STANDING COMMITTEE ON RURAL DEVELOPMENT

(2014-2015)

10

SIXTEENTH LOK SABHA

MINISTRY OF RURAL DEVELOPMENT
(DEPARTMENT OF RURAL DEVELOPMENT)

[Action taken by the Government on the recommendations contained in the First Report (Sixteenth Lok Sabha) on Demands for Grants (2014-15) of the Ministry of Rural Development (Department of Rural Development).

TENTH REPORT

सत्यमेव जयते

LOK SABHA SECRETARIAT

NEW DELHI

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Presented to Lok Sabha on 12 August, 2015

Laid in Rajya Sabha on 12 August, 2015

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28. Dr. Vijaylaxmi Sadho[$]
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30. Shrimati Kanak Lata Singh
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* Nominated to the Committee w.e.f. 07.10.2014.

@ Nominated to the Committee w.e.f. 13.05.2015

** Nominated to the Committee w.e.f. 25.09.2014 vice Shri Narayan Lal Panchariya.

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\# Nominated to the Committee w.e.f. 16.07.2015

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2.	Shri R. C. Tiwari	-	Director
3.	Smt. B. Visala	-	Additional Director
4.	Shri Manish Mohan Kamble	-	Committee Officer

INTRODUCTION

I, the Chairperson of the Standing Committee on Rural Development (2014-2015) having been authorised by the Committee to submit the Report on their behalf, present the Tenth Report on the action taken by the Government on the recommendations contained in the First Report of the Standing Committee on Rural Development (2014-15) (Sixteenth Lok Sabha) on Demands for Grants (2014-15) of the Ministry of Rural Development (Department of Rural Development).

2. The First Report (Sixteenth Lok Sabha) was presented to Lok Sabha/laid in Rajya Sabha on 19 December, 2014. Replies of the Government to all the recommendations contained in the Report were received on 11 March, 2015.

3. The replies of the Government were examined and the Report was considered and adopted by the Committee at their sitting held on 10 August, 2015.

4. An analysis of the action taken by the Government on the recommendations contained in the First Report of the Committee (Sixteenth Lok Sabha) is given in Appendix-II.

NEW DELHI;
10 August, 2015
19 Shravana, 1937 (Saka)

DR. P. VENUGOPAL
Chairperson,
Standing Committee on Rural Development

REPORT

CHAPTER I

This Report of the Standing Committee on Rural Development (2014-15) deals with the action taken by the Government on the Observations/Recommendations contained in their First Report (Sixteenth Lok Sabha) on Demands for Grants of the Ministry of Rural Development (Department of Rural Development) for the year 2014-2015.

2. The First Report was presented to Lok Sabha on 19.12.2014 and was laid on the Table of Rajya Sabha on the same date. The Report contained 26 observations/recommendations.:

3. Action Taken Notes in respect of all the observations/recommendations contained in the Report have been received from the Government. These have been examined and categorized as follows: ----

(i) Observations/recommendations which have been accepted by the Government:
Serial Nos.: 1, 4, 5, 7, 8, 11, 13, 15, 16, 17, 19, 20, 21, 22, 23 and 24
Total: 16
Chapter-II

(ii) Observations/recommendations which the Committee do not desire to pursue in view of replies of the Government:
Serial Nos.: 9 and 10
Total: 02
Chapter-III

(iii) Observations/recommendations in respect of which replies of the Government have not been accepted by the Committee:
Serial Nos.: 2, 3, 6, 12, 14, 18 and 26
Total: 07
Chapter-IV

(iv) Observations/recommendations in respect of which final replies of the Government are still awaited:
Serial Nos. 25
Total: 01
Chapter-V

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

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

I. Need for higher allocations for various schemes

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

6. With regard to the reduced outlay for various schemes, the Committee had recommended as under:-

> "The Committee note that the Demands for Grants for the Department of Rural Development (Ministry of Rural Development) laid on the Table of Lok Sabha on 24th July, 2014 made a provision of Rs.80093.33 crore with Plan component of Rs.80043.00 crore and non-Plan component of Rs.50.33 crore. The proposed outlay of the Department for the Annual Plan 2014-15 placed before the Planning Commission was Rs.92679.76 crore and the finally approved outlay was Rs.80043.00 crore for the plan schemes of the Department. The Committee observe that the allocated outlay has been reduced to the extent of Rs.12637.76 crore with reference to the proposed outlay. While keeping in view the importance of the rural development for inclusive growth, the Committee are constrained to note that as a consequence of the reduced outlay, the physical targets have also been proportionately reduced under the major rural development schemes like Indira Awas Yojana (IAY), Pradhan Mantri Gram Sadak Yojana (PMGSY), National Social Assistance Programme (NSAP) and National Rural Livelihood Mission (NRLM), as otherwise the targets could have been fixed at higher levels. The Committee are of the firm opinion that such reduced allocation would affect the implementation of the major schemes and the prospects of the Department in achieving the desired targets during the year 2014-15. The Committee, therefore, recommend that the Ministry should pursue the matter with the Ministry of Finance and Planning Commission for seeking higher allocation by emphasizing the

various important parameters which form the basis for allocation for various schemes for the financial year and fully utilise the allocated funds for achieving the plan targets and effective implementation of the various schemes and programmes for an inclusive rural development in the country."

7. The DoRD in thier action taken reply have stated as under:-

"IAY: In the Annual Plan 2014-15 for IAY, a Budgetary outlay of Rs. 18,000 crore was proposed for the current financial year 2014-15 with a physical target for construction of 30 lakh houses. However, Rs. 16,000 crore was allocated against which a physical target for construction of 25.18 lakh houses could be fixed. This amount got revised to Rs.11000.00 crore at RE stage.

NRLM/Aajeevika: For the year 2014-15, the budget provision approved for NRLM is Rs. 4,000 crore which also includes a provision of Rs. 400 crore for the DRDA Administration Scheme. The funds available in BE 2014-15 are adequate for meeting the programme expenditure because of the following reasons:

(i) With the termination of the earlier scheme of SGSY, the balances under SGSY amounting to Rs. 1272 crores was allowed to be utilized for NRLM.

(ii) The transition from SGSY to NRLM by States is subject to setting up of dedicated implementation structure with professional teams at state, district and block levels. Since many of the States took time to set up the structures, their transition to NRLM was delayed, resulting in lower utilization of funds.

The allocation in RE 2014-15 has been drastically reduced from Rs. 4000 crores to Rs. 2186 crores. A proposal to increase the RE ceiling has been taken up with the Ministry of Finance. If this proposal is not agreed to and the RE 2014-15 is kept at the level of Rs. 2186 crores, some of the financial commitments will have to be postponed to the next financial year. For Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY) an additional Rs. 276.05 crore has been sought.

PMGSY: During the year 2014-15, against the demand of Rs. 22,000 crore in Annual Plan proposal, PMGSY was allocated only Rs 14,391 crore, which further reduced to Rs 14,200 crore at RE stage, which was not enough to achieve physical targets under PMGSY. The Ministry pursued the matter with Ministry of Finance to enhance the budget allocation of PMGSY in order to meet the physical targets under PMGSY. Minister of Rural Development had written a letter to Finance Minister for enhancement of allocation of PMGSY by Rs 4000 crore during the fiscal year 2014-15. The enhancement was to be achieved by borrowing Rs 12000 crore over a 3 year period (Rs 4000 cr each year) from NABARD. Accordingly, a proposal for taking fresh loan from Rural Infrastructure Development Fund (RIDF) NABARD for gap funding of PMGSY was sent to Ministry of Finance, which is not yet agreed to. A request to provide a significant amount in the fiscal year, from the recent enhancement of excise duty on petrol and diesel has also been made by Minister, Rural Development to Finance Minister. The Ministry has pursued the matter with Ministry of Finance for higher allocation.

National Social Assistance Programme (NSAP): During the financial year 2014-15 an amount of Rs. 10,635.00 crore has been provided for the implementation of schemes under NSAP. This Ministry is receiving representations from State Governments to enhance the allocations due to the increase number of beneficiaries under these schemes.

Based on the recommendations of the Task Force, a EFC Note was submitted to Ministry of Finance, Department of Expenditure for approval. The EFC Note includes enhancement of pension under all the three pension schemes. Apart from this, the EFC proposes to introduce a new pension scheme for single and distressed women. If the proposal is approved/accepted, the annual outlay for the schemes of NSAP for the year 2014-15 would be approx. Rs. 26,031 crore. However, the Ministry of Finance has sought further information."

8. During examination of Demand for Grants of the Department of Rural Development for the year 2014-15, the Committee had observed that there was direct linkage between the Budgetary allocations and the physical targets of different schemes like Indira Awas Yojana (IAY), Pradhan Mantri Gram Sadak Yojana (PMGSY), National Social Assistance Programme (NSAP) and National Rural Livelihood Mission (NRLM). Taking into account the fact that the reduced allocation would affect the implementation of the major schemes, the Committee had recommend that the Ministry should pursue the matter with the Ministry of Finance and Planning Commission for seeking higher allocations. The Committee observe from the action taken reply furnished by the Ministry that the budgetary allocations in almost all important schemes of rural development like Indira Awas Yojana, NRLM (Aajeevika), PMGSY and NSAP have been reduced instead of getting it enhanced. The Committee express their unhappiness over the reduced allocation in such important schemes of rural development and strongly reiterate their recommendations that budgetary allocations at enhanced

level should be made in all these schemes crucial for rural development of the country so that the schemes could be effectively implemented to achieve the physical targets.

II. Non-Utilization of Funds.

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

9. In context of the non-utilization of funds for various schemes, the Committee had recommended as under:-

> "The Committee note that during the year 2012-13, the BE of Rs.73175.00 crore allocated for the plan schemes of the Department was drastically reduced to Rs.52000.00 crore at RE stage and the actual expenditure of Rs.50161.86 was even less than the RE. The Committee further note that even during the year 2013-14, the BE of Rs.74429.00 crore was reduced to Rs.59310.00 crore at RE stage and the actual expenditure was Rs.58630.15 crore which was less than the RE. The Committee are constrained to observe that during both these years, the reduced allocation and expenditure was largely under some of the major schemes of the Department viz. NRLM, PMGSY and IAY, due to the slow pace of expenditure for various admitted reasons like compulsory uploading of physical and financial progress by the States on the MIS software before release of second instalment, problems of connectivity and capacity to use the MIS, slow progress in construction of houses under IAY, delay in transition from the erstwhile scheme of SGSY to NRLM by the States and inadequate absorption capacity at state level under PMGSY, which are not convincing to the Committee. As a consequence, the Committee while taking a serious view in the matter on the recurrent under-utilisation of funds, are of the firm opinion that the low absorption of funds had adversely affected the targets under the different rural development programmes and also the progress of rural development by hampering the work in some of the major areas of rural connectivity under PMGSY, providing shelter to the rural needy under IAY and giving self-employment under NRLM schemes. The Committee therefore recommend that the Ministry should make earnest efforts for strengthening the capacities of the States in analysing and overcoming the problems involved in optimum utilisation of allocated funds and also by regular monitoring of the pace of expenditure and flow of funds on the various schemes during the year for the overall improvement in the quality of life in rural areas through employment generation, development of rural infrastructure, providing shelter to the homeless and provision of other basic amenities."

10. The DoRD in thier action taken reply have stated as under:-

MGNREGA

"The Ministry reviews the physical and financial progress in the states through periodic meetings of the Performance Review Committee of the Ministry, monitoring through National Level Monitors, field visits by Area Officers of the Ministry to various states, etc. The Ministry has also put in place an on-line Management Information System. The States/UTs are persuaded during the course of Performance Review Committee meetings (held on quarterly basis) and during the Coordinating Officers meetings (held on monthly basis in respect of IAY) to accelerate the pace of expenditure and to achieve the physical targets. Letters in this regard are also sent to the States from time to time.

Programme specific steps are given below:

IAY: From the year 2013-14, 4% of the States' allocation is being released as administrative cost which can, inter alia, be used for capacity building by the States, such as training of master masons and beneficiaries providing labour, including training on maintenance practices; training of Community Resource Persons (CRPs) and Non-Governmental Organisations (NGOs); payment of honorarium to CRPs and service charges to NGOs; training of officials and elected representatives of Panchayats; etc. In addition, AwaasSoft training programmes are also being conducted at Central level from time to time, particularly on demand from the State Governments. In this way, there is continuous effort to improve implementation and overcome problems.

NRLM/Aajeevika: In order to facilitate effective implementation of NRLM and optimum utilization of funds, the Government has set up an autonomous society namely National Rural Livelihoods Promotion Society (NRLPS) in July 2013 to provide necessary professional and technical support to the National Rural Livelihoods Mission and State Rural Livelihoods Missions. In addition, NRLPS has put in place a multi-disciplinary team of professionals and has designated State Anchors for each State to provide the necessary support to all states. The professional staff of NRLPS tour the states extensively, both to provide technical support wherever necessary and also to monitor the performance of the states in NRLM implementation. Regular video conferences are held with states authorities to assess implementation status, provide advice to states and also share best practices among various states.

Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY):The Guidelines on DDU-GKY provides for moving from direct implementation to further building capacities of State Government for implementation of the programme. The Ministry has approved Annual Action Plan (including capacity building component), of 09 States (Andhra Pradesh, Bihar, Gujarat, Kerala, Odisha, Rajasthan, Tamil Nadu, Telangana & Uttar Pradesh), who have developed the capacity to implement the programme. Funds for capacity building for the State of Assam have also been approved by the Government of India. Further action in this regard is underway.

PMGSY: State Governments are also being advised through various Regional Review meetings & Empowered Committee meetings to take suitable necessary action to expedite timely completion of road works under PMGSY. The following steps in this regard have been taken by the Ministry:

i. States have been requested to augment executing capacity and contracting capacity and their compliance in this regard is regularly reviewed.
ii. Bidding document provisions have been rationalized.
iii. Training is imparted to field engineers and contractors as well as their staffs for capacity building.
iv. Regular and structured review of physical & financial parameters is conducted at regular interval in various zones for a cluster of states of that zone."

