimates of Rs. 105.00 crore for NIRD in 2011-12 and 2012-13 included a provision of Rs. 67.00 crore in 2011-12 and Rs. 58.00 crore in 2012-13 for creating capital assets. The allocation was mainly for construction of NIRD centres at Patna and Jaipur and faculty centre at Delhi. However, as the construction of these centres was not approved, the capital allocation for these centres could not be utilized resulting in decline in expenditure."

1.179 Asked whether DoRD would be able to utilize Rs. 50.00 crore when their expenditure was Rs. 23.60 crore only during 2012-2013, the DoRD in a written note stated:

"The expenditure during 2012-13 is likely to be Rs. 39.25 crore. The amount of Rs. 50.00 crore will be utilized during 2013-14 as it is a provision for salaries and expenses for training and research activities."

1.180 The Committee wanted to know the reasons for less actual during 2010-11 and nil expenditure during 2011-12, the DoRD in a written note stated:

"In the 49th Executive Committee Meeting of CAPART in August 2009, a decision to undertake restructuring of CAPART was taken. The Ministry of Rural Development has assigned this task to Tata Institute of Social Sciences, Mumbai after finalization of terms of reference. As a result of this decision in the year 2010-11, only 42 projects worth Rs 3.67 crores were sanctioned. No new project was sanctioned during the year 2011-12 because of this decision.

Regarding actual in 2011-12, as against RE of Rs 35 Crores, CAPART incurred an expenditure of Rs.16.32 crores towards salaries, administrative expenditure and other project relating expenditure. This expenditure was incurred out of the unspent balance available in CAPART from the previous years, thus there was no release of fund out of the MoRD's budget for that year, and that is why 'nil' expenditure was reported against the Ministry's budget."

(b) Assistance to CAPART

1.181 The Council for Advancement of People's Action and Rural Technology (CAPART) was set up in the year 1986 by merging the People's Action for Development (India) (PADI) and the Council for Advancement of Rural Technology (CART). It is a registered society under the aegis of Ministry of Rural Development.

1.182 The Committee wanted to know the reasons for less actual during 2010-11 and nil expenditure during 2011-12, the DoRD in a written note stated:

"In the 49th Executive Committee Meeting of CAPART in August 2009, a decision to undertake restructuring of CAPART was taken. The Ministry of Rural Development has assigned this task to Tata Institute of Social Sciences, Mumbai after finalization of terms of reference. As a result of this decision in the year 2010-11, only 42 projects worth Rs 3.67 crores were sanctioned. No new project was sanctioned during the year 2011-12 because of this decision.

Regarding actual in 2011-12, as against RE of Rs 35 Crores, CAPART incurred an expenditure of Rs.16.32 crores towards salaries, administrative expenditure and other project relating expenditure. This expenditure was

incurred out of the unspent balance available in CAPART from the previous years, thus there was no release of fund out of the MoRD's budget for that year, and that is why 'nil' expenditure was reported against the Ministry's budget."

1.183 Asked whether CAPART would be able to utilize Rs.15.00 crore during 2013-14 when it had nil expenditure during 2012-13, the DoRD in a written note stated:

"Presently, CAPART is incurring expenditure on salaries, establishment and past liabilities on projects. CAPART will not have nil expenditure in the current financial year."

1.184 The Committee pointed out that the above financial performance under CAPART show that there is almost no activity under CAPART. The Standing Committee on Rural Development has given their comprehensive Report on CAPART. Asked about the salient features of action taken on various recommendations of the Committee, the DoRD in a written note stated:

1. Project funding has been kept under abeyance since 30th September, 2010 as restructuring of CAPART is under process. A Project Document outlining a detailed frame/Terms of Reference has been prepared by the Ministry and the task of restructuring exercise has been entrusted to an independent agency namely Tata Institute of Social Sciences (TISS), Mumbai.
2. The first meeting/visioning work shop on restructuring of CAPART was organized by TISS on 8th January, 2013 at CAPART, New Delhi. TISS is likely to submit its report by 3^{1st} May, 2013.
3. As per the decision of the Executive Committee in its meeting held on 20.1.2012 all the Regional Committees of CAPART were dissolved and Regional offices were closed in March, 2012.
4. The post of DG/DDG has been removed from the purview of the Civil Services Board and will now be filled up through a search-cum-Selection Committee. The Recruitment Rules for the posts have been framed by Ministry of Rural Development with the approval of DoPT. The incumbents will be appointed on Deputation/ Short Term Contract basis initially for a period of three years extendable by another two years."

1.185 Asked as to how long the standstill scenario will continue keeping in view the role of CAPART for advancement of technology in rural areas, the DoRD in a written note stated:

"The Ministry has taken a decision to assign the task to Tata Institute of Social Sciences (TISS), Mumbai, which may go into specific details of all aspects of the organization and its functioning and render assistance in the restructuring exercise. The first meeting with TISS officials was held on 08.01.2013

wherein broad issues relating to Restructuring of CAPART were discussed. The process has been fast tracked."

1.186 During the course of evidence, the Secretary, DoRD also explained:

"It has been decided to restructure the CAPART. There were some delays. The INMA had done a study and we had asked INMA to come up with restructuring. They could not do it. So, the Tata Institute of Social Sciences has been entrusted with the task for three months. They have presented the concept note. We wanted them to complete it as quickly as possible so that it becomes a NGO friendly institution which really brings out the theme. Now it is doing only the PM Rural Development Fellow Scheme and a little bit of trade related thing to market the SHG goods."

(viii) DRDA Administration

1.187 The BE, RE and expenditure for 2010-11, 2011-12, 2012-13 and BE proposed for 2013-14 are as under:

(Rs. in crore)

Year	Budget Plan	Revised Plan	Actual Expenditure Plan
2010-2011	405.00	405.00	485.00
2011-2012	461.00	461.00	550.00
2012-2013	500.00	410.00	262.53
2013-2014	250.00	--	--

1.188 The Committee pointed out that the allocation viz-a-viz utilization during 2010-11 and 2011-12 has been more than 100%. Asked about the reasons for reduction at RE level and low expenditure during 2012-13, the DoRD in a written note stated:

"1. The main reason for reduction at RE level is non receipt of utilization certificates for the year 2011-12 and non-receipt of proposals for release of 1st/2nd installment in the prescribed format from 124 DRDAs..

2. Time and again, concerned States/DRDAs were requested/reminded to furnish the required information vide D.O. letter No. R-17014/39/2012-13-DRDA dated 13th September, 30th November, 2012 and 16th January, 2013 respectively."

1.189 The Committee were informed that the restructuring of DRDA Scheme was under consideration of the Department of Rural Development in order to strengthen and professionalize the DRDAs to meet the new challenges. The Committee however, pointed out that the Outcome Budget (2013-14) of Department of Rural Development indicates that after occupying the recommendations of V. Ramachandran Committee EFC note for restructuring of the Scheme is under preparation. On being pointed out that issue of restructuring of DRDAs has been inordinately delayed, the DoRD in a written note stated:

- "1. The Committee was set up vide notification No. R-20015/48/2012-13-DRDA dated the 8th November, 2010.
2. The Committee submitted its report on 27th January, 2012
3. The Ministry analysed and accepted the report with some modifications on 18th July, 2012.
4. The States were consulted through video conference and Performance Review Committee meeting on 31st May and 1st June, 2012 as a prelude to formulation of EFC note for restructuring of DRDA Scheme."

1.190 Asked by the Committee as to when EFC note will be prepared for future action in this regard, the DoRD in a written note stated:

"EFC note has been prepared and has since been vetted by IFD. The EFC note is likely to be circulated to the concerned Ministries/Departments of the Government of India during the 1st week of April, 2013."

In this connection during evidence the Secretary, DoRD also explained:

"Regarding DRDA Administration, there is a very active proposal in the Ministry based on V. Ramachandran Committee Report on Restructuring the DRDA. The cost will go up significantly. They will be supporting a professional body for district planning. It is in that light that some higher allocation has been provided. That has been in the form of EFC note."

(ix) Management support to Rural Development Programmes and Strengthening of District Planning

1.191 The Ministry in their Outcome Budget (2013-14) .stated that Scheme namely 'Management Support to Rural Development Programmes and Strengthening of District Planning Process' was introduced from 2007-08 by integrating the earlier Scheme namely Monitoring Mechanism, IEC, Training, Information Technology and International Cooperation.

1.192 The BE, RE, and expenditure during 2010-11, 2011-12, 2012-13, and BE for 2013-14 on management support is as under:

(Rs. in crore)			
Year	B.E.	R.E.	Expenditure
2010-2011	120.00	120.00	119.87
2011-2012	120.00	120.00	119.71
2012-2013	120.00	145.00	126.83 (upto 24.03.2013)
2013-2014	120.00	--	--

1.193 The Committee pointed out that financial performance during first three years has been 100%. Asked about the reasons for an increase of Rs. 25 crore at RE level and low expenditure during 2012-13, the DoRD in a written note stated:

"The increase of Rs. 25 crore at RE level is due to release of Rs. 25.00 crore to Institute of Rural Management, Anand in pursuance of announcement made by Finance Minister in his Budget speech for the year 2012-13."

1.194 Asked whether DoRD would be able to utilize Rs. 120.00 crore in view of less actual during 2012-13, the DoRD in a written note stated:

"The expenditure under this Head during the year 2012-13 (as on 24.03.2013) is Rs. 126.83 crore. The proposed allocation of Rs. 120.00 crore in 2013-14 will be fully utilized."

1.195 Asked about the details of State-wise allocation, release and utilization of funds under Scheme during 2011-12 and 2012-13, the DoRD in a written note stated:

"This is a Central Sector Scheme. Establishment and Strengthening of State Institutes of Rural Development (SIRDs) and Extension Training Centres (ETCs); and Organisation of Training Courses, Seminar and Workshops (OTC) are demand driven sub-schemes. No State-wise allocation is made under these schemes."

