

**TWENTY-FIFTH REPORT**

**STANDING COMMITTEE ON  
URBAN AND RURAL DEVELOPMENT  
(2001)**

**THIRTEENTH LOK SABHA**

**MINISTRY OF RURAL DEVELOPMENT  
(DEPARTMENT OF RURAL DEVELOPMENT)**

**DEMAND FOR GRANTS  
(2001-2002)**

*Presented to Lok Sabha on 20.4.2001*

*Laid in Rajya Sabha on 20.4.2001*

**LOK SABHA SECRETARIAT  
NEW DELHI**

*April 2001/Chaitra 1923 (Saka)*

## CONTENTS

Composition of the Committee

Abbreviation

Introduction

### REPORT

Chapter I      Introductory

Chapter II     An overall analysis of Demand for Grants for the year 2001-2002 of the Department of Rural Development (Ministry of Rural Development)

Chapter III    Scheme-wise analysis of the programmes/schemes related to poverty alleviation and employment generation

- (i)      Swarnjayanti Gram Swarozgar Yojana (SGSY)
- (ii)     Jawahar Gram Samridhi Yojana (JGSY)
- (iii)    Employment Assurance Scheme (EAS)
- (iv)    National Social Assistance Programme (NSAP)...

Chapter IV    Housing Schemes

- (i)      Indira Awaas Yojana (IAY)
- (ii)     Equity Support to HUDCO
- (iii)    Research and Development..

Chapter V    Other Schemes.

- (i)      DRDA Administration
- (ii)     Training.
- (iii)    Panchayati Raj

### Statement of Observations/Recommendations

### COMPOSITION OF THE STANDING COMMITTEE ON URBAN AND RURAL DEVELOPMENT (2001)

**Shri Anant Gangaram Geete**      -      *Chairman*

#### **MEMBERS**

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3. Shri Padmanava Behera
4. Shri Jaswant Singh Bishnoi
5. Shri Ambati Brahmaniah
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36. Prof. A. Lakshmisagar
37. Shri C. Apok Jamir
38. Shri Faqir Chand Mullana
39. Shri Onward L. Nongtdu
40. Shri A. Vijaya Raghavan
41. Shri N. Rajendran
42. Shri Solipeta Ramachandra Reddy
43. Shri Man Mohan Samal
44. Shri Suryabhan Patil Vahadane

***SECRETARIAT***

- |    |                        |   |                   |
|----|------------------------|---|-------------------|
| 1. | Shri S.C. Rastogi      | - | Joint Secretary   |
| 2. | Shri K. Chakraborty    | - | Deputy Secretary  |
| 3. | Shrimati Sudesh Luthra | - | Under Secretary   |
| 4. | Shri A.K. Srivastava   | - | Committee Officer |

## ABBREVIATIONS

BE	-	Budget Estimates
BPL	-	Below Poverty Line
CAPART	-	Council for Advancement of People's Action and Rural Technology
CRSP	-	Central Rural Sanitation Programme
DAVP	-	Directorate of Advertising and Visual Publicity
DWCRA	-	Development of Women and Children in Rural Areas
DRDA	-	District Rural Development Agency
DLCC	-	District Level Coordination Committee
EAS	-	Employment Assurance Scheme
ETC	-	Extension Training Centre
GKY	-	Ganga Kalyan Yojana
IAY	-	Indira Awaas Yojana
IRDP	-	Integrated Rural Development Programme
IRMA	-	Indian Institute of Rural Management Anand
IWDP	-	Integrated Wastelands Development Programme
JRY	-	Jawahar Rozgar Yojana
JGSY	-	Jawahar Gram Samridhi Yojana
MNP	-	Minimum Needs Programme
MWS	-	Million Wells Scheme
NIRD	-	National Institute of Rural Development
NC	-	Not Covered
NMBS	-	National Maternity Benefit Scheme
NOAPS	-	National Old Age Pension Scheme
NFBS	-	National Family Benefit Scheme
NGO	-	Non-Government Organization
NSAP	-	National Social Assistance Programme
NSSO	-	National Sample Survey Organisation
NCT	-	National Capital Territory
OB	-	Organization of Beneficiaries
PC	-	Partially Covered
PMGY	-	Prime Minister's Gramodaya Yojana
PMRY	-	Prime Minister's Rozgar Yojana
PRIs	-	Panchayati Raj Institutions
RE	-	Revised Estimates
SIRD	-	State Institute of Rural Development
SGSY	-	Swarnjayanti Gram Swarozgar Yojana
SC	-	Scheduled Caste
TRYSEM	-	Training of Rural Youth for Self-Employment
UT	-	Union Territory
VO	-	Voluntary Organization

