

**STANDING COMMITTEE ON RURAL DEVELOPMENT**

**(2015-2016)**

**18**

**SIXTEENTH LOK SABHA**

**MINISTRY OF RURAL DEVELOPMENT**

**(DEPARTMENT OF RURAL DEVELOPMENT)**

*[Action taken on the recommendations contained in the Sixth Report (Sixteenth Lok Sabha)  
on Demands for Grants of the Ministry of Rural Development (Department of Rural Development)  
for the year 2015-16]*

**EIGHTEENTH REPORT**



**LOK SABHA SECRETARIAT**

**NEW DELHI**

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on Demands for Grants of the Ministry of Rural Development (Department of Rural Development)  
for the year 2015-16]*

Presented to Lok Sabha on 22.12.2015

Laid in Rajya Sabha on 22.12.2015



**LOK SABHA SECRETARIAT**

**NEW DELHI**

*December, 2015/Agrahayana, 1937 (Saka)*

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**COMPOSITION OF THE STANDING COMMITTEE ON RURAL DEVELOPMENT  
(2015-2016)**

Dr. P. Venugopal -- *Chairperson*

**MEMBERS**

**LOK SABHA**

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3. Shri Kirti Azad
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| 3. Smt. B. Visala            | - | Additional Director |
| 4. Shri Maneesh Mohan Kamble | - | Committee Officer   |

(ii)

## INTRODUCTION

I, the Chairperson of the Standing Committee on Rural Development (2015-2016) having been authorised by the Committee to present the Report on their behalf, present the Eighteenth Report on the action taken by the Government on the recommendations contained in the Sixth Report of the Standing Committee on Rural Development (16<sup>th</sup> Lok Sabha) on Demands for Grants (2015-16) of the Ministry of Rural Development (Department of Rural Development).

2. The Sixth Report was presented to Lok Sabha/laid in Rajya Sabha on 23 April, 2015. Replies of the Government to all the recommendations contained in the Report were received on 27 July, 2015.

3. The Report was considered and adopted by the Committee at their sitting held on 18 December, 2015.

4. An analysis of the action taken by the Government on the recommendations contained in the Sixth Report (Sixteenth Lok Sabha) of the Committee is given in **Annexure-VII**.

**NEW DELHI;**  
**18 December, 2015**  
**27 Agrahayana, 1937 (Saka)**

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

## REPORT

### CHAPTER I

This Report of the Standing Committee on Rural Development (2015-16) deals with the action taken by the Government on the Observations/Recommendations contained in their Sixth Report (Sixteenth Lok Sabha) on Demands for Grants of the Ministry of Rural Development (Department of Rural Development) for the year 2015-2016.

2. The Sixth Report was presented to Lok Sabha on 23 April, 2015 and was laid on the Table of Rajya Sabha on the same date. The Report contained 20 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:<br>Serial Nos.: 1, 3, 4, 5, 6, 7, 8, 10, 11, 12 and 18                     | Total:11<br>Chapter-II    |
| (ii)  | Observations/recommendations which the Committee do not desire to pursue in view of replies of the Government:<br>Serial No.: NIL                   | Total: NIL<br>Chapter-III |
| (iii) | Observations/recommendations in respect of which replies of the Government have not been accepted by the Committee:<br>Serial No.: 9                | Total: 1<br>Chapter-IV    |
| (iv)  | Observations/recommendations in respect of which final replies of the Government are still awaited:<br>Serial Nos. 2, 13, 14, 15, 16, 17, 19 and 20 | Total: 08<br>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. Reduced funds under NRLM (Aajeevika), PMGSY, NSAP and IAY schemes criticised and higher funds for these programmes reiterated.

**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 while scrutinizing the Demands for Grants of the Department of Rural Development (Ministry of Rural Development) find that the proposed outlay of the Department for the Annual Plan 2015-16 placed before the Planning Commission was Rs. 105830.50 crore and the finally approved outlay was Rs. 71642.00 crore for the Plan schemes of the Department. The Committee observe that the allocated outlay has been reduced to the extent of Rs. 34188.50 crore with reference to the proposed outlay. The Committee also find that the outlay of Rs. 71642.00 crore for the current financial year 2015-16 is Rs. 8401.00 crore lesser than the budget allocation of the previous year 2014-15. Considering the importance of rural development for inclusive growth, the Committee are of the firm opinion that such reduced allocation would adversely affect the implementation of the major rural development schemes like Indira Awas Yojana (IAY), Pradhan Mantri Gram Sadak Yojana (PMGSY), National Social Assistance Programme (NSAP), MGNREGA and National Rural Livelihood Mission (NRLM) and also would hamper the process of the Department for achieving the targets in the year 2015-16. The Committee,



therefore, recommend that the Ministry should pursue the matter with the Ministry of Finance and Niti Ayog for seeking higher allocation of funds so that the various schemes and programmes meant for the generation of rural employment, growth of rural infrastructure and providing social welfare assistance would be effectively implemented during the current financial year and also the target of inclusive growth is successfully achieved."

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

**MGNREGA:** There has been no reduction in fund allocation under Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) during the Financial Year (FY) 2014-15 with reference to FY 2013-14. In both these FYs, the fund allocation under MGNREGA was Rs. 33,000 crore. The budget allocation under MGNREGA for FY 2015-16 has been increased to Rs.34,699 crore.

The MGNREGA is a demand driven wage employment Programme having no targets set for achievement. The funds are released to the States/UTs on the basis of agreed to Labour Budget and performance of the State. In case additional funds are required by States/UTs, the same can be demanded from Ministry of Finance.

**NRLM:** For the year 2015-16, the budget provision approved for NRLM is Rs.2505.00 crore which also includes a provision of Rs. 255.00 crore for the DRDA Administration scheme. The amount earmarked for Deen Dayal Upadhyay Grameen Kaushal Yojana (DDU-GKY) in the NRLM allocation is Rs.540.00 crore.

An allocation of Rs.1500.00 crore is required to be provided to DDU-GKY as announced in the budget speech of FM for the year 2015-16. As per current indication there could also be requirement of additional funds for the National Rural Livelihoods Project financed by World Bank loan. The requirement of funds for the DRDA Administration scheme which is meant for meeting the committed expenditure towards salary of DRDA staff and the contingency expenses of the DRDA office is also likely to be higher than the provision of Rs.255.00 crore made in BE 2015-16. Efforts will be made to meet the additional requirement of funds by re-appropriation of savings within the grant, failing which through Supplementary Demand.

**NSAP:** During the financial year 2015-16, an amount of Rs. 9082.00 crore has been provided by the Ministry of Finance at the disposal of Ministry of Rural Development for the implementation of National Social Assistance Programme. BE 2014-15 in respect of National Social Assistance Programme (NSAP) was Rs. 10635.00 crore. At RE Stage, this was

reduced to Rs. 7241.00 crore. The pending liabilities of 4<sup>th</sup> Quarter release of 2014-15 are being considered from the budgetary outlay of Rs. 9082.00 crore for the year 2015-16. A proposal for additional funds to meet the requirement during the current financial year 2015-16 would be sent to the Ministry of Finance and NITI Aayog.

Based on the recommendation of the Task Force, an EFC Note was submitted to the Ministry of Finance, Department of Expenditure for approval. The EFC Note includes enhancement of pension under all three pension schemes. Apart from this, the EFC Memo proposes to introduce a new pension scheme for single and distressed Women.

Ministry is preparing revised EFC Memo for submitting the same to NITI Aayog as desired by Ministry of Finance as considerable financial implications are involved. After getting views/approval of NITI Aayog, the EFC Memo will be submitted to the Department of Expenditure.

**PMGSY:** Ministry is exploring all possibilities in consultation with Ministry of Finance to enhance the PMGSY budgetary allocation of 2015-16. In this regard, the Ministry has written six letters to the Ministry of Finance vide letters No. P-17023/1/2013-RC dated 30.5.2014, 11.6.2014, 02.09.2014, 24.11.2014, 15.01.2015 and letter No. P-17017/2/2015-RC dated 18.06.2015.

**Rural Housing (IAY):** The proposal for revamping the scheme is under consideration."

**8. During examination of Demands for Grants (2015-16), considering importance of Rural Development for inclusive growth and criticising reduction in proposed outlay for Department of Rural Development from the level of Rs. 1,05,830.80 crore to as low as Rs 71,642.00 crore in actual outlay, the Committee had observed that such reduction would adversely affect implementation of major rural development schemes of MGNREGA, NRLM (Aajeevika), NSAP, PMGSY and IAY (Rural Housing). The Committee had recommended the DoRD to approach Ministry of Finance/NITI Aayog for higher allocation of funds for above schemes. In action taken reply, the DoRD have *inter-alia* stated that there was no reduction**

in funds for MGNREGA whereas for NRLM efforts would be made for additional funds and based on Task Force Report, a Revised EFC Note is under preparation in DoRD to be submitted before NITI Aayog for enhanced requirement of funds. For PMGSY different communications have been sent to Ministry of Finance and for 'Rural Housing' a proposal is under consideration. The Committee feel that action taken reply of the Government is interim in nature as in PMGSY, NRLM and NSAP, the DoRD is in the process of seeking funds from Ministry of Finance or funds will be sought from NITI Aayog and the proposal for revamping 'Rural Housing' scheme is also underway. The Committee recall that issue of seeking higher funds was also recommended by them in their last year's report. (Recn. Serial No. 2, Para No. 2.2 of First Report) and reiterated in their Action Taken Report i.e. Tenth Report (Para No. 8). The Committee, therefore, again reiterate that more funds for the above schemes be pursued with Ministry of Finance/NITI Aayog expeditiously.

**II. Ensuring 100 days Employment, Strengthening timely payment of wages to workers, redefining the role of Gram Pradhan for fair and transparent enrolment of wage seekers etc. under MGNREGA reiterated.**

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

9. With a view to ensuring 100 days Employment, strengthening timely payment of wages to workers, redefining the role of Gram Pradhan for fair and transparent enrolment of wage seekers etc. under MGNREGA, the Committee had recommended as under:-

"The Committee are informed that as per provisions of the Act, availability of the work should be close to the place of residence of workers, provision of work should be when it is actually needed, payment should be made timely and working conditions should be decent. The implementation of the scheme has not been uniform in all the States. However, States have

been advised to initiate certain measures to ensure adequate participation of rural households in MGNREGA. These measures include initiation of appropriate IEC campaigns, expanding scope and coverage of the demand registration system, organizing Rozgar Diwas periodically to capture latent demand, formulation of a specific plan to include special categories of vulnerable people like disabled, primitive, nomadic, denotified tribal groups, adoption of appropriate programme flexibility, organization of workers into labour groups. As far as the coverage of the scheme is concerned, the Committee are informed that there are about 50 lakh households which have used 100 days of wage employment but this number has been varying from year to year and the emphasis is that work should not be denied to those who demand for it. The Committee have serious apprehension about the fulfillment of the target of providing the 100 days employment to the eligible wage seeker in the rural areas and also the compliance of the various provisions of the Act in providing job. The Committee also feel that the role of Village Pradhan need to be redefined as far as the enrolment of wage seekers is concerned so that the system could take care of the needy people in a fare and transparent manner. The household coverage under the Scheme going downwards from the year 2011-12 is also a serious concern to the Committee. The Committee feel that the advisory issued to the States will bring desired results for ensuring adequate participation of rural households in the MGNREGA Scheme. The Committee however desire that the Ministry should have a constant interaction with the States to take the regular feedback and also persuade them to implement the scheme in its letter and spirit with a view to have larger eligible wage seekers under the ambit of the scheme. The Committee also recommend that the payment system should be strengthened and it should be ensured that minimum wages prescribed must be paid to the workers."

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

"MGNREGA is a demand-driven wage employment programme. Not less than 100 days of employment are provided to registered workers upon receipt of their demand. The number of days of employment provided to a household depends on the number of days of employment demanded by the household. State/UT-wise details of households provided employment under MGNREGA from 2011-12 onwards are given in **Annexure-I**. There are variations in demand for work on year to year basis. The demand for work itself is influenced by various factors such as rainfall pattern, availability of alternative and remunerative employment opportunities outside MGNREGA and prevailing unskilled wage rates. Ministry of Rural Development remains actively engaged with State/UT Governments in establishing systems that ensure provision of work as per demand. Training has been/is being imparted to Gram Pradhans for making them aware of NREGA processes thoroughly.

Government is having constant interaction with the States and the experts in improving the programme implementation. During the review of the implementation of the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), the strengthening the planning, technical supervision, capacity building, disbursing systems and social audits have been identified as areas for improvement. Towards this, the major steps taken by the Government are given in **Annexure-II.**"

**11. Tracing out salient features of MGNREGA like availability of work near the residence of workers, provision of work when it is needed, decent working conditions, timely payment of wages etc., and criticising that implementation of MGNREGA is not uniform across the States as only 50 lakh households were using 100 days as wage employment alongwith non-fulfillment of other objectives of MGNREGA, the Committee had felt that role of Gram Pradhans need to be redefined for fair and transparent enrolment of wage seekers. The Committee had therefore recommended strengthening of payment system for ensuring timely payment of minimum wages under MGNREGA.**

In action taken reply, the DoRD have *inter-alia* stated that MGNREGA being demand-driven wage employment programme, not less than 100 days of employment is provided to registered workers upon receipt of their demand and number of days of employment depends upon employment demanded etc. The DoRD have also submitted year-wise and State-wise details of number of households (in lakh) that were given employment from 2011-12 to 2014-15 (provisional) (Annexure I) explaining various factors influencing demand for work like rainfall pattern, availability of alternative and remunerative employment outside MGNREGA etc. In this connection, the Department of Rural Development, in an additional input submitted before the Committee have given State-wise data

of number of households completing 100 days of employment during 2014-15 (Annexure III) wherein 2.49 lakh households have completed 100 days of employment outlining various steps taken like IEC campaigns and 'Rozgar Diwas' for capturing the latent demand of employment etc.

The Department of Rural Development has also stated that training is being given to Gram Pradhans for making them aware of MGNREGA process thoroughly and have also outlined other steps being taken for better planning and asset identification; improving the quality of works; fund management and avoiding delays in payment in consultation with States/UTs (Annexure II). Similarly, on the achievement of different objectives of MGNREGA like availability of work near residence of workers, provision of work when needed and timely payment of wages to workers etc., the Committee appreciate the various steps taken (Annexure II) like launching of Intensive Participatory Planning Exercise (IPPE) in 95,000 Gram Panchayats, conducting training of technical resource persons from States/UTs on different technical aspects of type of works that can be taken up facilitating States to engage technical assistance/barefoot engineers for better technical planning and supervision of MGNREGA works etc. From the data about employment given vis-a-vis households who have completed 100 days of employment, the Committee feel that much more efforts needs to be put for enhancing 100 days of employment in different States/UTs. The Committee however also feel that still an effective implementation of measures outlined above by DoRD is desirable for achieving the above objectives of MGNREGA. The Committee also strongly recommend that there is a need to equip the Gram Panchayats and Intermediate Panchayats with technical manpower/barefoot engineers for imparting necessary technical assistance for

**MNGREGA for works. They, therefore, reiterate strengthening timely payment of wages to workers, re-defining the role of Gram Pradhans for fair and transparent enrolment of wage seekers etc.**

**III. Strong Monitoring and Grievance Redressal Mechanism for Successful implementation of MGNREGA reiterated.**

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

12. In the context of Strong Monitoring and Grievance Redressal mechanism for successful implementation of MGNREGA, the Committee had recommended as under:-

"The Committee are further informed that with a view to ensure proper implementation of the social audit as provided in the Act, Audit of Scheme Rules, 2011 has been issued. All States are being requested to appoint Ombudsman at the district level for grievance redressal and the States have been recommended to disburse wages through Post Offices and Banks. A special project to provide technical assistance to State Governments has also been approved for engaging social audit resource at State and District level so that effective social audit could be conducted. A monitoring system through AwaasSoft is already in operation which is a work flow based Management Information System (MIS) and the reports are made available in the public domain. The Committee have also been informed that the proposal is now to move to an electronic system from April, 2015 where registration and sanctions will be done online and Aadhar number and mobile number of beneficiaries are being captured at the time of registration. The Vigilance and Monitoring Committees have also been constituted to review rural development programmes at district and State levels. While taking note of all the measure, the Committee observed that only 08 States have set up independent societies to perform the function of Social Audit Units, very few States have uploaded the status of grievances on their information domain and very few States have taken disciplinary/criminal action against the functionaries found responsible for irregular implementation of the Act. The Committee also observe that many States have yet to appoint the requisite number of Ombudsmen in their States. The Committee strongly feel that strong monitoring and grievance redressal mechanism is the pre-requisite of the successful implementation of the MGNREGA Scheme and, therefore, the Committee recommend that the system of comprehensive grievance redressal mechanism, social audit, monitoring and accountability need to be strengthened from the grass root level and a periodical review need to be conducted for timely follow up action. The Committee expect the Ministry to take immediate measure in this regard."

13. The Ministry in their action taken reply have stated as under:-

"As per the Audit of Scheme Rules 2011 issued under the MGNREGA, every State has to constitute an independent Social Audit Unit. As per the review done about the functioning of the Social Audit Units, the following is the status of compliance of States to the Rules:

- (i) Ten States have operationalised the Social Audit Units as laid down in the Rules. They are: Andhra Pradesh, Chhattisgarh, Gujarat, Karnataka, Mizoram, Sikkim, Telengana, Tamil Nadu, Tripura and Uttar Pradesh.
- (ii) Four States have constituted independent agencies but are yet to appoint full time personnel for conduct of Social Audits: Madhya Pradesh, Odisha, Manipur and Meghalaya.
- (iii) Two States have appointed Director of Social Audit, but did not constitute independent Societies: Rajasthan and Jammu & Kashmir.
- (iv) Eleven States are yet to comply with the Rules: West Bengal, Bihar, Kerala, Jharkhand, Himachal Pradesh, Assam, Punjab, Uttarakhand, Haryana, Nagaland and Arunachal Pradesh.

A Special Social Audit Project for Rs. 147 Cr has been sanctioned to support the States in setting up the Social Audit mechanism and to fully meet the cost of the resource persons. Further, guidelines have been issued to all States to constitute a Governing Body to advise the Social Audit Unit consisting of the Principal Accountant General of the State. The Ministry is closely working with the Comptroller and Auditor General of India in institutionalizing the Social Audits as per the Rules.