Statement showing released made to States and utilisation of funds during 2011-12 and 2012-13

(Rs. In lakh)

S.No.	Name of State	2011-12		2012-13	
		Released	Utilised	Released	Utilised
1.	Andhra Pradesh	215.50	128.02	342.20	48.50
2.	Arunachal Pradesh	152.00	78.97	79.07	NR
3.	Assam	844.19	844.19	559.67	NR
4.	Bihar	23.50	19.00	0.00	NR
5.	Chhattishgarh	159.45	110.80	52.24	NR
6.	Goa	26.09	26.09	29.13	NR
7.	Gujarat	57.22	57.22	338.95	NR
8.	Haryana	233.65	180.36	496.42	NR
9.	Himachal Pradesh	57.47	57.47	71.90	NR
10.	Jammu & Kashmir	760.15	0.00	44.12	NR
11.	Jharkhand	82.30	82.30	36.30	NR
12.	Karnataka	104.65	104.65	131.10	NR
13.	Kerala	303.57	103.96	129.25	NR
14.	Madhya Pradesh	125.87	125.87	195.44	NR
15.	Maharashtra	347.09	248.71	264.00	NR
16.	Manipur	239.79	136.97	378.37	NR
17.	Meghalaya	343.09	343.09	583.75	NR
18.	Mizoram	208.65	208.65	177.22	NR
19.	Nagaland	299.69	243.94	227.10	NR
20.	Odisha	98.52	15.95	89.79	NR
21.	Punjab	151.16	71.94	92.35	NR
22.	Rajasthan	73.84	73.84	0.00	NR
23.	Sikkim	202.06	180.82	171.16	NR
24.	Tamil Nadu	1337.78	101.17	108.59	NR
25.	Tripura	56.12	56.12	145.94	NR
26.	Uttar Pradesh	850.81	827.46	655.24	NR
27.	Uttarakhand	235.11	105.78	1359.31	NR
28.	West Bengal	116.94	116.94	128.20	NR
	Total	7706.26	4650.28	6886.81	48.50*

* The utilization certificates for the grant released in 2012-13 will be submitted by the SIRDS and ETCs along with the fresh proposal.

(x) Monitoring Mechanism

Vigilance and Monitoring Committees (VMCs)

1.196 The Ministry in their Outcome Budget (2013-14) have stated that the Vigilance & Monitoring Committees (VMCs) are constituted at State as well as district level to function as an important instrument for effective monitoring of implementation of the programmes of the Ministry of Rural Development. They provide a crucial role for the Members of Parliament and elected representatives of people in State Legislatures and Panchayati Raj Institutions (PRIs) in reviewing the implementation of the rural development programmes. Meetings of the Vigilance and Monitoring Committees at State and District level are required to be held every quarter.

1.197 Asked whether V&MCs have been constituted in all States/UTs and Districts across the country, the DoRD in a written note stated:

"V&MCs have been constituted in all the States/UTs except Puducherry. Out of the 635 qualifying districts, Ministry of Rural Development has nominated Chairman/Co-Chairman in 622 districts. The list of districts where the V&MCs have been constituted is given below:

No.	Name of State/UT	No. of districts where VMCs have been constituted
1	Andhra Pradesh	22
2	Arunachal Pradesh	16
3	Assam	27
4	Bihar	38
5	Chhattisgarh	16
6	Goa	2
7	Gujarat	26
8	Haryana	21
9	Himachal Pradesh	12
10	Jammu & Kashmir	22
11	Jharkhand	24
12	Karnataka	30
13	Kerala	14
14	Madhya Pradesh	50
15	Maharashtra	33
16	Manipur	9
17	Meghalaya	7
18	Mizoram	8
19	Nagaland	11

20	Odisha	30
21	Punjab	20
22	Rajasthan	33
23	Sikkim	4
24	Tamil Nadu	31
25	Tripura	4
26	Uttarakhand	13
27	Uttar Pradesh	72
28	West Bengal	18
29	Andaman & Nicobar	3
30	Daman & Diu	2
31	Dadar & Nagar Haveli	2
32	Lakshadweep	1
33	Puducherry	1
	Total	622

1.198 Asked how many States/UTs have failed to reconstitute the State or any District level V&MCs and remedial action if any take in this regard, the DoRD in a written note stated:

"Puducherry is the only UT where the V&MC is yet to be reconstituted. Out of the 635 qualifying districts, Ministry of Rural Development has nominated Chairman/Co-Chairman in 622 districts. In the remaining 13 districts Chairman/Co-Chairman is yet to be nominated. The State Governments concerned have been requested to furnish details of these districts, viz. the Members of Parliament representing the district and the geographical area of each of the Lok Sabha Constituencies falling in the district, to enable the Ministry to nominate Chairman/Co-Chairman."

1.199 The Committee pointed out that in the 'Guidelines for the Vigilance and Monitoring Committees (V&MCs)', it is stated that meetings of the VMCs at each level are to be held at least once in every quarter, after giving sufficient notice to the Hon'ble MPs/NGOs and all other members.

1.200 Asked whether these Guidelines for holding of meetings of State and District level V&MCs are being adhered to by States/UTs, with meetings for the last five years, the DoRD in a written note stated:

"The State-wise details of meetings of State and District level V&MCs for the last five years are as under:

Sl.No.	Name of State	Number of meetings held				
		2008-09	2009-10	2010-11	2011-12	2012-13*
1	Andhra Pradesh	1	1	1	1	1
2	Arunachal Pradesh	1	1	1		1
3	Assam	1	1	2		1
4	Bihar	3			1	
5	Chhattisgarh	1		1	2	
6	Goa	1				
7	Gujarat	1			2	
8	Haryana	0		1	1	1
9	Himachal Pradesh	1			1	
10	Jammu & Kashmir	0	1	1		
11	Jharkhand	1			2	
12	Karnataka	2	1	3	2	1
13	Kerala	1		1		1
14	Madhya Pradesh	1	1	1	1	1
15	Maharashtra	0	1	2	2	2
16	Manipur	0			1	1
17	Meghalaya	1		2	1	
18	Mizoram	0	1	1	1	1
19	Nagaland	0	1	1		
20	Odisha	1	1	1		
21	Punjab	1				
22	Rajasthan	1		2		
23	Sikkim	2	1	2	2	1
24	Tamil Nadu	2	1	2		
25	Tripura	1		2	2	1
26	Uttarakhand	1	1	1	1	
27	Uttar Pradesh	3		2		
28	West Bengal	3		4	4	2
29	Andaman & Nicobar	1		1	2	
30	Daman & Diu	1	1	1		
31	Dadar & Nagar Haveli	0				
32	Lakshadweep	1				
33	Puducherry	2				
	Total	36	14	36	29	15

*As reported upto 5-2-2013

1.201 The DoRD has stated that there is no uniformity in adherence to guidelines.

1.202 Asked in how many State and District V&MCs have not held quarterly meetings as provided in the guidelines and with what reasons, the DoRD in a written note stated:

"Only one State V&MC (West Bengal) held four quarterly meetings, during the last two years. In eleven districts, four quarterly meetings were held during the same period.

The major hurdles in achieving the target of holding quarterly meetings, as reported by the States/districts, include delay on the part of Chairman in indicating the date for the Meeting, postponement due to inability of the Chairman to attend the Meeting, elections, preoccupation of Member Secretary, etc."

1.203 Asked whether Ministry have withheld the release of funds to any District where regular meetings of V&MCs were not held, the DoRD in a written note stated:

"The Ministry has so far not withheld release of funds to any district on this ground."

1.204 During the course of evidence, the issue of non-holding of V&MC Meeting in Tamil Nadu also came up for discussion, particularly in Kacheepuram District where VMC has not held meeting during 22 months. Clarifying the position Secretary, DoRD explained:

"Sir, the hon. Committee is aware that actually there have been two sittings of the hon. Committee where I have appeared as a witness in order to explain the features of the Vigilance Monitoring Committee Scheme and also the constraints within which the Ministry is working. At that time, I had mentioned that the issue with regard to the problems pointed out by the hon. Member partly arise out of the federal nature of things."

1.205 Secretary, DoRD added :

"Sir, based on the deposition I made before the hon. Committee last time wherein I had stated that we would take up the matter with the state Governments and impress upon the Chief Secretaries to ensure that these meetings are held, particularly at the District level. I had actually written the letter to the Chief Secretaries. I had pointed out that these are the instruments that we have put in place. My request is that certainly it would be very wrong on my part to concede defeat. In fact, I do not say that I have failed. I can only say that my efforts are continuing"

1.206 In reply to a query the Secretary further submitted :

"Sir, I will communicate; I will place it before my Minister and request him also to bring it to the notice of the Chief Ministers. We would request him to write to the Chief Ministers of all the States impressing upon them the need to

regularly convene the meetings at the State level and also at the District level."

1.207 The reply to a question about non-holding of V&MC Meeting in Kancheepuram, the DoRD in a point arising out of evidence stated:

"The matter regarding non-holding of the district level V&MC in Tamil Nadu has been taken up by the Ministry at different levels time and again. This includes a letter from Secretary, Rural Development to the Chief Secretary on 16.11.2011 for holding meetings specifically in Sivaganga and Pudukottai districts. Secretary, Rural Development also spoke with the Chief Secretary, Tamil Nadu in this regard.

As regards non-holding of V&MC meeting in Sivaganga, as per information conveyed, a meeting of the V&MC was held on 30.03.2013. As regards non-holding of meeting in Kancheepuram district, the District Collector, Kancheepuram has now informed the Ministry that he has requested the Chairman of District V&MC to indicate a convenient date for holding the meeting. "

VI. UNSPENT BALANCES

1.208 The unspent balance in different schemes as on 31.12.2012 as shown in Outcome Budget (2013-14) of the Department on Rural Development are as under:

(Rs. in crore)

Name of Scheme	Amount
(i) MGNREGA	14,545.47
(ii) PMGSY	5,788.58
(iii) IAY	4,646.99
(iv) SGSY (Aajeevika)	1,387.99
TOTAL	26,369.03

1.209 Asked as to how DoRD would justify unspent balances of huge order of Rs. 26,369 crore out of which around half is in MGNREGA alone, the DoRD in a written note stated as under;

“(1) **PMGSY:** Funds are released to the States/ Executing Agencies in accordance with PMGSY Guidelines. The programme guidelines were framed in accordance with Cabinet Note dated 27th June, 2001 on PMGSY. According to Para 11 of the Cabinet Note-2001 of PMGSY, funds are to be released by the Ministry of Rural Development in two installments to the Executing Agency/Agencies at the State/UT level. Thus, at any given point of time States may have significant balance funds, while sending proposals for release of next installment due against the sanctioned proposals, as these funds can be utilized against ongoing works of any phase.

