

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

9

FIFTEENTH LOK SABHA

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

**DEMANDS FOR GRANTS
(2010-2011)**

NINTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

NINTH REPORT

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(DEPARTMENT OF RURAL DEVELOPMENT)**

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(2010-2011)**

Presented to Lok Sabha on 16 April, 2010

Laid in Rajya Sabha on 16 April, 2010



**LOK SABHA SECRETARIAT
NEW DELHI**

April, 2010/ Chaitra, 1932 (Saka)

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

Shrimati Sumitra Mahajan - *Chairperson*

**Members
Lok Sabha**

2. Shri Pulin Bihari Baske
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4. Shri Sanjay Dhotre
5. Shri Sandeep Dikshit
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- | | | | |
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| 2. | Shri V.R. Ramesh | - | Director |
| 3. | Shri Sundar Prasad Das | - | Under Secretary |

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

** Vacant consequent upon the retirement of Shri Silvius Condpan from Rajya Sabha w.e.f. 2nd April, 2010 .

(iv)

INTRODUCTION

I, the Chairperson of the Standing Committee on Rural Development (2009-2010) having been authorized by the Committee to submit the Report on their behalf, present the Ninth Report on Demands for Grants (2010-2011) of the Department of Rural Development (Ministry of Rural Development).

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

3. The Committee took evidence of the representatives of the Department of Rural Development of the Ministry of Rural Development on 29 March, 2010.

4. The Report was considered and adopted by the Committee at their sitting held on 13 April, 2010.

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

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

NEW DELHI;
13 April, 2010
23 Chaitra, 1932(Saka)

(SUMITRA MAHAJAN)
Chairperson,
Standing Committee on Rural Development

(v)

ABBREVIATIONS

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

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

SEGF	-	State Employment Guarantee Fund
SHG	-	Self Help Group
SGRY	-	Sampoorna Grameen Rozgar Yojana
SGSY	-	Swarnjayanti Gram Swarozgar Yojana
SIDBI	-	Small Industries Development Bank of India
SIRD	-	State Institute of Rural Development
SITRA	-	Supply of Improved Tool Kits to Rural Artisans
SLBC	-	State Level Banker's Committee
SLCC	-	State Level Coordination Committee for SGSY
SLSC	-	State Level Sanctioning Committee
ST	-	Scheduled Tribe
SVO	-	Support Voluntary Organisations
TRC	-	Technology Resource Centre
TRYSEM	-	Training of Rural Youth for Self-Employment
UB/OB	-	Unspent Balance/ Opening Balance
UC	-	Utilisation Certificate
URP	-	Uniform Recall Period (of 30 days)
UT	-	Union territory
VA	-	Voluntary Agency
V&MC	-	Vigilance and Monitoring Committee
VO	-	Voluntary Organisation
WEP	-	Wage Employment Programme
WSD	-	Watershed Development
ZP	-	Zilla Parishad

REPORT CHAPTER-I

INTRODUCTORY

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

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

Department of Rural Development

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

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

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

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

1.5 The overall Demands for Grants of the Department in 2010-11 BE are for Rs. 137887.98 crore. However, after deducting the recoveries (Rs. 71750.12 crore) expected during the year, the net Budget of the Department during 2010-11 BE is Rs.66137.86 crore both for Plan and non-Plan.

1.6 The Demands for Grants 2010-11 of the Department have been presented to Parliament under Demand No.81. The detailed Demands for Grants of the Department were laid in Lok Sabha on 15 March, 2010.

1.7 In the present Report, the Committee have restricted their examination only to the major issues concerning the Demands for Grants 2010-2011 of the Department and relating to the implementation of some of the major Yojanas/Programmes/Schemes that are being implemented by the Department of Rural Development.

CHAPTER II**Overall assessment of the Demands for Grants 2010-2011
of the Department of Rural Development****A. Status of Implementation of the recommendations made by the
Committee in the Reports presented during Fourteenth Lok Sabha**

During the 14th Lok Sabha the Committee had presented four original Reports on Demands for Grants of the Department of Rural Development and four Action-taken Reports thereon. As per direction 73A of the Directions by the Speaker, Lok Sabha, the Minister concerned shall make once in six months, a statement in the House regarding the status of implementation of recommendations contained in Reports (including those Reports which are on Demands for Grants) of Departmentally Related Standing Committees of Lok Sabha with regard to his Ministry.

2.2 As per the said direction, the Ministry concerned should review the implementation of the recommendations of the Committee in all States and Union territories at regular intervals and present a statement to Parliament once in six months. It has been noticed that the statement presented to the House is by and large a repetition of the action taken notes furnished by the Government after three months of the presentation of the original Report.

2.3 When asked about the review of implementation of the said recommendations, in all States and Union territories at regular intervals, the Department has replied that implementation of the recommendations made by the Committee from time to time has been reviewed by this Department.

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

B. Performance of the Department in Eleventh Five Year Plan (2007-2008) to (2011-2012)

2.5 The Department of Rural Development has furnished information on the expenditure in planned and unplanned schemes made by different implementing agencies during the Eleventh Five Year Plan, as shown in **Appendix-I & II**. It can be seen there from that the funds meant for planned schemes during 11th Five Year Plan (2007-2008 to 2011-2012) were fixed at Rs.3,28,579.72 crore. The expenditure (plan) of only 42 per cent (Rs.1,39,475.93 crore) of the total allocation (up to 18 March,

2010) has been made, while it should have been to the tune of 60 per cent in the first three years of the Eleventh Five Year Plan.

2.6 Regarding information on utilization of funds for the non-plan expenditure made by the Department in the Eleventh Five Year Plan, the Committee have been informed that the expenditure of funds for non-planned funds to the tune of Rs.95.74 crore has been made so far during 11th Five Year Plan (2007-2008 to 2011-2012) (up to 18 March, 2010) against the budgetary allocation of Rs.94.44 crore. Therefore, the achievement by the Department in spending the non-plan funds has always exceeded the budget estimates.

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

that the Department should initiate suitable corrective measures to restrict the non-plan expenditure to the barest minimum.

2.8 The Budget Estimates, Revised Estimates for the plan scheme of the Department during 2009-2010 and the BE for 2010-2011 as furnished to the Committee is as below:

Plan Budget Allocations		(Rs. in crore)				
Sl. No.	Scheme	B.E.	R.E.	B.E.	% growth over	% growth over
		2009-10	2009-10	2010-11	B.E. 2009-10	R.E. 2009-10
1	Mahatma Gandhi National Rural Employment Guarantee Scheme	39100.00	39100.00	40100.00	2.56	2.56
2	Swarnajayanti Gram Swarozgar Yojana	2350.00	2350.00	2984.00	26.98	26.98
3	DRDA Administration	250.00	250.00	405.00	62.00	62.00
4	Rural Housing –IAY	8800.00	8800.00	10000.00	13.64	13.64
5	Pradhan Mantri Gram Sadak Yojana	12000.00	11340.00	12000.00	0.00	5.82
6	Grants to NIRD	15.00	15.00	105.00	600.00	600.00
7	Assistance to CAPART	50.00	50.00	100.00	100.00	100.00
8	PURA	30.00	30.00	124.00	313.33	313.33
9	Management Support to RD Programmes	75.00	75.00	120.00	60.00	60.00
10	BPL Survey	0.00	150.00	162.00	--	8.00
	Total	62670.00	62160.00	66100.00	5.47	6.34

The Eleventh Plan outlay and releases made so far for all plan schemes of the Department as furnished by Department is as below :

(Rs. in crore)

Schemes	11th Plan Outlay#	2007-08 Release actual	2008-09 Release actual	2009-10 Release (to be firmed up)	Total Release (07-08 to 09-10)	2010-11 Approved outlay	Total Release + App. outlay for 2010-11	Balance available in 2011-12
NREGA	100000.00	12661.22	30000.19	32052.69	74714.10	40100.00	114814.10	-14814.10
SGSY	17803.00	1697.06	2338.00	2018.48	6053.54	2984.00	9037.54	8765.46
DRDA	212.00	250.00	292.00	249.98	791.98	405.00	1196.98	-984.98
IAY	26882.21	3885.53	8800.00	8668.33	21353.86	10000.00	31353.86	-4471.65
PMGSY	43251.07 (59751.07)	11000.00*	15280.00*	15840.00*	42120.00	22000.00*	64120.00	-4368.93@
PURA	280.00	0.00	0.01	0.00	0.01	124.00	124.01	155.99
Trg.(NIRD)	105.00	10.00	16.81	15.00	41.81	105.00	146.81	-41.81
CAPART	250.00	58.54	52.20	50.00	160.74	100.00	260.74	-10.74
Mgt. Support to RD Prog.	550.00	58.51	71.81	63.23	193.55	120.00	313.55	236.45
BPL Census	0.00	0.00	0.00	0.00	0.00	162.00	162.00	-162.00
SGRY \$	5600.00	3675.57	7500.00	0.00	11175.57	0.00	11175.57	
Total	194933.28	33296.43	64351.02	58957.71	156605.16	76100.00	232705.16	-15696.31

C. Overall assessment

2.9 In the Detailed Demands for Grants (2010-2011) the following data about the Budget of Department of Rural Development has been indicated:

(Rs. in crore)

Year	Plan	Recoveries from Plan Budget	Net-Plan Budget	Non Plan	Net Budget Plan+ Non Plan Col (4+5)	Percentage change in Net Budget
(1)	(2)	(3)	(4)	(5)	(6)	(7)
2003-04 (Actuals)	17826.198	2325	15501.198	18.07	15519.26	
2007-08 actuals	44,618.659	15,825	28773.659	23.06	28773.659	
2008-09 (BE)	51,546	20,046.25	31,500	24.06	31524.60	
2008-09 (RE)	90,900.25	34,046.25	56,854	29.54	56883.54	+ 80.44%
2008-09 actuals	90896.33	34046.25	56850.08	31.09	56881.17	- 0.42 %
2009-10 (BE)	106613.13	43,943.13	62,670	36.95	62706.95	+ 10.24%
2009-10 (RE)	122438.13	60293.13	62,160	41.40	62201.40	-0.81 %
2010-11 (BE)	137850.12	71750.12	66,100	37.86	66137.86	+6.33 %

Decrease in diesel cess

2.10 It can be seen from the aforesaid table that the net plan and non-plan Budget of the Department in 2009-2010 RE has been reduced to Rs.62201.40 crore from Rs. 62706.95 crore in 2009-2010 BE. In other words, the revised allocation has been reduced by Rs.505.55 crore during 2009-2010. The Department of Rural Development has stated that because of less collection of diesel cess during the current financial year, the Ministry of Finance has reduced the budget allocation of PMGSY by Rs.660 crore in 2009-2010 RE. This is quite an unusual reply as the number of vehicles and sale of petroleum products from which diesel cess is received is growing day by day, and it is highly unlikely that the diesel cess has got reduced during 2009-10.

Unspent Balance

2.11 The following information regarding unspent balance (as on 31.12.2009) under some of the schemes of the Rural Development Department, left with the implementing agencies, has been furnished in the Outcome Budget 2010-11 : -

Plan Scheme	(Rs. in crore)		
	UB/OB As on 31.12.2007	UB/OB As on 31.03.2009	UB/OB As on 31.12.2009
I SGSY...	718.26	783.16	1142.22
II SGRY...	623.40	-	-
III IAY...	1761.12	6246.17	3759.84
IV NREGA...	5976.26	10345.59	10078.75
V PMGSY...	2296.39	1264.56	2546.55
VI CAPART...	12.29	13.14	42.21
VII NIRD.....	0.34	3.42	4.99
VIII SIRD.....	42.72	61.38	43.47
Total unspent balance:	11430.78	18717.42	17612.03

Regarding the details of unspent Balance in different schemes of the Department, the Committee has been informed as below:

(in Rs. crore)

Scheme	Unspent balance as on 31.3.09	B.E. 2009-10	R.E 2009-10	Release during 2009-10 (upto 31 Dec, 2009)	State Share	Total availability of funds	Expenditure reported By States	Unspent Balance as on 31.12.2009	Unspent balance as % to total availability
SGSY	783.16	2350.00	2350.00	1394.60	464.87	2642.63	1500.41	1142.22	43.22
IAY	6246.17	8800.00	8800.00	5847.30	1949.10	14042.57	10288.73	3753.84	26.73
NREGA	10345.59	39100.00	39100.00	22294.63	2229.46	34869.68	24790.93	10078.75	28.90
PMGSY	1264.56	12000.00	11340.00	10824.43		12088.99	9542.44	2546.55	21.07
Others	77.94	420.00	570.00	321.28	107.09	506.31	415.64	90.67	17.91
Total	18717.42	62670.00	62160.00	40682.24	4750.52	64150.18	46538.15	17612.03	27.45

2.12 It can be seen from the above table that unspent balance (as on 31.12.2009) in all the schemes are 27.45 per cent of the total allocation while in respect of SGSY scheme, it is 43.22 per cent. It shows that even though funds are available, the implementing agencies are not utilizing the funds under the SGSY scheme or are not sending the utilization information in time.

2.13 The Department has submitted a month-wise details regarding expenditure as planned *vis-a-vis* the actual expenditure during 2007-08, 2008-09 and 2009-10 upto (28 February, 2010) *i.e.* as below:

Sl. No.	Month	2007-2008		2008-2009		2009-2010 (upto 28.02.2010)	
		Expenditure plan	Actual expenditure	Expenditure plan	Actual plan	Expenditure plan	Actual plan
1.	April	5007.32	2097.47	4636.277	2231.14	6984.55	6928.73
2.	May	7398.13	3911.25	7429.20	6081.75	7378.58	7385.81
3.	June	8823.32	6030.87	8936.63	8589.10	8109.09	7942.62
4.	July	9627.49	6998.98	9891.76	8774.42	9955.26	8053.34
5.	August	10437.82	8630.31	10769.22	88814.13	12311.29	11417.50
6.	September	11667.84	9027.7	12045.74	9407.90	14948.54	12958.57
7.	October	11936.28	9500.8	12351.31	9714.89	17249.99	14551.49
8.	November	12378.18	9767.32	12762.11	10169.97	19585.94	16343.5
9.	December	13248.34	11659.5	13548.38	11036.28	20518.07	18415.54
10.	January	14053.04	12749.65	14247.16	21621.09	21460.37	19114.59
11.	February	14638.32	13765.73	14799.11	24190.89	22525.61	20550.15
12.	March	15522.86	16158.52	15524.06	26881.7	23606.95	
	Total (excl. NREGA)						
	NREGA*	12000	12661.22	16000	30000.19	39100.00	27979.62
	Total	27522.86	28819.74	31524.06	56881.89	62706.95	48529.77

* Excluding NREGA, as NREGA is a demand driven scheme.

2.14 It may be seen from the above table that the Department have excluded the monthly target of NREG scheme citing the reason that NREGS is a demand driven scheme. Further, the Department has been failing continuously over the years in making the expenditure as per the expenditure plan.

2.15 Regarding the latest position about the unspent balance the Committee were informed.

- (i) As on 31.03.2009 unspent balance was Rs.18717.42 crore and on 31.12.2009 it was Rs.17612.03 crore. It includes Rs.11785 crore released in the third quarter.
- (ii) The unspent balance has since been brought down to Rs.10043 crore as on 28.2.2010.
- (iii) Minimum liquidity is essential under NREGA because of legal Guarantee.
- (iv) 3rd quarter releases is spent by the end of 4th quarter.
- (v) Excluding 3rd quarter releases, unspent balance on 31.12.2009 comes to Rs. 5827 crore which is only 9 per cent of total available funds.

Regarding steps taken to contain unspent balances, the Committee were informed as below:

- (i) For allocation based Schemes, deductions are made in 2nd installment if Opening Balance exceeds 10 per cent of available funds.
- (ii) Deductions also are made for late submission of 2nd installment proposals (10% in January, 20% in February and 30% in March).
- (iii) Entire O.B. adjusted in first tranche release under NREGA.
- (iv) Cash Management guidelines of Ministry of Finance is strictly followed.
- (v) Last Quarter release not allowed to exceed 33% of budget allocation in respect of Schemes except NREGA .
- (vi) March releases not allowed to exceed 15% of budget.
- (vii) Release under NREGA and PMGSY is regulated on the basis of actual performance on ground.
- (viii) Monthly expenditure Plan followed for releases.

- (ix) Progress reviewed at Secretary level with State Secretaries in the PRC meetings.
- (x) MIS is being strengthened to monitor financial releases.

2.16 The Committee have found that the expenditure of the Department is not being made as per the monthly expenditure plan over the years and except for last 2 to 3 months of the financial year, the expenditure has always been lower than planned expenditure each month. This has resulted in the unspent balances at the end of third quarter during 2009-2010 being as high as 27.45 per cent of the available resources as on 31.12.2009. Further, examination of the furnished information to the Committee also reveal that for SGSY (as on 31.12.2009), the unspent balance was as high as 43.22 per cent of the total available funds. The Committee vide their First Report – Fifteenth Lok Sabha (Recommendation *para* no. 2.15 *refers*) had expressed serious concern over the trend of huge unspent balance and recommended the Department to analyse the situation State wise and take corrective steps accordingly. The Committee find that no serious effort has been made by the Department in this regard. They, therefore, recommend that expenditure plan should be evenly spread throughout the year and the total available funds provided

for scheme should be spent within that year itself so that no unspent balances are left with the implementing agencies. This will also ensure that the excess carry over of available funds does not go beyond 10 per cent of the available funds, resulting in the deduction of the Central share of funds from the next financial year's release.

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

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

2.19 The Committee were informed by the Department that it is a fact that some interest is earned by DRDA on the funds made available to them which includes amount of previous year. However, no *separate* accounts are maintained on the interest accrual on unspent balance.