## INTRODUCTION

I, the Chairman of the Standing Committee on Urban and Rural Development (2001) having been authorised by the Committee to submit the Report on their behalf, present the Twenty-Fifth Report on Demand for Grants (2001-2002) of the Department of Rural Development.

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

3. The Committee took evidence of the representatives of the Department of Rural Development on the 27<sup>th</sup> March, 2001.

4. The Report was considered and adopted by the Committee at their sitting held on 16<sup>th</sup> April, 2001.

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

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

NEW DELHI;  
19<sup>th</sup> April, 2001  
29 Chaitra, 1923 (Saka)

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

## CHAPTER I

### INTRODUCTORY

1.1 The Ministry of Rural Development consists of three Departments (i) Department of Rural Development; (ii) Department of Drinking Water Supply; and (iii) Department of Land Resources.

1.2 The Department of Rural Development deals with centrally sponsored programmes/schemes like Swarnjayanti Gram Swarozgar Yojana, Jawahar Gram Samridhi Yojana, Employment Assurance Scheme, Indira Awaas Yojana, National Social Assistance Programme, Pradhan Mantri Gram Sadak Yojana etc. The Department is also vested with the nodal responsibility for monitoring the implementation of Part IX of the Constitution, read with Article 243 ZD of Part IX A.

1.3 The overall Demand for Grants of the Department for 2001-2002 are for Rs.9224.49 crore.

1.4 The Demand for Grants of the Department has been presented to Parliament under Demand No.65. The detailed Demand for Grants of the Department was laid in Lok Sabha on 20<sup>th</sup> March, 2001.

1.5 In the present Report, the Committee have restricted their examination only to the major issues concerning the Programmes/Schemes that are being implemented by the Department in the context of Demand for Grants, 2001-2002.

## CHAPTER II

### AN OVERALL ANALYSIS OF DEMAND FOR GRANTS FOR THE YEAR 2001-2002 OF THE DEPARTMENT OF RURAL DEVELOPMENT (MINISTRY OF RURAL DEVELOPMENT)

#### 2.1 Comparative position of the outlay during 2000-2001 and 2001-2002

<b>Plan</b>		<b>(Rs. in crore)</b>
BE 2000-2001	-	9260
RE 2000-2001	-	8869.55
BE 2001-2002	-	9205
<b>Non-Plan</b>		<b>(Rs. in crore)</b>
BE 2000-2001	-	18.99
RE 2000-2001	-	18.84
BE 2001-2002	-	19.49

#### Sector-wise analysis of Demand for Grants 2001-2002

2.2 The sector-wise allocation is as under:

#### Special Programmes for Rural Development (Swarnjayanti Gram Swarozgar Yojana (SGSY))

	<b>(Rs. in crore)</b>
BE 2000-2001	900
RE 2000-2001	370
BE 2001-2002	450

#### Rural Employment (Jawahar Gram Samridhi Yojana (JGSY) and Employment Assurance Scheme (EAS))

	<b>(Rs. in crore)</b>
BE 2000-2001	2655
RE 2000-2001	2798.40
BE 2001-2002	2925
<b>Rural Housing (Indira Awaas Yojana (IAY))</b>	
BE 2000-2001	1539
RE 2000-2001	1490
BE 2001-2002	1374.30

