

SIXTH REPORT  
STANDING COMMITTEE ON  
RURAL DEVELOPMENT  
(2014-2015)  
(SIXTEENTH LOK SABHA)  
MINISTRY OF RURAL DEVELOPMENT  
(DEPARTMENT OF RURAL DEVELOPMENT)  
DEMANDS FOR GRANTS  
(2015-2016)

*Presented to Lok Sabha on 23.04.2015*  
*Laid in Rajya Sabha on 23.04.2015*



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COMPOSITION OF THE STANDING COMMITTEE ON  
RURAL DEVELOPMENT (2014-2015)

Dr. P. Venugopal – *Chairperson*

MEMBERS

*Lok Sabha*

2. Shri Sisir Kumar Adhikari
3. Shri Kirti Azad
4. Shri Harish Chandra Chavan
5. Shri Biren Singh Engti
6. Shri Jugal Kishore
7. Shri Manshankar Ninama
8. Shrimati Mausam Noor
9. Shri Mahendra Nath Pandey
10. Shri Prahlad Singh Patel
11. Dr. Ramesh Pokhriyal “Nishank”
12. Shri Gokaraju Ganga Raju
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14. Shrimati Butta Renuka
15. Dr. Yashwant Singh
16. Shri Naramalli Sivaprasad
17. Shri Balka Suman
18. Shri Ladu Kishore Swain
19. Shri Ajay Misra Teni
20. Adv. Chintaman Navasha Wanaga
21. Shri Vijay Kumar Hansdak\*

*Rajya Sabha*

22. Shri Munquad Ali
23. Shri Gulam Rasool Balyawi

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\*Nominated to the Committee w.e.f. 07.10.2014.

24. Vacant<sup>@</sup>
25. Shri Ram Narain Dudi
26. Shri Mahendra Singh Mahra
27. Shri Ranvijay Singh Judev<sup>\*\*</sup>
28. Dr. Vijaylaxmi Sadho<sup>§</sup>
29. Shri A.K. Selvaraj
30. Shrimati Kanak Lata Singh
31. Vacant<sup>#</sup>

SECRETARIAT

1. Shri Abhijit Kumar – *Joint Secretary*
2. Shri R.C. Tiwari – *Director*
3. Smt. B. Visala – *Additional Director*
4. Shri Maneesh Mohan Kamble – *Committee Officer*

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<sup>@</sup> Vacancy caused on account of resignation of Shri Srinjoy Bose from membership of Rajya Sabha w.e.f. 05.02.2015.

<sup>\*\*</sup> Nominated to the Committee w.e.f. 25.09.2014 vice Shri Narayan Lal Panchariya.

<sup>§</sup> Nominated to the Committee w.e.f. 28.11.2014 vice Shri Jairam Ramesh.

<sup>#</sup> Vacancy caused due to retirement of Prof. Saif-Ud-Din Soz on 10.02.2015.

## INTRODUCTION

I, the Chairperson of the Standing Committee on Rural Development (2014-2015) having been authorised by the Committee to submit the Report on their behalf, present the Sixth Report on Demands for Grants (2015-16) of the Ministry of Rural Development (Department of Rural Development).

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

3. The Committee took evidence of the representatives of the Department of Rural Development (Ministry of Rural Development) on 25 February, 2015.

4. The Report was considered and adopted by the Committee at their sitting held on 21 April, 2015.

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

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

NEW DELHI;  
22 April, 2015  
02 Vaisakha, 1937 (Saka)

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





## ABBREVIATIONS

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

HH	– Households
HLC	– Habitation Level Committee
IAY	– Indira Awaas Yojana
IAP	– Integrated Action Plan
ICT	– Information & Communication Technology
IEC	– Information, Education and Communication
IGNOAPS	– Indira Gandhi National Old Age Pension Scheme
IGNWPS	– Indira Gandhi National Widow Pension Scheme
IGNDPS	– Indira Gandhi National Disability Pension Scheme
IT	– Information Technology
KM	– Kilometer
LWE	– Left Wing Extremism Affected Districts
MDG	– Millennium Development Goals
MGNREGA	– Mahatma Gandhi National Rural Employment Guarantee Act
MIS	– Management Information System
M&E	– Monitoring and Evaluation System
MP	– Member of Parliament
MKSPs	– Mahila Kisan Sashaktikaran Pariyojanas
MoRD	– Ministry of Rural Development
MPR	– Monthly Progress Report
MSPs	– Mahila Sashaktikaran Pariyojanas
NABARD	– National Bank for Agriculture and Rural Development
NA	– Not Available
NFBS	– National Family Benefit Scheme
NOs	– Numbers
NIC	– National Informatics Centre
NIRD	– National Institute of Rural Development
NC	– Not Covered
NE	– North-East India
NFDC	– National Film Division Corporation
NLM	– National Level Monitor
NMMU	– National Mission Management Unit
NMT	– National Management Team
NPAs	– Non Performing Assets
NR	– No Response

(viii)

NGO	– Non-Governmental Organization
NSAP	– National Social Assistance Programme
NRLM	– National Rural Livelihoods Mission
NRRDA	– National Rural Roads Development Agency
NSSO	– National Sample Survey Organisation
NQMs	– National Quality Monitors
PMGSY	– Pradhan Mantri Gram Sadak Yojana
PIU	– Project Implementation Unit
PPP	– Public Private Partnership
PRC	– Performance Review Committee
PURA	– Provision of Urban Amenities in Rural Areas
PRIs	– Panchayati Raj Institutions
RBI	– Reserve Bank of India
RD	– Rural Development
RE	– Revised Estimate
RfP	– Request for Proposal
RGGVY	– Rajiv Gandhi Gramin Vidyutikarn Yojana
RHKN	– Rural Housing Knowledge Network
RLEGP	– Rural Landless Employment Guarantee Programme
Rs.	– Rupees
RSETIs	– Rural Self Employment Training Institutes
SC	– Scheduled Caste
SECC	– Socio-Economic and Caste Census
SHGs	– Self Help Groups
SGSY	– Swarnjayanti Gram Swarozgar Yojana
SIRD	– State Institute of Rural Development
SoP	– Shelf of Project
SPIP	– State Perspective Implementation Plan
SPMUs	– State Project Management Units
SRLMs	– State Rural Livelihood Mission
ST	– Scheduled Tribe
SQM	– State Quality Monitors
TAF	– Total Available Fund
TSC	– Total Sanitation Campaign
TV	– Television
UTs	– Union Territory
VMCs	– Vigilance and Monitoring Committees



## REPORT

### PART I

#### NARRATION ANALYSIS

##### I. INTRODUCTORY

The basic function of the Ministry of Rural Development is to realize the objectives of alleviating rural poverty and ensuring improved quality of life for the rural population, especially those below the poverty line. These objectives are sought to be achieved through formulating, developing and implementing programmes relating to various spheres of rural life and activities from income generation to environmental replenishment. The Ministry consists of two Departments namely (i) Department of Rural Development; and (ii) Department of Land Resources. The present report relates to the examination of Demand for Grants for the year 2015-16 of the Department of Rural Development. The Department of Rural Development implements schemes for generation of self-employment and wage-employment, provision of housing to rural poor and the construction of rural roads. Apart from this, the Department provides support services such as assistance for strengthening of DRDA Administration, training & research, human resource development, development of voluntary action etc. for the proper implementation of the programmes. It also undertakes IEC activities to promote awareness about rural development programmes in rural areas. In order to achieve above mentioned aims, the Department implements the following major programmes:

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

## II. BUDGET ALLOCATIONS FOR THE FINANCIAL YEAR 2015-16

1.2 The Demands for Grants (2015-16) in respect of the Ministry of Rural Development (Department of Rural Development) presented to the Table of Lok Sabha on 18.03.2015 *vide* Demand No. 84 have made a provision of Rs. 71,695.00 crore with Plan component of Rs. 71,642.00 crore and Non-Plan component of Rs. 53.08 crore. The Budget Estimates for the annual plan 2014-15 was Rs. 80,043.00 crore for Plan schemes which was reduced to Rs. 68,156.42 crore at RE stage and the actual expenditure was Rs. 61,227.08 crore (upto 31.01.2015).

1.3 The Plan and Non-Plan provisions for various schemes of the Department of Rural Development for 2015-16 are as under:

(Rs. in crore)		
Sl. No.	Name of Scheme/Programme	Amount
1	2	3
<b>PLAN SCHEMES</b>		
1.	Aajeevika – National Rural Livelihoods Mission	2505.00
2.	Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGA)	34699.00
3.	Rural Housing (IAY)	10025.00
4.	DRDA Administration	0.00
5.	Grants to National Institute of Rural Development (NIRD)	50.00
6.	Assistance to CAPART	10.00
7.	Provision for Urban Amenities in Rural Areas (PURA)	00.00
8.	Management Support to RD Programme & Strengthening District planning process	130.00
9.	Pradhan Mantri Gram Sadak Yojana (PMGSY) – Rural Roads	14291.00
10.	BPL Survey	350.00
11.	National Social Assistance Programme	9082.00
12.	URBAN Mission	300.00
13.	Village Entrepreneurship “Start-up” Programme	200.00
14.	Flexi fund	0.00
	<b>TOTAL</b>	<b>71642.00</b>

1	2	3
<b>Non-Plan Scheme</b>		
1.	Headquarter establishment of Department of Rural Development	33.00
2.	Grant to NIRD	18.02
3.	Production of literature for Rural Development	0.3
4.	Contribution to International bodies	1.4
	Total Non-Plan	53.08
Grand Total (Plan+Non-Plan)		71695.08

1.4 The proposed outlay of Department of Rural Development for Annual Plan 2015-16 placed before the Planning Commission was Rs. 105830.50 crores and the finally approved outlay was Rs. 71642.08 crores for the Plan schemes of the Department. It may be seen that there is a difference of Rs. 34188.42 crores between amount proposed *vis-à-vis* actual allocation for the Annual Plan 2015-16.

1.5 The Committee pointed out there was a huge reduction of Rs. 34188.42 crores between proposed outlay and finally approved outlay for the Annual Plan 2015-16. The Committee wanted to know whether the available funds will be sufficient to take up the work of various Centrally Sponsored Schemes as per the road-map designed by the Ministry. The Ministry in a written note stated as under:—

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

**(a) Review of Allocations for the year 2014-15**

1.6 The B.E., R.E. and Actual Expenditure of Department of Rural Development during 2014-15 has been as under:—

		(Rs. in crore)
Budget Estimate	80043.00	
Revised Estimate	68156.42	
Expenditure	61227.08 (upto 31.1.2015)	

1.7 The Committee enquired about the under-utilization of funds during the annual plan 2014-15. The Ministry in a written note replied as under:—

“The Ministry is allocated funds by the Ministry of Finance based on the availability of fund. Against the Revised Estimate of Rs. 68156.42 crore, Ministry has utilized Rs. 65544.67 crore upto to 28.2.2015 which stands at 96.17%. MGNREGA is a demand driven programme. Therefore, some float of funds is expected and kept with the implementing agencies.”

1.8 The Scheme-wise outlay *vis-à-vis* expenditure of different Plan Scheme during 2014-15 has been as under:—

(Rs. in crore)				
Sl.No.	Name of Scheme/Programme	Budget Estimates	Revised Estimates	Expenditure
<b>PLAN SCHEMES</b>				
1.	Aajeevika – National Rural Livelihood Mission	4000.00	2186.42	1831.04
2.	Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGA)	34000.00	33000.00	29286.50
3.	Rural Housing (IAY)	16000.00	11000.00	10769,66.00
4.	Grants to National Institute of Rural Development (NIRD)	50.00	30.00	19.23
5.	Assistance to CAPART	10.00	06.00	06.00
6.	Management Support to RD Programme & Strengthening District planning process	130.00	125.00	109.00
7.	Pradhan Mantri Gram Sadak Yojana (PMGSY) – Rural Roads	14391.00	14200.00	12032.24
8.	BPL Survey	577.00	365.00	104.00
9.	National Social Assistance Programme (NSAP)	10635.00	7241.00	7069.00
10.	RURBAN Mission	100.00	2.00	0.00
11.	Village Entrepreneurship “startup” Programme	100.00	1.00	0.00
<b>TOTAL</b>		<b>80,043.00</b>	<b>68,156.42</b>	<b>61,227.08</b>



1.9 It may be seen that in almost all the schemes BE has been reduced at RE stage and major affected Schemes are NSAP (Rs. 3,394 crore) MGNREGA (Rs. 1,000 crore), IAY (Rs. 5,000 crore) Aajeevika (Rs. 1,813.58 crore).