11. The Committee during examination of the Demand for Grants had expressed their concern over the recurrent under-utilization of budgetary allocations which in turn adversaly affected the targets under the different rural development programmes. The Committee had, therefore, recommended the Ministry to make earnest efforts for strengthening the capacities of the States in analyzing and overcoming the problems involved in optimum utilization of allocated funds and also through regular monitoring of the pace of expenditure and flow of funds on the various schemes for the overall improvement in the quality of life in rural areas through employment generation, development of rural infrastructure, providing shelter to the homeless and providing other basic amenities to the rural populace. The Committee observe that the action taken reply of the Government does not indicate as to what concrete steps were taken by the Government for strengthening the capacities the States in analyzing and overcoming the problems involved in optimum utilization of allocated funds. Since under-utilization of funds year after year not only reflect the faulty budgetary process of the Department but also leaves a serious adverse impact on implementation of rural development schemes resulting in failure to achieve the targets and thereby depriving the rural population from the benefits intended to be extended to them through these schemes. The Committee strongly reiterate their recommendation and emphasis that concrete steps need to be taken by the

Department to avoid under-utilization of funds in all these rural development schemes in future.

III. Non-submission of utilization certificates

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

12. In context of the non-submission of utilization certificates, the Committee had recommended as under:-

> **"**The non-submission of utilisation certificates by the respective States/UTs is another area of serious concern to the Committee as further processes are often held up for want of such certificates which may result in stalling of the progress in implantation of important schemes having direct impact on the poor and needy class of people. The Committee therefore recommend that the Ministry must develop a mechanism for getting the utilisation certificates in time. The Ministry should also take up such issues with the highest functionary in the States/UTs for getting the desired results. Nodal officers may be appointed or the purpose of looking after a group of States.

13. The DoRD in thier action taken reply have stated as under:-

MGNREGA: One of the preconditions for release of funds towards 2^{nd} instalment is submission of Utilization Certificates (UCs) for funds released in the past. In case of non-completion of prescribed formalities including non-submission of UCs, Central funds are released on ad-hoc basis to meet emergent needs and temporary shortage of funds. The regular release of funds is restored on completion of all prescribed formalities under MGNREGA. Further, States/UTs/Districts are requested from time to time (through letters and review meetings between officials of Central and State Governments) to furnish UCs and other information to make regular releases of Central fund under MGNREGA.

IAY: As per the IAY guidelines, first instalment of funds is released in respect of all districts which had taken second instalment of previous year. Districts who have not availed second instalment of previous financial year have to submit proposal for first instalment along with all requisite documents which were required to be submitted for the release of second instalment of previous financial year. Second instalment is released after utilisation of at least 60% of total available funds and after examination of Utilisation Certificate and Audit Report for the previous financial year and the Utilisation Certificate for the current financial year along with other requisite documents. Thus, no funds are released to the States/DRDAs under normal IAY, unless UCs due for the previous releases are received. UCs for the funds released for special projects are monitored separately. The matter is regularly taken up with the concerned States in the monthly meeting of the State Coordinating Officers as well as in the

Performance Review Committee meetings (held on quarterly basis). As a result, the number of pending UCs which was 70 as on 31st March, 2014 involving an amount of Rs. 158.88 crore has now come down to 35 by the end of December, 2014 involving an amount of Rs.33.23 crore.

NRLM/Aajeevika: The NRLM guidelines already provide that the second installment of grants in aid in a financial year will be subject to submission of (i) Utrilization Certificate and Audit Report in respect of funds released during the previous year and (ii) utilization Certificate for the Current indicating expenditure of not less than 60 of available funds. Directions have also been issued to SRLM that the U.C. and Audit Report should be submitted within the prescribed time schedule without linking it with release of funds. Financial Management related issues are reviewed/discussed with all State Missions on bi-monthly basis and Financial Statements are obtained on a quarterly basis to monitor progress of expenditure.

Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY): The Division is regularly monitoring and getting UCs from States/UTs.

PMGSY: State Governments are time and again requested to submit latest Utilisation Certificate in the prescribed format along with the proposal for release of funds. However, no funds are being released to States having less than 60% of expenditure. During the Regional Review Meetings also, State Governments are requested to furnish Utilisation Certificate to the Ministry on time.

NSAP: If any State/UT fails to submit the Utilization Certificate for the last financial year and the expenditure reported by them up to December is less than 50% of the total available funds, funds for the last quarter are not released.

14. The Committee in their original report had expressed serious concern over the trend of non-submission of utilization certificates in time by the States/UTs and, therefore, had recommended the Ministry to develop a mechanism for getting the utilization certificates in time, to take up the matter with the highest functionaries in the States/UTs for getting the desired results and also to appoint Nodal Officers for this purpose. In their action taken note, the Ministry has mentioned the process which they follow in routine to get the utilization certificates and to release the funds. The Ministry has, however, not indicated the concrete action taken on any of the specific recommendations of the Committee. The Committee are of the strong view that non-submission of utilization certificate adversely impact the progress in implementation of important rural development schemes which directly affect the poor and needy class of people. The Committee, therefore, while expressing their displeasure over non-serious approach of the Ministry on such vital issues, strongly reiterate their

recommendation and desire the Ministry to apprise the Committee of the steps taken in this regard within a period of three months.

IV. Quality Inspection Mechanism

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

15. With regards to the irregularities in PMGSY and Quality Inspection Mechanism for the same, the Committee had recommended as under:-

> "The Committee note that under PMGSY, the maintenance and repair of roads is the responsibility of the respective State Governments. PMGSY has a 3 tier quality inspection mechanism. First tier inspection of all PMGSY roads is done by contracting agencies & PIUs, second tier inspection of all PMGSY roads is done by contracting agencies & PIUs, second tier by State Quality Monitors (SQMs) & 3rd tier by National Quality Monitors (NQMs). The Committee is constrained to observe from the details of inspection of roads under PMGSY during the last three Years i.e. from March, 2011 to March, 2014 that out of the total inspection of 1727 completed works by NQMs, 259 works inspected, 1267 works have been reported to be unsatisfactory. Keeping in view the importance of rural connectivity of roads, the Committee desire to be apprised of the reasons for the unsatisfactory completion of the various works, the irregularities involved and the remedial action taken therefore by the concerned authorities. The Committee strongly feel that unless a mechanism of fixation of responsibility and accountability is not put in place, the various problems and malpractices in implementation of the scheme will not be effectively cured and, therefore, the Committee recommend that a mechanism be devised by the Ministry whereby responsibility and accountability could be straightway fixed on the erring agencies and individuals and punitive action taken against them. The Committee also recommends that the suggestions and recommendations of the public representatives should also be taken into account while considering proposal for construction of roads under the PMGSY scheme."

16. The Ministry in their action taken replies have stated as under:-

> "Ensuring quality of road works under PMGSY is the responsibility of the respective State Governments. To ensure that the roads constructed are as per the prescribed standards, a three tier quality control mechanism has been put in place. The first two tiers of the mechanism are operated by States through process control at first level and subsequently the independent verification of the proper functioning of this tier through independent State Quality Monitors at 2nd level. Under the third tier of this mechanism, random inspections of road works are conducted by independent National Quality Monitors (NQM) of NRRDA, with a view to identify and address the systemic issues in the quality Management system of the State.

2. During the period of March 2011 to March 2014 a total of 8278 (ongoing & completed) works were inspected, out of which 1526 works were reported as "unsatisfactory" by NQM. The reasons put forth for unsatisfactory grading in these 1526 cases broadly relate to deficiencies in earth work (441 cases), sub-base (633 cases), base-course water bound macadam (1020 cases) & bituminous layer premix carpet surface dressing (256 cases).

3. Immediately after inspection, the reports of inspections by NQMs are shared with the States and PIUs are required to initiate the remedial actions and take steps to rectify the works as per the observations of the NQM and report to the State Quality Coordinator (SQC). On receipt of the action taken report from PIU, the SQC gets the facts verified through independent State Quality Monitor (SQM) who carries out all necessary tests and verifies that the compliance of the observations of the original report of the NQM has been done. Upon verification, if the SQC is satisfied about the adequacy of the remedial action taken, he mentions this fact on the ATR and sends the same to NRRDA for grade improvement.

4. The ATRs received from the State Governments are expeditiously and closely closely monitored at NRRDA. In respect of the 1526 works (graded unsatisfactory), referred to in para 2, Action Taken Reports (ATRs) in respect of 920 works from the respective State Governments have been received and accepted. In the case of 318 works, ATRs were not found adequate and returned to the State Governments for further rectification. For balance 287 works, ATRs have not yet been received from the State Governments. The status of ATRs is monitored on regular basis at various fora viz., Pre-empowered Committee meetings, Empowered Committee meetings, Regional Review meetings and through communications to the States."

17. The Committee in their original Report had observed that the works in Pradhan Mantri Gram Sadak Yojana (PMGSY) in large number of cases had been found unsatisfactory and therefore the Committee had recommended that to effectively curb the various problems and malpractices in implementation of the schemes, a mechanism need to be devised by the Ministry to straightway fix the responsibility and accountability on the erring agencies and individuals with a view to take punitive action against them. The Committee observe that the Ministry in their action taken reply has not indicated about any new mechanism developed by them as had been recommended by the Committee. Further, the Ministry has also not furnished the reasons for the unsatisfactory completion of the various works, the irregularities involved and the remedial action taken by the concerned authorities. Similarly, the Ministry has also not responded to the

recommendation of the Committee that suggestions and recommendations of the public representatives should also be taken into account while considering proposal for construction of roads under the PMGSY Scheme. Taking into account the seriousness of the problem, the Committee strongly reiterate their recommendations and desire the Ministry to take immediate necessary steps in this regard.

V. Rationalisation of the process of appointment of contractors

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

18. With regards to the irregularities in PMGSY and Quality Inspection Mechanism for the same, the Committee had recommended as under:-

> "The Committee note that against the target of 30000 km of road length, only 24161 km was achieved in 2012-13 and the shortfall was to the extent of 5839 km. Further, even during the year 2013-14, 25316 km of road length was achieved as against the target of 27000 km and there was a shortfall in achieving the desired targets for road length for rural connectivity. The Committee while emphasizing the need to strengthen the capacities of the States, recommend that the Ministry should make earnest efforts to provide proper guidance and assistance to the States for adequately enhancing their absorption and contracting capacities for an effective implementation of the scheme in achieving the desired targets. The Committee further recommends that the process of appointment of contractors should be rationalized and rural connectivity should cover the inhabitations of weaker sections of society."

19. The Ministry in their action taken replies have stated as under:-

Against the 12th Five year plan allocation for PMGSY i.e. 1,05,000 crore, this Ministry has received Rs 32,975 crore only during the first three years of the plan (2012-13 to 2014-15), which is 31.4% of the Five year allocation. All the State Government are fully geared up in terms of execution capacities to complete the balance road works and meet the annual targets. As the implementation of PMGSY is being done by the State Governments, some States are unable to fulfil the estimated target. Due to steep cuts in budget in the last two years and anticipated cost in this fiscal have adversely affected the pace of implementation of PMGSY projects. To increase the executing capacity of the States the following steps have been taken:

1. An Expert Committee has been constituted for recasting the Standard Bidding Document.

2. Training is being imparted to field engineers, contractors and their staff for capacity building. Contractors outreach programmes are also being organized.
3. Regular and structured review of physical and financial parameters is being carried out.

Regarding providing connectivity to weaker sections of the society, the objective of the PMGSY is to provide connectivity to the eligible unconnected habitations in the rural areas with a population of 500 persons and above in plain areas, in respect of Special Category States with a population of 250 -499 persons (census 2001). This includes habitations of weaker section of society also.”

20. The Committee appreciate that the Government has initiated certain steps for increasing the executing capacity of the States to complete the works and meet the annual targets. The Committee, however, are dismayed to note that the action taken note of the Government is silent on the recommendation of the Committee about rationalization of the process of appointment of contractors. To curb the malpractices and irregularities in the process, it is essential that the contractors are appointed in a fair and transparent manner. The Committee, therefore, strongly reiterate their recommendation and desire the Government to rationalize the process of appointment of contractors.

V. Difficulties faced to avail Loan

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

21. With regard to difficulties faced in availing loans in IAY, the Committee had recommended as under:-

"The Committee note that there have been various difficulties faced by the beneficiaries to avail loans under the scheme. Difficulties like eligibility in respect of income ceiling and land holdings, poor repaying capacity of the beneficiaries, etc. have been reported by the Ministry. The Committee desire that the Ministry should take necessary steps to facilitate the beneficiaries in taking loans by providing all the necessary assistance and should ensure that the various hardships being faced by them are appropriately resolved. The possibility of giving necessary relaxations may also be explored for timely availability of funds to the needy families so that the beneficiaries should be able to have a shelter for their own under the IAY scheme."

22. The Ministry in their action taken replies have stated as under:-

> "The guidelines of IAY suggest the methodology that can be adopted for availing the loans under DRI Scheme for SC/ST beneficiaries. The guidelines also advise the States for provision of supplementary grants by the State Government over and above the assistance by Government of India and mobilization of other loans at a subsidized interest rates.
>
> Ministry of Rural Development in pursuance to the announcement of the Government to achieve the goal of "pucca houses for all" by 2022, is in the process of restructuring IAY into Gramin Awaas Mission (GRAM). The focus of the Mission is not only on construction of houses but also on providing basic amenities through convergence and promoting a livable habitat. Accordingly, it has been proposed under GRAM that every eligible family in rural area shall be covered, with priority being given to SC/STs and Minorities
>
> Keeping in view the amount required for construction of a durable house with all basic amenities, it has been proposed under GRAM that the loan under Differential Rate of Interest (DRI) be increased upto Rs. 1.00 lakh covering all the beneficiaries under GRAM and simplify the procedures involved in securing loan."

23. The Committee note that the Government is in the process of restructuring Indira Awas Yojana (IAY) into Gramin Awaas Mission (GRAM) to achieve the goal of "pucca houses for all" by 2022 and the focus of the mission is not only on construction of Houses but also on providing basis amenities through convergence and promoting a livable habitat. The Committee however constraint to note that the fundamental problem in availing the loan by needy and poor class will still remain unresolved unless the procedures are not simplified and beneficiaries are not appropriately facilitated. The Committee, therefore, reiterate their recommendation for initiating steps to facilitate the beneficiaries in taking loans by providing all necessary assistance and also granting relaxation in deserving cases so that the beneficiaries should be able to have their own shelter under the Indira Awas Yojana(IAY) which is now being restructured in the name of Gramin Awas Mission (GRAM).

