

**STANDING COMMITTEE ON URBAN AND RURAL DEVELOPMENT
(1999-2000)**

FIRST REPORT

(1999-2000)

**MINISTRY OF URBAN DEVELOPMENT, MINISTRY OF URBAN
EMPLOYMENT AND POVERTY ALLEVIATION AND MINISTRY OF RURAL
DEVELOPMENT**

**ALLOCATION/UTILISATION OF CENTRAL FUNDS BY STATES UNDER
VARIOUS SCHEMES**

*Action taken by the Government on the recommendations contained in the Seventh
Report of Standing Committee on Urban and Rural Development (Eleventh Lok
Sabha)*

Presented to Lok Sabha on 16.3.2000

Laid in Rajya Sabha on 16.3.2000

**LOK SABHA SECRETARIAT
NEW DELHI**

March, 2000/Phalguna, 1921 (Saka)

CONTENTS

COMPOSITION OF THE COMMITTEE	
INTRODUCTION	(v)
CHAPTER I Report	
CHAPTER II Recommendations that have been accepted by the Government	57
CHAPTER III Recommendations which the Committee do not desire to pursue in view of the Government's replies	
CHAPTER IV Recommendations in respect of which replies of the Government have not been accepted by the Committee	
CHAPTER V Recommendations in respect of which final replies of the Government are still awaited	
APPENDICES	
I. Extracts of the Minutes of the 5th Sitting of the Committee held on 07.03.2000	131
II. Existing and Proposed selection of works/ Projects/Beneficiaries by the elected Representatives	134
III. Instruction for not diverting the funds meant for the components of Nehru Rozgar Yojana	137
IV. Instruction to constitute SUDAs and DUDAs	139
V. Position regarding constitution of SUDA/ DUDA task force in different States/UTs as on 1997-98	
VI. Analysis of the Action Taken by the Government on the recommendations contained in the 7th Report of the Committee (11th Lok Sabha)	143

COMPOSITION OF THE STANDING COMMITTEE ON
URBAN AND RURAL DEVELOPMENT (1999-2000)

Shri Anant Gangaram Geete — *Chairman*

MEMBERS

Lok Sabha

2. Shri Mani Shankar Aiyar
3. Shri Padmanava Behera
4. Shri Jaswant Singh Bishnoi
5. Shri A. Brahmanaiiah
6. Shri Swadesh Chakraborty
7. Shri Haribhai Chaudhary
8. Shri Bal Krishna Chauhan
9. Shri Chinmayanand Swami
10. Prof. Kailasho Devi
11. Shrimati Hema Gamang
12. Shri Vijay Goel
13. Shri Holkhomang Haokip
14. Shri R.L. Jalappa
15. Shri Babubhai K. Katara
16. Shri Madan Lal Khurana
17. Shri P.R. Kyndiah
18. Shri Bir Singh Mahato
19. Shrimati Raneer Narah
20. Dr. Ranjit Kumar Panja
21. Shri Ramchandra Paswan
22. Shri Chandresh Patel
23. Shri Dharam Raj Singh Patel

- *24. Prof. (Smt.) A.K. Premajam
25. Shri Rajesh Ranjan
26. Shri Nikhilananda Sar
27. Shri Maheshwar Singh
28. Shri Sunder Lal Tiwari
29. Shri D. Venugopal
30. Shri Chintaman Wanga

Rajya Sabha

31. Shrimati Shabana Azmi
32. Shri Karnendu Bhattacharjee
33. Shri N.R. Dasari
34. Shri C. Apok Jamir
35. Shri Onkar Singh Lakhawat
36. Prof. A. Lakshmisagar
- **37. Shri Jagdambi Mandal
38. Dr. Mohan Babu
39. Shri Onward L. Nongtdu
40. Shri N. Rajendran
41. Shri Solipeta Ramachandra Reddy
42. Shri Suryabhan Patil Vahadane
43. Shri A. Vijaya Raghavan

SECRETARIAT

- | | |
|---------------------------|-------------------------|
| 1. Shri S.C. Rastogi | <i>Joint Secretary</i> |
| 2. Shri R. Kothandaraman | <i>Deputy Secretary</i> |
| 3. Shrimati Sudesh Luthra | <i>Under Secretary</i> |

*Nominated *w.e.f.* 24.01.2000.

*Died on 13.01.2000.

INTRODUCTION

I, the Chairman of the Standing Committee on Urban and Rural Development (1999-2000) having been authorised by the Committee to submit the Report on their behalf, present the First Report on Action taken by the Government on the recommendations contained in the Seventh Report of the Standing Committee on Urban and Rural Development (Eleventh Lok Sabha) on 'Allocation/Utilisation of Central Funds by States under various schemes' of the then Ministries of Urban Affairs and Employment and Rural Areas and Employment.

2. The Seventh Report was presented to Lok Sabha on 11th April, 1997. The replies of the Government to all the recommendations contained in the Report were received on 22nd March, 1999.

3. The replies of the Government were examined and the Report was considered and adopted by the Committee at their sitting held on 7th March, 2000.

4. An analysis of the action taken by the Government on the recommendations contained in the 7th Report of the Committee (Eleventh Lok Sabha) is given in Appendix VI.

NEW DELHI;
14 March, 2000

24 Phalgun, 1921 (Saka)

ANANT GANGARAM GEETE,
Chairman,
Standing Committee on
Urban and Rural Development.

CHAPTER I

REPORT

This Report of the Committee on Urban and Rural Development (1999-2000) deals with action taken by the Government on the recommendations contained in their Seventh Report (Eleventh Lok Sabha) on Allocation/Utilisation of Central funds by States under various Schemes of the Ministries of Urban Development, Urban Employment and Poverty Alleviation and Rural Development (the then Ministries of Urban Affairs and Employment and Rural Areas and Employment) which was presented to Lok Sabha on 11th April, 1997.

2. Action taken notes have been received from the Government in respect of all the 71 recommendations which have been categorised as follows:

- (i) Recommendations/Observations that have been accepted by the Government:

Part I Para Nos. 2.6, 3.3, 4.4, 5.8, 6.3, 6.4, 9.3, 9.4, 10.3, 10.4 and 10.5.

Part II Para Nos. 2.7, 3.2, 4.3, 5.2, 5.3, 6.2, 7.2, 8.3, 9.2 and 9.3.

(Chapter XI common to all the five Departments of the said two Ministries)

Department of Urban Development:

Para Nos. 11.5, 11.6, 11.8, 11.9 and 11.10

Department of Urban Employment and Poverty Alleviation:

Para Nos. 11.5, 11.6, 11.7, 11.9, 11.10, 11.11 and 11.12

Department of Rural Development:

Para Nos. 11.5 and 11.6

Department of Wastelands Development:

Para Nos. 11.5, 11.7, 11.8 and 11.10

Department of Rural Employment and Poverty Alleviation:

Para Nos. 11.5, 11.6, 11.9, 11.10, 11.11 and 11.12

- (ii) Recommendations/Observations which the Committee do not desire to pursue:

Part I Para Nos. 5.9 and 7.3

Part II Para No. 2.4

(Chapter XI Common to all the five Departments of the said two Ministries)

Department of Urban Development:

Para No. Nil

Department of Rural Development:

Para No. Nil

Department of Wastelands Development:

Para No. 11.9

Department of Rural Employment and Poverty Alleviation:

Para No. Nil

- (iii) Recommendations/Observations in respect of which replies of the Government have not been accepted: .

Part I Para Nos. 2.7, 2.8, 4.8, 5.6, 5.7 and 8.2

Part II Para No. Nil

(Chapter XI common to all the five Departments of the said two Ministries)

Department of Urban Development:

Para No. 11.7

Department of Urban Employment and Poverty Alleviation:

Para No. 11.8

Department of Rural Development:

Para No. 11.7, 11.9 and 11.10

Department of Wastelands Development:

Para No. 11.6

Department of Rural Employment and Poverty Alleviation:

Para No. 11.8

- (iv) **Recommendations/Observations in respect of which final replies of the Government are still awaited:**

Part I Para No. 5.10

Part II Para No. Nil

(Chapter XI common to all the five Departments of the said two Ministries)

Department of Urban Development:

Para No. Nil

Department of Urban Employment and Poverty Alleviation:

Para No. Nil

Department of Rural Development:

Para Nos. 11.8, 11.11 and 11.12

Department of Wastelands Development:

Para Nos. 11.11 and 11.12

Department of Rural Employment and Poverty Alleviation:

Para No. 11.7

3. The Committee desire that the final replies in respect of the recommendations for which only interim replies have been given by the Government should be furnished to the Committee within three months of the presentation of the Report. The Committee also deprecate the delay on the part of Government in furnishing action taken replies to their recommendations. They hope that the Government would take suitable action to avoid delay in furnishing action taken replies in future.

4. The Committee will now deal with action taken by the Government on some of the recommendations.

PART I**(DEPARTMENT OF RURAL DEVELOPMENT)****A. Diversion of Central funds to Revenue Account or Personal Ledger Account****Recommendation (Para No. 2.7)**

5. The Committee in their earlier recommendation had noted as below:

“The Committee during their on-the-spot study visit to West Bengal and some of the North Eastern States have noticed several instances of diversion of funds. It was observed that outlay released by the Centre to the respective State Governments for rural development schemes are deposited in their Revenue Account or Personal Ledger Account to serve the various purposes as below:

- (i) to get the overdraft from Reserve Bank of India by showing higher deposits in their Revenue and Personal Ledger Accounts.
- (ii) to fulfil their various obligations like disbursement of salary etc. to their staff.

B. Non-fulfilment of norms for the release of Central funds**Recommendation (Para No. 2.8)**

6. The Committee in their earlier recommendation had observed as below:

“The Committee during their said visit also noticed that second and third instalments are released by the Centre to the State Governments in spite of the fact that they have not fulfilled the desired norms as per the guidelines like furnishing of Utilisation Certificates etc. They feel that this is an undesirable practice which provides a ground for the State Government for diversion of funds to other accounts.”

7. The Government in their reply to recommendations at Para Nos. 2.7 & 2.8 have stated as under:

“The Department of Rural Development is implementing three major schemes, as follows:

Rural Water Supply Programme.

2. Rural Sanitation Programme.

3. National Social Assistance Programme.

In the case of schemes listed at Sl. No. 1 and 2 above (*i.e.* Rural Water Supply Programme and Rural Sanitation Programme) the Central funds are released direct to the State Governments. The funds released by the Centre are deposited in the Account of State Governments by the Reserve Bank of India and thereafter the State Governments release funds to the concerned implementing agencies like Public Health and Engineering Departments (PHEDs) etc. for taking up Water Supply & Sanitation Projects, with the approval of the respective Finance Department. As per the guidelines of Rural Water Supply Programme, the State Governments are not allowed to meet any expenditure on administrative cost out of central release. However, under CRSP 3% of the annual allocation can be utilized by the States for administrative cost. The guidelines Governing the Rural Water Supply Programme and Rural Sanitation Programme are very specific that under no circumstances the funds should be diverted for any purpose. So far, no case of diversion of funds under these schemes has come to the notice of this Department. Since the funds are released in two instalments and the second instalment is released only upon proper utilisation of the available funds including first instalment, it is ensured that the funds are utilised properly.

The third scheme *viz.* National Social Assistance Programme came into effect from 15th August, 1995. Under this Scheme, funds are released directly to the DRDAs.

The District Collector or any other Officer given the nodal responsibility of implementing the Programme at the district level is responsible for proper implementation of programme strictly

in accordance with the guidelines and procedure set by the Department. As the programme has been recently started, no diversion of funds has come to the notice of this Department so far."

8. While noting the reply of the Government, the Committee find that they have not furnished the specific reply on the issue of depositing of outlay meant for the respective schemes of the Department, in the Personal Ledger Accounts of the respective State Governments to meet the various obligations and issuing second and third instalment without fulfilling the requisite formalities as observed by the Committee during their on-the-spot study visit to West Bengal and some of the North Eastern States during 1995-96. They find that instead of replying to the specific issue, the Government have furnished the already existing guidelines of the major schemes. The Committee reiterate their earlier recommendation and would like that the specific issues as mentioned above should be addressed to in the action taken reply. Further, information in respect of all the schemes of the Department should be given.

C. Short release of allocated funds

Recommendation (Para No. 3.3)

9. The Committee had recommended as under:

"The Committee note with concern that a huge amount was not released out of the Central allocation over the years. For example, even during 1995-96, the amount not released was to the extent of Rs. 443.938 crore. The Committee are deeply concerned about the accumulation of huge amount of allocated money not released, by the Central as well as State Governments. The Committee would like to have an explanation of the Department in this regard and would like to urge that for various schemes the Department should find out ways and means to utilise the entire amount allocated to the Department by the Planning Commission.

The Committee are surprised to note that the amount has not been released for the particular years under different Central Schemes by the Centre as well as State Governments under their State Government funds. The position as given for the year 1995-96 is quite alarming. When we see the Central

Sector allocation, out of Rs. 1814 crore Revised Estimates, Rs. 443.938 crore was not released which comes to around 24.4%. They are disturbed to note that there is not only meagre allocation for the different Centrally Sponsored Schemes but the funds finally allocated and agreed to by the Planning Commission are not allocated fully for the schemes. They feel that this is a gross injustice to the poorer section of society for which the schemes have been launched. The Committee would like to recommend emphatically that the funds finally agreed to by the Planning Commission should be allocated fully for the respective schemes and further it should also be ensured that the State's matching contribution is also provided."

10. The Government in their reply have stated as below:

"In paragraph 3.1 and 3.3 of the Report it has been mentioned that a total amount of Rs. 870.678 crore was not released. Out of this amount, the Central contribution (not released) has been shown as Rs. 698.132 crore and the State Contribution (not released) as Rs. 172.542 crore. The details given in paragraph 3.2 and Annexure-I of the report, however, work out as below:

(Rs. in crore)

(1)	(2)
RWSP	
ARWSP	
MNP	149.802
RGNDWM	
RSP	
CRSP	9.81
MNP	22.74
NSAP	
NOAPS	54.36

(1)	(2)
	49.42
NMBS	28.66
Land Reforms	
Grants-in-aid to Agrarian Institutions	0.41
Roads in Special Problem Areas	1.48
Total	443.938 (Not Rs. 870.678 crore)
Centre's contribution (Not released)	271.396 (Not Rs. 698.132 crore)
State's contribution (Not released)	172.548

The final figures of funds not released are as follows:

Rs. in crore	
(1)	(2)
RWSP	
ARWSP	0.000
MNP	113.783
RGNDWM	72.314
RSP	
	0.576
	6.281

(1)	(2)
NSAP	
NOAPS	78.80
NFBS	
NMBS	
Land Reforms	
Grants-in-aid to Agrarian Institutions	
Roads in Special Problem Areas	
O.B.	
P.C. & S.A.P.	
	357.589
Centre's contribution (Not released)	237.525
State's contribution (Not released)	120.064

State's contribution (not released)

The Central Government has no control on release of funds by the States/UTs under their MNP. Against the provision of Rs. 1238.254 crore for Rural Water Supply, the expenditure reported during 1995-96 was Rs. 1124.471 crore, resulting in a shortfall of Rs. 113.783 crore. Similarly under Rural Sanitation the shortfall was only Rs. 6.281 crore.

ARWSP and CRSP

As regards, the ARWSP against the budget provision of Rs. 866.80 crore, the amount released was Rs. 868.8466 crore. Thus, there was no shortfall in releases. Under Rajiv Gandhi National Drinking Water Mission, against the allocation of Rs. 243.20 crore, an amount of Rs. 170.886 crore was released. Under CRSP the shortfall was only Rs. 0.576 crore. The recommendations of the Committee are accepted.

The allocation for 1996-97 was fully released to the implementing Departments/agencies. It is also ensured that the State matching contribution is provided.

NSAP

So far as NSAP is concerned, the funds that could not be released during 1995-96 under the three schemes of NSAP are given below:

NOAPS	Rs. 78.80 crore
NFBS	Rs. 48.90 crore
NMBS	Rs. 25.32 crore

NSAP is a new scheme launched with effect from 15th August, 1995 and Budget provisions of Rs. 550 crore was made in the Revised Estimate for seven and a half months. Allocation to States is based on numerical ceiling and qualifying financial entitlement and also the total budgetary outlay. Release of funds to States is dependent on their furnishing utilization/expenditure statements in respect of funds released earlier. The recommendation of the Committee is noted and all efforts are being made to get utilization/expenditure statements from the States in time and release funds. NSAP is a 100% centrally funded scheme and there is no matching contribution from the States.

Institutions for Agrarian Studies

Under the Central Sector Scheme of Grants-in-aid to Institutions for Agrarian Studies, funds amounting to Rs. 0.41 lakh could not be released due to non-finalisation of proposals for conducting studies on the subjects of Tenancy Reforms and Tribal Land Alienation.

Rural Roads

The outlay provided for 1995-96 was Rs. 2 crore towards central liability for ongoing works in Madhya Pradesh and Rajasthan, since central liability for ongoing works in Uttar Pradesh had already been fulfilled, during the year an amount of Rs. 52 lakh was released to Rajasthan but no amount could be released to Madhya Pradesh since the progress of works in the State was not satisfactory. The State Government had not released its share of funds equivalent to the Centre's share. The State Government had reported that some roads

could not be completed for want of clearance from the Forest Department. This Ministry is pursuing with the State Government to take all possible steps including necessary clearances, release their matching share of funds and complete the ongoing works expeditiously.

CAPART

Council for Advancement of People's Action and Rural Technology (CAPART), an autonomous organisation under the aegis of the Ministry of Rural Areas & Employment, is implementing the O.B. and P.C. & S.A.P. Schemes through voluntary organisations. These schemes are fully funded by the Central Government. Provision in the Budget is made for these schemes on the basis of the estimated requirement reported by CAPART. Funds provided in the Budget are released to CAPART in instalments based on the availability of funds with CAPART, its estimated requirements, receipt of utilisation Certificate, etc. During the year 1995-96, the actual requirement of funds projected by CAPART as compared to the budget provision was less because of the following reasons:

- (i) CAPART was decentralized by setting up of six Regional Committees at Jaipur, Lucknow, Bhubaneswar, Hyderabad, Ahmedabad and Guwahati. These Regional Committees were authorised to sanction project proposals upto an outlay of Rs. 5.00 lakh. Transfer of records to these Regional Committees took some time.
- (ii) With a view to strengthening the sanctioning procedure, the system of pre-funding appraisal was introduced. This system of pre-funding appraisal of project proposals received, took some time to take off.
- (iii) With a view to bring in greater transparency in the functioning of CAPART some procedural changes were effected. This resulted in some delays in processing the project proposals.
- (iv) Because of the above major reasons, the number of projects actually approved by CAPART were considerably less than that expected at the time of providing funds for the schemes of O.B. and P.C. & S.A.P. in the budget for the year 1995-96.

11. The Committee find that the data in respect of the funds not released under various schemes of the Department during 1995-96 was given in the report as Rs. 443.938 crore and not Rs. 698.132 crore as explained in the action taken replies. Further, while accepting the reasons furnished by the Government for the unspent amount under different schemes, they would like that efforts should be made for the 100% utilisation of the Central funds and matching share, where provided, under the respective schemes of the Department.

D. Accumulation of huge unspent balances and their utilisation

Recommendation (Para No. 4.4)

12. The Committee had recommended as below:

"The Committee note with concern the huge accumulated unspent balances that have been as high as 33% of the Revised Estimates for the year 1995-96. They are perturbed to note that there is not even a single scheme/programme of the Department for which nil unspent balance exists. They apprehend that the rule which provides that 25% of the annual allocation can remain unspent is a licence for the State Government to keep huge amount as unspent amount. Further, it is noted with regret that major portion of the funds are released at the fag end of the year and that too in the month of February and March. It is needless to highlight here that monitoring for the Centrally Sponsored Schemes needs to be further strengthened and there is a great scope for revision of the set guidelines by the Centre as recommended in the Para 2.6 in Chapter-II. There should be some uniform pattern for the release of funds with proper time schedule for all the schemes being implemented by the Department. The Committee need hardly emphasise that given the huge task of reaching out to the last and most under privileged section of the society the Department can hardly afford a situation leading to unspent balance under any scheme. The Committee would like to recommend that the Department should take immediate steps to review the guidelines in respect of the various schemes which encourage unspent balance as given in Para 4.2 above. It is also urged that the Department should chalk out a time schedule in consultation with the respective State Government/UT administration by which the entire accumulated unspent amount could be utilised for that particular scheme."

3. The Government have replied as below:—

“The guidelines of the ARWSP for the Ninth Plan will be reviewed in order to reduce the permissible ceiling of 25% to 15% as in the case of CRSP. As recommended by the Committee the matter will be discussed with the concerned States/UTs for utilisation of the accumulated unspent amount.

The monitoring of utilisation of funds under the two Centrally Sponsored Schemes administered by the Land Reforms Section *i.e.* (i) SRA & ULR and (ii) Computerisation of Land Records is done throughout the year by correspondence, field level visits by the Area Officers of the Ministry and by convening the Conference of Revenue Secretaries and Minister. The last such conference of Revenue Secretaries, Commissioners/Directors, Survey Settlement and Land Records and selected Collectors was organised recently on 28th and 29th April, 1997 and detailed discussions were held on utilization of funds under the schemes in the Conference. The position of utilisation of funds under the schemes was also deliberated in the last Revenue Ministers Conference held on 28.1.1997. The Conference *inter-alia* recommended gearing up of revenue machineries by the States for utilization of outstanding balances under the schemes. It is, expected that the position of utilization of funds under the schemes would improve significantly during the current financial year.

As far as NSAP is concerned, the reasons for late release of the second instalment have already been explained to the Committee earlier. The Ministry would like to reiterate that all out efforts are being made to obtain necessary information from State Governments regarding expenditure incurred so that second instalment can be released well in time. NSAP guidelines do not contain any provision which would encourage State Governments to accumulate unspent balances. The Ministry has already impressed upon the State Governments to speedily implement the schemes and fully utilise the amounts already available with them. This will be pursued with State Governments on a continuing basis.

The scheme of ETC being implemented by the Training Division has meagre allocation over the years. The allocation of ETC during 1995-96 was Rs. 3 crore. This scheme is demand

driven and funds (grants-in-aid) are released to the States as per their specific requirements subject to its full utilisation during the same financial year. In case any portion of funds remain unspent, the revalidation of the balance amount has to be got done by the respective State Government from this Ministry. Thus huge unspent balance does not remain with the State Governments under this scheme."