2.20 When asked as to whether the interest earned by DRDAs on unspent balance should be deducted while releasing funds for the year and reflected in the Budget documents being maintained, the Department responded that the interest accrued on the funds received as Central and State share including the unspent balance is treated as part of Programme Fund. This component is, therefore, taken into account while calculating the total availability of funds. The opening balance of the year is based on the total availability of funds including interest. There is already a provision in the Guidelines to deduct the Central Share portion of the excess carry over beyond 10% of the available funds. It is not feasible to *separate* out the interest portion accrued only on the unspent balances, as the interest receipt in the Annual Accounts are shown with reference to the total amount available in the bank account.

2.21 The Committee note that some interest is earned by the DRDAs on the funds made available to them which includes amount released to them during the previous year. However, no *separate* accounts were maintained on the interest accrual on unspent balance. In view of the fact that huge amount is left with the implementing agencies, the Committee recommend that the interest earned by the DRDAs on the unspent balance be invariably

shown in the Budget documents of the Department from the next financial year. They also recommend that funds released during the last two months of the financial year should not be taken into account while arriving at the excess carry over of the available funds at the beginning of the next financial year.

D. Below Poverty Line (BPL) Census 2007

2.22 The BPL Census being conducted (after every five years) by the Ministry of Rural Development was made during 1997, 2002 and was supposed to be done in 2007. The Ministry of Rural Development has earmarked Rs. 162 crore in 2010-2011 BE to all States and Union territories for conducting the BPL Census for the 11th Plan.

2.23 The Ministry has replied that the Department in association with States/UTs conducts the BPL Census, generally in the beginning of the Five Year Plan, to identify the rural households living Below the Poverty Line who could be assisted under its various programmes. Last such Census was conducted in 2002 for the 10th Five Year Plan Period. For conducting, the BPL Census for the Eleventh Five Year Plan (started *w.e.f.* 1.4.2007) , the Ministry of Rural Development, on 12th August, 2008, constituted an Expert Group, which could advise the Ministry on the methodology. The Expert Group submitted its report on 21st August 2009 under chairmanship of Dr. N.C. Saxena.

2.24 On being asked about the allocation and the expenditure made in each of the BPL Census released to States and Union territories for conducting the BPL Census the Ministry replied that an amount of Rs.56.08 crore from IRDP head was release to States/UTs at the rate Rs.4.50 per households and Rs.7.00 per household for NE

States for BPL Census 1997. An amount of Rs.75.96 crore was released to States/UTs for conducting BPL Census 2002.

2.25 On being asked about the way the result of the latest BPL Census can be used, the Ministry replied that the BPL lists generated through BPL census are used as target groups for implementing various programmes of the Ministry of Rural Development such as Swarnjayanti Gram Swarozgar Yojana (SGSY), Indira Awaas Yojana (IAY), Indira Gandhi National Old Age Pension Scheme (IGNOAPS) and Total Sanitation Campaign (TSC).

2.26 On being asked about any other machinery of Government of India which has been involved for calculation of persons living below the Poverty line in rural areas, the Ministry responded that the Planning Commission is the nodal agency in government of India for estimation of poverty ratio of persons living below the Poverty line in rural and urban areas for all India as well as for States/UTs.

2.27 On being asked about the method by which the Department of Rural Development is going to calculate the persons living below the Poverty line in rural areas, the Ministry responded that the Estimation of poverty ratio of persons living below the Poverty line in the country and *separately* for rural and urban areas for all India and for States/UTs is done by the Planning Commission and not by the Department of Rural Development. However, the Department of Rural Development formulates the methodology for identification of BPL households living in rural areas.

2.28 The report of the Expert Group under chairmanship of Dr. N.C. Saxena which submitted its report on 21st August 2009. has been circulated among the State Governments/UT administrations and the concerned Central Ministries for their comments. It has been posted on Ministry's website at www.rural.nic.in. The Ministry

has also consulted various experts on the issue in a consultative meeting held on 2nd March 2010 which was attended by various experts in the related field. Based on the inputs received, it is proposed to conduct a pre-testing exercise, on a pilot basis which will form the base for developing the final methodology.

2.29 When asked the provisional results of the current BPL Survey can be expected, the Ministry replied that the pre-testing exercise would be conducted as early as possible. In the consultative meeting held on 2nd March 2010 it was advised by experts that BPL Census could be taken up after General census, which would be conducted during January 2011 to March 2011. Therefore, it is proposed that BPL Census would be conducted in the first quarter of 2011-12.

2.30 On being asked about the status of the BPL Census 2007, the Department replied that on 12th August, 2008, the constituted Expert Group could advise the Ministry on the issue.

2.31 As per Outcome Budget 2009-10 the Hon'ble Supreme court on 14.02.2006 (i.e. more than four years back) had directed that the methodology for the next BPL survey should be finalized by the beginning of the 11th Five year Plan.

2.32 On being asked about whether the direction of Hon'ble Supreme Court has been complied with the Ministry replied that initially on the direction of the Hon'ble Supreme court on the matter was taken up with the Planning Commission. The Expert Group for advising methodology for identification of households living below the Poverty Line was to be set up by the Planning Commission. However, later on the Planning Commission directed the Ministry of Rural development to constitute the same. The Ministry of Rural Development initiated the process of devising methodology by constituting an Expert Group, which could advise the Ministry on the

issue, on 12th August, 2008. As per direction of the Hon'ble Supreme court, Dr. N.C. Saxena, Commissioner, Supreme Court in the matter of Right to Food was made Permanent Special Invitee and later on Dr. N.C. Saxena, chaired the Expert Group.

2.33 When asked about the role of Gram Sabha in finalization of BPL list and whether the approval of Gram Sabha was mandatory for the finalization of BPL list in the village, the Department replied that the guidelines issued for the BPL Census 2002, states that Gram Sabhas are required to approve the final BPL list in an open meeting.

2.34 The BPL Census is actually conducted by the respective States/Union territories. Similarly the BPL list is also prepared and maintained by the respective States. The Ministry of Rural Development provides methodology/guidelines for conducting the BPL Census, technical and financial Support to the States/UTs.

2.35 On being asked about the appeal mechanism to redress the grievance of the rural poor so far as the finalization of BPL list is concerned the Department acceded that there is provision of an appeal mechanism in the guidelines of BPL Census 2002. As per the guidelines of BPL Census 2002, a two-stage appeal mechanism has been provided to redress the grievances of the people. Any eligible BPL person who has not been included in the BPL list can file the first appeal with the *Tehsildar/*SDM as the case may be. If still not satisfied, second and final appeal can be filed with the Collector. The State Governments have been advised to make suitable arrangement for disposal of such appeals in a time bound manner. The provision of appeal system under the guidelines is a continuous process.

2.36 Since only two years of the Eleventh Five Year Plan are remaining, the Committee desired to know when the latest BPL Census will be applicable for the

11th Five Year Plan and the rationale for applying latest BPL Census for the 12th Five Year Plan, the Department replied that the BPL lists are generally applicable for five years. The proposed BPL census will be applicable for remaining period of 11th plan and part of 12th plan period.

2.37 As per the reply out Rs.150 crore available under RE 2009-10, Rs. 148.80 crore has been released to States and UTs as the first installment for pre-testing the methodology and conducting the BPL census. The remaining sum of Rs.1.20 crore has been released to National Institute for Rural Development (the Department of Rural Development) as the nodal agency for conducting workshops, development of survey instruments, evaluation of pre-test results etc.

2.38 When asked about the fact that BPL Survey is to be carried out at the beginning of each Five-Year Plan and the BPL Survey for the Eleventh five year Plan has not been done so far and is expected to be taken up during first quarter of 2011, the Department responded that the BPL census is generally conducted in the beginning of the five-year Plans. The Planning Commission was requested in November, 2007 by the Department of Rural Development if they propose to set up a Task Force for suggesting methodology for identification of BPL households for the 11th Plan as it was felt that a single BPL list will be desirable for extending the benefits to the poor under schemes of various Departments and State Governments. The Planning Commission replied in July, 2008 that the Ministry of Rural Development may constitute an Expert Group for suggesting a methodology for BPL census. Accordingly, the Ministry constituted an Expert Group for advising the Ministry on this issue in August, 2008. The Expert Group submitted its report in August, 2009. The recommendations of the Report have been circulated to State

Governments, line Ministries and experts. Based on the inputs received, it is proposed to conduct the pretest exercise on a pilot basis, which will form the basis for final methodology for conducting the BPL census.

2.39 Regarding the methodology for the BPL Household Survey to be done by different States and Union territory administrations, the representative of the Department during the course of oral evidence (proceedings pg.47to49) stated as under:

“xxxxx Regarding the kind of indicators we are likely to use to identify BPL households we are trying to draw up the indicators but we are using the Saxena Committee as a reference point. The indicators the Saxena Committee has given that a category should be made automatic exclusion under which the following families would be automatically excluded from the list of BPL families. They are: families which own double the land of District average of the agricultural land per agricultural household if partially or wholly irrigated; families which own three or four wheeled motorized vehicles; families which have at least one mechanized farm equipment like thresher or power tiller or harvester; families which have any person who is drawing a salary of Rs.10,000 per month in non-Government private organizations or those who are in the Government on a regular basis with pension; and all income tax payers. This is the exclusion list. This means that those people cannot be included in the BPL list.

Then he also developed a list for automatic inclusion. Those categories are: designated primitive tribal groups, designated most discriminated SC groups called *mahadalits* in whichever States they are; single-woman headed household; households with disabled person as bread winners; households headed by a minor; destitute household depending on alms; homeless households.

For the households that remain out of the ambit of automatic exclusion and automatic inclusion, he has devised a scoring system..... Under the scoring system, a rank of ten is given to each category of persons. For SC/ST the points given are three; for de-notified and most backward classes two points; for Muslims and OBCs one point; for landless agricultural worker four points; for casual workers two points; for self-employed artisans or fisher fold two points; for an adult in the house of 30 years of age or above who has studied only up to class V one point; for any member who has TB, Leprosy, disability, or HIV AIDS one point; for households headed by an old person of 60 years and above one point.These are the reference points given by the Saxena Committee. We are building on these points to expand the inclusion criteria so that even a single-woman headed household with a *pucca* house or good land will be excluded.....but we are still in the process of developing that.”

Allocation of funds

2.40 As per the written reply, BPL survey for Eleventh Plan would be conducted in the first quarter 2011-2012. Further, the BPL Lists are also prepared and maintained by respective State and Union territories whereas the Ministry of Rural Development provides methodology /guidelines for conducting the BPL census technical and financial support to the States / Union territories.

2.41 The Committee asked, whether the ineligible persons in the BPL households list of 2002 would first be excluded by the Department from the new survey being conducted. The Department replied that the proposed BPL census will be conducted for all rural households as per the finalized methodology and would generate new BPL lists and replace the earlier BPL lists of 2002.

2.42 When asked about the methodology the Ministry is following in different States and Union territories, the Department replied that it proposes to share the finalized methodology with States and UTs to ensure their concurrence and cooperation. Further, the comments and suggestions of the States/UTs are being taken into account while finalizing the methodology.

2.43 As per the written reply, allocation of funds under major poverty alleviation programmes of the Ministry of Rural Development such as SGSY and IAY is allocated to the States on the basis of the Adjusted share worked out by the Planning Commission on the basis of 1993-94 poverty ratios.

2.44 When asked whether the poverty ratio was calculated by Planning Commission in 2004-05 and that is not being made the basis of allocation of funds for SGSY and IAY, the Department replied that the poverty ratio for National and State levels is conveyed by the Planning Commission. State-wise distribution of funds

under various programmes of this Ministry is done in consultation with Planning Commission. Presently, as per instructions of Planning Commission, state-wise allocation of funds under various programmes including IAY and SGSY is made on the basis of adjusted share worked out in 1993-94 poverty ratios by the Planning Commission.

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

2.46 The Committee note with concern that the earlier Below Poverty Line Census conducted during 1992, 1997 and 2002 by the Ministry of Rural Development had reflected many irregularities and shortcomings. The Committee have been informed that several ineligible beneficiaries were selected as people/families living below

the poverty line in rural areas. In the later stages, the same ineligible BPL list cardholders could not be excluded from the BPL Census. The Committee, therefore, recommend that before venturing on calculating the BPL families living in rural areas, the Ministry should keep a provision to exclude anyone who is found to be living above the poverty line at any point of time in order to ensure that the benefits of schemes meant for BPL population reach the deserving people only. The Committee also note that the BPL survey being carried out by the Ministry is to be carried out at the beginning of each Five Year Plan. However, no BPL Survey has been done so far during the 11th Five Year Plan (2007-2012). The Committee note from the reply of the Department that Rs.150 crore has been released for conducting the BPL Survey in 2009-10. They also note that during 2010-11 BE, the Ministry has been allocated Rs.162 crore. The Committee find that in total Rs.312 crore has already been made available for conducting the latest BPL Survey. The Committee, therefore, recommend that these funds should be utilized fully and the proposed BPL Survey be made within the targeted time so that the benefits intended under various Schemes may reach the genuine beneficiaries well in time. The said survey should reflect the correct persons living below the poverty line.

2.47 The Committee would like to recommend that the Department by using the existing facilities including the latest information technology, should find out the exact status of the BPL families identified by them in the 2002 BPL Census, as of now. The Committee also desire that the results of the current BPL Census being done by the Department should be made available on the website of the Department, beneficiary wise, so that the conditions of the persons / families living below the poverty line can be verified in subsequent years. The Committee desire that the Department in subsequent years should judge as to whether the money being spent by them for uplifting families of below poverty line is really giving the desired results or not.

2.48 The Committee are surprised to note that as per instructions of Planning Commission, State wise allocation of funds under various programmes of the Department including IAY and SGSY, is made on the basis of adjusted share worked out in 1993-94 poverty ratios by the Planning Commission. The Committee express their dissatisfaction over taking into account the calculation of 1993-94 as a basis for allocation of funds since these figures are old and outdated and also not based on the reality as on date. As more than 17 years have elapsed, the same calculation cannot be the

basis for allocation of funds. They desire that their unhappiness in this regard be conveyed to the Planning Commission, Ministry of Finance and the Cabinet Secretariat at the highest level. They recommend that the allocation for various schemes of the Department should be based on the latest calculations made by the Planning Commission without any delay.

E. Concurrent evaluation of Central Sponsored Schemes

2.49 Regarding independent, in-depth evaluation of various schemes made during Tenth and Eleventh Five Year Plan, the Department has stated that: during the 10th Plan period (completed): Swarnjayanti Gram Swarozgar Yojana (SGSY), Concurrent Evaluation of Innovative Stream of Rural Housing and Habitat Development Projects, Concurrent Evaluation of Samagra Awaas Yojana, A quick Impact Study on the Socio- economic impact of the Pradhan Mantri Gram Sadak Yojana (PMGSY), Concurrent Evaluation of the Sampoorna Grammin Rozgar Yojana (SGRY), Quick Evaluation of Individual Beneficiary Oriented (SC/ST) Scheme of SGRY, Concurrent Evaluation of Special Projects under SGSY.

2.50 During the 11th Plan period (completed/in-progress): Evaluation Study of CSC of DRDA Administration, Concurrent Evaluation of Swarnjayanti Gram Swarozgar Yojana (SGSY)- in progress, Evaluation of Training Programmes conducted by State Institutes of Rural Development (SIRDs) - in progress, Impact Assessment Study of Pradhan Mantri Gram Sadak Yojana (PMGSY) - in progress.

2.51 11th Plan period (Proposed): Concurrent Evaluation of Indira Gandhi National Old Age Pension Scheme (IGNOAPS).

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

F. Monitoring Mechanism (Vigilance & Monitoring Committees – V&MCs)

2.53 The Committee noticed that in 390 districts not even a single Vigilance Committee Meeting has been held during 2009-10. On a query in this regard, the Department replied that as per the information available up to 31.3.2010, 8 States and 280 district V&MC meetings were held in 8 States and 251 districts respectively. The State level V&MC and District level V&MC meetings are not being held as per the guidelines due to various reasons. After the formation of XV Lok Sabha, Ministry issued Guidelines for reconstituting V&MCs at State and District level on 26.8.2009. Thereafter, the State/District Authorities started reconstituting the V&MCs and holding their meetings. As per the Guidelines, the Member Secretary of the Committee has to convene the meeting on the direction of the Chairman. In many cases, Chairman of the Committee is not able to indicate convenient date for holding of these meetings. In some of the States, due to election at various levels, meetings could not be conducted. In some cases, meetings fixed in consultation with the Chairman of the Committee, had to be postponed due to the Chairman of Committee or other members being busy with some other engagements, etc.

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

unrealistic. The Committee, therefore, recommend that this aspect may be examined in detail and if found necessary, the guidelines may be amended accordingly.

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

2.56 The Committee note the reply of the Department that monitoring of the Schemes of the Department is done through the Area Officers scheme, National Level Monitors (NLMs) etc. They also note that at present Officers from the Central Ministry visit the districts to monitor the schemes and find out as to whether the schemes are being implemented as per the guidelines. The Committee find to some extent the same work of monitoring is done by the Vigilance & Monitoring Committees (V&MCs) at the District level. As of now, the Central team of monitors visiting districts do

not inform the Vigilance & Monitoring Committees (V&MCs) about their visit. The Committee desire that the Department should invariably inform the Vigilance & Monitoring Committees (V&MCs) and its Chairman and Vice Chairman about their visits to the Districts. Necessary changes in the guidelines be made and the Committee be apprised accordingly.

CHAPTER III

SCHEME-WISE ASSESSMENT OF DEMANDS FOR GRANTS (2010-2011) OF THE DEPARTMENT OF RURAL DEVELOPMENT

The Committee in this Chapter have analysed the Demands for Grants and performance of some of the major Central Sector and Centrally Sponsored Yojanas/Programmes/Schemes of the Department of Rural Development in the light of 2010-2011 BE as indicated under: -

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

(i) **Implementation of the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS)**

Objective

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

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

Coverage

3.3 The Act has been made applicable to areas notified by the Central Government. During 2006-07 *i.e.* the first year of implementation of NREGA, 2005 the scheme was implemented in 200 districts across the country, out of which 150 are those where the National Food For Work Programme (NFFWP) was in existence and 50 new Districts were identified by the Planning Commission for coverage under the NREGA. During 2007-08, an additional 130 districts were included to be covered in the second phase of the programme. From 2008-2009, the Act has been made applicable to all 619 districts of the country. As per the written information the NREGA is being implemented in all 619 rural districts of the country during 2010-2011. The NREGA was changed to be known as the MGNREGA from 2nd October, 2009.