**Social Security and welfare (National Social Assistance Programme (NSAP) and Annapurna**

BE 2000-2001	733.50
RE 2000-2001	733.50
BE 2001-2002	1021.50

**Other Development Programmes (District Rural Development Agency(DRDA), Training and Council for Advancement of People's Action and Rural Technology (CAPART)**

(Rs. in crore)

BE 2000-2001	256.50
RE 2000-2001	239.10
BE 2001-2002	263.70

**2.3 The following observations are made while analysing the data which as given above.**

- (i) The outlay under SGSY during 2001-2002 is half of the BE of 2000-2001.**
- (ii) The outlay under SGSY during 2000-2001 was substantially cut at RE stage.**
- (iii) The allocation made during 2001-2002 under JGSY and EAS i.e. Rural Employment Programmes is slightly higher than the previous year. Allocation under RE 2000-2001 shows a marginal increase over BE 2000-2001.**
- (iv) The outlay under one of the most priority programme i.e. Rural Housing during 2001-2002 is less than the previous two years. RE also shows a decline.**
- (v) The outlay under NSAP 2001-2002 has substantially been increased.**
- (vi) The outlay for other development programmes like DRDA, Training and CAPART etc. has slightly been increased.**

**2.4** When asked to comment on the above mentioned points the Government in their written replies have stated the point-wise position as under:

- (i) Though the Department had proposed an outlay of Rs.700.00 crore for SGSY while finalising the scheme-wise break-up of B.E. 2001-2002, the Planning Commission has agreed for an outlay of Rs.500.00 crore for 2001-2002. Out of this, an amount of Rs.50.00 crore is earmarked for North-Eastern Region and Rs.450.00 crore is available for other States.
- (ii) The outlay of 2000-2001 for SGSY was substantially cut by the Ministry of Finance at RE stage mainly on account of large opening balances with the implementing agencies and the relatively low utilisation reported by some State Governments at that time.

It is further submitted that the position regarding utilisation of funds by the States has considerably improved and the proposals from the State Governments have been received for the release of funds. It is being proposed to the Ministry of Finance to restore the cut to the tune of Rs.150.00 crore at the RE stage.

- (iii) To meet the current drought situation in 8 States, the Food for Work Programme has been introduced as a temporary measure and Ministry of



Rural Development is the nodal agency. The increased allocation during 2001-2002 under Rural Employment Programmes is, therefore, due to additional provision for Food For Work Programme under EAS. The marginal increase in R.E. 2000-2001 over B.E. 2000-2001 is also due to additional provision for the Food for Work Programme.

- (iv) Though, this Department had recommended an allocation of Rs.1800 crore for Rural Housing for 2000-2001, the Planning Commission had restricted the allocation for Rural Housing to Rs.1627 crore, out of which 162.70 crore is earmarked for North Eastern Region under Major Head '2552'.

The reduction in R.E. under the main programme is due to the fact that an amount of Rs.49.00 crore was taken out from the main programme head to meet anticipated additional requirement of funds for North Eastern Region under Major Head '2552'. However, it has since been decided to restore this amount to the main programme for meeting additional requirement of funds for Gujarat on account of recent earthquake in the State.

- (v) This Department had proposed an amount of Rs.650 crore for NSAP keeping in view the requirement for two components viz. 'National Old Age Pension Scheme' and 'National Family Benefit Scheme, as the National Maternity Benefit Scheme has been transferred to the Department of Family Welfare with effect from 1.4.2001. However, the Planning Commission has increased the outlay for NSAP to Rs.835 crore.

- (vi) The outlay for DRDA Administration and CAPART has been kept at last year's level. In fact, the slight increase has been made under Training for meeting committed liabilities of State Institutes of Rural Development (SIRDs), Panchayat Development & Training for meeting additional requirement of States for conducting more training courses for Panchayati Raj functionaries and Monitoring Mechanism for effective monitoring of the implementation of various Rural Development Programmes.