14. While appreciating the steps taken by the Government to reduce accumulation of huge unspent balance in all the schemes of the Department, the Committee would like to know the final decision taken with regard to the reduction of permissible ceiling of 25% to 15% and outcome of the discussion, if held, with the States/UTs on the issue of utilisation of the accumulated unspent balances under ARWSP.

E. Unspent balance left with CAPART

Recommendation (Para No. 4.8)

15. The Committee had noted as under:-

"The Committee are surprised to find that the objective for which CAPART and other voluntary organisations were involved in the implementation has not yet been achieved. Similarly, they note that the purpose that voluntary organisations will inject an element of competition for the Governmental agencies, as admitted by the Secretary, has been totally defeated. They are equally surprised to note that even after completion of eight months of fiscal year 1995-96, the Department does not have a correct estimate of the total unspent balance left with CAPART as on 1.4.96 and the Department does not regularly monitor the schemes which CAPART funds. In view of the above scenario, the Committee urge the Department to initiate immediate corrective steps in consultation with CAPART to utilise the unspent balance left so far. They would also like the Department to regularly monitor the claims of CAPART and the schemes by its own existing monitoring mechanism."

16. The Government have replied as under:-

“The position relating to funds released to CAPART during 1995-96, expenditure incurred by CAPART during 1996-97 and unspent balance with CAPART as on 1.4.95 in respect of ARWSP, shown in the report reflects cumulative figures upto 1995-96, and the figures of expenditure for 1995-96 in respect of CRSP, OB and PC & SAP has been shown as expenditure for 1996-97. However, the actual position of release during 1995-96, expenditure during 1996-97 and unspent balance with CAPART as on 1.4.95 and 1.4.96 under the schemes of ARWSP, CRSP, OB and PC & SAP is as follows:

(Rs. in crore)

Name of the Scheme	Release 1995-96	Expenditure 1996-97	Unspent balance as on	
			1.4.95	1.4.96
ARWSP	20.00	3.27	6.18	11.03
CRSP	1.70	8.27	5.91	1.45
OB	0.875	2.36	0.98	1.07
PC & SAP	2.90	5.63	1.72	(-) 0.20
Total	25.475	19.53	14.79	13.35

Voluntary organisations are encouraged by the Government to supplement Government's efforts and also to involve people in the development works so as to achieve sustainability as far as possible. Further voluntary action is also encouraged to supplement scarce public resources through the mobilisation of people's contribution. Since the beginning of VII Plan, voluntary action is getting lot of importance and the budget provision under different Ministries went up gradually over the years. These, in fact, are the reasons of prompt voluntary action.

The duration of the project sanctioned by CAPART varies from project to project and as such depend on the nature of the project.

Further the funds sanctioned are released in stages based on the progress achieved and physical monitoring of the project from time to time. Therefore, the balance of funds available are carried over to the next year. Efforts are being made by CAPART to utilise as much funds as possible."

17. The Committee are not satisfied with the reasons advanced by the Government for the accumulated unspent balances with CAPART. The data with regard to unspent balances as furnished by the Government in the action taken replies is indicative of the lack of monitoring. The Committee would like to reiterate their earlier recommendation to initiate immediate corrective steps in consultation with CAPART for utilisation of the unspent balances with CAPART.

F. Lower priority given by the State Governments to the Centrally Sponsored Schemes

Recommendation (Para No. 5.6)

18. The Committee had noted as below:

"The Committee note with concern the reasons furnished by various State Governments for not providing the requisite share or spending lesser amount of the State's share under the respective schemes as given at Para 5.3 and 5.4 above. They feel that State Governments have not taken the Centrally Sponsored Schemes for the upliftment of poorer of the poor, seriously. It is surprising to note that statement given by the Maharashtra Government with regard to the lesser spending under Central Rural Sanitation Programme as low priority given by the respective State Government. It is astonishing to note that one of the bigger priority programme to provide hygienic conditions to the rural masses has not been given priority by the State Government. The reasons given by the other State Governments are equally disturbing. The Committee feel that States have yet to take the programmes for rural masses as priority programmes. They would like to recommend that Centre should take necessary corrective steps to make the State Governments aware of the priority for these programmes. Unless earnest action is taken on their part there could not be any sources for the satisfactory implementation of the programmes."

G. Release of matching contribution and submission of Monthly Progress Reports

Recommendation (Para No. 5.7)

The Committee had recommended as below:

“The Committee are disturbed to note that many States/UTs do not provide Monthly Progress Reports in time. They also feel that the delay in releasing the State share and reporting of utilisation to the Department ultimately delay releasing of subsequent instalment by the Central Government which in the other way affects the implementation of the programme. They would like to recommend that the Department should take up these issues with the State Government/UT Administration and sort out some corrective measures for the better implementation of the programme. It is also recommended that there should be some fool proof mechanism to verify the matching contribution by each of the State Government/Union territories. The guidelines in this respect should be suitably modified.”

20. The Government in their reply to Para numbers 5.6 and 5.7 have stated as under:—

“The matter is taken up with the concerned States from time to time and will also be discussed in the Conference with all the States scheduled to be held in this year.

The guidelines of the CRSP provide for matching contribution by each State/UT.”

21. The Committee take serious note of the way the Government have taken their recommendation on the issue of giving priority to one of the most priority programme *i.e.* Rural Sanitation Programme. They would like to know the outcome of the Conference with all the States as mentioned in the action taken reply. As regards the issue of monitoring the position of matching contribution by State Governments as per the guidelines, the Government have simply stated that CRSP guidelines provided for that. The Committee are not satisfied with the reply and feel that some concrete action is required in this regard. They reiterate their earlier recommendation to have some fool proof mechanism to check the matching contribution made by the respective State Governments in their respective schemes.

H. Incentive to better performing States

Recommendation (Para No. 5.10)

22. The Committee had recommended as below:

“The Committee feel that some sort of incentives to the States who are contributing the matching share in time and furnishing timely Monthly Progress Reports as per the guidelines will certainly enthruse the other States for the same. They would like to recommend that the Department should chalk out some sort of incentive scheme for the programmes as implemented by the good performing States.”

23. The Government have replied as under:

“The recommendation of the Committee will be examined. Better performing States can be provided additional assistance over and above the normal allocation.”

24. While noting the reply of the Government that better performing States could be given additional assistance, the Committee would like to know the final decision taken by the Government in this regard.

I. Provision for administrative expenses

Recommendation (Para No. 6.3)

25. The Committee had observed as under:

“The Committee are distressed to note that except for NSAP, the existing guidelines of different Schemes being implemented by the Department, either do not clearly mention provisions for administrative expenses or have nil ratio of expenditure for administrative expenses. As a result, allocation for such programmes/schemes are definitely inadequate to take care of the requirement on account of administrative expenses. They also note that administrative charges, are disbursement charges, which are meant for administering the schemes in a proper manner and provide infrastructure for it. At the same time, administrative charges should be sufficient to meet disbursement charges. They recommend that all the Centrally funded/Centrally sponsored

schemes should have a clear provision in the guidelines itself, for the administrative expenses. They also recommend the Department to earmark a fixed ratio of administrative expenditure for each programme/scheme which will take care of administrative expenses adequately."

J. Proper utilisation of administrative expenses

Recommendation (Para No. 6.4)

26. The Committee had recommended as below:

"The Committee would also like to recommend that the funds earmarked for administrative expenditure should be incurred on the same. There should not be any diversion of such funds for other purposes."

27. The Government in reply to Recommendation Para Nos. 6.3 and 6.4 have stated as under:

"Under the CRSP, the percentage (3%) fixed for administrative expenses relates only to the Central share.

Under the ARWSP, since the entire cost of administrative expenses is met out of the MNP funds which are counted towards matching provision for ARWSP, there is an indirect ratio of administrative expenditure, apart from Rs. 10 lakh p.a. for states and Rs. 6 lakh p.a. for UTs given as Central assistance for Monitoring and Investigation Unit/Divisions. Moreover, the States/UTs have found the existing procedure satisfactory and have not demanded any change to permit any fixed percentage as administrative expenses under the ARWSP.

The Ministry had already indicated to the State Governments that funds earmarked for administrative expenditure under NSAP should be used for publicity, Money Order Commission, etc. The recommendation of the Committee is noted and States will be told that no diversion of such funds should be made.

In so far as CAPART is concerned, project sanctioned by it are provided with administrative cost @ 5% to 10% depending upon the nature of the project.

The schemes of Establishment/Strengthening of Regional Training Centres for Training and Research (SIRD), launched during VI Plan, has the objectives to revitalise the training infrastructure at State level in order to make the implementation of rural development programmes effective. Grants-in-aid is released to States/Institutes under recurring & Non-recurring heads. 75% of the total budget sanctioned under the scheme is meant for developing infrastructure facilities. The central assistance for this purpose is 100%. The remaining 25% of the total budget sanctioned is utilised for recurring expenditure of SIRDs. This recurring expenditure is shared on 50:50 basis between the Centre and the State Governments. These funds are exclusively utilised to meet the administrative expenses of the implementing agencies, and are adequate.

The Centrally Sponsored Schemes for SRA & ULR and Computerisation of Land Records are being implemented by the States/UTs through their Revenue Departments and at present except for training of the Revenue, survey & Settlement staff funds for administrative expenses under the Schemes are not being provided to the States/UTs. In fact, the Department does not provide financial assistance to the States/UTs for all activities relating to survey and settlement operations and updation of Land Records. It only provides funds to support the State Government to adopt more advance technologies in the field of survey & settlement operations and Computerisation of Land Records. The approach is to reduce the workload of the revenue, survey and settlement staff and improve the delivery system. Total funding by Government of India for updating of revenue maps/land records in the States does not seem to be possible as this is a bigger issue involving huge financial requirement and falls within the exclusive jurisdiction of the State Governments. As the schemes are aimed at assisting the States in the task of updating and computersiation of land records and are being

implemented by the States through their Revenue Departments which have adequate staff and budgetary provisions for administrative expenses it is not considered necessary to have fixed ratio of expenditure for administrative expenses under these schemes.

The cost of works sanctioned under the Scheme 'Roads in Special Problem Areas' includes establishment expenditure. Therefore, fixed ratio of administrative expenses was not earmarked separately."

28. While noting the reply of the Government, the Committee find that there is a need to provide for fixed ratio of administrative expenditure for the Centrally Sponsored Schemes of SRA & ULR and Computerisation of Land Records. While appreciating the financial constraints of the Government for updating of revenue and land records of the States, the Committee feel that the provision for administrative expenses would definitely improve the implementation of the scheme and ensure 100% utilisation of funds.

K. Adequacy of infrastructure at implementation level and maintenance of assets created under the Schemes

Recommendation (Para No. 8.2)

29. The Committee had noted as below:

"The Committee note with concern the inadequate attention given to the infrastructure at the implementation level and maintenance of assets created under the scheme. They feel that equally important is the maintenance of the assets created under the respective schemes. It is further disturbing to note the contradictory statement of the Department. On the one hand it has been stated that apart from some of the schemes like NSAP, SRA & ULR, the infrastructure is available with NGOs and is at the institutional level and on the other hand they are not sure about the claim of the implementing agencies

about the adequate infrastructure. The Committee take the said statement strongly and would like to recommend that it should be ensured that adequate infrastructure is available with the implementing agencies. Equal emphasis should be given to the maintenance of assets. It is recommended that certain fixed ratio of expenditure should be earmarked for the maintenance of assets. Further they would also like that it should be ensured that the funds are spent for the said purpose."

0. The Government have replied as below:

"The recommendation may be accepted. 10% each of the annual ARWSP and MNP funds are earmarked for maintenance of the assets. Under CRSP, as the schemes are mainly for individual household latrines, no fixed ratio/percentage is earmarked.

In so far as CAPART is concerned, the projects are to be implemented with the help of the beneficiaries as far as possible. During the course of implementation of the projects, voluntary organisations are expected to mobilise contributions both in the form of cash and kind and whatever is possible to supplement CAPART's assistance. The involvement of beneficiaries at the implementation stage ensures accomplishment of quality work and also results in proper maintenance of assets created. Under Programmes like Drinking Water, beneficiaries are associated in selection of site and training is also given to them for proper maintenance of handpumps to reduce dependence on the external agencies.

Funds for creating infrastructure are already being provided to the States/UTs under the programme of Computerisation of Land Records. Till the completion of the computerisation of Land Records, project maintenance cost involved is also being met by the Government of India under the scheme.

After completion of the project as per the memorandum of understanding, the State Governments are required to meet the expenditure on maintenance. For implementation of the scheme of SRA & ULR requisite infrastructure is already available with the State Governments. However, State Governments are being assisted for creating adequate infrastructure in areas like training of Revenue, Survey & Settlement staff, adoption of modern technologies available in the field of survey and settlement and for strengthening the existing infrastructure for updation of land records *viz.* Office equipments, record rooms, etc. Keeping in view the changing priorities of the States/UTs for strengthening their revenue administration and updation of land records, fixing a fixed percentage of funds for creation of infrastructure and maintenance of assets does not seem to be possible under the scheme.

As far as the scheme 'Roads in Special Problem Areas' is concerned the Public Works Department of the three State Governments is the implementing Agency and therefore proper infrastructure exists for construction and maintenance of roads."

31. The Committee note that although the Government have accepted the recommendation of the Committee to earmark certain fixed ratio of expenditure for the maintenance of assets created under the respective Centrally Sponsored Schemes of the Department and ensuring the funds are used for the specific purpose, no concrete steps proposed to be taken have been indicated in the action taken reply. Only the existing provision under the guidelines already known to the Committee is reproduced. They would like that the concrete steps proposed in this regard should be furnished.

PART II**(DEPARTMENT OF WASTELANDS DEVELOPMENT)****L. Ratio of expenditure for administrative expenses****Recommendation (Para No. 5.2)**

32. The Committee had observed as below:

“The Committee are distressed to note that except for IWDP and Support to NGOs/VAs, the existing guidelines of different schemes being implemented by the Department have a nil ratio of expenditure for administrative expenses. Even the scheme of support to NGOs/VAs does not clearly mention the provision for administrative expenses. As a result, allocations to the above Programmes/Schemes are definitely inadequate or not available to take care of the requirement on account of administrative expenses. The Committee understand administrative charges are disbursement charges, that are meant for administering the schemes in a proper manner and provide infrastructure for it. They feel administrative charges should be sufficient to meet the disbursement charges. In view of the above, the Committee recommend that all the Centrally funded/Centrally sponsored Schemes should have a clear-cut provision in the guidelines itself for the administrative expenditure for each Programme/Scheme, which will take care of administrative expenses adequately.”

33 In their reply, the Government have stated as below

“The observation of the Committee will be kept in view while finalisation of EFC Memos for 9th Plan in respect of various schemes of the Department.”

34. While noting the reply of the Government, the Committee find that 9th Plan has since been finalised by now. They would like to be apprised of the final outcome of the said recommendation of the Committee.

M. Availability of infrastructure at implementation level

Recommendation (Para No. 7.2)

35. The Committee had noted as under:

“The Committee understand that availability of adequate infrastructure at the implementation level is a pre-requisite for the better utilization of funds. They note that the Department presumes that the available infrastructure at the District/ Panchayat/implementation level is adequate and does not verify the claims of the implementing agencies about the availability and functioning of the infrastructure. The Committee recommend that the Department should authorise and tune up its existing monitoring mechanism to verify the claims of the implementing agencies on the availability of infrastructure.”

36. In their reply the Government have stated as below:

“The observation of the Committee has been noted. Evaluators appointed for the evaluation of the projects and officers deputed for field visits will be suitably advised to verify the claims of implementing agency on the availability of infrastructure.”

37. While noting the reply of the Government, the Committee would like to be apprised of the feed back received from the evaluators on the issue of verifying the claim of the implementing agency on the issue of availability of infrastructure.

PART III

REPLIES TO THE RECOMMENDATIONS CONTAINED IN THE CHAPTER XI—COMMON TO ALL FIVE DEPARTMENTS OF MINISTRY OF URBAN DEVELOPMENT AND MINISTRY OF RURAL DEVELOPMENT

N. Involvement of MPs in SUDA/DUDA/DRDA

Recommendation (Para No. 11.5)

38. The Committee had observed as below:

“The Committee observe that in many of the States/UTs contrary to the spirit of 73rd/74th Constitutional Amendment, the elected Rural Local Bodies/Urban Local Bodies are not vested real powers for taking administrative/executive decisions. This is particularly so in terms of choice & location of Projects, selection of beneficiaries for the Central Government sponsored Urban and Rural Development/Employment Schemes. Though in principle elected MPs are Members of DRDA/DUDA/SUDA Governing Bodies but in practical terms the overwhelming hegemony and control of bureaucracy over these are leading to virtual non-involvement of the elected Members of Parliament. So much so, that often their meeting do not suit to the convenience of the MPs and thus practically exclude their participation. In view of this the Committee strongly feel that the Chairman of the elected Zilla Parishad should also chair the District level Governing Body of these agencies or MPs of the respective District should be made Chairman of the DRDA/DUDA/SUDA and Vigilance Committees.”

39. The Government has replied as below

Department of Urban Development

“This does not require any action so far as Mega City and IDSMT Schemes are concerned.”

Department of Urban Employment and Poverty Alleviation

“After a review of performance of NRY, it has been decided to introduce a New Scheme known as Swarna Jayanti Shahari Rojgar Yojana in lieu of the existing Schemes of NRY, UBSP & PMI UPEP. The new Scheme will come into force from 1.12.97. The guidelines for the new scheme specifically provide that care should be taken to ensure that SUDA plays only a facilitating role to promote initiative and a flexibility in an overall participatory development process. States have been empowered to delegate the power to issue administrative sanctions either to the ULB or to the respective DUDA. In view of this provision of elected representatives of the Urban Local Bodies can also play an important role in implementation of the new scheme Prime Minister’s Integrated Urban Poverty Eradication Programme (PMI UPEP).

Prime Minister’s Integrated Urban Poverty Eradication Programme (PMIUPEP)

Under the PMIUPEP, since the urban poor community is involved in need identification, their prioritisation and implementations, the projects/works to be undertaken are decided by the Community itself. Also identification of the genuine beneficiaries, i.e. the poorest of the poor, is to be carried out by CGOs/NGOs/Research Institutes/organisations in the Government or Private Sector under the guidance of the Town UPE Cell, and use ‘non-income parameters’ for identification of beneficiaries, as per the PMI UPEP Guidelines. This list is then to be finalised by the Chairman and the Municipal Commissioner of the ULB, representatives of CGOs and NGOs, Project Officer of UPE Cell, Bank representatives etc. It may be seen that the processes of planning, implementation and monitoring under the scheme has been envisaged to ensure that the urban poor are involved in every stage and the benefits of the Programme effectively provided to them.

As far as involvement of MPs in SUDAs/DUDAs etc. is concerned, it comes under the purview of the State Governments.

Moreover, this scheme is being replaced by a new scheme called ‘Swarna Jayanti Shahari Rojgar Yojana’ (SJSRY) very shortly.”

Department of Rural Development

“Consequent upon the enactment of Constitution (73rd & 74th Amendment) Act, 1992 almost all the States and Union territories have enacted their State legislation on Panchayati Raj. These States and Union territories have also implemented various mandatory provisions of the Act like reservation for SCs, STs and women, constitution of State Finance Commissions and Election Commissions, devolution of powers and authority to Panchayats etc.

While Article 243G of the Constitution visualises Panchayats as institutions of self-Government, it subjects the extent of devolution of powers and functions to the will of the State Legislatures. It also devolves the powers, functions and responsibilities upon Panchayats on 29 subjects listed in the Eleventh Schedule. State Governments have initiated steps for devolution of powers and functions to PRIs in a phased manner. States like Gujarat, Karnataka, Kerala, Tripura and West Bengal have issued detailed executive instructions. In certain States like Himachal Pradesh and Haryana, powers and functions relating to some departments have been identified and general orders have been issued.

Some of the States have already brought the DRDA under the control of the Zilla Parishad, but there appears to be no progress in other States. Some States have authorised the President of the Zilla Parishad to Chair the meetings of the DRDA but in effect the DRDA has not been merged with Zilla Parishad.

The progress of implementation of the Constitution (73rd Amendment) Act, 1992 is monitored by the Ministry of Rural Areas & Employment on a regular basis in the various meetings and conferences held with senior officers and Ministers of the States and UTs. A conference of Chief Ministers of all States was held on 2nd November, 1997 which was chaired by the Prime Minister to review the situation. A Committee of Chief Ministers for accelerating the pace of devolution of powers, functions and responsibilities upon Panchayati Raj Institutions has also been constituted under the Chairmanship of the Prime Minister. A meeting of this Committee was held on 1st October, 1997.

The Schemes of SRA & ULR are not being implemented by the DRDAs and no guidelines for involvement of MPs & MLAs in implementation of these schemes have been issued by the Government of India. However, in line with the objectives of the Constitution 73rd Amendment and the recommendations of the Standing Committee, the issue of involvement of Panchayati Raj Institutions (PRIs) in Land Management/Land Reforms was discussed in the last Revenue Ministers Conference held on 28.1.1997. The Conference *inter-alia* recommended for involvement of Panchayats in prevention of alienation of tribal land and restoration of the same. Selection of beneficiaries for allotment of various types of lands, management of common property resources, unearthing of surplus land, concealed tenancy, unrecorded sharecroppers etc. The recommendation of the Conference have been sent to the States/UTs for follow up action. The States/UTs have been requested to inform the steps taken by them for involvement of PRIs in implementation of land reform schemes/programmes.

Similarly, the schemes of ARWSP and CRSP are also not being implemented through the agency of DRDAs. As already stated in the action taken reply with reference to para 11.7 (i) of the report of the Committee the scheme of 'Roads in Special Problem Areas' is an old scheme which was launched in 1985-86 and the road works to be taken up had already been identified. Only the incomplete works which have spilled over to this plan are being completed. The works are executed by the State Governments of Uttar Pradesh, Madhya Pradesh and Rajasthan through their Public Works Department. The suggestions from MPs, MLAs and other elected representatives would help early completion of the ongoing works at this stage.

NSAP guidelines provide that the District Level Committee will be headed by Collector and will include, among others, concerned Members of Parliament and about one-third of the Members of the State Legislative Assembly for the district as far as possible representing all political parties. As recommended by the Committee, all States will be advised that all the elected MPs should be given equal weightage irrespective of political affiliation. As provided in the NSAP guidelines, the programme is implemented by the Panchayat and Municipalities in the delivery of social assistance so as to make it responsive and cost effective."

Department of Wastelands Developments

"The observation of the Committee has been noted. The State Governments will be requested to involve elected MPs in the Governing Body of DRDAs and in selection and implementation of wastelands development projects."