1.10 Further on being asked about in what way the reduced outlay in the 12th Plan has affected the implementation of the programmes of the Ministry, the DoRD in a written note stated as under:—

“The reduction in R.E. was due to Ministry of Finance effecting a cut of Rs. 11890.58 crores over the B.E. of Rs. 80043.00 crores keeping in view the overall fiscal situation of the Government. Later on scheme-wise distribution of the reduced provision of R.E. was decided by the Department keeping in view the progress of expenditure upto 31.12.2014 and unspent balances lying with the State Governments.”

1.11 There has been a reduction in the plan expenditure in 2014-15 at the RE stage as mentioned in the table below:—

(Rs. in crore)			
Scheme	BE	RE	Reduction
MGNREGA	34000.00	33000.00	1000.00
Aajeevika-NRLM	4000.00	2186.42	1814.00
PMGSY	14391.00	14200.00	191.00
Rural Housing	16000.00	11000.00	5000.00

1.12 About the pace of implementation of the programmes, it has been stated that it depends upon the absorption capacity of the concerned States. Nevertheless, steps are being taken by way of regularly holding meetings of the Performance Review Committee (PRC) with the Principal Secretaries of the States to improve the implementation of the programmes by the State Governments.

1.13 The Committee enquired about the reductions during RE stage and the impact that it had on the process of rural housing under IAY, MGNREGA and Aajeevika schemes. The DoRD in a written note replied as under:—

(i) “*Aajeevika*

The reduced provision in RE has led to some shortfall in the availability of funds for release of NRLM grants to Non-NE States, Skill Development projects and DRDA Administration scheme.

(ii) *IAY*

The achievement of IAY was affected to the extent the budget was reduced. Budget reduction in three consecutive years has led to accumulation of liability for the implementing agencies. Targets are set and sanctions issued to beneficiaries on the basis of the B.E which cannot be reversed when the budget is cut later in the financial year. States/Districts are not able to give subsequent instalments to beneficiaries due to paucity of funds. This has led to lower level of completion being reported. However, as per para 4.3.4 of the guidelines 2013-14, the DRDA are required to complete all the incomplete houses sanctioned/taken up in the previous years with the funds available during the current year. This has reduced the number of fresh sanctions being issued in Districts where there is a large liability already committed for earlier sanctions.

(iii) *MGNREGA*

During the current financial Year, there was a provision of Rs. 34000 crore (BE 2014-15) under MGNREGA which has been reduced to Rs. 33000 crore at Revised Estimate (2014-15) stage which was the same allocation as provided in previous year.”

1.14 The Committee further asked whether the matter of reduction in RE was taken up with Planning Commission/Ministry of Finance and the progress made thereon on this issue. The DoRD replied as under:—

“The matter was taken up with the Ministry of Finance in the month of December, 2014 at the level of Minister(RD) to provide additional allocation of Rs. 4000.00 crore over and above the B.E. of Rs. 34000.00 crore under MGNREGA to meet wage and material cost for the next four months. Similarly, additional funds of Rs. 4000.00 crore beyond the B.E. were also requested under PMGSY to enable the States to complete the projects on hand. The Ministry of Finance were also requested that the reduction made in IAY may be restored so as to meet the targets fixed for 2014-15. However, Ministry of Finance only agreed to enhance the R.E. for MGNREGA from Rs. 31000.00 crore to the present level of Rs. 33000.00 crores.

The Department of Expenditure has been further requested to consider for allocation of additional fund of Rs. 1976.83 crore under MGNREGA to meet the demand being made by the States. Response from the Department of Expenditure is awaited.”

**III. BUDGET OUTLAY/EXPENDITURE DURING ANNUAL PLAN 2012-13 to 2015-16**

1.15 Scheme-wise proposed *vis-à-vis* approved outlay for the first four years of the Twelfth Plan for the Department of Rural Development is as under:—

(Rs. in crore)

Sl. No.	Year	Name of the scheme	Proposed Outlay	Approved outlay
1.	2012-13	NRLM/Aajeevika	4494.00	3915.00
2.		MGNREGA	52471.00	33000.00
3.		IAY	28569.90	11075.00
4.		PMGSY	30000.00	24000.00
		Total (1 to 4)	115534.90	71990.00
		Total outlay during 2012-13	124503.00	73175.00
5.	2013-14	NRLM/Aajeevika	4000.00	4000.00
6.		MGNREGA	35000.00	33000.00
7.		IAY	17439.00	15184.00
8.		PMGSY	17000.00	21700.00
		Total (5 to 8)	73439.00	73884.00
		Total outlay during 2013-14	76429.00	74429.00
9.	2014-15	NRLM/Aajeevika	5700.00	4000.00
10.		MGNREGA	35000.00	34000.00
11.		IAY	18000.00	16000.00
12.		PMGSY	22000.00	14391.00
		Total (9 to 12)	80700.00	68391.00
		Total outlay during 2014-15	92679.76	80043.00
13.	2015-16	NRLM/Aajeevika	6065.00	2505.00
14.		MGNREGA	44000.00	34699.00
15.		IAY	18000.00	10025.00
16.		PMGSY	24800.00	14291.00
		Total (10 to 13)	92865.00	61520.00
		Total outlay during 2015-16	105830.50	71642.00

1.16 The Committee enquired about roadmap for rural development for Twelfth Plan period on the pattern of one prepared by Ministry of Panchyati Raj for Panchayats. The DoRD in a written note informed:—

“Under each scheme of the Department of Rural Development, action plan is prepared so as to achieve physical and financial targets set under it. For the Twelfth Plan period some initiatives have been taken under the programme, which are given below:

The Mahatma Gandhi NREGA is a demand driven wage employment programme, hence, requirement of funds and employment generation depend on demand for work. Under MGNREGA for effective implementation of the scheme and to increase transparency and public accountability, instructions for establishment of institution of Ombudsman, notification of social audit rules, putting in place the procedures and principles of Labour Budget, revision of wage rates, establishment of State Employment Guarantee Fund, recruitment of one Gram Rozgar Sewak Sahayak in every Panchayat, one technical assistant for every five Gram Panchayats, at least one computer assistant per block and one full time dedicated Programme Officer in every block from 6% fund for administrative support, adoption of integrated development approach through convergence mechanism, revision of Operational guidelines, enlargement of scope of works and sustainable development, Operationalisation of Cluster Facilitation Team (CFT), Intensive and Participatory Planning Exercise (IPPE) in selected 2500 Blocks, implementation of Electronic Fund Management System (e-FMS), etc. have been introduced.

NRLM is now being implemented in a Mission mode, this enables the programmes to (i) shift from the allocation based strategy to a demand driven strategy, states can formulate their livelihoods-based poverty reduction action plan (ii) focus on targets, outcomes and time bound delivery (iii) continuous capacity building , imparting requisite skills and creating linkages with livelihoods opportunities for the poor, including those emerging in the organized sector and (iii) monitoring against targets of poverty outcomes. The ultimate objective of the NRLM is that the institutions of poor will drive the agenda through participatory planning at grassroots level, implementation of their own plans, reviewing and generating further plans based on their experiences. These plans will be both demand driven and dynamic.

Under IAY, the unit cost assistance for a dwelling unit has been increased to Rs. 70,000/- in plain area and Rs. 75000/- in hilly/ difficult areas including 88 LWE districts. Financial assistance of

Rs. 20,000/- per 11 beneficiary or actual, whichever is less, will be provided for purchase/acquisition of a homestead site of an area around 100-250 sq. mt., for strengthening administrative structure of the programme, 4% of funds for administrative expenses will be made available to state governments.

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

#### **IV. SCHEME-WISE ANALYSIS**

##### **A. Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)**

###### **(i) MGNREGA Scheme**

1.17 Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is a flagship programme of Government of India implemented by Ministry of Rural Development w.e.f. 02.02.2006. The main objective of the programme is to provide for the enhancement of livelihood security of the rural households by ensuring a legal right for atleast 100 days of unskilled wage employment to willing adult members. Implemented initially in 200 most backward districts of the country, this programme was later extended in two phases to cover the entire country. MGNREGA envisages creation of durable and productive assets which would contribute greatly to the economic and ecological development of the rural areas. The objective of asset creation also takes into account local needs and priorities and calls for community participation and departmental convergence at the worksite. Special emphasis has been laid on backward districts which are covered under Government of India Integrated Action Plan (IAP). To ensure timely wage payment to the MGNREGA workers in such IAP districts, cash payments have been allowed in areas where the outreach of Banks/Post offices is inadequate. Construction of playgrounds and anganwadi Centre under MGNREGA have been notified as one of the permissible activities to be taken up under MGNREGA. Aadhaar enabled payment of wages is being piloted in 46 rural districts out of the 51 taken up by the Government for Direct Benefit Transfers (DBT).

1.18 The Committee wanted to know the steps taken by Department of Rural Development to make MGNREGA people's programme and the

funds available under MGNREGA. The Ministry in a written note stated as under:—

*“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 and 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.”

1.19 The Committee enquired about the effective fund management system under MGNREGA that is being followed by the Ministry. The Joint Secretary, DoRD during the course of evidence explained as under:—

“...As far as the funding is concerned, we have last time mentioned that there is an electronic fund management system. Under this, funds are held centrally but the decision to spend the fund is taken locally. So, the gram panchayat or at the block level they are electronically able to get funds at the implementation level. The availability of fund is unlimited subject only to the limitation being the labour budget. This is the system which we have introduced substantially last year. Now, we have brought them to about 92 per cent of the gram panchayats. We want to extend this to other areas also by providing connectivity to places where there is no connectivity. I think, this year we will be having 100 per cent electronic fund management going upto the gram panchayat level. So, funds shortages which were witnessed last year in some places will not recur during the current year. As far as the working is concerned, there are a number of suggestions. We have noted them.”

**(ii) 12th Five Year Plan (2012-17) Outlay and Expenditure**

1.20 The Ministry in their Preliminary material has submitted that the total proposed outlay for MGNREGA during 12th Plan was Rs. 3,58,764.00 crore and the allocation actually provided by the

Planning Commission is Rs. 1,65,059.00 crore, out of which the Outlays for the first four years of the Plan *i.e.* 2012-13 to 2015-16 are as under:—

(Rs. in crore)			
Year	B.E.	R.E.	Actual Expenditure
2012-13	33,000.00	30,287.00	30,274.69
2013-14	33,000.00	33,000.00	32,994.12
2014-15	34,000.00	33,000.00	32,913.13 (as on 02.03.2015)
2015-16	34,699.00	—	—

1.21 It may be seen that out of total Twelfth Plan Outlay of Rs. 1.65 lakh crore for MGNREGA, the actual allocation till 2014-15 had been only Rs. 0.96 lakh crore.

1.22 During the course of evidence on being asked about the reduction of budget in 2015-16, Joint Secretary, DoRD explained as under:—

“...As far as the other controversy concerning the reduction of budget is concerned, actually the budget has been either the same or increased. In fact, in the year 2015-16, they have given a very clear commitment not only to increase it but they are prepared to give additional amounts provided that amount has been properly utilised. I think, on the uncertainty of how it would be implemented there is a fair amount of clarity. That is one positive thing.

As far as providing 60 per cent of money on agricultural infrastructure, that is a question I would like to address. In the Act, there is a Schedule I, it is a part of the statute, amended on 21st July. Now it has got a statutory effect. What it says is that 60 per cent of the total expenditure at the district level has to be spent on agriculture or allied activities, purely on infrastructure building like irrigation. This is what we are using now, combining with the PMKSY, which will immediately improve the agricultural productivity.”

**(iii) Efforts to bring Rural Households under ambit of MGNREGA**

1.23 The Committee enquired about the efforts made by the Ministry to bring rural households pro-actively under the ambit of MGNREGA



Scheme and efforts made to increase rural participation. The DoRD in a written note stated as under:—

“More than 10 crore rural workers are active participants of MGNREGA. On an average, 5 crore rural households have been provided with wage employment each year under MGNREGA since 2008-09. The Act provides for availability of work close their place of residence, provision of work when actually needed, timely payments and decent working conditions. When States implement the above provisions, the rural workers have automatically made use of the entitlements. However, implementation is not uniform in all States and certain States need to build their capacities, for which Centre is actively engaged with the States.