Ministry issues several advisories from time to time to States/UTs for effective implementation of MGNREGA. These advisories also pertain to uploading the status of grievances on their information domain and taking disciplinary/criminal action against the functionaries found responsible for irregular implementation of the Act. These matters are also regularly reviewed in the Performance Review Committee meetings, Labour Budget meetings and regional review meetings. State specific reviews are also undertaken from time to time.

In exercise of the powers conferred under Section 27 of MGNREG Act, the Central Government issued an Order dated 7th September, 2009 issuing directions to the State Government for establishing the office of Ombudsman in districts for redressal of grievances in a time bound manner. State/UT wise position relating to Ombudsman is given in **Annexure-IV.**

During the review of the implementation of the MGNREGS, the strengthening the planning, technical supervision, capacity building, disbursing systems and social audits have been identified as areas for improvement. Towards this, the major steps taken are given in **Annexure-II."**



14. While noting that Audit of Scheme Rules, 2011 have been issued for ensuring proper Social Audit of MGNREGA works and all States have been requested to appoint Ombudsmen at District level for grievance redressal and on-line legislations and sanctions under MGNREGA is proposed from April, 2015, the Committee found that only 8 States had set up Independent Social Units and a few States have uploaded status of grievances on public domain with many States yet to appoint Ombudsmen in their States. In this context, the Committee had recommended strengthening of comprehensive Grievance Redressal Mechanism, Social Audit from grass roots level with periodic reviews to be conducted for timely follow-up.

In action taken reply, the DoRD have *inter-alia* stated that only ten States viz., Andhra Pradesh, Chhattisgarh, Gujarat, Karnataka, Mizoram, Sikkim, Telangana, Tamil-Nadu, Tripura and Uttar Pradesh have operationalized Social Audit Units as laid down in Social Audit Rules, 2011 and States of Madhya Pradesh, Odisha, Manipur, Meghalaya, Rajasthan and Jammu & Kashmir are in the process of doing it with as large eleven States of West Bengal, Bihar, Kerala, Jharkhand, Himachal Pradesh, Assam, Punjab, Uttarakhand, Haryana, Nagaland and Arunachal Pradesh are yet to comply with the Audit of Scheme Rules, 2011. The Department of Rural Development has also furnished the details of State-wise position regarding Ombudsmen as on 31<sup>st</sup> March, 2015 (Annexure IV) while working with close coordination with C&AG on this issue.

The Committee are not at all convinced with the implementation and Grievance Redressal Mechanism for MGNREGA reported before the Committee, in-as-much-as the Social Audit Rules are operational only in ten States even after

four years of issue of Social Audit Rules way back in 2011 with many progressive States like West Bengal, Kerala, Himachal Pradesh, Haryana, Uttarakhand etc. yet to comply the same. Looking at the details of Ombudsmen appointed, the Committee are constrained to note that slow progress is in Bihar (38/18), Chhattisgarh (27/18), Jharkhand (24/9), Haryana (21/9), West Bengal (20/6), Jammu & Kashmir (22/None) including many other States. The Committee do not subscribe to the views of DoRD, that it is working closely with C&AG for institutionalising Social Audit across the States. The Committee feel that slow progress on appointment of Ombudsmen speaks volumes about functioning of DoRD on the issue. The Committee, therefore, reiterate strong monitoring and Grievance Redressal Mechanism for successful implementation of MGNREGA. The Committee also desire that sufficient publicity for Social Audit should be given for MGNREGA work.

**IV. Declining funds for PMGSY criticized and Department of Rural Development taking up the issue of enhanced funds with Ministry of Finance reiterated.**

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

15. With regard to declining funds for PMGSY criticized and Department of Rural Development taking up the issue of enhance funds with Ministry of Finance, the Committee had recommended as under:-

"The Committee observe that Pradhan Mantri Gram Sadak Yojana (PMGSY) is a Centrally sponsored scheme with the objective to provide all-weather road connectivity to all eligible unconnected habitations existing in the core network in rural areas of the country. The programme envisages connecting all eligible unconnected habitations with a population of 500 persons and above in plain areas and 250 persons and above in special category states, Tribal (Schedule V) areas, Desert areas (as identified in Desert Development Programme) and in 82 Selected Tribal and Backward Districts under Integrated Action Plan. The Committee note that the proposal of the Department for PMGSY during XIIth Plan (2012-17) 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 the first four years of current Plan period is only Rs.74382 crore. The Committee further note that during the year 2012-13, the BE of Rs.24000 crore was reduced at RE stage to Rs.8885 crore, for the 2013-14 the BE of Rs.21700 crore was reduced to Rs.9700 crore and similarly, during the year 2014-15, BE of Rs.14391 crore was reduced to Rs.14200 crore. The Committee also note that an amount of Rs.14291 crore has been allocated for the current financial year 2015-16. The Committee are constrained to observe that the funds allocated at BE stage were drastically reduced at RE stage continuously during the last three years, particularly during the years 2012-13 and 2013-14 where the reduction of funds was more than 50%. Admittedly, States were released lesser funds due to huge reductions at RE stage and as a result they were not in a position to complete the road works sanctioned by the Ministry in a time bound manner and thus, the huge reduction of funds has adversely affected the pace of construction/upgradation of rural roads under the scheme. The Committee are of the firm opinion that lack of coordination and absence of effective monitoring has led to such a situation of reduction in allocation. The Committee are apprised that the budgetary allocation of Rs.14291 crore will be grossly inadequate as against the value of pending PMGSY works and in this regard, Ministry of Finance has been requested for enhancement of the allocation. Besides, a proposal for availing new batch of loan amounting to Rs.12000 crore in 3 tranches from RIDF window of NABARD and also for availing part of the receipts from the additional Rs.2 excise duty on Diesel and Petrol has already been sent to the Ministry of Finance. Keeping in view the importance of rural roads connectivity under PMGSY which is a major infrastructure scheme of the Government in rural areas, the Committee recommend that the Ministry should vigorously pursue with the Ministry of Finance for enhanced budgetary allocations and grant of necessary loans for achieving the targets. The committee also recommend timely placing of demands for funds by the States and also timely release of funds by the Department to the implementing agencies for effective implementation of the Scheme. The Committee strongly recommend that the Ministry should strengthen its mechanism to avoid such reduction of allocation in future and also ensure optimum utilization of funds during the current financial year and if necessary, the execution capacity of the State/UTs should also be upgraded/ improved. The committee has desired urgent necessary steps in this regard."

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

"The Ministry is constantly pursuing the matter to increase the budgetary allocation of the PMGSY with the Ministry of Finance. Ministry of Finance has recently turned down Ministry's request to avail a loan of Rs. 12,000 crore from RIDF window of NABARD for augmenting PMGSY budget. In this regard, the Hon'ble Minister (RD) has written letter no. P-17017/2/2015-RC dated 18.06.2015 to Hon'ble Minister (Finance)

requesting for the possibility of deferring the repayment of NABARD loan due in the year 2015-16 for one year and/ or obtaining fresh loan under the NABARD Infrastructure Development Assistant (NIDA) window of NABARD (at least Rs. 5,000 crores per year for next three years) for the PMGSY. In addition Secretary, Rural Development has written two letters No-17017/1/2015-RC ,both dated 08/07/2015 to the Finance Secretary and Secretary Expenditure respectively ,in this regard.Thus the Ministry is regularly pursuing the matter at appropriate level for enhancement of budgetary allocation for PMGSY. The Ministry has also appraised the status to the Joint Secretary, Standing Committee on Rural Development on 11.06.2015.

2. In spite of limited funds released during the previous year (2014-15), the States utilized Rs. 16,538 crore during the last fiscal to complete about 36,000 Kms. of roads (about 100 kms. /day). This was made possible because of strengthening of State's execution and contracting capacities as well as effective utilization of Central releases and interest receipts etc."

**17. Criticizing steep reduction of funds for Twelfth Plan from Rs. 2.03 lakh as proposed by DoRD to the level of Rs. 1.05 lakh actually allocated and subsequent reduction from BE to RE level during 2012-13, 2013-14 and 2014-15 onwards from the level of Rs 24,000 crore to Rs. 8,885 crore, Rs. 21,700 crore to Rs. 9,700 crore and Rs. 14,391 crore to Rs. 14,200 crore respectively, the Committee felt that Rs. 14,291 crore BE for 2015-16 would be grossly inadequate for PMGSY works. The Committee had been informed that a loan of Rs. 12,000 crore in three trenches from Rural Infrastructure Development Fund (RIDF) Window of NABARD and also availing part of receipts from additional Rs. 2 excise duty on Diesel and Petrol has been proposed. The Committee had therefore recommended that Ministry should strengthen its mechanism to avoid such reduction of allocation in future.**

**In action taken reply, the DoRD have *inter-alia* stated that enhancing budgetary allocation has been taken up with Ministry of Finance which has turned**

down DoRD's request for availing loan from RIDF Window of NABARD. The DoRD has also informed that Hon'ble Minister for Rural Development has also requested Hon'ble Minister of Finance for deferring the repayment of NABARD loan due in 2015-16 and/or obtain fresh loan from NABARD Infrastructure Development Assistance (NIDA) Window (at least Rs. 5,000 crore per year for next three years) for PMGSY and subsequently on 18<sup>th</sup> July, 2015 the matter has also been taken up with Finance Secretary/Secretary (Expenditure) also. In this context, the Committee find that on the issue of availing part of receipt from additional Rs. 2 excise duty on Diesel and Petrol, the action taken reply is silent. The Committee would like an update on this issue also. The Committee would also like to know the subsequent development in this regard and reiterate that need for adequate funds for PMGSY be raised at the highest level.

**V. Poor Quality of Post Construction Maintenance of PMGSY roads criticized and in this regard Government asked to consider suggestions from public representatives reiterated.**

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

18. In the context of poor quality of post construction maintenance of PMGSY roads, the Committee recommended as under:-

"The Committee observe that under PMGSY, the maintenance and repair of roads is the responsibility of the respective State Governments. The Committee take a serious note of the unsatisfactory on-going works, substandard works under the scheme, poor quality of rural roads and lack of proper maintenance, repair and renovation of rural roads construction under PMGSY Scheme and various other irregularities. The Committee are to view that there is an eminent need for maintenance or rural roads under the scheme ever after construction is completed. The Committee feel that rural roads should also be connected with the important routes. Keeping in view the importance of rural connectivity of roads the Committee desire to be apprised of the reasons for the unsatisfactory

completion and maintenance of the various works, irregularities involved and remedial action taken therefor by the concerned authorities. The Committee strongly feel that there should be a proper mechanism of fixation of responsibility and accountability so as to eliminate the problems of malpractices in implementation of the scheme. The committee therefore strongly recommend a mechanism to be devised by the Ministry for fixing responsibility and accountability straightway on the erring agencies and individuals and punitive action taken against them. The committee desire that there should proper monitoring, physical checks and verification of rural roads and coordination with the State Governments for effective implementation of the scheme. The Committee also desire that there is also a need for 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 measures in time. The Committee also recommend that the suggestions and recommendations of the public representatives should also be taken into account while considering proposals for construction of roads under the PMGSY scheme."

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

"The Pradhan Mantri Gram Sadak Yojana (PMGSY) Programme Guidelines prescribe the various steps in the planning process and the role of different Agencies including people's representatives for the preparation of District Rural Roads Plan and Core Network. The District Rural Road Plan is first prepared at the block level, in accordance with the priorities spelt out by the District panchayat. Based on this Plan, the Core Network for the Block is identified and then placed before Intermediate Panchayat for consideration and approval. They are simultaneously sent along with the list of all unconnected habitations to the Members of Parliament and MLAs for their comments, if any. After approval by the intermediate panchayat, the Plans are placed before the District Panchayat to ensure that the suggestions given by the Members of Parliament are given full consideration, before the plan is approved. Programme guidelines also stipulate that all elected representatives associated with the programme should be duly invited to the foundation laying and inauguration ceremonies of PMGSY roads.

Further, Vide Circular No.P-17025/37/2013-RC dated 28th January, 2015, the Ministry has made changes in the PMGSY programme guidelines in order to accord priority in the selection of roads for new connectivity as well as upgradation, leading to the eligible habitations in the Gram Panchayats/villages identified by the Members of Parliament under Saansad Adarsh Gram Yojana (SAGY).

Also Vide this Ministry's circular No. 17025/49/2011-RC dated 2nd September, 2014, the PMGSY guidelines have been amended for the

Inclusion of Women Self Help Groups (SHGs) in transect walk to fix the alignment of PMGSY roads. This would ensure that gender concerns are taken into consideration while fixing alignment of PMGSY roads.

PMGSY roads are covered by 5 year maintenance contract, to be entered into along with the construction contract, with the same contractor in accordance with the Standard Bidding Document. Maintenance funds to service the contract are budgeted by the State Government and placed at the disposal of State Rural Development Agencies (SRRDAs) in a separate maintenance fund account. On expiry of 5 year post construction maintenance, PMGSY roads are required to be placed under Zonal maintenance contracts consisting of 5 year maintenance including renewal as per cycle

National Rural Roads Development Agency (NRRDA) in partnership with ILO and World Bank has strived to support maintenance management of rural roads in the States. As an outcome of this partnership, a Model Policy Framework for Maintenance of Rural Roads along with a Guidelines note has been finalized in close consultation with the States. Based on the documents, the States were requested to customize and evolve their Rural Road Maintenance Policies to suit State specific needs. Maintenance policies have been finalized by Rajasthan, Uttar Pradesh, Bihar, Chhattisgarh, Madhya Pradesh, Uttarakhand, Himachal Pradesh and Assam. Other States are in the process of finalizing the policy.

Initiation of pilot on community based maintenance as well as performance based contracting of rural roads: PMGSY is a huge central investment in the State sector as part of a poverty reduction strategy. To protect this investment and ensure that critical rural infrastructure created by PMGSY is maintained in prescribed condition, various innovative modes of maintenance have been piloted in the States. Ministry of Rural Development in collaboration with International Labour Organization (ILO) & World Bank has piloted 'Performance Based Maintenance Contract' & the 'Community Contracting' for maintenance during the year 2014-15, which would be replicated across the participating/ non-participating States after analyzing the experience. These pilots are going on in the States of Himachal Pradesh, Bihar & Uttarakhand.

Citizen monitoring of rural roads by Public Affairs Centre, Bangalore: NRRDA in collaboration with Public Affairs Centre (PAC) is facilitating Citizen's Monitoring of Rural Road Construction under PMGSY in three States –Meghalaya, Jharkhand, Rajasthan with the help of its State level partner organizations – Karuna Trust, NBJK and CUTS respectively. The goal of the intervention is to improve quality of roads by instituting citizens' checks during implementation of PMGSY scheme by training/capacity building of citizen volunteers with required citizen toolkit. With the toolkits and training, the volunteers surveyed 70 roads in 3 states and produced data on various qualitative and quantitative aspects of the roads. The analysis of the data threw comprehensive light on the condition of roads in both the ongoing and completed stage from citizen

perspective. The analytical report provides a basis for NRRDA/SRRDA to take corrective actions and maintain the roads. The plan is to expand this intervention to cover more roads in more States with a view to empower the community to monitor the execution of government schemes.

Feed back on PMGSY works received on OMMAS portal under "Feedback Module": A feature has been created in public domain on OMMAS for achieving systematic approach towards monitoring of grievances and addressing feedback under the heading "feedback" for registering feedback and complaints by citizens. Through this module the citizens can express their concerns related to planning, progress, quality and maintenance of any PMGSY roads. The State Quality Coordinator (SQC) will be the Nodal Officer to handle such grievances and address it online. All the State Governments have been informed about this vide letter no. P-17031/2/2015-Tech dated 19.5.2015.

Regional Review Meetings are conducted at regular intervals as a measure to monitor the progress & for effective implementation of PMGSY scheme in the States. Also, Area Officer visits are organized by the Ministry for physical inspection and verification of all the programmes run by Department of Rural Development including PMGSY."

**20. Taking serious note of unsatisfactory on-going works, sub-standard and poor quality of rural roads, lack of proper maintenance etc., the Committee had observed that there is an imminent need for maintenance of rural roads even after construction and had *inter-alia* recommended devising a mechanism for fixing of responsibility and accountability straightway on the erring agencies and individuals and taking punitive action taken against them, proper monitoring, verification of rural roads and close coordination with State Governments, setting up of a mechanism for rural people for lodging complaints about quality of work done and incorporating suggestions/views of public representatives while considering PMGSY road works etc.**

**With reference to Committee's recommendation regarding devising a mechanism for fixing responsibility and accountability straightway on the erring agencies and individuals and taking punitive action taken against them, the Committee find the action taken reply as silent. The Committee recall this issue**



was taken up by the Committee last year also (Recn. Serial No. 12, Para No. 2.12, First Report) and viewing the same position, the Committee had reiterated the same in their Action Taken Report also (Para No. 17 of Tenth Report). The Committee, therefore, once again reiterate the same and desire a clarification in this regard.

On the issue of proper monitoring, verification of rural roads with coordination of State Governments, the DoRD has *inter-alia* informed that PMGSY roads are covered by 5 year maintenance contract by the same contractor who has built these and funds for maintenance are given by State Governments and are placed under the disposal of State Rural Development agencies (SRDAs) in a separate maintenance fund. Besides National Rural Development Agency (NRRDA) with International Labour Organisation (ILO) and World Bank has strived to support maintenance management of rural roads in States and as a result, maintenance policies in Rajasthan, Uttar Pradesh, Bihar, Chhattisgarh, Madhya Pradesh, Uttarakhand, Himachal Pradesh and Assam have been finalized whereas other States are yet in the process of finalisation of policy. The Committee feel that since the progress is limited to only 8 States mentioned above, they desire that coordination with all the State Governments be vigorously pursued. As regards their recommendation about setting up of mechanism for involving rural people for lodging complaints about quality of work done under PMGSY, the Committee appreciate that a 'Meri Sadak' - Citizen Feedback System (Annexure V) has been brought out by the Ministry envisaging prompt feedback redressal with acknowledgment within 7 days with interim reply and redressal within 60 days of the receipt in organization. The Committee feel

that such feedback be also put in public domain. In response to Committee's recommendation about incorporating suggestions/views of public representatives while considering the PMGSY road works, the Committee find from action taken reply that there is in-built system for incorporation of the views/suggestions from public representatives for planning and execution of PMGSY roads, yet the Committee feel, these are not being followed in letter and spirit at ground level. They, therefore, feel that this provision should be implemented in an effective manner.