Design shift in NREGA

3.4 The MGNREGA claimed to have a *paradigm* shift from the existing wage employment programme (WEPs). The primary difference between the earlier wage employment programmes and the MGNREGA is that NREGA is not a scheme but an Act passed by Parliament. In other words, the NREGA introduced a right's based framework, that provided a legal guarantee and it mandated time bound action to fulfill guarantee which hinges on an incentive structure for performance (Centre funds 96 per cent of costs of generating employment) and there is a concomitant Disincentive for non-performance (Unemployment allowance is a state liability). The MGNREGA ensures adequate resource support by making resource availability demand based and giving the demand a legal authority. Another critical factor built in the framework of MGNREGA is that the public delivery system has been made accountable, as it envisages an annual report on the outcomes of MGNREGA to be presented by the Central Government to the Parliament and to the Legislature by the State Government. The basic shift in the design and approach of MGNREGA from that of earlier wage employment programmes are as under:

- i. Demand driven as compared to supply driven approach in earlier programmes.
- ii. Statutory time bound provision for providing employment,
- iii. Shift from work that may lead to employment generation,

- iv. Compensation in the form of unemployment allowance,
- v. Greater focus on accountability and transparency etc.

Minimum 100 days of employment to be provided to each worker under MGNREGA

3.5 When asked about the implementation of the provision under the Act that a minimum of 100 days of employment is to be provided to each worker. The Secretary, Department of Rural Development during the course of oral evidence quoted the provision of the NREG Act and stated as under:

“not less than 100 days, for every household in the rural areas, whose adult members, by application, volunteered to do unskilled manual work....”

3.6 The Committee find that during 2009-10, total available funds under the MGNREG Scheme was Rs.39,376.78 crore and by utilizing these funds, as per the Department, only 51 days per household of employment on an average could be provided to the job seeking households. Therefore, it is found that under the existing available funds for MGNREGA ‘not less than 100 days’ of employment could not be provided during 2009-10. It is also found that only 48 days of employment was given by utilizing the entire funds for the scheme during 2008-09 and only 42 days of employment was given by utilizing the entire funds available for the scheme during 2007-08.

3.7 During the course of oral evidence, the Secretary of the Department also stated as under:

“... I would like to submit that it is not a fact that sufficient funds are not available for the MGNREGS. Since the scheme is implemented as per the Act, there is no limit for the budgetary demand. In the past years, several times we have obtained the funds for the MGNREGA through supplementary Demands for Grants whenever such demand arose.....”

3.8 When asked further about the reasons for the percentage of households provided 100 days employment during 2009-2010 under MGNREGA being only about 9 per cent, the Department has replied that Mahatma Gandhi NREGA is demand based. Number of days of employment provided per household under the Act depends upon the number of days of employment demanded which in turn depends upon the availability of other employment opportunities in an area. As per

reports available, out of 4.79 crore households provided employment, 46 lakh households have completed 100 days of employment up to February, 2010 in the current financial year which is 9.6 per cent of the total households provided employment. However, in Rajasthan, 19.9 per cent and in Andhra Pradesh, 17.3 per cent households have completed 100 days of employment during the said period.

3.9 The Committee note with concern that as against a minimum of 100 days of work that should be provided as per the MGNREG Act, the Department could only provide 51 days of work by utilizing all the available funds for the scheme in the year 2009-2010. They further find that during the previous years, the number of days of work provided under the Scheme was 48 days during 2008-09 and 42 days during 2007-08. Thus, even after utilizing the entire funds for the MGNREGS as provided in the Budget year after year, the Government have not been able to provide a minimum of 100 days of employment to the needy households who demanded work. The Committee, therefore, find that in order to achieve a minimum of 100 days of employment, either the allocation has to be increased substantially or the number of minimum days for which employment is required to be provided under MGNREGS is to be reduced. The Committee, therefore, desire that the ambiguity created in this regard be cleared at the earliest and the Committee

may also be kept apprised about the concrete action taken in this regard.

Delay in completion of work under MGNREGA

3.10 *Physical and financial performance of MGNREGA Scheme in last four years is as below:*

Sl. no.	NREGA	2006-2007 (for 200 districts)	2007-2008 (for 330 districts)	2008-2009 (for 615 districts)	2009-10 (for 619 districts upto Dec., 2009) Provisional
1.	Total allocation	Rs. 11,300 crore	Rs. 12,000 crore)	Rs. 30000 crore	Rs.39,100 crore
2.	Employment Demanded by households (yearwise)	2.12 crore	4.36 crore	4.55 crore	4.17 crore
3.	Employment Demanded by household (cumulative)	2.12 crore	6.48 crore	11.03 crore	15.20 crore
4.	Enhancement in number of districts	-	130 districts (35%) during 2007-08 and about 270 districts (81.81%) more during 2008-09	285 more districts (86.36 %)	NIL
5.	Percentage enhancement in allocation	-	6.1% hike over 2006-07 allocation in 2007-08 and 33.33% hike over 2007-08 allocation in 2008-09	Rs. 18000 crore more (150 % more)	2.56%
6.	Employment provided to households	2.10 Crore	3.39 Crore	4.51 crore	4.15 crore
7.	Mandays				
8.	SC	22.95 (25.35%)	39.36 (27%)	63.36(29%)	57.41 (30%)
9.	ST	32.98 (36.44%)	42.07 (29%)	55.02(25%)	41.48 (22%)
10.	Women	36.79 (40.65%)	61.15(43%)	103.57(48%)	95.56(50%)
11.	Others	34.56 (38.18%)	62.16 (43%)	97.95(45%)	92.28(46%)
12.	TOTAL (In crore)	90.50	143.53	216.33	191.17
13.	Total available fund (including O.B. for current year)	Rs. 12073.55 Crore	19305.81 Crore	37397.06 crore	39376.78 crore
14.	Expenditure	8823.35 Crore	15856.89 Crore	27250.10 crore	29486.84 crore
15.	Unspent balance	3250.20 Cr (26.92%)	5976.29 Crore (30.95%)	10146.96 (27.13 %)	9,889.94 (25.12%)
16.	Works in progress	4.48 lakhs	9.66 lakhs	15.60 lakh	20.71 lakh
17.	Works completed	3.87 lakhs	8.22 lakhs	12.14 lakh	12.97 lakh
18.	TOTAL WORKS TAKEN-UP	8.35 lakhs	17.88 lakhs	27.75 lakh	33.69 lakh
19.	Persons per House Hold	-	42 days	48 days	46 days

3.11 As per the reply, during 2009-2010, the total works undertaken under the MGNREGA were 33.69 lakhs and the works completed were 12.97 lakhs (39.5 per cent of the total works under taken). The Committee were informed that the reasons for delay in completion of works under MGNREGA for the remaining 61.5 per cent works taken up during 2009-10 were that works are undertaken to provide wage employment to the rural households as and when required, based on the size of employment demand. Normally, a work takes 2 to 4 months time to complete. Any work taken up during the intervening period of the financial year remains incomplete during the financial year in which it was started and the work gets completed only during the next financial year. Majority of works are generally required to be started during the peak demand season which starts from November and continues upto May. Because of this reason, large number of works remain incomplete at the close of the financial year and get spilled over to the next year.

3.12 When asked as to whether all the aforesaid remaining works (of 61.5 per cent) were started just two to four months before the end of financial year 2009-10, and are hence incomplete, the Department has replied that under MGNREGA, a job seeker has to be provided employment within 15 days from the date of demanding work. As per *para* 13 of Schedule-II of the Act, a new work shall be commenced if atleast 10 labourers become available for such work and the labourers cannot be absorbed in the ongoing works. Employment under MGNREGA is a continuous process. As per reports available from the State Governments, during 2009-10 (up to February,10), out of 40.98 lakh works taken up, 16.37 lakh works (40%) had been completed.

3.13 The Committee are surprised to find that out of 40.98 lakh works undertaken during 2009-2010 [upto February, 2010] under MGNREGA, the implementing agencies could complete merely 40 per cent works. Regarding high percentage of incomplete works, the Department has furnished a vague reply by stating that a work takes 2 to 4 months to complete. According to the Department,

generally, peak demand season under MGNREGS starts from November and ends in May. On the one hand, of the 28.90 per cent of the total available funds under MGNREGA, has been stated to be available as on 31.12.2009, with the implementing agencies, that are more often released very late and at the fag end of the year. On the other hand, the Committee find that the completed better physical performance of MGNREGA is never found during April and May. When such facts are pointed out on account of availability of unspent balances, the Department advances the excuse that the scheme is demand driven and the works pick up after November. The Committee are of the opinion that the Department is not implementing the scheme in the right spirit. The Committee would like the Department to work out a strategy urgently so that works once commenced are executed properly in order to make MGNREGA actually demand oriented.

3.14 When asked about the initiative taken by the Department of Rural Development for completing all the works reported as incomplete during 2007-08, 2008-09 and 2009-10 under MGNREGA, the Department has replied that the Ministry has directed the State Governments to deploy dedicated technical personnel with the implementing agencies so that timely measurements of the works can be done. For deployment of the dedicated staff, Government has enhanced the administrative expenses under the Act from 4 per cent to 6 per cent with effect from 1.4.2009. Performance of all the States is regularly monitored through PRC meetings, State specific reviews, visits by National level Monitors and Central Council members.

State, district and village level Vigilance and Monitoring Committees are also set up for regular monitoring of the works. Operational Guidelines provide for 100 per cent inspection of works at block level, 10 per cent at district level and 2 per cent at the State level. When asked about the actual performance of inspection made in this regard at each level (block, district and state) in each State and Union territory during 2008-09 and 2009-10, the Department has replied that State-wise status of inspections of works conducted during 2008-09 at the district level was 14.96 percent (415058/ 2774660) and at the block level, the same was 80.80 percent (2241873/ 2774660). The status of inspections of works conducted during 2009-10 at the district level was 9.43 per cent (386610/ 4098384) and at the block level the same was 75.04 per cent (3075640/ 4098384). The Committee find that not even a single work has been inspected at the State Level during 2008-09 and 2009-10 as stipulated under the Operational Guide lines of the Act. Both at the district level, the inspection has reduced from 14.96 per cent to 9.43 per cent and at the block level, the inspection has reduced from 80.8 per cent to 75.04 per cent.

3.15 When asked as to whether all the State Governments and Union territories have a ready-made list of such dedicated technical personnel, the Department replied that all State Governments and Union territories are required to appoint dedicated technical personnel at district and block level for implementation of MGNREGA. Such technical personnel are to be appointed by the concerned State Governments/Union territories and they are paid out of the 6 per cent administrative expenses.

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

Year	Job cards issued cumulative since inception	Employment demanded	(in crore households)
			Employment provided
2006-2007	3.78	2.12	2.10
2007-2008	6.48	3.43	3.39
2008-2009	10.01	4.55	4.51
2009-2010	10.91	3.68	3.68
2010-2011	11.52	NA	NA

3.16 The Committee are constrained to note that the inspection of works taken up under MGNREGA has not been as per the stipulation in this regard. The operational guidelines of the scheme provides for 100 per cent inspection of works at block level, 10 percent at district level and 2 per cent at the State level. As against this, the Committee find that the percentage of works inspected at block level which was 80.8 per cent during 2008-09 has fallen to 75.04 per cent during 2009-10. Similarly, the percentage of works inspected at district level came down from 14.96 per cent in 2008-09 to 9.43 per cent in 2009-10. What is more disturbing is the fact that not even a single work has been inspected at the State level during 2008-09 and 2009-10. The Committee disapprove of this practice that the works under MGNREGA are not being inspected at various levels in accordance with the stipulations. They, therefore, recommend that the operational guidelines in this regard should be strictly followed so that the impact of the Scheme could be closely monitored.

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

3.18 Mahatma Gandhi NREGA: National Overview

Regarding MGNREGA's implementation in the country, the Committee were informed as below:

	(FY 2006-07) 200 Districts	(FY 2007-08) 330 Districts	(FY 2008-09) 615 Districts	(FY 2009-10) upto Feb, 10 (provisional) 619 Districts
Employment provided to households:	2.10 Crore	3.39 Crore	4.51 Crore	4.79 Crore
PERSONDAYS [in Crore]				
Total:	90.5	143.59	216.32	244.74
SCs:	22.95 [25%]	39.36 [27%]	63.36 [29%]	73.59 [30%]
STs:	32.98 [36%]	42.07 [29%]	55.02 [25%]	52.33 [21%]
Women:	36.79 [41%]	61.15 [43%]	103.57 [48%]	117.95 [48%]
Others:	34.56 [38%]	62.16 [43%]	97.95 [45%]	118.81 [48%]
Average personday per household	43 Days	42 Days	48 Days	51 days
FINANCIAL DETAIL				
Budget Outlay (In Rs Crore):	11300	12000	30000	39100
Central Release (In Rs Crore):	8640.85	12610.39	29939.60	31306.31
Total available fund [including OB]: In Rs. Crore.	12073.55	19,305.81	37397.06	46502.52
Expenditure (In Rs. Crore.)	8823.35	15856.89	27250.10	31490.79
Average wage per day	Rs. 65	Rs. 75	Rs. 84	Rs. 89
Average cost per day	Rs. 97	Rs. 110	Rs. 126	Rs. 130
WORKS DETAIL				
Total works taken up (In Lakhs):	8.35	17.88	27.75	39.95
Works completed:	3.87	8.22	12.14	16.20
Water conservation:	4.51 [54%]	8.73 [49 %]	12.79 [46%]	20.34 [51%]
Provision of Irrigation facility to land owned by SC/ST/ BPL/ S & MF and IAY beneficiaries:	0.81 [10%]	2.63 [15 %]	5.67 [20%]	6.49 [16%]
Rural Connectivity:	1.80 [21%]	3.08 [17 %]	5.03 [18%]	6.64 [17%]
Land Development:	0.89 [11%]	2.88 [16%]	3.98 [15%]	5.63 [14%]
Any other activity:	0.34 [4%]	0.56 [3%]	0.28 [1%]	0.85 [2%]

MGNREGA: Positive Trends & Findings

Regarding positive trends and findings of the MGNREGA during 2009-10, the Committee were informed as below:

Increase in Agriculture Minimum Wages and wage earned per day and annual income. (Source: IIM Lucknow, NDUAT Faizabad) Bargaining power of labour has increased; Earnings per HH has increased from Rs 2795 in 2006-'07 to Rs 3150 in 2007-'08 to Rs 4060 in 2008-'09. 70% Expenditure is on wages; Distress migration reduced in many parts (Source: Disha, NFIW, IHD, CSE); "Green Jobs" created as 70% works relate to water conservation, drought-proofing, plantation & afforestation; NREGA is used as a supplementary income source in non-agricultural seasons (Source: IIM Ahmedabad); Productivity effects of NREGA reported; Improvement in ground water (Source: ASCI, IHD); Improved agricultural productivity & cropping intensity (Source: ASCI, IIT Roorkee); Livelihood diversification in rural areas

(Source: IIM Shillong, CSE, IHD); Reduction in water vulnerability index, agriculture vulnerability, livelihood vulnerability index (Source: IISc) have been taken by the Department.

MGNREGA: Constraints

Regarding constraints in the implementation of MGNREGA, the Committee were informed as below:

Lack of awareness among workers; Inadequate infrastructure and human resource at GP level; Inadequate deployment of personnel leading to non maintenance of records, delayed measurement, affecting quality of assets; Delayed payment of wages, and; Weak grievance redressal system have been taken by the Department.

Initiatives to strengthen MGNREGA implementation

3.21 Regarding Initiatives for MGNREGA implementation during 2009-10, the Committee were informed as below:

Initiatives like enhancement of administrative limit from 4% to 6% deployment of dedicated staff; for better supervision and administration, social audit, grievance redressal; and ICT infrastructure; Gram Rozgar Sahayak (GRS): One per GP; Technical Assistants (One for every 5 GPs); Programme Officer (One per block); Computer Assistant (atleast one per block); Grievance redressal and social audit cells at Block,distt/State level; State Cell; Monitoring Mechanisms; Internal Monitoring: MIS, Area Officers , Reviews; External Monitoring: Central Employment Guarantee Council:, NLM, Media and New Scheme of eminent citizens have been taken by the Department.

Initiatives to strengthen MGNREGA implementation

3.22 Regarding Initiatives to strengthen MGNREGA implementation during 2009-10, the Committee were informed as below:

Initiatives like wage payment through accounts in Banks/Post Offices have been made mandatory; 8.8 crore accounts (out of 10.91 crore job cardholders); District level independent Ombudsman being set up for grievance redressal; Toll free National Helpline set up. States have also been asked to set up similar helplines at State level; Focus on agriculture productivity; Permitting works on land of Small Farmers/Marginal Farmers; Convergence with other agriculture scheme; Permitting BNRGSK as block /village resource centre for ICT enabled citizen-centric implementation of MGNREGA as well as strengthening physical infrastructure of Gram Panchayat have been taken by the Department.

3.23 The Committee note from the reply of the Department that in one of the studies made by IIM Lucknow and NDUAT Faizabad on NREGA, it has been found that there is an increase in Minimum Wages for agricultural labourer and wage earned per day and the annual income. Further as per the said survey, the bargaining power of labour is stated to have been increased. Similarly, the earnings per household has reportedly been increased from Rs.2795 in 2006-07 to Rs.4060 in 2008-09. The Committee would like the Department to initiate a study to find out the extent to which the availability of agricultural labour has been affected because of NREGA and apprise the Committee accordingly.