Apart from this, States have been advised to do the following for ensuring adequate participation of rural households in MGNREGA:

- Initiate appropriate IEC campaigns including wall writings for wide dissemination of the provisions of the Act;
- Expand scope and coverage of the demand registration system to ensure that demand for work under MGNREGA do not go unregistered;
- Organise Rozgar Divas periodically to capture latent demand under the programme and to disseminate awareness about other provisions of the Act;
- Formulation of a specific plan to include special categories of vulnerable people viz. persons with disabilities, primitive tribal groups, nomadic tribal groups, de-notified tribes etc.
- Adoption of appropriate programme flexibility to ensure reaching of benefits of MGNREGA to the primitive tribal groups, denotified tribes and nomadic tribes.
- Organisation of workers into labour groups to ensure powerful demand-side pulls for improving performance of MGNREGA.”

1.24 During evidence of the DoRD before the Committee, the Joint Secretary submitted as under:—

“...As far as 100 days entitlement is concerned, it is a very difficult part. Actually, there are about 50 lakh households which have used 100 days. Not everybody has used it but 50 lakh households have. This number has been varying from year to year. Our emphasis is to see that whoever asks for work should not be denied. This is the instruction. At the field level, there are always some lacunae for which we have to be constantly on the guard.”

#### **(iv) Grievance Redressal for MGNREGA**

1.25 During the study tour of the Committee to Tirupati, Chennai, Puducherry and Thiruvananthapuram the Committee had occasion to interact with beneficiaries of different Schemes including MGNREGA and beneficiaries complained about non-availability of work under MGNREGA whereas representatives of Panchayats complained about non-association of PRIs in MGNREGA works and also the problems in timely payment of wages in MGNREGA. On being enquired about the complaints received in this regard, the Ministry in a written note stated as under:—

“As per Section 4 of the Act, each State will prepare a Scheme to implement the Act in accordance with the minimum principles laid down in the Schedules of the Act. Since strength of the GPs varies from State to State, some States have provided for implementation through the intermediary Panchayats like Blocks. However, Centre is constantly working with such States to improve the involvement of the PRIs so that the objective of strengthening of PRIs is adequately met.

Timely payment of wages has been a big problem that has been raised before the Committee during the study tours to different areas. The DoRD in this connection has stated that all States have been recommended to disburse wages through Post offices and Banks and have to be reported on MGNREGA soft for disbursement of wages. During the study tour of the Committee to Tirupati, Chennai, Puducherry and Thiruvananthapuram the problem of timely payment was also highlighted before the Committee.

Grievances on implementation of MGNREGA have been the major cause of concern before the Committee. In this connection, the DoRD has stated the appointment of Ombudsman at district level for expeditious redressal of grievances has been done. There are many other States who have not appointed Ombudsman in most of their districts.”

1.26 The Ministry also informed that all States have been requested to appoint Ombudsman at the district level for grievance redressal. The Ombudsmen are independent of the jurisdiction of the Central or

State Government. State/UT-wise position relating to Ombudsman is given as under:—

**State-wise position relating to Ombudsman**

(As on 16th March, 2015)

Sl. No.	Name of the State	No. of Districts in which MGNREGS is operational	Ombudsman selected
1	2	3	4
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	No	30
11.	Sikkim	Yes	4
12.	Tripura	8	8
13.	Uttar Pradesh	20	75
14.	West Bengal	20	6
15.	Jammu and Kashmir	22	None
16.	Arunachal Pradesh	16	0
17.	Punjab	22	4 (covering 16 districts) 2 posts vacant.
18.	Manipur	9	9
19.	Gujarat	26	13
20.	Tamil Nadu	31	NA

1	2	3	4
21.	Himachal Pradesh	12	4
22.	Uttarakhand	13	6
23.	A&N Islands	3	3
24.	Lakshadweep	1	0
25.	Karnataka	30	18
26.	Rajasthan	33	19
27.	Madhya Pradesh	51	51
28.	Puducherry	No	2
29.	Kerala	17	14 (appointed after 2 years these ombudsman where relieved of their duties. Matter under subjoins High Court.)
30.	Goa	No	2
31.	Andhra Pradesh	4	13
32.	Telangana	01	9
33.	Dadra and Nagar Haveli	1	0
34.	Daman and Diu	2	0

**(v) Performance of Social Audit**

1.27 With a view to ensure proper implementation of the Social Audit as provided in the Mahatma Gandhi National Rural Employment Guarantee Act 2005, Government of India issued the Audit of Scheme Rules 2011 with the Comptroller and Auditor General (C&AG).

- Only 8 States have set up independent societies to perform the function of Social Audit Units whereas in all remaining States the responsibility of the SAU is being performed by cells housed within the Department of Rural Development/ State Institute of Rural Development (SIRD)/in partnership with NGOs.
- Very few States, except Sikkim and Andhra Pradesh and Telangana, have uploaded a status of their grievances and the action taken reports there on the NREGA MIS.

- Very few States, except Sikkim and Andhra Pradesh and Telengana, have taken disciplinary/criminal action on functionaries found responsible for irregular implementation of the Act.
- Only few States have notified the rules for Grievance Redress which are required to ensure timely follow up and redressal of complaints identified during the course of social audits.

1.28 On being enquired about the issue of monitoring mechanism and accountability under MGNREGA, the Secretary, DoRD during evidence submitted as under:–

“...Secondly, the best accountability monitoring mechanism is contained in the Act itself and that is social audit. Unfortunately, I must candidly admit that even after 10 years, we have not been able to roll it out across the country. This is the first programme which is pioneered in the law. In simple terms, हमारा पैसा, हमारा हिसाब। मेरा पैसा है, मुझे हिसाब चाहिए। The Village Assembly must get full account of how much money is spent in the Gram Panchayat, which persons have worked in the programme, how much wages each one has got etc. If this record is shared with the public, there will be very strong accountability. This kind of thing has happened in a few States and but recently in collaboration with the C&AG we are now in the process of requesting all States to special audit that is the best answer to all the issues we have. It is humanly impossible for the Ministry or State Department to monitor all things in this programme. Ultimately, it is for the people for whom the programme is dedicated, to monitor the accountability. We have created facility in the programme whereby we are providing special funds to the States to create dedicated social audit organisations to conduct social audit on demand. That is the most important issue. Our focus for 2015-16 would be to roll out social audit in as many places as possible. Once we operationalize that money, all the things we are talking about today will be taken care of.”

**(vi) Special Project**

1.29 In order to rectify the above situation, the MoRD has approved a Special Project (Operational upto FY 2017) to provide technical assistance to State Governments for engaging Social Audit Resource at the State and District Level subject to norms of selection and recruitment that are laid down by the Ministry. The Special Project aims to empower State Governments in conducting effective social audits in compliance

with the Audit of Scheme Rules, 2011 by providing them with the minimum staff required to do so.

1.30 In addition, the Special Project aims to provide State Government with timely facilitation and support through a Support Cell situated within the National Institute of Rural Development mandated with the responsibility of providing support to State Government in setting up SAUs, define and ensure the maintenance of minimum standards of social audits and provide capacity building and training assistance to States on Social Audits. A circular regarding the project has been communicated to all State Governments on 11th June, 2014.

#### **(vii) Monitoring and Control over Performance of the Scheme**

1.31 There is a system of monitoring through AwaasSoft. AwaasSoft is a work flow based Management Information System (MIS) designed to capture the implementation process through its Target Setting and Fund Management modules. Reports are available in the public domain for all citizens to know the progress of the scheme in their area. The software captures all relevant data of beneficiary including the category he/she belongs to, the Aadhaar number etc. There is provision for uploading of photographs of houses under different stages of construction. The use of MIS has increased substantially over the years. 21.04 lakh beneficiaries have been registered on the system and 18.57 lakh houses were sanctioned through AwaasSoft in 2014-15. State level training programmes on the use of the MIS were organized in Odisha, Dehradun, Kohima, Ranchi, Punjab and Tamil Nadu.

1.32 It is proposed to move to an electronic system from April 2015. Registrations and sanctions to be done online and linked to payment through PFMS based fund transfer. Aadhaar and mobile numbers of beneficiaries are being captured at the time of registration for de-duplication. The MGNREGA Job Card number and the Swachh Bharat unique number are also being captured to facilitate convergence.

1.33 Monitoring by implementing agencies is done by officers at the block level mandated to inspect 10% of the houses at each stage of construction and district level officers to inspect 2% of the houses at each stage of construction. The Ministry has constituted Vigilance and Monitoring Committees to review rural development programmes at State and District level. The meetings of the Committee chaired by Member of Parliament reviews the performance of the schemes of Rural Development at regular intervals including the scheme of Indira Awaas Yojana.

1.34 On being enquired about the 365 days' wage employment and increase in minimum wages for the MGNREGA beneficiaries during evidence of the Ministry, the Secretary, DoRD stated as under:—

“There is a point which was mentioned that we should provide work for 365 days. That would be ideal. Maharashtra provided that without any limit. We have a budgetary allocation which cannot provide 365 days' work. So, at the moment, we are sticking to 100 days. In extraordinary situations, if there is a natural calamity, we provide 50 days extra with the approval of the Cabinet.”

1.35 Elaborating further, on the issue of increase in minimum wages for the MGNREGA beneficiaries, the Joint Secretary, DoRD stated:—

“As far as the minimum wage is concerned, we are following the minimum wage in the State. We have got a report for revising the wage rate also.

सर, यह हमारा भी सुझाव है और अभी हमने इसके लिए एक एक्सपर्ट कमेटी बिठाई थी, डॉ. महेन्द्र देव कमेटी बिठाई थी कि नरेगा में कैसे वेजेस सैट करना चाहिए और कैसे रिवीजन होना चाहिए। उस कमेटी के रिकमेंडेशन हम लोगों ने मान लिए हैं और हमने फाइनेंस मिनिस्टर को रिकमेंड किया है कि उसको लागू किया जाए।”

#### **(B) Pradhan Mantri Gram Sadak Yojana (PMGSY)**

1.36 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 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, the Desert Areas (as identified in Desert Development Programme) and in 82 Selected Tribal and Backward Districts under Integrated Action Plan (IAP). A total of 1,78,184 habitations are targeted for providing road connectivity under PMGSY. The programme also has an Upgradation component with a target to upgrade 3.75 lakh Km of existing rural roads (including 40% renewal of rural roads to be funded by the States) in order to ensure full farm to market connectivity.

#### **(i) Outlay for 12th Five Year Plan (2012–17)**

1.37 The proposal by the Department for the PMGSY scheme during the 12th Plan was for an amount of Rs. 203,000 crores and the amount actually provided by the Planning commission for the 12th Plan

(2012-2017) for PMGSY is Rs. 1.05 lakh crore, out of which the outlay for first three years of current Plan is only Rs. 60,091 crore. The BE, RE and actual during 2012-13, 2013-14 and 2014-15 and BE proposed for 2015-16 has been as under:—

(Rs. in crore)				
Year	Allocation	RE	Release	Expenditure
2012-13	24,000	8885	8,884.30*	8,387
2013-14	21,700	9700	9,805.29	13,095
2014-15	14,391	14,200	12,791.20 (upto 28.02.2015)	13,375 (upto January, 2015)
2015-16	14,291	—	—	—

\*Assistance from ADB/W.B.

1.38 The Committee pointed out that the BE (2014-15) have been substantially reduced by Rs. 7309 crore than BE 2013-14. Moreover there is huge reduction of Rs. 14,000 crore in RE (2012-13), Rs. 12,000 crore in RE (2013-14) and very less expenditure has so far been reported. On being enquired about the State-wise impact on implementation of PMGSY scheme due to huge reduction of funds during 2013-14 and 2014-15, the DoRD in a written note stated as under:—

“Due to the huge reduction at RE stage during the years 2013-14 and 2014-15, the States were released lesser funds, due to which they were not in a position to complete the road works sanctioned by the Ministry in a time bound manner.

The reduction in allocation of funds to PMGSY during 2013-14 and 2014-15 has taken 10 of 29 States (upto January, 2015) into cash deprived situation. These States are presently having negative balances under PMGSY (State-wise details are given below). Another 8-10 states are likely to transit in similar situation during this financial year.