**VI. Drastic decline in achievement of targets under IAY and mechanism for full utilisation of funds reiterated.**

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

21. In the context of decline in achievement of targets under IAY criticised and mechanism for utilisation of funds, the Committee recommended as under:-

"The Committee note that Indira Awaas Yojana is a flagship programme of the Ministry of Rural Development as part of the larger strategy of rural poverty eradication, to provide dignity of an address to the poor households and to enable them to access benefits of other rural development schemes. Under the Scheme, assistance is given for provision of house site, construction of a new house and upgradation of kutchra or dilapidated house. With regard to the quantum of assistance, a BPL family is given grant of Rs.70000/- for new construction in plane areas, Rs.75000/- in hilly/difficult areas including IAP districts, Rs.15000/- for upgradation. Rs.20000/- is provided to landless labourers for purchase of house sites. The Committee was informed that during the year 2012-13, the BE of Rs.11075 crore was reduced to Rs.9024 crore at RE stage and the actual expenditure of Rs.7868.76 crore was even less than the RE and against the target of 30.10 lakh houses, only 21.86 lakh houses were constructed. The Committee note that even during the year 2013-14, BE of Rs.15184 crore was reduced to Rs.13184 crore and the actual expenditure of Rs.12983.64 was again less than the RE and as against the physical target of 24.80 lakh, only 15.92 lakh houses were constructed. The Committee further note that again during the year 2014-15, the BE of Rs.16000 crore was reduced at RE stage to Rs.11000 crore and the actual expenditure was of Rs.10764.45 crore was less than the

RE and as regards the physical progress, against the target of 25.19 lakh, only 9.80 lakh houses were constructed. The Committee is constrained to note that drastic decline in achievements of the physical and financial targets under the scheme during the last three years 2012-13, 2013-14 and 2014-15 must have deprived one of the primary amenities of providing shelter to the needy rural household from getting the assistance to have a shelter of their own. The Committee therefore recommends that the Ministry should develop a mechanism which could take care for full utilization of the funds by the States in the Indira Awaas Yojana (IAY) Scheme so that maximum number of shelter-less population could realize their dream of having their own dwelling units which is the basic necessity for human life. The Department should also provide guidance and all necessary assistance to the State Governments to overcome the various obstacles involved in effectively implementing the scheme so that the technicalities could not override the basic need of human beings."

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

"The details of financial and physical progress in IAY in the last three years is summarised in Table below.

<b>Year</b>	<b>Budget Estimate</b>	<b>Revised Estimate</b>	<b>Actual expenditure</b>	<b>Physical target</b>	<b>Achievement</b>	<b>Per cent achievement</b>
2012-2013	11075.00	9024.00	7868.76	30.10	21.86	72
2013-2014	15184.00	13184.00	12983.64	24.80	15.92	64
2014-2015	16000.00	11000.00	11105.88	25.19	16.50	65

The Revised Estimates during the year 2012-13 were fixed on the basis of the actual releases upto September, 2012. The slow pace of expenditure during the first half of the year was not due to lack of demand but due to conditions imposed by the Ministry that the State should upload the physical and financial progress on the MIS before release of 2nd instalment. This condition was imposed in order to move to Direct Benefit Transfer and eliminate delays. However the States continued to have problems of connectivity and capacity to use the MIS. Due to this, the expenditure could not reach the required 67% upto December, 2012 and the Ministry could release only 25% of the allocation in the last quarter.

The Revised Estimates during 2013-14 were fixed on the basis of actual expenditure upto September 2013. Expenditure in States was slowed down by election processes in four State assemblies in October-December 2013. Expenditure had also slowed down in March due to the imposition of Model Code of Conduct for the General Elections. The expenditure was less than the RE because Rs.200 crore was transferred

to National Rural Livelihood Mission to support Bharat Rural Livelihood Foundation. The remaining allocation of Rs.12983.64 crore was expended.

The Revised Estimate during the year 2014-15 was fixed on the basis of the actual releases upto September, 2014 and unspent balance available with the States. The slow pace of expenditure during the first half of the year was due to change in the fund flow arrangement. From 2014-15, the fund is routed through the State Consolidated Fund. Funds are then transferred to State Department of Rural Development and thereafter to the implementing agencies in the field. There have been delays in the transfer of funds from the Consolidated Fund of the State to the District level implementing agencies for a period ranging from 15 days to 2 months. The pace of fund utilisation also slowed down due to imposition of model code of conduct for the general elections to the Lok Sabha and elections in States of Haryana, Chhattisgarh, Rajasthan and Jammu & Kashmir. The Actual Expenditure is however higher than the RE since an amount of Rs.105.88 crore was reappropriated from savings in other schemes within the Ministry and utilised in IAY.

The shortfall in physical achievement is partly owing to the budgetary reduction and partly to the slow progress of work in the ground. Normally, construction of a house under IAY takes more than a year to complete. Release of funds under IAY is linked to progress of construction of the house and beneficiaries are provided assistance in 3 or 4 instalments by the State. Wherever there is slow progress, the instalments get delayed. The expenditure towards construction therefore spills over to next financial year and funds are also to be released accordingly. The slow progress of work in the field and the slowdown in the release process reinforce each other affecting performance as a whole.

Steps taken and proposed to be taken to ensure end to end e –

governance solutions to ensure full utilisation of funds & monitoring

1. Advance Action Plan 2015-16: In order to avoid delays in implementation of the scheme, an advance action plan for 2015-16 was devised and communicated to States in January of 2015-16. The timelines are being followed up and 17.33 lakh beneficiaries have been registered on AwaasSoft (as on 13.05.2015).
2. Monitoring of unspent balance and progress: Ministry is closely monitoring the amount of unspent balances lying with the States at the district and block levels. Advisories were issued to States regarding the expeditious use of funds and stock taking was done through a series of video conferences. Progress of work was also reviewed through meetings with co-ordinating officers on a monthly basis and the quarterly performance review committee meeting.
3. Direct Benefit Transfer: There would be a single centralised bank account at the State level receiving scheme funds. All disbursements against houses sanctioned in 2015-16 would be made electronically and funds transferred directly to the beneficiary accounts. This would ensure that the number of levels in the fund

flow process is reduced making it smoother and avoiding unnecessary delays in the process. Management of funds will be more efficient as parking of funds at any level is minimized.

4. Mobile based monitoring system: Mobile application to capture time stamped geo referenced photographs to monitor progress is being developed. This would ensure a robust system of monitoring work in progress. It also ensures greater transparency in the system.
5. Enhanced social monitoring: To ensure public accountability in implementation, States have been directed to conduct at least one social audit every year in a Gram Panchayat. States have been advised to cover 25% of houses sanctioned during the year and all houses sanctioned under Special projects through such audits. States have been allowed to use one per cent of funds released as administrative funds for the purpose.

Other measures to provide necessary assistance and guidance

Measures in convergence with other schemes:

1. The assistance provided under the scheme is reportedly inadequate to complete a durable house. Though increasing the assistance is an option, in its absence, provisioning of resources through convergence with other government schemes is being encouraged.
2. The construction of rural houses under government schemes has been made a eligible item of work under MGNREGA. Accordingly 90/95 mandays of unskilled manual wage can be availed by IAY beneficiaries in plain and difficult areas. Given the current wage rates it amounts to approximately Rs.15,000 per house. Job card numbers are being captured and a real time link with NREGASoft to allow automatic generation of muster rolls is being developed to ensure that all IAY beneficiaries avail of the benefits
3. Construction of sanitary latrine in IAY houses is to be done in convergence with Swachh Bharat Abhiyaan. SBM unique ID nos. is being captured to ensure post facto monitoring of convergence.
4. States have also been advised to ensure that IAY beneficiaries avail benefits of 'Unnat Chulha Abhiyan' of MNRE, Pradhan Mantri Jan Dhan Yojana (PMJDY), and with the Deen Dayal Upadhyay Gram Jyoti Yojana for electrification of IAY houses.
5. Promoting use of Alternate technology: Ministry in collaboration with UNDP has initiated an exercise to catalogue appropriate and cost effective technologies for different zones based on climate, material availability, culture and disaster proofing. Support is to be provided to States for capacity building of local masons and encouraging local entrepreneurs. Mapping is underway in Tripura, Meghalaya, Odisha, Bihar and Maharashtra. It is proposed to be expanded to 12 more States in 2015-16

6. Capacity Building measures: Trainings to various stakeholders like government functionaries, panchayar raj institutions, masons and civil society in different aspects of the scheme has been initiated. Four modules namely Book keeping and Accounting, Information Education and Communication, and are being conducted by the National Institute of Rural Development, Hyderabad and its regional centre in Guwahati. So far 300 government functionaries from across the States have been trained."

**23. Pointing out per unit assistance of Rs. 70,000/- for new construction in plain areas and Rs. 75,000/- in hilly and difficult areas including Integrated Action Plan (IAP) blocks, and Rs. 15,000 for upgradation etc. under IAY, the Committee had criticised that Budget Estimates for 2012-13, 2013-14 and 2014-15 of Rs. 11,075 crore, Rs. 15,184 crore and Rs. 16,000 crore were reduced to Rs. 9,024 crore, Rs. 13,184 crore and Rs. 11,000 crore respectively, whereas the actual expenditure was still lower at Rs. 7,868.76 crore, Rs. 12,983.64 crore and Rs. 10,764 crore respectively. Similarly against the target of 30.10 lakh, 24.80 lakh and 25.19 lakh house construction, the achievement was even lower at 21.86 lakh, 15.92 lakh and 9.80 lakh in terms of houses actually constructed. The Committee had observed that drastic decline in targets to the above extent must have deprived the needy from getting assistance under IAY for having shelter of his own and recommended that DoRD should develop a mechanism for full utilisation of funds under IAY scheme.**

**Responding to Committee's observation regarding under-utilisation of outlays and under-achievement of targets during 2012-13, 2013-14 and 2014-15, the DoRD have stated that during 2012-13 due to imposition of condition of uploading physical and financial performances on MIS before release of second**

installment for moving towards Direct Benefit Transfer, whereas during 2013-14 and 2014-15 due to implementation of Model Code of Conduct because of General Elections, the performance was lower. The DoRD has also explained various steps that have been taken or proposed to be taken like Advance Action Plan 2015-16, Monitoring of unspent balances and progress, Direct Benefit Transfer, Mobile based Monitoring System, measure regarding convergence with other schemes etc. The Committee feel that all these steps are interim in nature and it may still take some time for making the mechanism for full utilisation of funds under IAY fully operational. The Committee, therefore, reiterate expeditious developing of the mechanism for full utilization of funds under IAY.

**VII. Enhancing Quantum of Per Unit Assistance for IAY reiterated.**

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

24. In the context of enhancing quantum of per unit assistance for IAY, the Committee recommended as under:-

"The Committee are apprised that Indira Awaas Yojana scheme is proposed to be revamped and implemented on a Mission Mode and to achieve the objective of the Government for 'Housing for AH' by 2022, additional resources will be required. The Committee has however been apprised that mobilization off resources has been a major constraint The Committee expect that the new initiative taken by the Department to revamp the IAY scheme will be fine tuned in such a way so that the scheme is flexible enough to analyze the grass-root level problems in different geo-climatic zones of the country and to fix the quantum of assistance according to the requirement of the needy people in those areas. The Committee also strongly recommends that the present level of assistance under IAY is grossly inadequate and there is urgent need to enhance the amount of assistance to make it at a realistic level so that the beneficiary could be able to convert their dream of having their own dwelling unit into reality. The Committee expects that the Ministry will initiate immediate necessary action in this regard and the target of providing pucca house to all by the year 2022 is realized."

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

"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 is being prepared taking into account the grass-root level problems in different geo-climatic zone of the country. 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 kutchha houses.
- c) Facilitating beneficiaries to avail loans from Banks and other Financial Institutions with a provision for interest subvention.
- 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."

**26. Taking note of proposed revamp of IAY and its implementation on a Mission Mode for realising the objective of 'Housing for All' by 2022 and IAY scheme facing major resource constraints, the Committee expected that proposed revamp of IAY be fine tuned in such a way thereby making it flexible enough to analyse the quantum of per unit assistance according to the requirements of the needy people in different geo-climatic zones of the country. Having felt that present per unit assistance is grossly inadequate, the Committee had recommended that it should be increased in a realistic level for achieving target of 'Housing for All' by 2022.**



Responding to the recommendation of the Committee, the Government have *inter-alia* stated that a proposal is being prepared taking into account the grass-root level problems in different geo-climatic zones of the country with various salient features including enhancement of unit size and quantum of assistance. The Committee find the reply as interim in nature and feel that it lacks urgency with regard to enhancing the per unit assistance under IAY. They, therefore, reiterate enhancement of per unit assistance under IAY as the existing level of assistance is extremely inadequate.

**VIII. Dismal performance of National Social Assistance Programmes (NSAP) criticised and expeditious action on Report of Task Force on NSAP and lowering eligibility criteria for beneficiaries reiterated.**

**Recommendation (Serial Nos. 16 and 17, Para Nos. 2.16, 2.17)**

27. In the context of criticising dismal performance of National Social Assistance Programmes (NSAP) and expeditious action on Report of Task Force on NSAP and lowering eligibility criteria for beneficiaries, the Committee recommended as under:-

"The Committee note that National Social Assistance Programme (NSAP) is a centrally sponsored scheme of the Ministry of Rural Development. NSAP is a social security /social welfare programme applicable to old aged, widows, disabled persons and bereaved families on death of primary bread winner belonging to below poverty line household. NSAP at present comprises of five sub-schemes namely 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. The Committee observe that the achievement of the target of beneficiaries to be covered has been below than the estimated number of beneficiaries for the year 2012-13 and 2013-14. The Committee are, however, informed that if the States /UTs report a lower coverage of beneficiaries than the estimated number, the allocation of funds for such States /UTs would be based on the reported number. The Committee are apprised that in order to increase the transparency and accountability in the implementation of the scheme, computerization of data base of the beneficiaries under various schemes of NSAP is being undertaken and social audit and annual verification has been introduced to confirm the existing beneficiaries. The States /UTs are

also required to designate a verification officer or verification team for verifying the applications with reference to the eligibility. The Committee are informed that a Task Force constituted under the Chairmanship of a Member of the then Planning Commission to prepare a proposal for comprehensive National Social Assistance Programme and it has considered all issues, including the demands and suggestions received from various quarters and thereafter submitted its report inter-alia recommending for expanding the scope of coverage and increasing the quantum of pension and also reducing the age limit under IGNWPS and IGNDPS. The Ministry examined the Report of this task force and prepared an EFC Memorandum and has submitted the same to Department of Expenditure which has sought further information in the matter. The Committee recommend the Ministry to earnestly pursue the matter with the Department of Expenditure so that the recommendations of the Task Force could be appropriately implemented."

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

The Committee observed that taking into account the social-economic fabric of the society, there is a strong need for reduction in eligibility conditions, more so in respect of widows from the present 40 years to 18 years and also to lower the minimum eligibility age in case of disabled persons. The Committee also strongly feel that the quantum of pension under these schemes need to be substantially enhanced to bring it at a respectable level and also to compensate the price rise during all these years. The Committee expect the Ministry to take concrete steps in this regard and apprise the action taken in this regard.

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

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

"The Ministry is re-visiting/re-working the EFC Memo in the light of the observations made by the then Planning Commission and now NITI Ayog regarding issue of fund availability. The revised EFC Memo will be submitted to NITI Ayog as desired by Ministry of Finance. The earlier EFC involved considerable financial implications. After getting views / approval of Niti Ayog the EFC will be submitted to Department of Expenditure for their approval."

**(Reply to Recommendation Serial No. 16)**

The recommendations of Task Force which have been accepted with some modifications, has proposed for lowering the age under Indira Gandhi National Widow Pension Scheme (IGNWPS) and Indira Gandhi National Disability Pension Scheme (IGNDPS) and also increasing the quantum of pension details of which are as under:

- (a) Indira Gandhi National Widow Pension Scheme (IGNWPS) Lowering the eligibility age from existing 40 years to 18 years and payment of pension @ Rs. 500/- per month to BPL widows in the age group of 18 years to 79 years and Rs. 1000/- per month widows of 80 years and above.
- (b) Indira Gandhi National Disability Pension Scheme (IGNDPS) : Lowering the eligibility age from existing 18 years to 0 yr and payment of pension of Rs. 500 per month to BPL disabled beneficiaries with 40-79% disability in the age group of 0-79 years and Rs. 1000/- per month to the BPL disabled of the age of 80 years and above.

The Ministry has prepared an EFC Memo incorporating the above recommendations made by the Task Force. However, the Ministry is re-visiting/re-working the EFC Memo in the light of the observations made by the then Planning Commission and now NITI Ayog regarding issue of fund availability. The revised EFC Memo will be submitted to NITI Ayog as desired by Ministry of Finance. The earlier EFC involved considerable financial implications. After getting views / approval of Niti Ayog the EFC will be submitted to Department of Expenditure for their approval.

The recommendation of the Task Force has significant financial implications.

**(Reply to Recommendation Serial No. 17)**

**29. Criticising non-achievement of targets under National Social Assistance Programme (NSAP) to beneficiaries during 2012-13 and 2013-14 and finding that recommendations of Task Force for expanding the scope and lowering the age limit under Indira Gandhi National Widow Pension Scheme (IGNWPS) and Indira Gandhi National Disability Pension Scheme (IGNDPS) have been examined and an EFC Memorandum has been submitted before Department of Expenditure, (Ministry of Finance) for further information, the Committee had recommended the Ministry to pursue the matter with Department of Expenditure, (Ministry of Finance) for appropriate implementation of the recommendations of the Task Force.**

Taking into account Socio-Economic fabric of the Society, the Committee had also felt that there is strong need for reduction in eligibility conditions, specially for widows from present 40 years to 18 years and also to lower the minimum eligibility age in case of disabled person and had expected concrete steps in this regard. In action taken reply, the Government has stated that Ministry is re-visiting/remaking the EFC in the light of observations made by NITI Aayog regarding the issue of fund availability and revised EFC will be submitted to Department of Expenditure after getting the views of NITI Aayog and recommendation of Task Force have been accepted with some modifications lowering age both in case of widows under IGNWPS and also in the case of disabled persons under IGNDPS. In the case of widows, it is lowering the age from 40 years to 18 years and payment of pension of @ Rs. 500/- per month to BPL widows in age group of 18 years to 79 years and Rs. 1000/- per month for widows of 80 years and above. In the case of disabled persons it is 18 years to 0 year and payment of pension of Rs. 500 per month to BPL disabled beneficiaries with 40-79% disability in age group of 0-79 years and Rs. 1000 per month to BPL disabled of the age of 80 years and above. The Committee feel that these changes are welcome and for their implementation, NITI Aayog be persuaded to send their comments for submission of the revised EFC Memorandum to Department of Expenditure expeditiously.