(ii) Pradhan Mantri Gram Sadak Yojana (PMGSY)

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

Objective of the Yojana

3.25 The targets of PMGSY were revised, during 2005-2006 to connect all habitations having a population of 1000 and above, and in hilly, tribal and desert areas habitations having a population of 500 or more by 2009. The remaining habitations are proposed to be taken up thereafter. Funds requirement for implementing the targets under Bharat Nirman Phase I were estimated at 2003-04 prices and were expected to be implemented up to 2008-09 that as firmly tied up so as to ensure timely completion of the works sanctioned.

Inadequate funding for PMGSY

3.26 The Department has submitted in their outcome Budget ,during 2010-2011, it is proposed to provide all weather road connectivity to 11,000 habitations under Bharat Nirman with 35,000 km. of the new connectivity road length. In addition, 27,500 km. of existing rural roads is proposed to be upgraded for improving farm to market connectivity. When asked as to how the Department would achieve these targets, the Department has stated in its reply that there is going to be a shortfall of Rs.8,000 crore loan from NABARD for PMGSY scheme this year. But, due to this shortfall the Department is not in a position to achieve these targets for the year 2010-2011.

3.27 When asked whether the Department has taken up the matter of reduction in funds at appropriate level of the Central Government, the Department has replied that it has taken up the matter with Planning Commission and apprised them about the requirement of funds for the programme for the remaining years of the 11th Five Year Plan and also about the overall requirement to achieve the target of PMGSY with request to increase the plan allocation for the remaining years of 11th Five Year

Plan. Meetings have also been held under the chairmanship of a Member, Planning Commission to address the issue.

3.28 Rural road connectivity is quite an important part of the development of rural areas. Further, the Department has also replied that the Department is serious about achievement of set targets under PMGSY. The programme requires a large amount of funds for achieving the target and the government has created some sources of funds for the programme. These sources are not enough to meet the requirement and hence the Department in consultation with the Planning Commission is trying to explore other avenues to fund the programme.

3.29 While specifying the action that would be taken by the Department to stop the repeat of partial/inadequate funding of the PMGSY in the coming years, the Department has replied that they have taken several steps to increase the funding for the programme. These include:

- (a) Loan of US \$1.15 billion from the Asian Development Bank and US\$400 million from the World Bank has been negotiated and is being availed.
- (b) Negotiations are going on for further loan from these institutions.
- (c) A special window has been created under RIDF of NABARD for PMGSY and Loan of Rs. 18,500 crore has been taken it. The servicing of these loans would be done through future accruals of the share of cess on High Speed Diesel (HSD) earmarked for rural roads.
- (d) Planning Commission has been requested to increase the plan assistance for the programme or indicate the alternative avenues for financing the programme. Some of the alternatives suggested are:
 - I. Increase in Cess allocation.
 - II. Long term securitization of Cess.
 - III. Additional Loan from World Bank and ADB.
 - IV. Floating of Rural Roads Bonds.
 - V. Share for Rural Roads in recently announced Infrastructure Bonds with additional Income Tax exemption.

3.30 **Status of Road Network in India**

Regarding Status of Road Network in India, the Committee were informed as below:

Total length of road network in India : 33 Lakh km; National Highways: 70,748 Km (2.14%); State Highways & Major District Roads: 5,99,662 Km (18.2%); Rural Roads: 26.5 Lakh Km (80.3%); 80 % of Rural Roads unsurfaced; 3.42 Lakh habitations (39%) out of 8.88 Lakh rural habitations lacked all-weather connectivity in the year 2000.

3.31 **PMGSY (Including Bharat Nirman) Status**

Regarding PMGSY (Including Bharat Nirman) Status, the Committee were informed as below:

Activity	Total Eligible	Projects cleared	Completed upto Jan 2010	Balance
Habitations (in Nos.)	1,36,464 (net)	1,05,332 (77%)	66,380 of eligible (49%) of sanctioned (63%)	To clear – 31,132 To connect – 70,084
New Connectivity (km.)	3,65,094	2,43,501 (66%)	1,63,309 of eligible (45%) of sanctioned (67%)	To clear –1,21,593 To connect – 2,01,785
Upgradation (km.)	3,68,000	1,61,226 (44%)	93,272 of eligible (25%) of sanctioned (58%)	To clear –2,06,774 To connect – 2,74,728

Status : Bharat Nirman (Rural Connectivity)

3.32 Regarding Bharat Nirman Status with regard to the Rural Connectivity, the Committee were informed as below:

Item		Target (2005-09)	Cleared	Achievement up to Jan, 10
New Connectivity	Habitations	54,648	53,911(99%)	34,319 (63%)
	Length	1,46,185	1,36,185(93%)	1,01,240 (69%)
Upgradation	UG	1,16,478	1,18,409	67,129
	Renewal	77,653	-	1,19,470
	Total	1,94,131	-	1,86,599

Physical target and achievements

	2007-08		2008-09		2009-10	
	Target	Achievem	Target	Achievement	Target	*Achievement
Length (in KMs)	55,020	41,231	64,440	52,644.62	55,000	34,377
Habitations (Nos)	14,015	11,336	18,100	14,876	13,000	2,464

* (upto December, 2009)

3.33 When asked about the non-achievement of the set target, for connecting the habitations and building the roads during 2009-2010 as mentioned in the above table, the Department has replied that till February, 2010, under PMGSY 4,955 habitations have been provided connectivity against the target of 13,000. The length of road works completed during this period is 48,921 km against a target of 55,000 km indicating that due to incomplete last mile connectivity, a habitation cannot be treated as connected, till length is completed. It is evident from the replies of the Ministry that because of not providing a last mile connectivity of around 7,700 kms, the 8,045 habitations have still not been connected.

3.34 *When asked about the* major hindrances in connecting the habitations in their last leg, the Department responded that the major hindrances in connecting the last leg connectivity, in brief, are as under:-

- (i) More time is required for construction of Cross Drainage Works, wherever needed.
- (ii) More time is also required for construction of medium and long span bridges, wherever needed.
- (iii) Non-availability of land for part of road length due to litigation etc.
- (iv) Contract being terminated or rescinded as per the condition of the contract.
- (v) Non timely availability of some of the construction materials like bitumen in peak working season, aggregates when the quarries are flooded, earth for embankment construction when the area is flooded or cultivated.

3.35 When asked to specify the last mile connectivity which is proving to be such a big factor against timely completion of works, the Department responded that the in addition to the reasons indicated from (a) to (e) unless the complete portion of the

road length leading to a habitation is complete, the habitation cannot be treated as connected, even though some parts of the road length is complete.

3.36 When asked about the breakup of these remaining unconnected 8,045 habitations in respect of all the States and UTs, the Department replied that the detail breakup of the remaining unconnected habitation of all states have been given in the **Appendix-III.**

3.37 When asked as to whether the Department would be able to achieve the aforesaid target, the Department has replied that it is expected that the achievement in 2009-10 will be somewhat less than the target set earlier.

3.38 The Committee find that under the Bharat Nirman - I the financial achievement of PMGSY was not at all satisfactory till 2009-2010 as Rs.13896.17 crore were released upto January 2010 against the allocation of Rs.17840 crore. They also find that the physical performance of PMGSY under Bharat Nirman – I has also not been satisfactory till 2009-10. For example, regarding habitations under new connectivity, the Department could achieve 63 per cent of the targets, regarding length of new connectivity, the Department could achieve 69 per cent of the target. Further, for upgradation, against the target of 116478 habitations, only 67129 habitations have been achieved till end January, 2010. The Committee apprehend that with the pace of implementation of PMGSY, the Department may not be able to achieve the goal of Bharat Nirman – I in near future. They, therefore, recommend that immediate corrective steps be

initiated by the Government in this regard and the Committee be apprised accordingly.

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

E-Procurement

3.40 The Ministry has submitted in their Outcome Budget 2010-11 that e-procurement has started only in 7 States *i.e.* Andhra Pradesh, Assam, Gujarat, Haryana, Orissa, Karnataka, and Madhya Pradesh. Further, the Ministry of Rural Development has decided to provide assistance to 11 States for rolling out e-procurement of PMGSY projects with the technical support of NIC during 2009-10 and the remaining States would be covered in 2010-11.

3.41 On the issue of e-procurement, the Department has informed that State of Orissa, who have implemented electronic procurement have carried out impact assessment study and have reported that the participation of bidders from other States has increased in that State. There has been better response to the tenders leading to competitive prices, which has enabled savings in the project implementation cost. The electronic tendering has been found to be highly cost effective.

3.42 The Committee has asked the Department whether the outside contractors who are bidding now are aware of local conditions, have operational set up in that State and also outside bidders can provide better five year compulsory maintenance to PMGSY roads after their construction and also for informing about the impact of e-procurement process on the road works under PMGSY road works taken up so far, State and Union territory wise, the Department has replied that the implementation of projects under the programme is the responsibility of the State Governments and procurement being a matter related to execution of works is independently handled by the concerned States. The contractor who has been awarded the contract to construct the road is required to maintain the road for five years. At present no assessment of relative performance of outside bidders *vis-a-vis* local contractor has been made. Assessment of impact of e-procurement on the process of road works except for Orissa has not been done as it is a relatively a new concept in most of the States.

3.43 The Committee were informed that the finding of impact assessment study made in the State of Orissa, there is a chance in the e-procurement system through which the big contractors outside the State are benefited by the process. The small and local contractors get very few work. The Department replied that under the

bidding document prescribed for PMGSY, requirements for qualification have been laid down and the contractors who fulfill qualification criteria are free to take part in bidding process. The tendering process is completed as per rules of the State Governments in this regard. The fixation of certain percentage of works to be given to the small contractors under PMGSY has not yet been done.

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

(iii) Swarnjayanti Gram Swarozgar Yojana (SGSY)

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

Funding Pattern

As provided in the Scheme, the funding pattern is:

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

Objective

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

Subsidy to individuals and Self Help Groups (SHGs)

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

Subsidy for Individuals

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

Subsidy for Self Help Groups (SHGs)

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

Implementation

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

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

Financial Performance of SGSY since 2007-2008

(Rs. in crore)

Year	Opening Balance As on 1 st April	Central Allocation (subsidy to DRDAs)	State Allocation	Total Funds Available	Utilization	%age of utilization	Total Credit Target	Total Credit Disbursed	Credit Disbursed In % age
2007-08	302.58	1702.24	566.58	2394.17	1965.97	82.12	3743.55	2760.30	73.73
2008-09	439.14	2020	623.44	2981.25	2198.08	73.73	3929.80	3343.04	85.07
2009-10	800.05	2051	637.12	3138.93	2119.20	67.51	4443.91 to 9243.36	3505.37	79.1
2010-11	-	2984*	736.46						

* Including Rs. 100 crore for the 'Mahila Kishan Sashaktikaran Pariyojana', a sub-component under the proposed NRLM.

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

Physical Performance of SGSY since 2007-2008

Year	Progress/Timeliness	Achievement/Outcome
	(Quarterly targets)	(Quarterly achievement)
2007-2008	SHGs to be assisted (in lakh)	SHGs assisted (in lakh)
	First - 0.17	First - 0.14
	Second - 0.23	Second - 0.45
	Third - 0.35	Third - 0.39
	Fourth - 0.40	Fourth - 0.83
	Swarozgaris to be assisted	Swarozgaris assisted
	First - 2.45	First - 1.69
	Second - 3.27	Second - 4.88
	Third - 4.90	Third - 4.28
	Fourth - 5.74	Fourth - 6.14

2008-2009	SHGs to be assisted (in lakh) First - 0.21 Second - 0.28 Third - 0.41 Fourth - 0.48 Swarozgaris to be assisted First - 2.64 Second - 3.52 Third - 5.29 Fourth - 6.17	SHGs assisted (in lakh) First - 0.12 Second - 0.25 Third - 0.30 Fourth - 0.48 Swarozgaris assisted First - 2.17 Second - 4.04 Third - 4.62 Fourth - 7.79
2009-2010	No. of SHGs to be assisted : 1.55 lakh new SHGs Swarozgaris to be assisted : 18.22 lakh SHGs to be assisted (in lakh) First - 0.23 Second - 0.31 Third - 0.47 Fourth - 0.54 Swarozgaris to be assisted First - 2.73 Second - 3.64 Third - 5.47 Fourth - 6.38	SHGs assisted (in lakh) First - 0.13 Second - 0.28 Third - 0.24 Fourth - N.A Swarozgaris assisted First - 3.07 Second - 3.24 Third - 5.34 Fourth - N.A.
2010-2011	No. of SHGs to be assisted : 1.85 lakh new SHGs Swarozgaris to be assisted : 21.77 lakh	

3.54 The utilization of funds under SGSY, over the last three financial years is 82.12 per cent, 73.73 per cent and 67.51 per cent upto February 2010 respectively.

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

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

(Rupees in lakh)

	Opening balance	Central allocation	State allocation	Total allocation	Central releases	State releases	Misc. receipts	Total funds available	Utilisation	%age of utilisation	Total credit target	Total credit target disbursed	%age of credit disbursed
2007-2008	302.58	1702.24	566.58	2268.82	1697.70	475.69	75.62	2394.17	1965.97	82.12	3743.55	2760.31	73.73
2008-2009	438.80	2020	623.44	2643.44	1989.60	542.56	32.08	3003.05	2285.39	76.10	3929.80	3530.06	89.85
2009-2010	800.05	2051	637.12	2688.6	1817.65	437.89	35.29	31368.93	2119.20	67.51	4443.91	2427.37	54.62

Restructuring of SGSY as National Rural Livelihood Mission (NRLM)

3.56 The Department has submitted in their outcome Budget that SGSY is being structured as National Rural Livelihood Mission (NRLM) for target based time bound delivery of results. It is proposed to aim for universal mobilization of the rural poor into the SHGs network, opening of their bank accounts and facilitating their credit linkage with financial institutions. It is also proposed to provide for inducting professionals at the Centre and the States and for additional field level manpower for better implementation.

3.57 Regarding the modalities and details about the restructuring of SGSY and also for specifying how this is going to help in the better implementation of SGSY, the Department has stated in their replies that the Ministry is proposing to re-structure SGSY and rename it as National Rural Livelihoods Mission (NRLM). Proposals of NRLM is design based on learning from successful models of rural livelihood programme like Kudumbashree (Kerala), Indira Kranthi Patham (Andhra Pradesh), Jeevika (Bihar) etc. NRLM envisions a shift in focus from allocation based strategy to a demand driven strategy, from purely self employment to self employment & skilled wage employment. It will also lay stress on empowering people owned institutions with the aim that these institutions would ultimately take over the government functions through last mile delivery of services in rural areas and participate in rural power structure. The main features of NRLM are as follows:

3.58 Universal Social Mobilization and Financial Inclusion and formation of People's Institutions: This will ensure that at least one member from each rural BPL household, preferably a woman of the household, is brought under the Self Help Group (SHG) net over the next five years (2010-15), they are made financially literate and the SHGs are further federated at various levels and play an effective role in reducing the dependence of the rural poor on government and other external agencies. The SHG Federation will be strengthened and are expected ultimately to be prime movers of rural development. The SHGs/ federations are also expected to gradually take over all functions under MGNREGS and other anti-poverty programmes at the ground level.

3.59 Training and Capacity building for Self Employment: Training and Capacity building along with sustained handholding would be critical components of NRLM with the aim of ensuring enhanced credit mobilisation for the rural poor. Changes in training methodologies will be introduced and people's institutions like VOs, Community Based Organisations (CBO) etc. will be involved in training of SHGs.

3.60 Package of Economic Assistance under NRLM will include (a) Revolving Fund (RF) assistance to help the SHGs to supplement their group corpus and acts as an incentive to inculcate the habit of thrift and credit and also to meet their immediate consumption needs without getting into the trap of money lenders, (b) Capital subsidy linked to credit to enable the rural poor to take up income generating activities by ensuring the viability of their micro-enterprises and level playing field for them and (c) interest subsidy for make available credit at affordable rates to the rural poor.

3.61 Convergence with various programmes including World Bank aided rural livelihood programmes in States and developing partnerships with people's initiatives for synergies and maximizing livelihoods opportunities and larger role for the SHGs and their federations so that they may function as effective agents for the implementation of the government and the Panchayat programmes and for providing assistance to banking institutions, Public Distribution System, child welfare programmes etc.

3.62 Upscaling Skill Development and Placement for Wage Employment using public-private partnership: It is expected that the Mission will be able to source the understanding of the private sector of the labour market behaviour, the requirement of relevant skills and the demand for those skills and the skill upgradation.

3.63 Improved monitoring and evaluation through a comprehensive and robust MIS, social audits and baseline and concurrent evaluations.

3.64 Under NRLM it is proposed to set up professionally competent and dedicated umbrella organizations at the National and State levels and also professionalise the implementation machinery at the district and sub-district levels through induction of domain experts for managing and supporting all the activities of NRLM.

3.65 Through all these initiatives it is expected that NRLM will be more professionally implemented and result in better social mobilisation of the poor and enhanced credit mobilisation.

3.66 The Department has replied that the Note for CCEA had been sent to the Cabinet Secretariat for placing before the CCEA for their approval. The Note has been returned by the Cabinet Secretariat for sorting out certain issues with Ministry of Finance. This Ministry is in process of doing the same.