VI. Monitoring mechanism and Nodal Officer

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

24. With regard to monitoring mechanism and Nodal Officer, the Committee had recommended as under:-

> "The Committee in the process of examination of Demands for Grants find that non-submission/incomplete submission plans by States/UTs, slow response and a pathetic attitude by the functionaries, non-utilization of allocated funds, lack of technical staff, delay in submission of utilization certificates, etc. are some of the constraints faced in the effective implementation of the schemes. Unfortunately, the existing monitoring mechanism for ensuring transparency and fixation of responsibility in all the centrally sponsored schemes had not been very effective to bring the desired improvements. The Committee, therefore, strongly recommend the Ministry to revamp the entire monitoring mechanism which could not only boost up the speed of implementation of schemes but also bring transparency and accountability in the process at all levels. Further, effective steps need to be taken for holding regular monthly meetings of Performance Review Committee for getting regular feedback about the progress of the Scheme from different sources. The Management Information System (MIS), External Monitoring through field visits by Area Officers and the feedback of vigilance and Monitoring Committees could be some of the tools which may be used for bringing improvement in the processes. The Committee express their dissatisfaction that the new initiatives taken by the Ministry like AwaaSoft, e-FMS, e-Muster, CPGRAM, etc. have not been able to bring the desired impact. The Committee feel that taking timely remedial action will be possible only when there is a well defined mechanism of getting real time data/information from difference sites of execution of the schemes but this is not happening as the Ministry do not have its own Nodal Officers at different levels who could constantly monitor the progress of the schemes and report immediately to the Govt. for further necessary action. The Committee is therefore, of the strong opinion that Nodal Officers should be appointed by the Ministry at different levels for not only conducting concurrent physical verification of the status of implementation of various programmes, it asserts but also to keep a close watch over the utilization of funds by the states. Such Nodal Officer should be mandated to have effective coordination with the State Governments and to directly report all the developments to the Central Government so that any problem occurring in the process of implementation of schemes be effectively and timely addressed by the controlling authorities/Ministry. The Committee is confident that appointing Nodal officers will bear immediate result and will be able to iron out the various difficulties which have crept into the system."

25. The Ministry in their action taken replies have stated as under:-

"Effective monitoring of the Programmes is considered very important for efficient delivery at the grass root level in view of the substantial step up in the allocation of funds for rural development programmes. In order to ensure this, appropriate performance indicators have been developed for each of the specific programmes for effective monitoring at the District, Bock, Gram Panchayat and Village levels so that alarm signals are captured well in advance for mid-course corrections. The important instruments of monitoring are: (i) Review by the Union Ministers, (ii) Web based management and monitoring, (iii) Utilization Certificates/Audit Reports, (iv) Performance Review Committee (PRC) (iv) Vigilance and Monitoring Committees(VMCs), (v) National Level Monitors (NLMs) and (vi) Area Officer's Scheme. As suggested by the Committee, these monitoring tools would be reviewed and redesigned to ensure more transparency and accountability.

The PRC meetings, chaired by the Secretary (RD) are held on quarterly basis. As Principal Secretaries/Secretaries of States/UTs participate in these PRCs, holding these meetings on monthly basis is not considered at present, as suggested by the Committee. State nodal officers meetings for individual programmes are also held regularly in between the PRC meetings.

The web-based monitoring systems, capturing both physical and financial progresses for individual programmes are regular monitoring features of the Department. MGNREGA soft, on-line management, Monitoring and Accounting system (OMMAS), Awaas Soft, NSAP-MIS, NRLM-MIS are designed keeping in view the requirements of various stakeholders periodically to keep with technological developments and new requirements. The existing Area Officer's scheme has provisions for appointment of Principal Area Officers (PAO) and Area Officers (AOs) for individual states for monitoring both physical and financial progress of programmes at field and national level. The guidelines will be amended to address the concerns of the Committee."

26. The Committee during examination of the Demands for Grants had expressed their concern that the existing monitoring mechanism for ensuring transparency and fixation of responsibility in all the Centrally Sponsored Schemes have not been very effective to bring the desired improvements. The Committee had, therefore, strongly recommended for revamping the entire monitoring mechanism and to appoint Nodal Officers at different levels who could constantly monitor the progress of the Schemes and report immediately to the Government so that corrective measures could be taken timely by the Government. The Committee are concerned to note that the Government has not given any indication in their action taken reply about appointment of Nodal Officers at all levels for constant monitoring of the implementation of the

schemes. Since all the existing mechanisms and processes had not been able to bring the desired results, the Committee strongly reiterate their recommendations and desire the Government to act upon it in a time-bound manner.

CHAPTER II

RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

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

The Committee take note that the Rule 331G of the Rules of Procedure and Conduct of Business in Lok Sabha relating to examination of Demands for Grants by the Departmentally Related Standing Committees (DRSCs) was suspended by the Hon'ble Speaker, Lok Sabha to enable the House to pass the demands for Grants for the year 2014-15 without the same being referred to the concerned DRSCs. Hon'ble Speaker, Lok Sabha, however, made observations in the House on 15th and 21st July, 2014 that the Demands would however stand referred to the Standing Committees for examination and report to the House so that the Committee can make suitable recommendations which may be used in preparation of Demands for Grants for the next year. The Committee have accordingly examined the Demands for Grants of the Department of Rural Development (Ministry of Rural Development). Since the Budget for the year 2014-15 has already been passed by the Parliament, the Committee endorse the same. Nevertheless, the Committee feel that the suggestions and recommendations of the Committee in this Report would help the Department of Rural Development (Ministry of Rural Development) in analysing their physical and financial performance and implementation of various schemes and projects during the current year and also in preparing the Demands for Grants for the next financial year. The observations and recommendations of the Committee are given in the succeeding paragraphs.

Reply of the Government

Observations made by the Committee have been noted.

[O. M. No. H – 11020/03/2014 – GC (P), dated: 11 March, 2015 Department of Rural Development
(Ministry of Rural Development)]

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

The Committee was informed that the Twelfth Five Year Plan outlay for the Department of Rural Development is Rs.399926.00 crore which is 105% higher than the approved outlay of Rs.194933.28 crore for the 11th Plan and 44% higher than the actual expenditure of Rs.278561.77 crore during the 11th Plan. However, while observing the huge reduction in the allocated funds at RE stage and expenditure being even less than the RE during the first two years of the twelfth five year plan viz. 2012-13 and 2013-14, the Committee are apprehensive about the full utilisation of the total funds allocated for the twelfth plan during the remaining three years of the plan period. Admittedly, the Department has to take initiatives for enhancement of capacity building to increase the absorption capacity of the States/UTs besides strengthening the monitoring mechanism. The Committee feel that the rapid growth in rural development sector during the twelfth plan period can be achieved through a strategy to allocate adequate financial resources for achieving the plan targets with effective implementation of the various important schemes and programmes for rural employment, rural infrastructure and social welfare. The Committee, therefore, recommend that the Ministry should make vigorous efforts to develop a mechanism for providing appropriate assistance and guidance regularly to the States/UTs for improving their capacities and rationalisation of processes with a view to ensure full utilisation of funds during the twelfth plan period and to achieve the targets with timely implementation of the schemes in effective manner for all inclusive rural development. The Committee desire that the monitoring and evaluation of implementation of the various schemes of the Department should be carried out regularly for assessing the progress of the schemes and corresponding utilisation of funds. Such regular monitoring will also enable the Government to detect the lapses and take remedial action in time. The Committee expect the Ministry to take concrete steps in this regard.

Reply of the Government

Monitoring and evaluation of each and every programme is done regularly in a structured framework. Besides, review based monitoring, DoRD also conducts field based monitoring. In recent years, IT based monitoring through MIS is done for all the major programmes.

MGNREGA: Following initiatives are taken in this regard:-

1. For smooth fund flow, the electronic Fund Management System (e-FMS) has been introduced which would also reduce delays in payment of wages.

2. Ministry has conducted training of Resource Persons from the States/UTs on MGNREGA Operational Guidelines to develop a cadre of identified trainers/ experts in the subject matter of MGNREGS implementation in respective States. These trained functionaries will in turn train District Resource teams and in turn Block Resource Teams.

IAY: The States/UTs are requested during the course of Performance Review Committee meetings (held on quarterly basis) and during the Coordinating Officers meetings (held on monthly basis) to accelerate the pace of expenditure and to achieve the physical targets. Funds are being provided to the States for capacity building. 4% of the funds allocated are earmarked for administrative expenses which can inter alia be used by the states for capacity building of stakeholders like training of master masons and beneficiaries providing labour, including training on maintenance practices; training of Community Resource Persons (CRPs) and Non-Governmental Organisations (NGOs), training of officials and elected representatives of Panchayats; etc. Moreover AwaasSoft training programmes are also being conducted at Central level from time to time particularly on demand from the State Governments. This ensures that there is continuous effort to improve the implementation of the programme and overcome problems that may arise. The administrative expenses released to the State Governments can also be used for Monitoring and conducting Evaluation Studies. IAY is being continuously reviewed through Monthly and Annual reports received from the States/UTs. Apart from this, monitoring is also ensured through Area Officers scheme, uploading of photographs of IAY houses, monitoring of Physical and Financial progress under IAY through AwaasSoft which captures beneficiary-wise data. Moreover Evaluation Studies are also conducted to assess the implementation and impact of the programme.

NRLM/Aajeevika: An autonomous Society National Rural Livelihood Promotion Society (NRLPS) has been created to provide professional and technical support to the States for effective implementation of the programme and optimum utilization of funds. The Society has designated Anchor persons to support each State. The NRLPS has also set up a multi-disciplinary team of professionals from various thematic areas for providing holistic support to all States.

NRLM has instituted comprehensive Monitoring and Evaluation (M&E) and Management Information System. Under M&E, 15 states have initiated the process of baseline study. Process monitoring is in progress in 3 major States and procurement action engaging the agencies for the same has been initiated in 6 states. Thematic studies are also in progress in 5 states.

With the technical support of NIC, NRLM has rolled out an MIS with modules that capture SHG profiles, Mission Structure, Monthly Progress Report, Fund Disbursal, MIS Analytics etc.

MoRD is undertaking a regular review with State Govt. on DDU-GKY M&E component in States/UTs. In order to ensure regular monitoring, appropriate performance indicators have been devised at different levels so that mid-course corrections in the implementation of the programmes could be initiated. The major tools for monitoring inter-alia includes (i) Review by the Union Ministers, (ii) capacity building and training for various stakeholders participating in the poverty elimination programmes and identifying high quality institutions in livelihoods education and training and facilitate linkage of the state organizations with missions with such institutions for capacity building of professionals, (iii) developing capacity building and training modules for functionaries of the people’s institutions as well as the State Agencies and district units, and other stakeholders (iv) Web based management and monitoring, (v) Utilization Certificates/Audit Reports, (vi) Performance Review Committee (PRC) (vii) Vigilance and Monitoring Committees(VMCs), (viii) National Level Monitors (NLMs) and (ix) Area Officer’s Scheme.

PMGSY: Training of engineers and personnel involved in the implementation of Pradhan Mantri Gram Sadak Yojana (PMGSY) at the PIU and SRRDA level has been one of the key interventions determining the quality of the project outcomes under PMGSY. For capacity building of the personnel implementing PMGSY including Engineers, Financial personnel, Contractors, PIU personnel etc. various training programmes have been organized by NRRDA through National Level Institutes as well as State Institute of Rural Developments (SIRDs) in various States in coordination with State Rural Roads Development Agency (SRRDA). Training is being imparted on various aspects of the programme – project preparation, construction supervision, project management, quality control, financial management, online monitoring, and other aspects. World Bank's Technical Assistance programme provide funding support in this regard. National Rural Roads Development Agency (NRRDA) is focusing on capacity building with a target to provide training to at least 1,000 personnel of State Rural Road Development Agencies (SRRDAs)/Programme Implementing Units (PIUs) and other functionaries and contractors each year to enhance the capacity of personnel involved in execution of the programme. So far as monitoring of PMGSY is concerned, State Governments are advised through various Regional Review meetings & Empowered Committee meetings to take suitable necessary action to expedite timely completion of road works under PMGSY. The additional steps taken in this regard by the Ministry:

i. States have been requested to augment executing capacity and contracting capacity and their compliance in this regard is regularly reviewed.
ii. Bidding document provisions have been rationalized.
iii. Training is imparted to field engineers and contractors as well as their staff for capacity building.
iv. Regular and structured review of physical & financial parameters is conducted at regular interval in various zones for a cluster of states of that zone.

[O. M. No. H – 11020/03/2014 – GC (P), dated: 11 March, 2015 Department of Rural Development
(Ministry of Rural Development)]

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

The Committee observe that the amount of unspent balance in different schemes has been to the extent of Rs.13922.44 crore and a total of 372 utilisation certificates involving an amount of Rs.3171.71 crore have been outstanding as on 31.03.2014. The Committee observe that more than half(Rs.7167.87 crore) of the total amount of unspent balances is under India Awas Yojana Scheme alone while Rs.4406.31 crore unspent balance is under MGNREGA, Rs.2269.00 crore is under Aajeevika and Rs.85.26 crore is under PMGSY. The Committee are constrained to note that such huge amount of unspent balances in some of the major schemes for rural development adversely affect the rural population particularly in the area of wage employment, all-weather rural connectively, institution building and basic housing to the needy people for whom the budgetary allocations were oriented and reflect lack of planning and foresight both at Centre and State level. The Committee are therefore of the view that the Ministry should not feel complacent simply by releasing the allocated funds and thereafter leaving the whole gamut of affairs to the States/UTs with regard to the utilisation of funds and implementation of the schemes/programmes. No reasons can justify such huge amount of unspent balance in the areas which are at the core of sustainable growth of the economy. The Committee while taking a very serious view on huge accumulation of unspent balance, strongly recommend that the least now the

Ministry should take pro-active measures and devise a strategy by which all implementing agencies including States/UTs should be bound to achieve the physical as well as financial targets during the financial year to avoid unspent balance in future.

Reply of the Government

MGNREGA: MGNREGA is a demand driven programme. Therefore, some float of funds is necessary to be kept with the implementing agencies. Ministry has made concerted efforts to reduce the unspent balances lying with the States/UTs without adversely impacting the program implementation. An Electronic Fund Management System (e-FMS) is being implemented to do away with unspent balance at sub-state level. Implementation of MGNREGA/utilization of funds by the States/UTs under MGNREGA is periodically reviewed in various National and State level performance review meetings and regional review meetings. Among others, States/UTs are requested to follow bottom up approach and realistic estimation of labour demand through household survey of job card holders, reinforcement of demand registration processes so that all those who wish to apply for work under MGNREGA are facilitated and appropriate planning of works and their execution time to ensure adequate worker participation rate in MGNREGA. Moreover the closing balance under MGNREGA has been reducing in the last three years. It has reduced from Rs. 11732.86 Crore during 2011-12 to Rs. 3484.20 Crore during 2013-14. The details are presented in the table below:

Year	Closing Balance (Rs. In Crores)
2011-12	11732.86
2012-13	5852.21
2013-14	3484.20

IAY: During the year 2013-14, the utilization of funds was less mainly because of imposition of Model Code of Conduct from October to December, 2013 in four States due to elections to the State Assemblies and again in the whole country w.e.f. 4.3.2014 due to general elections to the Lok Sabha. However, as already stated in reply to Para 2.3 above, the States/UTs are persuaded during the course of Performance Review Committee meetings (held on quarterly basis) and during the Coordinating Officers meetings (held on monthly basis) to accelerate the pace of expenditure and to achieve the physical targets.