(ii) **IAY:** As far as IAY is concerned during the year 2012 -13 an amount of Rs.4646.98 crore has been lying as unspent balance with the states and UTs (upto December 31, 2012). This is mainly due to release of funds in the third quarter of 2012-13 (Rs.546.46 crores) and special package sanctioned to the states amounting to Rs.1157.93 crores as well as slow implementation of the programme in many districts.

The release of funds under IAY are linked to construction activities. IAY beneficiaries are provided assistance in three installments by the District Administration. The construction of houses in IAY usually spill over to next year.

In order to reduce the unspent balances and timely disbursement and sound financial management, Ministry has been constantly pursuing with the state governments and DRDA Administration to minimize the unspent balances through Performance Review Committee Meetings, State Coordinating Officers Meeting from time to time. However, to ensure that States incur expenditure on the scheme efficiently and timely during the year, there is provision of deduction, if more than 10% of the available funds are carried forward.

However, such deductions are restored when performance improves. It is expected that the allocations will be fully utilized during the current financial year.

In order to make the guidelines more effective the Ministry undertook a consultative process where experts, state governments, and other stakeholders were invited to give their inputs. Based on the inputs/suggestions received draft revised guidelines have been prepared and uploaded in the website for comments. The same are likely to be finalized and implemented from next financial year i.e. 2013-14. Revised guidelines for IAY are likely to facilitate better fund flow to state governments as well as coordinated implementation at state level.

(iv) **NRLM** : As the second installment of funds under Aajeevika was released largely in November and December, 2012, the unspent balances as on 31st December, 2012 are larger. These would be utilized in the last quarter of the FY 2012-13. In addition, the first installment of funds under Aajeevika for 2013-14 will be released only after the Annual Action Plans (AAPs) of the States are approved by the Ministry. The available funds will be utilized by the states till the funds are released to them from the allocation for 2013-14."

1.210 Asked about the steps that are being taken by MoRD for persuading States to utilize the precious unspent balances which is over Rs. 26,000 crore, the MoRD in a written note submitted as under:

“(i) **PMGSY**: Following steps have been taken by the department for utilization of unspent balance available under PMGSY:-

1. Releases of programme fund under PMGSY are linked with performance and pace of implementation of the concerned State/UT. Thus, the releases of programme fund are made considering the actual expenditure and availability of funds at the State/UT level and on Annual Allocations indicated to States.
2. Issues of slow implementation pace and absorption capacity of the States were reviewed periodically at the level of Review Meetings Chaired by Hon'ble MRD, Empowered Committee Meetings Chaired by Secretary, RD and Regional Review Meetings (RRMs). Issues related to Implementation and Institutional capacity of States were also identified and communicated through D. O. letters to Hon'ble Chief Ministers, Chief Secretaries and SRRDAs at the levels of Hon'ble Minister of RD, Secretary, RD and Joint Secretary (Rural Connectivity) respectively. Steps were also taken for faster implementation of the programme in the field.

(ii) **IAY**: In order to utilize the unspent balances available with the state governments the Ministry of Rural Development has taken a number of initiatives in the recent past:

1. Constant monitoring of implementation of scheme through MIS Awaassoft.
 2. The states are provided additional incentives in terms of physical targets, keeping in view the availability of funds annually, for better physical performance and gainful utilization of central assistance.
 3. To ensure that States incur expenditure on the scheme efficiently and timely during the year, second installment is released only when 60% of total available funds are utilized by the district.
 4. To maintain financial discipline, a mandatory deduction (s) on account of late submission of proposal by the state government shall be imposed depending upon the date of receipt of complete proposal for release of second installment under IAY. Under the system, there will be progressive deductions for proposal (s) received in the month of January and February @ 10% and 20% respectively on the total Central allocation for the year. Incomplete proposals will not be accepted. The date on which last information is received from the State shall be treated as date of receipt of the proposal.
 5. The performance of the IAY scheme of the states is reviewed through quarterly Performance Review Committee Meetings, State Coordinating Officers Meeting from time to time.
 6. The officers of the Ministry visit states at regular interval to review physical and financial performance of Indira Awaas Yojana.
- (ii) NRLM : The expenditure in the States is being monitored regularly through reports, meetings and video conferences. The States have been advised to prepare realistic budgets under their AAP for 2013-14 and are being supported in this exercise by the National Mission Management Unit (N.M.M.U.). The allocations to the States for 2013-14 under various budget heads will also be made keeping in mind the readiness and capacities of the States to undertake expenditures.

Fund Surrendered

1.211 The DoRD has given the details of scheme-wise funds surrendered by DoRD during 2011-12 and 2012-13 stating as under:

Department of Rural Development

Sl. No.	Name of the Scheme	Amount surrendered during 2011-2012	Amount likely to be surrendered w.e.f RE 2012-13
1	2	3	4
	Plan		
1	Swarnajayanti Gram Swarozgar Yojana	517.97	1215.00
2	DRDA Administration	0.00	90.00
3	Rural Housing	127.94	2051.00
4	Pradhan Mantri Gram Sadak Yojana	657.80	15115.34
5	Grants to National Institute of Rural Dev.	0.00	33.00
6	Assistance to C.A.P.A.R.T.	35.00	23.00
7	PURA	10.00	150.00
8	Management support to RD Programmes and strengthening district planning process	0.07	0.00
9	BPL Survey	20.00	0.00
10	Mahatma Gandhi National Rural Employment Guarantee Scheme	10784.95	2713.00
	Total (Plan)	12153.73	21390.34
	Non-Plan	0.21	1.99
	Total : Plan & Non-Plan	12153.94	21392.33

1.212 The DoRD has stated that the surrender of saving was mainly due to large opening balances with the State Governments/implementing agencies at the beginning of the year and also due to slow pace of expenditure during the year. Asked whether surrendering huge funds otherwise reflects inability to utilise the funds particularly when the amount of funds surrendered is almost double in 2012-13 as compared to the previous year, the DoRD in post evidence reply stated as under:

"As against the surrender of Rs. 12153.94 crore in 2011-12, the actual surrender during the year 2012-13 has been to the tune of Rs.23013 crores. The Scheme-wise position of surrender of funds during 2012-13 is given in the Statement at Annexure.

Specific reasons and the factors which have contributed to the surrender of funds during 2012-13 and the measures taken/contemplated to remove be bottlenecks in the utilization of funds during 2013-14 under major Schemes of the Department are as under:

Pradhan Mantri Gram Sadak Yojana (PMGSY): As implementation of Pradhan Mantri Gram Sadak Yojana (PMGSY) is through concerned State/Union Territory Administration, the place of implementation and utilization of funds depends upon various factors like absorption capacity, contracting capacity and area specific issues faced during construction/upgradation of rural roads under the programme. Apart from releases made during the financial year 2012-13, the unspent balance as on 1st April, 2012 was as higher as Rs.8,885 cores in the States/UTs.

Issues related to implementation and institutional capacity of States are also identified and communicated to the States at the level of Hon'ble Minister of Rural Development and Secretary (RD). Issues of slow pace of implementation and absorption capacity of the States were also reviewed at various Review meetings chaired by Hon'ble MRD and Empowered Committee Meetings and Regional Review Meetings (RRMs).

The Annual allocation for 2013-14 has also been communicated to the States/UTs and also discussed during the Annual Plan discussion jointly organized by the Ministry and the Planning Commission on 5th April, 2013.

Indira Aawas Yojana (IAY): The slow pace of expenditure during the first half of the year 2012-13 was due to a very essential condition imposed by the Ministry that the States should upload the data on the new MIS (Awaassoft) before release of any funds during the last financial year. This condition was imposed in order to move towards Direct Benefit Transfer and bring in transparency and accountability. Moreover, the implementing agencies also had an opening balance of Rs.5316.83 crore at the beginning of the year which needed to be adjusted while making subsequent releases.

IAY is a Centrally Sponsored Scheme which is implemented by State Governments. Physical and Financial performance in each year depends upon utilization of funds by the States. Efforts are continuously being made to improve implementation through monitoring, training to ensure implementation as per IAY guidelines. Since the unit assistance under IAY has been revised with effect from 1.4.2013 from Rs.45,000/- to Rs.70,000/- in plain areas and from Rs.48,500/- to Rs. 75,000/- in hilly and difficult areas including 82 identified LWE affected districts and unit assistance in Homestead has been raised from Rs.10,000/- to Rs. 20,000/-, the funds allocated for IAY in B.E. 2013-14 i.e. Rs.15184.00 crore are likely to be fully utilized during the year. Side by side, IAY guidelines are being revised for better funds flow and coordinated efforts at State level for speedy implementation of the Scheme.

MGNREGA: MGNREGA is a demand driven wage employment programme. Therefore, the release of funds to the State Governments depends upon the demand of funds on the basis of person days of employment generated by them during the course of the year. The releases made during the year 2012-13 were based on actual demand. Further, there was huge opening balance of Rs. 10957.68 crores. with the States at the beginning of the financial year which was adjusted against the subsequent releases during the course of the year.

National Rural Livelihood Mission (Aajeevika): The surrender of funds under this Scheme is mainly due to the fact that the progress in the States in setting up their systems under NRLM has been slower than expected and therefore, has resulted in much lower level of expenditure during the year. However, once the recruitment of professionals right up to block level is done by the States Missions and the teams are placed after induction, the ground level programme implementation will commence and expenditure will pick up. Bulk of the recruitments in the major States are expected to be completed by the third quarter of this year. Therefore, expenditure is likely to be modest in most States, except those few States that already have manpower in place. The allocation in NRLM during 2013-14 has therefore, been kept keeping this scenario in mind. It is expected that the entire allocation of 2013-14 will be fully utilized.

DRDA Administration: The surrender of Rs.112 crore during 2012-13 under this Scheme was mainly due to non-receipt of utilization certificate for the year 2011-12, non-furnishing of bank details and non-receipt of proposals for release of 1st & 2nd installment of funds in the prescribed format from many DRDAs of the country. As far as the spending during 2013-14 is concerned, earnest efforts would be made to sensitize the DRDAs about the importance of timely submission of proposals in the prescribed format, comprising bank details, utilization certificates, Audit Reports, etc. to enable the Ministry to process the release of funds under the Scheme at the earliest.

PURA: The budget provision for this Scheme for 2012-13 was Rs.150 crore which was based on the assumption that more projects of PURA 1.0 would be approved for implementation. However, this has not happened due to lack of required approvals at various levels including at the level of State Governments. Therefore, anticipating the possibility of non-requirement of funds in 2012-13 the entire provision was surrendered at RE stage.