3.67 Regarding various issues that have been raised by the Cabinet Secretariat while returning the note submitted by the Department of Rural Development and the time upto which it would be finalized, the Department has replied that the Cabinet Secretariat has returned the Note for CCEA with the comments '.....in view of the differences between the Department of Rural Development and Ministry of Finance , efforts may be made to sort out these in the first instance.' In this regard it is mentioned that the EFC while considering the proposals for NRLM in its meeting held on 22.5.09 had approved some financial norms for NRLM. Subsequent to this the new Government had taken over at the Centre and a need was felt for wider consultations with States & experts before finalising the proposals for NRLM. Accordingly, a Task Force was constituted for additional professional inputs and a conference of State Ministers of Rural Development & Panchayati Raj on Rural Employment Generation was held in September, 2009 to solicit, inter alia, the views of the State Governments on the proposed features of NRLM. As a result of these two consultations/deliberations, certain changes in the norms were proposed under NRLM which were at higher rates as those compared to the norms approved by the EFC and these revised norms proposed in the Note for CCEA. The Ministry of Finance vide its comments on the draft note for CCEA had stated that 'The enhanced norms are therefore not supported. The proposal may be restricted to the norms appraised and recommended by the EFC.' The Ministry has taken up the issue with Ministry of Finance. Further action will depend upon the response of Ministry of Finance. It will be the effort of the Ministry to finalize the note for CCEA of NRLM as early as possible.

3.68 As per the written reply, the note for CCEA regarding restructuring of SGSY is stated to have been returned by the Cabinet Secretariat for sorting out certain issues with Ministry of Finance.

3.69 When asked about the issues raised by the Cabinet Secretariat while returning the note submitted by your Department and also by when it would be finalized, then the Department replied that the Cabinet Secretariat has returned the Note for CCEA with the comments '.....in view of the differences between the Department of Rural Development and Ministry of Finance , efforts may be made to sort out these in the first instance.' In this regard it is mentioned that the EFC while considering the proposals for for NRLM in its meeting held on 22.5.09 had approved some financial norms for NRLM. Subsequent to this the new Government had taken over at the Centre and a need was felt for wider consultations with states & experts before finalising the proposals for NRLM. Accordingly, a Task Force was constituted for additional professional inputs and a conference of State Ministers of Rural Development & Panchayati Raj on Rural Employment Generation was held in September, 2009 to solicit, inter alia, the views of the State Governments on the proposed features of NRLM. As a result of these two consultations/deliberations, certain changes were in the norms proposed under NRLM which were at higher rates as those compared to the norms approved by the EFC and these revised norms proposed in the Note for CCEA. The Ministry of Finance vide its comments on the draft note for CCEA had stated that 'The enhanced norms are therefore not supported. The proposal *may be restricted to the norms appraised and recommended by the EFC.*'

3.70 The Ministry has taken up the issue with Ministry of Finance. Further action will depend upon the response of Ministry of Finance. It will be the effort of the Ministry to finalize the note for CCEA of NRLM as early as possible.

Regarding Swarnjayanti Gram Swarozgar Yojana (SGSY) vis-à-vis National Rural Livelihoods Mission (NRLM) status the Committee were informed as below:

3.71 SGSY was launched on *1st April, 1999* as a holistic programme covering all aspects of self-employment. The main objective is to bring rural BPL families above the poverty line by ensuring appreciable increase in income on a sustainable basis.

Deliverables	2008-2009	2009-2010 (Feb'10)	2010-2011 (target)
No. of SHGs formed (lakh)	5.63	3.43	No target
Economically Assisted SHGs (lakh)	1.14	1.07	1.85
Total Swarozgaris Assisted (lakh) & % achievement against target	18.61 (106%)	15.20(83%)	21.77
Number of SC/ST Swarozgaris (lakh) & % achievement against the norm of 50%	8.75 (47%)	10.11 (67%)	10.88
Number of Women Swarozgaris (lakh) & % achievement against the norm of 40%	12.06 (65%)	10.29 (68%)	8.77
No. of Minorities Swarozgaris (lakh) & % achievement against target	2.75 (100%)	1.75 (64%)	3.26
Total Central Release in crore (%age against central allocation)	2337.89 (100%)	1994.94 (85%)	2984 (Central Allocation)
Total Subsidy Disbursed	1742.27	1529.31	-----
Total Credit Disbursed (%against target)	3530.07 (90%)	3444.39 (78%)	To be worked out

3.72 The SGSY is being restructured as [NRLM](#) in order to remove the inherent weaknesses of the existing programme as highlighted in various studies, recommendations of various committees/task forces and difficulties experienced during implementation.

Major strategic shifts under proposed NRLM are as follows:

3.73 Shift in focus from allocation based strategy to a demand driven strategy for allowing states flexibility to design their own action plans for poverty reduction.

3.74 Empowering people owned institutions (SHGs and their federations) with the aim that these institutions would ultimately be the prime movers of rural development by

(a) taking over the government functions through last mile delivery of services in rural areas including functions under MGNREGS and other anti-poverty programmes.

(b) acting as subordinate banking institutions for making available easy credit to rural poor.

National Rural Livelihoods Mission (NRLM) vis-à-vis SGSY

3.75 Revised Economic Package including enhanced rates of Revolving Fund assistance and capital subsidy for taking up income generating activities and introduction of interest subsidy for providing credit at low rate of interest to rural poor.

3.76 Professionalisation of the implementing agencies at all levels through induction of experts from various fields for better programme implementation.

3.77 Better investment in Capacity building & training for making beneficiaries credit worthy, creating a pool of multi-functional service providers at GP level and sensitisation of all stakeholders.

3.78 Shift in focus from purely self employment to self and wage employment through upscaling Skill Development and Placement using public-private partnership for tapping Wage Employment opportunities in private sector.

3.79 Budget requirement

Regarding budget requirement status, the Committee were informed as below:

Total allocation for 11th Plan for SGSY – Rs. 17803 crore; Total allocation in the 1st 3 yrs of 11th Plan – Rs. 6500 crore; Balance for last two yrs of 11th Plan – Rs. 11303 crore; Allocation for 2010-11 – Rs. 2984 crore; Balance remaining – Rs. 8319 crore; A demand for about Rs. 8000 crore had been raised for SGSY as NRLM is likely to be implemented from next Financial Year. Once NRLM is approved, Ministry will raise demand for additional funds.

3.80 The Committee find that the unspent balance under SGSY as on 31.12.2009 is stated to be more than 43 per cent of the available funds which gives the impression that the implementing agencies have enough amount of funds with them. The Committee also note that the financial performance of SGSY was not satisfactory as only 82 per cent of the available funds during 2007-08 were utilized that came down to 73 per cent in 2008-09 and to 67 per cent in 2009-10. The Committee find that the SGSY scheme is being replaced by the National Rural Livelihood Mission. The SGSY Scheme was launched in 1999 with certain aims and objectives. The Committee would like to know how far the said SGSY has achieved its objectives in the last decade. The Committee would also like to know the reasons for the restructuring the SGSY. They further note that initially the SGSY also was restructured from the IRDP because of the failure of the said scheme. It cannot be said with certainty that NRLM will not have the same fate as that of the IRDP and SGSY simply by changing the name. Therefore, before venturing on the restructuring and renaming the Scheme, the reasons for failure be properly studied and found out. All States, Union territories and the stakeholders may be consulted before the NRLM is implemented in a large scale throughout the country.

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

3.82 The funds allocation for SGSY in the Eleventh Five Year Plan is as follows:

Financial achievement of SGSY in the 11th Five Year Plan

Year	Central Allocation (RE)	Central Release	% Release	Credit mobilization		
				Target	Achievement	%age
1	2	3	4	5	6	7
11th Plan						
2007-08	1800	1697.70	94.32	3743.55	2760.31	73.73
2008-09	2350	2337.89	99.48	3929.80	3530.07	89.83
2009-10 (up to Dec,09)	2350	1761.59	74.96	4443.91	2427.37	54.62
2010-11	2984	-	-	-	-	-

3.83 The reasons forwarded by the Ministry for low credit mobilisation are as follows:-

- (i) Limited outreach of Banks in rural areas leading to
 - (a) Unbanked blocks
 - (b) Single man Bank Branches
- (ii) Low awareness & motivation about the programme among the Bankers.
- (iii) Swarozgaris not perceived as credit worthy targets by Banks.
- (iv) Insufficient training & capacity building of swarozgaris for making them credit worthy.

3.84 The Committee has asked the Department for providing various corrective measures that would be undertaken by Department in overcoming the above-mentioned hurdles for improving the credit mobilisation in the SGSY. The Department has stated

that the issue of limited outreach of banks in rural areas and shortage of staffs in the rural bank branches have been taken up at regular intervals with Ministry of Finance, RBI and Commercial Banks in the Central level Co-ordination Committee (CLCC) meetings organized by Ministry of Rural Development. This Ministry will continue to stress the need for enhancing the staff strength in the rural bank branches in the future CLCC meetings. It is also relevant to mention that a High Level Committee set up by the Reserve Bank of India has recommended that a sub-committee of the District Consultative Committee may draw up a roadmap to provide banking services in any form to every village with a population of over 2000 at least once a week on regular basis by March 2011 and in States where banking penetration is better, the date may be suitably advanced. Further, in the recently held Performance Review Committee (PRC) meeting held on 18.03.2010, states were asked to address the shortage of staffs through Bank Mitras as in the case of Andhra Pradesh. The SHGs in Andhra Pradesh have introduced the innovation of 'Bank Mitra' a trained representative on behalf of a group of village organizations (VOs) placed at bank branches to help out the VO leaders who have limited knowledge in tracking the accounts, processing applications and filling up of bank forms. This is proposed to be replicated in other states also. In addition, it is envisaged that SHG Federations at village and block levels would in future act as subordinate banking institutions either on their own strength or under the aegis of public sector banks.

3.85 As per the written reply , as on 31 December 2009 the Department of Rural Development had 27.45 per cent of the total available funds as unspent balance whereas the SGSY had 43.22 per cent of total availability as unspent balance.

3.86 When asked about the comment of the Department on the aforesaid observation and step has been taken by the Department during 2009-2010 to ensure all the unspent balance kept with the implementing agencies under SGSY as fully spent, then the Department replied that for the last many years the fund utilizations against the total available funds under SGSY was between 82-85%. It was only 76% in last year *i.e* 2008-09 which was due to additional funds released in the last quarter of the year due to additional allocation received under the economic stimulus package. SGSY is a process oriented scheme involving various components like formation of SHGs, training of beneficiaries, providing subsidy linked credit etc. Completing all the required activities of the programme requires a long time and usually the expenditures peak towards the end

of the financial year. During this financial year the percentage of unspent balances up to the month of Feb 2010 are 32% and are further expected to come down by the end of the financial year. In order to ensure full utilization of the funds allocated to the states the Ministry had reviewed the status of fund utilization by the states during Performance Review Committee meeting and Project Director's meeting. The States are also informed every month regarding improving the fund utilizations positions.

3.87 As per the written reply , Ministry is in the process of setting up Rural Self Employment Training Institute in each district, which are envisaged as a dedicated institute for training of rural BPL youth.

3.88 When asked about the training in RSETI be extended to APL youth also, the Department replied that the rural BPL were found to lack necessary skills for undertaking particular enterprise due to their inability to access the formal vocational training institutions as they lacked basic entry qualifications. With the aim of mitigating the unemployment problem among the rural BPL youth, a new initiative was tried in the form of Rural Self Employment Training Institutes (RSETIs) which were envisaged as dedicated institutes for training of rural BPL youth to enable them to take up self employment or wage employment.

3.89 As per the RSETI guidelines, at least 70% of the trainees should be from the rural BPL category till such time the DRDA certifies that the BPL list of the particular district is exhausted. In other words, the RSETIs are permitted to train rural APL youth also to the balance extent of 30%. However, the focus would continue to be the rural BPL youth till such time they are brought above the poverty line by ensuring appreciable increase in incomes over a period of time. The training expenditure for rural BPL beneficiary only will be provided by the DRDAs.

3.90 The Committee note that as per the reply a new initiative in the form of Rural Self Employment Training Institutes (RSETIs) have been established as dedicated institutes for training of rural BPL youth to enable them to take up self employment or wage employment. Further, these institutes should be set up in each rural district, numbering 619 in 2009-2010. The Committee find that as per the RSETIs guidelines 70 per cent of the trainees should be from the rural BPL category which also states that balance 30 per cent can be from the APL category. The Committee would like to know the number of BPL youth targeted to be trained and are actually trained District-wise in RSETI, State and Union territory wise. The Committee note the reply of the Department that the training expenditure on rural BPL beneficiary will only be provided by the DRDAs only. They would also like to know as to how many APL youth have been trained State and Union territory wise. The Department should find out ways and means to train APL Youth while giving priority to the BPL youth living in rural areas.

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

3.91 Housing is one of the basic requirements for human survival. For a normal citizen, owning a house provides significant economic security and dignity in society. For a shelter less person, possession of a house brings about a profound social change in existence, endowing the person with an identity and integration with immediate social milieu. The Indira Awaas Yojana (IAY) is a flagship scheme of the Ministry of Rural Development to provide houses to the poor in rural areas.

3.92 Under Indira Awaas Yojana (IAY), financial assistance is provided to shelterless rural BPL households for construction of their dwelling units. The ceiling for construction of a new house is Rs.35,000/- per unit in plain areas and Rs.38,500/- in hilly/ difficult areas upto 31.03.2010. In addition, an IAY Beneficiary can avail loan of up to Rs.20, 000/- at interest rate of 4 per cent under differential rate of interest (DRI) scheme, the Indira Awaas Yojana (IAY) funds are shared between the Centre and the States in the ratio of 75:25 in Non-NE States and in ratio of 90:10 in NE States. However, in the case of Union territories, 100 per cent assistance is provided by the Centre.

3.93 At least 60 per cent of the funds available under IAY are required to be utilized for construction of houses for SC/ST BPL families. Similarly, 3 per cent of IAY funds are meant for physically and mentally challenged persons. Since 2006-07, 15 per cent of the funds are being earmarked for coverage of minorities also. Allotment of dwelling unit is usually done in the name of the female member of the beneficiary household.

3.94 Rural Housing is one of the six components of Bharat Nirman Programme. Under 'Bharat Nirman' Phase-I, 60 lakh houses was envisaged to be constructed

through Indira Awaas Yojana (IAY) in a period of four years from 2005-06 to 2008-09. As against this target, 71.76 lakh houses were constructed thereby exceeding the target.

3.95 The physical target for 'Bharat Nirman', Phase-II is for construction of 120 lakh houses over a period of five years starting from the current years 2009-2010.

3.96 Regarding Status: Rural Housing - IAY the Committee were informed as below:

Indira Awaas Yojana (IAY) is the flagship scheme to provide houses to the BPL families in rural areas.

3.97 **Unit Assistance proposed to be revised w.e.f. 1/4/2010** : Rs. 45,000 for new construction in plain areas as against Rs. 35,000; Rs. 48,500 for new construction in hilly areas as against Rs. 38, 500.

3.98 **Allocation of IAY:** To States is based on 75:25 weightage to housing shortage and poverty ratio respectively. To districts is based on 75:25 weightage to housing shortage and rural SC/ST population respectively.

3.99 The only scheme being implemented by the Department, under Rural Housing Scheme is Indira Awaas Yojana (IAY). The IAY is being implemented since 1985-86 to provide assistance to Below Poverty Line (BPL) households in rural areas belonging to the Scheduled Castes/Scheduled Tribes, freed bonded labourers and also from 1993-94 onwards to non-Scheduled Castes/Scheduled Tribes families, households of rural BPL, families of ex-servicemen of the armed forces and *para* military forces killed in action. The IAY became an independent Scheme *w.e.f.* 1 January 1996. The ceiling on construction assistance under IAY was Rs.25,000 per unit for plain areas and Rs.27,500 for hilly/difficult areas and conversion of *kutcha* house into *pucca* house (*i.e.* upgradation) was Rs.12,500 *w.e.f.* 1 April 2004. The funds under the Scheme are shared between the Centre and the States in the ratio of 75:25. In case of North-east States, funds are shared in the ratio of 90:10. The Union territories are provided 100 per cent Central assistance. From 2005-06 onwards the allocation criteria for IAY has been modified to assign 75 per cent weightage to housing shortage and 25 per cent to poverty ratio for the State level allocation. Further, giving 75 per cent weightage to housing shortage and 25 per cent weightage to SC/ST component makes the allocation for IAY amongst districts.

3.100 The overall Budget allocation (Central share) for the Indira Awaas Yojana (IAY) during 2008-09 was Rs.5750 crore, out of which Rs.5645.77 crore was released. However, Rs.3050 crore were allocated additionally as economic stimulus package during January 2009. The BE 2009-10 under Indira Awaas Yojana has been fixed at Rs.8800 crore (*i.e.* an increase of 62.96 per cent increase in the central allocation over BE 2008-09). As per the Outcome Budget 2009-10 of the Department, in addition to the Central Plan Budget, different State Governments are expected to release their share for the scheme during 2009-10.

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

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

"4.4 Five per cent of the total allocated funds under IAY will be kept apart to meet the exigencies arising out of natural calamities and other emergent situations like riot, arson, fire, rehabilitation under exceptional circumstances etc.

Proposals for this purpose have to come from State Governments/Administration of Union territories showing the extent of damage and the estimated fund requirement in respect of the proposed IAY houses provided assistance has not been obtained from other sources. Funds to be released for this purpose shall be upto 10 per cent of district annual allocation under IAY or Rs.70 lakh (including State share) whichever is higher. The relief will be as per the norms with regard to per unit ceiling of assistance for IAY house prescribed under the scheme."