Department of Rural Employment and Poverty Alleviation

"Guidelines have already been issued by the Department for restructuring the DRDAs, making the Chairman of the Zilla Parishad as the Chairman of the Governing Body of the DRDA. To further ensure full involvement of Members of Parliament in the implementation of various schemes of the Ministry of Rural Areas & Employment, instructions have been issued:

- (a) To hold meetings of the DRDA Governing Bodies regularly and fix as far as possible such meetings at a time when Parliament would not be in Session.
- (b) To ensure that the Member of Parliament is invited to attend such meetings by giving sufficient advance notice.
- (c) To constitute District and Block Level Vigilance & Monitoring Committees and District & Block Level EAS Committees wherever not done, by including Members of Parliament representing the Districts and ensuring that invitations for the meetings of these Committees are also sent in advance to them.
- (d) To extend proper courtesies to Members of Parliament when they come to attend the meetings of the DRDA Governing Body and the Committees mentioned in (c) above and to ensure that their views are given due importance.
- (e) To ensure that proposals submitted by Members of Parliament, if any, are duly included in the Agenda Notes and the minutes of the meetings reflect fully the suggestions made by Members of Parliament.

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- (f) To ensure that Members of Parliament are fully apprised of the method and criteria of selection of beneficiaries and projects as laid down in the schematic guidelines and that their views and suggestions in this regard are given due importance and discussed in the Governing Body meetings.

Minister (R.A.&E.) emphasized the need for the DRDAs to follow the guidelines of the Ministry in toto. The points mentioned above were reiterated by the Minister."

40. On the recommendation of the Committee that the Chairman of the elected Zilla Parishad should also chair the District level Governing Body of these agencies or MPs of the respective Districts should be made the Chairman of the DRDA/DUDA/SUDA and vigilance Committees, the observations/comments of the Committee on the action taken replies of the respective Departments are as below:

Department of Urban Development

The Committee accept the position that no action is required so far as the schemes of Mega City and IDSMT are concerned. But they note that the position has not been explained in respect of the other schemes of the Department. The Committee would like to know the position in this regard.

Department of Urban Employment and Poverty Alleviation

The Committee note that although, the Government have accepted that the said provision could play an important role in the implementation of the newly structured scheme in Swarna Jayanti Shahari Rogar Yojana, yet they have stated that the involvement of MPs in DUDAs/SUDAs comes under the purview of the State Government.

The Committee while noting the reply of the Government feel that instructions in the form of guidelines could always be issued in respect of the above mentioned recommendation.

Department of Rural Development

While noting the progress of implementation of the Constitution (73rd Amendment) Act, 1992 as given in the action taken reply, the Committee would like that necessary instructions should be issued to the State Governments (where Governing bodies of DRDA have not been constituted) for constitution of Governing bodies of DRDAs at the earliest.

Department of Wastelands Development

The Committee are not satisfied with the reply furnished by the Government. They feel that the constitution of the Governing Bodies of DRDAs would definitely strengthen the monitoring mechanism for the different schemes. In view of it they would like to reiterate their earlier recommendation.

Department of Rural Employment and Poverty Alleviation

While noting the steps taken by the Government on the recommendation of the Committee, they would like to know the feedback received from the respective State Government in this regard.

O. Constitution of DUDA and DRDA Governing Bodies**Recommendation (Para No. 11.6)**

41. The Committee had recommended as under:

“Further it is found that in many States DUDA is yet to be constituted. It is also noticed that many DRDAs so far have not constituted the Governing Bodies as required in the guidelines. The Committee feel that due to the existing machinery involved in the monitoring and implementation of various urban and rural development schemes the funds are, quite often, not released for the purpose for which it has been given by the Central Government”.

42. The Government have replied as under:

Department of Urban Development

“In so far as Mega City and IDSMT Schemes are concerned, DUDA and DRDA are not involved.”

Department of Urban Employment and Poverty Alleviation

“A new Scheme known as Swarna Jayanti Shahari Rojgar Yojana has been adopted in lieu of the existing UPA Programmes. In order to ensure better utilisation of funds earmarked for Urban Poverty Alleviation Programmes, the State Urban Development Agency will monitor, assess, guide and supervise the implementation of the programme through visits to the project sites. At the national level, the programme shall be monitored and overseen by the Department of Urban Employment and Poverty Alleviation. A High Level Monitoring Committee headed by Secretary (UEPA) shall also monitor the programme on half-yearly basis.

Prime Minister's Integrated Urban Poverty Eradication Programme

“All the States/UTs have been repeatedly reminded to constitute the DUDA at the earliest possible. Most of the States have constituted the same. This matter comes under the purview of the State Government. Again it is for the State Governments to release the funds in SUDA/DUDA meant for them as provided under the guidelines of the scheme. Moreover, this scheme is being replaced by a new scheme called ‘Swarna Jayanti Shahari Rojgar Yojana’ (SJSRY).”

Department of Rural Development

“Consequent upon the enactment of Constitution (73rd and 74th Amendment) Act, 1992 almost all the States and Union territories have enacted their State legislation on Panchayati Raj. These States and Union Territories have also implemented various mandatory provisions of the Act like reservation for SCs, STs and women, constitution of State Finance Commissions and Election Commissions, devolution of powers and authority to Panchayats etc.

While Article 243 G of the Constitution visualises Panchayats as institutions of self-Government, it subjects the extent of devolution of powers and functions to the will of the State Legislatures. It also devolves the powers, functions and responsibilities upon

Panchayats on 29 subjects listed in the Eleventh Schedule. State Governments have initiated steps for devolution of powers and functions to PRIs in a phased manner. States like Gujarat, Karnataka, Kerala, Tripura and West Bengal have issued detailed executive instructions. In certain States like Himachal Pradesh and Haryana, powers and functions relating to some departments have been identified and general orders have been issued.

Some of the States have already brought the DRDA under the control of the Zilla Parishad, but there appears to be no progress in other States. Some States have authorised the President of the Zilla Parishad to chair the meetings of the DRDA but in effect the DRDA has not been merged with Zilla Parishad.

The progress of implementation of the Constitution (73rd Amendment) Act, 1992 is monitored by the Ministry of Rural Areas and Employment on a regular basis in the various meetings and conferences held with senior officers and Ministers of the States and UTs. A conference of Chief Ministers of all States was held on 2nd November, 1997 which was chaired by the Prime Minister to review the situation. A Committee of Chief Ministers for accelerating the pace of devolution of powers, functions and responsibilities upon Panchayati Raj Institutions has also been constituted under the Chairmanship of the Prime Minister. A meeting of this Committee was held on 1st October, 1997.

The Scheme of SRA and ULR are not being implemented by the DRDAs and no guidelines for involvement of MPs and MLAs in implementation of these schemes have been issued by the Government of India. However, in line with the objectives of the Constitution 73rd Amendment and the recommendations of the Standing Committee, the issue of involvement of Panchayati Raj Institutions (PRIs) in Land Management/Land Reforms was discussed in the last Revenue Ministers Conference held on 28.1.1997. The Conference *inter-alia* recommended for involvement of Panchayats in prevention of alienation of tribal land and restoration of the same, selection of beneficiaries for allotment of various types of lands, management of common property

resources, unearthing of surplus land, concealed tenancy, unrecorded sharecroppers etc. The recommendations of the Conference have been sent to the States/UTs for follow up action. The States/UTs have been requested to inform the steps taken by them for involvement of PRIs in implementation of land reform schemes/programmes.

Similarly, the schemes of ARWSP and CRSP are also not being implemented through the agency of DRDAs.

As already stated in the action taken reply with reference to para 11.7 (i) of the report of the Committee, the scheme of 'Roads in Special Problem Areas' is an old scheme which was launched in 1985-86 and the road works to be taken up had already been identified. Only the incomplete works which have spilled over to this plan are being completed. The works are executed by the State Governments of Uttar Pradesh, Madhya Pradesh and Rajasthan through their Public Works Department. The suggestions from MPs, MLAs and other elected representatives would help early completion of the ongoing works at this stage.

NSAP guidelines provide that the District Level Committee will be headed by Collector and will include, among others, concerned Members of Parliament and about one third of the Members of the State Legislative Assembly for the district as far as possible representing all political parties. As recommended by the Committee, all States will be advised that all the elected MPs should be given equal weightage irrespective of political affiliation. As provided in the NSAP guidelines, the programme is implemented by the Panchayat and Municipalities in the delivery of social assistance so as to make it responsive and cost effective."

Department of Wastelands Development

"The funds for implementation of the wastelands development projects are released to DRDAs/implementing agencies on project to project basis and not to the State Governments. As such there is no question of a diversion of funds by the State Governments and funds are utilised for the projects for which they are meant."

Department of Rural Employment and Poverty Alleviation

“Guidelines have already been issued by the Department for restructuring the DRDAs, making the Chairman of the Zilla Parishad as the Chairman of the governing Body of the DRDA. To further ensure full involvement of Members of Parliament in the implementation of various schemes of the Ministry of Rural Areas and Employment, instructions have been issued:

- (a) To hold meetings of the DRDA Governing Bodies regularly and fix as far as possible such meetings at a time when Parliament would not be in Session.
- (b) To ensure that the Member of Parliament is invited to attend such meetings by giving sufficient advance notice.
- (c) To constitute District and Block Level Vigilance and Monitoring Committees and District and Block Level EAS Committees wherever not done by including Members of Parliament representing the Districts and ensuring that invitations for the meetings of these Committees are also sent in advance to them.
- (d) To extend proper courtesies to Members of Parliament when they come to attend the meetings of the DRDA Governing Body and the Committees mentioned in (c) above and to ensure that their views are given due importance.
- (e) To ensure that proposals submitted by Members of Parliament, if any, are duly included in the Agenda Notes and the minutes of the meetings reflect fully the suggestions made by Members of Parliament.
- (f) To ensure that Members of Parliament are fully apprised of the method and criteria of selection of beneficiaries and projects as laid down in the schematic guidelines and that their views and suggestions in this regard are given due importance and discussed in the Governing Body meetings.

Minister (R.A.&E.) emphasized the need for the DRDAs to follow the guidelines of the Ministry in toto. The points mentioned above were reiterated by the Minister.”

43. On the recommendation of the Committee that the DUDA has not been constituted in many States and DRDAs have not constituted the Governing body so far, due to which the funds earmarked for Centrally Sponsored Schemes could not be released for the purpose, the comments on the action taken replies furnished by the respective Departments are as below:

Department of Urban Development

While accepting the reply of the Government that DUDA is not involved so far as the Mega City and IDSMT schemes are covered, the Committee would like to know the position in respect of other schemes of the Department.

Department of Urban Employment and Poverty Alleviation

While appreciating the steps taken by the Government for the constitution of DUDA in respective States, the Committee would like that necessary instructions for the constitution of DUDA (where it has not been constituted) explaining the need for the implementation of various Centrally sponsored Schemes should again be issued.

Department of Rural Development

While noting that some of the States have authorised the President of Zilla Parishad to chair the meetings of DRDA, the Committee would like that the instructions in this regard in the form of guidelines should also be issued to the other States.

Department of Wastelands Development and Department of Rural Employment and Poverty Alleviation

The said Departments have accepted the recommendation of the Committee. The Committee would like to know the present position in this regard.

P. Involvement of MPs in selection and identifications of beneficiaries, works/projects

Recommendation (Para No. 11.7)

44. The Committee recommended as under:

“The Committee feel in the light of the above, that involvement of elected MPs in the selection of works/Projects and identification of beneficiaries would improve the monitoring, implementation, evaluation and selection of works/projects and beneficiaries. This would certainly ensure proper utilisation of funds earmarked for various urban and rural development schemes. The proposed ratio of involvement of MPs with regard to the respective schemes under the following five Departments have been given at Appendix II:

- (i) Department of Rural Development;
- (ii) Department of Wastelands Development;
- (iii) Department of Rural Employment and Poverty Alleviation;
- (iv) Department of Urban Development; and
- (v) Department of Urban Employment and Poverty Alleviation.

The Committee would like that the Government should revise their guidelines in respect of selection of works/projects/beneficiaries under various urban & rural development/employment scheme as proposed in the Appendix II and issue necessary directions to the States/UTs.”

45. The Government have replied as under:

Department of Urban Development

“As far as IDSMT and Mega City Schemes are concerned the guidelines stipulate constitution of Sanctioning Committee with the following representatives:

Mega City Scheme

Secretary of the State Urban Development/Municipal Administration Department dealing with the Mega City Scheme.

2. Secretary, State Finance Department.
3. Chief Executive of Mega City Project Authority (Nodal Agency).
4. Joint Secretary (UD), GOI, M/o Urban Affairs and Employment.
5. Representative of the Planning Commission.
6. Representative of Financial Institutions as special invitee wherever required.

IDSMT Scheme

- | | |
|--|----------|
| 1. Secretary, Urban Development/Local Government
(in charge of IDSMT) | Chairman |
| 2. Secretary, Finance | Member |
| 3. Director (Town and Country Planning) | Member |
| 4. Commissioner/Director (Municipal
Administration) | Member |
| 5. Representative of Ministry of UA&E | Member |
| 6. Representative of Planning Commission | Member |
| 7. Representative of TCPO | Member |
| 8. Representative from Financial Institution/
HUDCO. | Invitee |

The guidelines do not provide for the representation of MP/ MLA in the selection of projects. Continuance of the two schemes under the 9th Plan is not known as the 9th Plan is still to be finalised and a decision by the Chief Ministers Committee on transfer of centrally sponsored schemes to State Governments is yet to be taken. The question of revision of guidelines would arise only after receiving the firm commitment that the schemes would continue in the present shape. Moreover there is a thinking in the Ministry that instead of sanctioning funds for projects, Government of

India's share can go as equity for State Level Urban Infrastructure Finance Corporation which would 'leverage' funds from the capital market, financial institutions and newly constituted Infrastructure Development Finance Company. It may be mentioned that Mega City and IDSMT schemes are not beneficiary-oriented programme and so selection of beneficiaries does not arise. Moreover, the Central funds are released to the nodal agencies as grant but from the nodal agencies to the implementing agencies funds are released as loans. Thus only viable package of projects would need to be considered. Subject to these considerations, the question of revision of guidelines could be considered only after the 9th Plan is finalised and the schemes are continued. The Implementing Agencies/Urban Local Bodies are free to consult MPs/MLAs while selecting the projects.

Under Urban Water Supply and Sanitation sector the comments in respect of the three schemes are as below:

Low Cost Sanitation Scheme

The individual schemes under the Low Cost Sanitation Scheme for liberalisation of scavengers are formulated and approval sought by the Urban Local Body which is the primary unit for taking decisions. In the process of making the proposal for a particular town there is a direct involvement of representatives of the Local Body in its decision making. In some of the States, MLAs and MPs residing in the concerned Local Body are also Ex-Officio members of the Urban Local Bodies and therefore, in respect of those Local Bodies, they are also involved in decision making process. Elected representatives in selection of the schemes are already involved and any further change is not considered advisable.

Accelerated Urban Water Supply Programme

In so far as Accelerated Urban Water Supply Programme is concerned, at present there is no direct involvement of elected representatives in selection of the scheme. However, their suggestions are kept in view at the time of according priority to a particular scheme by the State Level Selection Committee which is headed by the Secretary incharge of the Department of Urban Water Supply in the State Government.

Solid Waste Management

There is only one scheme implemented by this Department which relates to the Solid Waste Management in 10 Air Force Stations. The Scheme has been formulated with a view to prevent huge losses to Air Force due to bird hits near 10 identified air-field towns; as per the priority indicated by the Air Force. As the selection/identification of the 10 towns has been done by the Air Force, keeping in view the above mentioned defence requirement, it may not be possible to change the Air Force Stations identified and selected by the Defence Ministry. As no further selection of towns is involved, at this stage, involvement of public representatives in the selection process is not considered necessary."

Department of Urban Employment and Poverty Alleviation

"Nehru Rozgar Yojana

As far as selection of 50% of works/projects under Nehru Rozgar Yojana by the elected MPs, as observed by Standing Committee is concerned, it is pointed out that Nehru Rozgar Yojana does not involve any developmental works or projects and the Scheme is beneficiaries oriented. Under SUWE, which aims to provide wage employment to urban poor beneficiaries through construction of economically useful public assets in the low income neighbourhoods with the material-labour ratio, being 60:40, the works/projects are approved/selected by the District Nehru Rozgar Yojana Committee (DNRY Committee) or District Urban Development Agency (DUDA) where elected representative are members.

Housing Division

The last item of Appendix II referred to in this paragraph stipulated that 25% of the works/projects under scheme of Night Shelter and Sanitation Facilities to Footpath Dwellers should be selected by elected representatives (MPs).

The guidelines for the Night Shelter and Sanitation Facilities for urban footpath dwellers scheme envisages that this scheme can be implemented through Local Bodies, Development Authorities,

State Government approved NGOs. At the project formulation stage the implementing agencies including NGO/Voluntary organisations may associate the elected representatives like MPs, MLAs and MLCs. This would help in identification of beneficiaries, community involvement etc. Since the guidelines do not prohibit the involvement of local representatives, the revision of guidelines is not required for this purpose. However, the observations of the Committee are being communicated to the States."

Department of Rural Development

"Consequent upon the enactment of Constitution (73rd & 74th Amendment) Act, 1992 almost all the States and Union territories have enacted their State Legislation on Panchayati Raj. These States and Union territories have also implemented various mandatory provisions of the Act like reservation for SCs, STs and women, Constitution of State Finance Commissions and Election Commissions, devolution of powers and authority to Panchayats etc.

While Article 243G of the Constitution visualises Panchayats as institutions of self-Government, it subjects the extent of devolution of powers and functions to the will of the State Legislatures. It also devolves the powers, functions and responsibilities upon Panchayats on 29 subjects listed in the Eleventh Schedule. State Governments have initiated steps for devolution of powers and functions to PRIs in a phased manner. States like Gujarat, Karnataka, Kerala, Tripura and West Bengal have issued detailed executive instructions. In certain States like Himachal Pradesh and Haryana, powers and functions relating to some departments have been identified and general orders have been issued.

Some of the States have already brought the DRDA under the control of Zilla Parishad, but there appears to be no progress in other States. Some States have authorised the President of the Zilla Parishad to Chair the meetings of the DRDA but in effect the DRDA has been merged with Zilla Parishad.

The progress of implementation of the Constitution (73rd Amendment) Act, 1992 is monitored by the Ministry of Rural Areas and Employment on a regular basis in the various meetings

and Conferences held with senior officers and Ministers of the States and UTs. A conference of Chief Ministers of all States was held on 2nd November, 1997 which was chaired by the Prime Minister to review the situation. A Committee of Chief Ministers for accelerating the pace of devolution of powers, functions and responsibilities upon Panchayati Raj Institutions has also been constituted under the Chairmanship of the Prime Minister. A meeting of this Committee was held on 1st October, 1997.

The Scheme of SRA & ULR are not being implemented by the DRDAs and no guidelines for involvement of MPs and MLAs in implementation of these schemes have been issued by the Government of India. However, in line with the objectives of the Constitution 73rd Amendment and the recommendations of the Standing Committee, the issue of involvement of Panchayati Raj Institutions (PRIs) in Land Management/Land Reforms was discussed in the last Revenue Ministers Conference held on 28.1.1997. The conference *inter-alia* recommended for involvement of Panchayats in prevention of alienation of tribal land and restoration of the same. Selection of beneficiaries for allotment of various types of lands, management of common property resources, unearthing of surplus land, concealed tenancy, unrecorded sharecroppers etc. The recommendation of the Conference have been sent to the States/UTs for follow up action. The States/UTs have been requested to inform the steps taken by them for involvement of PRIs in implementation of land reform schemes/programmes.

Similarly, the schemes of ARWSP and CRSP are also not being implemented through the agency of DRDAs.

As already stated in the action taken reply with reference to para 11.7(i) of the report of the Committee, the scheme of 'Roads in Special Problem Areas' is an old scheme which was launched in 1985-86 and the road works to be taken up had already been identified. Only the incomplete works which have spilled over to this plan are being completed. The works are executed by the State Governments of Uttar Pradesh, Madhya Pradesh and Rajasthan through their Public Works Department. The suggestions from MPs, MLAs and other elected representatives would help early completion of the ongoing works at this stage.

NSAP guidelines provide that the District Level Committee will be headed by Collector and will include, among others, concerned Members of Parliament and about one third of the Members of the State Legislative Assembly for the district as far as possible representing all political parties. As recommended by the Committee, all States will be advised that all the elected MPs should be given equal weightage irrespective of political affiliation. As provided in the NSAP guidelines, the programme is implemented by the Panchayat and Municipalities in the delivery of social assistance so as to make it responsive and cost effective."

Department of Wastelands Development

"Under the new Guidelines for Watershed Development the projects are selected, planned and implemented with the active involvement of Watershed Community and Panchayati Raj Institutions. Zilla Parishads/DRDAs are involved in the implementation at the District level. However, the State Governments will be requested to involve elected MPs in the selection of the projects as recommended by the Committee."

Department of Rural Employment and Poverty Alleviation

"Regarding involvement of MPs in selection of beneficiaries, a note has been put up before the Cabinet for consideration."

46. On the recommendation of the Committee for a fixed ratio of involvement of MPs in respect of the selection of works/projects/beneficiaries under various Centrally sponsored schemes/programmes, the comments of the Committee on the action taken replies of the respective Departments are as below:

Department of Urban Development

The Committee feel that the Government have not taken their recommendation seriously. They have tried to side-track the issue by saying that revision of guidelines could be considered only after the 9th Plan is finalised and the schemes are continued. The Committee would like to reiterate their earlier recommendation to involve MPs in the selection of works/projects/beneficiaries in the respective schemes of the Department.

Department of Urban Employment and Poverty Alleviation

While noting the reply of the Government on the implementation of Nehru Rozgar Yojana, the Committee would like to know the action taken reply of the Government on the newly structured Programme 'Swaran Jayanti Shahri Rozgar Yojana (SJSRY)' since the Nehru Rozgar Yojana has been dismantled.

Department of Rural Development

The Committee note that the specific reply on the recommendation of the Committee to involve MPs in the selection of works/projects/schemes/beneficiaries under the various Centrally Sponsored Schemes of the Department has not been furnished. They reiterate their recommendation and would like to know the specific reply on the earlier recommendation.

Department of Wastelands Development

While appreciating the steps taken by the Government on the said recommendation of the Committee, the Committee would like to know the response of the respective State Governments in this regard.

Department of Rural Employment and Poverty Alleviation

The Committee find that on the said recommendation of the Committee the Government have put up a note before the Cabinet for consideration. They would like to be apprised of the final decision taken in this regard.