NRLM/Aajeevika: Out of the total balance of Rs. 2269 crore under NRLM, a sum of Rs. 1272 crore pertains to the balances under SGSY which were transferred by the DRDAs, to the SRLM, consequent to termination of the SGSY scheme from 1.4.2013. The Ministry has made concerted efforts through the State Missions to locate all unspent SGSY balances lying in the District Rural Development Agencies and in the Banks. These balances are treated as part of NRLM funds effective from 1.4.13.

The core financial support under NRLM is provided in the form of Community Investment Support Fund to the SHG federations after they are fully capacitated to manage their own affairs. In order to facilitate the process of capacity building, the Programme has devised the Resource Block Strategy to generate adequate social capital for scaling up the programme. A partnership frame work for engaging renowned resource organizations, including experienced state missions, NGOs and mature community based organizations in the capacity building of Community Cadres and the professional staffs of the missions has also been put in place. An autonomous society, the NRLPS, has also been created at central level to provide the requisite technical and professional support to the State Rural Livelihoods Mission (SRLMs).

The Ministry has also put in place an on-line Management information system and is in the process of rolling out an on-line accounting system to ensure regular flow of information on financial progress.

Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY):MoRD is undertaking a regular review of DDU-GKY projects with Project Implementing Agencies and also with State Govt.

PMGSY: Funds, in accordance to programme guidelines, are released to State/UT government based on their absorption capacity and utilization of available unspent balance. As per the release procedure under PMGSY guidelines, the first installment is 50% of cleared value of projects and subsequent releases are made on utilization of 60% of available funds by the State Governments. Also as a pro-active measure, the States which are having huge unspent balance available are not being released any further funds. States are regularly being advised to reduce the unspent balance available with them. The unspent balance as on 1st April, 2013 was Rs 4,761 crore , which was reduced to Rs 804 crore as on 1st April, 2014 crore.

NSAP: The amount available with the states/UTs at the close of financial year becomes Opening Balance which is considered for releasing the fund in the next financial year. It is further mentioned that the matter is being pursued with the State Governments to submit the Utilisation Certificates in time so that their request for release of further funds may be considered.

[O. M. No. H – 11020/03/2014 – GC (P), dated: 11 March, 2015 Department of Rural Development
(Ministry of Rural Development)]

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

The Committee note that MGNREGA is a rights based wage employment programme implemented in rural areas of the country. This programme aims at enhancing livelihood security of people in rural areas by providing not less than 100 days of guaranteed wage employment in a financial year to every rural household whose adult members volunteer to do unskilled manual work. The Committee was informed that the Act now covers all the rural districts (644) of the country. The Committee note that the proposed allocation for MGNREGA during twelfth plan was Rs. 358764.00 crore and the allocation actually provided by the Planning Commission is Rs. 165059.00 crore which is less than half the amount of the proposed allocation. The allocation at BE stage for the years 2012-13 and 2013-14 was Rs. 33000 crore for each of these two years which was subsequently reduced at RE stage to Rs.29387 crore for

2012-13 and Rs.31000 crore for 2013-14. The Committee have been informed that during the current financial year 2014-15, against BE of Rs. 34000 crore, an amount of Rs.20722.77 crore has been released to States/ UTs and as per the trend of expenditure, additional requirement of Rs. 4000 crore has been made at RE stage. Keeping in view the likely revision of wage rate and expected increase in outreach of households, the Committee are constrained to note that the allocation made for the current year does not appear to be sufficient for effective implementation of the scheme. The Committee, therefore, recommend that the Department should pursue with the Ministry of Finance and Planning Commission for higher budgetary allocations of funds for MGNREGA scheme so that the inadequacy of funds could not be a ground and a reason for slippage in achieving the objectives of the scheme.

Reply of the Government

The allocation during the current year 2014-15 has been enhanced to Rs.34,000 crore (BE) (as against Rs.33,000 Cr (BE) in 2013-14). Of this, an amount of Rs.27,545.19 crore has been released to States/UTs (as on 19.01.2015). The requirement of funds as per the trend of the expenditure has been reassessed by the Ministry and it was observed that an amount of Rs.500 crore is required over and above the Budget provision of Rs.34,000.00 crore provided under MGNREGA. Department of Expenditure has been requested to provide additional funds of Rs.500 crore in the current year for programme implementation.

[O. M. No. H – 11020/03/2014 – GC (P), dated: 11 March, 2015 Department of Rural Development
(Ministry of Rural Development)]

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

The Committee have been informed that utility and durability of the MGNREGA assets have been confirmed through perception surveys of beneficiaries and stakeholders and as per one of the survey rounds of National Sample Survey Organization (NSSO), the Sates of Andhra Pradesh, Madhya Pradesh and Rajasthan were using the assets created through MGNREGA works. As regards the status of convergence of MGNREGA with other schemes of the government, the Committee have been informed that 21 states/UTs have submitted their state convergence plans. The Committee are constrained to note that only a few States have confirmed the utility and durability of assets under MGNREGA. The Committee feel that such an assessment based on perception surveys of beneficiaries and stakeholders may not reflect the correct figures. The Committee, therefore, recommend that a thorough independent assessment should be done in all the States for collection of authentic information about durability and quality of assets created under MGNREGA. The Committee also recommend that durable assets created through the funds allocated should be taken note of and reflected in different data tables. Keeping in view the need to optimize public investment in rural areas, the Committee desire that the Ministry should persuade all the remaining State/UTs for submission of their state convergence plans and expedite the convergence of MGNGREGA scheme with other schemes of the Government for addressing the socio-economic problems of rural population in an integrated manner.

Reply of the Government

Details of independent studies and those conducted by the Ministry and State Governments through independent institutions on usefulness and quality of assets created under MGNREGS are given below:

- A study, conducted by the Indian Institute of Forest Management, Bhopal for the State of Madhya Pradesh, with objectives to evaluate MGNREGA interventions from ecological sustainability point of view and to provide suggestions for optimum utilization of assets created under MGNREGA shows that the Kapildhara wells have been successful in providing irrigation facility and have increased the crop intensity in Dhar and Ratlam districts.
- A study conducted by the Indian Institute of Science, Bangalore and GIZ across 5 states = Rajasthan (Bhilwara), Madhya Pradesh (Dhar), Andhra Pradesh (Medak), Karnataka (Chitradurga) and Sikkim (south district) has concluded that the programme has had extensive positive impact on the environment and in reducing the vulnerability to climate risks. The following have been established in the study:
    - Rise in water availability and area irrigated,
    - Improvement in Soil Quality,
    - Improvement in Ground Water levels,
    - Increase in area under irrigated crop production,
    - Reduction in soil erosion and demonstrated impact on carbon sequestration.

- Sambodhi Research and Communications Pvt. Ltd conducted a study to evaluate the effects of the creation of assets on lands of small and marginal farmers, SC/ST and IAY beneficiaries in six States, namely, AP, Chhattisgarh, MP, Odisha, Rajasthan and UP. The study has confirmed that MGNREGA works on the land of individual beneficiaries have had a significant impact on improving quality of their land, generating extra income, aiding small and marginal farmers move to dual and multi-cropping and in creating alternative sources of livelihoods for these households.
- The study conducted by Tashina Esteves, K V Rao, Bhaskar Sinha quantified the environmental and socio-economic benefits from the MGNREGA works. The study has compared the livelihoods before (2006-07) and post-implementation (2011-12) and concluded that the works have reduced the vulnerability of agricultural production to climatic variability.

Further, with a view to ensure creation of durable assets, ensure sustainable development and achieve livelihood security, the Ministry has taken the following steps:

- Laid down that at least 60% of the expenditure at the district level shall be on works that directly benefit agriculture/allied sectors. This will bring substantial investments in creation of irrigation potential.

- Inculcate an outcome orientation in the execution of works, by bringing in guidelines for assessing outcomes from planning and implementation of each work. Accordingly, outcomes of more than 10 lakh works have been assessed and recorded in the MIS. This data is made available to general public.
- The technical supervision, which is crucial for ensuring better quality, is sought to be increased by prescribing at least one Technical Assistant/barefoot Engineer for every 2,500 job cards. The Ministry has also allowed meeting the cost of these technical persons from outside the 6% administrative costs, thereby paving the way for increasing the technical personnel in the programme implementation.
- Brought out convergence guidelines on convergence of MGNREGA with various schemes of the Central Government and the State Governments. The Ministry has coordinated with various States and UTs to formulate State Convergence Plans (SCPs). So far 21 States have formulated State Convergence Plans and these are under implementation.

[O. M. No. H – 11020/03/2014 – GC (P), dated: 11 March, 2015 Department of Rural Development
(Ministry of Rural Development)]

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

The Committee note that the proposal of the Department for PMGSY during XIIth Plan (2012-2017) was for Rs.2.03 lakh crore while the amount actually allocated by the Planning Commission was Rs.1.05 lakh crore out of which the outlay for first three years of current Plan period is only Rs. 60091 crore. The Committee further note that during the year 2012-13, the BE of Rs.24000 crore was reduced at RE stage to Rs.10000 crore and similarly, during the year 2013-14, the BE of Rs.21700 crore was reduced to Rs.9807 crore at RE stage. The Committee also note that BE for the year 2014-15 is Rs.14391 crore which is lower by Rs.7309 crore in comparison to the amount of BE for the year 2013-14. The Committee are seriously concerned to observe that during both the years, funds allocated at BE stage were drastically reduced by more than 50% at the RE stage. The admitted reasons are unspent balances, interest accrual, expenditure trends of States and overall fiscal considerations but the fact remains that the reduction had an adverse impact on mobilization of men and materials for construction/upgradation of PMGSY roads and on timely completion of the projects. The Committee therefore recommend timely placing of demands for funds by the States and also timely release of funds to the implementing agencies. The Committee are of the firm opinion that it was more the lack of coordination and absence of effective monitoring that has led to the situation of reduction in allocation than any substantial issue and therefore, it was for the Ministry to ensure that all the issues relating to the scheme were comprehensively addressed in time. The Committee, therefore, recommends that the Ministry should strengthen its mechanism not only to avoid such reduction of allocation in future but also to ensure optimum utilization of funds during the financial year. The Committee expects that the Ministry will take urgent necessary steps in this regard.

Reply of the Government

PMGSY had been allocated with a budget of Rs. 24,000 for the financial year 2012-13 which was substantially reduced to Rs. 8,885 crore in Revised Estimate. The reduction at R.E. Stage was because of unspent balance amounting to Rs. 8,885 crore being available with the States as on 01.04.2012 The budget allocation for year 2013-14 was Rs. 21,700 crore which was reduced to Rs. 9,700 crore. Considering the availability of unspent balance of Rs. 4,761 crore (as on 1.4.2013), interest accrual of Rs. 3,050 crore (since inception of PMGSY upto March, 2013) and expenditure trends of states Budgetary Allocations of 2013-14 were reduced at RE stage.
During the year 2013-14 States were allowed to utilize interst accured by the States on programme fund with the approval of Ministry of Finance and the same is being adjusted in subsequent releases from current Financial year. During the last three the expenditure (as reported by the States) has substantially improved and the unspent balance has progressively come down as a result of effective monitoring and coordination by the Ministry. State Governments are also being advised through various Regional Review meetings & Empowered Committee meetings to take suitable necessary action to expedite timely completion of road works under PMGSY. The following steps in this regard have been taken by the Ministry:

a. States have been requested to augment executing capacity and contracting capacity and their compliance in this regard is regularly reviewed.
b. Bidding document provisions have been rationalized.
c. Training is imparted to field engineers and contractors as well as their staff for capacity building.
d. Regular and structured review of physical & financial parameters is conducted at regular interval in various zones for a cluster of states of that zone.

[O. M. No. H – 11020/03/2014 – GC (P), dated: 11 March, 2015 Department of Rural Development
(Ministry of Rural Development)]

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

The Committee are dismayed to note that as per the progress report of PMGSY works in Integrated Action Plan (IAP) blocks, the construction of roads and providing connectivity to the habitations have been far from satisfactory. The specific problems and issues faced by the IAP, hilly and tribal areas have been reported to be inadequate execution and contracting capacity, difficult hilly terrain, non availability of materials and unfavourable weather conditions. The Committee feel that the States of left-wing IAP Districts are the most vulnerable areas of our country and requisite facilities and appropriate relaxations should be given expeditiously to facilitate connectivity in IAPareas. The Committee also note that the pace of construction of roads in States such as Manipur, Mizoram, Meghalaya, Nagaland and Odisha is at a very slow pace. While stressing the need of immediate construction of roads under PMGSY in IAP areas, the Committee recommend that appropriate measures should be urgently taken by the Ministry for redressal of the difficulties being faced by the inhabitants in these areas and necessary relaxations may be given to facilitate connectivity in IAP districts for achieving the targets. The Committee also desire that the Ministry should coordinate with and seek the assistance of other concerned Ministries/Departments wherever required, in dealing with the various problems in IAP Districts.

Reply of the Government

Physical & Financial progress of 88 IAP districts in 10 States upto November, 2014 is given as per **Annexure – III**. 66% of the length of roads have been completed against the sanctioned length and 61% of the habitations have been connected against the habitations cleared.

Implementation of PMGSY is being done by the State Governments. To overcome the difficulties being faced in the IAP Districts, the Ministry had facilitated the States for expediting the Programme Implementation in LWE/ IAP Districts by relaxing certain existing guidelines, the details are as under:-

(i) The cost of bridges up to 75 meters span under PMGSY will be borne by the Government of India as against 50 meters span for other areas.
(ii) The limit of minimum tender package amount is reduced to 50 lacs.
(iii) A time limit up to 24 calendar months would be allowed for completion of road works.
(iv) While formulating estimates and preparing DPRs, cost of insurance premium against risks can also be included.
(v) The difference in cost between Cement Concrete (CC) road and bituminous road would be shared by Centre and States concerned in the ration of 90:10 instead of 50:50 in the case of other States.
(vi) General approval under Section -2 of Forest (Conservation) Act, 1980 for diversion of forest land up to 5 ha for selected public infrastructure projects in IAP districts has been given and order have been issued by Ministry of Environment & Forests.
(vii) General approval under Section – 2 of Forest (Conservation) Act, 1980 to quarrying of materials used in construction of rural roads in IAP districts has also been given and order have been issued by Ministry of Environment & Forests.
(viii) Relaxation for Districts under IAP to revise their Core Network for inclusion of left-out habitations (as per 2001 census) has been accorded by the Cabinet.
(ix) The States are permitted to prepare the DPRs in two stages wherever the bituminous layer is not feasible at present.
(x) The States are permitted to prepare to get the works executed through the Forest Department if the road is passing through the forest area.
(xi) The States have been permitted to send proposals for engagement of State or Central PSUs having experience of road construction for which GoI can pay agency fee.