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

Financial Performance of IAY

(Rs. in crore)

Year	Opening Balance As on 1 st April	Central Allocation	State Allocation	Total Funds Available	Utilization	%age of utilization	Annual Target (units)	Houses under construction (units)
2007-2008	1220.30	4032.70	1341.49	6527.17	5464.54	83.72	2127184	664474
2008-2009	2373.62	5645.77	1878.07	14460.21	8348.34	57.35	2127165	1790563
2009-2010	3867.99	8494.70	2636.88	12308.28	8554.47	69.50	4052243	2721194
2010-2011		10000	3333				35.95	

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

Physical Performance of IAY since 2007-2008

Year	Progress/Timeliness (Quarterly targets)	Achievement/Outcome (Quarterly achievement)
2007-2008	Units to be constructed (lakh) First - 2.12 Second - 4.25 Third - 5.32 Fourth- 9.57	Units constructed (in lakh) First - 2.23 Second- 4.08 Third - 4.32 Fourth- 9.28 Per cent achievement is 93.66 per cent
2008-2009	Units to be constructed (lakh) First - 2.13 Second - 4.25 Third - 5.32 Fourth- 9.57	Units constructed (in lakh) First - 2.98 Second- 4.29 Third - 3.76 Fourth- 9.90 Per cent achievement is 98.02 per cent
2009-2010	Units to be constructed (lakh) First - 4.05 Second - 8.10 Third - 10.13 Fourth- 18.24 Total 40.52 lakh houses	Units constructed (in lakh) First - 5.17 Second- 5.79 Third - 7.20 Fourth- - Per cent achievement --

2010-2011	Units to be constructed (lakh)	
	First	- 3.60
	Second	- 7.19
	Third	- 7.19
	Fourth	- 17.97
Total 40.52 lakh houses		

Major Initiatives – 11th Plan Period

3.105 Regarding Status: Major Initiatives – 11th Plan Period, the Committee were informed as below:

Unit assistance were revised twice w.e.f. 1.4.2008 and w.e.f. 1.4.2010. In addition, an IAY beneficiary can avail a loan of upto Rs.20000 at an interest rate of 4% per annum under DRI. IAY beneficiaries who construct a sanitary latrine can avail Rs.2200 under TSC over & above the IAY funds. From the year 2006-07 onwards, 15% of IAY funds & physical targets are being earmarked for [minorities](#). Recommendations of Task Force on improving quality of houses have been adopted. A proposal for providing Homestead sites to the landless BPL Households has been approved by the Govt in August 2009. Convergence with other Govt schemes have been made part of IAY guidelines. A software is being developed to monitor the programme beneficiary wise

Physical Performance under IAY – 11th Plan Period

	2007-08	2008-09	2009-10
Physical Target (in lakh)	21.27	21.27	40.52*
Physical Achievement (in lakh)	19.92	21.34	18.16
%Physical Achievement	94%	100 %	44.82%

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

3.106 The Indira Awaas Yojana is one of the flag ship housing programmes of the Government and is one of the components of Bharat Nirman. In addition to the houses under the IAY, the houses under Bharat Nirman need also be constructed.

Scheme for Allotting Homestead Plots – Basic Parameters
(presentation, pg.41)

3.107 Regarding Scheme for Allotting Homestead Plots – Basic *Parameters* Status, the Committee were informed as below:

Eligibility of Beneficiaries

Should be a BPL household with neither land nor house site should be included in the Permanent IAY Waitlist.

Unit Assistance per Beneficiary

Rs. 10,000 or actual, whichever is less, on the basis of 50:50 funding by Centre & State.

For purchase / acquisition of 100-250 sq mt.

If amount falls short, balance amount to be contributed by States.

Incentivising States

Additional funds under IAY to the extent of plots allotted by way of regularisation / allotment of Govt land / purchase / acquisition.

Outcome

Proposals received from Karnataka, Kerala, Sikkim, Bihar, Rajasthan, Mizoram, Maharashtra and Gujarat in 2009-10.

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

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

3.110 The Department has furnished in the replies to the List of points that all States and UTs were advised to prepare permanent IAY list out of BPL list 2002. Ministry has also stated that in their outcome budget (pg.101) that an amount of Rs. 162 cr. has been allocated separately for BPL Census.

3.111 When asked about the percent achieved (2009-10) under IAY was for physical achievement, it was 62.54 per cent by utilizing financial resources of 74.45 per cent of the available funds, the Department replied that the 1st installment of funds

amounting to 50% of total allocation, is released in the beginning of the year and second installment from August onwards on receipt of proposals from the DRDAs. Similarly, funds to the beneficiaries are generally distributed in two installments. While the beneficiary starts the house with the amount of first installment, the house is completed only after the receipt of second installment. As the physical achievement follows the release of funds, there is a gap between the percentage of financial and physical achievement till the completion of all the houses is reported. Even otherwise, as this is an on-going scheme, there is always some gap between physical and financial achievement.

3.112 When asked about the Department to inform eight year old data of BPL Survey 2002 which is being used for IAY wait list while funds are provided for BPL Census 2010-2011, then the Department replied that although the BPL Census was conducted during 2002, it was made applicable only from 2005-06 onwards after the stay earlier granted by the Supreme Court in using that data, was vacated. No BPL Survey has been conducted thereafter so far, although the proposal for conducting a fresh BPL Survey is under consideration in the Ministry. However, additions/deletions to the existing BPL lists can be made through Appeal system.

3.113 The Committee find that the financial performance of Indira Awaas Yojana (IAY) was not satisfactory during 2009-2010 as only Rs.6248.99 crore were released upto end January 2010 against the target of Rs.8800 crore. Regarding the physical achievement, the performance of IAY was also less than 50 per cent during 2009-2010 as it has been informed that 18.16 lakh houses were reportedly constructed against the target of 40.52 lakh houses. Another disturbing fact was that the number of houses 'under construction' category was 27.21 lakh whereas the Department could complete

construction of 18.15 lakh houses which implies that the houses taken over for construction spilled over to the next financial year. Since the idea behind the scheme is to provide shelter to the poor, the Committee, therefore, recommend that immediate corrective steps be initiated by the Department in each of these aspects for the implementation of IAY and the Committee be apprised accordingly.

3.114 The Committee find that the allocation of funds for IAY is based on 75:25 weightage to housing shortage and the poverty ratio respectively at the State level. They note, the reply of the Department that in addition to the above formula, at the district level the allocation is based on 75:25 weightage to the housing shortage and rural SC/ST population respectively. The Committee also note that this criteria has been changed recently. They note that the Department is conducting the BPL households survey and finding out the number of families living the below poverty line in rural areas at the beginning of each five year plan. They also find that a fresh BPL Survey is being conducted by the Department. The Committee fail to understand the rationale for adopting a different criteria for allocation of funds under IAY on the basis of the type of construction as brought out in the Census Report of the Registrar General of India. The Committee feel that the allocation of funds

for IAY being made in this manner is not proper and it should invariably be based on the latest BPL family survey. The Committee in this regard recommend that the allocation for IAY be done as per the fresh BPL survey across the country being done by the Department only and it should not be based on any other criteria like type of construction etc. and they be apprised accordingly.

Per Unit assistance of a dwelling unit under Indira Awaas Yojana

3.115 The Committee were informed that the beneficiary under IAY is assisted for constructing a dwelling unit (single room) having the facility of a smokeless chulla and a toilet. As per the Outcome Budget 2007-2008, the ceiling of assistance for construction of a new dwelling unit *w.e.f.* 1 April, 2004 is Rs.25,000 for plain areas and Rs.27,500 for hilly/difficult areas which has been increased to Rs.35,000 per unit in the plain areas and Rs.38,500 for hilly/difficult areas *w.e.f.* 1.4.2008. The unit assistance for conversion of *kuccha* house into *pucca* house (up-gradation) is Rs.15,000 *w.e.f.* 1.4.2008. In addition to these unit costs, an IAY beneficiary can take a loan upto Rs.20,000 per dwelling unit at 4 per cent rate of interest per annum under the differential rate of interest (DRI) Scheme. The Committee in their 22nd Report, 14th Lok Sabha had strongly recommended (vide recommendation *Para* 2.69) that Government should enhance the per unit assistance from the existing rate to Rs. 50,000 in plain areas and Rs. 60,000 in hilly/difficult areas.

3.116 The Committee were informed that the Puducherry Administration has long since been providing Rs. 1 lakh for construction of a dwelling unit in rural areas under their Union territory scheme whereas the Department of Rural Development is providing Rs. 45000 for plain areas and Rs. 48500 for a dwelling unit in hilly and difficult areas. When asked about the efforts of the Department to substantially enhance the per unit assistance of the IAY house it was replied that the Ministry is making all out efforts to enhance the unit assistance under IAY from time to time. As already mentioned, the assistance has been revised twice during the last 3-4 years.

Further DRI loan upto Rs.20000 can now be availed for construction of IAY houses at 4% interest rate per annum.

3.117 The Committee find that the per unit assistance of a dwelling unit being constructed under IAY has been increased w.e.f. 1.4.2010 to Rs.45,000 in plain areas and Rs.48,500 in hilly areas.

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

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

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

3.119 A new Centrally Sponsored Scheme namely, Provision of Urban Amenities in Rural Areas (PURA), was prepared by the Planning Commission based on the thoughts placed before the Nation by the Hon'ble President of India for bridging the rural urban divide and achieving balanced socio-economic development. The Planning Commission prepared a Cabinet Note for the Scheme.

3.120 As per the Cabinet Note the Scheme would be implemented in 4130 rural clusters across the country in the next five years. The scheme aims to provide physical and social infrastructure in the identified rural clusters to further their growth potential, which are:

- (i) Road transportation and power connectivity;
- (ii) Electronic connectivity in the form of reliable Telecom, Internet and IT services;
- (iii) Knowledge connectivity in the form of good educational and training institutions; and
- (iv) Market connectivity that would enable farmers to get the best price for their produce.

3.121 In addition to the above, the Scheme would also include provisions of drinking water supply and upgradation of existing health facilities. A list of towns for PURA was also selected by the Planning Commission as per the criteria suggested in the Cabinet Note. The Cabinet considered the note in its meeting on 20.1.2004 approved in principle the 'Provision of Urban Services in Rural Areas' Scheme with the direction that the outlay for the scheme will be within the Gross Budgetary Support. The Cabinet also decided that the list of towns would have to be reworked in consultation with the State Governments and brought back to the Cabinet. The consultation with the State Governments is under progress.

Allocation and Expenditure of PURA Scheme

(Rs. in crore)

Year	Allocation	Release/Expenditure
2007-2008 (BE)	10	NIL (pilot scheme ended in March, 2007)
2008-2009 (BE)	30	NIL (pilot scheme ended in March, 2007)
2009-2010 (BE)	30	NIL (pilot scheme ended in March, 2007)
2010-2011 (BE)	124	-

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

3.123 As per the written note, the CCEA has approved the implementation of PURA Scheme on pilot basis during Eleventh Five Year Plan with an outlay of Rs. 248 crore on 21 January 2010. During the earlier plan also the PURA was implemented on pilot basis.

3.124 When asked about the reason for implementing the PURA scheme now on a pilot basis, the Department replied that the implementation of the restructured PURA scheme in the manner proposed is an innovative initiative being taken for the first time in rural areas. Such a model of rural infrastructure creation and maintenance over of a period of time through Public Private Partnership (PPP) has not been attempted till date. Through the implementation of proposed pilot projects, the unique features of this scheme could be tested on the ground and would enable its upscaling in future.

3.125 The Committee note that the restructured Provision for Urban amenities in Rural Areas (PURA) Scheme was started from 2003-04. Between 2003-04 and 2007-08, the PURA scheme was implemented on a pilot basis. Although, allocation for the scheme was made in each financial year thereafter, the Committee find that the expenditure for the scheme was nil. The Committee also note that

for the 2010-11, Budget Estimate of the Scheme is Rs.124 crore as against the BE of Rs.30 crore during 2009-10. The Committee find that the PURA scheme is again being implemented as a pilot scheme during the remaining years of the 11th Five Year Plan. They find that the only difference in the implementation of the scheme is that it is now being implemented through a public private partnership (PPP) which has not been attempted till date in any of the programmes of the Department being implemented in rural areas. They, therefore, recommend that before venturing on implementing the pilot projects again, the Government should get the results on ground before implementing the scheme on a test check basis after which the scheme can be extended to the whole country.

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

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

3.127 There are four different types of districts (Category A to Category D) as per the number of blocks. The State Governments are advised to ensure staffing pattern of DRDAs and personnel policies laid down in the guidelines. Although the guidelines have prescribed a model staffing structure for DRDAs, the actual staffing is decided

by the State Governments according to their local conditions. In view of this, there is no uniformity in the actual staff position in the DRDAs.

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

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

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

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

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

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

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

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

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

Year	Central Allocation	Amount Released
2002-2003	220	199.19
2003-2004	220	220
2004-2005	230	231.81 *
2005-2006	220	235**
2006-2007	220	240
2007-2008	212	250
2008-2009	250	292
2009-2010	250	249.12
2010-2011	405	

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

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

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

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

3.135 As per the information furnished to the Committee, the main objectives of CAPART include:

3.136 Promotion of voluntary action through grassroots planning, organization of seminars and workshops ;

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

3.137 The Council for Advancement of People's Action and Rural Technology (CAPART) came into existence in September, 1986 following the merger of two erstwhile Societies, namely, People's Action for Development India (PADI) and Council for Advancement of Rural Technology (CAPART). CAPART's principal aim is to involve the people in the implementation of development programmes and promote need-based, innovative projects through non-governmental voluntary organizations and it works towards creating a peoples movement for development in the rural areas through higher social mobilization, lowering of social barriers and empowerment of the rural poor. From the financial year 2001-2002, the Ministry has made the budget provision for CAPART under a single Head, namely, 'Assistance to CAPART'. This assistance is principally utilized in implementing three Schemes, namely, Promotion of Voluntary Action in Rural Development (PC), Advancement of Rural Technology Scheme (ARTS) and Organization of Beneficiaries (OB). The administrative costs are also met from the Head 'Assistance to CAPART'.

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

- (i) Public Cooperation Scheme, (ii) Organisation of Beneficiaries, (iii) Watershed Development Scheme, (iv) Appropriate Rural Technology Scheme, and (v) Disability.

3.139 No project under any of CAPART's schemes is sanctioned without pre-funding appraisal and the approval of the National Standing Committee/Regional Committees which comprises eminent persons in the field of rural development. The VO has to submit progress report in the prescribed proforma within six months of the release of the 1st instalment. Before the second installment is released, mid term evaluation is done. After completion of the project, the VO has to submit the final progress report and audited statement of accounts alongwith Utilization Certificate and therefore, the entire project is post evaluated.

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

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

(Rs. in crore)

Year	Opening Balance	Funds allocation	Release	Amount actually spent
1999-2000		NA	31.55	35.44
2000-2001		N.A.	29.65	43.61
2001-2002		N.A.	30	44.44
2002-2003		30	30	58.64
2003-2004		50	54.96	67.22
2004-2005		65	65	55.05
2005-2006		70	70	46.38
2006-2007		70	35	44.96 (upto 28.03.2007)
2007-2008	15.94	60	58.54	NA
2008-2009	26.35	52.20	52.20	NA
2009-2010	14.53	50	50	23.63 (as on 30.01.2010)
2010-2011	40.90	100		

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

Physical performance of CAPART since 2007-2008

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

	No. of YPs to be trained : 330 No. of beneficiaries : 2,50,000	No. of YPs trained : 186 No. of beneficiaries : 2,41,744
2009-2010	No. of projects : 950 approx. Gram Shree Melas : 50 No. of YPs to be trained : 100 No. of beneficiaries : 2,50,000	No. of projects : 54 Gram Shree Melas : 6 No. of YPs trained : 48 No. of beneficiaries : 13,819
2010-2011	No. of projects : 1340 approx. Gram Shree Melas : 70 No. of YPs to be trained : 50 No. of beneficiaries : 3,50,000	-

3.142 The Voluntary Organisations (VOs) furnish utilization certificates to CAPART for the amounts released to them and CAPART furnishes Utilisation Certificate to the Ministry for the entire amount received from the Ministry. This is a continuous process involving Utilisation Certificates relating to releases made in earlier years. It is further mentioned that no UC in respect of CAPART is pending.

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

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

3.145 The Committee were informed that only the credible NGOs/Voluntary Agencies get selected to receive assistance provided by the CAPART which is also verified by CAPART itself. The Ministry of Rural Development in term monitors the activities of CAPART also. About the reasons for blacklisting the NGOs the Committee were informed that it is mainly done because of financial misappropriation or other irregularities done by the NGOs/VAs. *As per the evidence reply (pg. 130), the percentage of achievement of Plan targets by CAPART are as follows:*

Achievement of Plan targets by CAPART

<i>Year</i>	<i>Unspent Balance (Rs. in crore)</i>	<i>Target (Rs. in crore)</i>	<i>Achievement (Rs. in crore)</i>	<i>Percent</i>
2007-08		50	50.06	83.43%
2008-09	26.35	52.20	65.61	83.53%
2009-10	42.21(on31.12.09)	50	23.83 (upto 31.01.2010)	47.26%

Utilisation of funds by CAPART since 2007-2008

(Rs. in crore)

Year	Opening Balance	Budgetary Provisions	Funds released by MoRD	Projects sanctioned including Melas and workshops (in nos.)	Amount sanctioned for projects	Amount released for projects	Expenditure on administration
2007-2008	15.94	60	58.54	866	42.56	40.65	10.24
2008-2009	26.35	50	52.20	708	36.43	53.21	12.20
2009-2010 (till 31.12.2009)	14.53	50	50	60	1.75	10.38	8.38
2010-11		100	NA				

3.146 When asked about the reasons for non-satisfactory physical and financial achievement by CAPART so far during 2009-2010 and corrective step of the Department the Department replied that the newly constituted Executive Committee of CAPART in its very first meeting (49th Meeting of the Executive Committee) on 24.08.2009 felt that CAPART needed to do serious introspection to remain relevant to the needs and demands of the voluntary agencies working for the rural poor, as also analyse the long pending projects to ascertain the exact liability of CAPART. It also decided to suspend release of funds in case of ongoing projects and holding of the meeting of the Regional Committees to facilitate this process of introspection and planning for a new road map for CAPART.

3.147 The embargo on disbursement of funds was lifted in the 51st meeting of the Executive Committee held on 25.01.2010. However, disbursement of committed liabilities could commence only in the second week of February 2010. Regional Committees are still awaiting authorization for new sanctions.

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

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

3.150 The Department has replied that the Executive Committee of CAPART in its Meeting held on 25 January 2010 approved several new schemes for implementation that inter-alia include 50 most backward districts.