Q. Representation of elected MPs/MLAs in DRDA**Recommendation (Para No. 11.8)**

47. The Committee had noted as under:

"The Committee are constrained to note that in DRDA elected MPs/MLAs have been given weightage on party lines. They note this undesirable practice and would like to recommend that all the elected MPs should be given equal weightage irrespective of the political party affiliation.

48. The Government has replied as under:

Department of Urban Development

"This does not require any action so far as Mega City and IDSMT Schemes are concerned."

Department of Urban Employment and Poverty Alleviation

"No action is called for as DRDA pertains to Ministry of Rural Development."

Department of Rural Development

"Consequent upon the enactment of Constitution (73rd and 74th Amendment) Act, 1992 almost all the States and Union territories have enacted their State Legislation on Panchayati Raj. These States and Union territories have also implemented various mandatory provisions of the Act like reservation for SCs, STs and women, constitution of State Finance Commissions and Election Commissions, devolution of powers and authority to Panchayats etc.

While Article 243 G of the Constitution visualises Panchayats as institutions of self-Government, it subjects the extent of devolution of powers and functions to the will of the State Legislatures. It also devolves the powers, functions and responsibilities upon Panchayats on 29 subjects listed in the Eleventh Schedule. State Governments have initiated steps for devolution of powers and functions to PRIs in a phased manner. States like Gujarat, Karnataka, Kerala, Tripura and West Bengal have issued detailed executive instructions. In certain States like Himachal Pradesh and Haryana, powers and functions relating to some departments have been identified and general orders have been issued.

Some of the States have already brought the DRDA under the control of the Zilla Parishad, but there appears to be no progress in other States. Some States have authorised the President of the Zilla Parishad to Chair the meetings of the DRDA but in effect the DRDA has not been merged with Zilla Parishad.

The progress of implementation of the Constitution (73rd Amendment) Act, 1992 is monitored by the Ministry of Rural Areas & Employment on a regular basis in the various meetings and conferences held with senior officers and Ministers of the States and UTs. A conference of Chief Ministers of all States was held on 2nd November, 1997 which was chaired by the Prime Minister to review the situation. A Committee of Chief Ministers for accelerating the pace of devolution of powers, functions and responsibilities upon Panchayati Raj Institutions has also been constituted under the Chairmanship of the Prime Minister. A meeting of this Committee was held on 1st October, 1997.

The Schemes of SRA & ULR are not being implemented by the DRDAs and no guidelines for involvement of MPs and MLAs in implementation of these schemes have been issued by the Government of India. However, in line with the objectives of the Constitution 73rd Amendment and the recommendations of the Standing Committee, the issue of involvement of Panchayati Raj Institutions (PRIs) in Land Management/Land Reforms was discussed in the last Revenue Ministers' Conference held on 28.1.1997. The conference *inter-alia* recommended for involvement of Panchayats in prevention of alienation of tribal land and restoration of the same. Selection of beneficiaries for allotment of various types of lands, management of common property resources, unearthing of surplus land, concealed tenancy, unrecorded sharecroppers etc. The recommendations of the Conference have been sent to the States/UTs for follow up action. The States/UTs have been requested to inform the steps taken by them for involvement of PRIs in implementation of land reform schemes/programmes.

Similarly, the schemes of ARWSP and CRSP are also not being implemented through the agency of DRDAs.

As already stated in the action taken reply with reference to para 11.7(i) of the report of the Committee, the scheme of 'Roads in Special Problem Areas' is an old scheme which was launched in 1985-86 and the road works to be taken up had already been identified. Only the incomplete works which have spilled over to this plan are being completed. The works are

executed by the State Governments of Uttar Pradesh, Madhya Pradesh and Rajasthan through their Public Works Department. The suggestions from MPs, MLAs and other elected representatives would help early completion of the ongoing works at this stage.

NSAP guidelines provide that the District Level Committee will be headed by Collector and will include, among others, concerned Members of Parliament and about one third of the Members of the State Legislative Assembly for the district as far as possible representing all political parties. As recommended by the Committee, all States will be advised that all the elected MPs should be given equal weightage irrespective of political affiliation. As provided in the NSAP guidelines, the programme is implemented by the Panchayat and Municipalities in the delivery of social assistance so as to make it responsive and cost effective."

Department of Wastelands Development

"The Recommendation of the Committee had been noted. The State Government will be requested to give equal weightage to all elected MPs in selection of the projects etc. irrespective of the political party affiliation."

Department of Rural Employment and Poverty Alleviation

"The Committee has recommended that all elected MPs should be given equal weightage irrespective of the political party affiliation. In this regard, the Governing Body of DRDA consists of all MPs irrespective of the party affiliation."

49. On the issue of giving equal weightage to the elected MPs irrespective of the political party affiliation, the comments of the Committee on the action taken replies of the respective Departments are as below:

Department of Urban Development

While accepting the reply of the Government that no action is required so far as Mega City and IDSMT schemes are concerned, they would like to know the position in respect of the remaining schemes of the Department.

Department of Urban Employment and Poverty Alleviation

The Committee are not satisfied with the reply furnished by the Government. Since the recommendation pertains to all the Departments of the two Ministries, Rural Areas and Employment and Urban Affairs and Employment, they may reply in respect of DUDA/SUDA.

Departments of Rural Development and Wastelands Development

The Committee would like to know the feed back as received from the State Governments on the said issue.

Department of Rural Employment and Poverty Alleviation

As per the Department's reply, the Government Body of DRDA consists of all MPs irrespective of the party affiliation. The Committee find that the Government have not replied to their recommendation in the right perspective. It is true that DRDAs consists of all MPs, but MPs/MLAs/MLCs are given weightage according to party lines. They, therefore, reiterate their earlier recommendation of giving equal weightage to all MPs in DRDAs irrespective of their party affiliation and would like to know the specific reply of the Government.

R. Transfer of Central Sector Schemes/Programmes to States**Recommendation (Para No. 11.9)**

50. The Committee had recommended as below:

"The Committee note that the recommendations made at the Conference of Chief Ministers, in which a review of Central sector schemes has been recommended with a view to provide greater freedom and flexibility to the State Governments for identifying/ implementing and monitoring various urban and rural development/employment schemes. They feel that the existing system of funding by Central Sector has resulted in several instances of misutilisation and diversion of funds meant for the poorest strata of the society. Though the Committee are not averse to the idea of further decentralisation but they would like that while giving greater freedom and flexibility to the State Governments necessary mechanism for proper utilisation of such

funds meant for the poorest section of the society should be initiated. Further, it should also be ensured that funds earmarked for the respective urban and rural development/employment schemes must not be diverted for other purposes under any circumstances.

The Committee would also like to recommend that stringent action should be taken against the State Governments who have diverted the funds meant for specific urban and rural development/employment schemes to other purposes. Further, necessary amendments in the guidelines should be carried on and issued to concerned State and Union territory administration for compliance."

51. The Government in their reply have stated as below:

Department of Urban Development

"As far as IDSMT and Mega Cities are concerned, no diversion of funds have come to the notice of this Ministry."

Department of Rural Development

"Under the scheme of 'Roads in Special Problem Areas' small amounts are released to the State Public Works Department to complete the ongoing works. No diversion of funds has come to the notice of the Ministry.

So far as NSAP is concerned, the recommendation of the Committee is noted. The NSAP funds are released directly to the district.

No instance of diversion of ARWSP and CRSP funds has been reported/come to the notice of this Ministry. ARWSP is not implemented by DRDAs. Funds under ARWSP are released directly to UP Jal Nigam, MWS&S Board, TWAD Board, GWS&S Board and Kerala Water Authority. In the case of Gujarat, funds are released directly to GWS&S Board. In the case of other States, there is no such Board implementing the schemes and, therefore, funds are released to states."

52. On the question of ensuring proper utilisation and no diversion of funds earmarked for the different Centrally Sponsored Schemes/Programmes of the respective Departments the comments of the Committee on the action taken replies furnished by the respective Departments are as below:

Department of Urban Development

While noting that no case of diversion of funds has been noted in respect of Mega City Scheme and IDSMT, the Committee would like to know the position in respect of the remaining schemes of the Department.

Department of Rural Development

The Committee note that as per the Government's action taken reply, no case of diversion has been detected in any of the schemes. They note that the ground reality is different. They would like to reiterate their earlier recommendation to ensure that no diversion of funds take place in any case.

S. Release of funds to the implementing Agency

Recommendation (Para No. 11.10)

53. The Committee had noted as under:

“The Committee note that in some of the schemes the funds are given directly to the State Governments and State Government distribute the funds to the various implementing agencies. They feel that funds in respect of the schemes where misutilisation of funds has been reported should be directly given to the implementing agencies like DRDA/DUDA/SUDA/Panchayat/NGOs and Urban Local Bodies. This would ensure proper utilisation of funds. They would like that Government should revise their guidelines and issue necessary directions to the State Governments in this regard.”

54. The Government have replied as under:

Department of Urban Development

“As far as Mega City Scheme is concerned, the funds are released to Nodal Agencies and not to State Governments.

Under IDSMT Scheme very small amount is released to any individual town in a year, amounting sometimes to 5 to 10 lakh. It is very difficult to release such small amounts to municipalities and keep track of utilisation. Accordingly, it may not be feasible to release such funds to municipalities. However, if State Governments create specialised Urban Infrastructure Finance Corporation, it would be possible to release funds under IDSMT Scheme to such nodal agencies.”

Department of Urban Employment and Poverty Alleviation

“Under NRY, in majority of States/UTs, Central funds are released to State Urban Development Agency (SUDA), where it has been constituted. In remaining cases, funds are released to the Nodal Agency identified by the State/UT for implementing the Yojana or the State Government if such a Nodal Agency has not been identified. Instructions have been reiterated to all States/UTs *vide* letter No. K-14011/8/96-UPA(NRY)-Vol.II dated 20.9.96 to constitute State Urban Development Agencies (SUDAs) and District Urban Development Agencies (DUDAs). Most of the States/UTs have already constituted SUDAs/DUDAs.

PMIUPEP

Misutilisation of funds under PMIUPEP has not been reported by any State/UT so far. Now this scheme has been replaced by a new scheme called Swarna Jayanti Shahri Rozgar Yojana (SJSRY) *w.e.f.* 1.12.1997.”

Department of Rural Development

“Under the scheme of Roads in Special Problem Areas’ small amounts are released to the State Public Works Department to complete the ongoing works. No diversion of funds has come to the notice of this Ministry.

So far as NSAP is concerned, the recommendation of the Committee is noted. The NSAP funds are released directly to the district.

No instance of diversion of ARWSP and CRSP funds has been reported/come to the notice of this Ministry. ARWSP is not implemented by DRDAs. Funds under ARWSP are released directly to UP Jal Nigam, MWS&S Board, TWAD Board, GWS&S Board and Kerala Water Authority. In the case of Gujarat, funds are released directly to GWS&S Board. In the case of other States, there is no such Board implementing the schemes and, therefore, funds are released to States."

55. On the recommendation of the Committee to release funds for Centrally sponsored Schemes directly to the implementing agencies, the comments of the Committee on the action taken replies furnished by the respective Departments are as below:

Department of Urban Development

While accepting the position as explained in respect of Mega City Scheme and IDSMT, the Committee would like to know the reply in respect of the remaining Schemes of the Department.

Department of Urban Employment and Poverty Alleviation

While noting the position in respect of PMIUPEP, the Committee would like the comment of Government on the newly structured scheme SJSRY so far as the said recommendation of the Committee is concerned.

Department of Rural Development

The Committee are not satisfied with the reply furnished by the Government that no instance of diversion has been noted in respect of ARWSP and CRSP. They feel that the ground reality is something different. Further they don't agree with the view of the Government that the funds are released to States where there is no implementing Bodies. They would like that they should examine the matter to issue the funds to the implementing agencies in such States. The Committee note that the views in respect of the remaining schemes of the Department have not been furnished. They would like that views in the case of the

T. Similar Programmes/Schemes under different departments

Recommendation (Para No. 11.11)

56. The Committee had recommended as under:

“The Committee during the examination of the subject have found that the programmes dealing with one subject under respective Departments are handled under different schemes. Besides, it is also found that one activity is dealt not only by one Department but by various Ministries. A pertinent example in this regard is schemes related to development of wastelands/treatment of wastelands in the country. The task of developing wastelands/treatment of land is at present being undertaken by different Ministries under different programmes like Ministries of Environment and Forests, Agriculture and Rural Areas and Employment. Even under the Ministry of Rural Areas and Employment there are different schemes like DPAP, DDP, EAS and various schemes under Department of Wastelands Development. Further, various employment schemes are under Department of Rural Employment & Poverty Alleviation like JRY & EAS, IRDP, DWCRA & TRYSEM, GKY & MWS which can be merged together. The Committee feel that there may be other multiple overlapping schemes with the similar objectives.”

U. Merger of Similar Programmes/Schemes

Recommendation (Para No. 11.12)

57. The Committee had recommended as under:

“The Committee feel that due to multiple schemes having the similar objectives, there is every chance of duplication and misuse of money. They would like that the schemes having similar objectives under the respective Departments of two Ministries of Urban Affairs and Employment and Rural Areas and Employment should be merged together and be brought under one umbrella to have a tangible impact on the quality of life of urban and rural poor.”

58. The Government in reply to recommendation Paragraph Nos. 11.11 and 11.12 have stated as under:

Department of Wastelands Development

"The observation of the Committee has been noted. In fact this is also one of the recommendations of the High Level Committee by Shri Mohan Dharia. The recommendations of the said Committee are under consideration of the Government.

Department of Rural Employment and Poverty Alleviation

"The Committee has recommended merging of overlapping schemes having similar objectives. Proposals in this regard are under active consideration of this Ministry."

59. While noting that the proposals to merge similar programmes in Departments of Urban Development, Rural Development and Wastelands Development are under active consideration of the Government, the Committee would like to know the final position in this regard.

CHAPTER II

RECOMMENDATIONS THAT HAVE BEEN ACCEPTED BY THE GOVERNMENT

PART I

(DEPARTMENT OF RURAL DEVELOPMENT)

Recommendation (Para No. 2.6)

The Committee note that at present there is no uniform pattern for the release of Central Share of funds under the respective schemes. They also observe that there is variation in the release pattern of funds for all the schemes being implemented by the Department. They understand that the variation leads to duplicity, delay and poor implementation of the programme. Further it is found that the major pattern of the allocated fund for the year released at the fag end of the year say during the month of October-December. This not only effects the implementation of the programme but also leads to accumulation of unspent balances. The Committee would like to recommend that to the extent possible there should be some uniform pattern for the release of funds. The first instalment should invariably be issued in the month of April. Further there should be only two instalments in the schemes which are totally Centrally sponsored. In other Schemes where States and other implementing agencies have to contribute, there should be three instalments. In that case too the first instalment should be released in April. It is needless to emphasise here that there should be some uniform pattern for the release of funds with the proper time schedule for all the schemes being implemented by the Department.

Reply of the Government

Considering the sensitive nature of the schemes which attend to the most vulnerable sections of the society, the department had been following a release procedure in which (i) 50% of the amount allocated for the year is released automatically at the beginning of the year as first instalment; (ii) the remaining 50% is released on utilisation of 50% of the available funds and (iii) the unutilised

funds at the end of the year do not lapse but are allowed to be carried over to the next year within a certain limit. However, it was observed that over the years there had been a marked increase in the accumulation of opening balances with the State level agencies/States in respect of the major schemes being implemented by the department and this was also mainly due to the inability of the implementing agencies to absorb and utilise the funds. This parking of funds with the implementing agencies has also been viewed with concern by the Ministry of Finance. This Department has also interacted with the State Governments in order to find a solution to this problem. In order to ensure that there is no unnecessary accumulation of funds in the hands of the state level agencies and at the same time, the implementation of the programmes is not adversely affected and, the flow of funds to and their utilisation by, the implementing agencies is maintained, regulated and monitored in an effective way, the Government of India have decided that in respect of the major Centrally sponsored Schemes, the following uniform procedure would be adopted in the release of funds.

The number of instalments will be kept at two as at present, the first instalments of 50% being released on ad-hoc basis. The second instalment would be released on the fulfillment of all the other conditionalities as at present with the following modifications:

- (a) Instead of the present 50%, the utilisation will be increased to 60% of available funds,
- (b) The quantum of second instalment releases while seeking the second instalment will be made dependent on the time of reporting of utilisation. Depending on the receipt of complete proposal for second instalment, the quantum will be Governed as below:

Proposal received in	Dec. — 50% of allocated funds
	Jan. — 40% of allocated funds
	Feb. — 30% of allocated funds
	Mar. — 20% of allocated funds

[Ministry of Rural Areas and Employment (Department of Rural Development) F. No. H-11020/8/97-GC (P) Dated 26.02.1998]

Recommendation (Para No. 3.3)

The Committee note with concern that a huge amount was not released out of the Central allocation over the years. For example even during 1995-96, the amount not released was to the extent of Rs. 443.938 crore. The Committee are deeply concerned about the accumulation of huge amount of allocated money not released, by the Central as well as the State Governments. The Committee would like to have an explanation of the Department in this regard and would like to urge that for various schemes, the Department should find out ways and means to utilise the entire amount allocated to the Department by the Planning Commission.

The Committee are surprised to note that the amount has not been released for the particular years under different Central schemes by the Centre as well as State Governments under their State Government funds. The position as given for the year 1995-96 is quite alarming. When we see the Central Sector allocation, out of Rs. 1814 crore Revised Estimates, Rs. 443.938 crore was not released which comes to around 24.47%. They are disturbed to note that there is not only meagre allocation for the different Centrally sponsored schemes but the funds finally allocated and agreed to by the Planning Commission are not allocated fully for the schemes. They feel that there is a gross injustice to the poorer section of society for which the schemes has been launched. The Committee would like to recommend emphatically that the funds finally agreed by the Planning Commission should be allocated fully for the respective scheme and further it should also be ensured that the State matching contribution is also provided.

Reply of the Government

In Paragraph 3.1 and 3.3 of the Report it has been mentioned that a total amount of Rs. 870.678 crore was not released. Out of this amount, the Central contribution (not released) has been shown as Rs. 698.132 crore and the State Contribution (not released) as

Rs. 172.542 crore. The details given in Paragraph 3.2 and Annexure I of the report, however, work out as below:

	Rs. in crore
RWSP	
ARWSP	54.942
	149.802
RGNWM	72.314
ISP	
	9.81
	22.74
NSAP	
NOAPS	54.36
NFBS	49.42
NMBS	28.66
Land Reforms	
Grants in-aid to Agrarian Institutions	0.41
Roads in Special Problem Areas	1.48
Total	443.938 (Not Rs. 870.678 crore)
Centre's contribution (not released)	271.396 (Not Rs. 698.132 crore)
State contribution (not released)	172.548

The final figures of funds not released are as follows:

	Rs. in crore
RWSP	
ARWSP	0.000
	113.783
RGNWM	72.314
RSP	
CRSP	0.576
MNP	6.281
NSAP	
NOAPS	78.80
	48.90
NMBS	25.32
Land Reforms	
Grants-in-aid to Agrarian Institutions	0.41
Roads in Special Problem Areas	.48
O.B.	2.625
P.C. & S.A.P.	7.100
Total	357.589
Centre's contribution (not released)	237.525
State's contribution (not released)	120.064

State Contribution (not released)

The Central Government has no control on release of funds by the States/UTs under their MNP. Against the provision of Rs. 1238.254 crore, for Rural Water Supply, the expenditure reported during 1995-96 was Rs. 1124.471 crore, resulting in a shortfall of Rs. 113.783 crore. Similarly under Rural Sanitation the shortfall was only Rs. 6.281 crore.

ARWSP and CRSP

As regards, the ARWSP against the budget provision of Rs. 866.80 crore, the amount released was Rs. 868.8466 crore. Thus there was no shortfall in releases. Under Rajiv Gandhi National Drinking Water Mission, against the allocation of Rs. 243.20 crore, an amount of Rs. 170.886 crore was released. Under CRSP the shortfall was only Rs. 0.576 crore. The recommendations of the Committee are accepted. The allocation for 1996-97 was fully released to the implementing Departments/agencies. It is also ensured that the state matching contribution is provided.

NSAP

So far as NSAP is concerned, the funds that could not be released during 1995-96 under the three schemes of NSAP are given below:

NOAPS	Rs. 78.80 crore
NFBS	Rs. 48.90 crore
NMBS	Rs. 25.32 crore

NSAP is a new scheme launched with effect from 15th August, 1995 and Budget provision of Rs. 550 crore was made in the Revised Estimate for $7\frac{1}{2}$ months. Allocation to States is based on numerical ceiling and qualifying financial entitlement and also the total budgetary outlay. Release of funds to states is dependent on their furnishing utilization/expenditure statements in respect of funds released earlier. The recommendation of the Committee is noted and all efforts are being made to get utilization/expenditure statements from the States in time and release funds. NSAP is a 100% centrally funded scheme and there is no matching contribution from the States.

Institutions for Agrarian Studies

Under the Central Sector Scheme of Grants-in-aid to Institutions for Agrarian Studies, funds amounting to Rs. 0.41 lakh could not be released due to non-finalisation of proposals for conducting studies on the subjects of Tenancy Reforms and Tribal Land Alienation.

Rural Roads

The outlay provided for 1995-96 was Rs. 2 crore towards Central liability for ongoing works in Madhya Pradesh and Rajasthan, since Central liability for ongoing works in Uttar Pradesh had already been fulfilled. During the year an amount of Rs. 52 lakh was released to Rajasthan but no amount could be released to Madhya Pradesh since the progress of works in the state was not satisfactory, the State Government had not released its share of funds equivalent to the Centre's share. The State Government had reported that some roads could not be completed for want of clearance from the Forest Department. This Ministry is pursuing with the State Government to take all possible steps including necessary clearances, release their matching share of funds and complete the ongoing works expeditiously.

CAPART

Council for Advancement of People's Action and Rural Technology (CAPART), an autonomous organisation under the aegis of the Ministry of Rural Areas and Employment, is implementing the O.B. and P.C. & S.A.P. schemes through voluntary organisations. These schemes are fully funded by the Central Government. Provision in the Budget is made for these schemes on the basis of the estimated requirement reported by CAPART. Funds provided in the budget are released to CAPART in instalments based on the availability of funds with CAPART, its estimated requirements, receipt of utilisation certificate, etc.

During the year 1995-96, the actual requirement of funds projected by CAPART as compared to the budget provision was less because of the following reasons;

- (i) CAPART was decentralized by setting up of six Regional Committees at Jaipur, Lucknow, Bhubaneshwar, Hyderabad, Ahmedabad and Gauwhati. These Regional Committees were

authorised to sanction project proposals upto an outlay of Rs. 5.00 lakh. Transfer of records to these Regional Committees took some time.