The Rural Roads has been identified as one of the six components of Bharat Nirman with a goal to provide connectivity to all habitations with a population of 1,000 persons and above (500 persons and above in the case of Hilly or Schedule-V Tribal areas) with All-weather road. The Bharat Nirman programme also has an Upgradation component with a target to upgrade 1.94 Km of existing rural roads



(including 40% renewal of rural roads to be funded by the States) in order to ensure full farm to market connectivity. Based on ground verification by States, a total of 63,940 habitations are targeted to be connected under Bharat Nirman.

In order to provide support to rural roads under PMGSY, 3 externally aided projects namely Rural Road Sector Project-I and II with the assistance of Asian Development Bank (ADB) and Rural Road Project-I with the assistance of World Bank are being implemented in various States. Presently, Rural Road Sector-III Project under ADB is also being negotiated for providing assistance under programme. Under Rural Road Project-II of World Bank, a loan of US\$ 1.5 billion was signed on 14th January, 2011. The project is being implemented in seven States.”

**(ii) Physical and Financial Targets during last three years**

Year 2013-14	Physical				Financial (Rs. in crore)			
	Target	Achievement	Target	Achievement	Target		Achievement	
	(Habitations in no.)	(Habitations in no.)	(Length in Km)	(Length in Km)	Budget Estimate	Revised Estimate	Release to States	Expenditure (As reported by the States)
2013-14	3,500	6,560	27,000	25,316	21,700	12,75	8,410 (5360+ 3050)	13,095
2014-15	4,688	8368* (178%)	21,775	26,650* (122%)	14,391	14,200	9,737**	13,375*
2015-16	8,500	—	26,000		10,100	—	—	—

\*upto 31st January, 2015

\*\*upto 28th February, 2015

1.39 The Committee desired to know the reasons for shortfall in achievement of targets during the last three years of the 12th Five Year Plan. The DoRD in a written note stated as under:—

“Reasons for shortfall are as under:—

- (i) Substantial short fall in financial allocation to the programme *vis-a-vis* the approved outlay.
- (ii) Inadequate institutional capacity in some of the States.
- (iii) Limited contracting capacity in some States.
- (iv) Non availability of sufficient qualified technical personnel including engineers and with the contractors.

- (v) Limited working season and adverse climate conditions in some States.
- (vi) Unfavorable weather conditions *i.e.* very long rainy seasons/ flood.
- (vii) In some instances, non-availability of construction materials within the States.”

1.40 On being asked about the reason for non-maintenance of roads and frequent damages in the roads built under PMGSY, the Secretary, DoRD during oral evidence stated as under:-

“...मेनटेनेंस के बारे में जो कहा गया, मैं उससे पूरी तरह सहमत हूँ। हमारा प्रावधान है कि कंस्ट्रक्शन के बाद पांच सालों तक मेनटेनेंस होना चाहिए। लेकिन उसके लिए स्टेट को फंड्स देने चाहिए। अगर स्टेट फंड्स नहीं देंगे तो कॉन्ट्रैक्टर खुद से नहीं करेगा। हम लोग इसलिए यह कोशिश कर रहे हैं कि राज्य सरकारें अपनी एक मेनटेनेंस पॉलिसी निकालें, मेनटेनेंस का एक डेडिकेटेड फण्ड क्रियेट करें। मेरा तो सुझाव है कि Further release of funds for construction should be linked to adequate provisions and actual maintenance of roads. यह मेरा व्यक्तिगत सुझाव है।”

### (iii) Impact of Reduction of Funds at RE Stage

1.41 The Ministry informed the Committee that against the 12th Five Year Plan allocation for PMGSY amounting to Rs. 1,05,000 crore, they received, only Rs. 47,182 crore which is 44.93% of the 5 year allocation so far (2012-17). During the last fiscal (2013-14) the BE of PMGSY was Rs. 21,700 crore which was substantially reduced to Rs. 9,700 crore at RE stage. Even in such difficult circumstances, by constant monitoring of performance and improving of execution capacity of states, an expenditure level of Rs. 13,095 crore was achieved (56% higher than 2012-13) in 2013-14. The B.E. of 2014-15 was Rs. 14,391 crores inclusive of Rs. 4,160 crore for repayment of NABARD loan. This B.E. was further reduced to Rs. 14,200 crore at Revised Estimate Stage. Despite paucity of funds an expenditure level of Rs. 13,375.39 crore (upto 31.01.2015) has been achieved by the States. Presently, the States have balance road works of Rs. 57,206 crores with them and are fully geared up to complete a substantial portion of these balance road works. The Ministry further stated that B.E. of 2015-16 is only Rs. 14,291 crore which will prove to be grossly inadequate as against the value of pending PMGSY works. In view of the above, request for

enhancement in the budgetary allocation for PMGSY from Rs. 14,291 crore to Rs. 24,800 crore (as proposed in Annual Plan) during the Financial Year 2015-16 has been made to Ministry of Finance as would again be made, so as to maintain the tempo of implementation of PMGSY, which is a major infrastructure scheme of the Government in rural areas. Apart from this, a proposal for availing new batch of loan amounting to Rs. 12,000 crore, in 3 tranches, from RIDF window of NABARD has already been requested to Ministry of Finance for approval. In addition, a proposal for availing part of the receipts from the additional Rs. 2 excise duty on Diesel and Petrol has also been made to Ministry of Finance.

#### **(iv) State Specific Problems**

1.42 The Committee enquired about the State-specific problems/issues faced by the IAP, Hilly and tribal areas at grass-root levels. The DoRD in a written communication informed the Committee of the problems faced by these areas as follows:—

- (i) Inadequate execution capacity and contracting capacity.
- (ii) Difficult Hilly Terrain.
- (iii) Unfavorable weather condition *i.e.* less working seasons.
- (iv) Non-availability of materials.

1.43 Expressing concern over the progress of PMGSY in various States during evidence, the Secretary, DoRD stated:—

“....Actually, the target was to provide connectivity to all habitations with a population of 500 or more by 2019. That was the idea and that timeline is now known. There are a number of reasons for it. It is not because the Central Government has not been trying or the State Governments are not trying to do it. There are a number of reasons for why the progress has not been as fast as it should be or as we thought it should be. Some States have done well. I think, by 2009, Rajasthan completed the target of PMGSY.”

1.44 As informed by the Department, the construction of PMGSY roads in IAP areas is a priority for the programme. Over the period of last 14 years, various relaxations have been given to facilitate connectivity in IAP areas which are as follows:—

- (i) All habitations with a population of 250+ (2001 census) will be eligible for coverage.

- (ii) Cost of bridges up to 75 metres span will be borne by the Government of India as against 50 metres for other areas.
- (iii) Minimum tender value is reduced to Rs. 50 lakh per package as against Rs. 2.50 crore to 5 crore per package in other areas.
- (iv) A time limit of 24 calendar months is allowed for completion of road works.
- (v) Cost of insurance premium against risks such as damaging or burning of plants or machinery etc. of contractors is permitted to be included in DPRs cost.
- (vi) Proposal of cement concrete road up to 20% of the proposed road can be accepted as against 10% in respect of other areas.
- (vii) General approval under Section 2 of Forest Conservation Act, 1980 for diversion of forest land up to 5 hectare has been given.
- (viii) Special dispensation in awarding of PMGSY works (with non-responsive tender) on nomination basis has been given in selected IAP districts.

1.45 Further, the Secretary, DoRD, during evidence before the Committee commented over the issue of forest clearances as under:—

“We are continuously in dialogue with the Ministry of Forests and Environment. Soon after coming here, I have written to my colleague in that Ministry, saying him to kindly chair a meeting in which I will come with my list of roads which are held up for nonavailability of forest clearance. So, I am seeking his intervention. 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 us to get faster clearance.”

**(v) Monitoring and Control over the Performance for improvement in PMGSY**

1.46 The Committee wanted to know the monitoring and control mechanism being implemented by the Ministry for effective implementation of PMGSY. The Ministry in a written note stated as under:—

“ ‘Rural Roads’ is a State subject and PMGSY is a one-time 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.”

1.47 Further the DoRD communicated the following steps taken to ensure monitoring and control:—

- a. States have been requested to augment executing capacity and contracting capacity.
- b. Bidding document provisions have been rationalized.
- c. Training is imparted to field engineers and contractors and their engineers for capacity building.
- d. Regular and structured review of physical & financial parameters is conducted and advisories issued to assist the States.”

### **(C) Indira Awaas Yojana (IAY)**

#### **(i) Details of the Scheme**

1.48 Rural Housing Division of Ministry of Rural Development, Department of Rural Development, is implementing Indira Awaas Yojana (IAY) throughout the country except Chandigarh and Delhi. The Indira Awaas Yojana (IAY) was launched during 1985-86 as a sub-scheme of RLEGP and continued as a sub-scheme of Jawahar Rozgar Yojana (JRY). In the initial years the scheme addressed the needs of SC and ST families and families of bonded labourers in BPL category. From the year 1993-94, the scope was extended to cover non-SC/ST families in the rural areas. IAY was made an independent scheme with effect from 1st January 1996. It is now 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. There are following components of assistance under IAY:

- (a) Assistance for construction of a new house
- (b) Assistance for upgradation of kutcha or dilapidated houses
- (c) Assistance for provision of house site

1.49 Under IAY, *w.e.f.* 1.4.2013, a BPL family is given grant of Rs. 70000/- for new construction in plain areas and Rs. 75,000 in hilly/difficult areas including IAP districts. IAY funds can also be utilised for upgradation of a kutcha house for which a subsidy of Rs. 15,000/- per unit is provided. For purchase of house sites, an assistance of Rs. 20,000 is provided to the landless poor.

1.50 The Ministry does the annual allocation for the States/UTs on the basis of 75% weightage to housing shortage in rural areas and 25% weightage to the number of people Below Poverty Line (BPL). At the

national level, 60% of the funds are earmarked for SCs and STs with the proportion between SCs and STs being fixed by the Ministry of Rural Development and reflected in the targets. From the year 2011-12 onwards, 60% of total allocation under IAY is set apart for SCs/STs under separate Budget Head. From the year 2013-14, 35.3% and 24.7% of physical target has been earmarked for SCs and STs respectively. The target has been reckoned at the National level and distributed to States on the basis of the proportionate population of these categories in the States/UTs, suitably adjusted to avoid distortions. 15% of the funds are set apart for beneficiaries from among the Minorities and target earmarked to States/UTs on the basis of their proportionate population. The States should also ensure that atleast 3% beneficiaries of IAY are from among persons with disabilities. The earmarking is only the minimum limit that should be achieved by the State and States, if they so desire may add to the target under these categories. The 60% target for SC/ST cannot be diverted to 'others'. However, SC&ST targets are interchangeable.

**(ii) 12th Plan Outlay - Physical and financial targets laid down in the Twelfth Plan period in each scheme**

**Financial progress** (Rs. in crore)

Year	Allocation (BE)	RE	Central Releases	%age of Achievement	Reasons for slow progress
2012-13	11075.00	9024.00	7868.76	87.20%	—
2013-14	15184.00	13184.00	12983.64	85.51%	—
2014-15	16000.00	11000.00	10764.45	97.86%	—
2015-16	10025.00	—	—	—	—

**Physical progress**

Year	Physical Target	Achievement	%age of Achievement	Reasons for slow progress
2012-13	3009700	2185773	72.62%	Some houses remaining incomplete at the end of the year are completed in the next year.
2013-14	2480715	1592367	64.17%	
2014-15*	2518978	980259	39.36%	
2015-16	1698822	—	—	—

\*Achievement for 2014-15 is as reported by States through the online MPR/MIS as on 31.01.2015

1.51 The Committee enquired about the reasons for reduction of allocation under the 12th scheme at RE stage during the last three years of the XII Five Year Plan. The Ministry in a written note stated as under:—

“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. 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.”

1.52 The Committee further enquired about the latest figures of expenditure under IAY as on 15.03.2015 and whether the DoRD will be able to utilise B.E. (2015-16) of Rs. 10,025.00 crore by the end of Annual Plan 2015-16. The DoRD in a written note stated as under:—

“As on 15.03.2015, an amount of Rs. 10768.58 crore has been released to the States against the R.E. of Rs. 11,000.00 crore. The remaining would be released within the end of the financial year. A substantial portion of the outlay would have to be released towards meeting the committed liability of the previous year, created due to the reduction in budget. 50% of the allocation for 2015-16 has to be released to the States as first instalment during the first quarter. The B.E. of Rs. 10,025.00 crore would be utilised in time.”