PURA is in pilot stage. The concept of Public Private Partnership (PPP) in rural development is a new paradigm. The process of implementing the scheme under PPP mode involved understanding the concept itself by all stakeholders which included State Governments, Gram Panchayats, other Ministries/Departments of Government of India. Besides calling for Expression of Interests from potential private developers, evaluating the EOIs and short listing of private developers. In addition, PURA envisages convergence of various schemes of MoRD and other ministries besides bringing in private capital for rural development in a earmarked cluster of Gram Panchayats. Mandatory requirements of support of the State Governments and the concerned Panchayats for the PURA projects and ensuring coordination between multiple agencies are the other major aspects that had to be taken before the project is approved for implementation. This Ministry is in the constant process of removing bottlenecks and streamlining approvals at appropriate level."

PART-II

RECOMMENDATIONS/OBSERVATIONS OF THE COMMITTEE

Demands for Grants (2013-14)

2.1 The Committee note that the Demands for Grants of the Department of Rural Development (Demand No. 83) were presented to Lok Sabha on 17 March, 2013. The Demands makes a provision for Rs. 74,477.65 crore (Rs. 74,429.00 for Plan and Rs, 48.65 crore for non-plan). The allocation funds are higher by Rs. 1302.65 crore as compared to the budget provisions made during previous year vis 2012-13. The Committee endorse the same. The Committee have examined the Demands w.r.t. priorities made and utilization of funds during 11th Five Year Plan and also during 2012-13 which was the first year of the 12th Plan. The recommendations of the Committee have been set out in the succeeding paragraphs.

(Recommendation SI. No. 1, Para No. 2.1)

Need for allocating half of Central Budget for twin sectors of rural development and agriculture on the patter of EU.

2.2 The Committee note that budget for rural development ranks fifth largest of the total budget of Government of India only after Finance, Health & Family Welfare, Defence, Food & Consumer Affairs and Public Distribution. The Committee also find that allocation to agriculture ranks at distant tenth place in Central Budget. In this connection, as per DoRD the order of priority of funds for

rural development in developed and developing countries have been varying degree. For instance the developed countries like USA and U.K. the order of priority of funds for rural development has been at eleventh place only after defence, health and education. Whereas almost half of EU Budget is still devoted to agriculture with support to rural development increased very recently. The Committee also find that in developed countries this has been done for ensuring good living conditions and opportunities in rural areas and also to ensure that these areas are not depopulated. On the contrary the Committee find that in developing countries in addition to agriculture the focus is on rural poverty. On the issue of inter linking rural development with agriculture in India on the pattern of EU where half of the budget is devoted to agriculture so as to prevent present day exodus of rural population to urban areas. The Committee have been informed by DoRD that based on the independent studies done by MoRD implementation of various rural development schemes like MGNREGA, PMGSY, IAY etc. by creating infrastructure, improved living conditions, have reduced out migration from villages and migration from other than distress migration leads to development. Thus the depopulation of rural areas should not be looked upon negatively in the context of developing countries like India.

The Committee while agreeing with the contention of DoRD that rural development schemes like MGNREGA, IAY, PMGSY might have checked out village migration, they do not subscribe the view of DoRD that migration other than distress migration leads to developments in the light of the fact that reportedly a large number of farmers have committed suicide in rural areas in

various parts of the country due to lack of reach by the Central/State schemes intended for them. They, therefore, recommend that Central Budget for rural development should be assessed, keeping in mind budget requirements of agriculture, food security, social justice, drinking water & sanitation and empowerment of panchayats for integrated development of rural India.

(Recommendation SI. No. 2, Para No. 2.2)

Non-Utilisation of funds

2.3 The Committee find with dismay that there has been big gap at two levels during XIth Plan (2007-12) period. One, between funds proposed and actual allocations and two between Revised Estimates and actual expenditure. The Committee are constrained to note that the gap between funds proposed by DoRD and actual allocation has been as high as Rs. 1.36 lakh crore whereas the gap between R.E. and actual expenditure has been of huge Rs. 12,000 crore. The Committee are constrained to note that reduced outlay has badly affected the important rural development schemes of IAY and PMGSY as a result their physical targets have been lowered considerably. For instance under IAY the targets had to be lowered from 150 lakh houses to 137 lakh houses. Whereas under PMGSY targets for covering habitations as also for connecting new connectively have been brought down from the level of 86,904 habitations to 60,638 habitations and from 1.85 lakh km. of new connectivity to 1.29 lakh km.

The Committee are also constrained to find that at the end of the Plan the DoRD could not utilize as large as Rs. 12,000 crore. In this connection, the Committee recall that they in their Thirtieth Report on Demands for Grants (2012-13) of DoRD had also dealt with the issue and had recommended the DoRD for increasing financial absorption capacity for higher Twelfth Plan. As a follow-up action to this, the Committee have been informed by DoRD that the process for formulation of Twelfth Plan has been started in the Planning Commission by constitution of Special Working Group to deliberate on the strategy and thrust areas and a result enhanced funds for 2013-14 have been proposed plus enhanced XIIth Outlay of Rs. 4.03 lakh crore have been budgeted under different rural development schemes and various scheme-wise measures like enlarging the scope of works under MGNREGA, starting the restructured SGSY programme under NRLM, tackling housing shortage in a big way under Rural housing by way of enhanced per unit assistance under IAY and connecting remaining habitations and strengthening existing rural roads under PMGSY II.

The Committee are, however, constrained to note that BE 2012-13 of Rs. 73,175 crore were reduced to Rs. 52,000 at R.E. stage crore mainly on account of huge unspent balances under PMGSY, IAY, Aajeevika due to slow pace of expenditure for various reasons like adequate institutions capacity under PMGSY, essentiality of uploading Awassoft for IAY schemes and delay in transition from old SGSY to new NRLM across different States. Further, the Committee unhappy to note that out of RE of Rs. 52,000 crore, the actual expenditure was as low as Rs. 40,754 crore as on 31.01.2013. In this connection,

the Committee have been informed by Secretary DoRD that expenditure may improve further as Rs. 48,217.08 crore have been released upto 26.03.2013. The Committee have also been informed that out of RE of Rs. 52,000 crore, Rs. 1357 crore was taken away by the Ministry of Finance on the ground that in last month the total expenditure of the DoRD should not exceed 15% of total budget thus DoRD was left with only Rs. 50,164 crore. The Committee observe that this trend of under-utilisation continued through out the Eleventh Plan (2007-2012) and the first year of 12th Plan i.e. 2012-13 was not different. They therefore, recommend the that DoRD should put their house in order before blaming the Planning Commission/Ministry of Finance by ensuring uniform utilization of resources throughout the year and avoiding huge unspent balances at the end.

(Recommendation Sl. No. 3, Para No. 2.3)

Slow progress on findings of Mid-Term Appraisal of Eleventh Plan (2007-2012)

2.4 The Committee are constrained to note the scheme wise short comings identified in Mid-Term Review of Eleventh Plan (2007-2012) *inter-alia* pertain to urgency in carry out Guidelines for using 6% administrative cost, deployment of cluster approach, strengthening of IT system, Technical support of better convergence etc. under MGNREGA, restructuring of SGSY under NRLM, addressing housing shortage under IAY, e-procurement under PMGSY etc. have not been addressed in toto. In this connection, the DoRD have tried to convince the Committee that various steps like issuing of instructions for setting up of

Ombudsman for bringing transparency, notification of rules for social audit, recommending States to appoint Panchayat personnel from 6% of administrative cost, adoption of integrated approach for convergence mechanisms, enhancing per unit assistance under IAY, increasing the contracting capacity of the contractors, simplification of forest clearance etc. under PMGSY have been outlined.

Keeping in view, the vast and diverse country with large regional disparities in term of development would depend to a great extent on the institutional capacities of State Governments being the implementing agencies. The Committee, therefore, feel that DoRD cannot shy away their primary responsibility of persuading and guiding the State Governments to move on scheme-wise findings of Mid Term Review of Eleventh Plan. The Committee expect the DoRD to take up these issues with State Governments more seriously so that these are adequately addressed.

(Recommendation Sl. No. 4, Para No. 2.4)

Twelfth Plan Allocation (2012-2017)

2.5 The Committee note with dismay that like Eleventh Plan the DoRD could not get the level of funds proposed by DoRD for Twelfth Plan (2012-17) period. In this connection, the Committee are constrained to note that as against the proposed outlay of DoRD of Rs. 8.21 lakh crore the outlay as communicated by the Planning Commission to DoRD is as low as Rs. 4.03 lakh crore. The

Committee also find that reduced level of fund according to DoRD may not be adequate to achieve the targets proposed for different schemes for Twelfth Plan period. In this context the Committee find that Twelfth Plan document lays emphasis on reversing the observed deceleration to growth by generation of higher revenue necessary for funding rural development schemes like MGNREG, PMGSY etc. for inclusive growth.

However, the Committee note with dismay that the first year of the Twelfth Plan i.e. 2012-13 has experienced a severe reduction of Rs. 20,000 crore of RE stage reflecting a reduction of as high as Rs. 14000 crore under PMGSY, Rs. 3613 crore under MGNREGA, Rs. 2051 crore under IAY and Rs. 1315 crore under NRLM programmes.

The Committee also note that allocation for 2014-15, 2015-16 and 2015-17 for DoRD are to be made in consultation with the Planning Commission. The Committee trust that the Planning Commission would replenish the above huge reduction in subsequent years of the current Plan so that targets under different schemes are not lowered subsequently and the plan funds allocation of Rs. 4.03 lakh for 12th Plan is not subject to reduction at any cost.

(Recommendation Sl. No. 5, Para No. 2.5)

Mahatma Gandhi National Rural Employee Guarantee Act (MGNREGA)

2.6 The Committee note that out of the total XIIth Plan (2012-2017) outlay of Rs. 1.63 lakh crore for MGNREGA in the first two years of the Plan i.e. 2012-13 and

2013-14 a total of 0.66 lakh crore have been made available to DoRD and the Committee have been informed that DoRD is hopeful of getting the remaining outlay in remaining three years of the current Plan. In this connection, the Committee are constrained to find that during 2011-12 i.e. the terminal year of XIth Plan (2007-12) the outlay for MGNREGA was Rs. 40,000 crore and which during 2012-13 i.e. first year of XIIth Plan was reduced to Rs. 33,000 crore indicating a steep reduction of Rs. 7000 crore. The Committee note that for the next 3 years also the level of funds would remain in the range of Rs. 30,000 crore to Rs. 35,000 crore. Considering the annual revision in wages and stagnant budget the number of days/beneficiaries is likely to go down substantially. The Committee, therefore, would like the DoRD to look into this aspect and seek enhanced budget in keeping view the objectives of the scheme.