**IX. Low allocation and Utilisation of funds under National Rural Livelihood Mission (NRLM) 'Aajeevika' Programme criticised and regular interaction with State Functionaries reiterated for utilisation of funds.**

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

30. In the context of low allocation and utilisation of funds under National Rural Livelihood Mission (NRLM) 'Aajeevika' programme, the Committee recommended as under:-

"The Committee note that the Swarnjayanti Gram Swarojgar Yojana (SGSY) has been restructured as National Rural Livelihood Mission (NRLM) in June, 2010 which has subsequently been renamed as "Aajeevika". The two major strategic shifts under Aajeevika are that (i) Aajeevika will be a demand driven Programme and the states will formulate their own poverty reduction action plans under it based on their past experience, resource and skills base and (ii) Aajeevika will provide for a professional support structure for programme implementation at all levels from National to Sub-district level in different streams. Mahila Kalyan Sashaktikaran Pariyojana (MKSP) has been initiated as a sub-component of the NRLM to meet the specific need of women farmers and to achieve the socioeconomic and technical empowerment of rural women farmer. Another scheme under NRLM is for setting up of Rural Self Employment Training Institutes (RSETIs) in each district of the country for providing basic and skilled development training to the rural BPL youth to enable them to undertake microenterprises and wage employment. Under NRLM, 25% of funds are for placement linked skilled development and innovative special projects. The Committee note that for the 12<sup>th</sup> Plan Period, an amount of Rs.29006 crore was approved against the purposed 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 was even less than RE. Again, during the year 2013-14, the BE of Rs. 4000 crore was reduced to Rs. 2600 crore at RE stage and the expenditure of Rs. 1822.11 crore was much less than the RE. Further, even for the year 2014-15, the BE allocation of Rs. 4000 crore was reduced to Rs. 2186.42 crore at RE stage. The allocation at BE stage for the year 2015-16 is Rs.2505 crore. The Committee are constrained to note such recurring reductions at RE stage and expenditure being even lesser than the RE during the last three years in such an important scheme which is meant for skilled development of rural youth, particularly from BPL families defeat the basic purpose of the scheme. The Committee feel that instead of reducing the allocations at RE state, the Government should have gone through the reasons for slow pace of expenditure and could have taken remedial measures timely to ensure full utilization of the BE allocation so that the intended benefits of the scheme should have reached to the target groups. The Committee, therefore, strongly recommend that the Department should have regular interaction

with the State functionaries with regard to the utilization of funds under this scheme and also should take prompt remedial measures to deal with the problems noticed during the implementation of the programme."

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

"There is already an institutional monitoring mechanism through a Performance Review Committee set up in the Ministry under the Chairmanship of Secretary (RD) to regularly review the progress of implementation with the State Government. Bi-monthly meeting are also being held regularly with the Finance Team of State Missions to monitor the flow of funds and pace of expenditure under the programme with a view to remove bottlenecks in implementation. The National Rural Livelihoods Promotion Society, set up in 2013 to provide professional and technical support to State Rural Livelihoods Missions, has designated State Anchors for each State to maintain constant inter-action and provide necessary guidance and support in the implementation process."

**32. Criticising considerable reduction in proposed outlay for Twelfth Plan and also Annual Allocations and even lower utilisation of funds during 2012-13, 2013-14 and 2014-15 for NRLM programme, the Committee had recommended that Ministry should have regular interactions with State functionaries for optimal utilisation of funds under the programme. In action taken reply, the Ministry has stated that institutional monitoring mechanism through a Performance Review Committee under Secretary, (RD) is already there to review the progress with State Governments besides, bi-monthly meetings are held regularly to monitor flow of funds, pace of expenditure etc. The Committee, however, feel that though DoRD has claimed before the Committee about institutional mechanism for optimal utilisation of fund, yet they feel its results are not forthcoming at ground level as there is huge recurring under-utilisation of funds during all these years. They, therefore, reiterate regular interaction with State Functionaries for proper utilisation of funds under NRLM scheme in coming years.**

**X. Early completion of Socio-Economic and Caste Census (SECC), 2011, ensuring identification of genuine BPL beneficiaries in BPL List reiterated.**

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

33. In the context of early completion of Socio-Economic and Caste Census (SECC), 2011, ensuring identification of genuine BPL beneficiaries in BPL List, the Committee recommended as under:-

"The Committee are of the view that the Socio-Economic and Caste Census (SECC), 2011, for collecting Socio-Economic and Caste data of households in rural and urban areas of the country which is to be utilized by the respective States/UTs for identifying BPL households in rural and urban areas, has been inordinately delayed. Admittedly, the reasons for the slow progress of the SECC, 2011 are stated to be lack of preparedness of the States, lack of adequate infrastructure to conduct the SECC, inter-district variations, recruitment of staff etc. The Committee note that SECC, 2011 is conducted in six stages – enumeration, supervision, verification & corrections, draft list publication, claims and objections and final list publication. The Committee are informed that as on 18.03.2015, draft list has been published in 549 districts in 33 States/UTs and Final list has been published in 119 districts in 13 States/UTs. The Committee are apprised that the Ministry has been constantly monitoring the progress of SECC in the States/UTs to sort out the various issues and to ensure early completion of the Census operation. The Committee recommend that the Ministry should persuade and facilitate the States/UTs in resolving the various issues and ensure that the process of Socio-Economic and Caste Census (SECC) is completed in all the States at the earliest. The Committee further recommend the Ministry to issues suitable instructions to all concerned to exercise extra care and caution in identifying the genuine BPL beneficiary families with proper verification of genuineness of household data collected under SECC."

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

"In order to expedite completion of the Socio Economic and Caste Census 2011, the Ministry of Rural Development has been continuously monitoring the progress of SECC with the States/UTs. States/UTS specific reviews and assessment of the progress of the SECC was also taken in the Performance Review Committee (PRC) meetings of the rural development programmes. Video Conferences were also held with the States/UTs. Based on the review and decisions taken in the PRC meetings/Video Conferences, senior officers from the Ministry visited the

States to short out state specific issue. States/UTs which progress are found to be slow and unsatisfactory are instructed to expedite the census operation. Secretary (RD) had also written to all the States Chief Secretaries regarding adhering to the timelines and has also had special meetings with CMDs of Central PSUs. As on 10.06.2015, out of 640 districts, Draft List has been published in districts in 625 districts in 35 States/UTs and Final List has been published in 219 districts in 18 States/UTs.

In the SECC 2011, every effort has been made to ensure accuracy and transparency and that the names of all the targeted persons/households are captured in the list and prevent manipulation at any stage. In this regard, instructions have been issued to the States/UTs from time to time. In order to ensure quality, the Supervisors rechecked a set of sample households collected by the Enumerators. On the basis of their inputs, the household data are corrected. Besides, third party independent monitoring agencies are also engaged to concurrently monitor the process. Data Verification & Correction Module has also been introduced in the interest of ensuring accuracy of data with regard to selected parameters of the households, both in rural and urban areas, followed by publication of the Draft list. To ensure transparency, Draft Lists published by the States/UTs were put up for viewing by public at prominent places in Village, Gram Panchayat, Urban Wards and Block Development Offices. The published Draft Lists are also made available in this Ministry's website ([www.secc.gov.in](http://www.secc.gov.in)). Publication of the Draft List was followed by the Claims and Objections stage wherein the responses by the households are read out in the Gram Sabha convened for the purpose and claims and objections, if any, dealt with. Then and thereafter, the Final List will be/were published by the States/UTs. The States and development programme authorities are being sensitised to take appropriate safeguards in identifying the beneficiary families with household data collected under SECC."

**35. Criticising inordinate delay in completion of Socio-Economic and Caste Census (SECC), 2011 because of variety of reasons like lack of preparedness of States, lack of adequate infrastructure to conduct the SECC etc. involving six stages like enumeration, supervision of data etc., the Committee had recommended the Ministry to issue suitable instructions to all concerned to exercise extra care and caution in identifying the genuine BPL beneficiary families with proper verification of genuineness of household data under SECC.**



In action taken reply, the DoRD have inter-alia explained that in order to expedite completion of SECC, 2011, the Ministry has been continuously monitoring the progress of the SECC with States/UTs through various measures like Review Meetings, Video Conference, Visits by Ministry officials, Secretary, (RD) writing letters to Chief Secretaries of slow moving States/UTs, holding special meetings with CMDs of Central PSUs etc. and as on 10th June, 2011 out of 640 districts. Draft Lists has been published in 625 districts in 38 States/UTs and Final List has been published in 219 districts in 18 States/UTs. With regard to ensuring genuine beneficiary in BPL List, the Ministry has stated that every effort has been made to ensure accuracy and transparency and names of targeted persons/households are captured in this List and to prevent manipulation at any stage the Draft List once published are open for public in Gram Panchayats, BDO Offices etc. followed by claims and objections stage in Gram Sabha. Thereafter Final List is published by States/UTs and authorities are being sensitised to take appropriate safeguard to identify beneficiary families with household data under SECC.

In this connection, the Committee recall that during the evidence of the representatives of DoRD on the subject 'BPL Survey' held on 13<sup>th</sup> October, 2015, the Committee had also been enlightened by the Ministry on the progress of work done on the issue and they were apprised that by December, 2015 the work would be completed. In view of the urgency and volume of work involved the Committee reiterate that SECC, 2011 should be expeditiously completed by December, 2015 positively.

**CHAPTER II****RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY  
THE GOVERNMENT****Recommendation (Serial No. 1, Para No. 2.1)**

The Committee note that the Detailed Demands for Grants (2015-16) of the Department of Rural Development (Ministry of Rural Development) under Demand No. 84 were presented to the Lok Sabha on 18.03.2015. Under Demand No. 84, Budgetary provision of Rs. 71695.08 crore has been allocated to the Department of Rural Development (Ministry of Rural Development) for the financial year 2015-16 with Plan component of Rs. 71642.00 crore and Non-Plan component of Rs. 53.08 crore. The Committee have examined in detail the Demands for Grants of the Department of Rural Development (Ministry of Rural Development) for the year 2015-16 and the Observations/ recommendation 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-11011/03/2015-GC (P) dated 27 July, 2015 Department of Rural  
Development  
(Ministry of Rural Development)]

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

The Committee note that during the year 2014-15, the BE of Rs. 80043.00 crore allocated for the Plan schemes of the Department was reduced to Rs. 68156.42 crore at RE stage and the actual expenditure of Rs. 61227.08 crore was even less than the RE. The Committee are constrained to note that during the year 2014-15, the less utilization of funds affected the major schemes like NSAP, IAY, MGNREGA, NRLM etc. which eventually resulted in shortfall in the achievement of targets. The Committee express serious concern on the under-utilization of funds as it ultimately affects the rural development programs and deprive the needy class from the benefits of the various schemes. The Committee, therefore, strongly recommend that the Department should make earnest efforts for strengthening the capacities of the States in analysing and overcoming the problems involved in implementation of the programmes and schemes. The Committee also desire that the Department should regularly monitor the flow of funds and pace of expenditure by the States/UTs during the financial year on different schemes and programmes of the rural development so that the targets of 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 extending other basic amenities to the rural population is successfully achieved.

### REPLY OF THE GOVERNMENT

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:

**Rural Housing:** The Revised Estimate during the year 2014-15 was fixed on the basis of the actual releases upto September, 2014 and unspent balance available with the States. The slow pace of expenditure during the first half of the year was due to change in the fund flow arrangement. From 2014-15, the fund is routed through the State Consolidated fund. Funds are then transferred to State Department of Rural Development and thereafter to the implementing agencies in the field. There have been delays in the transfer of funds from the Consolidated Fund of the State to the District level implementing agencies for the period ranging from 15 days to 2 months. The pace of fund utilization also slowed down due to imposition of model code of conduct of the general elections to the Lok Sabha and elections in States of Haryana, Chhattisgarh, Rajasthan and Jammu & Kashmir. The Actual Expenditure is however, higher than the RE since an amount of Rs. 105.88 crore was re-appropriated from saving in the other schemes within the Ministry and utilized in IAY.

Monitoring of unspent balance and progress: Ministry is closely monitoring the amount of unspent balances lying with the States at the district and block levels. Advisories were issued to States regarding the expeditious use of funds and stock taking was done through a series of video conferences. Progress of work was also reviewed through meetings with co-ordinating officers on a monthly basis and the quarterly performance review committee meeting.

Capacity Building measures: Training to various stakeholders like government functionaries, Panchayati Raj Institutions, masons and civil society in different aspects of the scheme has been initiated. Four modules namely Book keeping and Accounting, Information, Education and Communication, are being conducted by the National Institute of Rural Development, Hyderabad and its regional centre in Guwahati. So far, 300 government functionaries from across the States have been trained.

**NRLM:** National Rural Livelihoods Promotion Society (NRLPS) set up in 2013 provides necessary professional and technical support to the State Rural Livelihoods Missions. NRLPS has designated State Anchors for each State to provide necessary guidance and support in the implementation process. In order to generate adequate social capital to facilitate the process of capacity building, a resource block strategy has been

adopted. A Performance Review Committee under the Chairmanship of Secretary (RD) regularly reviews the progress of implementation with the State Governments. An online Management Information System has also been developed for close monitoring of physical and financial progress. Bi-monthly meetings are being regularly held with the Finance Team of SRLMs to monitor the flow of funds and pace of expenditure by the States/UTs and to remove bottlenecks in the utilization of funds.

**MGNREGA:** The fund allocation under Mahatma Gandhi Employment Guarantee Act (MGNREGA) during Financial Year (FY) 2014-15 was Rs. 33,000 crore. Out of Rs. 33,000 crore, Rs.32977.42 was released to States/UTs. The entire amount has been spent on programme implementation.

The Ministry of Rural Development has set up internal and external systems to closely monitor both physical and financial performance of MGNREGA including the flow of funds and pace of expenditure in States/UTs. These mechanisms also assess the pace and quality of MGNREGA processes and procedures and identify critical issues that need to be addressed on priority. The monitoring mechanism involves:

- (i) Internal Monitoring through fully functional Management Information System (MIS).
- (ii) External Monitoring through field visits of National Level Monitors and Area Officers.
- (iii) Review with States: Feedback on programme implementation is discussed and analyzed with State Governments through quarterly Performance Review Committee meeting and periodic state level reviews.
- (iv) Social Audit.
- (v) Vigilance and Monitoring Committees.

During the review of the implementation of the MGNREGS, the strengthening the planning, technical supervision, capacity building, disbursing systems and social audits have been identified as areas for improvement.

**PMGSY:** Annual Allocation of budget and subsequent releases of funds under Pradhan Mantri Gram Sadak Yojana (PMGSY), to the States are made keeping in mind the unspent balance available with the States. Efforts are constantly being made to reduce parking of funds in the accounts of the States. Due to effective monitoring during the previous financial year and effective utilization of Central releases and interest receipts by the State Government, most of the States had spent all the funds available with them.

[O.M.No. H-11011/03/2015-GC (P) dated 27 July, 2015 Department of Rural  
Development  
(Ministry of Rural Development)]

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

The Committee note that the amount of unspent balances in different schemes has been to the extent of Rs. 21225.39 crores. The Committee observe that huge amount of unspent balances have been reported in all major schemes of rural development as is evident from the fact that unspent balances to the extent of Rs. 7717.01 crore has been under Indira Awas Yojana, Rs. 5063.12 crore under MGNREGA, Rs. 1552.00 crore under PMGSY, Rs. 1710.30 crore under Aajeevika and Rs. 5182.96 crore under NSAP. The Committee are constrained to observe that such large scale unspent balances in some of the major schemes of rural development adversely affect the developmental process of the Government for providing much needed relief to the rural population particularly in the areas of wage employment, all-weather rural connectivity and basic housing to the needy people. The Committee feel that the huge unspent balance is a clear reflection on the seriousness of the States/UTs in executing the rural development programmes. It also indicates that the Centre has not been able to effectively persuade the State Governments to fully utilize the allocated funds within the financial year by executing all the projects to achieve the physical targets of the schemes. The Committee are therefore of the view that the Ministry should not feel complacent simply by releasing the allocated funds and thereafter leaving the entire matter to the States/UTs as the past experiences indicate that the Ministry need to play a pro-active role in this regard. The Committee, therefore, recommend that the Ministry should constantly persuade the States/UTs to take all necessary measures for effective executive of all the rural development programmes and schemes and thereby utilizing the funds at optimum level.

### **REPLY OF THE GOVERNMENT**

Monitoring and Evaluation of 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. The Programme specific steps are given below:

**Rural Housing:** Step taken and proposed to be taken to ensure full utilization of fund & Monitoring are given below:

- (i) **Advance Action Plan 2015-16:** In order to avoid delays in implementation of the scheme, an advance action plan for 2015-16 was devised and communicated to States in January, 2015. The timeline are being followed up and 17.33 lakh beneficiaries have been registered on AwaasSoft ( as on 13.05.2015).
- (ii) **Monitoring of unspent balance and progress:** Ministry is closely monitoring the amount of unspent balances lying with the States at the district and block levels. Advisories were issued to States regarding the expeditious use of funds and stock taking was done through a series of video conferences. Progress of work was also reviewed through meetings with

coordinating officers on a monthly basis and the quarterly performance review committee meeting.