### **(iii) Challenges and Constraints faced in implementation of IAY**

1.53 The Committee had enquired about the challenges and constraints faced by the Ministry in implementation of IAY in various districts. The Ministry in a written communication stated as under:—

“An amount of Rs. 59,585.00 crore allotted to the scheme of IAY for the 12th Five Year Plan may not be sufficient for the entire plan

period in view of following reasons:—

- (i) The unit cost of IAY house has been increased from Rs. 45,000/- (plain areas) to Rs. 70,000/- and from Rs. 48,500/- (hilly/difficult/IAP districts) to Rs. 75,000/- w.e.f. 1-04-2013. The budget allocation has not been increased *vis-a-vis* the unit cost.
- (ii) Indira Awaas Yojana (IAY) is proposed to be revamped and implemented on a Mission mode. To achieve the Government's objective of 'Housing for All' by 2022, additional resources are required and the mobilization of resources has been a major constraint.”

1.54 On enquiring about the issue of increasing the funds per unit allocated in IAY, the Secretary, DoRD during evidence stated as under:—

“...एक तो आईओवाई की इनक्रीज इन कॉस्ट के बारे में कहा गया कि 70-75 हजार सफीशिअंट नहीं है। दूसरा सवाल उठा कि इसमें बीपीएल लिस्ट के लोगों को नहीं मिलता है। ये दोनों मुख्य समस्याएं हैं। बार्डर एरियाज में हाउसिंग के पैकेज की बात आती है। हम लोग सभी सोच-विचार कर रहे हैं। अभी एक नए प्रोग्राम की चर्चा चल रही है, हाउसिंग फॉर ऑल, रूरल एरियाज में भी और अर्बन एरियाज में भी। हाउसिंग फॉर ऑल इन रूरल एरियाज में हम केवल बीपीएल को सीमित करने के लिए नहीं सोच रहे हैं। उसमें शायद कुछ निष्कर्ष निकल सकता है। उसमें भी यूनिट कॉस्ट रिवीजन की चर्चा हो रही है।”

#### **(iv) Steps taken for improvement in implementation of the Scheme**

1.55 The Committee wanted to know the steps taken in the direction of improvement in implementation of IAY Scheme. The DoRD stated the following steps taken in this regard, as under:—

- “• Provision for Administrative expenses: Upto 4% of the funds released can be utilised for administrative expenses. The funds may be used to meet the cost of hardware/software procurement and hiring personnel on contract to enable operationalising the MIS - AwaasSoft, conduct of social audit, IEC activities, capacity building initiatives, conduct of evaluation studies and technology demonstration. The administrative expenses shall be shared by the Central and States in the same ratio as applicable to the programme expenditure.



- Convergence with MGNREGA: To compensate the beneficiary for wages forgone during construction of his/her house and with the objective of improving the quality of houses, house construction in rural areas has been included as permissible activity under MGNREGA. Necessary Guidelines have been issued to States in June, 2014.
- Convergence with Swachh Bharat Abhiyaan: Sanitary latrine is now a mandatory requirement of an IAY house in convergence with 'Swachh Bharat Abhiyaan' of Ministry of Drinking Water and Sanitation.
- Convergence with other schemes: States directed to ensure that IAY beneficiaries avail benefits of 'Unnat Chulha Abhiyan' of MNRE and the Pradhan Mantri Jan Dhan Yojana (PMJDY) of Department of Financial Services.
- Widening scope: IAY Guidelines have been amended to extend benefits of IAY to the families of rehabilitated manual scavengers, Tibetan Refugees and freed bonded labourers even if not BPL. Beneficiaries of Gram Panchayats identified under Sansad Adarsh Gram Yojana (SAGY) and Pradhan Mantri Adarsh Gram Yojana would be given priority under the scheme.
- Greater role for States: States have the flexibility to decide the number and quantum (or proportion) of instalments to be given to the IAY beneficiaries, subject to a maximum of four instalments and to fix district-wise targets. Flexibility to States to utilise surplus funds at the district/block level by transferring it to other districts where there is demand has also been provided.
- 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 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."

1.56 On being enquired about the presence of IAY in Border-Districts, the Secretary, DoRD clarified as under:—

“महोदय, बार्डर जिस्ट्रिक्ट में यह है और वहां भी कवरेज हो सकता है। इसमें कोई रुकावट नहीं है। अगर बीपीएल में नहीं है तो हम नई स्कीम में सोच रहे हैं कि कैसे कवर कर सकते हैं कि बीपीएल में न हो।”

## D. NATIONAL SOCIAL ASSISTANCE PROGRAMME (NSAP)

### (i) NSAP Scheme

1.57 National Social Assistance Programme (NSAP) is a Centrally Sponsored Scheme of 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 *i.e.* Indira Gandhi National Old Age Pension Scheme (IGNOAPS), Indira Gandhi National Widow Pension Scheme (IGNWPS), Indira Gandhi National Disability Pension Scheme (IGNDPS), National Family Benefit Scheme(NFBS) and Annapurna Scheme. The schemes of NSAP are implemented both in urban and rural areas. Schemes under NSAP were under State Plan from 2002-03 till 2013-14. Allocation of funds for implementation of the scheme of NSAP is made under the budget heads of Ministry of Finance and Ministry of Home Affairs till 2013-14. Funds were released in a combined manner for all the Schemes under NSAP to the States and UTs by Ministry of Finance and Ministry of Home Affairs respectively from their respective budget heads. The scheme of NSAP has been converted into Centrally Sponsored Scheme of Ministry of Rural Development from the current financial year 2014-15 *w.e.f.* 1st April, 2014. Allocation of funds for implementation of the scheme of NSAP is made under the budget head of Ministry of Rural Development. Funds are now being released scheme-wise by Ministry of Rural Development to the State/ UT Governments.

### (ii) 12th Five Year Plan Outlay

1.58 The total outlay for the scheme of NSAP for the current Five Year Plan (2012-17) is Rs. 48642.00 crore. The details of allocation and release made for the first two years (2012-13 and 2013-14) and the amount allocated for the 3rd year (2014-15) of the current Five Year Plan for the scheme of NSAP is as follows:—

(Rs. in crore)

Year	Amount allocated	Amount released
2012-13	8446.96	7884.55
2013-14	9614.50	9112.46
2014-15	7241.00	7072.93*
2015-16	9082.00	—

\*Amount released as on 27.02.2015

### (iii) Achievement of Plan Targets

1.59 The scheme of NSAP was under State Plan till the year 2013-14. Funds were released in a combined manner for all the Schemes under NSAP to the States and UTs by Ministry of Finance and Ministry of Home Affairs respectively from their respective budget heads. Funds for the scheme of NSAP are allocated based on the estimated number of beneficiaries under the different schemes of NSAP in each State/UT. If the States/UTs report a lower coverage of beneficiaries than the estimated number, the allocation of funds for such State/UT would be based on the reported number. In case the number of eligible beneficiaries is more than the estimated number of beneficiaries in any State/UT, the expenditure on excess number of beneficiaries would be met from the financial resources of the respective State/UT. In view of the above, financial/physical target has not been fixed for the scheme of NSAP. As far as financial progress is concerned, the details of funds allocated *vis-a-vis* the fund released during 2012-13 to 2014-15 are as follows:—

(Rs. in crore)

Year	Amount allocated	Amount released	% of achievement
2012-13	8446.96	7884.55	93.34%
2013-14	9614.50	9112.46	94.77%
2014-15	7241.00	7072.93	97.67%

1.60 As far as physical progress is concerned, the estimated number of beneficiaries *vis-a-vis*, the number of beneficiaries covered during 2012-13, 2013-14 is as follows:—

Scheme	2012-13			2013-14		
	Estimated	Reported	% of achievement	Estimated	Reported	% of achievement
IGNOAPS	2,30,48,594	22717749	98.56%	2,30,48,594	21839761	94.75%
IGNWPS	73,97,806	4965010	67.11%	73,97,806	6101250	82.47%
IGNDPS	11,03,836	1090168	98.76%	11,03,836	978524	88.64%
*NFBS	3,58,840	385771	—	3,58,840	231858	—
Annapurna	13,76,200	838914	60.95%	13,76,200	639125	46.44%
TOTAL	3,32,85,276	29997612	90.12%	3,32,85,276	29790518	89.50%

Scheme	2014-15		% of achievement
	Estimated	Reported	
IGNOAPS	18467532	20833673	112.81%
IGNWPS	8074757	6225999	77.104%
IGNDPS	1242543	1100927	88.60%
*NFBS	361563	175592	48.56%
Annapurna	784307	364512	46.47%
<b>TOTAL</b>	<b>28930702</b>	<b>28700703</b>	<b>99.20%</b>

\*Since NFBS is incident related (*i.e.* on the occasion of death of bread winner of BPL family), there is no question of achievement *vis-a-vis* reports received.

1.61 As per the existing criteria funds are allocated based on the estimated number of beneficiaries under the different schemes of NSAP in each State/UT. If the States/UTs report a lower coverage of beneficiaries than the estimated number, the allocation of funds for such State/UT would be based on the reported number. In case the number of eligible beneficiaries is more than the estimated number of beneficiaries in any State/UT, the expenditure on excess number of beneficiaries would be met from the financial resources of the respective State/UT. In view of the above, financial/physical target has not been fixed for the scheme of NSAP.

1.62 The scheme-wise estimated number of beneficiaries for the schemes of NSAP for the current Five Year Plan is as follows:—

Name of the Scheme	Estimated number of beneficiaries
Indira Gandhi National Old Age Pension Scheme (IGNOAPS)	2,30,48,594
Indira Gandhi National Widow Pension Scheme (IGNWPS)	73,97,806
Indira Gandhi National Disability Pension Scheme (IGNDPS)	11,03,836
National Family Benefit Scheme (NFBS)	3,58,840
Annapurna Scheme	13,76,200
<b>Total</b>	<b>3,32,85,276</b>

1.63 The Committee desired to know the existing age limit for pension IGWPS and IGNDPS. The Ministry in a written note stated as under:—

“Under Indira Gandhi National Widow Pension Scheme (IGWPS), widows in the age group of 40-79 years and belonging to family living below poverty line (BPL) are provided pension/assistance on fulfilling the eligibility criteria prescribed by the Government of India. After attaining the age of 80 years, the beneficiary is shifted to IGNOAPS.

Under Indira Gandhi National Disability Pension Scheme (IGNDPS), disabled persons in the age group of 18-79 years with severe or multiple disabilities and belonging to family living below poverty line (BPL) are provided pension/assistance on fulfilling the eligibility criteria prescribed by the Government of India. After attaining the age of 80 years, the beneficiary is shifted to IGNOAPS.”

1.64 The Committee enquired about the Direct Benefit Transfer (DBT) and NSAP-MIS for the benefit and convenience of the rural population to the Ministry on Rural Development, the DoRD in a written note stated as under:—

“The steps taken/proposed to be taken and suggestions if any for improvement in the implementation of each scheme:

NSAP-MIS: In order to increase the transparency and accountability in the implementation, it had been decided to computerize the data base of the beneficiaries under various schemes of NSAP. Accordingly the Software namely NSAP-MIS had been developed by NIC. The software captures all the essential processes and includes modules on identification, disbursement of pension, release of funds, verification, sanction of pension, ground for refusal etc.

Direct Benefit Transfer (DBT): DBT has been rolled out in 01.07.2013 in the selected 121 districts of 26 States on pilot basis for the three pension schemes under NSAP. It has now been decided to extend DBT across the country.”