(xii) In order to address the issue of non-awarding of PMGSY works due to no response in the repeated tenders issued by the States for the projects sanctioned by the Ministry in IAP Districts under PMGSY, the Ministry has accorded Special Dispensation in awarding of PMGSY works with non-responsive tenders in selected 27 critical IAP districts (instructions in this regard already issued). The States have been allowed to award the tenders on a nomination basis after repeated bids (at least two) have elicited no response, to be decided by the Committee headed by District Magistrate/ Collector of the District and comprising of SSP/ SP, DFO and the Head of the concerned PIU of PMGSY representing the SRRDA.

(xiii) In 267 LWE blocks from within the IAP Districts, which have been identified by MHA, population criteria for the connectivity has been relaxed from 250 to include habitation of 100 to 249.

The States have been advised to review the Status of sanctioned road works in the IAP Districts regularly and take all necessary steps to provide connectivity in these areas. The States have been suggested to conduct Review meetings at different levels.

The States have been requested that local community and Panchayati Raj Institutions must be involved at all levels of planning, execution and maintenance of road works in IAP districts.

Regular Contractor-outreach conferences shall be organised to address their issues. Contractors who complete the road works assigned to them within time and with prescribed quality may be publically felicitated.

Coordination with other schemes of Rural Development particularly MGNREGA for road side tree plantation and Aajeevika (Skills) for skill training of local youth in executing small contracts/ maintenance contracts should also be ensured to the maximum extent possible.

[O. M. No. H – 11020/03/2014 – GC (P), dated: 11 March, 2015 Department of Rural Development
(Ministry of Rural Development)]

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

The Committee observe that there have been complaints from time to time about various irregularities including sub-standard works under PMGSY scheme and during the last two years of 2012-13 and 2013-14, a total of 76 complaints were received by the Ministry, out of which 2 were sent to the concerned State Government for conducting enquiry and taking necessary action and NQMs were deputed for the rest 74 complaints. Irregularities were noticed in 40 cases which were sent to the concerned State Government for rectification purposes. While taking a serious view in the matter, the Committee are of the opinion that the Ministry should take necessary follow up action and vigorously pursue the matter with the concerned authorities to expedite the enquiries so that appropriate action can be taken against the persons held responsible for such irregularities. The Committee desire to be apprised of the follow up action taken and the outcome there of in the matter. The Committee also feel that there is a requirement of a mechanism through which the rural people could lodge complaints about the quality of work done, faults therein, repair of roads and various other grievances so that the Ministry could get timely and actual feedback which will enable the Department to take remedial corrective measure in time. The Committee recommend that appropriate steps may be taken in this regard.

Reply of the Government

In the 40 cases where NQMs had discovered irregularities, the reports of NQMs were sent to the concerned State Governments for necessary action. Out of these 40 cases, 19 cases involving 58 road works pertain to the year 2012-13 and 21 cases involving 66 road works pertain to the year 2013-14. The present status for these 124 road works (58 road works for 2012-13 & 66 road works for 2013-14) has been prepared (year-wise), based on the response received from the State Governments, and placed at Annexures-I & II. It can be observed from the two annexures that out of 124 road works involved, final settlement has happened in 66 road works.

Mechanism for Rural people to lodge complaints: To enable the rural people / road user lodge a complaint or give a feedback on the quality of PMGSY roads, a system has been developed and put in place at the programme monitoring website wwww.omms.nic.in wherein the complainant can lodge the complaint online and also upload the photograph of the work on the website, to be addressed by the concerned agencies. The system has been launched by Hon'ble Union Minister for Rural Development on 25th December, 2014.

[O. M. No. H – 11020/03/2014 – GC (P), dated: 11 March, 2015 Department of Rural Development
(Ministry of Rural Development)]

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

The Committee was informed that Rs.16000 crore was allocated for the Indira Awas Yojana Scheme (IAY) during the year 2014-15. IAY beneficiaries receive an additional assistance in many States ranging from Rs. 5,000 to Rs. 3.25 lakh. The Committee note that during the year 2012-13, the budgetary allocation of Rs.11075 crore was reduced to Rs.9024 crore and the actual expenditure of Rs.7868.76 crore was even less than the RE. Further, against the target of construction of 30.10 lakh houses, only 21.86 lakhs houses were constructed. The Committee further note that even during the year 2013-14, BE of Rs.15184 crore was reduced to Rs.13184 crore and actual expenditure of Rs. 12983.64 was again less than the RE. Further. 15.92 lakhs houses were constructed against the target of 24.81 lakh. The committee are thus unhappy to note that there has been a drastic decline in the physical and financial performance under the scheme during both the years 2012-13 and 2013-14 and such a huge decline in the performance of the scheme must have affected one of the basic amenities of providing shelter to the needy rural people. The Committee therefore recommend that the Ministry should develop a mechanism for providing guidance and all necessary assistance to the State governments to overcome the various hurdles involved for optimum utilisation of funds and achieving the targets while implementing the scheme. The Committee hope that the ministry will make earnest efforts to utilise fully the allocated funds to achieve the objective of providing shelter to the poor households in rural areas of the country.

Reply of the Government

During the year 2012-13, the release of funds under IAY was less than RE as the release was linked to uploading of data by the DRDAs on AwaasSoft. As a result the Ministry could not achieve the target of releasing at least 67% of the total allocation by December end and the Ministry was allowed to release only 33% in the last quarter of the financial year.

During the year 2013-14, the expenditure was less than RE because Rs.200 crore was transferred to National Rural Livelihood Mission to support Bharat Rural Livelihood Foundation (BRLF). Further, Deduction of Budgetary outlay at RE stage both during 2012-13 and 2013-14 had resulted in achieving less physical targets.

However, the States/UTs are persuaded during the course of Performance Review Committee meetings (held on quarterly basis) and during the Coordinating Officers meetings (held on monthly basis) to accelerate the pace of expenditure and to achieve the physical targets. Letters in this regard have also been sent to the States from time to time.

From the year 2013-14, 4% of the States' allocation is being released as administrative cost which can, inter alia, be used for capacity building by the States, such as training of master masons and beneficiaries providing labour, including training on maintenance practices; training of Community Resource Persons (CRPs) and NGOs; payment of honorarium to CRPs and service charges to NGOs; training of officials and elected representatives of Panchayats; etc. In addition, AwaasSoft training programmes are also being conducted at Central level from time to time, particularly on demand from the State Governments. In this way, there is continuous effort to improve implementation of the scheme and overcome problems that may come.

[O. M. No. H – 11020/03/2014 – GC (P), dated: 11 March, 2015 Department of Rural Development
(Ministry of Rural Development)]

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

The Committee note that as per the IAY guidelines, the Gram Panchayats have an important role in the actual implementation of the scheme, like facilitating the participatory identification of the eligible beneficiaries for ensuring maximum participation in the Gram Sabha, accessing materials required for construction, providing help to families who cannot construct houses on their own, etc. the Committee feel that village panchayats should also ensure convergence of schemes using resources over which they have command like MGNREGA, BRGF, State and

Central Finance Commission grants, etc. and therefore the Committee desire that the Village Panchyats should conduct an Information, Education and Communication(IEC) campaign through various fields of Government, Bharat Nirman Volunteers, Self-Help Groups(SHGs) and Civil Society Organisations in order to create awareness about the scheme. The Committee recommend that the Gram Sabhas/Village Panchayats should play a pro-active role in effective execution of the scheme and regularly monitoring its progress so that the needy and deserving rural families get the actual benefit of the scheme.

Reply of the Government

Village Panchayats have a vital role to play to ensure convergence with various schemes implemented by the Centre and the States. The Panchayats ensure convergence of schemes using resources over which they have command like MGNREGS, BRGF, State and Central Finance Commission grants, etc.

In order to ensure that Village Panchayats play a pro-active role in conduct of IEC campaign, effective execution and monitoring the progress of the scheme, the State Governments do the following :-

a) Organise training programme to equip the Panchayats to carry out the tasks assigned to them.
b) Provide the Panchayats IEC material particularly on materials and building technologies.
c) Provide share of administrative expenses commensurate with workload.

In addition to this, under the scheme of Indira Awaas Yojana, the selection of the beneficiaries is done by the Gram Sabha in its meeting. During the meeting of the Gram Sabha, the list of ongoing IAY houses and list of houses completed during the year is read out and copy posted in the Panchayat office notice board. A community based participatory monitoring system has been put in place utilizing the services of the SHG network under NRLM. Further the State Government prepares the yearly IEC, Social Audit and Capacity Building Action Plans specifying the roles to be played by every panchayat.

[O. M. No. H – 11020/03/2014 – GC (P), dated: 11 March, 2015 Department of Rural Development
(Ministry of Rural Development)]

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

On the issue of huge unsent balances in IAY to the tune of Rs.7161.87 crore, the Committee are constrained to note that slow pace of implementation was the main hurdle for failing to utilise the funds fully. The Committee recommend the DoRD to make efforts to minimize the quantum of unspent balance as the allocated funds are meant for the poor families who are in dire need of a roof on their heads. Further, the construction of a house in IAY scheme should be carried out by the beneficiary himself/herself and in the case of beneficiaries above 60 years of age and persons with disabilities who may not be able to withstand the strain of supervising construction, necessary assistance may be provided by the Government if such a request is made in writing.

Reply of the Government

Indira Awaas Yojana is an on-going allocation based scheme and therefore, some funds always remain with the implementing agencies. The funds remaining unspent at the end of the year are utilized during the next financial year.

As per the scheme guidelines, the house is constructed by the beneficiary herself/himself by engaging skilled/unskilled labour in addition to his own labour. The funds are released to the beneficiary in installments depending upon the stage of construction. However, the working season for construction of a house is either pre-monsoon or after the festival season i.e. October-November. Due to this and also due to pre-occupation of the beneficiary, it takes nearly two years to complete an IAY house. Therefore, though the full unit cost of an IAY house is released to the State/DRDA in two installments in a year, actual distribution of funds to the beneficiaries spills over to the next year and hence there is unspent balance at the end of the year.

The other reason for less utilization of funds during the year 2013-14 was imposition of Model Code of Conduct from October to December, 2013 in four States due to elections to the State Assemblies and again in the whole country w.e.f. 4.3.2014 due to general elections to the Lok Sabha. During that period the work relating to implementation of IAY remained almost suspended. However, the States/UTs are persuaded during the course of Performance Review Committee meetings (held on quarterly basis) and during the Coordinating Officers meetings (held on monthly basis) to accelerate the pace of expenditure and to achieve the physical targets. Letters in this regard have also been sent to the States from time to time.

As regards construction of houses, the IAY guidelines already have a provision that the construction should be carried out by the beneficiary himself/herself and no contractor should be involved in the construction of houses under IAY. But construction may be entrusted to reputed agencies in the case of very old beneficiaries above sixty years of age and persons with disabilities who may not be able to withstand the strain of supervising construction and who request for such support in writing.

[O. M. No. H – 11020/03/2014 – GC (P), dated: 11 March, 2015 Department of Rural Development
(Ministry of Rural Development)]

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

The Committee was informed that keeping in view the Government's announcement for providing pucca house to all by the year 2022, the Ministry has undertaken the task of revamping IAY scheme with a mission approach. The Committee was also informed that IAY guidelines have been revised with effect from 1st April, 2013 in consultation with experts in the Sector and various State governments for making the scheme flexible and some of the new major initiatives intend to give priority to vulnerable categories, 4% administrative cost, AwaasSoft, Rural Housing Knowledge Network (RHKN), etc. The Committee are also informed that Rural Housing Knowledge Network (RHKN) was launched in July, 2012 in collaboration with IIT, Delhi with the objective of compiling a comprehensive nationwide updatable repository of practitioners, institutions and practices related to affordable and sustainable solutions for rural housing and to develop a multi-lingual web portal in the public domain. The Committee desire that all the new initiatives taken to revamp the IAY scheme should be used for making the scheme flexible for effective implementation and also for better understanding of the grass-root level problems in different geo-climatic zones of the country. The Committee recommend that comprehensive and prospective planning with all inclusive estimated data should be done with regard to providing of pucca house to al by the target year of 2022.

Reply of the Government

Ministry of Rural Development in pursuance to the announcement of the Government to achieve the goal of "pucca houses for all" by 2022, is in the process of restructuring IAY into Gramin Awaas Mission (GRAM). The focus of the Mission is not only on construction of houses but also on providing basic amenities through convergence and promoting a livable habitat.

As recommended by the Committee, to achieve the target of providing pucca house to all by the year 2022, the proposal has been prepared based on the comprehensive and prospective planning and taking into account all the relevant data. The salient features of the proposal are as follows:-

a) Enhancement of unit's size and quantum of assistance
b) Enhancement of unit cost for upgradation of existing kutcha houses.
c) Enhancing the amount of subsidised loan under Differential Rate of Interest (DRI) scheme and simplification of processes involved.
d) Mandatory convergence with the existing schemes / programmes
e) Setting up of Technology Facilitation Centres (TFCs)
f) Introducing of project approach with preparation of a comprehensive yearly plan of States/UTs to ensure convergence and time-bound completion, and also to facilitate mid-course reviews
g) Setting up of the National Gramin Awaas Mission (GRAM) at the Centre, and clear implementation structures at State, District, Block and Village levels.

[O. M. No. H – 11020/03/2014 – GC (P), dated: 11 March, 2015 Department of Rural Development
(Ministry of Rural Development)]

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

The Committee are of the considered view that there has been an inordinate delay in completion of SECC, 2011 and it has further caused hardship and worry to the needy in rural areas of the country. The Committee note that first three stages have been completed as on 25.10.2014 in 359 districts in 26 States and a 'Draft List' has been published. The Committee recommend that the Ministry should persuade the States/UTs to expedite the completion process of SECC, 2011. The Committee further recommend the Ministry to be discerning in selection of genuine BPL/beneficiary families to ensure transparency and people's participation with proper verification of genuineness of household data collected under SECC. The Committee were informed that the Ministry held consultations on the issue of finalization of methodology with organizations in the related field including Planning Commission, Registrar General of India, National Sample Survey Organization (NSSO), State Governments, experts and civil society organizations. The Committee recommend the Ministry to further take expert advice of the above organizations which would facilitate the formulation of superior Social Welfare scheme for the needy rural populace of the country. If need be public representatives may also be involved to identify the needy persons.