- (iii) **Direct Benefit Transfer:** There would be a single centralized bank account at the State level receiving scheme funds. All disbursements against houses sanctioned in 2015-16 would be made electronically and funds transferred directly to the beneficiary accounts. This would ensure that the number of levels in the fund flow process is reduced making it smoother and avoiding unnecessary delays in the process. Management of funds will be more efficient as parking of funds at any level is minimized.
- (iv) **Mobile based monitoring system:** Mobile application to capture time stamped geo referenced photographs to monitor progress is being developed. This would ensure a robust system of monitoring work in progress. It also ensures greater transparency in the system.
- (v) **Enhanced social Monitoring:** To ensure public accountability in implementation, States have been directed to conduct at least one social audit every year in Gram Panchayat.

**NRLM:** The major reason for accumulation of balances under NRLM is the transfer of unutilized SGSY balance from DRDAs to SRLMs after termination of the SGSY Scheme effective from 01.04.2013. With a view to reduce the unspent balances, the Ministry had recovered the excess amount of unspent balances from 7 States aggregating to a total of Rs. 771.03 crore. The total unspent balance as on 01.04.2015 has come down from Rs. 1710.30 crore to Rs.1079.94 Crore. Bi-monthly meetings are being regularly held with the Finance Team of SRLMs to review the financial progress and to remove bottlenecks in the utilization of funds.

**NSAP:** The unspent balance available with States/UTs is taken into account as total available funds while releasing the 2<sup>nd</sup> instalment of 2015-16 (4<sup>th</sup> Quarter instalment of 2014-15) and the unspent balance is utilized by the States/UTs in the schemes of National Social Assistance Programme during the year. It is further mentioned that this Ministry is pursuing the matter with the State Governments to submit the pending Utilization Certificates in time so that their request for release of further funds could be considered for further release of Central Assistance. Further, the Ministry closely monitors the expenditure by the States/UTs through periodical Performance Review Committee Meetings, Nodal Officers Meetings and through periodical MPRs from the States/UTs.

**PMGSY:** The Ministry has taken effective steps under Pradhan Mantri Gram Sadak Yojana (PMGSY) scheme to reduce the unspent balance available with the States to a large extent. The unspent balance under PMGSY as on 1.4.2012 was Rs. 8,885 crore, which was substantially brought down to Rs. 4,761 crore as on 1.4.2013. The unspent balance was further brought down to Rs. 3,524 crore as on 1.4.2014 with strict financial management. As the funds allocation during 2014-15 was restricted due to lower budgetary allocation and expenditure reported by State Government

during 2014-15 was on higher side, therefore State Governments have reported a negative liability of more than Rs. 3,000 crore as on 1<sup>st</sup> April, 2015 as per the provisional utilization certificates furnished during 2015-16.

**MGNREGA:** Since funds are being released to various implementing agencies like GPs, there is bound to be some float of funds. But with introduction of electronic Fund Management System (eFMS), the unspent balances in MGNREGA has gone down sharply as can be seen from the Statement given below:

(Rs. crore)

Financial Year	Unspent balance with States*
2012-13	5012.15
2013-14	2319.36
2014-15(Provisional)	2859.69

\*As reported by States/UTs

The major steps taken for effective implementation of MGNREGA are given as under :

#### Better planning and asset identification

1. An Intensive Participatory Planning Exercise (IPPE) has been launched in 95,000 Gram Panchayats in 2,500 most backward Blocks. This exercise has helped in identifying better quality assets.
2. For improving convergence with the line departments, and thereby to improve the quality of assets, the State Convergence Plans have been formulated.

#### Improving the quality of works

1. The associated outcomes of each work are being recorded before taking up the work, and the same is being measured after completion of the work-thereby bringing in more focus on outcomes.
2. 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.
3. The States/UTs have been asked to deploy State Quality Monitors to inspect the quality of assets created under the Scheme.
4. 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.
5. 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.

#### Better transparency, accountability and grievance redressal

1. 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. 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.

2. All States have been requested to appoint Ombudsman at the district level for grievance redressal.
3. The Ministry has established a comprehensive system of monitoring and review mechanism for MGNREGA, which, inter alia, include visits of Area Officers of the Ministry & National Level Monitors and Vigilance & Monitoring Committee meetings at the State/ District levels.
4. With a view to avoid bogus attendance and to check instances of tempering and misuse of muster rolls, the e-Muster system has been introduced.

#### Fund management and avoiding delays in payment

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. A delay compensation system has been introduced to fix accountability for delays and penalize such persons.

[O.M.No. H-11011/03/2015-GC (P) dated 27 July, 2015 Department of Rural Development  
(Ministry of Rural Development)]

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

The Committee are apprised that to maintain financial discipline, there is a provision of penalizing those States/UTs which do not follow the financial prudence and also have unspent balances beyond a prescribed limit. The Committee are further apprised that the National Institute of Public Finance and Policy (NIPFP) which was assigned a study to ascertain the reasons behind the unspent balances under rural development programmes, has submitted its report thereon. The reasons stated for unspent balances in different States are stated to be the unscientific labour budget preparation, lower provision for administrative expenditure under MGNREGA in large states, anticipation of failure of monsoon, lack of adequate and trained staff, fear of fund curtailment, greater time lag between the expenditure incurred and updating it in the MIS, long spell of rain in some states, etc. Taking into account such huge amount of unspent balances in the areas which are at the core of sustainable growth of the economy, the Committee while taking a very serious view in the matter strongly recommend the Ministry to devise an appropriate strategy for suitably addressing the various reasons for the unspent balance by which all implementing agencies including



States/UTs should be made bound to achieve the physical as well as financial target during the financial year so as to avoid unspent balances 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.

**NRLM:** National Rural Livelihoods Promotion Society (NRLPS) set up in 2013 provides necessary professional and technical support to the State Rural Livelihoods Missions. NRLPS has designated State Anchors for each State to provide necessary guidance and support in the implementation process. In order to generate adequate social capital to facilitate the process of capacity building, a resource block strategy has been adopted. A Performance Review Committee under the Chairmanship of Secretary (RD) regularly reviews the progress of implementation with the State Governments. An online Management Information System has also been developed for close monitoring of physical and financial progress. Bi-monthly meetings are being regularly held with the Finance Team of SRLMs to monitor the flow of funds and pace of expenditure by the States/UTs and to remove bottlenecks in the utilization of funds. The major reason for accumulation of balances under NRLM is the transfer of unutilized SGSY balance from DRDAs to SRLMs after termination of the SGSY Scheme effective from 01.04.2013. With a view to reduce the unspent balances, the Ministry had recovered the excess amount of unspent balances from 7 States aggregating to a total of Rs. 771.03 crore. The total unspent balance as on 01.04.2015 has come down from Rs. 1710.30 crore to Rs.1079.94 Crore. Bi-monthly meetings are being regularly held with the Finance Team of SRLMs to review the financial progress and to remove bottlenecks in the utilization of funds.

**Rural Housing:** The slow pace of expenditure during the year 2014-15 was due to change in the fund flow arrangement. Earlier funds were transferred directly to district level implementing agencies ie. DRDAs/ZPs. However, from 2014-15, the fund is routed through the State Consolidated fund. Funds are then transferred to State Department of Rural Development and then to the implementing agencies in the field. There have been delays in the transfer of funds from the consolidated fund of the State to district level implementing agencies for periods ranging from 15 days to 2 months. Further release of funds under IAY is linked to progress of construction of the house and beneficiaries are

provided assistance in 3 or 4 instalments by the State. Wherever there is slow progress, the instalments get delayed. Normally, construction of a house under IAY takes more than a year to complete. The expenditure towards construction therefore spills over to next financial year and funds are also to be released accordingly. The various steps taken and proposed to be taken to ensure full utilization of fund & monitoring of utilization are detailed in reply to recommendation at Sl. No. 4 Para No. 2.4.

**PMGSY:-** In spite of limited funds released during the previous year (2014-15), the States utilized Rs. 16,538 crore during the last fiscal to complete about 36,000 Kms. of roads (about 100 kms. /day). This was made possible because of strengthening of State's execution and contracting capacities as well as effective utilization of Central releases and interest receipts etc.

**NSAP:** If any State fail to submit the Utilization Certificate for the last year and the expenditure reported by them up to December of the current financial year is less than 50% of the total available funds, funds for last quarter are not released. The physical and Financial progress of NSAP is regularly reviewed with nodal officers in nodal officers meeting and also with Secretaries of the concerned States every quarter during PRC meeting. In order to improve transparency and accountability, computerization of NSAP has been undertaken. States have been asked to upload monthly progress reports on-line. There is no lack of monitoring by the Department

[O.M.No. H-11011/03/2015-GC (P) dated 27 July, 2015 Department of Rural  
Development  
(Ministry of Rural Development)]

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

The Committee note that MGNREGA is a flagship programme of the Government of India being implemented with the main objective to provide for the enhancement of livelihood security of the rural households by ensuring a legal right for at least 100 days of unskilled wage employment in a financial year to willing adult members of every household. The scheme which was initially implemented in 200 most backward districts of the country has been later extended in two phases to cover the entire country. The Committee note that the proposed allocation for MGNREGA during 12th Five Year Plan was Rs.358764.00 crore and the allocation actually provided by the Planning Commission was Rs.165059.00 crore which was less than half of the amount of the proposed outlay. The allocation at BE stage for the years 2012-13 and 2013-14 was Rs.33000 crore for each of these two years and the allocation for 2014-15 was Rs.34000 crore. The Committee have been informed that for the current financial year 2015-16, budgetary allocation of Rs.34699 crore has been made. The Committee are apprised that for the current financial year 2015-16, additional amounts have been proposed to be given to the Department provided that the amount has been properly utilized. Admittedly, the Department has to ensure that the money being spent under this scheme must be fully accounted for and a viable mechanism must be devised for the purpose. 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 seem to be adequate for effective implementation of the scheme for having wider coverage. The Committee, therefore, recommend that the Department should pursue with the Ministry of Finance and Niti Ayog for higher budgetary allocation of fund for MGNREGA scheme so that inadequacy of funds could not be a ground for slippage in achieving the objectives and targets of the scheme. The Committee also recommend that the funds should be optimally utilised so that the scheme could be effectively implemented for extending the benefit to the larger number of people and for this purpose, the Government may devise an appropriate mechanism so that accountability could be ensured in the system.

### **REPLY OF THE GOVERNMENT**

The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is a demand driven wage employment Programme having no targets set for achievement. The funds are released to the States/UTs on the basis of agreed to Labour Budget and performance of the State. In case additional funds are required by States/UTs, the same can be demanded from Ministry of Finance. The major steps taken by the Government to improve the programme implementation under MGNREGA are given in **Annexure-I**.

[O.M.No. H-11011/03/2015-GC (P) dated 27 July, 2015 Department of Rural  
Development  
(Ministry of Rural Development)]

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

The Committee have been informed that an Intensive Participatory Planning Exercise has been launched in 95000 Gram Panchayats in 2500 most backward blocks for identifying better quality assets. State Convergence Plans have been formulated to improve the quality of assets. The Mobile Monitoring System has been introduced in 35000 Gram Panchayats to empower GPs and implementation agencies with live data and realtime updation of database for complete transparency. The Committee are further apprised that the States/UTs have been advised to deploy State Quality Monitors (SQM) who must be sent to the field to inspect the quality of assets created under the scheme. The Committee while appreciating the different steps taken by the Government in this regard, desire that adequate number of SQMs need to be deployed so that the field inspection system could be strengthened and the assets created could be very well identified and these could be gainfully utilized for the rural development programmes of the Government.

## REPLY OF THE GOVERNMENT

To ensure good quality and durability of assets being created under MGNREGA, States have been requested to engage State Quality Monitors (SQM) for each district and a Nodal Officer of the rank of at least Superintending Engineer, at the State level.

[O.M.No. H-11011/03/2015-GC (P) dated 27 July, 2015 Department of Rural  
Development  
(Ministry of Rural Development)]

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

The Committee are informed that as per provisions of the Act, availability of the work should be close to the place of residence of workers, provision of work should be when it is actually needed, payment should be made timely and working conditions should be decent. The implementation of the scheme has not been uniform in all the States. However, States have been advised to initiate certain measures to ensure adequate participation of rural households in MGNREGA. These measures include initiation of appropriate IEC campaigns, expanding scope and coverage of the demand registration system, organizing Rozgar Diwas periodically to capture latent demand, formulation of a specific plan to include special categories of vulnerable people like disabled, primitive, nomadic, denotified tribal groups, adoption of appropriate programme flexibility, organization of workers into labour groups. As far as the coverage of the scheme is concerned, the Committee are informed that there are about 50 lakh households which have used 100 days of wage employment but this number has been varying from year to year and the emphasis is that work should not be denied to those who demand for it. The Committee have serious apprehension about the fulfillment of the target of providing the 100 days employment to the eligible wage seeker in the rural areas and also the compliance of the various provisions of the Act in providing job. The Committee also feel that the role of Village Pradhan need to be redefined as far as the enrolment of wage seekers is concerned so that the system could take care of the needy people in a fare and transparent manner. The household coverage under the Scheme going downwards from the year 2011-12 is also a serious concern to the Committee. The Committee feel that the advisory issued to the States will bring desired results for ensuring adequate participation of rural households in the MGNREGA Scheme. The Committee however desire that the Ministry should have a constant interaction with the States to take the regular feedback and also persuade them to implement the scheme in its letter and spirit with a view to have larger eligible wage seekers under the ambit of the scheme. The Committee also recommend that the payment system should be strengthened and it should be ensured that minimum wages prescribed must be paid to the workers.

## REPLY OF THE GOVERNMENT

MGNREGA is a demand-driven wage employment programme. Not less than 100 days of employment are provided to registered workers upon receipt of their demand. The number of days of employment provided to a household depends on the number of days of employment demanded by the household. State/UT-wise details of

households provided employment under MGNREGA from 2011-12 onwards are given in **Annexure-II**. There are variations in demand for work on year to year basis. The demand for work itself is influenced by various factors such as rainfall pattern, availability of alternative and remunerative employment opportunities outside MGNREGA and prevailing unskilled wage rates. Ministry of Rural Development remains actively engaged with State/UT Governments in establishing systems that ensure provision of work as per demand. Training has been/is being imparted to Gram Pradhans for making them aware of NREGA processes thoroughly.

Government is having constant interaction with the States and the experts in improving the programme implementation. During the review of the implementation of the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), the strengthening the planning, technical supervision, capacity building, disbursing systems and social audits have been identified as areas for improvement. Towards this, the major steps taken by the Government are given in **Annexure-I**.

[O.M.No. H-11011/03/2015-GC (P) dated 27 July, 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. 10, Para No. 2.10)**

The Committee observe that Pradhan Mantri Gram Sadak Yojana (PMGSY) is a Centrally sponsored scheme with the objective to provide all-weather road connectivity to all eligible unconnected habitations existing in the core network in rural areas of the country. The programme envisages connecting all eligible unconnected habitations with a population of 500 persons and above in plain areas and 250 persons and above in special category states, Tribal (Schedule V) areas, Desert areas (as identified in Desert Development Programme) and in 82 Selected Tribal and Backward Districts under Integrated Action Plan. The Committee note that the proposal of the Department for PMGSY during XIIth Plan (2012-17) 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 the first four years of current Plan period is only Rs.74382 crore. The Committee further note that during the year 2012-13, the BE of Rs.24000 crore was reduced at RE stage to Rs.8885 crore, for the 2013-14 the BE of Rs.21700 crore was reduced to Rs.9700 crore and similarly, during the year 2014-15, BE of Rs.14391 crore was reduced to Rs.14200 crore. The Committee also note that an amount of Rs.14291 crore has been allocated for the current financial year 2015-16. The Committee are constrained to observe that the funds allocated at BE stage were drastically reduced at RE stage continuously during the last three years, particularly during the years 2012-13 and 2013-14 where the reduction of funds was more than 50%. Admittedly, States were released lesser funds due to huge reductions at RE stage and as a result they were not in a position to complete the road works sanctioned by the Ministry in a time bound

manner and thus, the huge reduction of funds has adversely affected the pace of construction/upgradation of rural roads under the scheme. The Committee are of the firm opinion that lack of coordination and absence of effective monitoring has led to such a situation of reduction in allocation. The Committee are apprised that the budgetary allocation of Rs.14291 crore will be grossly inadequate as against the value of pending PMGSY works and in this regard, Ministry of Finance has been requested for enhancement of the allocation. Besides, a proposal for availing new batch of loan amounting to Rs.12000 crore in 3 tranches from RIDF window of NABARD and also for availing part of the receipts from the additional Rs.2 excise duty on Diesel and Petrol has already been sent to the Ministry of Finance. Keeping in view the importance of rural roads connectivity under PMGSY which is a major infrastructure scheme of the Government in rural areas, the Committee recommend that the Ministry should vigorously pursue with the Ministry of Finance for enhanced budgetary allocations and grant of necessary loans for achieving the targets. The committee also recommend timely placing of demands for funds by the States and also timely release of funds by the Department to the implementing agencies for effective implementation of the Scheme. The Committee strongly recommend that the Ministry should strengthen its mechanism to avoid such reduction of allocation in future and also ensure optimum utilization of funds during the current financial year and if necessary, the execution capacity of the State/UTs should also be upgraded/ improved. The committee has desired urgent necessary steps in this regard.

### **REPLY OF THE GOVERNMENT**

The Ministry is constantly pursuing the matter to increase the budgetary allocation of the PMGSY with the Ministry of Finance. Ministry of Finance has recently turned down Ministry's request to avail a loan of Rs. 12,000 crore from RIDF window of NABARD for augmenting PMGSY budget. In this regard, the Hon'ble Minister (RD) has written letter no. P-17017/2/2015-RC dated 18.06.2015 to Hon'ble Minister (Finance) requesting for the possibility of deferring the repayment of NABARD loan due in the year 2015-16 for one year and/ or obtaining fresh loan under the NABARD Infrastructure Development Assistant (NIDA) window of NABARD (at least Rs. 5,000 crores per year for next three years) for the PMGSY. In addition Secretary, Rural Development has written two letters No-17017/1/2015-RC, both dated 08/07/2015 to the Finance Secretary and Secretary Expenditure respectively, in this regard. Thus the Ministry is regularly pursuing the matter at appropriate level for enhancement of budgetary allocation for PMGSY. The Ministry has also apprised the status to the Joint Secretary, Standing Committee on Rural Development on 11.06.2015.

2. In spite of limited funds released during the previous year (2014-15), the States utilized Rs. 16,538 crore during the last fiscal to complete about 36,000 Kms. of roads (about 100 kms. /day). This was made possible because of strengthening of State's execution and contracting capacities as well as effective utilization of Central releases and interest receipts etc.

