GOVERNMENT OF INDIA
DRINKING WATER AND SANITATION
LOK SABHA

UNSTARRED QUESTION NO:1379
ANSWERED ON:12.12.2013
DRINKING WATER PROJECTS
Hussain Shri Syed Shahnawaz;Meghwal Shri Arjun Ram

Will the Minister of DRINKING WATER AND SANITATION be pleased to state:

(a) the criteria adopted by the Government for allocating/releasing funds under National Rural Drinking Water Programme and the funds released and utilised during each of the last three years and the current year, State/UT-wise;

(b) whether cases of non-utilisation and under-utilisation of funds have come to the notice of the Union Government;

(c) if so, the details thereof during each of the last three years and the current year, State/UT-wise;

(d) whether any punitive provision exists for defaulting States; and

(e) if so, the action taken against such States during each of the last three years and the current year, State/UT-wise?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF DRINKING WATER AND SANITATION
(SHRI BHARATSINH SOLANKI)

(a) Under the National Rural Drinking Water Programme (NRDWP) funds are allocated to States as per approved criteria. Rural population is one of the criteria for allocation of funds to States under National Rural Drinking Water Programme (NRDWP). Under NRDWP guidelines the criteria for fund allocation to the States is as follows: 40% weightage is given to total rurai population of the State, 10% weightage to Scheduled Caste and Scheduled Tribe rural population of the State, 40% weightage is given to Rural areas under Desert Development Programme, Drought Prone Areas Programme, Hill Area Development Programme and Special category Hill States in the States and 10% weightage is for Rural population managing rural drinking water supply schemes weighted by Management Devolution Index. The details of funds released and utilized during the last three years and current year at Annexure - I

(b) and (c). Yes Madam. Ministry of Drinking Water & Sanitations has noticed under utilization of funds released to States. The State/UT wise details of funds which State couldn`t spend and carried forward to next year as Opening Balance is at Annexure -II. The reasons for some States not being able to spend the amounts released to them is attributed to delays in procurement processes, taking up multi-village schemes that require 2-3 years for completion, imposition of model conduct code due to declaration of elections/bye elections etc. Often funds allocated to these schemes in one year spill over to the next financial year, leading to unspent balances at the end of the year.

Under NRDWP, the funds are released to the States in two installments. The second installment is released when States submit Audited Statement of Accounts (ASA) and Utilization Certificates (UC) showing utilization of at least 60% of available funds. Most of the States submit these only by November/December and therefore the second installment which is about 50% of the total allocation, is released only by the month of December/January. This is the reason why every year the States do have large unspent balances with them at the end of the year.

In order to ensure that the unspent balance at the end of the year is kept to a minimum, States are asked to prepare their Annual Action Plan in February/March for the next financial year, and fix their physical and financial objectives in consonance with their ability to implement the programme during the year and prepare detailed plan for activities proposed and expenditure that is to be incurred on these activities. The Ministry also continuously pursues the matter of fund availability with the States through review meetings with State Secretaries, video conferencing and specific State reviews. The States have also been asked to prepare and approve a shelf of projects with an estimated cost of two to three times the quantum of available funds so that there is no issue of funds remaining unutilized because of inadequate number of schemes.

(d) & (e) Under NRDWP, States with high Opening unspent balances are penalized by deducting excess OB from the first installment. The 1st installment amounting to 50% of the allocation under Programme Fund is released to States/UTs, taking into consideration available excess Opening Balance with the States, without any proposal from the State/UT, if the concerned State/UT has drawn the 2nd installment in the previous year. While releasing the 1st. instalment, in consonance with the requirement of observance of discipline in fiscal transfer to States as per OM dated 13th May, 2012 of the Ministry of Finance, Department of Expenditure, the opening balance in excess of 10% of the release in the previous year will be subsumed in the first instalment. Balance of First Installment is released upon utilization of 60% of the available fund.