Reply of the Government

The Socio Economic and Caste Census 2011 was originally planned to be completed by December, 2011. However, the census operation could not be completed as targeted and there was inordinate delay resulted due to various factors. The main factors are:

(1) A new module of 'verifications and corrections' has been introduced over and above the original stages in order to improve the data on few crucial household parameters.

(2) The state of preparedness and capabilities of the States/UTs are not similar. As enumeration, supervision, verifications and conducting 'claims & objections' is the responsibility of the States/UTs, these processes took long time for completing.

(3) National Population Register (NPR) data collected during Population Census 2011 were utilized as base for SECC. These NPR data available in image format are digitized and merged with SECC. This process took considerable time.

(4) Since the SECC enumeration was done with the help of low cost electronic handheld device (Tablet PC) for the first time; certain technical and operational problems have been faced by the States/UTs. Also, recruiting lakhs of Enumerators, Supervisors and Data Entry Operators and training them for SECC also took additional time.

(5) Besides, Legislative Assembly elections in Uttar Pradesh, Rajasthan, Madhya Pradesh, Chhattisgarh, Delhi, Jharkhand and other states, General Parliamentary election in the whole country and Local Body elections etc. in some of the States also added to the delay.

However, since the old BPL list is in operation, and many States follow an up-dating protocol as per the directions of the Hon'ble Supreme Court, no major hardship was faced by the common people to avail benefits under various government programmes.

In order to ensure accuracy and transparency to achieve authenticity, the well structured process like enumeration, supervision, verification & correction, draft list publication, claims and objections and final list publication are adopted. Specific steps adopted during the SECC process that ensures transparency and people's participation are:

- PRI members, NGOs etc were allowed to accompany Enumerator at the time of data collection.
- After collecting the data, the Enumerator reads it out to the respondent and an acknowledgement slip is issued.
- The 'draft list' is published and put up for viewing by public at the prominent locations of the village, Gram Panchayat office and Block Development Office.
- The Gram Sabha convenes for scrutiny of the 'draft list'. The responses by the households are read out there and claims and objections dealt with.
- Claims and objections are dealt with following 2 stage appeal procedure (intermediate and district level).
- Further, Independent Monitoring Agencies (IMAs) have been engaged as third party independent agencies to concurrently monitor the process.

The Ministry of Rural Development has been continuously monitoring the progress of SECC with the States/UTs through regular visits, trainings and video conferencing to ensure early completion and sort out various issues with the States. States/UTs specific reviews and assessment of the progress of work was also taken up in the Performance Review Committee (PRC) meeting held on a quarterly basis- the last two PRC meeting took place on 19th September 2014 and 14th January 2015. Based on the review and decisions taken in the Performance Review Committee, senior official from the Ministry of Rural Development visited the States to short out state-specific issues. So far, 8 rounds of video conferencing with all the States/UTs have been conducted in connection with the progress of SECC 2011. Secretary (RD) has also written to all the States Chief Secretaries advising them to adhere to the timelines and early completion of the Census in their respective State and has also had special meetings with CMDs of Central PSUs. Hon'ble Minister (RD) wrote to the Chief Minister of major states intimating them the tentative dates for 'draft list' publication and requested them to adhere to the timelines. *As a result of all these steps, the number of districts where 'Draft List' has been published increased from 250 districts in June 2014 to 396 districts in November 2014 to 483 districts in January 2015. Similarly, the 'Final List' publication increased from nil districts in June 2014 to 51 districts in November 2014 to 107 districts in January 2015.*

Though the method of identification of BPL families in rural areas was based on the recommendations of the Expert Group constituted by the Ministry of Rural Development, it was refined with pilot survey in 254 villages and discussions with States and experts. The Union Cabinet approved the SECC process. *However, as recommended by the Committee, further consultations would be made with all* *stakeholders including Planning Commission (now NITI Aayog), ORGI, NSSO, State Governments, experts and civil society organizations in this regard.*

[O. M. No. H – 11020/03/2014 – GC (P), dated: 11 March, 2015 Department of Rural Development
(Ministry of Rural Development)]

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

The Committee note that for the 12th Plan period, an amount of Rs. 29006 crore was approved against the proposed outlay of Rs. 48107 crore. The BE of Rs. 3915 crore for the year 2012-13 was reduced at RE stage to Rs. 2600 crore and the expenditure of Rs.2195.39 crore was even less than the allocation at RE stage. Again, the BE of Rs. 4000 crore for the year 2013-14 was reduced to Rs. 2600 crore at RE stage but the expenditure of Rs. 1822.11 crore was much less than the RE. The allocation for the year 2014-15 at BE stage is Rs. 4000 crore. The Twelfth plan outlay which includes a provision of Rs. 5000 crore from World Bank funded National Rural Livelihoods Project which on its restructuring in May, 2013 has got a reduced outlay of Rs. 3000 crore. The Committee are unhappy with such reduction at RE stage and also with the level of expenditure being even less than the RE. The Committee would therefore like the Ministry to take appropriate steps to avoid such reduction in future so that the fundamental purpose of the scheme is not defeated.

Reply of the Government

The reduction in budget provision in the initial phase of NRLM was on account of (i) delay on the part of State Governments in creating the institutional structure at State, District and Block level which is a pre-requisite for transiting to NRLM (ii) availability of unspent balances under SGSY(after this scheme was terminated) for being utilized for NRLM.

The core financial support under NRLM is provided in the form of Community Investment Support Fund to the SHGs and their federations after they are fully capacitated to manage their own affairs. In order to facilitate the process of capacity building, the Programme has devised the Resource Block Strategy to generate adequate social capital for scaling up the programme. A partnership frame work for engaging renowned NGOs in the Capacity building of Community Cadres has also been put in place. An autonomous society has also been created at central level to provide the requisite technical and professional support to the State Rural Livelihoods Mission (SRLMs).

Apart from capacity building and hard holding support to the SRLMs, the other measures being taken to ensure timely implementation of NRLM and utilization of funds are periodic meeting of the Performance Review Committee of the Ministry, monitoring through National Level Monitors, field visits of Area Officers of the Ministry to various States, etc. The Ministry has also put in place an on-line Management Information System and is in the process of rolling out an on-line accounting system to ensure regular flow of information on financial progress.

[O. M. No. H – 11020/03/2014 – GC (P), dated: 11 March, 2015 Department of Rural Development
(Ministry of Rural Development)]

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

The Committee note that the Swarnjayanti Gram Swarojgar Yojana (SGSY) on being restructured was named as National Rural Livelihoods Mission (NRLM) subsequently renaming it as "Aajeevika" which was formally launched on 3rd June, 2011. The committee note that all States except Goa have transited to NRLM, while among the UTs, only Puducherry has transited to NRLM. As informed to the Committee, Goa and the remaining Union Territories (except Chandigarh and Delhi) are expected to transit to NRLM in 2014-15. The Committee recommend that the Ministry should take up the matter with the State of Goa and remaining UTs to expenditure their action plans and overall preparedness for early transition from SGSY to NRLM. The Committee may be apprised of the steps taken in the matter.

Reply of the Government

The MORD has taken up the issue of early transition of Goa and remaining UTs into NRLM on a priority basis. Both Goa and the remaining UTs are expected to transit to NRLM by March/April 2015 or the first quarter of 2015-16.

[O. M. No. H – 11020/03/2014 – GC (P), dated: 11 March, 2015 Department of Rural Development
(Ministry of Rural Development)]

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

The Committee note that various Self Help Groups (SHGs) have been formed in States Chhattisgarh, Jharkhand, Maharashtra, Madhya Pradesh, Rajasthan, Haryana and Jammu & Kashmir and these States are collectively implementing the resource block strategy in 47 blocks spread across 39 districts and these States have promoted/strengthened 17727 SHGs in 2485 villages in these blocks. The Committee desire that all the States should be encouraged to establish SHGs at different levels for strengthening and scaling up of the programme which should be community driven.

Reply of the Government

The intensive block strategy is being implemented in 2,125 blocks of 316 districts. Up to Dec. 2014, about 2.40 crore households have been mobilized into 20.95 lakh SHGs in these blocks. The intensive approach of NRLM is expected to be implemented in all districts and blocks of the country by 2020-21.

[O. M. No. H – 11020/03/2014 – GC (P), dated: 11 March, 2015 Department of Rural Development
(Ministry of Rural Development)]

CHAPTER III

RECOMMENDATIONS WHICH THE COMMITTEE DONOT DESIRE TO PURSUE IN VIEW OF REPLIES OF THE GOVERNMENT

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

The Committee observe that the implementation status report of MGNREGA reveals that out of 12.78 crore job cards issued during 2012-13, 5.14 crore households have demanded employment but 4.98 crore households had been provided employment and only 51.40 lakh households had completed 100 days of employment. The situation was not different in the year 2013-14 when out of 13.12 crore job cards issued, 5.17 crore households had demanded employment, 4.75 crore were provided employment and only 45.78 lakh households could get 100 days of employment. The Committee are dismayed to note that during the last two years, while less than 50% of the total job card holder households had demanded employment, the number of households who were actually given employment was much less than that Shockingly, those who had completed 100 days of employment during the last two years have been at dismally low level which exposes the efficacy of the programme. It becomes all the more alarming when level of under-employment in the country is estimated at more than 6.6 billion person days on per annum basis causing distress migration of the rural population. The substantial decline in the physical performance during the years 2012-13 and 2013-14 where 25.60 lakhs works were completed against the total of 106.51 lakhs works taken up in 2012-13 and 19.70 lakh works completed against the total 138.49 lakhs works taken up in 2013-14 clearly indicates the failure of the scheme. The Committee, therefore, desire the Ministry to undertake an exercise to completely review the scheme to find out the reasons for such dismal progress at ground level resulting in non-achievement of the objectives for which MGNREGA was launched and to take corrective and remedial measures to make the scheme successful in future.

Reply of the Government

The MGNREGS provides guaranteed one hundred days of wage employment to all rural households whose adult members volunteer to do unskilled labour. The provision of employment, therefore, is contingent on registering demand for work. The demand for work is, in itself, is influenced by various factors such as rainfall pattern, availability of alternative and remunerative employment opportunities outside MGNREGA and prevailing market unskilled wage rates. The basic purpose of the Scheme is to provide supplementary wage employment. There is no breach in provision of the entitlements provided under the Act. The decline in the physical performance requires to be seen in this context.

Regarding the difference in the demand and provision of work, it may be seen that since fifteen days time is given for provision of employment from the date of demand, at any point of time, there is bound to be some gap between these two figures.

Ministry has issued several advisories (copy enclosed as **Annex-I**) to States/UTs on timely completion of works undertaken under the scheme. The matter is regularly reviewed in the Performance Review Committee meetings and Labour Budget meetings. States/UTs have been asked not to open up new works in a Gram Panchayat if the ongoing works can accommodate the potential demand for employment. The Status of works undertaken under the scheme is at **Annex-II.**

Further, it is emphasized that the programme has been a major intervention in increasing work availability to the vulnerable sections, especially when there is no other work. It has reduced distress migration and succeeded in smoothening the rural consumption levels. Several independent studies have established the positive impacts of the programme on rural economy.

The major steps taken by the Government to improve the programme implementation under MGNREGA are as follows:

- At least 60% of the works to be taken up in a district in terms of cost shall be for creation of productive assets directly linked to agriculture and allied activities through development of land, water and trees.
- To facilitate states to engage technical assistants/barefoot engineers for better technical planning and supervision of works under MGNREGA, guidelines have been issued to allow their establishment cost as a part of material cost of works instead of administrative cost. The quality of the assets is sought to be improved through better planning and closer technical supervision.
- The associated outcomes of each work would be estimated before taking up the work and the same would be measured after completion of the work-thereby bringing in more focus on outcomes.
- The States/UTs have been asked to deploy State Quality Monitors to inspect the quality of assets created under the Scheme.
- In order to support the States to conduct the Social Audits as laid down under the Rules, it has been decided to provide technical assistance of Rs.147 crore under a special Project that will be in operation till 2017. Under this, the cost of engaging social audit resource persons at the State and District Levels will be reimbursed to the States/UTs.
- Ministry would conduct training of Technical Resource Persons from the States/UTs on different technical aspects of type of works which can be taken up under the scheme.

Mobile Monitoring Systems has been introduced in 35000 GPs to empower GPs and implementation agencies with live data from the worksites and allow an online and real-time updation of database for complete transparency

[O. M. No. H – 11020/03/2014 – GC (P), dated: 11 March, 2015 Department of Rural Development
(Ministry of Rural Development)]

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

The processes in other areas in the implementation of MGNREGA Scheme are also very much disappointing. The various issues like complaints of corruption in implementation of the scheme, delay in payment of wages, lack of physical checks and verification, lack of accountability etc. are the serious issues which need to be addressed timely and effectively by the Ministry. Since the primary objective of MGNREGA is to enhance the livelihood security of the rural household by providing minimum 100 days of guaranteed wage employment in a year to every household on demand for doing unskilled manual work. The Committee are of the firm opinion that the ground level problems unless they are dealt with dispassionately, will not allow the scheme to take off in the manner desired. For this purpose, the Committee fell that a well defined mechanism is needed to be put in place not only for monitoring the scheme but also ensuring the transparency and fixing the accountability and responsibility. The Committee expect the Ministry to take immediate measure in this regard.

Reply of the Government

The Act provides for adequate measures for ensuring transparency and accountability at all levels of implementation of the scheme. MGNREGS is the only Scheme in which the social audit has been institutionalized. The social audit is done by the primary stakeholders. All the information (in the form of records) relating to the scheme (muster rolls, material procurement bills and vouchers etc.) is provided to the stakeholders who are trained in reading the same. The primary stakeholders from a different GP conduct 100% door to door verification of muster rolls and worksite verification including the quality aspects. The findings are then discussed in the special Gram Sabha and Implementing Agencies ensure adequate action on the findings.

States/UTs have been asked to strengthen Social audits of MGNREGS works in accordance with the provisions of the Audit of Schemes Rules 2011 issued in consultation with the Comptroller and Auditor General of India. A special scheme for strengthening social audit has been sanctioned at a cost of Rs. 147 Cr under which assistance is being provided in setting up the social audit units at the State and district levels. So far 10 States/UTs have set up Social Audit Units as per the aforesaid Rules.