[O.M.No. H-11011/03/2015-GC (P) dated 27 July, 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. 11, Para No. 2.11)**

The Committee are concerned to note that against the target of 27,000 Km of road length only 25316 Km was achieved in 2013-14 and the shortfall was to the extent of about 1684 Km in achieving the desired for road target of road length for rural connectivity. The target of road length to be covered during 2015-16 is stated to be 26,000 Km. The Committee are apprised that the target is to provide connectivity to all the habitations with a population of 500 or more by 2019. 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 recommend that the Ministry should chalk out a strategic plan to achieve the target of having rural connectivity to all inhabitations with a population of 500 and to other habitations with less population but having special requirement due to their location, topography etc. and persuade the States to build up their capacities to achieve this target in a time bound manner. The Committee also desire that the upgradation and maintenance of the rural roads is equally important and therefore, focus must be given on the simultaneous process of effective maintenance and upgradation of rural roads. The Committee further recommend that rural connectivity should also cover the habitations of weaker sections of the society irrespective of the size of population and for expediting the execution of the works, the process of appointment of contractors need to be rationalized.

### **REPLY OF THE GOVERNMENT**

During 2013-14, PMGSY saw a drastic cut at RE stage due to which the targets could not be achieved. However in 2014-15 the States were able to achieve the set target of 21775 km by constructing/ upgrading 36337 km of roads providing connectivity to 10830 habitations.

'Rural Roads' is a State subject and PMGSY is a onetime special intervention of the Government to improve rural infrastructure through construction of roads. As such, the responsibility of timely completion of these roads lies with the State Governments. 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 following steps in this regard have been taken by the Ministry:

States have been requested to augment executing capacity and contracting capacity.

1. Bidding document provisions have been rationalized (as per the need of IAP areas).
2. Training is imparted to field engineers and contractors and their engineers for capacity building.
3. Regular and structured review of physical & financial parameters is conducted and advisories issued to assist the States.

For effective implementation of PMGSY in hill States, special category States and in Left Wing Violence affected districts (82 Selected Tribal and Backward Districts under Integrated Action Plan (IAP) as identified by the Ministry of Home Affairs/Planning Commission), the criteria under PMGSY has been relaxed to connect eligible unconnected habitations with population 250 and above in rural areas as per 2001 census as against the population of 500 in other areas. For Most intensive IAP blocks as identified by Ministry of Home Affairs the unconnected habitations with population 100 and above (as per 2001 Census) would be eligible to be covered under PMGSY. Special dispensation has been given to IAP States in awarding of PMGSY works with non-responsive tenders in selected IAP districts.

PMGSY-II has been conceived in the Ministry for Upgradation of existing roads on sharing basis with the States. PMGSY-II was launched in May, 2013, for consolidation of the existing Rural Road Network to improve its overall efficiency as a provider of transportation services for people, goods and services. It aims to cover upgradation of existing selected rural roads based on their economic potential and their role in facilitating the growth of rural market centres and rural hubs. During the 12th five year plan period, upgradation of 50,000 km road length at an estimated cost of Rs.33,030 crore (at 2012-13 prices) is proposed to be covered. The cost will be shared between the Centre and States/UTs on 75:25 basis for normal areas and 90:10 basis for the special areas. At present, only 7 States (Andhra Pradesh, Gujarat, Haryana, Karnataka, Maharashtra, Punjab and Uttar Pradesh) have transited to PMGSY-II. Out of this, the Ministry has given clearance for covering 11,234 Km road length in 6 States. Project proposal of Punjab under PMGSY-II is under consideration of the Ministry/NRRDA.

[O.M.No. H-11011/03/2015-GC (P) dated 27 July, 2015 Department of Rural  
Development  
(Ministry of Rural Development)]



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

The Committee are constrained to note that the progress of PMGSY works in Integrated Action Plan(IAP) blocks, construction of roads and providing connectivity to the habitations have not been satisfactory. The committee are apprised that the specific problems and issues faced in these areas at the grass-root level are inadequate execution capacity and contracting capacity, difficult hilly terrain, unfavourable weather conditions and non – availability of materials. The Committee are further apprised that various relaxations have been given to facilitate connectivity in IAP areas. The Committee have been informed that intervention of the Ministry of Forests and Environment is being sought and periodic coordination with the Ministry of Forests and Environment not only at the Central level but also at the State level and regional level should help to get faster clearances. The Committee feel that the State of Left Wing IAP districts most vulnerable areas of our country and requisite facilities and appropriate relaxations should be given expeditiously to facilitate connectivity in IAP areas. While strsssing the need for immediate construction of roads under PMGYS in IAP areas, the Committee recommend that appropriate measures should be urgently taken for redressal of the difficulties being faced by the inhabitants in these areas and necessary relaxation 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 assistance of the Ministry of Forests and Environment and other concerned Ministries/Departments whenever required, in dealing with the problems in IAP districts.

**REPLY OF THE GOVERNMENT**

Under PMGSY, the problem of Left Wing Extremism is addressed by focusing on the 88 Integrated Area Plan (IAP) districts spread over 10 States (Andhra Pradesh, Bihar, Chhattisgarh, Jharkhand, Madhya Pradesh, Maharashtra, Orissa, Telangana, Uttar Pradesh and West Bengal). In these States, the eligibility criteria of population for taking up new connectivity roads and upgradation roads have been relaxed. Similarly, tendering and tender award criteria have also been relaxed.

In IAP districts, habitations with a population of 250+ are considered eligible for new connectivity roads and upgradation roads. In the aforesaid 10 States and 88 IAP districts, there are 60, 969 eligible habitations, out of which, 40, 853 habitations have been sanctioned/cleared under PMGSY (67%). Out of the habitations cleared under PMGSY, 27,184 habitations have been connected till 31.01.2015 (67% of cleared habitations and 45% of eligible habitations).

Another special dispensation of eligibility in terms of population criteria has been provided to IAP districts. Ministry of Home Affairs has identified 267 blocks which are critically affected by Left Wing Extremism in 88 IAP districts. In respect of these identified 267 blocks, habitations with 100 to 249 populations are also eligible under PMGSY for new connectivity roads.

Special dispensation is allowed in public interest to the IAP States to enable early completion of sanctioned PMGSY works where repeated tenders (at least two) have not elicited any response. In such cases, the IAP States have been allowed to award the tenders on a nomination basis. Such nominations shall 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 projects representing the SRRDA. The Committee will look into every such work and decide on merit to award the same on a nomination basis with full justification to be recorded in the file. All the other specifications, parameters and the conditions of the PMGSY Scheme will continue to apply in respect of such road works.

Some other major relaxations made in the scheme guidelines are as follows:

- (i) In Integrated Action Plan (IAP) districts, cost of bridges upto 75 metres under PMGSY will be borne by the Government of India as against 50 metres for other areas.
- (ii) In case of LWE/IAP districts, the minimum tender package amount is reduced to 50 lakhs.
- (iii) The time limit upto 24 calendar months would be allowed for completion of work. However, no extra liability, if any, on account of cost escalation shall be met from the programme fund provided by the Ministry of Rural Development, Government of India.
- (iv) While formulating estimates and preparing DPRs, cost of insurance premium against risks such as damaging or burning of plants and machinery etc. of contractors can also be included.
- (v) The difference in cost between CC road and bituminous road would be shared by Centre and States concerned in the ratio of 90:10 instead of 50:50 in the case of other States. Proposals of such CC roads up to 20% of the total newly proposed roads in the highly affected blocks can be accepted as against 10% in respect 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 orders have been issued.
- (vii) Left out habitations in these areas numbering about 6,000 have been allowed to be included in Core Network, making these eligible for sanction.

[O.M.No. H-11011/03/2015-GC (P) dated 27 July, 2015 Department of Rural Development  
(Ministry of Rural Development)]

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

The Committee note that the Swarnjayanti Gram Swarajgar Yojana (SGSY) has been restructured as National Rural Livelihood Mission (NRLM) in June, 2010 which has subsequently been renamed as "Aajeevika". The two major strategic shifts under Aajeevika are that (i) Aajeevika will be a demand driven Programme and the states will formulate their own poverty reduction action plans under it based on their past experience, resource and skills base and (ii) Aajeevika will provide for a professional support structure for programme implementation at all levels from National to Sub-district level in different streams. Mahila

Kalyan Sashaktikaran Pariyojana (MKSP) has been initiated as a sub-component of the NRLM to meet the specific need of women farmers and to achieve the socioeconomic and technical empowerment of rural women farmer. Another scheme under NRLM is for setting up of Rural Self Employment Training Institutes (RSETIs) in each district of the country for providing basic and skilled development training to the rural BPL youth to enable them to undertake microenterprises and wage employment. Under NRLM, 25% of funds are for placement linked skilled development and innovative special projects. The Committee note that for the 12<sup>th</sup> Plan Period, an amount of Rs.29006 crore was approved against the purposed 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 was even less than RE. Again, during the year 2013-14, the BE of Rs. 4000 crore was reduced to Rs. 2600 crore at RE stage and the expenditure of Rs. 1822.11 crore was much less than the RE. Further, even for the year 2014-15, the BE allocation of Rs. 4000 crore was reduced to Rs. 2186.42 crore at RE stage. The allocation at BE stage for the year 2015-16 is Rs.2505 crore. The Committee are constrained to note such recurring reductions at RE stage and expenditure being even lesser than the RE during the last three years in such an important scheme which is meant for skilled development of rural youth, particularly from BPL families defeat the basic purpose of the scheme. The Committee feel that instead of reducing the allocations at RE state, the Government should have gone through the reasons for slow pace of expenditure and could have taken remedial measures timely to ensure full utilization of the BE allocation so that the intended benefits of the scheme should have reached to the target groups. The Committee, therefore, strongly recommend that the Department should have regular interaction with the State functionaries with regard to the utilization of funds under this scheme and also should take prompt remedial measures to deal with the problems noticed during the implementation of the programme.

### **REPLY OF THE GOVERNMENT**

There is already an institutional monitoring mechanism through a Performance Review Committee set up in the Ministry under the Chairmanship of Secretary (RD) to regularly review the progress of implementation with the State Government. Bi-monthly meeting are also being held regularly with the Finance Team of State Missions to monitor the flow of funds and pace of expenditure under the programme with a view to remove bottlenecks in implementation. The National Rural Livelihoods Promotion Society, set up in 2013 to provide professional and technical support to State Rural Livelihoods Missions, has designated State Anchors for each State to maintain constant inter-action and provide necessary guidance and support in the implementation process.

[O.M.No. H-11011/03/2015-GC (P) dated 27 July, 2015 Department of Rural Development  
(Ministry of Rural Development)]

### **Comments of the Committee**

(Please see Paragraph No. 32 of Chapter I of the Report)

**CHAPTER III**

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

**NIL**

[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. 9, Para No. 2.9)

The Committee are further informed that with a view to ensure proper implementation of the social audit as provided in the Act, Audit of Scheme Rules, 2011 has been issued. All States are being requested to appoint Ombudsman at the district level for grievance redressal and the States have been recommended to disburse wages through Post Offices and Banks. A special project to provide technical assistance to State Governments has also been approved for engaging social audit resource at State and District level so that effective social audit could be conducted. A monitoring system through AwaasSoft is already in operation which is a work flow based Management Information System (MIS) and the reports are made available in the public domain. The Committee have also been informed that the proposal is now to move to an electronic system from April, 2015 where registration and sanctions will be done online and Aadhar number and mobile number of beneficiaries are being captured at the time of registration. The Vigilance and Monitoring Committees have also been constituted to review rural development programmes at district and State levels. While taking note of all the measure, the Committee observed that only 08 States have set up independent societies to perform the function of Social Audit Units, very few States have uploaded the status of grievances on their information domain and very few States have taken disciplinary/criminal action against the functionaries found responsible for irregular implementation of the Act. The Committee also observe that many States have yet to appoint the requisite number of Ombudsmen in their States. The Committee strongly feel that strong monitoring and grievance redressal mechanism is the pre-requisite of the successful implementation of the MGNREGA Scheme and, therefore, the Committee recommend that the system of comprehensive grievance redressal mechanism, social audit, monitoring and accountability need to be strengthened from the grass root level and a periodical review need to be conducted for timely follow up action. The Committee expect the Ministry to take immediate measure in this regard.

#### REPLY OF THE GOVERNMENT

As per the Audit of Scheme Rules 2011 issued under the MGNREGA, every State has to constitute an independent Social Audit Unit. As per the review done about the functioning of the Social Audit Units, the following is the status of compliance of States to the Rules:

- (v) Ten States have operationalised the Social Audit Units as laid down in the Rules. They are: Andhra Pradesh, Chhattisgarh, Gujarat, Karnataka, Mizoram, Sikkim, Telengana, Tamil Nadu, Tripura and Uttar Pradesh.
- (vi) Four States have constituted independent agencies but are yet to appoint full time personnel for conduct of Social Audits: Madhya Pradesh, Odisha, Manipur and Meghalaya.

- (vii) Two States have appointed Director of Social Audit, but did not constitute independent Societies: Rajasthan and Jammu & Kashmir.
- (viii) Eleven States are yet to comply with the Rules: West Bengal, Bihar, Kerala, Jharkhand, Himachal Pradesh, Assam, Punjab, Uttarakhand, Haryana, Nagaland and Arunachal Pradesh.

A Special Social Audit Project for Rs. 147 Cr has been sanctioned to support the States in setting up the Social Audit mechanism and to fully meet the cost of the resource persons. Further, guidelines have been issued to all States to constitute a Governing Body to advise the Social Audit Unit consisting of the Principal Accountant General of the State. The Ministry is closely working with the Comptroller and Auditor General of India in institutionalizing the Social Audits as per the Rules.

Ministry issues several advisories from time to time to States/UTs for effective implementation of MGNREGA. These advisories also pertain to uploading the status of grievances on their information domain and taking disciplinary/criminal action against the functionaries found responsible for irregular implementation of the Act. These matters are also regularly reviewed in the Performance Review Committee meetings, Labour Budget meetings and regional review meetings. State specific reviews are also undertaken from time to time.

In exercise of the powers conferred under Section 27 of MGNREG Act, the Central Government issued an Order dated 7th September, 2009 issuing directions to the State Government for establishing the office of Ombudsman in districts for redressal of grievances in a time bound manner. State/UT wise position relating to Ombudsman is given in **Annexure-III**.

During the review of the implementation of the MGNREGS, the strengthening the planning, technical supervision, capacity building, disbursing systems and social audits have been identified as areas for improvement. Towards this, the major steps taken are given in **Annexure-I**.

[O.M.No. H-11011/03/2015-GC (P) dated 27 July, 2015 Department of Rural  
Development  
(Ministry of Rural Development)]

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

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

## CHAPTER V

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

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

The Committee while scrutinizing the Demands for Grants of the Department of Rural Development (Ministry of Rural Development) find that the proposed outlay of the Department for the Annual Plan 2015-16 placed before the Planning Commission was Rs. 105830.50 crore and the finally approved outlay was Rs. 71642.00 crore for the Plan schemes of the Department. The Committee observe that the allocated outlay has been reduced to the extent of Rs. 34188.50 crore with reference to the proposed outlay. The Committee also find that the outlay of Rs. 71642.00 crore for the current financial year 2015-16 is Rs. 8401.00 crore lesser than the budget allocation of the previous year 2014-15. Considering the importance of rural development for inclusive growth, the Committee are of the firm opinion that such reduced allocation would adversely affect the implementation of the major rural development schemes like Indira Awas Yojana (IAY), Pradhan Mantri Gram Sadak Yojana (PMGSY), National Social Assistance Programme (NSAP), MGNREGA and National Rural Livelihood Mission (NRLM) and also would hamper the process of the Department for achieving the targets in the year 2015-16. The Committee, therefore, recommend that the Ministry should pursue the matter with the Ministry of Finance and Niti Ayog for seeking higher allocation of funds so that the various schemes and programmes meant for the generation of rural employment, growth of rural infrastructure and providing social welfare assistance would be effectively implemented during the current financial year and also the target of inclusive growth is successfully achieved.

#### REPLY OF THE GOVERNMENT

**MGNREGA:** There has been no reduction in fund allocation under Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) during the Financial Year (FY) 2014-15 with reference to FY 2013-14. In both these FYs, the fund allocation under MGNREGA was Rs. 33,000 crore. The budget allocation under MGNREGA for FY 2015-16 has been increased to Rs.34,699 crore.

The MGNREGA is a demand driven wage employment Programme having no targets set for achievement. The funds are released to the States/UTs on the basis of agreed to Labour Budget and performance of the State. In case additional funds are required by States/UTs, the same can be demanded from Ministry of Finance.

**NRLM:** For the year 2015-16, the budget provision approved for NRLM is Rs.2505.00 crore which also includes a provision of Rs. 255.00 crore for the DRDA Administration scheme. The amount earmarked for Deen Dayal Upadhyay Grameen Kaushal Yojana (DDU-GKY) in the NRLM allocation is Rs.540.00 crore.

An allocation of Rs.1500.00 crore is required to be provided to DDU-GKY as announced in the budget speech of FM for the year 2015-16. As per current indication there could also be requirement of additional funds for the National Rural Livelihoods Project financed by World Bank loan. The requirement of funds for the DRDA Administration scheme which is meant for meeting the committed expenditure towards salary of DRDA staff and the contingency expenses of the DRDA office is also likely to be higher than the provision of Rs.255.00 crore made in BE 2015-16. Efforts will be made to meet the additional requirement of funds by re-appropriation of savings within the grant, failing which through Supplementary Demand.

**NSAP:** During the financial year 2015-16, an amount of Rs. 9082.00 crore has been provided by the Ministry of Finance at the disposal of Ministry of Rural Development for the implementation of National Social Assistance Programme. BE 2014-15 in respect of National Social Assistance Programme (NSAP) was Rs. 10635.00 crore. At RE Stage, this was reduced to Rs. 7241.00 crore. The pending liabilities of 4<sup>th</sup> Quarter release of 2014-15 are being considered from the budgetary outlay of Rs. 9082.00 crore for the year 2015-16. A proposal for additional funds to meet the requirement during the current financial year 2015-16 would be sent to the Ministry of Finance and NITI Aayog.