(Recommendation SI. No. 6, Para No. 2.6)

Lack of updated MIS

2.7 The Committee are constrained to note that no updated data is available with DoRD for reporting releases and actual expenditure under MGNREGA and there is a time lag of one and half month. As a result the status of releases and expenditure has underwent significant change from the figures earlier submitted before the Committee. The Committee, therefore, recommend the DoRD to strengthen its MIS programme so that updated figures are made available.

(Recommendation SI. No. 7, Para No. 2.7)

Need for single data for coverage

2.8 The Committee find wide variance between the NSSO data as reflected its own MGNREGA Sameeksha document showing only 35 percent rural job cards holders households and its own assessment that the data might not reflect real time data instead the DoRD has relied on MIS data maintained by DoRD showing the figure as 60%. The Committee are not convinced with the approach of DoRD of showing two data for coverage of rural households under MGNREGA one by NSSO and other by MIS as it may lead to confusion. They, therefore, feel that a single reliable data for coverage of rural households under MGNREGA be maintained by DoRD.

(Recommendation Sl. No. 8, Para No. 2.8)

Demand vis-à-vis employment given

2.9 The Committee find that as against the cumulative number of jobs cards of 12.38 crore and 12.58 during 2011-12 and 2012-13 as low as 5.09 crore and 4.19 crore rural household demanded employment and further as low as 5.04 crore and 4.15 crore of rural household were given employment. The Committee have been informed by DoRD that this decline may not necessarily be bad indicator as it may suggest that MGNREGA beneficiaries might have moved away from the scheme and as per MIS data around 50% of beneficiaries from SCs; STs, BPL or beneficiaries of land reform or IAY, small and Marginal Farmers (SMF) have not sought employment under MGNREGA because of work on their land as a result of

land development under MGNREGA by reason of enlarging the scope of work in Schedule 1, Paragraph No.1 of MGNREGA notification dated 22nd July, 2009 to provide for irrigation facility, horticulture plantation, land development, belonging to SCs, STs, BPL, beneficiaries and land reforms, or beneficiaries under IAY. The Committee are not convinced of the reasons for low level of employment given. Since the scheme has been enlarged to cover works of other areas like Railways and its convergence to other rural schemes like IAY, construction of roads, agriculture, the Committee expect that this number should rise substantially.

(Recommendation SI. No. 9, Para No. 2.9)

Need for ensuring 100 days of Employment

2.10 The Committee feel dissatisfied to note that primary objective of MGNREGA for enhancing the livelihood security of the rural household by providing minimum 100 days of guaranteed wage employment in a year to every household on demand for doing unskilled manual work has hardly been achieved in the light of the fact that out of 5.04 crore households and 4.15 crore households who were provided employment during 2011-12 and 2012-13 as low as 40.54 lakh households and 43.65 lakh respectively could get 100 days of employment. The Committee have been informed by DoRD about various steps taken like organising Rozgar Diwas at least once in every month at Gram Panchayat level for increasing awareness about MGNREGA. The Secretary,

DoRD also submitted before the Committee that States are being asked to generate demand. The Ministry's contention is that objectives of MGNREGA is also to supplement the income of rural household and it is not intended to be sole means of earning livelihood for rural population and that workers are free to avail any other employment opportunities available to them. The Committee find the contention of DoRD untenable when there is huge gap between employment provided and rural household given 100 days of employment. The Committee feel that the essence of MGNREGA programme is not only to enhance the livelihood security to the rural households by providing them upto 100 days of employment but also entrusted a duty to implementing agency to generate the demand for work. The Committee therefore, feel that DoRD should take urgent steps in coordination with State Government for providing 100 days of guaranteed employment to maximum households out of 4-5 crore households who demand work.

(Recommendation SI. No. 10, Para No. 2.10)

Timely payment of wages

2.11 The Committee are constrained to note that for timely payment of wages under MGNREGA not much progress has been made with regard to Electronic Fund Management System e-FMS under MGNREGA by use of core Banking System of Banks and NEFT/RTGS/ECS system in several States. The Committee find only 19 States have started Total Fund Transfer Orders (FTO). The

Committee also find that good progress has been made in the States of Gujarat, Karnataka, Odisha and Rajasthan. In this connection, the Committee find that DoRD had recommended all States to disburse wages through Post Offices and Banks. The Committee recommend that DoRD should ensure that other States the work of e FMS must pick up as has been done in from States of Gujarat, Karnataka, Odisha and Rajasthan so that timely payment of wages is ensured to beneficiaries under MGNREGA.

(Recommendation SI. No. 11, Para No. 2.11)

Creation of durable assets

2.12 The Committee are constrained to note that there are two independent assessments available in DoRD on the issue of durability and availability of assets created under MGNREGA across the States. The Committee also find that whatever assessment about utility and durability of assets under MGNREGA has been made available to the Committee are from the few States of Andhra Pradesh, Madhya Pradesh, Rajasthan, Bihar, Gujarat and Kerala. The Committee feel that although these assessment though confirmed by NSSO, yet may not hold true in respect of other States.

(Recommendation SI. No. 12, Para No. 2.12)

Convergence

2.13 The Committee's examination has revealed even though convergence of MGNREGA with other Schemes was set in motion after issue of convergence Guidelines in 2005 by DoRD and then subsequently amended in 2011 not much progress has been made in this regard. In this connection, from the State-wise details regarding number of works under convergence on-going and completed the Committee find that whatever progress that has done is only in few States of Uttar Pradesh, Karnataka, Madhya Pradesh, Rajasthan and Odisha. The Committee also find that a token activity is visible in a few more States of Maharashtra, Sikkim, West Bengal, Andaman & Nicobar, Assam, etc. They, therefore, desire convergence of MGNREGA with other schemes should be done in big way particularly when most of convergence is to be done under different schemes of MoRD and MoDWS, so that it does not remain on paper only.

(Recommendation Sl. No. 13, Para No. 2.13)

2.14 The Committee find that demand to revise the limit of 100 days or more under MGNREGA has often been raised by beneficiaries in different States. The Committee note that there was no such specific proposal under consideration by the Department to revise the limit of 100 days of employment per household to 150 days or more under MGNREGA. The Committee also note that in accordance with section 22 of MGNREGA 2005, the Central Government had decided to fund additional 50 days of employment upon completion of 100 days of employment to households registered in drought affected Talukas/Blocks as notified by the State Governments during 2012-13. This special dispensation terminates w.e.f.

31.03.2013. The Committee are of view that genuine demand of beneficiaries for additional employment under MGNREGA in poverty stricken and backward areas of the country should be given compassionate consideration. The Committee, therefore, recommend the Department to use provision of section 22 of MGNREGA 2005 liberally to allow demand for additional employment under MGNREGA as and when required to address the problem of hunger and destitute in rural areas of the country.

(Recommendation SI. No. 14, Para No. 2.14)

Pradhan Mantri Gram Sadak Yojana (PMGSY)

2.15 The Committee note that Outlay for PMGSY during XIIth Plan (2012-2017) is Rs. 1.05 lakh crore out of which the outlay for first two years of current Plan is only Rs. 45,700 crore. The Committee also note that during 2012-13, outlay for PMGSY has been reduced to Rs. 8884.66 crore as compared to BE of Rs. 24,000 crore. The Committee have also been informed that implementing agencies in States/UTs have been able to utilize Rs.6472.86 crore till 28.02.2013. The Committee find that issues such as availability of unspent balance of Rs. 8,885 crore of previous financial years and slow pace of implementation has led to huge reduction of funds to PMGSY at RE stage. The Committee is aware that apart from budgetary support and cess on High Speed Diesel, loan from Asian Development Bank, World Bank and NABARD are current source of funding of PMGSY. The Committee are of view that the Department is not following policy of prudent financial management while forecasting need of funds for PMGSY that

might led to borrowing more funds from external sources. The Department, therefore, recommend the Department to assess expenditure pattern of States/UTs, capacities of implementing agencies etc. before finalizing proposal for funds for next financial year.

(Recommendation Sl. No. 15, Para No. 2.15)

2.16 Speedy construction of roads under PMGSY is vital for providing critical link for rural communities to access markets, education, health and other facilities. The Committee note that only 80,577 habitations have been connected out of eligible 1,27,708 habitations of population 500 and above (as per 2001 census) till February, 2013. The Committee also note that pace of construction of roads in States such as Andhra Pradesh, Assam, Bihar, Jharkhand and Madhya Pradesh is very slow. The Committee find that inadequate implementation capacities, non-availability of construction material, limited contractual capacities, inadequate institutional capacities, law & order problem in LWES Districts, delay in obtaining forest clearance etc. has been cited as reason for slow pace of construction of roads under PMGSY. The Committee are of view that some of the problems such as non-availability of construction material, limited contractual capacities, inadequate institutional capacities etc. could be assessed and steps could be taken to solve these while planning for construction of roads. The Committee are also of the view that National Rural Roads Development agencies and State Rural Roads Development agencies which are mandated for scrutiny of project proposals and human resources development under the project may be delegated the responsibility for assessing these difficulties in

advance and suggest ways for overcoming these. The Committee, therefore, recommend the Department to direct NRDDA and SRDDA through State Concerned for making efforts for devising better projects planning & implementing mechanism for construction of roads utilizing locally available materials. At the same time, they may take initiatives to start training programmes in order to encourage young professionals to become entrepreneurs in the field of construction of roads. The Committee hope that these initiatives will go a long way not only to enhance speed of construction of roads under PMGSY but also help the country to maintain these roads in years to come.