#### **(iv) System of monitoring and control**

1.65 The process of implementation of the schemes is monitored by the Ministry of Rural Development through Monthly Progress Reports

given by the States/UTs in the prescribed formats. Non-reporting of the physical and financial progress reports is construed as lack of progress and therefore, it may result in non-release of funds for the last quarter of the financial year. The performance of the programme is reviewed with Secretaries once in a quarter during the Performance Review Committee (PRC) meetings of the Ministry. Social Audit and Annual Verification has been introduced under NSAP for improved monitoring, accountability and transparency. All the States are to complete the Annual Verification by 30th June and the Social Audit by 30th September, each year. A checklist for the schemes under NSAP is provided to the National Level Monitors (NLMs) during their field visits. Each NLM is advised to visit the district, block and village level offices and meet the Government functionaries, public representatives and the beneficiaries to get feedback on the implementation of the schemes under NSAP. Secretary of the nodal department at the State/UT level is responsible for report in the progress of implementation by co-ordinating with different departments concerned with the implementation of the schemes. NSAP is included in the schemes to be reviewed by the Vigilance & Monitoring Committees (V&MCs) constituted at the District Level, along with other Rural Development Schemes. MPs are represented in the V&MCs in the Districts.

#### **(v) Social Audit and Annual Verification**

1.66 The Committee desired to know the status of Social Audit and Annual Verification that has been introduced under NSAP for improved monitoring, accountability and transparency for the years 2013-14 and 2014-15. The Ministry communicated through a written note as under:—

“As per the revised guidelines of NSAP, the States/UTs have been requested to undertake Social Audit at least once in every six months. To confirm the existing beneficiaries States/UTs are required to constitute special verification teams.

As per the revised guidelines of NSAP, States/UTs are required to conduct annual verification of the existing beneficiaries under NSAP. States/UTs are required to constitute special verification teams for this purpose. For identification of new beneficiaries, the States/UTs are required to designate a verification officer or verification team to verify the applications with reference to facts related to eligibility within a period of two weeks from the date of application.

A Task Force was constituted under the Chairmanship of Member, then Planning Commission to prepare a proposal for Comprehensive National Social Assistance Programme. The Task Force considered

all the issues, demands and suggestions relating to pensions received from various quarters and submitted its report *inter-alia* recommending expanding the scope of coverage and increasing the quantum of pension including reducing the age limit under IGNWPS and IGNDPS. The recommendations of the Task Force have been examined in detail by the Ministry of Rural Development and accepted with some modifications. On the basis of recommendations of the Task Force, this Ministry prepared an EFC Memorandum and submitted the same to Department of Expenditure for seeking date and time. Department of Expenditure has sought further information in the matter.”

#### **E. NATIONAL RURAL LIVELIHOODS MISSION (NRLM) - Aajeevika**

##### **(i) Details of the Scheme**

1.67 The SGSY has been restructured as National Rural Livelihoods Mission (NRLM) in June, 2010 to implement it in a mission mode in a phased manner for targeted and time bound delivery of results. NRLM has now been renamed as ‘Aajeevika’. The two major strategic shifts under Aajeevika, *vis-a-vis* SGSY 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, resources and skills base; and (ii) Aajeevika will provide for a professional support structure for programme implementation at all levels for National to Sub-district level in different streams.

1.68 Universal social mobilization through formation of SHGs under Aajeevika will ensure that at least one member of each rural BPL household, preferably a woman member of the household, is brought under the Self Help Group (SHG) net. With a view to form strong Peoples Institutions, Aajeevika will focus on setting up of federations of SHGs from village panchayat to district levels. The goal of universal financial inclusion will be furthered through linking the SHGs with banks for securing credit. Aajeevika envisages Capacity Building and Training of the community Institutions and the personnel engaged in programme implementation as well as other stakeholders like Bankers, PRI functionaries etc. To meet the requirement both in terms of consumption and taking up the income generating activities, revolving fund is provided to the extent of Rs. 10000 - Rs. 15000 per SHG. Interest subsidy will be provided to SHGs for prompt repayment of loans to banks. The difference between 7% and Prime Lending Rates (PLR), will be provided to the poor households for every loan accessed from the banks, up to a limit of Rs. 1 lakh per household.

1.69 Mahila Kisan Sashaktikaran Pariyojana (MKSP) has been initiated as a sub-component of the NRLM to meet the specific needs of women farmers and achieve socio-economic and technical empowerment of the rural women farmers, predominantly small and marginal farmers.

1.70 Another Scheme under NRLM is for setting up of Rural Self Employment Training Institutes (RSETIs), one in each district of the country, for basic and skill development training of the rural BPL youth to enable them to undertake micro enterprises and wage employment.

1.71 Under NRLM, 25% of funds are available for placement linked skill development and innovative special projects. The objective of each Special Project for Skill Development would be to ensure a time-bound training and capacity building programme for bringing a specific number of Below Poverty Line (BPL) families above the poverty line through placement ensuring regular Wage employment.

1.72 The Ministry of Rural Development is also implementing a new scheme titled Skill Empowerment and Employment in J&K (SEE J&K) 'Himayat'. It envisages covering one lakh youth from rural & urban areas of J&K in the next five years. It will cover all youth with diverse education background *i.e.* school dropout, under graduate etc. 70% of the funds will be utilized for wage employment and remaining 30% for self employment. It is a 100% central assistance scheme.

1.73 As informed to the Committee, the position as of March 2014 is that all States except Goa have transited to NRLM (have set up a SRLM as society/company, appointed CEO and core team, and prepared action plan). Among the Union Territories, Puducherry has transited to NRLM. Goa and the remaining union territories (except Chandigarh and Delhi) are expected to transit to NRLM in FY 2014-15.

#### (ii) 12th Five Year Plan Outlay

1.74 The Ministry in their written submission informed that the proposed outlay for NRLM for 12th Plan is Rs. 48107.00 crore and the approved outlay was Rs. 29,006.00 crore. They submitted following details regarding Outlays for the first three years of the Plan *i.e.* 2012-13, 2013-14 and 2014-15:-

Sl. No.	Year	B.E Plan	R.E Plan	Actual Expenditure Plan
1	2	3	4	5
1.	2011-12	2914.00	2681.29	2394.88
2.	2012-13	3915.00	2600.00	2195.39



1	2	3	4	5
3.	2013-14	4000.00	2600.00	1822.11
4.	2014-15	4000.00*	2186.42	1877.85 (As on 28.02.2015)
5.	2015-16	2505.00**		

\* The allocation for 2014-15 also includes provision of Rs. 400 crore for the DRDA Administration Scheme which has been brought under NRLM budget from 2014-15.

\*\* Includes Rs. 255 crore for DRDA Administration. There is also a budget provision of Rs. 200 for the "Startup Village Entrepreneurship Programme" in addition to the NRLM outlay indicated above.

### (iii) States covered under NRLM

1.75 The Committee wanted to know the status of implementation of NRLM in different States and also objectives of NRLM achieved by them. The DoRD in a written note stated as under:

“All States and Union Territories were required to transit to NRLM, only after fulfilling the following conditions:

- set up a society or designate an existing society as State Rural Livelihoods Mission (SRLM) and place a fulltime CEO to head the Mission; and
- recruit suitable professional teams from the market for the Mission management units at the State, district and block levels albeit in a phased manner, after obtaining necessary approvals from the competent authority.

As on date, all States (except the State of Goa) and the Union Territory of Puducherry have transited to NRLM after meeting the stipulated conditions. After transiting to NRLM, the States have undertaken recruitment of professional staff and established dedicated implementation structures at the State, district and block levels. Notwithstanding the initial delays in the States transiting to NRLM and establishing implementation structures manned by professional staff, the Mission gathered momentum during FY 2013-14 and FY 2014-15. By December, 2014, the Mission had its footprint in 316 districts, 2125 blocks, 2.04 lakh villages and had mobilised 2.41 crore households into 20.95 lakh Self Help Groups (SHGs) compliant with NRLM norms. The State Missions have started disbursing Revolving Fund and Community Investment Fund to the SHGs and their federations for meeting their livelihood requirements.

Up to December, 2014, about 2 lakh SHGs were provided Revolving Fund and Community Investment Fund and the Missions are currently speeding up the process of capitalising SHGs and their federations. More significantly, the Mission has contributed to the growth of SHG-bank linkage during XII Plan. The available data indicates that the SHG bank linkage has shown considerable increase in States where intensive implementation of NRLM has commenced through Resource Block strategy. For instance, the average bank linkage per block in the Resource Blocks of Jharkhand, Maharashtra and Chhattisgarh has been significantly higher than the average per block bank linkage in these States. The relevant details are given as under:

**SHG – Bank Linkage in Resource Blocks during 2013-14 and 2014-15**

(Amount in Lakhs)

SHG-Bank Linkage	Jharkhand	Maharashtra	Chhattisgarh
Resource Blocks average	123.91	268.26	218.87
State average	19.52	215.40	133.87

1.76 As informed by the Department, the NRLM is progressively gaining momentum in many States with the addition of Resource Blocks. At present 107 Resource Blocks have been set up in 16 States over a period of three years as indicated in the table below:—

**State-wise Position of Resource Blocks**

Sl.No.	State	Year of Commencement			
		2012-13	2013-14	2014-15	Total
1	2	3	4	5	6
1.	Chhattisgarh	5	—	1	6
2.	Gujarat	—	—	3	3
3.	Jharkhand	5	5	2	12
4.	Karnataka	—	—	3	3
5.	Maharashtra	8	—	—	8
6.	Madhya Pradesh	3	3	1	7
7.	Rajasthan	—	10	5	15

1	2	3	4	5	6
8.	Uttar Pradesh	—	2	10	12
9.	West Bengal	—	—	2	2
10.	Jammu and Kashmir	—	4	4	8
11.	Haryana	—	4	3	7
12.	Nagaland	—	—	9	9
13.	Mizoram	—	—	4	4
14.	Meghalaya	—	—	4	4
15.	Himachal Pradesh	—	—	2	2
16.	Punjab	—	—	5	5
Total		21	28	58	107

As on today a large number of rural population still depend on the age old system of money lenders for livelihood and survival.

1.77 The State-wise physical progress in implementation of the Scheme as intimated by the Department is as under:—

**Progress of National Rural Livelihoods Mission: Feb., 2014**

Sl. No.	State	No. of Districts	No. of Blocks	No. of Villages Covered	No. of SHGs Promoted	No. of Households Mobilized into SHG	Revolving Fund (Amount in Rs. Lakh)	Community Investment Fund (Amount in Rs. Lakh)
1	2	3	4	5	6	7	8	9
1.	Assam	27	44	6453	47682	482599	3434	1620
2.	Bihar	25	179	17737	249013	3036648	3828	13966
3.	Chhattisgarh	11	18	1574	9496	89524	1035	1746
4.	Gujarat	9	20	1169	16625	178879	685	649
5.	Jharkhand	12	32	2034	13995	173029	1542	3381
6.	Karnataka	5	20	12086	7137	98605	653	0
7.	Madhya Pradesh	25	99	10709	71858	735829	2706	5292
8.	Maharashtra	10	36	2863	23156	248775	1511	1714
9.	Odisha	20	78	10481	105692	1149194	1311	302

1	2	3	4	5	6	7	8	9
10.	Rajasthan	23	34	3215	19906	227804	192	119
11.	Tamil Nadu	31	180	82338	151303	1687146	815	0
12.	Uttar Pradesh	22	22	793	4221	56120	209	0
13.	West Bengal	8	32	4558	41865	452677	3078	0
14.	Andhra Pradesh*	13	656	16834	669188	7019753	0	0
15.	Telangana*	9	442	13301	423361	4798524	0	0
16.	Kerala	14	152	14438	229089	3532589	303	143
17.	Haryana	9	19	445	2492	27659	213	230
18.	Himachal Pradesh	5	5	868	733	4551	47	0
19.	Jammu & Kashmir	12	12	565	5244	61508	588	1232
20.	Punjab	5	12	192	680	8276	62	42
21.	Uttarakhand	5	10	723	292	2376	3	0
22.	Meghalaya**	2	4	0	0	0	0	0
23.	Mizoram	2	4	27	712	5009	87	0
24.	Nagaland	9	9	160	1729	15965	112	0
25.	Tripura	3	6	204	175	1598	5	0
26.	Arunachal Pradesh	Transitioned to NRLM in 2013-14. Implementation has not yet commenced.						
27.	Sikkim							
28.	Manipur							
29.	Puducherry							
Total:		316	2125	203767	2095644	24094637	22416	30434

Notes: 1. \*Andhra Pradesh and Telangana with a strong SHG movement, were provided funds for purposes other than CIF;

2. \*\*the State of Meghalaya has recently commenced implementation and has not yet distributed CIF.”