Based on the recommendation of the Task Force, an EFC Note was submitted to the Ministry of Finance, Department of Expenditure for approval. The EFC Note includes enhancement of pension under all three pension schemes. Apart from this, the EFC Memo proposes to introduce a new pension scheme for single and distressed Women.

Ministry is preparing revised EFC Memo for submitting the same to NITI Aayog as desired by Ministry of Finance as considerable financial implications are involved. After getting views/approval of NITI Aayog, the EFC Memo will be submitted to the Department of Expenditure.

**PMGSY:** Ministry is exploring all possibilities in consultation with Ministry of Finance to enhance the PMGSY budgetary allocation of 2015-16. In this regard, the Ministry has written six letters to the Ministry of Finance vide letters No. P-17023/1/2013-RC dated 30.5.2014, 11.6.2014, 02.09.2014, 24.11.2014, 15.01.2015 and letter No. P-17017/2/2015-RC dated 18.06.2015.

**Rural Housing (IAY):** The proposal for revamping the scheme is under consideration.

[O.M.No. H-11011/03/2015-GC (P) dated 27 July, 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. 13, Para No. 2.13)**

The Committee observe that under PMGSY, the maintenance and repair of roads is the responsibility of the respective State Governments. The Committee take a serious note of the unsatisfactory on-going works, substandard works under the scheme, poor quality of rural roads and lack of proper maintenance, repair and renovation of rural roads construction under PMGSY Scheme and various other irregularities. The Committee are to view that there is an eminent need for maintenance or rural roads under the scheme ever after construction is completed. The Committee feel that rural roads should also be connected with the important routes. Keeping in view the importance of rural connectivity of roads the Committee desire to be apprised of the reasons for the unsatisfactory completion and maintenance of the various works, irregularities involved and remedial action taken therefor by the concerned authorities. The Committee strongly feel that there should be a proper mechanism of fixation of responsibility and accountability so as to eliminate the problems of malpractices in implementation of the scheme. The committee therefore strongly recommend a mechanism to be devised by the Ministry for fixing responsibility and accountability straightway on the erring agencies and individuals and punitive action taken against them. The committee desire that there should proper monitoring, physical checks and verification of rural roads and coordination with the State Governments for effective implementation of the scheme. The Committee also desire that there is also a need for 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 measures in time. The Committee also recommend that the suggestions and recommendations of the public representatives should also be taken into account while considering proposals for construction of roads under the PMGSY scheme.

**REPLY OF THE GOVERNMENT**

The Pradhan Mantri Gram Sadak Yojana (PMGSY) Programme Guidelines prescribe the various steps in the planning process and the role of different Agencies including people's representatives for the preparation of District Rural Roads Plan and Core Network. The District Rural Road Plan is first prepared at the block level, in accordance with the priorities spelt out by the District panchayat. Based on this Plan, the Core Network for the Block is identified and then placed before Intermediate Panchayat for consideration and approval. They are simultaneously sent along with the list of all unconnected habitations to the Members of Parliament and MLAs for their comments, if any. After approval by the intermediate panchayat, the Plans are placed before the District Panchayat to ensure that the suggestions given by the Members of Parliament are given full consideration, before the plan is approved. Programme guidelines also stipulate that all elected representatives associated with the programme should be duly invited to the foundation laying and inauguration ceremonies of PMGSY roads.

Further, Vide Circular No.P-17025/37/2013-RC dated 28<sup>th</sup> January, 2015, the Ministry has made changes in the PMGSY programme guidelines in order to accord priority in the selection of roads for new connectivity as well as upgradation, leading to the eligible habitations in the Gram Panchayats/villages identified by the Members of Parliament under Saansad Adarsh Gram Yojana (SAGY).

Also Vide this Ministry's circular No. 17025/49/2011-RC dated 2<sup>nd</sup> September, 2014, the PMGSY guidelines have been amended for the Inclusion of Women Self Help Groups (SHGs) in transect walk to fix the alignment of PMGSY roads. This would ensure that gender concerns are taken into consideration while fixing alignment of PMGSY roads.

PMGSY roads are covered by 5 year maintenance contract, to be entered into along with the construction contract, with the same contractor in accordance with the Standard Bidding Document. Maintenance funds to service the contract are budgeted by the State Government and placed at the disposal of State Rural Development Agencies (SRRDAs) in a separate maintenance fund account. On expiry of 5 year post construction maintenance, PMGSY roads are required to be placed under Zonal maintenance contracts consisting of 5 year maintenance including renewal as per cycle

National Rural Roads Development Agency (NRRDA) in partnership with ILO and World Bank has strived to support maintenance management of rural roads in the States. As an outcome of this partnership, a Model Policy Framework for Maintenance of Rural Roads along with a Guidelines note has been finalized in close consultation with the States. Based on the documents, the States were requested to customize and evolve their Rural Road Maintenance Policies to suit State specific needs. Maintenance policies have been finalized by Rajasthan, Uttar Pradesh, Bihar, Chhattisgarh, Madhya Pradesh, Uttarakhand, Himachal Pradesh and Assam. Other States are in the process of finalizing the policy.

Initiation of pilot on community based maintenance as well as performance based contracting of rural roads: PMGSY is a huge central investment in the State sector as part of a poverty reduction strategy. To protect this investment and ensure that critical rural infrastructure created by PMGSY is maintained in prescribed condition, various innovative modes of maintenance have been piloted in the States. Ministry of Rural Development in collaboration with International Labour Organization (ILO) & World Bank has piloted 'Performance Based Maintenance Contract' & the 'Community Contracting' for maintenance during the year 2014-15, which would be replicated across the participating/ non-participating States after analyzing the experience. These pilots are going on in the States of Himachal Pradesh, Bihar & Uttarakhand.

Citizen monitoring of rural roads by Public Affairs Centre, Bangalore: NRRDA in collaboration with Public Affairs Centre (PAC) is facilitating Citizen's Monitoring of Rural Road Construction under PMGSY in three States –Meghalaya, Jharkhand, Rajasthan with the help of its State level partner organizations – Karuna Trust, NBJK and CUTS respectively. The goal of the intervention is to improve quality of roads by instituting citizens' checks during implementation of PMGSY scheme by training/capacity building

of citizen volunteers with required citizen toolkit. With the toolkits and training, the volunteers surveyed 70 roads in 3 states and produced data on various qualitative and quantitative aspects of the roads. The analysis of the data threw comprehensive light on the condition of roads in both the ongoing and completed stage from citizen perspective. The analytical report provides a basis for NRRDA/SRRDA to take corrective actions and maintain the roads. The plan is to expand this intervention to cover more roads in more States with a view to empower the community to monitor the execution of government schemes.

Feed back on PMGSY works received on OMMAS portal under “Feedback Module”: A feature has been created in public domain on OMMAS for achieving systematic approach towards monitoring of grievances and addressing feedback under the heading “feedback” for registering feedback and complaints by citizens. Through this module the citizens can express their concerns related to planning, progress, quality and maintenance of any PMGSY roads. The State Quality Coordinator (SQC) will be the Nodal Officer to handle such grievances and address it online. All the State Governments have been informed about this vide letter no. P-17031/2/2015-Tech dated 19.5.2015.

Regional Review Meetings are conducted at regular intervals as a measure to monitor the progress & for effective implementation of PMGSY scheme in the States. Also, Area Officer visits are organized by the Ministry for physical inspection and verification of all the programmes run by Department of Rural Development including PMGSY.

[O.M.No. H-11011/03/2015-GC (P) dated 27 July, 2015 Department of Rural Development

(Ministry of Rural Development)]

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

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

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

The Committee note that Indira Awaas Yojana is a flagship programme of the Ministry of Rural Development as part of the larger strategy of rural poverty eradication, to provide dignity of an address to the poor households and to enable them to access benefits of other rural development schemes. Under the Scheme, assistance is given for provision of house site, construction of a new house and upgradation of kutchra or dilapidated house. With regard to the quantum of assistance, a BPL family is given grant of Rs.70000/- for new construction in plane areas, Rs.75000/- in hilly/difficult areas including IAP districts, Rs.15000/- for upgradation. Rs.20000/- is provided to landless labourers for purchase of house sites. The Committee was informed that during the year 2012-13, the BE of Rs.11075 crore was reduced to Rs.9024 crore at RE stage and the actual expenditure of Rs.7868.76 crore was even less than the RE and against the target of 30.10 lakh houses, only 21.86 lakh houses were constructed. The

Committee note that even during the year 2013-14, BE of Rs.15184 crore was reduced to Rs.13184 crore and the actual expenditure of Rs.12983.64 was again less than the RE and as against the physical target of 24.80 lakh, only 15.92 lakh houses were constructed. The Committee further note that again during the year 2014-15, the BE of Rs.16000 crore was reduced at RE stage to Rs.11000 crore and the actual expenditure was of Rs.10764.45 crore was less than the RE and as regards the physical progress, against the target of 25.19 lakh, only 9.80 lakh houses were constructed. The Committee is constrained to note that drastic decline in achievements of the physical and financial targets under the scheme during the last three years 2012-13, 2013-14 and 2014-15 must have deprived one of the primary amenities of providing shelter to the needy rural household from getting the assistance to have a shelter of their own. The Committee therefore recommends that the Ministry should develop a mechanism which could take care for full utilization of the funds by the States in the Indira Awaas Yojana (IAY) Scheme so that maximum number of shelter-less population could realize their dream of having their own dwelling units which is the basic necessity for human life. The Department should also provide guidance and all necessary assistance to the State Governments to overcome the various obstacles involved in effectively implementing the scheme so that the technicalities could not override the basic need of human beings.

### **REPLY OF THE GOVERNMENT**

The details of financial and physical progress in IAY in the last three years is summarised in Table below.

<b>Year</b>	<b>Budget Estimate</b>	<b>Revised Estimate</b>	<b>Actual expenditure</b>	<b>Physical target</b>	<b>Achievement</b>	<b>Per cent achievement</b>
2012-2013	11075.00	9024.00	7868.76	30.10	21.86	72
2013-2014	15184.00	13184.00	12983.64	24.80	15.92	64
2014-2015	16000.00	11000.00	11105.88	25.19	16.50	65

The Revised Estimates during the year 2012-13 were fixed on the basis of the actual releases upto September, 2012. The slow pace of expenditure during the first half of the year was not due to lack of demand but due to conditions imposed by the Ministry that the State should upload the physical and financial progress on the MIS before release of 2<sup>nd</sup> instalment. This condition was imposed in order to move to Direct Benefit Transfer and eliminate delays. However the States continued to have problems of connectivity and capacity to use the MIS. Due to this, the expenditure could not reach the required 67% upto December, 2012 and the Ministry could release only 25% of the allocation in the last quarter.

The Revised Estimates during 2013-14 were fixed on the basis of actual expenditure upto September 2013. Expenditure in States was slowed down by election processes in four State assemblies in October- December 2013. Expenditure had also slowed down in March due to the imposition of Model Code of Conduct for the General Elections. The expenditure was less than the RE because Rs.200 crore was transferred to National Rural Livelihood Mission to support Bharat Rural Livelihood Foundation. The remaining allocation of Rs.12983.64 crore was expended.

The Revised Estimate during the year 2014-15 was fixed on the basis of the actual releases upto September, 2014 and unspent balance available with the States. The slow pace of expenditure during the first half of the year was due to change in the

fund flow arrangement. From 2014-15, the fund is routed through the State Consolidated Fund. Funds are then transferred to State Department of Rural Development and thereafter to the implementing agencies in the field. There have been delays in the transfer of funds from the Consolidated Fund of the State to the District level implementing agencies for a period ranging from 15 days to 2 months. The pace of fund utilisation also slowed down due to imposition of model code of conduct for the general elections to the Lok Sabha and elections in States of Haryana, Chhattisgarh, Rajasthan and Jammu & Kashmir. The Actual Expenditure is however higher than the RE since an amount of Rs.105.88 crore was reappropriated from savings in other schemes within the Ministry and utilised in IAY.

The shortfall in physical achievement is partly owing to the budgetary reduction and partly to the slow progress of work in the ground. Normally, construction of a house under IAY takes more than a year to complete. Release of funds under IAY is linked to progress of construction of the house and beneficiaries are provided assistance in 3 or 4 instalments by the State. Wherever there is slow progress, the instalments get delayed. The expenditure towards construction therefore spills over to next financial year and funds are also to be released accordingly. The slow progress of work in the field and the slowdown in the release process reinforce each other affecting performance as a whole.

**Steps taken and proposed to be taken to ensure end to end e –governance solutions to ensure full utilisation of funds & monitoring**

6. **Advance Action Plan 2015-16:** In order to avoid delays in implementation of the scheme, an advance action plan for 2015-16 was devised and communicated to States in January of 2015-16. The timelines are being followed up and 17.33 lakh beneficiaries have been registered on AwaasSoft (as on 13.05.2015).
7. **Monitoring of unspent balance and progress:** Ministry is closely monitoring the amount of unspent balances lying with the States at the district and block levels. Advisories were issued to States regarding the expeditious use of funds and stock taking was done through a series of video conferences. Progress of work was also reviewed through meetings with co-ordinating officers on a monthly basis and the quarterly performance review committee meeting.
8. **Direct Benefit Transfer:** There would be a single centralised bank account at the State level receiving scheme funds. All disbursements against houses sanctioned in 2015-16 would be made electronically and funds transferred directly to the beneficiary accounts. This would ensure that the number of levels in the fund flow process is reduced making it smoother and avoiding unnecessary delays in the process. Management of funds will be more efficient as parking of funds at any level is minimized.
9. **Mobile based monitoring system:** Mobile application to capture time stamped geo referenced photographs to monitor progress is being developed. This would ensure a robust system of monitoring work in progress. It also ensures greater transparency in the system.
10. **Enhanced social monitoring:** To ensure public accountability in implementation, States have been directed to conduct at least one social audit every year in a Gram Panchayat. States have been advised to cover 25% of houses sanctioned during the year and all houses sanctioned under Special projects through such

audits. States have been allowed to use one per cent of funds released as administrative funds for the purpose.

### **Other measures to provide necessary assistance and guidance**

#### **Measures in convergence with other schemes:**

7. The assistance provided under the scheme is reportedly inadequate to complete a durable house. Though increasing the assistance is an option, in its absence, provisioning of resources through convergence with other government schemes is being encouraged.
8. The construction of rural houses under government schemes has been made a eligible item of work under MGNREGA. Accordingly 90/95 mandays of unskilled manual wage can be availed by IAY beneficiaries in plain and difficult areas. Given the current wage rates it amounts to approximately Rs.15,000 per house. Job card numbers are being captured and a real time link with NREGASoft to allow automatic generation of muster rolls is being developed to ensure that all IAY beneficiaries avail of the benefits
9. Construction of sanitary latrine in IAY houses is to be done in convergence with Swachh Bharat Abhiyaan. SBM unique ID nos. is being captured to ensure post facto monitoring of convergence.
10. States have also been advised to ensure that IAY beneficiaries avail benefits of 'Unnat Chulha Abhiyan' of MNRE, Pradhan Mantri Jan Dhan Yojana (PMJDY), and with the Deen Dayal Upadhyay Gram Jyoti Yojana for electrification of IAY houses.
11. **Promoting use of Alternate technology:** Ministry in collaboration with UNDP has initiated an exercise to catalogue appropriate and cost effective technologies for different zones based on climate, material availability, culture and disaster proofing. Support is to be provided to States for capacity building of local masons and encouraging local entrepreneurs. Mapping is underway in Tripura, Meghalaya, Odisha, Bihar and Maharashtra. It is proposed to be expanded to 12 more States in 2015-16
12. **Capacity Building measures:** Trainings to various stakeholders like government functionaries, panchayar raj institutions, masons and civil society in different aspects of the scheme has been initiated. Four modules namely Book keeping and Accounting, Information Education and Communication, and are being conducted by the National Institute of Rural Development, Hyderabad and its regional centre in Guwahati. So far 300 government functionaries from across the States have been trained.

[O.M.No. H-11011/03/2015-GC (P) dated 27 July, 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. 15, Para No. 2.15)**

The Committee are apprised that Indira Awaas Yojana scheme is proposed to be revamped and implemented on a Mission Mode and to achieve the objective of the Government for 'Housing for AH' by 2022, additional resources will be required. The Committee has however been apprised that mobilization of resources has been a major constraint. The Committee expect that the new initiative taken by the Department to revamp the IAY scheme will be fine tuned in such a way so that the scheme is flexible enough to analyze the grass-root level problems in different geo-climatic zones of the country and to fix the quantum of assistance according to the requirement of the needy people in those areas. The Committee also strongly recommends that the present level of assistance under IAY is grossly inadequate and there is urgent need to enhance the amount of assistance to make it at a realistic level so that the beneficiary could be able to convert their dream of having their own dwelling unit into reality. The Committee expects that the Ministry will initiate immediate necessary action in this regard and the target of providing pucca house to all by the year 2022 is realized.

### **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 is being prepared taking into account the grass-root level problems in different geo-climatic zone of the country. 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 kutchha houses.
- c) Facilitating beneficiaries to avail loans from Banks and other Financial Institutions with a provision for interest subvention.
- 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.

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Development  
(Ministry of Rural Development)]

### **Comments of the Committee**

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

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

The Committee note that National Social Assistance Programme (NSAP) is a centrally sponsored scheme of the Ministry of Rural Development. NSAP is a social security /social welfare programme applicable to old aged, widows, disabled persons and bereaved families on death of primary bread winner belonging to below poverty line household. NSAP at present comprises of five sub-schemes namely 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. The Committee observe that the achievement of the target of beneficiaries to be covered has been below than the estimated number of beneficiaries for the year 2012-13 and 2013-14. The Committee are, however, informed that if the States /UTs report a lower coverage of beneficiaries than the estimated number, the allocation of funds for such States /UTs would be based on the reported number. The Committee are apprised that in order to increase the transparency and accountability in the implementation of the scheme, computerization of data base of the beneficiaries under various schemes of NSAP is being undertaken and social audit and annual verification has been introduced to confirm the existing beneficiaries. The States /UTs are also required to designate a verification officer or verification team for verifying the applications with reference to the eligibility. The Committee are informed that a Task Force constituted under the Chairmanship of a Member of the then Planning Commission to prepare a proposal for comprehensive National Social Assistance Programme and it has considered all issues, including the demands and suggestions received from various quarters and thereafter submitted its report inter-alia recommending for expanding the scope of coverage and increasing the quantum of pension and also reducing the age limit under IGWPS and IGNDPS. The Ministry examined the Report of this task force and prepared an EFC Memorandum and has submitted the same to Department of Expenditure which has sought further information in the matter. The Committee recommend the Ministry to earnestly pursue the matter with the Department of Expenditure so that the recommendations of the Task Force could be appropriately implemented.