- (ii) With a view to strengthening the sanctioning procedure, the system of pre-funding appraisal was introduced. This system of pre-funding appraisal of project proposals received, took some time to take off.

With a view to bring in greater transparency in the functioning of CAPART some procedural changes were effected. This resulted in some delays in processing the project proposals

Because of the above major reasons, the number of projects actually approved by CAPART were considerably less than expected at the time of providing funds for the schemes of O.B. and P.C. & S.A.P. in the budget for the year 1995-96.

[Ministry of Rural Areas and Employment (Department of Rural Development) F.No. H-11020/8/97-GC (P) Dated 26.02.1998]

Comments of the Committee

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

Recommendation (Para No. 4.4)

The Committee note with concern the huge accumulated unspent balances that has been as high as 33% of the Revised Estimates for the year 1995-96. They are perturbed to note that there is not even a single scheme/programme of the Department for which nil unspent balance exists. They apprehend that the rule which provides that 25% of the annual allocation can remain unspent is a license for the State Government to keep huge amount as unspent. Further, it is noted with regret that major portion of the funds are released at the fag end of the year and that too in the month of February and March. It is needless to highlight here that monitoring for the Centrally sponsored schemes needs to be further strengthened and there is a great scope for revision of the set guidelines by the Centre as recommended in the Para 2.6 in Chapter-II. There should be some uniform pattern for the release of funds with proper time schedule for all the schemes

being implemented by the Department. The Committee need hardly emphasise that given the huge task of reaching out to the last and most under privileged section of the society the Department can hardly afford a situation leading to unspent balance under any scheme. The Committee would like to recommend that the Department should take immediate steps to review the guidelines in respect of the various schemes which encourage unspent balance as given in Para 4.2 above. It is also urged that the Department should chalk out a time schedule in consultation with the respective State Government/UT administration by which the entire accumulated unspent amount could be utilised for that particular scheme.

Reply of the Government

The guidelines of the ARWSP for the Ninth Plan will be reviewed in order to reduce the permissible ceiling of 25% to 15% as in the case of CRSP. As recommended by the Committee the matter will be discussed with the concerned States/UTs for utilisation of the accumulated unspent amount.

The monitoring of utilization of funds under the two Centrally Sponsored Schemes administered by the Land Reforms Section *i.e.* (1) SRA & ULR and (2) Computerisation of Land Records is done throughout the year by correspondence, field level visits by the Area Officers of the Ministry and by convening the Conference of Revenue Secretaries and Ministers. The last such Conference of Revenue Secretaries Commissioners/Directors, Survey Settlement and Land Records and selected Collectors was organised recently on 28th and 29th April, 1997 and detailed discussions were held on utilization of funds under the scheme in the conference. The position of utilisation of funds under the scheme was also deliberated in the last Revenue Ministers Conference held on 28.1.1997. The Conference *inter-alia* recommended gearing up of revenue machineries by the States for utilization of outstanding balances under the schemes. It is, expected that the position of utilization of funds under the schemes would improve significantly during the current financial year.

As far as NSAP is concerned, the reasons for late release of the second instalment have already been explained to the Committee earlier. The Ministry would like to reiterate that all out efforts are being made to obtain necessary information from State Governments regarding expenditure incurred so that second instalment can be released well in time. NSAP guidelines do not contain any provision which would encourage State Governments to accumulate unspent balances. The Ministry has already impressed upon the State Governments to speedily implement the schemes and fully utilise the amounts already available with them. This will be pursued with State Governments on a continuing basis.

The scheme of ETC being implemented by the Training Division, has meagre allocation over the years. The allocation of ETC during 1995-96 was Rs. 3 crore. This scheme is demand driven and funds (grant-in-aid) is released to the States as per their specific requirements subject to its full utilisation during the same financial year. In case any portion of funds remain unspent, the revalidation of the balance amount has to be got done by the respective State Government from this Ministry. Thus huge unspent balance does not remain with the State Governments under this scheme.

[Ministry of Rural Areas and Employment (Department of Rural Development) F. No. H-11020/8/97-GC (P) Dated 26.02.1998]

Comments of the Committee

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

Recommendation (Para No. 5.8)

The Committee recommend that for understanding the difficulties and suggesting possible solution to overcome the constraints, the Department should initiate review meetings, correspondence with the States at the appropriate level, discussions and visits to the States where the implementation is slow. The States should also be persuaded to implement the programme as a joint programme by pooling the financial resource under CRSP which resulted in either non-implementation or mismatch under one of the components (CRSP or MNP). They would like to intensively and vigorously monitor the schemes so that incidents like the delay in reporting can be reduced for better implementation of the schemes.

Reply of the Government

The recommendations are accepted for compliance.

[Ministry of Rural Areas and Employment (Department of Rural Development) F. No. H-11020/8/97-GC (P) Dated 26.02.1998]

Recommendation (Para No. 6.3)

The Committee are distressed to note that except for NSAP, the existing guidelines of different Schemes being implemented by the Department, either do not clearly mention a provision or have nil ratio of expenditure for administrative expenses. As a result, allocation for such programmes/schemes are definitely inadequate to take care of the requirement on account of administrative expenses. They also note that administrative charges, are disbursement charges, which are meant for administering the schemes in a proper manner and provide infrastructure for it. At the same time, Administrative charges should be sufficient to meet disbursement charges. They recommend that all the Centrally funded/Centrally sponsored schemes should have a clear cut provision in the guidelines itself, for the administrative expenses. They also recommend the Department to earmark a fixed ratio of administrative expenditure for each programme/scheme which will take care of administrative expenses adequately.

Recommendation (Para No. 6.4)

The Committee would also like to recommend that the funds earmarked for administrative expenditure should be incurred on the same. There should not be any diversion of such funds for other purposes.

**Reply of the Government
(Para Nos. 6.3 and 6.4)**

Under the CRSP, the percentage (3%) fixed for administrative expenses relates only to the Central share.

Under the ARWSP, since the entire cost of administrative expenses is met out of the MNP funds which are counted towards matching provision for ARWSP, there is an indirect ratio of administrative expenditure, apart from Rs. 10 lakh p.a. for States and Rs. 6 lakh p.a. for UTs given as Central assistance for Monitoring and Investigation Unit/Divisions. Moreover, the States/UTs have found the existing procedure satisfactory and have not demanded any change to permit any fixed percentage as administrative expenses under the ARWSP.

The Ministry had already indicated to the State Governments that funds earmarked for administrative expenditure under NSAP should be used for publicity, Money Order Commission, etc. The recommendation of the Committee is noted and States will be told that no diversion of such funds should be made.

In so far as CAPART is concerned, project sanctioned by it are provided with administrative cost @ 5% to 10% depending upon the nature of the project.

The schemes of Establishment/Strengthening of Regional Training Centres for Training & Research (SIRD), launched during VI Plan, has the objectives to revitalise the training infrastructure at State level in order to make the implementation of rural development programmes effective. Grant-in-aid is released to States/Institutes under recurring and Non-recurring heads. 75% of the total budget sanctioned under the scheme is meant for developing infrastructure facilities. The Central assistance for this purpose is 100%. The remaining 25% of the total budget sanctioned is utilised for recurring expenditure of SIRDs. This recurring expenditure is shared on 50:50 basis between the centre and the State Government. These funds are exclusively utilised to meet the Administrative expenses of the implementing agencies, and are adequate.

The Centrally Sponsored Schemes for SRA & ULR and Computerisation of Land Records are being implemented by the States/UTs through their Revenue Departments and at present except for training of the revenue, survey and settlement, staff funds for administrative expenses under these schemes are not being provided to the States/UTs. In fact, the Department does not provide financial assistance to the States/UTs for all activities relating to survey and settlement operations and updation of Land Records. It only provides funds to support the State Governments to adopt more advance technologies in the field of survey and settlement operations and Computerisation of Land Records. The approach is to reduce the workload of the revenue, a survey and settlement staff and improve the delivery system. Total funding by Government of India for updating of revenue maps/land records in the States does not seem to be possible as this is a bigger issue involving huge financial requirement and falls within the exclusive jurisdiction of the State Governments. As the schemes are aimed at assisting the States in the task of updating and computerisation of land records and are being implemented by

the States through their Revenue Departments, they have adequate staff and budgetary provisions for administrative expenses. It is not considered necessary to have fixed ratio of expenditure for administrative expenses under these schemes.

The cost of works sanctioned under the Scheme 'Roads in Special Problem Areas' includes establishment expenditure. Therefore, fixed ratio of administrative expenditure was not earmarked separately.

[Ministry of Rural Areas and Employment (Department of Rural Development) F. No. H-11020/8/97-GC (P) Dated 26.02.1998]

Comments of the Committee

(Please *see* Para No. 28 of Chapter of the Report)

Recommendation (Para No. 9.3)

The Committee note with concern that the elected representatives have not at all been involved for some of the schemes like Land Reforms and other Rural Development Programmes.

The Committee also note that as per the guidelines, DRDA Governing bodies must include representation of elected representatives, Women, SCs/STs and minorities as members, which in turn monitors and reviews the progress of Programmes/Schemes at the district level. The Committee note with concern that many DRDAs so far have not constituted the Governing Bodies as per the guidelines. They feel that non-involvement of elected representatives speaks well of the poor implementation and monitoring of the Schemes. They would like to recommend that the Department should issue standard guidelines by the Centre regarding involvement of MPs, MLAs, MLCs and other elected representatives of the District, block and Panchayat levels.

Recommendation (Para No. 9.4)

The Committee observed that as on date elected MPs have not been associated with the selection of works/projects under respective Rural Development Schemes. They feel that their representation in some of the Schemes would help in the right and timely selection of projects/works under the schemes. In view of the above they would like to recommend that elected MPs, should be entrusted with the selection of projects/works in certain selected schemes.

Reply of the Government

(Para Nos. 9.3 & 9.4)

So far as ARWSP and CRSP are concerned, involvement of political representative by way of constructive suggestions for Projects/works, implementation, Monitoring and feedback of the schemes are most welcome and will be given the priority consideration. This will definitely improve the sector performance and effective implementation. The issue will be taken up with the State Government.

The schemes of SRA & ULR and Computerisation of Land Records are being implemented by the States/UTs through their Revenue Departments and selection of beneficiaries or developmental projects is not involved under these schemes. The implementation of the schemes depends on the priorities of the States/UTs. No instructions/guidelines have been issued or are proposed to be issued by Government of India to the States for involvement of Members of Parliament or Members of the States Legislatures in implementation of the schemes as the subject matter relating to land administration falls within the legislative and administrative jurisdiction of the State Governments as per Entry No. 18, List-II, VII Schedule of the Constitution.

NSAP guidelines already provide inclusion of MPs, MLAs, Chairpersons of Zila Parishads and representatives from among Chairpersons of Panchayats/Municipalities in the District Level Committee and such Committee have already been formed.

As already stated in the Action Taken Report with reference to Para 13.4 (j) of the first report of the Committee, the scheme of 'Roads in Special Problem Areas' is an old Scheme which was launched in 1985-86 and the road work to be taken up had already been identified. Only the incomplete works which have spilled over to this Plan are being completed. The works are executed by the State Governments of Uttar Pradesh, Madhya Pradesh and Rajasthan through their Public Works Departments. The suggestions from M.Ps., MLAs and other elected representatives would help early completion of the ongoing works at the stage.

[Ministry of Rural Areas and Employment (Department of Rural Development) F. No. H-11020/8/97-GC (P) Dated 26.02.1998]

Recommendation (Para No. 10.3)

The Committee are distressed to find that out of all programmes/schemes being implemented by Department, evaluation of ARWSP and Distribution of Ceiling Surplus Land has only been undertaken by the Department so far. They also note that as per the bifurcation of Ministry of Rural Areas and Employment in March, 1995, the evaluation of EAS (Employment Assurance Scheme) comes under the purview of Department of Rural Employment and Poverty Alleviation and not under the purview of Department of Rural Development. They also note that the schemes like CRSP, SRA & ULR, Computerization of Land Records, Grants-in-Aid to Agrarian Institutions and all other Rural Development programmes/schemes which was initiated in or before mid 1980s do not have a single evaluation to assess the actual impact of the implementation of these schemes. In view of the above they recommend that the Department should carry out a thorough evaluation of each of the schemes at the earliest. They also urge the Department to carry out evaluation/review of each of the schemes being implemented by the Department preferably at the end of each 5 year plan so that the Department would have a fairly accurate idea of the current status of achievements and the shortfalls before the beginning of the subsequent five year plans.

Recommendation (Para No. 10.4)

The Committee also recommend that new programmes like NSAP which was launched recently and whose financial and physical performance are stated to be not up to the mark the Department may select a district in each State for an indepth evaluation/examination of the implementation of the schemes to have a fairly accurate idea of positions on the field.

Reply of the Government

(Para Nos. 10.3 & 10.4)

No concurrent evaluation has been conducted after 1986-87 in respect of Rural Water Supply Programme. The Concurrent Evaluation both for CRSP and ARWSP is still pending to be finalised by the Expert Group on Concurrent Evaluation.

The recommendation in respect of para 10.3 of the report is

PEO of the Planning Commission has carried out an Evaluation of the implementation of ARWSP in 1995. As decided by the Empowered Committee the States have been advised to carry out Evaluation of the programme in their state through independent organisation.

It has been decided that reputed Research Institutions two from the large states and one from the smaller states will be selected to carry out evaluation studies on NSAP. The recommendation/ observations made by the Committee have been noted for compliance.

With a view to have concurrent evaluation of land reform measures in the country, a project was sanctioned during 1998-99 to the Lal Bahadur Shastri National Academy of Administration, Mussoorie. This project has been continued since 1988-89 and in line with the recommendations of the Standing Committee it is proposed to continue the project during the Ninth Five Year Plan. One of the main objectives of this project has been to sensitise the IAS probationers on the issues relevant to land relations which in turn has a long term beneficial impact on the implementation of Land Reforms and Rural Development in the states.

Under this project, empirical reports are brought out on the basis of data collected by the IAS officers and these reports are circulated to states for corrective action. In addition, the findings of the reports are discussed in State specific/regional/national level workshops/ Seminars organised by the Academy.

Keeping in view the importance of the work being done under the project it has been converted into an unit called the Land Reforms unit of the National Academy having all infrastructural facilities to carry out the tasks entrusted to it.

As regards evaluation of particular schemes under land reforms to have a feedback on the programme for computerisation of Land Records, a turn-key project for evaluation of the completed

computerisation of land records project in Morena District of Madhya Pradesh has been given to the Lal Bahadur Shastri National Academy for Administration, Mussoorie. The academy has been requested to complete the evaluation study without further delay. In addition, the State-wise Area Officers are requested for giving report on the computerisation programme presently undergoing in 323 districts. The Progress under the programme is also reviewed by the Steering Committee constituted under the scheme. As per recommendations made by the Committee, it is proposed to take up some more evaluation studies for the completed projects under the programme.

For the Centrally Sponsored scheme for Strengthening of Revenue Administration & Updating of Land Records (SRA & ULR) which was stated in 1987-88 no evaluation study has been carried out so far. In fact the Department does not provide funds for all activities relating to survey settlement operation and updation of land records. It only provides financial assistance at present to support the State Governments to adopt more advance technologies in the field of survey and settlement and for training their manpower for the modernisation of the survey and settlement procedures. Hence a total monitoring of actual updating of revenue maps/land records in the States has not so far been taken up as that is a bigger issue and falls within the exclusive jurisdiction of the State Government. The Department takes item-wise report on purchase of equipment of utilization of funds for which they have been sanctioned. As the State Governments are also contributing 50% of the cost of all approved items under the scheme, they also have their own responsibility to look into the proper utilisation of funds. The progress under the scheme is reviewed from time to time at various fora including the Conferences of Revenue Secretaries/Revenue Ministers. Last such Conference of Revenue Secretaries was held recently on 29.4.1997. However, as per recommendations made by the Committee to see the overall impact of the scheme it is proposed to carry out an evaluation of the scheme by involving NIRD and Lal Bahadur Shastri National Academy of Administration in some States during the current financial year.

As far as the scheme for Grants-in-aid to Institutions for Agrarian Studies is concerned under this scheme financial assistance is provided to selected institutions for conducting agrarian studies. These studies help the Government of India in appraisal of land reform programmes and making necessary corrective intervention. The studies under the scheme are sanctioned after the approval of the Research Advisory Committee constituted for the purpose. As the scheme itself is meant for evaluation of the various components of the Land Reforms Policy and Progress made under each study sanctioned under the scheme is reviewed by the RAC there is already an inbuilt system of evaluation. Accordingly, it is not felt necessary to have an evaluation of the scheme.

[Ministry of Rural Areas and Employment (Department of Rural Development) F. No. H-11020/8/97-GC (P) Dated 26.02.1998]

Recommendation (Para No. 10.5)

The Committee feel that the concept of model villages will not only help in the overall development and create employment opportunities of that particular village but also set an example and enthuse other States. They would like to recommend that more and more model villages should be identified and funds should be earmarked for their overall development.

Reply of the Government

The concept of 'Model Villages' has not been taken up by any of the Programme Division under any scheme. Moreover, so far as Government of India is concerned, it may not be possible to select model villages or monitor progress. As such, all State Secretaries (RD) have been addressed to implement the recommendation by identifying more and more villages and funding them so that they can be developed into model villages.

[Ministry of Rural Areas and Employment (Department of Rural Development) F. No. H-11020/8/97-GC (P) Dated 26.02.1998]

PART II

(DEPARTMENT OF WASTELANDS DEVELOPMENT)

Recommendation (Part II, Para No. 2.7)

The Committee are disturbed to note that, though the Department admits no diversion of funds among the Schemes, in reality the released funds has been diverted and used for other Schemes since 1993-94. They note with concern, that Rs. 8.55 crore, were reappropriated and used by the Department between 1993-95 period for other Schemes. The Committee strongly recommend that the funds meant for the Schemes should be spent fully and for the particular Scheme for which they are meant. They also recommend that under no circumstances the Department should adhere to diversion of allocated funds.

Reply of the Government

The observation of the Committee has been noted and in future it will be ensured that funds meant for a particular scheme are utilised in that scheme only.

[Department of Wastelands Development O.M. No. G-33011/11/96-
Admn. (Coord) (Vol. III) Dated 28.10.97]

Recommendation (Part II, Para No. 3.2)

The Committee observe that there was some amount not released out of the Central allocation over the years. For example, during 1995-96 Rs. 1.86 crore and Rs. 1.09 crore were not released out of the allocated amount respectively for the Investment Promotion Scheme (IPS) and Wastelands Development Task Force (WDTF). The Committee are deeply concerned about the lesser release of funds, of such amount by the Central Government. The Committee would like to urge that the Department should find out ways and means to allocate the entire sanctioned amount for the particular scheme. It is further necessary in view of the very meagre budget of the Department *i.e.* Rs. 60 crore during 1995-96, as compared to the magnitude of wastelands in the country. They also feel, that the Programmes/Schemes not performing well may be restructured for better utilisation of funds.

Reply of the Government

It is a fact that Central allocation of Rs. 1.86 crore and 1.09 crore during 1995-96 could not be released under Investment Promotional Scheme (IPS) and Wastelands Development Task Force (WDTF) respectively. The Investment Promotional Scheme has not taken off well and as such the scheme is being restructured. As regards Wastelands Development Task Force, the Scheme is being implemented for development of degraded ravines of Chambal in Morena district of Madhya Pradesh. The funds are initially spent by Ministry of Defence and subsequently reimbursed to them by this Department. Since the Ministry of Defence did not submit their claim in time the funds were not released to them during 1995-96. The Scheme has since been discontinued during 9th Five Year Plan. However, the existing project will continue to be funded by the Department. Taking into consideration the magnitude of the wastelands in the country Planning Commission has allocated Rs. 95 crore during 1997-98 for development of wastelands in the country.

[Department of Wastelands Development O.M. No. G-33011/11/96-Admn. (Coord) (Vol. III) Dated 28.10.97]

Recommendation (Part II, Para No. 4.3)

The Committee note with concern, huge accumulation of unspent balance over the years for several schemes of the Department of Wastelands Development like in the IPS and WDTF. They apprehend that the practice of releasing second and subsequent releases in the last quarter of the year, is contributing to the accumulation of unspent balance. They recommend that Department to clearly demarcate the months by which first, second and subsequent instalments of funds should be released, preferably latest by the month of December so that the States have enough time to utilise the allocated money. The Committee also urge the Department to chalk out a time frame in consultation with the involved DRDAs/PIAs by which the entire accumulated unspent balance can be utilised.

Reply of the Government

The unspent balance relates to IPS and WDTF schemes only. An amount of Rs. 1.86 crore under IPS, Rs. 1.09 crore under WDTF scheme could not be released during 1995-96 as indicated in reply to Para 3.2 above. However, the observation of the Committee has been noted and implementing agencies will be asked to chalk out a suitable time frame to speed up the utilisation of funds.

[Department of Wastelands Development O.M. No. G-33011/11/96-
Admn. (Coord) (Vol. III) Dated 28.10.97]

Recommendation (Part II, Para No. 5.2)

The Committee are distressed to note that except for IWDP and support to NGOs/VAs, the existing guidelines of different Schemes being implemented by the Department have a nil ratio of expenditure for administrative expenses. Even the Scheme of Support to NGOs/VAs does not clearly mention the provision for administrative expenses. As a result, allocations to the above Programmes/Schemes are definitely inadequate or not available to take care of the requirement on account of administrative expenses. The Committee understand administrative charges are disbursement charges, that are meant for administering the Schemes in a proper manner and provide infrastructure for it. They feel Administrative Charges should be sufficient to meet the disbursement charges. In view of the above, the Committee recommend that all the Centrally funded/Centrally sponsored Schemes should have a clear cut provision in the guidelines itself for the administrative expenditure for each Programme/Scheme, which will take care of administrative expenses adequately.

Reply of the Government

The observation of the Committee will be kept in view while finalisation of EFC Memos for 9th Plan in respect of various schemes of the Department.

[Department of Wastelands Development O.M. No. G-33011/11/96-
Admn. (Coord) (Vol. III) Dated 28.10.97]

Comments of the Committee

Recommendation (Part II, Para No. 5.3)

The Committee also recommend for the Schemes of IWDP and Support to NGOs/VAs where there is provision for administrative expenses, the Department should effectively monitor and streamline the expenses on administrative purpose. They also recommend that Department should ensure that the administrative expenses are spent only for the purpose for which they are meant.