#### (iv) System of monitoring and control

1.78 NRLM has instituted comprehensive Monitoring and Evaluation (M&E) and Management Information Systems (MISs).

- (a) NRLM M&E Studies: NRLM provides for impact evaluation comprising baseline and follow up studies in each state to assess the impact of the Mission on key outcome areas. The

following progress has been made in respect of M&E studies upto January, 2015:—

- (i) Baseline study is in progress in the States of Jharkhand, Maharashtra, Chhattisgarh, West Bengal, Madhya Pradesh, Gujarat, Karnataka, Bihar and Assam. Whereas States of Tamil Nadu, Uttar Pradesh, Rajasthan and Odisha are in the process of hiring Baseline Survey Agency.
  - (ii) Process monitoring is in progress in the States of Bihar, Odisha, Madhya Pradesh and Tamil Nadu, while the procurement for the same has been initiated in Assam, Chhattisgarh, Jharkhand, Maharashtra and Rajasthan.
  - (iii) Thematic Studies are in progress in the States of Andhra Pradesh, Bihar, Jharkhand, Maharashtra and Tamil Nadu.
- (b) NRLM MIS: NRLM with the technical support of NIC has rolled out NRLM MIS with following modules:—
- (i) **SHG Profile:** Under this module, profiles of all SHGs in the Country are expected to be uploaded on the NRLM portal. The profiles furnish information on the social background and poverty status of members and other details relating to the date of formation and bank account details. As of April 2014, member profiles of nearly 21.69 lakh SHGs were uploaded in the portal.
  - (ii) **Mission Structure:** The Mission has been designed to function in a phased but intensive manner. The intensive approach necessitates the presence of quality professionals at all levels of the Mission Structure. Thus, a directory of the Mission Staff at all levels (National, State, District and the Block level) has been created. This module is updated dynamically. The module provides details of professional staff engaged in the Mission at all levels and tracks recruitment programme and attrition.
  - (iii) **Monthly Progress Report (MPR):** To effectively track the Mission progress on critical parameters, a monthly progress module has been developed and rolled out. As the progress is to be tracked right from the block level, an online system of reporting has been rolled out to track progress from all blocks on a monthly basis.

- (iv) **SHG Report Card:** The SHG report card module is designed to track the physical and financial progress of individual SHGs on a monthly basis. The module tracks progress of each SHG in terms of democratic and financial parameters. The module enables Mission Management Units to track performance of the SHGs and design corrective action.
- (v) **Fund Disbursal Module:** The Mission provides community funds to the SHGs and their federated structures based on certain triggers. In order to track fund disbursal, a module is being designed and developed.
- (vi) **MIS Analytics:** As part of MIS, analytics reports are placed on the portal. NRLM MIS is hosted on <http://nrlm.gov.in/nrlmlive/>

## **F. BPL SURVEY**

### **(i) Brief Particulars of the Scheme**

1.79 The BPL Census is generally conducted on the eve of the 5th Year Plan and last such Census was conducted in 2002. For conducting the BPL Census for the Eleventh Five Year Plan, the Ministry constituted an Expert Group on 12th August, 2008 to advise it on the suitable methodology. The Expert Group, under the chairmanship of Dr. N.C. Saxena, submitted its report on 21st August 2009.

1.80 Initially, it was envisaged that the BPL Census would be conducted in 2010-11 and action initiated accordingly. Subsequently the Ministry of Rural Development with approval of Union Cabinet has decided to conduct a combined Census namely “Socio-Economic and Caste Census 2011” for collecting Socio-Economic and Caste data of households in the rural and urban areas of the country. Socio-Economic data thus collected will be utilized by respective States/UTs for identifying BPL households in rural areas under the purview of Ministry of Rural Development, as well as urban area under the purview of the Ministry of Housing and Urban Poverty Alleviation (M/o HUPA). Caste Census comes under the purview of RGI and Census Commissioner of India. SECC 2011 has been formally launched on 29th June, 2011 in the country which is being carried out by the respective States/Union Territory Governments with the financial and technical support of the Government of India.

**(ii) 12th Five Year Plan (2012-17) Outlay and Expenditure**

The Outlay *vis-à-vis* expenditure on BPL during 2012-13 to 2014-15 has been as under:—

Year	Allocated		Expenditure	Surrendered
	BE	RE		
2012-13	275	375 (275+100*) *(under first supplementary)	375	Nil
2013-14	59	306 (59+247)	306	Nil
2014-15	577	365	273 (up to 28.02.2015)	

1.81 On being enquired about the reasons for slow progress and percentage of achievement of Plan targets during twelfth Plan period by the Committee, the DoRD in a written note stated as under:—

“As suggested by the Expert Group in its report, the Ministry conducted a pilot survey to field test alternative methodologies and to arrive on methodology for conducting forthcoming BPL Census. BPL Pilot survey had been completed in 2010 in two stages. Results of BPL Pilot survey have been used to arrive on proposed methodology for identification of BPL Households/Target groups for implementation of various programmes of MORD. Funds for Socio Economic and Caste Census (SECC-2011) have been released to all the states/UTs. Guidelines for various activities have also been issued. Training of National Trainers, Master Trainers and training of SECC functionary such as enumerators and supervisors have been completed in most of the States/UTs. Socio Economic and Caste Census 2011 is conducted in six stages *viz.* enumeration, supervision, verifications & corrections, draft list publication, claims and objections and final list publication. Most of the States/UTs have completed up to the verification and correction stages. As on 03.02.2015, ‘Draft List’ has been published in 526 districts in 33 States/UTs and 118 districts in 13 States/UTs.

The reasons for slow progress of the SECC 2011 are mainly due to the fact that the state of preparedness of all the States is not similar. Some States are well equipped while some States lack adequate infrastructure to conduct the SECC. Even in States with good overall progress, inter-district variations are quite visible. Since the Socio Economic and Caste Census enumeration is done

with the help of low cost electronic handheld device (Tablet PC) for the first time; certain operational problems have been faced by the States/UTs. Also, recruiting data entry operators and training them for the Census and state of preparedness in the States/UTs are some of the reasons which delayed the survey operation. Besides, General Election, Legislative Assembly and Local Body elections etc. in some of the States also added to the delay. In order to improve the robustness of the data, a Verification and Correction module has been incorporated into the process over and above the standard procedure. This has also resulted in a time over run.”

1.82 The Committee further wanted to know the system of monitoring and control of performance over the scheme. The DoRD in a written note stated as under:—

“A web-based MIS is put in place to monitor the progress of SECC 2011. A system of concurrent monitoring of SECC by independent monitoring agencies is put in place to receive field level observations based on which due action is taken by the state governments to improve the quality of returns. The Ministry of Rural Development has been constantly monitoring the progress of the SECC in the States/UTs through visits, meetings and video conferencing to sort out the various issues and to ensure early completion of the Census operation.”

1.83 Expressing concern over the slow pace of implementation of the SECC, 2011, the Committee desired to know the status of progress in the same. The DoRD in a written note stated as under:—

“The SECC 2011 is conducted in six stages viz. enumeration, supervision, verifications & corrections, draft list publication, claims and objections and final list publication. 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. Status of the SECC as on 18.02.2015 as follows.”

**Socio-Economic and Caste Census (SECC) Progress report as on  
16th March, 2015**

Sl.No.	State/UT	Draft list Published	Final list Published (No. of Districts)
1	2	3	4
1.	Assam	27	27
2.	Chandigarh	1	1



1	2	3	4
3.	Lakshadweep	1	1
4.	Goa	2	2
5.	Sikkim	4	4
6.	Meghalaya	7	7
7.	Mizoram	8	8
8.	Manipur	9	9
9.	Nagaland	11	11
10.	Bihar	38	2
11.	Jharkhand	20	8
12.	Karnataka	30	27
13.	West Bengal	19	11
14.	A & N Islands	3	
15.	Andhra Pradesh	13	
16.	Chhattisgarh	18	
17.	Daman & Diu	2	
18.	Gujarat	26	
19.	Haryana	21	
20.	Jammu and Kashmir	22	
21.	Kerala	14	
22.	Puducherry	4	
23.	Telangana	10	
24.	Tripura	4	
25.	Uttarakhand	13	
26.	Arunachal Pradesh	16	
27.	Himachal Pradesh	8	
28.	Madhya Pradesh	50	
29.	Maharashtra	21	
30.	Odisha	10	
31.	Punjab	16	

1	2	3	4
32.	Rajasthan	29	
33.	Uttar Pradesh	69	
34.	Dadra & Nagar Haveli		
35.	Delhi		
36.	Tamil Nadu		
	Total	546	118

#### V. UNSPENT BALANCES

1.84 The unspent balance in different schemes as on 31.01.2015 as shown in Outcome Budget (2014-15) of Department on Rural Development has been as under:

		(Rs. in crore)
Name of Scheme		Amount
(i)	MGNREGA	5063.12
(ii)	PMGSY	1552.00
(iii)	IAY	7717.01
(iv)	SGSY (Aajeevika)	1710.30
(v)	NSAP	5182.96
	TOTAL	21225.39

1.85 On being enquired about the justification for such huge amount of unspent balances of Rs. 21,225.39 crore by the Committee, the Ministry in a written note stated as under:—

#### “(i) 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:

#### (ii) IAY

As per reports received, funds of Rs. 7120.74 crore remain with the State as on 28.02.2015. A substantial portion of this is the second

instalment released in the third quarter of the financial year which would be eventually utilised.

Release of funds to beneficiaries of IAY is linked to progress of construction of the house and beneficiaries are provided assistance in 3 or 4 instalments by the State. The house is constructed by the beneficiary himself/herself and wherever there is slow progress, the instalments get delayed. Normally, construction of a house under IAY takes more than a year to complete and spills over to next financial year. This leads to funds being retained at the district/block/gram panchayat levels.

The Ministry has been constantly monitoring the unspent balance and pursue the State Governments to reduce the unspent balance. In the forthcoming financial year all sanctions and disbursements would be made to the State and entire fund flow would be managed electronically and funds transferred directly to the beneficiary accounts from the central account. The scheme eventually would be brought under the Direct Benefit Transfer umbrella ensuring timely flow of funds and its efficient management.

**(iii) NSAP**

State/UT Governments are the implementing agencies under NSAP. Identification of beneficiaries, sanction and disbursement of pension is the responsibility of the State/UT Government. The funds for the three quarters for the year 2014-15 amounting to Rs. 7072.91 were released to State/UT Government up to December, 2014. Often the States do not release the amounts for the beneficiaries due to their internal financial reasons.

**(iv) Aajeevika**

So far as NRLM is concerned, one of the reasons for unspent balances is the transfer of unutilized funds under SGSY from the DRDAs to the State Rural Livelihoods Missions after the SGSY scheme ceased to exist from 01.04.2013. The SGSY balances are now treated as part of the NRLM funds. There has also been delay on the part of some of the State Governments in recruiting the required manpower for the implementation structure at different levels. In order to reduce the unspent balances, the Ministry had given instruction to 14 SRLMs to surrender a total amount of Rs. 1303.35 crore of which Rs. 726.08 Crore have been refunded by 6 States so far.

**(v) PMGSY**

Pradhan Mantri Gram Sadak Yojana (PMGSY) is a Centrally Sponsored Scheme with the objective to provide single all-weather road connectivity to all eligible unconnected habitations, existing in the

Core Network, in rural areas of 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, the Desert Areas (as identified in Desert Development Programme) and in 82 Selected Tribal and Backward Districts under Integrated Action Plan (IAP). A total of 1,78,184 habitations are targeted for providing road connectivity under PMGSY. The programme also has an Upgradation component with a target to upgrade 3.75 lakh Km of existing rural roads (including 40% renewal of rural roads to be funded by the States) in order to ensure full farm to market connectivity.

The XIIth Plan (2012-2017) Outlay for PMGSY is Rs. 1.05 lakh crore out of which the outlay for first two years of current Plan is only Rs. 45,700 crore.

The unspent balance available with the States for implementation of PMGSY as on 31st March, 2014 was Rs. 1,552 crore, however, with strict financial management the figure has now been brought down to a mere Rs. 278 crore as on 31.01.2015. The funds for the cleared projects are made available to the State Governments in two instalments. The first instalment amounting to 50% of the cleared value of projects is released taking into account the opening balance as on 1st April of the Financial Year (including interest accrued). For subsequent releases, State Governments are required to furnish Utilization Certificate to the Ministry showing expenditure of at least 60% of the available funds. As regards the amount involved in pending utilization certificate, it has come down to Rs. 5 crore (as on 28.02.2015). As per guideline provisions, there would be unspent balance available with states at any given point of time.