### **REPLY OF THE GOVERNMENT**

The Ministry is re-visiting/re-working the EFC Memo in the light of the observations made by the then Planning Commission and now NITI Ayog regarding issue of fund availability. The revised EFC Memo will be submitted to NITI Ayog as desired by Ministry of Finance. The earlier EFC involved considerable financial implications. After getting views / approval of Niti Ayog the EFC will be submitted to Department of Expenditure for their approval.

[O.M.No. H-11011/03/2015-GC (P) dated 27 July, 2015 Department of Rural  
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(Ministry of Rural Development)]

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

The Committee observed that taking into account the social-economic fabric of the society, there is a strong need for reduction in eligibility conditions, more so in respect of widows from the present 40 years to 18 years and also to lower the minimum eligibility age in case of disabled persons. The Committee also strongly feel that the quantum of pension under these schemes need to be substantially enhanced to bring it at a respectable level and also to compensate the price rise during all these years. The Committee expect the Ministry to take concrete steps in this regard and apprise the action taken in this regard.

**REPLY OF THE GOVERNMENT**

The recommendations of Task Force which have been accepted with some modifications, has proposed for lowering the age under Indira Gandhi National Widow Pension Scheme (IGNWPS) and Indira Gandhi National Disability Pension Scheme (IGNDPS) and also increasing the quantum of pension details of which are as under:

- (c) Indira Gandhi National Widow Pension Scheme (IGNWPS) Lowering the eligibility age from existing 40 years to 18 years and payment of pension @ Rs. 500/- per month to BPL widows in the age group of 18 years to 79 years and Rs. 1000/- per month widows of 80 years and above.
- (d) Indira Gandhi National Disability Pension Scheme (IGNDPS) : Lowering the eligibility age from existing 18 years to 0 yr and payment of pension of Rs. 500 per month to BPL disabled beneficiaries with 40-79% disability in the age group of 0-79 years and Rs. 1000/- per month to the BPL disabled of the age of 80 years and above.

The Ministry has prepared an EFC Memo incorporating the above recommendations made by the Task Force. However, the Ministry is re-visiting/re-working the EFC Memo in the light of the observations made by the then Planning Commission and now NITI Ayog regarding issue of fund availability. The revised EFC Memo will be submitted to NITI Ayog as desired by Ministry of Finance. The earlier EFC involved considerable financial implications. After getting views / approval of Niti Ayog the EFC will be submitted to Department of Expenditure for their approval.

The recommendation of the Task Force has significant financial implications.

[O.M.No. H-11011/03/2015-GC (P) dated 27 July, 2015 Department of Rural  
Development  
(Ministry of Rural Development)]

**Comments of the Committee**

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

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

The Committee are informed that under Aajeevika, universal social mobilization through formation of Self Help Group (SHGs) will be done to ensure that at least one member from each rural BPL household preferably a woman is brought under the SHG net. With a view to form a strong people's institutions, Aajeevika will focus on setting up of federations of SHGs from village panchayat to district level and the goal of universal financial inclusion will be through linking the SHGs with banks for securing credit. The Committee are further informed that NRLM is progressively gaining momentum in many States with the addition of Resource Blocks and at present 107 Resource Blocks have been set up in 16 States. It has also been stated that comprehensive monitoring and evaluation system is also there to assess the impact of the Mission. The Committee feel that formation of Self Help Group (SHGs) in villages should be taken on a Mission mode as it strengthens the basic unit of the society and also encourages the participation of women who could effectively contribute in the capacity building and in securing the means of livelihood in the local area itself and therefore all the States should be encouraged to establish SHGs at different level and promote Resource Block strategy for intensive implementation of the NRLM Scheme. The other components of NRLM like Mahila Kisan Sashaktikaran Pariyojana (MKSP), setting up of Rural Self Employment Training Institutes (RSETIs), skill empowerment and employment in J&K are the steps in right direction and the Committee feel that these components should be given the necessary momentum to achieve the desired results

**REPLY OF THE GOVERNMENT**

The NRLM programme is designed to be implemented in a phased manner. The number of intensive blocks is accordingly increased in a planned manner so that the benefits of the programme reach out to all blocks without compromising on the quality of work. The Resource Block strategy would continue to receive priority till sufficient number of internal CRPs are available to generate adequate social capital to make the community institutions self reliant.

Efforts are being made to speeden up the pace of coverage through strategies for faster creation of social capital and partnerships with organizations doing similar work on scale. The special interventions like Mahila Kisan Sashaktikaran Pariyojana (MKSP) and skill empowerment and employment programme in J&K would also continue to be promoted to achieve the desired results. The Ministry would also continue to support setting up Rural Self Employment Training Institute to provide high quality training in Self-Employment ventures.

[O.M.No. H-11011/03/2015-GC (P) dated 27 July, 2015 Department of Rural  
Development  
(Ministry of Rural Development)]

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

The Committee are of the view that the Socio-Economic and Caste Census (SECC), 2011, for collecting Socio-Economic and Caste data of households in rural and urban areas of the country which is to be utilized by the respective States/UTs for identifying BPL households in rural and urban areas, has been inordinately delayed. Admittedly, the reasons for the slow progress of the SECC, 2011 are stated to be lack of preparedness of the States, lack of adequate infrastructure to conduct the SECC, inter-district variations, recruitment of staff etc. The Committee note that SECC, 2011 is conducted in six stages – enumeration, supervision, verification & corrections, draft list publication, claims and objections and final list publication. The Committee are informed that as on 18.03.2015, draft list has been published in 549 districts in 33 States/UTs and Final list has been published in 119 districts in 13 States/UTs. The Committee are apprised that the Ministry has been constantly monitoring the progress of SECC in the States/UTs to sort out the various issues and to ensure early completion of the Census operation. The Committee recommend that the Ministry should persuade and facilitate the States/UTs in resolving the various issues and ensure that the process of Socio-Economic and Caste Census (SECC) is completed in all the States at the earliest. The Committee further recommend the Ministry to issues suitable instructions to all concerned to exercise extra care and caution in identifying the genuine BPL beneficiary families with proper verification of genuineness of household data collected under SECC.

**REPLY OF THE GOVERNMENT**

In order to expedite completion of the Socio Economic and Caste Census 2011, the Ministry of Rural Development has been continuously monitoring the progress of SECC with the States/UTs. States/UTS specific reviews and assessment of the progress of the SECC was also taken in the Performance Review Committee (PRC) meetings of the rural development programmes. Video Conferences were also held with the States/UTs. Based on the review and decisions taken in the PRC meetings/Video Conferences, senior officers from the Ministry visited the States to short out state specific issue. States/UTs which progress are found to be slow and unsatisfactory are instructed to expedite the census operation. Secretary (RD) had also written to all the States Chief Secretaries regarding adhering to the timelines and has also had special meetings with CMDs of Central PSUs. As on 10.06.2015, out of 640 districts, Draft List has been published in districts in 625 districts in 35 States/UTs and Final List has been published in 219 districts in 18 States/UTs.

In the SECC 2011, every effort has been made to ensure accuracy and transparency and that the names of all the targeted persons/households are captured in the list and prevent manipulation at any stage. In this regard, instructions have been issued to the States/UTs from time to time. In order to ensure quality, the Supervisors rechecked a set of sample households collected by the Enumerators. On the basis of their inputs, the household data are corrected. Besides, third party independent

monitoring agencies are also engaged to concurrently monitor the process. Data Verification & Correction Module has also been introduced in the interest of ensuring accuracy of data with regard to selected parameters of the households, both in rural and urban areas, followed by publication of the Draft list. To ensure transparency, Draft Lists published by the States/UTs were put up for viewing by public at prominent places in Village, Gram Panchayat, Urban Wards and Block Development Offices. The published Draft Lists are also made available in this Ministry's website ([www.secc.gov.in](http://www.secc.gov.in)). Publication of the Draft List was followed by the Claims and Objections stage wherein the responses by the households are read out in the Gram Sabha convened for the purpose and claims and objections, if any, dealt with. Then and thereafter, the Final List will be/were published by the States/UTs. The States and development programme authorities are being sensitised to take appropriate safeguards in identifying the beneficiary families with household data collected under SECC.

[O.M.No. H-11011/03/2015-GC (P) dated 27 July, 2015 Department of Rural  
Development  
(Ministry of Rural Development)]

**Comments of the Committee**

(Please see Paragraph No. 35 of Chapter I of the Report)

**NEW DELHI**  
**18 December, 2015**  
**27 Agrahayana, 1937 (Saka)**

**Dr. P. VENUGOPAL**  
**Chairperson**  
**Standing Committee on Rural Development**

S.No	State	Households provided employment (In lakh)			
		2011-12	2012-13	2013-14	2014-15
1	ANDHRA PRADESH	49.98	58.54	60.40	32.96
2	ARUNACHAL PRADESH	0.04	1.29	1.40	1.36
3	ASSAM	13.49	12.35	12.62	9.67
4	BIHAR	17.69	20.88	20.59	10.36
5	CHHATTISGARH	27.25	26.38	25.12	17.48
6	GUJARAT	8.22	6.81	5.79	5.13
7	HARYANA	2.78	2.94	3.25	2.18
8	HIMACHAL PRADESH	5.05	5.15	5.39	4.53
9	JAMMU AND KASHMIR	4.31	6.47	6.58	3.31
10	JHARKHAND	15.75	14.19	11.39	11.11
11	KARNATAKA	16.52	13.32	14.50	10.96
12	KERALA	14.16	15.26	15.24	13.80
13	MADHYA PRADESH	38.80	35.19	29.09	27.89
14	MAHARASHTRA	15.05	16.25	11.44	11.60
15	MANIPUR	3.56	4.57	4.55	4.69
16	MEGHALAYA	3.35	3.32	3.64	3.51
17	MIZORAM	1.69	1.75	1.78	1.94
18	NAGALAND	3.73	3.87	4.08	4.06
19	ODISHA	13.79	15.99	17.10	14.68
20	PUNJAB	2.45	2.40	4.12	2.89

21	RAJASTHAN	45.22	42.17	36.15	36.85
22	SIKKIM	0.55	0.57	0.63	0.57
23	TAMIL NADU	63.43	70.61	62.68	56.58
24	TELANGANA	0.00			24.61
25	TRIPURA	5.67	5.97	5.91	5.82
26	UTTAR PRADESH	73.28	49.47	49.95	39.16
27	UTTARAKHAND	4.69	4.40	3.97	4.56
28	WEST BENGAL	55.17	58.17	61.33	51.20
29	ANDAMAN AND NICOBAR	0.19	0.13	0.17	0.13
30	DADRA & NAGAR HAVELI	0.00	NR	NR	0.00
31	DAMAN & DIU	0.00	NR	NR	0.00
32	GOA	0.11	0.05	0.05	0.07
33	LAKSHADWEEP	0.04	0.02	0.01	0.00
34	PUDUCHERRY	0.43	0.41	0.39	0.30
35	CHANDIGARH	0.00	0.00	0.00	0.00
	<b>Total</b>	<b>506.45</b>	<b>498.88</b>	<b>479.30</b>	<b>413.95</b>

## **Steps taken to improve implementation of MGNREGA**

### **Better planning and asset identification**

- An Intensive Participatory Planning Exercise (IPPE) has been launched in 95,000 Gram Panchayats in 2,500 most backward Blocks. This exercise has helped in identifying better quality assets.
- For improving convergence with the line departments, and thereby to improve the quality of assets, the State Convergence Plans have been formulated.

### **Improving the quality of works**

- The associated outcomes of each work are being recorded before taking up the work, and the same is being measured after completion of the work- thereby bringing in more focus on outcomes.
- 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.
- The States/UTs have been asked to deploy State Quality Monitors to inspect the quality of assets created under the Scheme.
- 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.
- 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.

### **Better transparency, accountability and grievance redressal**

- 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. 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.
- All States have been requested to appoint Ombudsman at the district level for grievance redressal.
- The Ministry has established a comprehensive system of monitoring and review mechanism for MGNREGA, which, inter alia, include visits of Area Officers of the Ministry & National Level Monitors and Vigilance & Monitoring Committee meetings at the State/ District levels.
- With a view to avoid bogus attendance and to check instances of tempering and misuse of muster rolls, the e-Muster system has been introduced.

### **Fund management and avoiding delays in payment**

- For smooth fund flow, the electronic Fund Management System (e-FMS) has been introduced which would also reduce delays in payment of wages.
- A delay compensation system has been introduced to fix accountability for delays and penalize such persons.



**Annexure-IV****State-wise position relating to Ombudsman (As on 30.06.2015)**

<b>Sl.No</b>	<b>Name of the State</b>	<b>No of Districts in which Ombudsmen are there.</b>	<b>Ombudsman selected</b>
1	Assam	9	27 (18 post advertisement has been issued.)
2	Bihar	38	18
3	Chhattisgarh	27	15
4	Jharkhand	24	9
5	Maharashtra	33	Appointed for all districts except newly created districts palghar
6	Haryana	21	9
7	Meghalaya	11	4
8	Mizoram	8	4 (covering all the Districts)
9	Nagaland	11	All filled up
10	Odisha	30	All filled up
11	Sikkim	4	All filled up
12	Tripura	8	All filled up
13	Uttar Pradesh	20	75
14	West Bengal	20	6
15	J & K	22	None
16	Arunachal Pradesh	16	0
17	Punjab	22	4 (covering 16 districts) 2 posts vacant.

18	Manipur	9	All filled up
19	Gujarat	26	13
20	Tamil Nadu	31	NA
21	Himachal Pradesh	12	4
22	Uttarakhand	13	6
23	A&N Islands	3	All filled up
24	Lakshadweep	1	0
25	Karnataka	30	18
26	Rajasthan	33	19
27	Madhya Pradesh	51	All filled up
28	Puducherry	2	All filled up
29	Kerala	17	14(appointed after 2 years these ombudsman where relieved of their duties. Matter under subjoins High Court.)
30	Goa	2	2
31	Andhra Pradesh	4	13
32	Telengana	01	9
33	Dadar Nagar Haveli	1	0
34	Damn & Diu	2	0
<b>TOTAL</b>		<b>553</b>	

**COMMITTEE ON RURAL DEVELOPMENT (2015-2016)**

**MINUTES OF THE SIXTH SITTING OF THE COMMITTEE HELD ON  
FRIDAY, THE 18 DECEMBER, 2015**

The Committee sat from 1000 hrs. to 1030 hrs. in Committee Room 'C', Ground Floor, Parliament House Annexe, New Delhi.

Dr. P. Venugopal - *Chairperson*

**MEMBERS**

**LOK SABHA**

2. Smt. Renuka Butta
3. Shri Harishchandra Deoram Chavan
4. Shri Vijay Kumar Hansdak
5. Shri Ajay Misra (Teni)
6. Shri Manshankar Ninama
7. Smt. Mausam Noor
8. Shri Prahlad Singh Patel
9. Shri Gokaraju Ganga Raju
10. Shri Jugal Kishore Sharma
11. Dr. Yashwant Singh
12. Shri Ladu Kishore Swain
13. Shri Chintaman Navasha Wanaga

**RAJYA SABHA**

14. Shri D. Bandyopadhyay
15. Shri Ram Narain Dudi
16. Shri Ranvijay Singh Judev
17. Shri A.K. Selvaraj

**SECRETARIAT**

1. Shri Abhijit Kumar - Joint Secretary
2. Shri A.K. Shah - Director
3. Smt. B. Visala - Additional Director

2. At the outset, the Chairperson welcomed the Members to the sitting of the Committee convened for consideration of one draft Report on the subject XXX XXX XXX XXX XXX XXX XXX and four Draft Reports of the Committee on action taken by the Government on the recommendations contained on Demands for Grants (2015-16) in respect of Ministry of Drinking Water and Sanitation, Department of Rural Development (Ministry of Rural Development), Department of Land Resources (Ministry of Rural Development) and Ministry of Panchayati Raj:

3. The Committee then took up for consideration the following Draft Reports:-

(i) XXX XXX XXX XXX XXX XXX XXX XXX XXX XXX

(ii) XXX XXX XXX XXX XXX XXX XXX XXX XXX XXX

(iii) Draft Report on Action taken by the Government on the recommendations contained in the Sixth Report on Demands for Grants (2015-16) of the Department of Rural Development (Ministry of Rural Development);

(iv) XXX XXX XXX XXX XXX XXX XXX XXX XXX XXX

(v) XXX XXX XXX XXX XXX XXX XXX XXX XXX XXX

4. Draft Reports were taken up for consideration one-by-one and after discussions, the Committee adopted the Draft Reports at Sl. Nos. (i), (ii), (iv) and (v) without any modification and Draft Report at Sl. No. (iii) with minor modifications. The Committee then authorized the Chairperson to finalize the aforesaid Draft Reports and present the same to the Parliament.

5. XXX XXX XXX XXX XXX XXX XXX XXX XXX XXX

*The Committee then adjourned.*

**ANNEXURE - VII**

[Vide para 4 of Introduction of Report]

**ANALYSIS OF THE ACTION TAKEN BY THE GOVERNMENT ON THE RECOMMENDATIONS CONTAINED IN THE SIXTH REPORT (16<sup>TH</sup> LOK SABHA) OF THE STANDING COMMITTEE ON RURAL DEVELOPMENT**

I.	Total number of recommendations:	20
II.	Recommendations that have been accepted by the Government : Serial Nos. 1, 3, 4, 5, 6, 7, 8, 10, 11,12, and 18	
	Total:	11
	Percentage:	55 %
III.	Recommendations which the Committee do not desire to pursue in view of the Government's replies : Serial Nos. NIL	
	Total:	00
	Percentage:	00
IV.	Recommendations in respect of which replies of the Government have not been accepted by the Committee : Serial No. 9	
	Total:	01
	Percentage:	5 %
V.	Recommendations in respect of which final replies of the Government are still awaited : Serial Nos. 2, 13, 14, 15, 16, 17, 19 and 20	
	Total:	08
	Percentage:	40 %