(Recommendation Sl. No. 16, Para No. 2.16)

2.17 The Committee find that under PMGSY in Andaman & Nicobar Islands, the Department has cleared 18 proposals of the value of Rs. 18 crore upto December, 2012. However, Administration of Andaman & Nicobar Islands has failed to construct any road till date. The Committee also note that special audit of PMGSY works conducted by the Department has brought out many irregularities such as non-imposition of penalty for delay, non-revalidation of Performance Bank Guarantee, upward revision of cost estimates without the approval of MoRD, diversion of funds to other Departments/Sectors, non- maintenance of cash books , submission of final bills not signed by the Engineer concerned etc. The Committee has also been informed that Department is still awaiting response of Andaman & Nicobar Islands Administration on special audit report. The Committee are of strong view that irregularities under PMGSY work in A & N

islands as reported the special audit are of serious nature. The Committee, therefore, recommend the Department to take the matter with the Ministry of Home Affairs to initiate steps to lodge criminal cases against those found responsible for such gross irregularities and inform the Committee accordingly. At the same time, the Committee also recommend the Department to impress upon the local administration for speedy submission of fresh proposals for construction of roads in rural areas of A & N Islands.

(Recommendation Sl. No. 17, Para No. 2.17)

Aajeevika - National Rural Livelihood Mission

2.18 The Committee note that Rs. 8,000 crore has been allocated during 2012-13 and 2013-14 for NRLM-Aajeevika out of Rs. 29,000 crore approved for XIIth Plan period. The committee also note that allocation for 2012-13 has been reduced to Rs. 2600 crore as compared to approved outlay of Rs. 3915 crore for 2012-13. The Committee find that the implementing agencies in States/UTs have been able to utilise Rs. 1765.85 crore (upto January 2013). The Committee have been informed that as implementation of NRLM- Aajeevika is being done in phased manner, States/UTs are in process to put in place necessary administrative, financial and training mechanism for smooth implementation of the Programme. The Committee have also been informed that momentum of implementation will now pick up and expenditures will rise substantially over the next two years as 19 States accounting for more than 95% of the NRLM budget have transited to the

Mission and have undertaken recruitment for their State units and first phase District and sub-District units. The Committee are of view that smooth implementation of NRLM- Ajeevika is key to encourage rural entrepreneurship. The Committee, therefore recommend the Department to make adequate provision for funds in next financial year based upon demand and preparedness of States for implementation of NRLM- Ajeevika.

(Recommendation Sl. No. 18, Para No. 2.18)

2.19 The implementation of NRLM- Ajeevika is being done in phased manner which involve setting of State societies, identification of intensive District/Blocks, submission of State project implementation programme, submission of Annual Action Plan, establishment of SHGs federation at different level etc. The Committee note that most of the States have completed the process of recruitment of full time State Mission Management Units core team, Identification of Intensive Districts/blocks completed, approval of Annual Action Plan, , approval for recruitment of staff for SPMUs and intensive DPMUs and BPMUs and Identification of Resource Blocks. However, process of preparation and submission of State project implementation programme and signing of MoU with resource organisation have been completed in very few States. The Committee also note that many States such as Himachal Pradesh, Uttarakhand, Nagaland, Manipur, Sikkim, Arunachal Pradesh, Tripura, Uttar Pradesh, Goa are still lagging behind to establish necessary mechanism for implementation of NRLM- Ajeevika. The Committee are satisfied to note the progress made in States towards implementation of NRLM- Ajeevika. However, pace of establishing of necessary

mechanism in laggard Sates required to be enhanced in order to benefit people of rural areas of these Sates. The Committee, therefore, recommend the Department to take the issue with states concerned to establish necessary mechanism for smooth implementation of NRLM- Ajeevika.

(Recommendation SI. No. 19, Para No. 2.19)

2.20 Establishment of SHGs federations at different levels is stated objective of Ajeevika-NRLM. The Committee note that the process of formation of SHGs federation has not been started under Ajeevika-NRLM. However, SHGs federations have been formed under the rural livelihoods programmes implemented by State Governments in Andhra Pradesh, Tamilnadu, Kerala, Bihar and Odisha. The Committee have been informed that federations are the next level institutions of the poor and can be formed only after a substantial number of primary institutions, i.e. SHGs have been formed and have attained a certain level of maturity. The Committee are astonished to know that Department has not been able to encourage establishment of sufficient number of SHGs in different States even after implementation of Swarnjayanti Grammeen Swarojgar Yojna (SGSY) since 1999 which has been pre-cursor of NRLM-Ajeevika. The Committee are of view that existence of federation at the grass root level i.e. village and Block level is pre-requisite for promoting and making SHGs financially viable. The Committee, therefore, recommend the Department to take all necessary steps to encourage States to establish SHGs federation at different level as proposed under NRLM- Ajeevika.

(Recommendation SI. No. 20, Para No. 2.20)

2.21 The Committee note that establishment of Rural Self Employment Training Institutes (RSETIs) in every District of the Country is stated objective of NRLM-Ajeevika. The Committee find that 535 RSETIs have been established out of 608 Districts of the country till date. Out of these 535 RSETIs, 319 have been established by banks and rest 216 RSETIs have established by MoRD grant. The Committee also note that 5.47 lakh beneficiaries has been trained by these RSETIs during the period of 2010 to 2013. The Committee are of opinion that establishment of RSETIs will go a long way to professionalise training under NRLM-Ajeevika. The Committee, therefore, recommend the Department to constitute RSETIs in States where these have not been set up. The Committee also recommend the Department to enhance target of training of rural youth by RSETIs. The Committee may be apprised about the steps taken in this regard.

(Recommendation Sl. No. 21, Para No. 2.21)

2.22 The Committee note that 5% of the Central allocation under Ajeevika is earmarked for innovations which have the potential for reaching out specifically to the poorest or for reaching out to the largest number of poor and having maximum impact with limited resources. The Committee have been informed that no funds have been earmarked for innovations under NRLM during the last two years and Rs. 67.39 crore have been utilized for innovations for innovation projects in 13 States and one multi-State project during the period of 2010-13. The Committee are astonished to know that the Department has incurred expenditure on projects for innovations despite not earmarking funds for the same. The

Committee would like to be apprised of the exact situation on this anomaly. At the same time, the Committee also recommend the Department to encourage the reputed organisations working in field of rural development for submitting proposal under innovation component of Ajeevika.

(Recommendation SI. No. 22, Para No. 2.22)

2.23 The Committee note that “Mahila Kisan Sashaktikaran Pariyojana” (MKSP) as a sub component of the Ajeevika is being implemented to meet the specific needs of women farmers and achieve socio-economic and technical empowerment of rural women farmers. The Committee note that 47 projects under MKSP from the States of Andhra Pradesh, Assam, Bihar, Kerala, Madhya Pradesh, Karnataka, Maharashtra, Odisha, Rajasthan, Himachal Pradesh, Gujarat West Bengal including one multi State project from Central Silk Board has been sanctioned by the Department. The Committee have been informed that 33 projects covering 22,38,700 women farmers under MKSP are being implemented in 7 States with total project cost of Rs. 573.47 crore .the Committee are of view that encouragement to women farmers is urgent necessity for their empowerment and MKSP is a good step towards that goal. However, there is need to enhance number of projects under the scheme. The Committee, therefore, recommend the Department to enhance awareness towards this critical component of NRLM-Ajeevika and encourage rural women SHGs and reputed organizations to submit more proposals.

(Recommendation SI. No. 23, Para No. 2.23)

2.24 The Committee note that 100% central assistance scheme 'Himayat' has been launched in Jammu & Kashmir for Skill Empowerment and Employment of youth. It envisages covering one lakh youth from rural & urban areas during 2011-16s. It will cover all youth with diverse education background i.e school dropout, under graduate etc. 70% of the funds will be utilized for skilled wage employment and remaining 30% for self employment. The Committee find that 7793 beneficiaries have been trained till 31.01.2013 under the scheme against the target of 9000. The Committee have also been informed that 5228 trained youth have been given placement in various sector such as BPO, garment sector etc. The Committee also note that two senior Officers have been positioned in J & K for effective monitoring of the scheme. The Committee appreciate the steps taken by the Department to provide training and employment to youth in J &K. The Committee would like the Department to take steps to increase awareness about the Scheme among youth in the State. The Committee, therefore, recommend the Department must take every action to achieve the objective and target as set under the scheme under intimation to the Committee.

(Recommendation Sl. No. 24, Para No. 2.24)

Indira Awaas Yojna (IAY)

2.25 The Committee note that Rs.26,259 crore were allocated during first two years out of 80,085 crore have been approved by Planning Commission for implementation of IAY during the twelfth Plan period. The Committee also note that during 2012-13, allocation for IAY was reduced to Rs. 9024 crore at RE

stage as against BE of Rs. 11,075 crore. The Committee are dismayed to note that allocation for IAY has been reduced due to failure of States to fulfil essential condition of uploading data on the MIS Awaassoft before the release of 2nd installment. The Committee are of view that the Department should take proactive steps to enable States to fulfill essential condition for release of funds under IAY as failure of doing so cause immense hardship to needy people in rural areas. The Committee would like to apprise about the steps taken in this regard.

(Recommendation SI. No. 25, Para No. 2.25)

2.26 On the issue of enhancement of per unit assistance in hilly and difficult areas, the Committee have been informed that per unit assistance grant to BPL families under IAY has been enhanced from Rs. 48,500 Rs.75,000 respectively for difficult/ hilly areas. The Committee have also been informed that it would not be feasible to go in further enhancement at this juncture. The Committee are of considered view that cost of construction material and labour in hilly and difficult areas are much higher than plain areas and any Government scheme should always be formulated keeping these difficulties in mind. The Committee, therefore, recommend the Department to re-examine this issue for enhancing suitably per unit assistance under IAY for hilly and difficult areas.

(Recommendation SI. No. 26, Para No. 2.26)

2.27 The Committee find that Homestead Scheme has been launched as Demand driven sub-componenet under IAY aims to provide land to rural BPL households who do not have any land to construct houses. The Committee

dismayed to note that funds allocated to 8 States for purchase/acquisition of 6,94,933 homestead sites during 2009-10 and 2010-11 were not utilized and amount released during 2009-10 and 2010-11 has been adjusted against normal IAY grants of respective States. The Committee also find that no release has been made under the scheme after 2010-11. The Committee recall that in their Thirtieth Report while criticizing 'Demand driven' nature of scheme, they have recommended the Department to initiate a quick study 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 once again reiterate their recommendation and desire the Department to make homestead scheme a regular scheme. At the same time, funding ratio of 50:50 should be suitably changed in consultation with all States.