It has been reported in the Press that none other than the Hon'ble Minister for Rural Development has told the Rajya Sabha that States have failed to utilize as large as Rs. 30,000 crore meant for various flagship programmes like MGNREGA.”

1.86 On further being enquired by the Committee about the steps taken by the MoRD for persuading States to utilize the precious unspent balances, the Ministry stated as under:—

“In order to ensure effective delivery system and efficient implementation of the rural development programmes at the grassroot level, the Ministry of Rural Development has evolved a

comprehensive multi-level and multi-tool system of Monitoring and Evaluation mechanism for the implementation of its programmes. This ensures that the programme benefits reach the rural poor in full measure. Strict monitoring, periodic evaluations, transparency, accountability, people's involvement and social audit are key elements of the monitoring and evaluation system adopted by the Ministry of Rural Development. Besides, to maintain financial discipline, there is a provision of penalizing States for not following financial prudence and having unspent balance beyond a prescribed limit. Moreover, in recent years, IT based monitoring through MIS is done for all the major programmes.”

1.87 Asked whether the study was conducted in different ongoing programmes to ascertain the reasons for accumulation of unspent balances with the States and the finding of such study, the DoRD in a written note replied as under:—

“The Department has assigned a study to National Institute of Public Finance and Policy (NIPFP) to ascertain the reasons behind the unspent balance under rural development programmes implemented by the Department and to suggest the ways to improve utilization of fund.

The NIPFP has submitted its report on unspent balance in MGNREGA. The study found various reasons behind the unspent balance in different States including unscientific labour budget preparation, lower provision for administrative expenditure under MGNREGS in large States, anticipation of failure of monsoon by GPs and thereby proposing higher labour budget, greater time lag between the expenditure incurred and updating it in the MIS, lack of adequate and trained staff, long spell of rain in some States, fear of fund curtailment, lower participation of women due to cultural reasons and inefficient fund flow mechanism. The Department has already taken initiatives to improve the fund flow mechanism which are given below:

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 programme 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.

IAY: The States/UTs are persuaded during the course of Performance Review Committee meetings (held on quarterly basis) and during the Coordinating Officers meetings (held on monthly basis) to accelerate the pace of expenditure and to achieve the physical targets.”

## PART II

### OBSERVATIONS/RECOMMENDATIONS OF THE COMMITTEE

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/Recommendations of the Committee are given in the succeeding paragraphs.

*(Recommendation Sl. No. 1, Para No. 2.1)*

#### *Demands for Grants 2015-16*

2.2 The Committee while scrutinising 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 Awaas 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.

*(Recommendation Sl. No. 2, Para No. 2.2)*

#### *Non-utilisation of funds*

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 underutilization of funds as it ultimately affects the rural development programmes 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.

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

#### *Unspent Balances*

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 Awaas 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 execution of all the rural development programmes and schemes and thereby utilizing the funds at optimum level.

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

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 balances by which all implementing agencies including States/UTs should be made bound to achieve the physical as well as financial targets during the financial year so as to avoid unspent balances in future.

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

## MGNREGA

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.

*(Recommendation Sl. No. 6, Para No. 2.6)*

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.

*(Recommendation Sl. No. 7, Para No. 2.7)*

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.

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

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.

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

*Pradhan Mantri Gram Sadak Yojana (PMGSY)*

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 year 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 reduction 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 utilisation of funds during the current financial year and if necessary, the execution capacity of the States/ UTs should also be upgraded/improved. The Committee desire that the Ministry will take urgent necessary steps in this regard.

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

2.11 The Committee are concerned to note that against the target of 27000 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 target for road length for rural connectivity. The target of road length to be covered during 2015-16 is stated to be 26000 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 emphasising 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 inhabitations 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.

*(Recommendation Sl. No. 11, Para No. 2.11)*

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 grassroot 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 States of Left wing IAP Districts are the most vulnerable areas of our country and requisite facilities and appropriate relaxations should be given expeditiously to facilitate connectivity in IAP areas. While stressing the need for immediate construction of roads under PMGSY in IAP areas, the Committee recommend that appropriate measures should be urgently taken by the Ministry for redressal of the difficulties being faced by the inhabitants in these areas and necessary relaxations may be given to facilitate connectivity in IAP Districts for achieving the targets. The Committee also desire that the Ministry should coordinate with and seek the assistance of the Ministry of Forests and Environment and other concerned Ministries/Departments wherever required, in dealing with the various problems in IAP Districts.

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

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, sub-standard works under the scheme, poor quality of rural roads and lack of proper maintenance, repair and renovation of rural roads constructed under PMGSY scheme and various other irregularities. The Committee are of the view that

there is an eminent need for maintenance of rural roads under the scheme even 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 the remedial action taken therefore 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 and malpractices in implementation of the scheme. The Committee therefore strongly recommend that a mechanism be devised by the Ministry for fixing responsibility and accountability straightaway on the erring agencies and individuals and punitive action taken against them. The Committee desire that there should be 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.

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

*Indira Awaas Yojana (IAY)*

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 kutcha 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 are 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 recommend 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.

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

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 All' 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 recommend that the present level of assistance under IAY is grossly inadequate and there is a 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 expect 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.

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

*National Social Assistance Programme (NSAP)*

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 Scheme. 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 years 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 was 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 Sl. No. 16, Para No. 2.16)*

2.17 The Committee observed that taking into account the socio-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 Sl. No. 17, Para No. 2.17)*

*National Rural Livelihood Mission (NRLM) – Aajeevika*

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, resources 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 needs of women farmers and to achieve the socio-economic and technical empowerment of rural women farmers. 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 micro-enterprises and wage employment. Under NRLM, 25% of funds are for placement linked skilled development and innovative special projects. The Committee note that for the 12th Plan Period, an amount of Rs. 29006 crore was approved against the proposed outlay of Rs. 48107 crore. The BE of Rs. 3915 crore for the year 2012-13 was reduced at RE stage to Rs. 2600 crore and the expenditure of Rs. 2195.39 was even less

than the 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 stage, 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.

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

2.19 The Committee are informed that under Aajeevika, universal social mobilization through formation of Self Help Groups (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 Groups (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 levels and promote Resource Block strategy for intensive implementation

of the NRLM Scheme. The other components of NRLM like Mahila Kalyan 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.

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

*BPL Survey*

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 utilised by the respective States/UTs for indentifying 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 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 collected under SECC.

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

NEW DELHI;  
22 April, 2015  

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02 Vaisakha, 1937 (Saka)

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

ANNEXURE I

STANDING COMMITTEE ON RURAL DEVELOPMENT (2014-2015)

MINUTES OF THE FOURTEENTH SITTING OF THE COMMITTEE HELD  
ON WEDNESDAY, THE 25 MARCH, 2015

The Committee sat from 1100 hrs. to 1310 hrs. in Committee Room No. G-074, Ground Floor, Parliament Library Building (PLB), New Delhi.

PRESENT

Dr. P. Venugopal – *Chairperson*

MEMBERS

*Lok Sabha*

2. Shri Sisir Kumar Adhikari
3. Shri Kirti Azad
4. Shri Harish Chandra Chavan
5. Shri Jugal Kishore
6. Shri Manshankar Ninama
7. Shri Mahendra Nath Pandey
8. Shri Prahlad Singh Patel
9. Shri Gokaraju Ganga Raju
10. Dr. Yashwant Singh
11. Shri Ladu Kishore Swain
12. Shri Ajay Misra Teni
13. Adv. Chintaman Navasha Wanaga
14. Shri Vijay Kumar Hansdak

*Rajya Sabha*

15. Shri Mahendra Singh Mahra
16. Smt. Vijaylaxmi Sadho
17. Shri A.K. Selvaraj
18. Smt. Kanak Lata Singh

SECRETARIAT

1. Shri Abhijit Kumar – *Joint Secretary*
2. Shri R.C. Tiwari – *Director*
3. Smt. B. Visala – *Additional Director*
4. Smt. Meenakshi Sharma – *Deputy Secretary*

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

1. Shri J. K. Mohapatra – Secretary
2. Smt. Seema Bahuguna – Additional Secretary & Financial Adviser
3. Shri T. Vijay Kumar – Director General, CAPART
4. Ms. Sudha P. Rao – Chief Economic Adviser
5. Shri Rajeev Sadanandan – Joint Secretary
6. Dr. A. Santosh Mathew – Joint Secretary
7. Shri R. Subrahmanyam – Joint Secretary
8. Shri Rajesh Bhushan – Joint Secretary
9. Shri Atal Dulloo – Joint Secretary
10. Smt. Aparajita Sarangi – Joint Secretary
11. Dr. N.K. Sahu – Economic Adviser
12. Shri P.K. Mukhopadhyay – Adviser
13. Shri M.L. Meena – Deputy Director General, CAPART
14. Shri G.P. Gupta – Chief Controller of Accounts

2. At the outset, the Chairperson welcomed the members of the Committee to the sitting convened to take evidence of the representatives of the Department of Rural Development (Ministry of Rural Development) in connection with the examination of Demands for Grants (2015-16) of the Department.

*[Witnesses were then called in]*

3. After welcoming the witnesses the Chairperson read out Direction 55(1) of the Direction by the Speaker regarding confidentiality of the proceeding. The Chairperson in his welcome note highlighted the issue of reduced allocation and unspent balances with the Department of Rural Development. After permission from the Chairperson the Secretary,

Department of Rural Development (Ministry of Rural Development) made a Power-Point Presentation on the salient features, targets and achievements, reduced allocation, changed funding pattern in various Centrally Sponsored Schemes of the Department of Rural Development, issues and challenges. The members sought clarifications on various issues relating to achievements in MGNREGA, PMGSY, NSAP and IAY. Evaluation of vigilance and monitoring mechanism in MGNREGA, connectivity of hilly and tribal areas and in forest areas in PMGSY, existence of IAY houses in border areas adjacent to international borders etc. and constraints faced by the Department of Rural Development. These were replied to by the witnesses. On those queries on which the information was not readily available, the Department was directed to furnish written replies to the Secretariat.

*[The Witnesses, then, withdrew]*

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

*The Committee, then, adjourned.*



ANNEXURE II

STANDING COMMITTEE ON RURAL DEVELOPMENT (2014-2015)

MINUTES OF THE TWENTIETH SITTING OF THE COMMITTEE HELD ON  
TUESDAY, THE 21 APRIL, 2015

The Committee sat from 1500 hrs. to 1520 hrs. in Committee Room 'B', Ground Floor, Parliament House Annexe (PHA), New Delhi.

PRESENT

Dr. P. Venugopal – *Chairperson*

MEMBERS

*Lok Sabha*

2. Shri Harish Chandra Chavan
3. Shri Manshankar Ninama
4. Shri Prahlad Singh Patel
5. Shrimati Butta Renuka
6. Dr. Yashwant Singh
7. Shri Ladu Kishore Swain
8. Shri Ajay Misra Teni
9. Adv. Chintaman Navasha Wanaga
10. Shri Vijay Kumar Hansdak

*Rajya Sabha*

11. Shri Gulam Rasool Balyawi
12. Shri Mahendra Singh Mahra
13. Dr. Vijaylaxmi Sadho
14. Shrimati Kanak Lata Singh

SECRETARIAT

1. Shri Abhijit Kumar – *Joint Secretary*
2. Shri R.C. Tiwari – *Director*
3. Smt. B. Visala – *Additional Director*
4. Smt. Meenakshi Sharma – *Deputy Secretary*

2. At the outset, the Chairperson welcomed the members of the Committee to the sitting convened for consideration and adoption of three Draft Reports on Demands for Grants (2015-16) of the Department of Rural Development (Ministry of Rural Development), Department of Land Resources (Ministry of Rural Development) and Ministry of Panchayati Raj. After discussing the Draft Reports, the Committee adopted the three Draft Reports without any modifications. The Committee also authorized the Chairperson to finalize these Draft Reports taking into consideration consequential changes arising out of factual verification, if any, by the concerned Ministry/Department and to present the same to both the Houses of Parliament

*The Committee, then, adjourned.*