Reply of the Government

The observation of the Committee has been noted. The State Government/DRDA/PIA will be requested to ensure that administrative expenses are spent only for the purpose for which they are meant.

[Department of Wastelands Development O.M. No. G-33011/11/96-
Admn. (Coord) (Vol. III) Dated 28.10.97]

Recommendation (Part II, Para No. 6.2)

The Committee note that publicity of the Schemes is an important factor for making the Schemes a success. They also note, although some methods are being adopted by the Department, in none of the Schemes, the Department have fixed some ratio of expenditure for publicity which should be aimed at spreading the knowledge and information to reach the village community beneficiaries to make wastelands development programme a success. The Committee would like to recommend the Department to earmark a certain ratio of expenditure for publicity of each of the Programmes/Schemes.

Reply of the Government

The observation of the Committee has been noted. As regards publicity of the schemes sufficient amount has been earmarked under the head 'Communication' for publicity and awareness generation.

[Department of Wastelands Development O.M. No. G-33011/11/96-
Admn. (Coord) (Vol. III) Dated 28.10.97]

Recommendation (Part II, Para No. 7.2)

The Committee understand that availability of adequate infrastructure at the implementation level is a pre-requisite for the better utilisation of funds. They note that the Department presumes that the available infrastructure at the District/Panchayat/implementation level is adequate and does not verify the claims of the implementing agencies about the availability and functioning of the infrastructure. The Committee recommend that the Department should authorise and tune up its existing monitoring mechanism to verify the claims of the implementing agencies on the availability of infrastructure.

Reply of the Government

The observation of the Committee has been noted. Evaluators appointed for the evaluation of the projects and officers deputed for field visits will be suitably advised to verify the claims of implementing agency on the availability of infrastructure.

[Department of Wastelands Development O.M. No. G-33011/11/96-Admn. (Coord) (Vol. III) Dated 28.10.97]

Comments of the Committee

(Please *see* Para No. 37 of Chapter I of the Report)

Recommendation (Part II, Para No. 8.3)

The Committee note that as per the guidelines, DRDA Governing Bodies must include representation of elected representatives, women, SCs/STs and minorities as members which in turn monitors and reviews the progress of Programmes/Schemes at the district level. The Committee note with concern that many DRDAs so far have not constituted the Governing Bodies as per the guidelines. They feel that non involvement of elected representatives speaks well of the poor implementation and monitoring of the Schemes. They would like to recommend that the Department should issue standard guidelines by the Centre regarding involvement of MPs, MLAs, MLCs and other elected representatives of the District, Block and Panchayat levels.

Reply of the Government

The observation of the Committee has been noted. The State Government will be requested to constitute Governing Body at the district level for implementation and review of the project from time to time. They will also be requested to involve MPs/MLAs/MLCs and other elected representatives of local bodies/women/SC/ST/minorities as members of such Governing Bodies.

[Department of Wastelands Development O.M. No. G-33011/11/96-Admn. (Coord) (Vol. III) Dated 28.10.97]

Recommendation (Part II, Para No. 9.2)

The Committee are distressed to find that out of the most of Programmes/Schemes being implemented by the Department, evaluation of none of the programmes has been undertaken by the Department so far. They also note that for the Schemes like IWDP and Support to NGOs/VAs which were introduced before 1990 does not have a single evaluation to assess the actual impact of the implementation of these Schemes. In view of the above they recommend the Department to carry out a thorough evaluation of each of the Schemes at the earliest. They also urge the Department to carry out evaluation/review of each Scheme being implemented by the Department, preferably at the end of each five year plan so that the Department would have a fairly accurate idea of the current status of achievements and the shortfalls before the beginning of subsequent five year plan.

Recommendation (Part II, Para No. 9.3)

The Committee also recommend the new Programmes/Schemes like IPS, WDTF which were launched recently and whose financial and physical performance are stated to be not picked-up/up-to-the-mark, the Department may select a Project/District for an in-depth evaluation/examination of the Schemes to have a fairly accurate idea of positions on the field.

Reply of the Government (to Part I, Para Nos. 9.2 & 9.3)

The observation of the Committee has been noted. The impact assessment of all completed projects is being undertaken through reputed NGOs/organisations. Investment Promotional Scheme, which has not taken off well, is being restructured. As regards Wastelands Development Task Force, the Scheme has been discontinued during 9th Plan, however, the existing project will continue to be funded till completion.

[Department of Wastelands Development O.M. No. G-33011/11/96-
Admn. (Coord) (Vol. III) Dated 28.10.97]

CHAPTER XI

(COMMON TO ALL THE DEPARTMENTS OF THE THEN MINISTRIES OF URBAN AFFAIRS AND EMPLOYMENT AND RURAL AREAS AND EMPLOYMENT)

Recommendation (Para No. 11.5)

The Committee observe that in many of the States/UTs contrary to the spirit of 73rd/74th Constitutional Amendment, the elected Rural Local Bodies/Urban Local Bodies are not vested real powers for taking administrative/executive decisions. This is particularly so in terms of choice & location of Projects, election of beneficiaries for the Central Government sponsored Urban and Rural Development/Employment Schemes. Though in principle elected MPs are Members of DRDA/DUDA/SUDA Governing Bodies but in practical terms the overwhelming hegemony and control of bureaucracy over these are leading to virtual non-involvement of the elected Members of Parliament. So much so, that often these meetings do not suit the convenience of the MPs and thus practically exclude their participation. In view of this the Committee strongly feel that the Chairman of the elected Zila Parishad should also chair the District level Governing Body of these agencies or MPs of the respective District should be made Chairman of the DRDA/DUDA/SUDA and Vigilance Committees.

Reply of the Government

Department of Urban Development (U.D. Division)

This does not require any action so far as Mega City and IDSMT Schemes are concerned.

[Ministry of Urban Affairs & Employment, Department of Urban Development, O.M. No. H-11013/3/97-Bt. Dated 5.2.98]

Department of Urban Employment and Poverty Alleviation

After review of performance of NRY, it has been decided to introduce a New Scheme known as Swarna Jayanti Shahari Rojgar Yojana in lieu of the existing Schemes of NRY, UBSP and PMI UPEP. The new scheme will come into force from 1.12.97. The guidelines for the new scheme specifically provide that care should be taken to ensure

that SUDA plays only a facilitating role to promote initiative and a flexibility in an overall participatory development process. States have been empowered to delegate the power to issue administrative sanction either to the ULB or to the respective DUDA. In view of this provision the elected representatives of the Urban Local Bodies can also play an important role in implementation of the new scheme.

**Prime Minister's Integrated Urban Poverty
Eradication Programme (PMI UPEP)**

Under the PMI UPEP, since the urban poor community is involved in need identification, their prioritisation and implementations, the projects/works to be undertaken are decided by the Community itself. Also identification of the genuine beneficiaries, *i.e.* the poorest of the poor, is to be carried out by Community Based Organisations (CBOs)/NGOs/Research Institutes/organisations in the Government or Private Sector under the guidance of the Town UPE Cell, and use 'non-income parametres' for identification of beneficiaries, as per the PMI UPEP Guidelines. This list is then to be finalised by the Chairman and the Municipal Commissioner of the ULB, representatives of CBOs and NGOs, Project Officer of UPE Cell, Bank representatives etc. It may be seen that the processes of planning, implementation and monitoring under the scheme has been envisaged to ensure that the urban poor are involved in every stage and the benefits of the Programme are effectively provided to them.

As far as involvement of MPs in SUDAs/DUDAs etc. is concerned, it comes under the purview of the State Governments.

Moreover, this scheme is being replaced by a new Scheme called "Sawma Jayanti Shahari Rojgar Yojana" (SJSRY) very shortly.

[Ministry of Urban Affairs & Employment, Department of Urban
Employment & Poverty Alleviation, O.M. No. G-24011/17/MIS/
UPA/97 Dated 27.1.98]

Department of Rural Development

Consequent upon the enactment of Constitution (73rd & 74th Amendment) Act, 1992 almost all the States and Union territories have enacted their State legislation on Panchayati Raj. These States and Union territories have also implemented various mandatory provisions of the Act like reservation for SCs, STs and Women, constitution of State Finance Commissions and Election Commissions, devolution of powers and authority to Panchayats etc.

While Article 243G of the Constitution visualises Panchayats as institutions of self-Government, it subjects the extent of devolution of powers and functions to the will of the State Legislatures. It also devolves the powers, functions and responsibilities upon Panchayats on 29 subjects listed in the Eleventh Schedule. State Governments have initiated steps for devolution of powers and functions to PRIs in a phased manner. States like Gujarat, Karnataka, Kerala, Tripura and West Bengal have issued detailed executive instructions. In certain States like Himachal Pradesh and Haryana, powers and functions relating to some departments have been identified and general orders have been issued.

Some of the States have already brought the DRDA under the control of the Zila Parishad, but there appears to be no progress in other States. Some States have authorised the President of the Zila Parishad to Chair the meetings of the DRDA but in effect the DRDA has not been merged with Zila Parishad.

The progress of implementation of the Constitution (73rd Amendment) Act, 1992 is monitored by the Ministry of Rural Areas and Employment on a regular basis in the various meetings and conferences held with senior officers and Ministers of the States and UTs. A conference of Chief Ministers of all States was held on 2nd November, 1997 which was chaired by the Prime Minister to review the situation. A Committee of Chief Ministers for accelerating the pace of devolution of powers, functions and responsibilities upon Panchayati Raj Institutions has also been constituted under the Chairmanship of the Prime Minister. A meeting of this Committee was held on 1st October, 1997.

The Schemes of SRA & ULR are not being implemented by the DRDAs and no guidelines for involvement of MPs & MLAs in implementation of these schemes have been issued by the Government of India. However, in line with the objectives of the Constitution 73rd Amendment and the recommendations of the Standing Committee, the issue of involvement of Panchayati Raj Institutions (PRIs) in Land Management/land Reforms was discussed in the last Revenue Ministers Conference held on 28.1.1997. The Conference *inter-alia* recommended for involvement of Panchayats in prevention of alienation of tribal land and restoration of the same. Selection of beneficiaries for allotment of various types of lands, management of common property resources, unearthing of surplus land, concealed tenancy, unrecorded sharecroppers etc. The recommendation of the Conference have been sent to the States/UTs for follow up action. The States/UTs have been requested to inform the steps taken by them for involvement of PRIs in implementation of land reform schemes/programmes.

Similarly, the schemes of ARWSP and CRSP are also not being implemented through the agency of DRDAs. As already stated in the action taken reply with reference to para 13 (j) of the Part I of the Report the scheme of 'Roads in Special Problem Areas' is an old scheme which was launched in 1985-86 and the road works to be taken up had already been identified. Only the incomplete works which have spilled over to this plan are being completed. The works are executed by the State Governments of Uttar Pradesh, Madhya Pradesh and Rajasthan through their Public Works Department. The suggestions from MPs, MLAs and other elected representatives would help early completion of the ongoing works at this stage.

NSAP guidelines provide that the District Level Committee will be headed by Collector and will include, among others, concerned Members of Parliament and about one third of the Members of the State Legislative Assembly for the district as far as possible representing all political parties. As recommended by the Committee, all States will be advised that all the elected MPs should be given equal weightage irrespective of political affiliation. As provided in the NSAP guidelines, the programme is implemented by the Panchayat and Municipalities in the delivery of social assistance so as to make it responsive and cost effective.

[Ministry of Rural Areas and Employment, Department of Rural Development, O.M. No. H-11020/8/97-GC(P) Dated 26.02.1998]

Department of Wastelands Development

The observation of the Committee has been noted. The State Government will be requested to involve elected MPs in the Governing Body of DRDAs and in selection and implementation of wastelands development projects.

[Department of Wastelands Development O.M. No. G-33011/12/97-
Coord. Dated 28.10.97]

Department of Rural Employment and Poverty Alleviation

Guidelines have already been issued by the Department for restructuring the DRDAs, making the Chairman of the Zila Parishad as the Chairman of the Governing Body of the DRDA. To further ensure full involvement of Members of Parliament in the implementation of various schemes of the Ministry of Rural Areas and Employment, instructions have been issued:

- (a) To hold meetings of the DRDA Governing Bodies regularly and fix as far as possible such meetings at a time when Parliament would not be in Session.
- (b) To ensure that the Member of Parliament is invited to attend such meetings by giving sufficient advance notice.
- (c) To constitute District and Block Level Vigilance & Monitoring Committees and District & Block Level EAS Committees wherever not done by including Members of Parliament representing the Districts and ensuring that invitations for the meetings of these Committees are also sent in advance to them.
- (d) To extend proper courtesies to Member of Parliament when they come to attend the meetings of the DRDA Governing Body and the Committees mentioned in (c) above and to ensure that their views are given due importance.
- (e) To ensure that proposals submitted by Members of Parliament, if any, are duly included in the Agenda Notes and the minutes of the meetings reflect fully the suggestions made by Members of Parliament.

- (f) To ensure that Members of Parliament are fully apprised of the method and criteria of selection of beneficiaries and projects as laid down in the schematic guidelines and that their views and suggestions in this regard are given due importance and discussed in the Governing Body meetings.

Minister (RA&E) emphasized the need for the DRDAs to follow the guidelines of the Ministry in toto. The points mentioned above were reiterated by the Minister.

[Ministry of Rural Areas and Employment, Department of Rural Employment & Poverty Alleviation, O.M. No. H-11020/8/97-GC(P) Dated 22.03.1999]

Comments of the Committee

(Please see Para No. 40 of Chapter of the Report)

Recommendation (Para No. 11.6)

Further it is found that in many States, DUDA has yet to be constituted. It is also noticed that many DRDAs so far have not constituted the Governing Bodies as required in the guidelines. The Committee feel that due to the existing machinery involved in the monitoring and implementation of various urban and rural development schemes the funds are, quite often, not released for the purpose for which it has been given by the Central Government.

Reply of the Government

Department of Urban Development (U.D. Division)

In so far as Mega City and IDSMT Schemes are concerned, DUDA, DRDA are not involved.

[Ministry of Urban Affairs and Employment, Department of Urban Development, O.M. No. H-11013/3/97-BT. Dated 5.2.98]

Department of Urban Employment and Poverty Alleviation (Nehru Rozgar Yojana)

A new Scheme known as Swarna Jayanti Shahari Rojgar Yojana has been adopted in lieu of the existing UPA Programmes. In order to ensure better utilisation of funds earmarked for Urban Poverty Alleviation Programmes, the State Urban Development Agency will monitor, assess, guide and supervise the implementation of the programme through visits to the project sites. At the national level, the programme shall be monitored and overseen by the Department of Urban Employment and Poverty Alleviation. A High Level Monitoring Committee headed by Secretary (UEPA) shall also monitor the programme on half-yearly basis.

Prime Minister's Integrated Urban Poverty Eradication Programme (P.M.I.U.P.E.P.)

All the States/UTs have been repeatedly reminded to constitute the DUDA at the earliest possible. Most of the States have constituted the same. This matter comes under the purview of the State Government. Again it is for the State Governments to release the funds to SUDA/DUDA meant for them as provided under the guidelines of the scheme. Moreover, this scheme is being replaced by a new scheme called "Swarna Jayanti Shahari Rojgar Yojana" (SJSRY).

[Ministry of Urban Affairs and Employment, Department
of Urban Employment and Poverty Alleviation
O.M. No. G.24011/17/NIS/UFA/97 Dated 27.01.1998]

Department of Rural Development

Consequent upon the enactment of Constitution (73rd & 74th Amendments) Act, 1992 almost all the States and Union territories have enacted their State legislation on Panchayati Raj. These States and Union territories have also implemented various mandatory provisions of the Act like reservation for SCs, STs and women, constitution of State Finance Commissions and Election Commissions, devolution of powers and authority to Panchayats etc.

While Article 243G of the Constitution visualises Panchayats as institutions of self-Government, it subjects the extent of devolution of powers and functions to the will of the State Legislatures. It also devolves the powers, functions and responsibilities upon Panchayats on 29 subjects listed in the Eleventh Schedule. State Governments have initiated steps for devolution of powers and functions to PRIs in a phased manner. States like Gujarat, Karnataka, Kerala, Tripura and West Bengal have issued detailed executive instructions. In certain States like Himachal Pradesh and Haryana, powers and functions relating to some departments have been identified and general orders have been issued.

Some of the States have already brought the DRDA under the control of the Zilla Parishad, but there appears to be no progress in other States. Some States have authorised the President of the Zilla Parishad to chair the meetings of the DRDA but in effect the DRDA has not been merged with Zilla Parishad.

The progress of implementation of the Constitution (73rd Amendment) Act, 1992 is monitored by the Ministry of Rural Areas and Employment on a regular basis in the various meetings and conferences held with senior officers and Ministers of the States and UTs. A conference of Chief Ministers of all States was held on 2nd November, 1997 which was chaired by the Prime Minister to review the situation. A Committee of Chief Ministers for accelerating the pace of devolution of powers, functions and responsibilities upon Panchayati Raj Institutions has also been constituted under the Chairmanship of the Prime Minister. A meeting of this Committee was held on 1st October, 1997.

The Schemes of SRA & ULR are not being implemented by the DRDAs and no guidelines for involvement of MPs & MLAs in implementation of these schemes have been issued by the Government of India. However, in line with the objectives of the Constitution 73rd Amendment and the recommendations of the Standing Committee, the issue of involvement of Panchayati Raj Institutions (PRIs) in Land Management/Land Reforms was discussed in the last Revenue Ministers Conference held on 28.1.1997. The Conference *inter-alia* recommended for involvement of Panchayats in prevention of alienation of tribal land and restoration of the same. Selection of beneficiaries for allotment of various types of lands, management of common property resources, unearthing of surplus land, concealed tenancy, unrecorded sharecroppers etc. The recommendation of the Conference have been sent to the States/UTs for follow up action. The States/UTs have been requested to inform the steps taken by them for involvement of PRIs in implementation of land reform schemes/programmes.

Similarly, the schemes of ARWSP and CRSP are also not being implemented through the agency of DRDAs. As already stated in the action taken replies with reference to para 11.7(i) of the report of the Committee, the scheme of 'Roads in Special Problem Areas' is an old scheme which was launched in 1985-86 and the road works to be taken up had already been identified. Only the incomplete works which have spilled over to this plan are being completed. The works are executed by the State Governments of Uttar Pradesh, Madhya Pradesh and Rajasthan through their Public Works Department. The suggestions from MPs, MLAs and other elected representatives would help early completion of the ongoing works at this stage.'

NSAP guidelines provide that the District Level Committee will be headed by Collector and will include, among others, concerned Members of Parliament and about one third of the Members of the State Legislative Assembly for the district as far as possible representing all political parties. As recommended by the Committees, all States will be advised that all the elected MPs should be given equal weightage irrespective of political party affiliation. As provided in the NSAP guidelines, the programme is implemented by the Panchayat and Municipalities in the delivery of social assistance so as to make it responsive and cost effective.

[Ministry of Rural Areas & Employment (Department of Rural Development) No. H. 11020/8/97-GC (P) Dated 26.02.1998]

Department of Rural Employment and Poverty Alleviation

Guidelines have already been issued by the Department for restructuring the DRDAs, making the Chairman of the Zilla Parishad as the Chairman of the Governing Body of the DRDA. To further ensure full involvement of Members of Parliament in the implementation of various schemes of the Ministry of Rural Areas and Employment, instructions have been issued:

- (a) To hold meetings of the DRDA Governing Bodies regularly and fix as far as possible such meetings at a time when Parliament would not be in Session.
- (b) To ensure that the Member of Parliament is invited to attend such meetings by giving sufficient advance notice.

To constitute District and Block Level Vigilance & Monitoring Committees and District & Block Level EAS Committees wherever not done by including Members of Parliament representing the Districts and ensuring that invitations for the meetings of these Committees are also sent in advance to them.

- (d) To extend proper courtesies to Members of Parliament when they come to attend the meetings of the DRDA Governing Body and the Committees mentioned in (c) above and to ensure that their views are given due importance.
- (e) To ensure that proposals submitted by Members of Parliament, if any, are duly included in the Agenda Notes and the minutes of the meetings reflect fully the suggestions made by Members of Parliament.
- (f) To ensure that Members of Parliament are fully apprised of the method and criteria of selection of beneficiaries and projects as laid down in the schematic guidelines and that their views and suggestions in this regard are given due importance and discussed in the Governing Body meetings.

Minister (RA&E) emphasized the need for the DRDAs to follow the guidelines of the Ministry in toto. The points mentioned above were reiterated by the Minister.

[Ministry of Rural Areas & Employment (Department of Rural Employment and Poverty Alleviation) No. H.-11020/8/97-GC (P)
Dated 4.02.1999]

Comments of the Committee

(Please see Para No. 43 of Chapter I of the Report)

Recommendation (Para No. 11.7)

The Committee feel in the light of the above, that involvement of elected MPs in the selection of works/projects and identification, of beneficiaries would improve the monitoring, implementation, evaluation

and selection of works/projects and beneficiaries. This would certainly ensure the proper utilisation of funds earmarked for various urban and rural development schemes. The proposed ratio of involvement of MPs with regard to the respective schemes under the following five Departments have been given in Appendix II:

- (i) Department of Rural Development
- (ii) Department of Wastelands Development
- (iii) Department of Rural Employment and Poverty Alleviation
- (iv) Department of Urban Development
- (v) Department of Urban Employment and Poverty Alleviation

The Committee would like that the Government should revise their guidelines in respect of selection of works/projects/beneficiaries under various urban and rural development schemes as proposed in the Appendix and issue necessary directions to the State.

Reply of the Government

Department of Urban Employment and Poverty Alleviation Nehru Rozgar Yojana (NRY)

As far as selection of 50% of works/projects under Nehru Rozgar Yojana by the elected MPs, as observed by Standing Committee is concerned, it is pointed out that Nehru Rozgar Yojana does not involve any developmental works or projects and the Scheme is beneficiaries oriented. Under SUWE, which aims to provide wage employment to urban poor beneficiaries through construction of economically useful public assets in the low income neighbourhoods with the material-labour ratio, being 60:40, the works/projects are approved/selected by the District Nehru Rozgar Yojana Committee (DNRY Committee) or District Urban Development Agency (DUDA) where elected representatives are members.

Housing Division

The last item of Appendix II referred to in this paragraph stipulated that 25% of the works/projects under the scheme of Night Shelter and Sanitation Facilities to Footpath Dwellers should be selected by elected representatives (MPs).