(Recommendation Sl. No. 27, Para No. 2.27)

2.28 The Committee note that IAY beneficiary can take a loan upto Rs. 20,000/- per housing unit @ 4% per annum under differential rate of interest (DRI) scheme. However, the Committee examination has revealed that only 26,131 beneficiaries have availed loan under DRI till date. The Committee have been informed that difficulties such as eligibility of only SCT/ST category for loan under DRI, consideration of eligibility of income ceiling and land-holdings applicable to other beneficiaries of DRI being applied for IAY beneficiaries desirous of taking loan under DRI is leading to such bad performance. The Committee have also been informed that matter is being taken with Ministry of Finance/RBI for directing all banks to allow beneficiaries of IAY to avail loan facilities under DRI

scheme irrespective of income ceiling and eligibility criteria. The Committee are of view that apart from reason mentioned by the Department, failure of the Department to increase awareness about these provision of IAY is main reason for such bad performance of loan disbursement under DRI scheme to IAY beneficiaries. The Committee, therefore, recommend the Department to start aggressive awareness campaign for benefits available under IAY including facilities of loan in order to provide relief to large section of poor people in rural areas.

(Recommendation SI. No. 28, Para No. 2.28)

BPL Survey

2.29 The Committee note that BPL survey which was due in 2007 has been delayed and started as Socio-Economic and Caste Census (SECC 2011) on 29th June 2011 in the country in a phased manner. The Census was expected to be completed by June 2012, however, later on the Department has extended the deadline to May, 2013. The Committee note that process of enumeration which is first stage of the Survey has been completed in 98.05 percentage of enumerating Blocks in the country. The Committee also note that after the enumeration, the States/UTs would enter the claim & objection stage for publication of the final list. It is expected that for majority of States/UTs, the Final List is likely to be published by the end of September, 2013. The Committee are of view that completion of BPL survey has been inordinately delayed, which must be causing hardship to needy people of rural areas of the country. The Committee, therefore,

recommend the Department to make efforts with States concerned to finalise the final BPL list without any further delay so that all tendered benefits reach the BPL population.

(Recommendation Sl. No. 29, Para No. 2.29)

2.30 Identification of ineligible families in BPL list is big problem across States. the Committee note that ongoing SECC 2011 has some criterion to exclude household owning Motorized Two/Three/Four Wheelers/Fishing boats (which require registration)/ tractors/harvester, having Kisan Credit Card with the credit limit of Rs.50,000 and above, households owning refrigerator, households owning landline phones etc. the Committee also note that some inclusion criteria has been adopted to compulsorily include deprived section such as households without shelter, destitute/living on alms, manual scavengers, Primitive Tribal Groups, legally released bonded labourers in BPL list. The Committee also note that a proposal to set up permanent BPL machinery is under consideration by the Department. This would interface with the States to ensure that only genuine BPL families are included in the list of beneficiaries eligible for various Government schemes and that those not satisfying the eligibility requirements are taken out of the list by the States on a continuous basis following transparent and equitable processes which will be set out in guidelines. The Committee has also been informed that a multi-disciplinary committee of experts with Prof. Abhijit Sen, Member, Planning Commission as Chairperson has been constituted to give their suggestions on developing an interim system for updating the existing BPL lists till SECC 2011 is finalized and updating of BPL list in future.

The Committee are unhappy to note that the progress in finalization of BPL criteria/list has been very slow. The Committee take note of recent initiative taken by the Department to constitute such ongoing mechanism for identification of genuine poor families in BPL list. The Committee are of view that such mechanism will go a long way to address the problem of corruption in programmes for BPL families and enhance productivity of expenditure on programmes for rural development. The Committee, however, of the view that all State Government should be taken on board in initial phase itself so as to reduce time lag in establishment of such mechanism in entire country.

(Recommendation Sl. No. 30, Para No. 2.30)

Provision of Urban Amenities in Rural Areas (PURA)

2.31 The Committee note that Rs. 200 crore has been allocated during 2013-14 out of Rs. 1325 crore earmarked for implementation of PURA scheme during 12th Plan. However, the Committee are dismayed to note that expenditure under the scheme during 2012-13 were nil due to lack of approval at various level for implementation of PURA on PPP mode. The Committee are anguished to know that utilization certificate of expenditure of expenditure during 2010-11 and 2011-12 have not been submitted by the implementing agencies concerned. The Committee have been informed that under restructured PURA, the implementing agency is not the DRDA but the private sector entity who is supposed to provide the UC. The funds released to DRDAs are kept in a separate account and are

transferred further to the projects accounts of private sector entities based on the progress reported. The Committee have also been informed that under restructured PURA, no funds has so far been transferred to project account of any of the private sector entities from whom the UCs can be obtained and once the funds are transferred to project accounts, submission of UCs would become due and would be insisted as provided under General Financial Rules. The Committee are of view that availability of updated information regarding utilization of funds is first canon of financial prudence. However, the Department do not seem very keen on this issue in case of PURA scheme. At the same time, keeping unutilized funds under the scheme with DRDA also cause stress on finance of the Government. The Committee, therefore, recommend the Department to analyse the reasons for such sorry state of affairs of utilization of funds under PURA. The Committee would like to be apprised of steps taken by the Department in this regard.

(Recommendation Sl. No. 31, Para No. 2.31)

2.32 On the issue of restructuring of PURA scheme which is being implemented on Public private participation (PPP) mode since 2010, the Committee note that the two pilot projects launched in Malappuram and Thrissur Districts of Kerala during 2012 are yet to take off as Private developer i.e. INKEL is still in the process of getting local level approvals and is reworking the work schedule to start actual construction. The Committee note that Department is also evaluating proposals received from private sector for next set of 10-15 pilots during Twelfth Plan under PURA 2.0. The Committee have also been informed that there is a

proposal to up-scale the scheme by carrying out appropriate modifications in the scheme to include more areas during the 12th Five Year Plan and making a funding pattern for PURA Grant in the ratio of 80:20 between Central and State Governments. The Committee are of view that the Department has inordinately delayed the execution of projects as envisaged under noble concept of PURA and nothing worthwhile has been put up on the ground even after incurring considerable expenditure. The Committee have brought this failure of the Department in their earlier reports. At the same time by adopting PPP mode, the Department is not promoting Panchayati Raj Institutions to participate actively in execution of these projects as they were not encouraged to put up proposals under restructured PURA scheme. The Committee are of considered view that there is enough talent and ability among many PRIs in different part of the country and those, if given opportunity and support may not only successfully implement such projects but also enlist popular participation under programme for rural development. The Committee, therefore, recommend the Department to take steps to make provision for participation of PRIs as implementing agencies for the program and make efforts to encourage them to submit proposal. The Department may also take steps to provide them necessary technical and financial support through NIRD and respective SIRDs. The Committee would like to apprise of steps taken in this regard.

(Recommendation SI. No. 32, Para No. 2.32)

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

2.33 On the issue of restructuring process of CAPART, the Committee are dismayed to note that it has not been completed yet. The Committee have been informed that Tata Institute of Social Science (TISS) has been entrusted with the task of submitting a report on restructuring of CAPART. The Committee also note that inordinate delay in restructuring of CAPART has led to a situation where majority of funds allocated to CAPART is being used for meeting expenses of salaries, administrative expenditure, implementation of PM Rural Development Fellow scheme and other project related expenses. The Committee are of view that presence of an apex institution is necessary for promoting public co-operation, research and promotion of technologies aimed for enhancement of standard of life in rural areas. The Committee, therefore, recommend the Department to complete the process of restructuring of CAPART in time bound manner.

(Recommendation Sl. No. 33, Para No. 2.33)

District Rural Development Agency (DRDA)

2.34 On the issue of restructuring of DRDA, the Committee note that Department has analysed and accepted the report and process of consultation with States as a prelude to formulation of EFC note for restructuring of DRDA Scheme has been completed. The Committee have also been informed that EFC note has been prepared and has since been vetted by IFD. The EFC note is likely

to be circulated to the concerned Ministries/Departments of the Government of India during the 1st week of April, 2013. The Committee feel that process of revamping of DRDA administration has been inordinately delayed. The Committee, therefore, recommend the Department to complete the process during the 2013 itself.

(Recommendation Sl. No. 34, Para No. 2.34)

Management support to Rural Development Programmes and Strengthening of District Planning

2.35 The Committee are constrained to note that most important Schemes of DoRD of Management support to Rural Development Programmes and Strengthening of District Planning Committee has seen experiencing big gap between releases and utilization of funds during 2011-12 and 2012-13. For instance the Committee find that as against the total release of Rs. 7706.26 lakh the utilization was only Rs. 4650.28 lakh during 2011-12. From the state-wise details of releases and utilization the Committee find that in respect of J&K no funds have been utilized out of total releases of Rs. 760.15 lakh. Also in respect of Tamil Nadu of Rs. 1337.78 lakh releases, the utilization is as low as Rs. 101.17 lakh. Similarly, in respect of other States like Chhattisgarh, Kerala, Odisha, Punjab, Uttarakhand there are huge gap between releases and utilization. During 2012-13, the Committee find that out of releases of Rs. 6886.81 lakh only Rs.48.50 lakh have been shown as amount utilized only in one State i.e. Andhra Pradesh. The Committee find an explanation has been given by DoRD stating that the utilization certificates for the grant released in 2012-13 will be submitted by SIRD

and ETCs alongwith the fresh proposals. The Committee are not of all satisfied with the over all fund releases and utilization of this scheme across the States. The Committee, therefore, desire that DoRD should have a proper vigil on utilization of funds through regular video conferencing in all States and by sending Central teams in States like J&K and Tamil Nadu where there has been no utilization so far.

(Recommendation Sl. No. 35, Para No. 2.35)

Vigilance & Monitoring Committee (V&MCs)

2.36 The Committee 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 of State V & MCs except West Bengal during the last two years, whereas. The Committee have been informed that major hurdles in achieving the target of holding quarterly meetings as reported by the States/Districts include delay on the part of Chairman in indicating the date for the Meeting, postponement due to inability of the Chairman to attend the Meeting, elections, preoccupation of Member Secretary, etc. However, the Committee examination has revealed that Members of Parliament are not getting adequate co-operation of State and local administration in holding meetings of V & MCs at State and District level. In this connection the issue of non-holding of V&MC meetings in Kacheepuram and Shivaganga Districts in Tamil Nadu for a very long time came

up before the Committee. The Committee have been informed that the Department has communicated and interacted with Chief Secretary of Tamil Nadu for holding V&MC meetings in these Districts. The Committee have also been informed that the Ministry has so far not withheld release of funds to any District for failure to convene meetings of V & MCs regularly . The Committee are of view that V & MCs are important mechanism for monitoring of programmes of rural development and it help to enhance speed of implantation of scheme at ground level alongwith reducing corruption in the scheme. The Committee, therefore recommend the Department to vigorously take the matter with Sate Governments concerned in order to ensure regular meetings of V & MCs.