Further, the States/UTs have appointed an Ombudsman at the district level for expeditious redressal of grievances on the implementation of MGNREGS. State Quality Monitors have also been deployed by the States/UTs to inspect the quality of assets created under the Scheme. In cases, where the allegations are substantiated by the documentary evidence, independent National Level Monitors (NLMs) are deputed by the Ministry to visit the concerned place and submit their findings. The State Governments ensure adequate action on the findings of the NLMs.

Mobile Monitoring Systems has been introduced in 35000 GPs to empower GPs and implementation agencies with live data from the worksites and allow an online and real-time updation of database for complete transparency

[O. M. No. H – 11020/03/2014 – GC (P), dated: 11 March, 2015 Department of Rural Development
(Ministry of Rural Development)]

CHAPTER IV

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

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

The Committee note that the Demands for Grants for the Department of Rural Development (Ministry of Rural Development) laid on the Table of Lok Sabha on 24th July, 2014 made a provision of Rs.80093.33 crore with Plan component of Rs.80043.00 crore and non-Plan component of Rs.50.33 crore. The proposed outlay of the Department for the Annual Plan 2014-15 placed before the Planning Commission was Rs.92679.76 crore and the finally approved outlay was Rs.80043.00 crore for the plan schemes of the Department. The Committee observe that the allocated outlay has been reduced to the extent of Rs.12637.76 crore with reference to the proposed outlay. While keeping in view the importance of the rural development for inclusive growth, the Committee are constrained to note that as a consequence of the reduced outlay, the physical targets have also been proportionately reduced under the major rural development schemes like Indira Awas Yojana (IAY), Pradhan Mantri Gram Sadak Yojana (PMGSY), National Social Assistance Programme (NSAP) and National Rural Livelihood Mission (NRLM), as otherwise the targets could have been fixed at higher levels. The Committee are of the firm opinion that such reduced allocation would affect the implementation of the major schemes and the prospects of the Department in achieving the desired targets during the year 2014-15. The Committee, therefore, recommend that the Ministry should pursue the matter with the Ministry of Finance and Planning Commission for seeking higher allocation by emphasizing the various important parameters which form the basis for allocation for various schemes for the financial year and fully utilise the allocated funds for achieving the plan targets and effective implementation of the various schemes and programmes for an inclusive rural development in the country.

Reply of the Government

IAY: In the Annual Plan 2014-15 for IAY, a Budgetary outlay of Rs. 18,000 crore was proposed for the current financial year 2014-15 with a physical target for construction of 30 lakh houses. However, Rs. 16,000 crore was allocated against which a physical target for construction of 25.18 lakh houses could be fixed. This amount got revised to Rs.11000.00 crore at RE stage.

NRLM/Aajeevika: For the year 2014-15, the budget provision approved for NRLM is Rs. 4,000 crore which also includes a provision of Rs. 400 crore for the DRDA Administration Scheme. The funds available in BE 2014-15 are adequate for meeting the programme expenditure because of the following reasons:

(iii) With the termination of the earlier scheme of SGSY, the balances under SGSY amounting to Rs. 1272 crores was allowed to be utilized for NRLM.

(iv) The transition from SGSY to NRLM by States is subject to setting up of dedicated implementation structure with professional teams at state, district and block levels. Since many of the States took time to set up the structures, their transition to NRLM was delayed, resulting in lower utilization of funds.

The allocation in RE 2014-15 has been drastically reduced from Rs. 4000 crores to Rs. 2186 crores. A proposal to increase the RE ceiling has been taken up with the Ministry of Finance. If this proposal is not agreed to and the RE 2014-15 is kept at the level of Rs. 2186 crores, some of the financial commitments will have to be postponed to the next financial year. For Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY) an additional Rs. 276.05 crore has been sought.

PMGSY: During the year 2014-15, against the demand of Rs. 22,000 crore in Annual Plan proposal, PMGSY was allocated only Rs 14,391 crore, which further reduced to Rs 14,200 crore at RE stage, which was not enough to achieve physical targets under PMGSY. The Ministry pursued the matter with Ministry of Finance to enhance the budget allocation of PMGSY in order to meet the physical targets under PMGSY. Minister of Rural Development had written a letter to Finance Minister for enhancement of allocation of PMGSY by Rs 4000 crore during the fiscal year 2014-15. The enhancement was to be achieved by borrowing Rs 12000 crore over a 3 year period (Rs 4000 cr each year) from NABARD. Accordingly, a proposal for taking fresh loan from Rural Infrastructure Development Fund (RIDF) NABARD for gap funding of PMGSY was sent to Ministry of Finance, which is not yet agreed to. A request to provide a significant amount in the fiscal year, from the recent enhancement of excise duty on petrol and diesel has also been made by Minister, Rural Development to Finance Minister. The Ministry has pursued the matter with Ministry of Finance for higher allocation.
National Social Assistance Programme (NSAP): During the financial year 2014-15 an amount of Rs. 10,635.00 crore has been provided for the implementation of schemes under NSAP. This Ministry is receiving representations from State Governments to enhance the allocations due to the increase number of beneficiaries under these schemes.

Based on the recommendations of the Task Force, a EFC Note was submitted to Ministry of Finance, Department of Expenditure for approval. The EFC Note includes enhancement of pension under all the three pension schemes. Apart from this, the EFC proposes to introduce a new pension scheme for single and distressed women. If the proposal is approved/accepted, the annual outlay for the schemes of NSAP for the year 2014-15 would be approx. Rs. 26,031 crore. However, the Ministry of Finance has sought further information.

[O. M. No. H – 11020/03/2014 – GC (P), dated: 11 March, 2015 Department of Rural Development
(Ministry of Rural Development)]

Comments of the Committee

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

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

The Committee note that during the year 2012-13, the BE of Rs.73175.00 crore allocated for the plan schemes of the Department was drastically reduced to Rs.52000.00 crore at RE stage and the actual expenditure of Rs.50161.86 was even less than the RE. The Committee further note that even during the year 2013-14, the BE of Rs.74429.00 crore was reduced to Rs.59310.00 crore at RE stage and the actual expenditure was Rs.58630.15 crore which was less than the RE. The Committee are constrained to observe that during both these years, the reduced allocation and expenditure was largely under some of the major schemes of the Department viz. NRLM, PMGSY and IAY, due to the slow pace of expenditure for various admitted reasons like compulsory uploading of physical and financial progress by the States on the MIS software before release of second instalment, problems of connectivity and capacity to use the MIS, slow progress in construction of houses under IAY, delay in transition from the erstwhile scheme of SGSY to NRLM by the States and inadequate absorption capacity at state level under PMGSY, which are not convincing to the Committee. As a consequence, the Committee while taking a serious view in the matter on the recurrent under-utilisation of funds, are of the firm opinion that the low absorption of funds had adversely affected the targets under the different rural development programmes and also the progress of rural development by hampering the work in some of the major areas of rural connectivity under PMGSY, providing shelter to the rural needy under IAY and giving self-employment under NRLM schemes. The Committee therefore recommend that the Ministry should make earnest efforts for strengthening the capacities of the States in analysing and overcoming the problems involved in optimum utilisation of allocated funds and also by regular monitoring of the pace of expenditure and flow of funds on the various schemes during the year for the overall improvement in the quality of life in rural areas through employment generation, development of rural infrastructure, providing shelter to the homeless and provision of other basic amenities.

Reply of the Government

MGNREGA

The Ministry reviews the physical and financial progress in the states through periodic meetings of the Performance Review Committee of the Ministry, monitoring through National Level Monitors, field visits by Area Officers of the Ministry to various states, etc. The Ministry has also put in place an on-line Management Information System. The States/UTs are persuaded during the course of Performance Review Committee meetings (held on quarterly basis) and during the Coordinating Officers meetings (held on monthly basis in respect of IAY) to accelerate the pace of expenditure and to achieve the physical targets. Letters in this regard are also sent to the States from time to time.

Programme specific steps are given below:

IAY: From the year 2013-14, 4% of the States' allocation is being released as administrative cost which can, inter alia, be used for capacity building by the States, such as training of master masons and beneficiaries providing labour, including training on maintenance practices; training of Community Resource Persons (CRPs) and Non-

Governmental Organisations (NGOs); payment of honorarium to CRPs and service charges to NGOs; training of officials and elected representatives of Panchayats; etc. In addition, AwaasSoft training programmes are also being conducted at Central level from time to time, particularly on demand from the State Governments. In this way, there is continuous effort to improve implementation and overcome problems.

NRLM/Aajeevika: In order to facilitate effective implementation of NRLM and optimum utilization of funds, the Government has set up an autonomous society namely National Rural Livelihoods Promotion Society (NRLPS) in July 2013 to provide necessary professional and technical support to the National Rural Livelihoods Mission and State Rural Livelihoods Missions. In addition, NRLPS has put in place a multi-disciplinary team of professionals and has designated State Anchors for each State to provide the necessary support to all states. The professional staff of NRLPS tour the states extensively, both to provide technical support wherever necessary and also to monitor the performance of the states in NRLM implementation. Regular video conferences are held with states authorities to assess implementation status, provide advice to states and also share best practices among various states.

Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY):The Guidelines on DDU-GKY provides for moving from direct implementation to further building capacities of State Government for implementation of the programme. The Ministry has approved Annual Action Plan (including capacity building component), of 09 States (Andhra Pradesh, Bihar, Gujarat, Kerala, Odisha, Rajasthan, Tamil Nadu, Telangana & Uttar Pradesh), who have developed the capacity to implement the programme. Funds for capacity building for the State of Assam have also been approved by the Government of India. Further action in this regard is underway.

PMGSY: State Governments are also being advised through various Regional Review meetings & Empowered Committee meetings to take suitable necessary action to expedite timely completion of road works under PMGSY. The following steps in this regard have been taken by the Ministry:

v. States have been requested to augment executing capacity and contracting capacity and their compliance in this regard is regularly reviewed.
vi. Bidding document provisions have been rationalized.
vii. Training is imparted to field engineers and contractors as well as their staffs for capacity building.
viii. Regular and structured review of physical & financial parameters is conducted at regular interval in various zones for a cluster of states of that zone.

[O. M. No. H – 11020/03/2014 – GC (P), dated: 11 March, 2015 Department of Rural Development
(Ministry of Rural Development)]

Comments of the Committee

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

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

The non-submission of utilisation certificates by the respective States/UTs is another area of serious concern to the Committee as further processes are often held up for want of such certificates which may result in stalling of the progress in implantation of important schemes having direct impact on the poor and needy class of people. The Committee therefore recommend that the Ministry must develop a mechanism for getting the utilisation certificates in time. The Ministry should also take up such issues with the highest functionary in the States/UTs for getting the desired results. Nodal officers may be appointed or the purpose of looking after a group of States.

Reply of the Government

MGNREGA: One of the preconditions for release of funds towards 2nd instalment is submission of Utilization Certificates (UCs) for funds released in the past. In case of non-completion of prescribed formalities including non-submission of UCs, Central funds are released on ad-hoc basis to meet emergent needs and temporary shortage of funds. The regular release of funds is restored on completion of all prescribed formalities under MGNREGA. Further, States/UTs/Districts are requested from time to time (through letters and review meetings between officials of Central and State Governments) to furnish UCs and other information to make regular releases of Central fund under MGNREGA.

IAY: As per the IAY guidelines, first instalment of funds is released in respect of all districts which had taken second instalment of previous year. Districts who have not availed second instalment of previous financial year have to submit proposal for first instalment along with all requisite documents which were required to be submitted for the release of second instalment of previous financial year. Second instalment is released after utilisation of at least 60% of total available funds and after examination of Utilisation Certificate and Audit Report for the previous financial year and the Utilisation Certificate for the current financial year along with other requisite documents. Thus, no funds are released to the States/DRDAs under normal IAY, unless UCs due for the previous releases are received. UCs for the funds released for special projects are monitored separately. The matter is regularly taken up with the concerned States in the monthly meeting of the State Coordinating Officers as well as in the Performance Review Committee meetings (held on quarterly basis). As a result, the number of pending UCs which was 70 as on 31st March, 2014 involving an amount of Rs. 158.88 crore has now come down to 35 by the end of December, 2014 involving an amount of Rs.33.23 crore.

NRLM/Aajeevika: The NRLM guidelines already provide that the second installment of grants in aid in a financial year will be subject to submission of (i) Utrilization Certificate and Audit Report in respect of funds released during the previous year and (ii) utilization Certificate for the Current indicating expenditure of not less than 60 of available funds. Directions have also been issued to SRLM that the U.C. and Audit Report should be submitted within the prescribed time schedule without linking it with release of funds. Financial Management related issues are reviewed/discussed with all State Missions on bi-monthly basis and Financial Statements are obtained on a quarterly basis to monitor progress of expenditure.

Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY): The Division is regularly monitoring and getting UCs from States/UTs.

PMGSY: State Governments are time and again requested to submit latest Utilisation Certificate in the prescribed format along with the proposal for release of funds. However, no funds are being released to States having less than 60% of expenditure. During the Regional Review Meetings also, State Governments are requested to furnish Utilisation Certificate to the Ministry on time.

NSAP: If any State/UT fails to submit the Utilization Certificate for the last financial year and the expenditure reported by them up to December is less than 50% of the total available funds, funds for the last quarter are not released.

[O. M. No. H – 11020/03/2014 – GC (P), dated: 11 March, 2015 Department of Rural Development (Ministry of Rural Development)]

Comments of the Committee

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

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

The Committee note that under PMGSY, the maintenance and repair of roads is the responsibility of the respective State Governments. PMGSY has a 3 tier quality inspection mechanism. First tier inspection of all PMGSY roads is done by contracting agencies & PIUs, second tier inspection of all PMGSY roads is done by contracting agencies & PIUs, second tier by State Quality Monitors (SQMs) & 3rd tier by National Quality Monitors (NQMs). The Committee is constrained to observe from the details of inspection of roads under PMGSY during the last three Years i.e. from March, 2011 to March, 2014 that out of the total inspection of 1727 completed works by NQMs, 259 works inspected, 1267 works have been reported to be unsatisfactory. Keeping in view the importance of rural connectivity of roads, the Committee desire to be apprised of the reasons for the unsatisfactory completion of the various works, the irregularities involved and the remedial action taken therefore by the concerned authorities. The Committee strongly feel that unless a mechanism of fixation of responsibility and accountability is not put in place, the various problems and malpractices in implementation of the scheme will not be effectively cured and, therefore, the Committee recommend that a mechanism be devised by the Ministry whereby responsibility and accountability could be straightway fixed on the erring agencies and individuals and punitive action taken against them. The Committee also recommends that the suggestions and recommendations of the public representatives should also be taken into account while considering proposal for construction of roads under the PMGSY scheme.