2.5 When asked about the reasons given by Planning Commission for reducing the allocation in respect of SGSY and Rural Housing, the Government in their written reply have stated:

"The Planning Commission have clarified that the allocations were approved based on the analysis in the Mid-Term Review. Allocations were enhanced in respect of schemes that were doing comparatively better.

While the opening balances under the SGSY and IAY, at the beginning of 2000-2001, were substantial, it may be mentioned that Rural Housing is also a component under the Pradhan Mantri Gramodaya Yojana (PMGY) and, out of an allocation of

Rs.2500 crore for the PMGY, at least 15% (Rs.375 crore) are to be provided for Rural Housing."

2.6 The Secretary, Department of Rural Development at the time of oral evidence submitted to the Committee as under:

"We do feel that functionaries and the people in DRDAs and Zila Parishads and elsewhere must understand the schemes. By and large, some of these Schemes are two

year old I would say that during the survey of 2001-2002, we would be able to take a view on this.”

**2.7 While going through the critical analysis of the sector-wise outlay as provided for the various schemes of the Department of Rural Development, the Committee comes to the conclusion that the Department itself is responsible for getting lesser allocation under certain schemes like SGSY and Rural Housing. The Planning Commission have enhanced the allocation for the schemes which were doing comparatively better and reduced the allocation for schemes like SGSY and IAY where there were huge opening balances. The Committee note that IRDP was restructured as SGSY during 1999-2000 and two years have passed since then. They feel that a period of two years is sufficient to make functionaries and implementing authorities to understand the scheme. As regards IAY, the Committee fail to understand the huge unspent balances with the State Government. In view of this, the Committee strongly recommend that the Government should undertake in consultation with the State Governments a high level review to ascertain the reasons for the under utilisation of resources and the corrective steps which needs to be undertaken in this regard. Further to ensure the proper implementation of the different programmes, the Government should pay serious attention to make the persons responsible for implementing such schemes adequately trained.**

**The Committee are informed that the Government have introduced Food for Work Programme as a temporary measure to meet the current drought situation in certain States. While appreciating such a move the Committee would like to know the details of programme chalked out under the scheme and the strategy**

**worked out so that the benefits reach the needy with adequate safeguards to ensure that funds are not diverted or remain confined in the coffers. Moreover, given the huge stocks available with Food Corporation of India (FCI), the Committee urge that ‘Food for Work Programme’ should be made permanent programme instead of a temporary measure applicable in all DPAP and DDP, areas affected by natural disasters and other areas where there is a demand from State Governments. In this regard, the Committee request that Planning Commission should be requested to provide adequate outlay for the purpose.**

### **2.8 Percentage Achievement (Physical and Financial) under all the Schemes.**

As per the data furnished above, there is steep decline in percentage achievement in respect of the schemes viz. (i) EAS (ii) NIRD and (iii) Strengthening of ETCs when the figures of the year 1999-2000 and 2000-2001 are compared. In respect of Rural Housing, physical achievement for the year 2000-2001 is also considerably low as compared to the year 1999-2000. Percentage achievement with regard to strengthening of ETCs were also not encouraging.

**2.9** When asked to explain the reasons for the dismal performance under (i) EAS, (ii) NIRD and (iii) Strengthening of ETCs, the Government in their reply have explained as under:

### **Employment Assurance Scheme**

As per the latest monthly progress report, the physical achievement shows that 1195 lakh mandays have been generated upto January, 2001 against the annual target of 2356 lakh mandays, which comes to 50.72%. This is based on the reports received from the States, many of which are not up to date. It is expected that the employment generation will be commensurate with the expenditure of funds by the end of the year. The expenditure is also low, because some of the States have not submitted their monthly progress reports and some of the States submitted their reports which are not up to date.