The guidelines of the Night Shelter and Sanitation Facilities for urban footpath dwellers scheme envisage that this scheme can be implemented through Local Bodies, Development Authorities, State Government approved NGOs. At the project formulated stage the implementing agencies including NGO/Voluntary organisations may associate the elected representatives like MPs, MLAs and MLCs. This would help in identification of beneficiaries, community involvement etc. Since the guidelines do not prohibit the involvement of local representatives, the revision of guidelines is not required for this purpose. However, the observations of the Committee are being communicated to the States.

[Ministry of Urban Affairs and Employment (Department of Urban Employment and Poverty Alleviation) O.M. No. G-24011/17/NIS/UFA/97 Dated 27.01.1998]

Department of Wastelands Development

Under the new Guidelines for Watershed Development the projects selected, planned and implemented with the active involvement of Watershed Community and Panchayati Raj Institutions. Zilla Parishads/DRDAs are involved in the implementation at the District level. However, the State Governments will be requested to involve elected MPs in the selection of the projects as recommended by the Committee.

[Department of Wastelands Development O.M. No. G-33011/12/97-Coord. Dated 28.10.97]

Comments of the Committee

(Please see Para No. 46 of Chapter I of the Report)

Recommendation (Para No. 11.8)

The Committee are constrained to note that in DRDA elected MPs/MLAs have been given weightage on Party lines. They note this undesirable practice and would like to recommend that all the elected MPs should be given equal weightage irrespective of the political party affiliation.

Reply of the Government

Department of Urban Development (U.D. Division)

This does not require any action so far as Mega City and IDSMT Schemes are concerned.

[Ministry of Urban Affairs & Employment, Department of Urban Development O.M. No. H-11013/3/97-Bt. Dated 5.2.98]

Department of Wastelands Development

The Recommendation of the Committee has been noted. The State Governments will be requested to give equal weightage to all elected MPs in selection of the projects etc. irrespective of the political party affiliation.

[Department of Wastelands Development O.M. No. G. 33011/12/97-Coord. Dated 28.10.97]

Comments of the Committee

(Please see Para No. 49 of Chapter I of the Report)

Recommendation (Para No. 11.9)

The Committee note the recommendations made at the Conference of Chief Ministers, in which a review of Central sector schemes has been recommended with a view to provide greater freedom and flexibility to the State Governments for identifying/ implementing and monitoring various urban and rural development/employment schemes. They feel that the existing system of funding by Central Sector has resulted in several instances of misutilisation and diversion of funds meant for the poorest strata of the society. Though the Committee are not averse to the idea of further decentralisation but they would like that while giving greater freedom and flexibility to the State Governments necessary mechanism for proper utilisation of such funds meant for the poorest section of the society should be initiated. Further it should also be ensured that funds earmarked for the respective urban and rural development/employment schemes must not be diverted for other purposes under any circumstances.

The Committee would also like to recommend that stringent action should be taken against the State Governments who have diverted the funds meant for specific urban and rural development/employment schemes to other purposes. Further, necessary amendments in the guidelines should be carried on and issued to concerned State and Union territory administration for compliance.

Reply of the Government

Department of Urban Development (U.D. Division)

As far as IDSMT and Mega Cities are concerned, no diversion of funds have come to the notice of this Ministry.

[Ministry of Urban Affairs and Employment, Department of Urban Development O.M. No. H-11013/3/97-Bt. Dated 5.2.98]

Department of Urban Employment and Poverty Alleviation (Nehru Rozgar Yojana)

As far as observations of the Standing Committee on diversion of funds are concerned, it is pointed out that instruction to all States/UTs have already been issued *vide* letter No. K-14011/3/95-UPA (NRY) dated 13th June, 1995 (copy enclosed as Appendix-III) reiterating that funds are earmarked for three Schemes, namely Schemes of Urban Micro-Enterprises (SUME), Scheme of Urban Wage Employment (SUWE) and Scheme of Housing and Shelter Upgradation (SHASU) under Nehru Rozgar Yojana separately. Diversion of funds earmarked for a specific scheme to any other scheme within Nehru Rozgar Yojana cannot be done without prior approval of the Central Government. However, diversion of funds from Nehru Rozgar Yojana to any other programme is not allowed. Under Nehru Rozgar Yojana, in majority of States/UTs, Central funds are released to State Urban Development Agency (SUDA), where it has been constituted. In remaining cases, funds are released to the nodal agency identified by the State/UT for implementing the Yojana or the State Government if such a nodal agency has not been identified. Instructions have been reiterated to all States/UTs *vide* letter No. K-14011/8/96-UPA (NRY)-Vol. II dated 20.9.96 (Appendix IV) to constitute State Urban Development Agencies (SUDAs). Most of the States/UTs have already constituted SUDA/

DUDAs including elected representatives as members. The States/UTs who have not yet constituted SUDA/DUDAs are being constantly pursued to constitute them. The Statement showing the States which have constituted SUDA/DUDAs/DNRY is at Appendix V.

[Ministry of Urban Affairs and Employment, Department of Urban Employment and Poverty Alleviation O.M. No. G-24011/17/MIS/UIA/97 Dt. 27.1.98]

Department of Rural Employment and Poverty Alleviation

This refers to the mis-utilisation and diversion of funds. In this regard, it is to be mentioned that under IRDP and allied programmes except Toolkits, second installment of funds are released only after obtaining utilization certificate and scrutiny of audited reports submitted by the Chartered Accountants. If any instances of diversion, misappropriation etc. is pointed out in the audit report, the concerned DRDAs/States are asked to take corrective measures before any funds is released. Recently, instructions have also been issued for keeping funds in banks and not to place them in the treasury.

[Ministry of Rural Areas and Employment (Department of Rural Employment and Poverty Alleviation, F. No. H-11020/8/97-GC (P) Dated 4.2.1999]

Comments of the Committee

(Please see Para No. 52 of Chapter I of the Report)

Recommendation (Para No. 11.10)

The Committee note that in some of the schemes the funds are given direct to the State Governments and State Government distribute the funds to the various implementing agencies. They feel that funds in respect of the schemes where misutilisation of funds has been reported should be directly given to the implementing agencies like DRDA/DUDA/SUDA/Panchayat/NGOs and Urban Local Bodies. This would ensure proper utilisation of funds. They would like that Government should revise their guidelines and issue necessary directions to the State Government in this regard.

Reply of the Government

Department of Urban Development (U.D. Division)

As far as Mega City Scheme concerned, the funds are released to Nodal Agencies and not to State Governments.

Under IDSMT Scheme very small amount is released to any individual town in a year, amounting to sometimes to Rs. 10 lakh. It is very difficult to release such small amounts to municipalities and keep track of utilisation. Accordingly, it may not be feasible to release such funds to municipalities. However, if State Governments create specialised Urban Infrastructure Finance Corporation, it would be possible to release funds under IDSMT Scheme to such nodal agencies.

[Ministry of Urban Affairs and Employment, Department of
Urban Development O.M. No. H-11013/3/97-Bt. Dated 5.02.98]

Department of Urban Employment and Poverty Alleviation (Nehru Rozgar Yojana)

Under NRY, in majority of States/UTs, Central funds are released to State Urban Development Agency (SUDA), where it has been constituted. In remaining cases, funds are released to the Nodal Agency identified by the State/UT for implementing the Yojana or the State Government if such a Nodal Agency has not been identified. Instructions have been reiterated to all States/UTs vide letter No. K-14011/8/96-PUA (NRY) - Vol. II Dated, 20.9.96 (Appendix VI) to constitute State Urban Development Agencies (SUDAs) and District Urban Development Agencies (DUDAs). Most of the States/UTs have already constituted SUDAs/DUDAs.

PMI UPEP

Misutilisation of funds under PMI UPEP has not been reported by the State/UT so far. Now this scheme has been replaced by a new scheme called Swarna Jayanti Shahari Rozgar Yojana (SJSRY) *w.e.f.* 1.12.1997.

[Ministry of Urban Affairs and Employment, Department of
Urban Employment and Poverty Alleviation
No. G-24011/17/MIS/UPA/97 Dated, 27.1.98]

Department of Wastelands Development

Under the wastelands development programmes, funds are released on project to project basis to DRDAs/Project Implementing Agencies and not to the State Governments. As such there is no question of diversion/misutilisation of funds by the State Governments. Misutilisation of funds is further checked through prescribed progress reports, utilisation certificates, audited statement of accounts, evaluation reports and also by personal inspection of projects by the officers of the Department.

[Department of Wastelands Development O.M. No. G-333011/
12/97-Coord. Dated 28.10.97]

Department of Rural Employment and Poverty Alleviation

As far as IRDP and allied programmes are concerned, funds are released directly to the DRDAs. Only in case of TRYSEM Training Infrastructure, which is a very small component, funds are released directly to the State Governments.

[Ministry of Rural Areas and Employment (Department
of Rural Employment and Poverty Alleviation)
F.No. H-11020/8/97-GC (P) dated 4.2.99]

Comments of the Committee

(Please see Para No. 55 of Chapter I of the Report)

Recommendation (Para No. 11.11)

The Committee during examination of the subject have found that the programmes dealing with one subject under respective Departments are handled under different schemes. Besides, it is also found that one activity is dealt not only by one Department but by various Ministries. A pertinent example in this regard is schemes related to Development of Wastelands/treatment of wastelands in the country. The task of developing different Ministries under different programmes like Ministries of Environment and Forests, Agriculture and Cooperation and Rural Areas and Employment. Even under the Ministry of Rural Areas and Employment there are different schemes like DPAP, DDP and various schemes under Department of Wastelands Development. Further various employment schemes are under Department of Rural Employment and Poverty Alleviation like JRY, EAS, IRDP, DWCRA & TRYSEM, GKY & MWS which can be merged together. The Committee feel that there may be other multiple overlapping schemes with the similar objectives.

Reply of the Government

Department of Urban Employment and Poverty Alleviation

The recommendation of the Hon'ble Committee has been noted for compliance. However, so far as Central Sector housing related schemes are concerned, it is stated that:

1. There is no overlapping/duplication of efforts in the scheme of Night Shelter and Sanitation Scheme for urban footpath dwellers.

2. The National Housing Policy lays great emphasis on promoting low cost housing technology and appropriate materials, widespread dissemination and adoption and skill upgradation of artisans. In line with this approach, a Central Scheme to set up National Network of Building Centres was introduced in 1988 in order to provide a decentralised delivery system for the training and upgradation of skills for housing activity, extension of low cost housing technology and shelter guidance, demonstration of the manufacture and use of low cost, appropriate and indigenous based building materials, and materials produced out of industrial and agricultural wastes, provision of retail outlets for such materials etc., within the framework of the overall policy of Central and State Governments for technology transfer from experimentation to widespread use.

3. The guidelines of the scheme also envisage coverage of villages, small and medium towns, depending on initiatives taken by the State and local agencies, research and professional bodies. There are separate schemes/agencies for promotion of building centres in rural areas being administered by Ministry of Rural Areas and Employment and other Ministries/Departments.

Urban Poverty Alleviation Programme

A new unified scheme called the Swarna Jayanti Shahari Rozgar Yojana (SJSRY) has been introduced in replacement of PMI UPEP, UBSP and NRY to avoid over-lapping of UPA activity *w.e.f.* 1.12.1997.

[Ministry of Urban Affairs and Employment, Department of Urban Employment and Poverty Alleviation O.M. No. G-24011/17/MIS/UPA/97 Dated 27.1.1998]

Department of Rural Employment and Poverty Alleviation

The Committee has recommended merging of overlapping schemes having similar objectives. Proposals in this regard are under active consideration of this Ministry.

[Ministry of Rural Areas and Employment (Department of Rural Employment and Poverty Alleviation)
F.No. H-11020/8/97-GC (P) Dated 04.02.1999]

Comments of the Committee

(Please see Para No. 59 of Chapter I of the Report)

Recommendation (Para No. 11.12)

The Committee feel that due to multiple schemes having similar objectives, there is every chance of duplication and misuse of money. They would like that the schemes having similar objectives under the respective Departments of two Ministries of Urban Affairs and Employment and Rural Areas and Employment should be merged together and be brought under one umbrella to have a tangible impact on the quality of life of urban and rural poor.

Reply of the Government*Department of Urban Employment and Poverty Alleviation (Housing)*

There is no overlapping scheme between the two Ministries. According to allocation of business between the two Ministries, the Ministry of Rural Areas and Employment is responsible for development of rural areas and Ministry of Urban Affairs and Employment is responsible for development of urban areas, so the target groups and area of operations are different.

Nehru Rozgar Yojana

As far as merger of schemes having similar objectives under Ministry of Urban Affairs, Ministry of Rural Areas and Employment and other Departments are concerned, it is pointed out this has already been considered by the Cabinet Secretariat under a proposal for standardisation of Self-employment Schemes of various Ministries/ Departments *vide* a Cabinet Note submitted by the Ministry of Industry.

**Prime Minister's Integrated Urban Poverty Eradication Programme
(PMI UPEP)**

It may be mentioned that one of the recommendations of the Working Group on Urban Poverty for the Ninth Five Year Plan (1996) is to unify all urban poverty eradication programmes. It is understood that a move for review and unification of various poverty alleviation schemes is under consideration in the Planning Commission at present and the present status of this move is being ascertained from them.

[Ministry of Urban Affairs and Employment (Department of Urban Employment and Poverty Alleviation) O.M. No. G-24011/17/MIS/UPA/97 Dated 27.01.1998]

Department of Rural Employment and Poverty Alleviation

The Committee has recommended merging of overlapping schemes having similar objectives. Proposals in this regard are under active consideration of this Ministry.

[Ministry of Rural Areas and Employment (Department of Rural Employment and Poverty Alleviation) F.No. H-11020/8/97-GC (P) Dated 04.02.1999]

Comments of the Committee

(Please see Para No. 59 of Chapter I of the Report)

CHAPTER III

RECOMMENDATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF GOVERNMENT'S REPLIES

PART I

(DEPARTMENT OF RURAL DEVELOPMENT)

Recommendation (Para No. 5.9)

The Committee note that funding for ARWSP and CRSP is 100 per cent by the Central Government subject to the matching share/provisions by States in their respective Minimum Needs Programmes. The criteria and target for both the schemes in the Rural Water Supply Programme and Rural Sanitation Programme are the same, both for the Central sector scheme *i.e.* ARWSP and CRSP and State sector schemes in MNPs. They also note that for Rural Water Supply Programme, the States do not provide the matching share whereas for Rural Sanitation Programme share of States is much more than the Central allocations and release. They feel the funding pattern of 100 per cent allocation by the Centre subject to the matching provisions by the States instead of 50:50 funding pattern adds to the confusion resulting in the poor implementation of schemes. In view of the above they recommend that both ARWSP *vis-a-vis* Rural Water Supply Programme can be pulled together by virtually making both Rural Water Supply Programme and Rural Sanitation Programmes on 50:50 funded programme.

Reply of the Government

The criteria and target differ under both the programmes. Implementing departments are also different in some of the States. If the existing funding pattern is changed to make the ARWSP and CRSP on 50:50 funded programme, the following complications will arise:

- (i) For those States which provide higher provision under the MNP, it will not be possible to give matching Central assistance because as per the criteria, the share of any State under ARWSP and the CRSP cannot exceed the yearly allocation. For example, if the State Government provides Rs. 200 crore under MNP for rural water supply against ARWSP allocation of only Rs. 90 crore, the additional Rs. 110 crore cannot be provided as Central assistance with reducing the share of other State. The

States have to match the Central allocation and not other way round.

(ii) The resource poor States will suffer the most.

[Ministry of Rural Areas and Employment (Department of Rural Development) F.No. H. 11020/8/97-GC (P) Dated 26.02.1998]

Recommendation (Para No. 7.3)

The Committee note that publicity of the scheme is an important factor for its implementation. They also observe that apart from the programme of National Social Assistance Programme in none of the schemes some fixed ratio of expenditure for publicity has been provided. They are astonished to know the claims of the Department that the beneficiaries of ARWSP and CRSP are fully aware of the benefits of the respective schemes and hence there no such need for separate funds for publicity. It is needless to stress here that dissemination of information is a major factor for the better implementation of the rural schemes meant for upliftment of the poorer of the poor which are usually the illiterate strata of society. They would like to recommend that some percentage, say 2% of the funds should specifically be earmarked for the publicity of the respective scheme/programme and which are further be ensured that such amount is spent only for the purpose. The Committee would also like to recommend that for National Social Assistance Programmes stress should be given to publicity because this is a new programme launched for the rural masses.

Reply of the Government

Under the CRSP, 10% of the annual funds are allowed for publicity and IEC related activities. Under Rural Water Supply, instead of a fixed percentage under the ARWSP guidelines, 1% of the funds can be used for publicity. Apart from this, a suitable annual provision is made for IEC - Advertising and Publicity. The provision made for 1997-98 is as under:

	Rs. in crore
Major Head : 2215	2.50
—Direct Expenditure by the Mission	
Major Head : 3601	
— Assistance to States	6.97
	9.47

The recommendation of the Committee with regard to NSAP is noted and action has already been initiated.

Though there is no fixed ratio of expenditure for publicity under the schemes of SRA & ULR and computerisation of Land Records, funds are provided to the States/UTs, as per the requirement received from them for the purpose. This issue was also discussed in the recently held meeting of the Revenue Secretaries, Commissioners/Directors, Survey Settlement and Land Records and selected Collectors on 28th and 29th April, 1997. It was observed in the Conference that common people are not coming up in adequate numbers to take the services and benefits out of the programme of Computerisation of Land Records, due to the lack of knowledge among the people about the programme and its benefits. It was *inter-alia* resolved that suitable actions may be taken by the States for an effective awareness campaign so that the programme becomes popular with the common people.

In line with the recommendation of the Committee the Department has proposed to finance the making of a TV serial, with the help of Film Division of Ministry of Information and Broadcasting, showing the evolution of cadastral survey system from plane table survey to aerial photography, use of global positioning system total stations and other packages for more accurate measurement of land, reproduction of cadastral maps and essential revenue records. The serial is proposed to be sent to the districts to popularise the new technology in the land owing gentry including small and marginal farmers in addition to utilization of other media like radio and newspapers.

Keeping in view of the position explained above and the nature of the schemes, it does not seem to be necessary to earmark a fixed percentage of funds for publicity under the schemes.

[Ministry of Rural Areas and Employment (Department of Rural Development) F.No. H-11020/8/97-GC (P) Dated 26.02.1998]

PART II**(DEPARTMENT OF WASTELANDS DEVELOPMENT)****Recommendation (Part II, Para No. 2.4)**

The Committee note that at present, the Department doesn't follow a uniform pattern for the release of Central share of funds under various Schemes. They also note that on the one hand there is variation in the release pattern of funds for all the Programmes/Schemes and on the other, DRDAs/PIAs are not regular in forwarding such reports which are necessary for the second and subsequent release of funds. In view of the above, the Committee recommend for a uniform pattern of release of Central funds for all the installments with a proper time schedule. They also recommend, to avoid delay in reporting by DRDAs/PIAs, the guidelines of the Schemes should be revised to give a room for proper monitoring and strengthening of reporting.

Reply of the Government

Unlike the other schemes implemented by other Departments where funds are released in a lump sum to the DRDAs/State Governments, and it has been left to the State Governments/DRDAs to sanction and take up works. The position in the schemes implemented by the DoWD is that projects under every scheme are sanctioned by the DoWD. The implementation of the projects is monitored and the releases of funds depend on the progress made, submission of utilisation certificates, audited statement of accounts. Since the release of funds is dependent on the progress made in each project, it would be difficult to follow uniform pattern relating to release of Central fund with proper time schedule for every project sanctioned under the schemes being implemented by the Department of Wastelands Development. Funds are released only on receipt of Progress Reports, Utilisation Certificates and Audited Statement of Accounts of the previous financial year. The State Governments have been requested to ensure submission of the above reports in time. This was also emphasized in the last conference of State Secretaries convened by the Department. However, the matter will again be taken up with the State Governments for timely submission of requisite progress reports for release of funds for implementation of the projects.

[Department of Wastelands Development O.M. No. G-33011/11/96-
Admn. (Coord.) (Vol. III) Dated 28.10.1997]

CHAPTER XI

(COMMON TO ALL FIVE DEPARTMENTS OF MINISTRIES
OF URBAN AFFAIRS AND EMPLOYMENT AND
RURAL AREAS AND EMPLOYMENT)**Recommendation (Para No. 11.9)**

The Committee note the recommendations made at the Conference of Chief Ministers, in which a review of Central sector schemes has been recommended with a view to provide greater freedom and flexibility to the State Governments for identifying, implementing and monitoring various urban and rural development/employment schemes. They feel that the existing system of funding by Central Sector has resulted in several instances of misutilisation and diversion of funds meant for the poorest strata of the society. Though the Committee are not averse to the idea of further decentralization, they would like that while giving greater freedom and flexibility to the State Governments necessary mechanism for proper utilisation of such funds meant for the poorest section of the society should be initiated. Further it should also be ensured that funds earmarked for the respective urban and rural development/employment schemes must not be diverted for other purposes under any circumstances.

The Committee would also like to recommend that stringent action should be taken against the State Governments who have diverted the funds meant for specific urban and rural development/employment schemes to other purposes. Further, necessary amendments in the guidelines should be carried on and issued to concerned State and Union territory administration for compliance.

Reply of the Government*Department of Wastelands Development*

The observation of the Committee has been noted. Under the schemes of the Department, for the development of wastelands, the funds are released on project to project basis to DRDAs/Project Implementing Agencies (PIAs) directly and not to the State Governments. Second and subsequent instalments for

implementation of the projects are released to PIAs only after receiving the satisfactory physical progress reports, utilisation certificate and Audited Statement of Accounts and evaluation reports by the evaluators appointed for the purpose.

[Department of Wastelands Development O.M. No. G-33011/12/97-
Coord. Dated 28.10.97]

Recommendation (Para No. 11.11)

The Committee during the examination of the subject have found that the programmes dealing with one subject under respective Departments are handled under different schemes. Besides, they have also found that one activity is dealt not only by one Department but by various Ministries. A pertinent example in this regard is schemes related to Development of wastelands/treatment of wastelands in the country. The task of developing wastelands/treatment of land is at present being undertaken by different Ministries under different programmes like Ministries of Environment and Forest, Agriculture and Rural Areas and Employment. Even under the Ministry of Rural Areas and Employment there are different schemes like DPAP, DDP, EAS and various schemes under Department of Wastelands Development. Further, various employment schemes are under Department of Rural Employment and Poverty Alleviation like JRY and EAS, IRDP, DWCRA & TRYSEM, GKY & MWS which can be merged together. The Committee feel that there may be other multiple overlapping schemes with the similar objectives.

Reply of the Government

Department of Urban Development (U.D. Division)

This does not require any action so far as Mega City and IDSMT Schemes are concerned.