Reply of the Government

Ensuring quality of road works under PMGSY is the responsibility of the respective State Governments. To ensure that the roads constructed are as per the prescribed standards, a three tier quality control mechanism has been put in place. The first two tiers of the mechanism are operated by States through process control at first level and subsequently the independent verification of the proper functioning of this tier through independent State Quality Monitors at 2nd level. Under the third tier of this mechanism, random inspections of road works are conducted by independent National Quality Monitors (NQM) of NRRDA, with a view to identify and address the systemic issues in the quality Management system of the State.

2. During the period of March 2011 to March 2014 a total of 8278 (ongoing & completed) works were inspected, out of which 1526 works were reported as “unsatisfactory” by NQM. The reasons put forth for unsatisfactory grading in these 1526 cases broadly relate to deficiencies in earth work (441 cases), sub-base (633 cases), base-course water bound macadam (1020 cases) & bituminous layer premix carpet surface dressing (256 cases).

3. Immediately after inspection, the reports of inspections by NQMs are shared with the States and PIUs are required to initiate the remedial actions and take steps to rectify the works as per the observations of the NQM and report to the State Quality Coordinator (SQC). On receipt of the action taken report from PIU, the SQC gets the facts verified through independent State Quality Monitor (SQM) who carries out all necessary tests and verifies that the compliance of the observations of the original report of the NQM has been done. Upon verification, if the SQC is satisfied about the adequacy of the remedial action taken, he mentions this fact on the ATR and sends the same to NRRDA for grade improvement.

4. The ATRs received from the State Governments are expeditiously and closely closely monitored at NRRDA. In respect of the 1526 works (graded unsatisfactory), referred to in para 2, Action Taken Reports (ATRs) in respect of 920 works from the respective State Governments have been received and accepted. In the case of 318 works, ATRs were not found adequate and returned to the State Governments for further rectification. For balance 287 works, ATRs have not yet been received from the State Governments. The status of ATRs is monitored on regular basis at various fora viz., Pre-empowered Committee meetings, Empowered Committee meetings, Regional Review meetings and through communications to the States.

[O. M. No. H – 11020/03/2014 – GC (P), dated: 11 March, 2015 Department of Rural Development(Ministry of Rural Development)]

Comments of the Committee

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

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

The Committee note that against the target of 30000 km of road length, only 24161 km was achieved in 2012-13 and the shortfall was to the extent of 5839 km. Further, even during the year 2013-14, 25316 km of road length was achieved as against the target of 27000 km and there was a shortfall in achieving the desired targets for road length for rural connectivity. The Committee while emphasizing the need to strengthen the capacities of the States, recommend that the Ministry should make earnest efforts to provide proper guidance and assistance to the States for adequately enhancing their absorption and contracting capacities for an effective implementation of the scheme in achieving the desired targets. The Committee further recommends that the process of appointment of contractors should be rationalized and rural connectivity should cover the inhabitations of weaker sections of society.

Reply of the Government

Against the 12th Five year plan allocation for PMGSY i.e. 1,05,000 crore, this Ministry has received Rs 32,975 crore only during the first three years of the plan (2012-13 to 2014-15), which is 31.4% of the Five year allocation. All the State Government are fully geared up in terms of execution capacities to complete the balance road works and meet the annual targets. As the implementation of PMGSY is being done by the State Governments, some States are unable to fulfil the estimated target. Due to steep cuts in budget in the last two years and anticipated cost in this fiscal have adversely affected the pace of implementation of PMGSY projects. To increase the executing capacity of the States the following steps have been taken:

1. An Expert Committee has been constituted for recasting the Standard Bidding Document.
2. Training is being imparted to field engineers, contractors and their staff for capacity building. Contractors outreach programmes are also being organized.
3. Regular and structured review of physical and financial parameters is being carried out.

Regarding providing connectivity to weaker sections of the society, the objective of the PMGSY is to provide connectivity to the eligible unconnected habitations in the rural areas with a population of 500 persons and above in plain areas, in respect of

Special Category States with a population of 250 -499 persons (census 2001). This includes habitations of weaker section of society also.

[O. M. No. H – 11020/03/2014 – GC (P), dated: 11 March, 2015 Department of Rural Development
(Ministry of Rural Development)]

Comments of the Committee

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

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

The Committee note that there have been various difficulties faced by the beneficiaries to avail loans under the scheme. Difficulties like eligibility in respect of income ceiling and land holdings, poor repaying capacity of the beneficiaries, etc. have been reported by the Ministry. The Committee desire that the Ministry should take necessary steps to facilitate the beneficiaries in taking loans by providing all the necessary assistance and should ensure that the various hardships being faced by them are appropriately resolved. The possibility of giving necessary relaxations may also be explored for timely availability of funds to the needy families so that the beneficiaries should be able to have a shelter for their own under the IAY scheme.

Reply of the Government

The guidelines of IAY suggest the methodology that can be adopted for availing the loans under DRI Scheme for SC/ST beneficiaries. The guidelines also advise the States for provision of supplementary grants by the State Government over and above the assistance provided by Government of India and mobilization of other loans at a subsidized interest rates.

Ministry of Rural Development in pursuance to the announcement of the Government to achieve the goal of “pucca houses for all” by 2022, is in the process of restructuring IAY into Gramin Awaas Mission (GRAM). The focus of the Mission is not only on construction of houses but also on providing basic amenities through convergence and promoting a livable habitat. Accordingly, it has been proposed under GRAM that every eligible family in rural area shall be covered, with priority being given to SC/STs and Minorities

Keeping in view the amount required for construction of a durable house with all basic amenities, it has been proposed under GRAM that the loan under Differential Rate of Interest (DRI) be increased upto Rs. 1.00 lakh covering all the beneficiaries under GRAM and simplify the procedures involved in securing loan.

[O. M. No. H – 11020/03/2014 – GC (P), dated: 11 March, 2015 Department of Rural Development
(Ministry of Rural Development)]

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

The Committee in the process of examination of Demands for Grants find that non-submission/incomplete submission plans by States/UTs, slow response and a pathetic attitude by the functionaries, non-utilization of allocated funds, lack of technical staff, delay in submission of utilization certificates, etc. are some of the constraints faced in the effective implementation of the schemes. Unfortunately, the existing monitoring mechanism for ensuring transparency and fixation of responsibility in all the centrally sponsored schemes had not been very effective to bring the desired improvements. The Committee, therefore, strongly recommend the Ministry to revamp the entire monitoring mechanism which could not only boost up the speed of implementation of schemes but also bring transparency and accountability in the process at all levels. Further, effective steps need to be taken for holding regular monthly meetings of Performance Review Committee for getting regular feedback about the progress of the Scheme from different sources. The Management Information System (MIS), External Monitoring through field visits by Area Officers and the feedback of vigilance and Monitoring Committees could be some of the tools which may be used for bringing improvement in the processes. The Committee express their dissatisfaction that the new initiatives taken by the Ministry like AwaaSoft, e-FMS, e-Muster, CPGRAM, etc. have not been able to bring the desired impact. The Committee feel that taking timely remedial action will be possible only when there is a well defined mechanism of getting real time data/information from difference sites of execution of the schemes but this is not happening as the Ministry do not have its own Nodal Officers at different levels who could constantly monitor the progress of the schemes and report immediately to the Govt. for further necessary action. The Committee is therefore, of the strong opinion that Nodal Officers should be appointed by the Ministry at different levels for not only conducting concurrent physical verification of the status of implementation of various programmes, it asserts but also to keep a close watch over the utilization of funds by the states. Such Nodal Officer should be mandated to have effective coordination with the State Governments and to directly report all the developments to the Central Government so that any problem occurring in the process of implementation of schemes be effectively and timely addressed by the controlling authorities/Ministry. The Committee is confident that appointing Nodal officers will bear immediate result and will be able to iron out the various difficulties which have crept into the system.

Reply of the Government

Effective monitoring of the Programmes is considered very important for efficient delivery at the grass root level in view of the substantial step up in the allocation of funds for rural development programmes. In order to ensure this, appropriate performance indicators have been developed for each of the specific programmes for effective monitoring at the District, Bock, Gram Panchayat and Village levels so that alarm signals are captured well in advance for mid-course corrections. The important instruments of monitoring are: (i) Review by the Union Ministers, (ii) Web based management and monitoring, (iii) Utilization Certificates/Audit Reports, (iv) Performance

Review Committee (PRC) (iv) Vigilance and Monitoring Committees(VMCs), (v) National Level Monitors (NLMs) and (vi) Area Officer's Scheme. As suggested by the Committee, these monitoring tools would be reviewed and redesigned to ensure more transparency and accountability.

The PRC meetings, chaired by the Secretary (RD) are held on quarterly basis. As Principal Secretaries/Secretaries of States/UTs participate in these PRCs, holding these meetings on monthly basis is not considered at present, as suggested by the Committee. State nodal officers meetings for individual programmes are also held regularly in between the PRC meetings.

The web-based monitoring systems, capturing both physical and financial progresses for individual programmes are regular monitoring features of the Department. MGNREGA soft, on-line management, Monitoring and Accounting system (OMMAS), Awaas Soft, NSAP-MIS, NRLM-MIS are designed keeping in view the requirements of various stakeholders periodically to keep with technological developments and new requirements. The existing Area Officer's scheme has provisions for appointment of Principal Area Officers (PAO) and Area Officers (AOs) for individual states for monitoring both physical and financial progress of programmes at field and national level. The guidelines will be amended to address the concerns of the Committee.

[O. M. No. H – 11020/03/2014 – GC (P), dated: 11 March, 2015 Department of Rural Development
(Ministry of Rural Development)]

Comments of the Committee

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

CHAPTER V

RECOMMENDATIONS IN RESPECT OF WHICH FINAL REPLIES OF THE GOVERNMENT ARESTILL AWAITED

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

The Committee observe that the National Social Assistance Programme (NSAP) is a programme for poor BPL households for the aged, widows and disabled. The programme also includes provisions for one time assistance in the case of death of the primary bread earner in the BPL family. The NSAP basically comprises of Indira Gandhi National Old Age Pension Scheme, Indira Gandhi National Widow Pension Scheme, Indira Gandhi National Disability Pension Scheme, National Family Benefit Scheme and Annapurna. While taking into account the socio-economic fabric of the society, the committee strongly feels that there is a need for reduction in eligibility conditions, more so in respect of widows from the present 40 years to 18 years and enhancing the quantum of pension under these schemes. The Committee expect that the Ministry will take concrete steps in this regard and apprise the action taken in this regard.

Reply of the Government

A Task Force was constituted under the Chairmanship of Member, Planning Commission to prepare a proposal for Comprehensive National Social Assistance Programme. The Task Force considered the issues pertaining to eligibility criteria, identification of beneficiaries, quantum of assistance and grievance redressal, etc., and submitted its report to the Ministry inter-alia recommending, expanding the scope of coverage and enhancing the quantum of pension. The recommendations of the Task Force have been examined in detail in the Ministry of Rural Development. As this has financial implications action has been initiated to take the approval of the Competent Authority through the mechanism of the Expenditure Finance Committee (EFC) headed by Secretary (Expenditure).

[O. M. No. H – 11020/03/2014 – GC (P), dated: 11 March, 2015 Department of Rural Development
(Ministry of Rural Development)]

NEW DELHI
10 August, 2015
19 *Shravana,* 1937 *(Saka)*

Dr. P. VENUGOPAL
Chairperson
Standing Committee on Rural Development

STANDING COMMITTEE ON RURAL DEVELOPMENT (2014-2015)

MINUTES OF THE TWENTY THIRD SITTING OF THE COMMITTEE HELD ON MONDAY, THE 10 AUGUST, 2015

The Committee sat from 1530 hrs. to 1545 hrs. in Committee Room 'B', Ground Floor, Parliament House Annexe, New Delhi.

PRESENT

Dr. P. Venugopal - *Chairperson*

Members

Lok Sabha

2. Shri Kirti Azad
3. Shri Harish Chandra Chavan
4. Shri Manshankar Ninama
5. Shri Prahlad Singh Patel
6. Dr. Ramesh Pokhriyal "Nishank"
7. Shri Gokaraju Ganga Raju
8. Smt. Butta Renuka
9. Dr. Yashwant Singh
10. Shri Ladu Kishore Swain
11. Shri Ajay Misra Teni
12. Adv. Chintaman Navasha Wanaga
13. Shri Vijay Kumar Hansdak

Rajya Sabha

14. Shri Gulam Rasool Balyawi
15. Shri Ram Narain Dudi
16. Shri Mahendra Singh Mahra
17. Shri Ranvijay Singh Judev
18. Dr. Vijaylaxmi Sadho
19. Shri A. K. Selvaraj
20. Smt. Kanak Lata Singh
21. Shri Ashwani Kumar

SECRETARIAT

1. Shri Abhijit Kumar - Joint Secretary
2. Shri R.C.Tiwari - Director
3. Smt. B. Visala - Additional Director

2. At the outset, the Chairperson welcomed the members to the Sitting of the Committee. Thereafter, the Committee took up for consideration the following draft Action Taken Reports:-

(i) Draft Report on Action Taken by the Government on the recommendations contained in the First Report on Demands for Grants (2014-15) of the Department of Rural Development (Ministry of Rural Development);

(ii) XXX XXX XXX XXX

(iii) XXX XXX XXX XXX

(iv) XXX XXX XXX XXX

(v) XXX XXX XXX XXX

(vi) XXX XXX XXX XXX

3. After detailed discussions, the Committee adopted the Reports without any modifications. The Committee then authorized the Chairperson to finalize the aforesaid Reports and present the same to the Parliament.

The Committee then adjourned.

APPENDIX - V

[*Vide* para 4 of Introduction of Report]

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

I.	Total number of recommendations:	26
II.	Recommendations that have been accepted by the Government : Serial Nos. 1, 4, 5, 7, 8, 11, 13, 15, 16, 17,19, 20, 21, 22, 23 and 24.	
	Total:	16
	Percentage:	61.53 %
III.	Recommendations which the Committee do not desire to pursue in view of the Government's replies : Serial Nos. 9 and 10	
	Total:	02
	Percentage:	7.69 %
IV.	Recommendations in respect of which replies of the Government have not been accepted by the Committee : Serial Nos. 2, 3, 6, 12, 14, 18 and 26	
	Total:	07
	Percentage:	26.92 %
V.	Recommendations in respect of which final replies of the Government are still awaited : Serial No. 25	
	Total:	01
	Percentage:	3.84 %