3.151 When asked to specify the criteria for selecting the said 50 districts as most backward and provide whether the above measures will remove the most backwardness of those districts and time frame, the Department replied that the 50 districts chosen by CAPART have in fact been identified by the Ministry of Rural Development and communicated vide letter No. M-13016/1/07-Trg. Vol.II dated 24.12.2008.

3.152 CAPART works through voluntary organisations. Voluntary organisations play an important but marginal role in the overall scheme of development in rural areas.

3.153 Thus while voluntary action alone will not remove backwardness, CAPART through voluntary action will be able to create models of excellence that could be replicated.

3.154 The Committee note that the Executive Committee of CAPART has approved revised new schemes for implementation that *inter-alia* include 50 most backward districts. The Committee fail to understand the criteria of selecting the backward districts in the first place. Moreover, it has been admitted that the backwardness in the districts chosen cannot be wiped out by the intervention of CAPART only. The Committee desire that the criteria for selection of 50 most backward districts be made clear. Moreover, the schemes proposed to be implemented in these districts may be scrutinized by the Department of Rural Development to ensure that

the funds spent on them deliver the intended benefits to the deserving people. The Committee may also be kept apprised of the details of schemes being undertaken in these backward districts.

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

3.155 In April 1962, the Central Institute of Study and Research in Community Development and Trainers Training Institute were merged to establish National Institute of Community Development (NICD). The NICD became an autonomous registered Society in November 1965. The name of NICD was changed to National Institute of Rural Development (NIRD) in September 1977 which has since set up a regional Centre at Guwahati in July 1983. The NIRD's policy is determined by a 47 member General Council. The NIRD undertakes training programmes for creation and enhancement of capacity of the delivery mechanism for poverty alleviation and rural infrastructure programmes, undertakes research and studies on Panchayati Raj Institutions and Rural Development programmes for continuous policy and programme upgradations and disseminates information through various publications.

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

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

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

Extent of assistance given by Department of Rural Development to NIRD since 1999-2000

(Rs. in crore)

Year	Plan	Non-Plan	Total received from Ministry of Rural Development	Budget from Rural	Total Budget of NIRD
1999-2000	5	7.15	12.15		
2000-2001	5	7.60	12.60		
2001-2002	5	7.55	12.55		
2002-2003	5.45	7.55	13.00		
2003-2004	6.57	7.50	14.07		17.95
2004-2005	9	7.42	16.42		19.32
2005-2006	10	8.02	18.02		24.98
2006-2007	12	8.86	20.86		24.33
2007-2008 BE	10	9	19		NA
2008-2009	16.81	11.53	28.34		NA
2009-2010	30 *	17.27	47.27		NA
2010-2011	105	16	121		

* Rs. 15 crore in BE, Rs. 15 crore was also released as supplementary grant.

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

Physical Performance by NIRD since 2007-2008

Year	Quantifiable/Deliverables/Targets	Processes/Timeliness (Quarterly Targets)	Achievement/Outcome (Quarterly Achievement)
2007-2008	Training Programmes – 300 Research & Action Research No. of studies – 30	Training Programmes 1 st Quarter – 50 2 nd Quarter – 75 3 rd Quarter – 100 4 th Quarter – 75 ----- Total 300 ----- Not given	Training Programmes 1 st Quarter – 55 2 nd Quarter – 70 3 rd Quarter – 84 4 th Quarter – 77 ----- Total 286 ----- Research & Action Research 17 completed and remaining studies in progress
2008-2009	Training Programmes –280	Training Programmes 1 st Quarter – 40 2 nd Quarter – 80 3 rd Quarter – 100 4 th Quarter – 60 ----- Total 280 -----	Training Programmes 1 st Quarter – 65 2 nd Quarter – 110 3 rd Quarter – 100 4 th Quarter – 92 ----- Total 367 -----

	Research & Action Research No. of studies – 30	Not given	Research & Action Research 11 completed and remaining studies in progress
2009- 2010	Training Programmes –475 Research & Action Research No. of studies – 19	Training Programmes 1 st Quarter – 82 2 nd Quarter – 148 3 rd Quarter – 137 4 th Quarter – 108 ----- Total 475 ----- Not given	Training Programmes 1 st Quarter – 56 2 nd Quarter – 200 3 rd Quarter – 150 4 th Quarter – NA ----- Total 406 ----- Research & Action Research 4 completed, 39 studies are in progress
2010- 2011	Training Programmes –523 Research and Action Research Studies - 23	Training Programmes 1 st Quarter – 84 2 nd Quarter – 162 3 rd Quarter – 144 4 th Quarter – 133 ----- Total 523 ----- Not given	

3.160 When asked to specify the details of different 39 ongoing research studies reportedly 'on-going' in NIRD during 2009-10 as mentioned above. When were these studies started and also how much time would NIRD take for their completion and also as to when the final result of these research studies will be available, the Department replied that out of 39 on-going studies pertaining to the year 2009-10 as many as 12 studies were taken up only in December 2009 and January 2010 and are expected to be completed by May 2010. Another 10 studies were taken up in September 2009 and would be completed by July 2010. The remaining studies are long term studies spanning beyond one year and are expected to be completed by March 2011.

3.161 When asked to know reasons for which the proposed research studies by NIRD has been reduced from 43 in 2009-10 to only 20 in 2010-2011 despite the fact that the allocation for NIRD has increased 600 percent, the Department responded that the NIRD is already having at hand as many as 39 studies which are to be completed during 2010-11. In addition to the above proposals, 20 new studies have been considered and therefore the total number of studies during the year 2010-11 will be 59 studies. Thus, the number of studies that will be taken up during 2010-11 will be more than the number of studies taken up during 2009-10.

3.162 When asked about the Ministries/Departments other than the Ministry of Rural Development that contribute funds to the NIRD and the share of NIRD thereof proposed during 2010-2011, the Department replied that as regards contributions by other Ministries, it may be stated that there is no budgetary support received from Ministries other than Ministry of Rural Development.

3.163 When asked about the total income of NIRD from all sources during 2009-10 and 2010-2011, the Department replied that the allocation for NIRD for 2009-10 was Rs.15.00 crore. Besides, the NIRD was released Rs.15.00 crore as supplementary grant on 31.03.2010. The NIRD has also an additional income of Rs.1.01 crore from sale of journals and publications, interest earnings, miscellaneous receipts, etc. during 2009-10.

3.164 The plan allocation for NIRD in 2010-11 BE is Rs.105.00 crore. An amount of Rs.1.52 crore is anticipated as additional income from the sale of journals, etc. during the year.

3.165 When asked about the expenditure of NIRD during 2008-09 and 2009-10 from all sources, the Department replied that the expenditure of NIRD during 2008-09 was Rs.15.76 crore against the allocation of Rs.16.81 crore and the expenditure during the year 2009-10 as on 22.3.2010 is Rs.13.34 crore against the allocation of Rs. 15.00 crore.

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

Expenditure position of funds available with NIRD since 2007-08

(Rs. in crore)

Year	BE			RE			Actual		
	Plan	Non Plan	Total	Plan	Non Plan	Total	Plan	Non Plan	Total
2007-08	10	9.00	19.00	10.00	9.00	19.00	10	9.00	19.00
2008-09	15	9.10	24.10	16.81	11.53	28.34	16.81	11.53	28.34
2009-10	15	14	29.00	15	17.27	32.27	15	17.27	32.27
2010-11	105	16	121						

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

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

3.169 From the examination of the performance of different Central Sector and Centrally sponsored schemes of the Department of Rural Development, the Committee have received an overall impression that the schemes are not functioning the way, they should have. There is no proper monitoring of the schemes as far as their financial and physical performance is concerned. The targets are not being met within the stipulated deadlines. Allocations are being made without proper assessment of the past performance of the schemes. The Committee desire that the

Department should ensure that the schemes are formulated and implemented in a way, so that their benefits reach the poorest of the poor living in the rural areas.

NEW DELHI;
13 April, 2010
23 Chaitra, 1932 (Saka)

SUMITRA MAHAJAN
Chairperson,
Standing Committee on Rural
Development

APPENDIX I

BUDGET ESTIMATE, REVISED ESTIMATE AND ACTUAL EXPENDITURE (UPTO 2008-09) AND BE 2010-11 OF THE DEPARTMENT OF RURAL DEVELOPMENT FOR PLAN SCHEMES

Sl. No.	Name of the scheme	11 th Plan Outlay Proposed	11 th Plan Outlay Approved	2007-2008			2008-2009			2009-2010			2010-2011	2007-2008 to 2009-2010	
				BE	RE	Actual	BE	RE	Actual	BE	RE	Actual	BE	Total allocations (Col.6+9+12)	Total actual upto 18.3.10 (Cl.7+10+15)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1	SGRY*														
	(a)Cash component			2600.00	1723.46	1599.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1723.46	1599.03
	(b) food grains components			200.00	2076.54	2076.54	0.00	7500.00	7500.00	0.00	0.00	0.00	0.00	9576.54	9576.54
	Total: SGRY	7899.00	5600.00	2800.00	3800.00	3675.57	0.00	7500.00	7500.00	0.00	0.00	0.00	0.00	11300.00	11175.57
2	NREGS	118678.00	100000.00	12000.00	12000.00	12661.22	16000.00	30000.19	30000.19	39100.00	39100.00	32014.95	40100	81100.19	74676.36
3	SGSY	71123.00	17803.00	1800.00	1800.00	1697.06	2150.00	2350.00	2338.00	2350.00	2350.00	2011.05	2984.00	6500.00	6046.11
4	DRDA Administration	1437.00	212.00	212.00	212.00	250	250.00	250.00	292.00	250.00	250.00	249.98	405.00	712.00	791.98
5	Rural Housing	51226.90	26882.21	4040.00	4040.00	3885.53	5400.00	8800.00	8800.00	8800.00	8800.00	8113.26	10000.00	21640.00	20798.79
6	PMGSY	69301.00	43251.07	6500.00	6500.00	6500	7530.00	7780.15	7780.15	12000.00	11340.00	11310.86	12000.00	25620.15	25591.01
7	Grants to NIRD	191.00	105.00	10.00	10.00	10.00	15.00	16.81	16.81	15.00	15.00	15.00	105.00	41.81	41.81
8	Assistance to CAPART	500.00	250.00	60.00	60.00	58.54	50.00	52.20	52.20	50.00	50.00	50.00	100.00	162.20	160.74
9	PURA	5950.00	280.00	10.00	10.00	0.00	30.00	30.00	0.01	30.00	30.00	0.00	124.00	70.00	0.01
10	Management Support to RD Programmes and														
11	BPL Survey	2273.82	550.00	68.00	68.00	58.51	75.00	74.65	71.81	75.00	75.00	63.23	120.00	217.65	193.55
12	Total (Plan) RD	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	150.00	0.00	162.00	150.00	0.00
		328579.72	194933.28	2750.00	2850.00	28796.43**	3150.00	5685.00	5685.17	6267.00	6216.00	53828.33	66100.00	147514.00	139475.93

* The entire SGRY has been subsumed with NREGS w.e.f 1.4.2008

** Rs. 300.00 croe was received to 3rd and Final Batch of Supplementary Grant 2007-08. Hence excess expenditure over RE.

Department of Rural Development**BE, RE and Actuals 11th Plan****NON - PLAN SCHEMES**

Sl. No.	Name of the scheme	11 th Plan Outlay Proposed	11 th Plan Outlay Approved	2007-2008			2008-2009			2009-2010			2010-2011	2007-2008 to 2009-2010	
				BE	RE	Actual	BE	RE	Actual	BE	RE	Actual	BE	Total allocations (Col.6+9+12)	Total actual upto 18.3.10 (Cl.7+10+15)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
	Non- Plan Schemes	Not applicable to Non-Plan	Not applicable to Non-Plan												
1	Headquarter's Establishment of Department of Rural Development			12.41	13.09	13.03	13.56	16.81	18.12	21.55	22.76	23.17	20.46	52.66	54.32
2	Grants to National institute of Rural Development			9	9	9	9.10	11.53	11.53	14	17.27	17.27	16	37.80	37.80
3	Production of literature for Rural Development			0.30	0.30	0.30	0.30	0.20	0.20	0.30	0.27	0.25	0.30	0.77	0.75
4	Contribution to International Bodies			1.15	1.11	0.98	1.10	1.00	0.87	1.10	1.10	1.02	1.10	3.21	2.87
	Total (Non - Plan) (RD)			22.86	26.50	23.31	24.06	29.54	30.72	36.95	41.40	41.71	37.86	94.44	95.74

Annexure-III**Outcome Targets & Achievement of Habitation during
2009-10**

s.no	State	No. of Habitations		
		Target for 2009-10	Habitations connected upto Feb'10	Balance Habs to Connect from Target
1	2	3	4	5
1	Andhra Pradesh	190	22	168
2	Arunachal Pradesh	30	17	13
3	Assam	1350	940	410
4	Bihar	4500	576	3924
6	Chattisgarh	840	370	470
7	Goa	0	0	0
8	Gujarat	175	113	62
9	Haryana	0	1	-1
10	Himachal Pradesh	250	34	216
11	Jammu & Kashmir	350	352	-2
12	Jharkhand	1100	367	733
13	Karnataka	0	0	0
14	Kerala	15	18	-3
15	Madhya Pradesh	504	843	-339
16	Maharashtra	40	20	20
17	Manipur	45	11	34
18	Meghalaya	10	14	-4
19	Mizoram	40	3	37
20	Nagaland	12	14	-2
21	Orissa	1500	-14	1514
22	Punjab	0	0	0
23	Rajasthan	40	74	-34
24	Sikkim	55	29	26
25	Tamil Nadu	2	6	-4
26	Tripura	280	260	20
27	Uttar Pradesh	320	338	-18
28	Uttarakhand	80	110	-30
29	West Bengal	1272	437	835
Grand Total		13000	4955	8045

Appendix-IV**COMMITTEE ON RURAL DEVELOPMENT (2009-2010)**

MINUTES OF THE FOURTEENTH SITTING OF THE COMMITTEE HELD ON
MONDAY, THE 29 MARCH, 2010

The Committee sat from 1100 hrs. to 1400 hrs. in Committee Room 'B',
Ground Floor, Parliament House Annexe, New Delhi.

PRESENT

Shrimati Sumitra Mahajan - Chairperson

Members**Lok Sabha**

2. Shri Kunvarjibhai Mohanbhai Bavalia
3. Shri Sanjay Dhotre
4. Shri H.D. Kumaraswamy
5. Shri Raghuvir Singh Meena
6. Shri Gobinda Chandra Naskar
7. Shri P.L. Punia
8. Shri A. Venkatarami Reddy
9. Shri Jagdish Sharma
10. Shri Jagdanand Singh
11. Shri Usha Verma

Rajya Sabha

12. Shri Ganga Charan
13. Dr. Ram Prakash
14. Shri P.R. Rajan
15. Shri Bhagwati Singh
16. Smt. Maya Singh
17. Miss Anusuiya Uikey

Secretariat

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

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

1. Shri B.K.Sinha, Secretary (Rural Development)
2. Shri Arvind Mayaram, Additional Secretary & Financial Advisor
3. Shri Mohd. Haleem Khan, D.G., CAPART
4. Shri Mathew C. Kunnumkel, D.G. NIRD
5. Smt. Manjula Krishnan, Chief Eco. Adviser
6. Shrimati Amita Sharma, Joint Secretary
7. Shrimati Nilam Sawhney, Joint Secretary
8. Dr. D.S. Gangwar, Joint Secretary
9. Shri P.K. Anand, Joint Secretary
10. Shri Aditya Prakash, Adviser (Stats)
11. Shri S.S. Negi, Economic Adviser

2. At the outset the Chairperson, welcomed the members to the Sitting of the Committee convened to take evidence of the representatives of the Department of Rural Development on Demands for Grants (2010-2011) of the Department .

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

3. The Chairperson welcomed the representatives of the Department of Rural Development and highlighted certain issues related to the Demands for Grants (2010-11) of the Department of Rural Development. Thereafter, the Secretary, Department of Rural Development made a power point presentation about the budget provisions of the Department and dealt with the scheme of Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA). The members of the Committee raised various issues like lack of awareness about the scheme, various constraints in the implementation, inadequacy of funds allocated for the Scheme to provide atleast 100 days of employment to the eligible job card holders who demanded work, etc. The Secretary of the Department replied to the queries of the members. Thereafter, the Secretary gave the presentation on budgetary allocation for another scheme of Swarnajayanti Gram Swarajgar Yojana (SGSY) and the proposed scheme of National Rural Livelihoods Mission' (NRLM) also.

The Committee then adjourned for the lunch break.

Appendix-V**COMMITTEE ON RURAL DEVELOPMENT (2009-2010)**

MINUTES OF THE FIFTEENTH SITTING OF THE COMMITTEE HELD ON
MONDAY, THE 29 MARCH, 2010

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

PRESENT

Shrimati Sumitra Mahajan - Chairperson

Members**Lok Sabha**

2. Shri Kunvarjibhai Mohanbhai Bavalia
3. Shri Sanjay Dhotre
4. Shri H.D. Kumaraswamy
5. Shri Raghuvir Singh Meena
6. Shri Gobinda Chandra Naskar
7. Shri P.L. Punia
8. Shri A. Venkatarami Reddy
9. Shri Jagdish Sharma
10. Shri Jagdanand Singh
11. Shri Usha Verma

Rajya Sabha

12. Shri Ganga Charan
13. Dr. Ram Prakash
14. Shri P.R. Rajan
15. Shri Bhagwati Singh
16. Smt. Maya Singh
17. Miss Anusuiya Uikey

Secretariat

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

WITNESSES
Department of Rural Development
(Ministry of Rural Development)

1. Shri B.K.Sinha, Secretary (Rural Development)
2. Shri Arvind Mayaram, Additional Secretary & Financial Advisor
3. Shri Mohd. Haleem Khan, Director General, CAPART
4. Shri Mathew C. Kunnumkel, Director General, NIRD
5. Smt. Manjula Krishnan, Chief Eco. Adviser
6. Shrimati Amita Sharma, Joint Secretary
7. Shrimati Nilam Sawhney, Joint Secretary
8. Dr. D.S. Gangwar, Joint Secretary
9. Shri P.K. Anand, Joint Secretary
10. Shri Aditya Prakash, Adviser (Stats)
11. Shri S.S. Negi, Economic Adviser

2. The Committee resumed their discussion on the Demands for Grants (2010-2011) of the Department of Rural Development after the lunch break. The Secretary of the Department gave the presentation on the budget of the Indira Awaas Yojana (IAY) Scheme. The main issues came up for discussion included the faulty basis of allocation of funds for the States and Union territories, procedure for calculating the families living Below the Poverty Line (BPL), providing training facility to the needy rural youth in the above poverty line category etc.