Ministry of Urban Affairs and Employment, (Department of Urban Development) O.M. No. H-11013/3/97-Bt. Dated 5.2.98]

Recommendation (Para No. 11.12)

The Committee feel that due to multiple schemes having the similar objectives, there is every chance of duplication and misuse of money. They would like that the schemes having similar objectives under the respective Departments of two Ministries of Urban Affairs and Employment and Rural Areas and Employment should be merged together and be brought under one umbrella to have a tangible impact on the quality of life of urban and rural poor.

Reply of the Government

Department of Urban Development (U.D. Division)

This does not require any action so far as Mega City and IDSMT Schemes are concerned.

[Ministry of Urban Affairs and Employment, (Department of Urban Development) O.M. No. H-11013/3/97-Bt. Dated 5.2.98]

CHAPTER IV

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

PART I

(DEPARTMENT OF RURAL DEVELOPMENT)

Recommendation (Para No. 2.7)

The Committee during their on the spot study visit to West Bengal and some of the North Eastern States have noticed several instances of diversion of funds. It was observed that outlay released by the Centre to the respective State Governments for rural development schemes are deposited in their Revenue Account or Personal Ledger Account to serve the various purposes as below:

- (i) to get the overdraft from Reserve Bank of India by showing higher deposits in their Revenue and Personal Ledger Accounts.
- (ii) to fulfil their various obligations like disbursement of salary to their staff etc.

The Committee are distressed to note that the funds earmarked for Rural Development schemes are not being used for the upliftment of the poorest of the poor or rather are used to fulfil the various obligations of the State Government. They are further disturbed to note that the Central Government is not aware of the facts as acknowledged by them in their written replies. They note with concern, contrary to the Central Government reply's the Central allocation to different programmes/schemes are being used for expenditure of the State Governments resulting in the adjustment against State/UT overdraft. They emphasise and strongly recommend that the funds allocated for different programmes/schemes meant for the upliftment of poor section of society should be utilised in those specific programmes/schemes for which they are meant, to achieve the desired results. It is recommended that Central Government should issue some full proof guidelines in this regard so that the practice of diversion of funds is stopped. They also recommend that in no case released funds for different Centrally sponsored schemes should be adjusted against the overdraft of any State/Union territory.

Recommendation (Para No. 2.8)

The Committee during their said visit also noticed that second and third instalments are released by the Centre to the State Governments inspite of the fact that they have not fulfilled the desired norms as per the guidelines like furnishing of utilisation certificate etc. They feel that this is an undesirable practice which provides a ground for the State Government for diversion of funds to other accounts.

**Reply of the Government
(Para Nos. 2.7 and 2.8)**

The Department of Rural Development is implementing three major schemes as follows:—

Rural Water Supply Programme,

2. Rural Sanitation Programme,

National Social Assistance Programme.

In the case of schemes listed at Sl. No. 1 and 2 above (*i.e.* Rural Water Supply Programme and Rural Sanitation Programme) the Central funds are released direct to the State Governments. The funds released by the Centre are deposited in the Account of State Governments by the Reserve Bank of India and thereafter the State Governments release funds to the concerned implementing agencies like Public Health and Engineering Departments (PHEDs) etc. for taking up Water Supply and Sanitation Projects, with the approval of the respective Finance Department. As per the guidelines of Rural Water Supply Programme, the State Government are not allowed to meet any expenditure on administrative cost out of Central release. However, under CRSP 3% of the annual allocation can be utilised by the States, for administrative cost. The guidelines governing the Rural Water Supply Programme and Rural Sanitation Programme are very specific that under no circumstances the funds should be diverted for any purpose. So far, no case of diversion of funds under these Schemes has come to the notice of this Department. Since the funds are released in two instalments and the second instalment is released only upon proper utilisation of the available funds including first instalment, it is ensured that the funds are utilised properly.

The third Scheme *viz.* National Social Assistance Programme came into effect from 15th August, 1995. Under this Scheme funds are released directly to the DRDAs. The District Collector or any other Officer given the nodal responsibility of implementing the Programme at the district level is responsible for proper implementation of programme strictly in accordance with the guidelines and procedure set by the Department. As the programme has been recently started, no diversion of funds has come to the notice of this Department so far.

[Ministry of Rural Areas and Employment (Department of Rural Development), F. No. H-11020/8/97-GE (P) Dated 26.02.1998]

Comments of the Committee

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

Recommendation (Para No. 4.8)

The Committee are surprised to find that the objective for which CAPART and other voluntary organisations were involved in the implementation has not yet been achieved. Similarly, they note that the purpose that voluntary organisations will inject an element of competition for the government agencies, as admitted by the Secretary, has been totally defeated. They are equally surprised to note that even after completion of eight months of fiscal year 1995-96, the Department does not have a correct estimate of the total unspent balance left with CAPART as on 1.4.96 and the Department does not regularly monitor the schemes which CAPART funds. In view of the above scenario, the Committee urge the Department to initiate immediate corrective steps in consultation with CAPART to utilise the unspent balance left so far. They would also like that the Department should regularly monitor the claims of CAPART and the schemes by its own existing monitoring mechanism.

Reply of the Government

The position relating to funds released to CAPART during 1995-96, expenditure incurred by CAPART during 1996-97 and unspent balance with CAPART as on 1.4.95 in respect of ARWSP, shown in the report reflects cumulative figures upto 1995-96 and the figures of expenditure for 1995-96 in respect of CRSP, OB and PC and SAP has been shown as expenditure for 1996-97. However, the actual position of release during 1995-96, expenditure during 1996-97 and unspent balance with CAPART as on 1.4.95 and 1.4.96 under the schemes of ARWSP, CRSP, OB and PC & SAP is as follows:

(Rs. in crore)

Name of the Scheme	Release 1995-96	Expenditure 1996-97	Unspent balance as on	
			1.4.95	1.4.96
ARWSP	20.00	3.27	6.18	11.03
CRSP	1.70	8.27	5.91	1.45
OB	0.875	2.36	0.98	1.07
PC and SAP	2.90	5.63	1.72	(-) 0.20

Voluntary organisations are encouraged by the Government to supplement Government's efforts and also to involve people in the development works so as to achieve sustainability as far as possible. Further voluntary action is also encouraged to supplement scarce public resources through the mobilisation of people's contribution. Since the beginning of VII plan, voluntary action is getting lot of importance and the budget provision under different ministries went up gradually over the years. These, in fact, are the reasons of prompt voluntary action.

The duration of the project sanctioned by CAPART varies from project to project and as such depend on the nature of the project. Further the funds sanctioned are released in stages based on the progress achieved and physical monitoring of the project from time to time. Therefore, the balance of funds available are carried over to the next year. Every efforts are being made by CAPART to utilise as much funds as possible.

[Ministry of Rural Areas and Employment, (Department of Rural Development) F. No. H-11020/8/97-GC (P) Dated 26.02.1998]

Comments of the Committee

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

Recommendation (Para No. 5.6)

The Committee note with concern the reasons furnished by various State Governments for not providing the requisite share or spending lesser amount of the State's share under the respective schemes as given in Para 5.3 and 5.4 of the Report. They feel that State Governments have not taken the Centrally sponsored schemes for the upliftment of poorer of the poor, seriously. It is surprising to note the statement given by the Maharashtra Government with regard to the lesser spending under Central Rural Sanitation Programme as low priority given by the respective State Government. It is astonishing to note that one of the bigger priority programme to provide hygienic conditions to the rural masses has not been given priority by the State Government. The reasons given by other State Governments are equally disturbing. The Committee feel that States have yet to take the programmes for rural masses as the priority programmes. They would like to recommend that Centre should take necessary corrective steps to make the State Governments aware of the priority for these programmes unless earnest action is taken on their part there could not be any sources for the satisfactory implementation of the programmes.

Recommendation (Para No. 5.7)

The Committee are disturbed to note that many States/UTs do not provide Monthly Progress Reports in time. They also feel that the delay in releasing the State share and reporting of utilisation to the Department ultimately delay releasing of subsequent instalment by the Central Government which in the other way effects the implementation of the programme. They would like to recommend that the Department should take up these issues with the State Government/UT Administration and sort out some corrective measures for the better implementation of the programme. It is also recommended that there should be some full-proof mechanism to verify the matching contribution by each of the State Government/Union territories. The guidelines in this respect should be suitably modified.

Reply of the Government
(Para Nos. 5.6 and 5.7)

The matter is taken up with the concerned States from time to time and will also be discussed in the conference with all the States scheduled to be held in this year.

The guidelines of the CRSP provide for the matching contribution by each State/UT.

[Ministry of Rural Areas and Employment (Department of Rural Development) F. No. H-11020/8/97-GC (P) Dated 26.02.1998]

Comments of the Committee

(Please *see* Para No. 21 of Chapter I of the Report)

Recommendation (Para No. 8.2)

The Committee note with concern the inadequate attention given to the infrastructure at the implementation level and maintenance of assets created under the scheme. They feel that equally important is the maintenance of the assets created under the respective schemes. It is further disturbing to note the contradictory statement of the Department. On the one hand it has been stated that apart from some of the schemes like NSAP, SRA and ULR, the infrastructure is available with NGOs and at the institution level and on the other hand they are not sure about the claim of the implementing agencies about the adequate infrastructure. The Committee take the said statement strongly and would like to recommend that it should be ensured that adequate infrastructure is available with the implementing agencies. Equal emphasis should also be given to the maintenance of assets. It is recommended that certain fixed ratio of expenditure should be earmarked for the maintenance of assets. Further they would also like that it should be ensured that the funds are spent for the said purpose

Reply of the Government

The recommendation may be accepted. 10% each of the annual ARWSP and MNP funds are earmarked for maintenance of the assets, under CRSP, as the schemes are mainly for individual household latrines, no fixed ratio/percentage is earmarked.

In so far as CAPART is concerned, the projects are to be implemented with the help of the beneficiaries as far as possible. During the course of implementation of the projects, voluntary organisations are expected to mobilise contributions both in the form of cash and kind whatever is possible to supplement CAPART's

assistance. The involvement of beneficiaries at the implementation stage ensures accomplishment of quality work and also result in proper maintenance of assets created. Under the programme like Drinking water, beneficiaries are associated in selection of site and training is also given to them for proper maintenance of handpumps to reduce dependence on the external agencies.

Funds for creating infrastructure are already being provided to the States/UTs under the programme of Computerisation of Land Records. Till the completion of the Computerisation of Land Records project maintenance cost involved is also being met by Government of India under the scheme. After completion of the project as per the memorandum of the understanding, the State Governments are required to meet the expenditure on maintenance. For implementation of the scheme of SRA & ULR requisite infrastructure is already available with the State Governments. However, State Governments are being assisted for creating adequate infrastructure in areas like training of Revenue, Survey and Settlement, staff, adoption of modern technologies available in the field of survey and settlement and for strengthening the existing infrastructure for updation of land records *viz.* office equipments, record rooms, etc. Keeping in view the changing priorities of the States/UTs for strengthening their revenue administration and updation of land records, fixing a fixed percentage of funds for creation of infrastructure and maintenance of assets does not seem to be possible under the scheme.

As far as the scheme 'Roads in Special Problem Areas' is concerned the Public Works Department of the three State Governments is the implementing agency and therefore proper infrastructure exists for construction and maintenance of roads.

[Ministry of Rural Areas and Employment (Department of Rural Development) F.No. H-11020/8/97-GC (P) Dated 26.02.1998]

Comments of the Committee

(Please *see* Para No. 31 of Chapter I of the Report)

CHAPTER XI

(COMMON TO ALL FIVE DEPARTMENTS OF MINISTRIES OF
URBAN AFFAIRS AND EMPLOYMENT AND RURAL
AREAS AND EMPLOYMENT)

Recommendation (Para No. 11.6)

Further it is found that in many States DUDA has yet to be constituted. It is also noticed that many DRDAs so far have not constituted the Governing Bodies as required in the guidelines. The Committee feel that due to the existing machinery involved in the monitoring and implementation of various urban and rural development schemes the funds are, quite often, not released for the purpose for which it has been given by the Central Government.

Reply of the Government

Department of Wastelands Development

The funds for implementation of the wastelands development projects are released to DRDAs/implementing agencies on project to project basis and not to the State Governments. As such there is no question of diversion of funds by the State Governments and funds are utilised for the projects for which they are meant.

[Department of Wastelands Development O.M. No. G-33011/12/97-
Coord. Dated 28.10.97]

Comments of the Committee

(Please see Para No. 43 of Chapter I of the Report)

Recommendation (Para No. 11.7)

The Committee feel in the light of the above, that involvement of beneficiaries would improve the monitoring, implementation, evaluation and selection of works/projects and beneficiaries. This would certainly ensure the proper utilisation of funds earmarked for various urban and rural development schemes. The proposed ratio of involvement of

MPs with regard to the respective schemes under the following five Departments have been given in Appendix II:

- (i) Department of Rural Development
- (ii) Department of Wastelands Development
- (iii) Department of Rural Employment and Poverty Alleviation.
- (iv) Department of Urban Development
- (v) Department of Urban Employment and Poverty Alleviation.

The Committee would like that the Government should revise their guidelines in respect of selection of works/projects/beneficiaries under various Urban and Rural Development Scheme as proposed in the Appendix II and issue necessary directions to the State.

Reply of the Government

Department of Urban Development

Under Urban Water Supply and Sanitation sector the comments in respect of the three schemes mentioned in the Appendix II are as below.

Low Cost Sanitation Scheme

The individual schemes under the Low Cost Sanitation Scheme for liberation of scavengers are formulated and approval sought by the Urban Local Body which is the primary unit for taking decisions. In the process of making the proposal for a particular town there is a direct involvement of representatives of the Local Body in its decision making. In some of the States, MLAs and MPs residing in the concerned Local Body are also Ex-Officio members of the Urban Local Bodies and therefore, in respect of those Local Bodies, they are also involved in decision making process. Elected representatives in selection of the schemes are already involved and any further change is not considered advisable.

Accelerated Urban Water Supply Programme

In so far as Accelerated Urban Water Supply Programme is concerned, at present there is no direct involvement of elected representatives in selection of the scheme. However, their suggestions are kept in view at the time of according priority to a particular scheme by the State Level Selection Committee which is headed by the Secretary incharge of the Department of Urban Water Supply in the State Government.

Solid Waste Management

There is only one scheme implemented by this Department which relates to the Solid Waste Management in 10 Air Force Stations. The Scheme has been formulated with a view to prevent huge losses to Air Force due to bird hits near 10 identified air-field towns; as per the priority indicated by the Air Force. As the selection/identification of the 10 towns has been done by the Air Force, keeping in view the above mentioned defence requirement, it may not be possible to change the Air Force Stations identified and selected by the Defence Ministry. As no further selection of towns is involved, at this stage, involvement of public representatives in the selection process is not considered necessary.

U. D. Division

As far as IDS1fr and Mega City Schemes are concerned the guidelines stipulate constitution of Sanctioning Committee with the following representatives:

Mega City Scheme

1. Secretary of the State Urban Development/Municipal Administration Department dealing with the Mega City Scheme.
2. Secretary, State Finance Department.
3. Chief Executive of Mega City Project Authority (Nodal Agency)
4. Joint Secretary (UD), GOI, M/o Urban Affairs and Employment

5. Representative of the Planning Commission
- Representative of Financial Institutions as special invitee wherever required.

IDSMT Scheme

1. Secretary, Urban Development/Local Government (in charge of IDSMT) Chairman
2. Secretary, Finance Member
3. Director (Town and Country Planning) Member
4. Commissioner/Director (Municipal Adniiffistraton) Member
5. Representative of WA&E Member
6. Representative of Planning Commission Member
7. Representative of TCPO Member
- Representative from Financial Institution/ HUDCO Invitee

The guidelines do not provide for the representation of MP/ MLA in selection of projects. Continuation of the two schemes under the 9th Plan is not known as the 9th Plan is still to be finalised and a decision by the Chief Ministers Committee on transfer of Centrally sponsored schemes to State Governments is yet to be taken. The question of revision of guidelines would arise only after receiving the firm commitment that the schemes would continue in the present shape. Moreover there is a thinking in the Ministry that instead of sanctioning funds for projects, Government of India's share can go as equity for State level Urban Infrastructure Finance Corporation which could "leverage" funds from the capital market, financial institutions and the newly constituted Infrastructure Development Finance Company. It may be mentioned that Mega City and IDSMT schemes are not beneficiary-oriented programme and so selection of beneficiaries does not arise. Moreover, the central funds are released to the nodal agencies as grant but from the nodal agencies to the implementing agencies

funds are released as loans. Thus only viable package of projects would need to be considered. Subject to these considerations, the question of revision of guidelines could be considered only after the 9th Plan is finalised and the schemes are continued. The Implementing Agencies/Urban Local Bodies are free to consult MPs/MLAs while selecting the projects.

[Ministry of Urban Affairs and Employment, Department of Urban Development O.M. No. H-11013/3/97-Bt. Dated 5.2.19981
Department of Rural Development

Consequent upon the enactment of Constitution (73rd and 74th Amendment) Act, 1992 almost all the States and Union territories have enacted their State legislation on Panchayati Raj. These States and Union territories have also implemented various mandatory provisions of the Act like reservation for SCs, STs and Women, Constitution of State Finance Commissions and Election Comissions, devolution of powers and authority to Panchayats etc.

While Article 243G of the Constitution visualises Panchayats as institutions of self-government, it subjects the extent of devolution of powers and functions to the will of the State Legislatures. It also devolves the powers, functions and responsibilities upon Panchayats on 29 subjects listed in the Eleventh Schedule. State Governments have initiated steps for devolution of powers and functions to PRIs in a phased manner. States like Gujarat, Karnataka, Kerala, Tripura and West Bengal have issued detailed executive instructions. In certain States like Hirnachal Pradesh and Haryana, powers and functions relating to some departments have been identified and general orders have been issued.

Some of the States have already brought the DRDA under the control of the Zila Parishad, but there appears to be no progress in other States. Some States have authorised the President of the Zila Parishad to Chair the meetings of the DRDA but in effect the DRDA has not been merged with Zila Parishad.

The progress of implementation of the Constitution (73rd Amendment) Act, 1992 is monitored by the Ministry of Rural Areas and Employment on a regular basis in the various meetings and conferences held with senior officers and Ministers of the States and

UTs. A Conference of Chief Ministers of all States was held on 2nd November, 1997 which was chaired by the Prime Minister to review the situation. A Committee of Chief Ministers for accelerating the pace of devolution of powers, functions and responsibilities upon Panchayati Raj Institutions has also been constituted under the Chairmanship of the Prime Minister. A meeting of this Committee was held on 1st October, 1997.

The Schemes of SRA & ULR are not being implemented by the DRDAs and no guidelines for involvement of MPs and MLAs in implementation of these schemes have been issued by the Government of India. However, in line with the objectives of the Constitution 73rd Amendment and the recommendations of the Standing Committee, the issue of involvement of Panchayati Raj Institutions (PRIs) in Land Management/Land Reforms was discussed in the last Revenue Ministers Conference held on 28.1.1997. The Conference inter-alia recommended for involvement of Panchayats in prevention of alienation of tribal land and- restoration of the same. Selection of beneficiaries for allotment of various types of lands, management of common property resources, unearthing of surplus land, concealed tenancy, unrecorded sharecroppers etc. The recommendation of the Conference have been sent to the States/UTs for follow up action. The States/LJTs have been requested to inform the steps taken by them for involvement of PRIs in implementation of land reform schemes/programmes.

Similarly, the schemes of ARWSP and CRSP are also not being implemented through the agency of DRDAS.

As already stated in the action taken reply with reference to para 11.7 (i) of the report of the Committee, the scheme of 'Roads in Special Problem Areas' is an old scheme which was launched in 1985-86 and the road works to be taken up had already been identified. Only the incomplete works which have spilled over to this plan are being completed. The works are executed by the State Governments of Uttar Pradesh, Madhya Pradesh and Rajasthan through their Public Works Department. The suggestions from MPs, MLAs and other elected representatives would help early completion of the ongoing works at this stage.

NSAP guidelines provide that the District Level Committee will be headed by Collector and will include, among others, concerned Members of Parliament and about one third of the Members of the State Legislative Assembly for the district as far as possible representing all political parties. As recommended by the Committees, all States will be advised that all the elected MPs should be given equal weightage irrespective of political affiliation. As provided in the NSAP guidelines, the programme is implemented by the Panchayat and Municipalities in the delivery of social assistance so as to make it responsive and cost effective.

[Ministry of Rural Areas and Employment (Department of Rural Development), F. No. H. 11020/8197-GC (P) Dated 26.02.19981
Comments of Committee

(Please see Para No. 46 of Chapter 1 of the Report)
Recommendation (Para No. 11.8)

They constrained to note that in DRDA elected MPs/MLAs have been given weightage on party lines. They note this is an undesirable practice and would like to recommend that all the elected MPs should be given equal weightage irrespective of the political party affiliation.

Reply of the Government
Department of Urban Employment and Poverty Alleviation
No action is called for as DRDA pertains to Ministry of Rural Development.

[Ministry of UA&E, Department of Urban Employment and Poverty Alleviation, O.M. No. C-24011117/MIS/UPA/98
Dated 27.1.19981

Department of Rural Employment and Poverty Alleviation

The Committee has recommended that all elected MPs should be given equal weightage irrespective of the political party affiliation. In this regard, the Governing Body of DRDA consists of all MPs irrespective of the party affiliation.

[Ministry of Rural Areas and Employment (Department of Rural Employment and Poverty Alleviation) F. No. H-1102018197-GC

(P) Dated 04.02.19991

Comments of the Committee

(Please see Para No. 46 of Chapter 1 of the Report)

Recommendation (Para No. 11.9)

The Committee note that the recommendations made at the Conference of Chief Ministers in which a review of Central sector of the scheme has been made with a view to provide greater freedom and flexibility to the State Governments for identifying/implementing and monitoring various urban and rural development schemes. They feel that the existing system of funding by Central Sector has resulted in misutilisation and diversion of funds meant for the poorest strata of the society. Though the Committee are not averse to the idea of further decentralization but they would like that while giving greater freedom and flexibility to the State Governments necessary mechanism for proper utilisation of such funds meant for the poorest section of the society should be initiated. Further it should also be ensured that funds earmarked for the respective urban and rural development schemes must not be diverted for other purposes under any circumstances.

The Committee would also like to recommend that stringent action should be taken against the State Governments who have diverted the funds meant for specific urban and rural development schemes to other purposes. Further, necessary amendments in the guidelines should be carried on and issued to concerned State and Union territory administration for compliance.