(Recommendation SI. No. 36, Para No.2.36)

Unspent balances

2.37 The Committee are constrained to note that DoRD has reflected a huge amount of Rs. 26,369.03 crore as unspent balances in their Outcome Budget (2013-14) laid before Parliament showing Rs. 14,545.47 crore as unspent in MGNREGA, Rs. 5,788.58 crore under PMGSY, Rs. 4,646.99 crore under IAY and Rs. 1,387.99 crore under Aajeevika programme. With respect of unspent funds under MGNREGA, the Committee have been informed that these reflect a sustainable float of funds towards meeting any eventuality and any upsurge of labour demand during the last quarter. The Committee have been further informed that as on 28.03.2013 the States/UTs have reported an unspent of Rs.

8,473.89 crore including committed liabilities of Rs. 3,019.66 crore. Similarly, for unspent balance under PMGSY the Committee have been informed that these funds can be utilized against on going works of any phase. For unspent balance under IAY the Committee have been informed that are mainly due to release of funds in the third quarter of 2012-13 of Rs. 546.46 crore and special package sanctioned to States amounting to Rs. 1157.99 crore as well as slow implementation of IAY in many Districts. The Committee have also been informed that construction of houses under IAY usually spill over to next year and it is expected that allocation will be fully utilized. Meanwhile for ensuring better flow of funds to States Revised Guidelines for IAY are being formulated that may be finalized by 2013-14. In the case of NRLM the Committee find that DoRD have candidly admitted before the Committee that unspent balance are larger and these would be utilized in last quarter of 2012-13. In this connection, the Committee recall that they during the last years examination of Demands for Grants of DoRD had revealed non-receipt of proposals for second installment from State Governments with necessary financial documents after reaching prescribed expenditure of 60% of total available funds had recommended to set up a study to go into the reasons behind accumulation & unspent balances with States and in this connection, the Committee find that the issue is under consideration with DoRD and though an agency viz. the National Institute of Public Finance and Policy (NIPFD) has submitted a proposal to undertake the study, the same is yet to be entrusted to NIPFD. The Committee disapprove the delay on the part of DoRD to set up the study as recommended by the Committee

and desire that DoRD to go for it without any further delay so that its findings are made available in time for wiping out unspent balances under different schemes of DoRD.

(Recommendation Sl. No. 37, Para No.2.37)

Funds surrendered

2.38 The Committee are unhappy to note that due to under-utilisation DoRD has been surrendering funds year after year. For instance during 2011-12, the level of funds surrendered was as high as Rs. 12,153.34 crore which by 2012-13 rose to the level of Rs. 23,012 crore i.e. nearly double than the previous years. The Committee have been informed by DoRD that surrender of funds is largely due to large pending balances of the year and also due to slow pace of expenditure. The Committee also find that of Rs. 23,013 crore funds surrendered during 2012-13 major funds are under PMGSY over Rs. 15,000.00 crore followed by relatively lesser funds under MGNREGA, SGSY, PURA and other DoRD schemes. The Committee find that factors like absorption capacity, contracting capacity, area specific issues etc. in PMGSY as reflected for unspent balances have been shown as reasons for surrender of funds under IAY, Aajeevika schemes. The Committee also find that under DoRD non-receipt of utilization certificates of 2011-12 has been attributed surrender of Rs. 112 crore during 2012-13. Similarly non-requirement of funds under PURA due to lack of required approvals of projects was reason for surrender of Rs. 150 crore under PURA. As recommended earlier

in the Report DoRD should taken necessary action in coordination with States to utilize the funds right from start of the financial year. For this the planning process has to be initiated well before start of the year.

(Recommendation SI. No. 38, Para No. 2.38)

STANDING COMMITTEE ON RURAL DEVELOPMENT

(2012-2013)

MINUTES OF THE SEVENTH SITTING OF THE COMMITTEE HELD ON

MONDAY, THE 01 APRIL, 2013

The Committee sat from 1100 hrs. to 1400 hrs. in Committee Room No. 'C', Ground Floor, Parliament House Annexe, New Delhi.

PRESENT

Shri D. Bandyopadhyay - in the Chair

MEMBERS

Lok Sabha

2. Shri Thangso Baite
3. Dr. Ratna De (Nag)
4. Shri Bijoy Krishna Handique
5. Shri Maheshwar Hazari
6. Shri Nimmala Kristappa
7. Shri Bishnu Pada Ray
8. Shri Anantha Venkatarami Reddy
9. Shri Arjun Charan Sethi
10. Smt. Usha Verma
11. Shri P. Viswanathan
12. Shri Madhu Goud Yaskhi

Rajya Sabha

13. Sardar Sukhdev Singh Dhindsa
14. Shri Vinay Katiyar
15. Shri Mahendra Singh Mahra
16. Shri C.P. Narayanan
17. Shri Mohan Singh
18. Prof. Saif-ud-Din Soz

SECRETARIAT

- | | | | |
|----|-------------------|---|---------------------|
| 1. | Shri Brahm Dutt | - | Joint Secretary |
| 2. | Smt. Veena Sharma | - | Director |
| 3. | Shri A.K.Shah | - | Additional Director |

Representatives Of Department Of Rural Development (Ministry Of Rural Development)

Shri S. Vijay Kumar	- Secretary
Shri S.M. Vijayanand	- Additional Secretary
Shri P. P. Mitra	- Chief Economic Adviser
Shri D.K.Jain	- Joint Secretary
Shri Rajesh Bhushan	- Joint Secretary
Dr. P.K. Anand	- Joint Secretary
Smt. Vijaya Srivastava	- Joint Secretary
Shri T. Vijay Kumar	- Joint Secretary
Shri C.R.K. Nair	- Adviser
Dr. N.K. Sahu	- Economic Adviser
Shri M.V. Rao	- DG, NIRD
Dr. A.K. Singh	- DDG, CAPART
Sh. G.P. Gupta	- CCA

2. At the outset, in the absence of the Chairman, the Committee under Rule 258(3) of the Rules of Procedure and Conduct of Business in Lok Sabha chose Shri D. Bandyopadhyay to act as Chairman for the sitting. Thereafter, the Chairman welcomed the members of the Committee to the sitting convened for taking evidence of the representatives of the Department of Rural Development (Ministry of Rural Development) on Demands for Grants (2013-14) of the Department.

[Witnesses were then called in]

3. After welcoming the representatives of the Department of Rural Development (Ministry of Rural Development) to the sitting of the Committee, the Chairman in his opening remarks highlighted the issues of reduction or stagnation in Budget Estimates (2013-14) of some schemes of the Department, reduced allocation at RE stage during 2012-13, delay in completion of BPL survey etc. The Chairman then read out Direction 55 (1) of the Directions by the Speaker regarding confidentiality of the proceedings.

4. Thereafter, the representatives of the Department of Rural Development (Ministry of Rural Development) with the prior permission of Chairman made a power point presentation highlighting the salient features of the programmes being implemented by the Department of Rural Development, their current implementation status, physical and financial achievements and efforts being made to utilize funds allocated for the year 2013-14 etc. The Committee sought clarifications about irregularities in implementation of PMGSY works in Union Territory of Andaman & Nicobar Islands, which the representatives of the Department of Rural Development promised to submit later. The Committee also sought clarifications particularly with reference to non-holding of Vigilance and Monitoring Committee

(V&MC) Meetings in various States, reported cases of corruption under MGNREGA scheme, need to review the difference of Rs. 5000 in per unit assistance between plain areas and hilly and difficult areas under IAY taking into account the factors like prohibition in use of stone and wood for construction purposes and high cost of construction in hilly and difficult areas due to remoteness from railway head etc.

The issues highlighted by the Chairman and members were replied to by the officers of the Department. On the queries on which the information was not readily available, the Committee directed the representatives of the Department of Rural Development (Ministry of Rural Development) for furnish written replies thereto. Since all the issues were discussed by the Committee, the Chairman decided to cancel the sitting of the Committee fixed for afternoon session.

[The representatives of Department of Rural Development (Ministry of Rural Development) then withdrew]

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

The Committee then adjourned.

STANDING COMMITTEE ON RURAL DEVELOPMENT (2012-2013)

EXTRACTS OF MINUTES OF THE TWELFTH SITTING OF THE COMMITTEE HELD ON
THURSDAY, THE 26 APRIL 2013

The Committee sat from 1000 hrs. to 1100 hrs. in Committee Room No. 'E', Basement,
Parliament House Annexe, New Delhi.

PRESENT

Shrimati Sumitra Mahajan - **Chairperson**

MEMBERS

Lok Sabha

2. Shri Thangso Baite
3. Shri Bishnu Pada Ray
4. Shri Anantha Venkatarami Reddy
5. Shri Arjun Charan Sethi
6. Smt. Usha Verma

Rajya Sabha

7. Shri Mani Shankar Aiyar
8. Shri Mahendra Singh Mahra
9. Shri C.P. Narayanan
10. Prof. Saif-ud-Din Soz

SECRETARIAT

1. Shri A.K.Shah - Additional Director

2. At the outset, the Chairperson informed the members about sad demise of Shri Ambika Banerjee, sitting member of Howrah Parliamentary constituency on 25 April 2013 and expressed solidarity with the bereaved family. Thereafter, the Committee stood in silence for two minutes as a mark of respect to the departed soul.

3. Thereafter, the Chairperson welcomed the members to the sitting of the Committee and apprised about the Agenda for the sitting. The Committee then took up for consideration the Draft Reports on Demands for Grants (2013-14) of xxx xxx xxx and the Department of Rural Development (Ministry of Rural Development). After discussing the Draft Reports in detail, the Committee adopted the Draft Reports with minor modifications. The Committee also authorized the Chairperson to finalize the these Draft Reports taking into consideration consequential changes arising out of factual verifications, if any, by the concerned Ministry/ Department and to present the same to both the Houses of Parliament.

The Committee then adjourned.