3. Thereafter, the Secretary, Department of Rural Development made presentation about the budget provisions of the Pradhan Mantri Gram Sadak Yojana (PMGSY), Provisions of Urban Amenities in Rural Areas (PURA) scheme etc. The members of the Committee raised issues regarding proper implementation of these schemes. The Secretary of the Department replied to the queries of the members. The Chairperson thanked the representatives of the Department of Rural Development for tendering oral evidence before the Committee.

[The witnesses then withdrew]

The Committee then adjourned.

COMMITTEE ON RURAL DEVELOPMENT (2009-2010)**MINUTES OF THE SEVENTEENTH SITTING OF THE COMMITTEE
HELD ON TUESDAY, THE 13 APRIL, 2009**

The Committee sat from 1100 hrs. onwards in Committee Room No. 139,
First Floor, Parliament House Annexe, New Delhi

PRESENT

Shrimati Sumitra Mahajan - *Chairperson*

Members
Lok Sabha

2. Shri Kunvarjibhai Mohanbhai Bavalia
3. Shri Sanjay Dhotre
4. Shri H.D. Kumaraswamy
5. Shri P.L. Punia
6. Shri A. Venkatarami Reddy
7. Shri Jagdanand Singh
8. Shrimati Usha Verma

Rajya Sabha

9. Shri Ganga Charan
10. Shri Bhagwati Singh
11. Shrimati Maya Singh
12. Miss Anusuiya Uikey

Secretariat

- | | | |
|---------------------|---|---------------------|
| 1. Shri P.K. Grover | - | Joint Secretary |
| 2. Shri A.K. Shah | - | Additional Director |

2. At the outset, the Chairperson welcomed the members to the sitting of the Committee. The Committee then took up for consideration the Draft Report on Demands for Grants (2010-2011) of the Department of Rural Development (Ministry of Rural Development). After some discussions the Committee adopted the said Draft Report with slight modification.

3. The Committee then authorised the Chairperson to finalise the aforesaid Draft Report on the basis of factual verification from the concerned Department and present the same to both the Houses of Parliament.

The Committee then adjourned.

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APPENDIX VII
STATEMENT OF RECOMMENDATIONS/OBSERVATIONS

Sl. No.	Para No.	Recommendations/Observations
1	2	3
1.	2.4	<p>The Committee note that the Government is not implementing the direction 73 A of the Directions by the Speaker, Lok Sabha, in the right spirit. As per the said direction, the Minister concerned should make the Statement on action-taken by the Government on their recommendations once in six months. It has been noticed that the statement presented to the House is by and large a repetition of the action taken notes furnished by the Government at the end of three months of the presentation of the original Report. The Committee, therefore, desire that in future before making a statement under direction 73 A, the Government should meaningfully review actual and factual implementation of recommendations made by the Committee in different States and Union territories of the country and the Statement laid should not be mere repetition of the action taken notes.</p>
2.	2.7	<p>The Committee are not satisfied to find that the Department could utilize only 42 per cent of the planned funds in the first three years of the 11th Five Year Plan. They feel that it should have been to the tune of nearly 60 per cent of the total plan projections if the expenditure were to be evenly spread over the Plan period. Not only that, the Department has always incurred more expenditure than the amount given for the non-plan expenditure in the Budget estimates. They, therefore, recommend that the Government should</p>

introspect the reasons for the lower utilization of plan funds so far during the 11th Five-Year Plan and should initiate remedial measures so that the targets of the said Plan are achieved. Regarding the non-plan expenditure made by the Department, the Committee recommend that the Department should initiate suitable corrective measures to restrict the non-plan expenditure to the barest minimum.

3. 2.16

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

implementing agencies. This will also ensure that the excess carry over of available funds does not go beyond 10 per cent of the available funds, resulting in the deduction of the Central share of funds from the next financial year's release.

4. 2.17 The Committee note that the Department has got 6.34 percent more funds in 2010-11 Budget Estimates over the 2009-10 Revised Estimates. The Committee desire that Department should initiate steps for making optimal utilisation of enhanced funds by strictly adhering to the monthly expenditure plan.
5. 2.18 The Committee note from the reply of the Department that the monthly expenditure target for MGNREGS is not being maintained by the Department under the pretext that it is a demand-driven scheme. In the absence of the information on monthly expenditure target, it becomes impossible to know the financial achievement of the MGNREGS. The Committee therefore, recommend that the trend of expenditure of funds under MGNREGS be shown in each State and Union territory in the outcome budget of the Department from the next financial year.
6. 2.21 The Committee note that some interest is earned by the DRDAs on the funds made available to them which includes amount released to them during the previous year. However, no *separate* accounts were maintained on the interest accrual on unspent balance. In view of the fact that huge amount is left with the implementing agencies, the Committee recommend that the interest earned by the DRDAs on the unspent balance be

invariably shown in the Budget documents of the Department from the next financial year. They also recommend that funds released during the last two months of the financial year should not be taken into account while arriving at the excess carry over of the available funds at the beginning of the next financial year.

7. 2.45

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

8. 2.46

The Committee note with concern that the earlier Below Poverty Line Census conducted during 1992, 1997 and 2002 by the Ministry of Rural Development had reflected many irregularities and shortcomings. The Committee have been informed that several ineligible beneficiaries were selected as people/families living below the poverty line in rural areas. In the later stages, the same ineligible BPL list cardholders could not be excluded from the BPL Census. The Committee, therefore,

recommend that before venturing on calculating the BPL families living in rural areas, the Ministry should keep a provision to exclude anyone who is found to be living above the poverty line at any point of time in order to ensure that the benefits of schemes meant for BPL population reach the deserving people only. The Committee also note that the BPL survey being carried out by the Ministry is to be carried out at the beginning of each Five Year Plan. However, no BPL Survey has been done so far during the 11th Five Year Plan (2007-2012). The Committee note from the reply of the Department that Rs.150 crore has been released for conducting the BPL Survey in 2009-10. They also note that during 2010-11 BE, the Ministry has been allocated Rs.162 crore. The Committee find that in total Rs.312 crore has already been made available for conducting the latest BPL Survey. The Committee, therefore, recommend that these funds should be utilized fully and the proposed BPL Survey be made within the targeted time so that the benefits intended under various Schemes may reach the genuine beneficiaries well in time. The said survey should reflect the correct persons living below the poverty line.

9. 2.47

The Committee would like to recommend that the Department by using the existing facilities including the latest information technology, should find out the exact status of the BPL families identified by them in the 2002 BPL Census, as of now. The Committee also desire that the results of the current BPL Census being done by the Department should be made available on the website of the Department, beneficiary

wise, so that the conditions of the persons / families living below the poverty line can be verified in subsequent years. The Committee desire that the Department in subsequent years should judge as to whether the money being spent by them for uplifting families of below poverty line is really giving the desired results or not.

10. 2.48

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

11. 2.52

The Committee find that the Department has not given much importance to the concurrent evaluation of the Centrally Sponsored Schemes in the Eleventh Five Year Plan so far as in the case of Tenth Five Year Plan. The Committee also find that during Tenth Plan Period, the Department have completed concurrent evaluation of four different programmes

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

12. 2.54

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

found necessary, the guidelines may be amended accordingly.

13. 2.55

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

14. 2.56

The Committee note the reply of the Department that monitoring of the Schemes of the Department is done through the Area Officers scheme, National Level Monitors (NLMs) etc. They also note that at present Officers from the Central Ministry visit the districts to monitor the schemes and find out as to whether the schemes are being implemented as per the guidelines. The Committee find to some extent the same work of monitoring is done by the Vigilance & Monitoring Committees (V&MCs) at the District level. As of now, the Central team of monitors visiting districts do not inform the Vigilance & Monitoring Committees (V&MCs) about their visit. The Committee desire that the Department should invariably inform the Vigilance & Monitoring Committees (V&MCs) and its Chairman and Vice Chairman about their visits to the Districts. Necessary changes in the guidelines be made and the Committee be apprised accordingly.

15. 3.9

The Committee note with concern that as against a minimum of 100 days of work

that should be provided as per the MGNREG Act, the Department could only provide 51 days of work by utilizing all the available funds for the scheme in the year 2009-2010. They further find that during the previous years, the number of days of work provided under the Scheme was 48 days during 2008-09 and 42 days during 2007-08. Thus, even after utilizing the entire funds for the MGNREGS as provided in the Budget year after year, the Government have not been able to provide a minimum of 100 days of employment to the needy households who demanded work. The Committee, therefore, find that in order to achieve a minimum of 100 days of employment, either the allocation has to be increased substantially or the number of minimum days for which employment is required to be provided under MGNREGS is to be reduced. The Committee, therefore, desire that the ambiguity created in this regard be cleared at the earliest and the Committee may also be kept apprised about the concrete action taken in this regard.

16. 3.13

The Committee are surprised to find that out of 40.98 lakh works undertaken during 2009-2010 [upto February, 2010] under MGNREGA, the implementing agencies could complete merely 40 per cent works. Regarding high per centage of incomplete works, the Department has furnished a vague reply by stating that a work takes 2 to 4 months to complete. According to the Department, generally, peak demand season under MGNREGS starts from November and ends in May. On the one hand, of the 28.90 per cent of the total available funds under MGNREGA, has been stated to be available as on

31.12.2009, with the implementing agencies, that are more often released very late and at the fag end of the year. On the other hand, the Committee find that the completed better physical performance of MGNREGA is never found during April and May. When such facts are pointed out on account of availability of unspent balances, the Department advances the excuse that the scheme is demand driven and the works pick up after November. The Committee are of the opinion that the Department is not implementing the scheme in the right spirit. The Committee would like the Department to work out a strategy urgently so that works once commenced are executed properly in order to make MGNREGA actually demand oriented.

17. 3.16

The Committee are constrained to note that the inspection of works taken up under MGNREGA has not been as per the stipulation in this regard. The operational guidelines of the scheme provides for 100 per cent inspection of works at block level, 10 percent at district level and 2 per cent at the State level. As against this, the Committee find that the percentage of works inspected at block level which was 80.8 per cent during 2008-09 has fallen to 75.04 per cent during 2009-10. Similarly, the percentage of works inspected at district level came down from 14.96 per cent in 2008-09 to 9.43 per cent in 2009-10. What is more disturbing is the fact that not even a single work has been inspected at the State level during 2008-09 and 2009-10. The Committee disapprove of this practice that the works under MGNREGA are not being

inspected at various levels in accordance with the stipulations. They, therefore, recommend that the operational guidelines in this regard should be strictly followed so that the impact of the Scheme could be closely monitored.

18. 3.17

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

19. 3.20

The Committee note from the reply of the Department that in one of the studies made by *IIM Lucknow and NDUAT Faizabad* on NREGA, it has been found that there is an increase in Minimum Wages for agricultural labourer and wage earned per day and the annual income. Further as per the said survey, the bargaining power of labour is stated to have been increased. Similarly, the earnings per household has reportedly been increased from Rs.2795 in 2006-07 to Rs.4060 in 2008-09. The Committee would like the Department to initiate a study to find out the extent to which the availability of agricultural labour has been affected because of NREGA and apprise the Committee accordingly.

20. 3.38

The Committee find that under the Bharat Nirman - I the financial achievement of PMGSY was not at all satisfactory till 2009-2010 as Rs.13896.17 crore were released upto January 2010 against the allocation of Rs.17840 crore. They also find that the physical performance of PMGSY under Bharat Nirman – I has also not been satisfactory till 2009-10. For example, regarding habitations under new connectivity, the Department could achieve 63 per cent of the targets, regarding length of new connectivity; the Department could achieve 69 per cent of the target. Further, for upgradation, against the target of 116478 habitations, only 67129 habitations have been achieved till end January, 2010. The Committee apprehend that with the pace of implementation of PMGSY, the Department may not be able to achieve the goal of Bharat Nirman – I in near future. They, therefore, recommend that immediate corrective steps be initiated by the

Government in this regard and the Committee be apprised accordingly.

21. 3.39

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

22. 3.44

The Committee note that the Department has decided to provide assistance to 11 States for e-procurement of PMGSY projects during 2009-2010 and 2010-2011. They also note that only one State *i.e.* Orissa has done impact assessment Study on the e-tendering process in which participation of bidders from other States have increased in that State. The Committee find that in this system, participation of local and small

contractors will be minimized. Moreover, the compulsory maintenance of PMGSY roads after 5 years of construction by the contractors outside the State may be difficult as they are not aware of the local conditions, topography etc. Big contractors having access to the e-tendering might begin to pocket the works under the PMGSY. The Committee, therefore, desire that percentage of works be fixed for the local and small contractors also. Besides, the Committee strongly recommend that there is an urgent need to closely monitor the maintenance of PMGSY roads during the period of contract.

23. 3.80

The Committee find that the unspent balance under SGSY as on 31.12.2009 is stated to be more than 43 per cent of the available funds which gives the impression that the implementing agencies have enough amount of funds with them. The Committee also note that the financial performance of SGSY was not satisfactory as only 82 per cent of the available funds during 2007-08 were utilized that came down to 76 per cent in 2008-09 and to 57 per cent in 2009-10. The Committee find that the SGSY scheme is being replaced by the National Rural Livelihood Mission. The SGSY Scheme was launched in 1999 with certain aims and objectives. The Committee would like to know how far the said SGSY has achieved its objectives in the last decade. The Committee would also like to know the reasons for the restructuring the SGSY. They further note that initially the SGSY also was restructured from the IRDP because of the failure of the said scheme. It cannot be said with certainty that NRLM will not have the same fate as that of the IRDP and SGSY simply

by changing the name. Therefore, before venturing on the restructuring and renaming the Scheme, the reasons for failure be properly studied and found out. All States, Union territories and the stakeholders may be consulted before the NRLM is implemented in a large scale throughout the country.

24. 3.81

The Committee hope that the present discussions about the norms of the NRLM between the Ministry of Finance and the Department of Rural Development would be concluded within the next 10-15 days, as has been mentioned by the Secretary during the course of oral evidence (pg.37). The Committee would like to know the details of the final decision on the different opinions of these two Ministries and desire that the same may be communicated to them.

25. 3.90

The Committee note that as per the reply a new initiative in the form of Rural Self Employment Training Institutes (RSETIs) have been established as dedicated institutes for training of rural BPL youth to enable them to take up self employment or wage employment. Further, these institutes should be set up in each rural district, numbering 619 in 2009-2010. The Committee find that as per the RSETIs guidelines 70 per cent of the trainees should be from the rural BPL category which also states that balance 30 per cent can be from the APL category. The Committee would like to know the number of BPL youth targeted to be trained and are actually trained District-wise in RSETI, State and Union territory wise. The Committee note the reply of the Department that the training expenditure on rural BPL

beneficiary will only be provided by the DRDAs only. They would also like to know as to how many APL youth have been trained State and Union territory wise. The Department should find out ways and means to train APL Youth while giving priority to the BPL youth living in rural areas.

26. 3.113

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

27. 3.114

The Committee find that the allocation of funds for IAY is based on 75:25 weightage to housing shortage and the poverty ratio respectively at the State level. They note the reply of the Department that in addition to the above formula, at the district level the allocation is based on 75:25

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

28. 3.117

The Committee that the per unit assistance of a dwelling unit being constructed under IAY has been increased *w.e.f.* 1.4.2010 to Rs.45,000 in plain areas and Rs.48,500 in hilly areas. The Committee are of the firm opinion that even this enhanced amount of assistance is too low as per the existing cost of materials/construction. The Committee find that Union territory of Pudducherry is already providing Rs.1 lakh for construction of a dwelling unit in rural area. The Committee feel that a decent dwelling unit cannot be

constructed even with the enhanced cost. The Committee in their earlier Report (First Report – Fifteenth Lok Sabha, *para 3.102 refers*) had pointed out that the existing definition of a dwelling unit under IAY is not proper for a decent civilized living of rural poor. Keeping this in view, the Committee reiterate their earlier recommendation and desire that the Ministry should further enhance the per unit assistance substantially and define the dwelling unit under IAY suitable for a healthy living in consultation with the Ministry of Health. The Committee should be kept apprised accordingly.

29. 3.125

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

ground before implementing the scheme on a test check basis after which the scheme can be extended to the whole country.

30. 3.134

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

31. 3.148

The Committee note that the BE of CAPART has been doubled from Rs. 50 crore in 2009-10 to Rs. 100 crore in 2010-2011. However they find that the physical targets for CAPART have not been increased commensurate with the enhanced allocation this year. Further, between these two years the physical target has been increased from 950 projects last year to 1340 projects this year. However, they find even during 2009-10 against a target of 950 projects the CAPART has an achievement of 54 projects only. Similarly, against the target of 50 *Gram Shree Melas* only 6 *Melas* has been arranged. Not only that the financial achievement of CAPART has come down from 83.53 percent in 2008-09 to 47.26 per cent during 2009-

2010 (upto 31.01.2010). The Committee feel that before enhancing the financial outlay of CAPART, the performance *vis-à-vis* a target should have been reviewed and necessary corrective action should have been taken. The Committee would like to urge that the CAPART should take vigorous steps to achieve the financial target in the coming years.

32. 3.149

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

33. 3.154

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

34. 3.167

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

35. 3.168

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

22. 3.169

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