### **NIRD**

The figures furnished earlier were upto January, 2001 and do not reflect the latest position for 2000-2001. The figures have since been updated. The physical achievement during 2000-2001 upto 21.3.2001 has now gone upto 89.82 percent as compared to 68.26 percent reported earlier.

### **ETC**

No targets are fixed under ETC as the Scheme is demand driven. However, the financial achievement under the Scheme upto 21.3.2001 is now 100% as the entire allocation of Rs.3.00 crore has been released.

### **Rural Housing**

The performance during the year 2000-2001 compared to 1999-2000 may not be treated as disappointing. Actually the targets are fixed for the whole year (i.e. 1.4.2000 to 31.3.2001) and since in the year 2000-2001 the working season is in full swing, it is anticipated that the target would be fully achieved by the close of the year. The States/UTs also often send their reports months late.

**2.10 The Committee view with scepticism, the Government's claim that the 100% physical and financial targets would be achieved under the different schemes of the Department. It is not because of real shortfall, but because reports received from the States/UTs are not updated. The Committee can not meaningfully analyse the performance under the respective schemes, unless updated information is supplied by the Ministry. While hoping that the Government will achieve the target, the Committee stress that it is Ministry's duty to revamp the mechanism using modern tools of communication such as Information Technology.**

**2.11 It is disheartening to hear that against the annual target of 2356 lakh mandays, only 1195 lakh mandays have been generated upto January, 2001 under EAS. The Committee are not re-assured by the statement that (EAS) has been running successfully in the absence of upto date reports from the States and in the face of information which is available under the scheme. The dismal performance cannot be set aside simply by saying that the reports from the States do not reflect the exact achievement. The Mid Term Appraisal (Page 145) says that EAS suffers from various lacunae including bogus reporting. The field staff have to show that targets have been fully achieved irrespective of the ground realities. Collectors have to provide Utilisation Certificates so that the State can draw the next instalment from the Centre. The Government have to address the aforesaid lacunae and find out a solution. To this end, the Committee urge the Government at the highest level to sensitise all concerned to the crucial importance of EAS in assuring employment, especially when employment in both organised and unorganised sectors is very slow.**

**The Committee urge the expansion of EAS by incorporating 'Food for Work Programme' in view of huge stocks of foodgrains available with Food Corporation of India (FCI).**

### **National Sample Survey of persons living below the poverty line**

2.12 As per the written replies furnished by the Ministry, the results of NSSO survey indicates that the number of rural poor has come down from 24.40 crore in 1993-94 to 19.32 crore in 1999-2000 and their proportion has been reduced from 37.37% to 27.09%.

2.13 During the course of oral evidence the representative of Planning Commission stated as under:

“As far as the measurement of the incidence of poverty is concerned, although figures have been released for 1999-2000, we would request that a comparative statement may not be made because there are various methods in which poverty can be measured. It is one issue which is more correct method.

The other issue is whether or how the 1999-2000 figures can be compared with the 1993-94 figures. It is in comparison that you are seeing that the poverty is coming down from 37 per cent to 26 per cent. That is how it appears. But the fact is that two methodologies being different, these two numbers are not comparable.

Now, it is a technical issue that the Planning Commission intends to go through shortly in the future as to which is the better methodology for getting a correct measure of poverty. I think, we all agree that a 10 per cent decline in poverty does not appear to be reasonable in terms of ground realities.”

2.14 When asked by the Committee to mention the specific criteria for ascertaining the rural poverty, it was informed to the Committee that the last assessment of rural poverty was made in 1973-74 and after that the assessment has been upgraded from time to time according to inflation. It was also told to the Committee during the course of oral evidence that assessment varies from State to State.

### **Finding of Mid-Term Appraisal of IXth Five Year Plan**

2.15 As per the Mid-Term Appraisal of the 9<sup>th</sup> Five Year Plan, poverty had declined substantially in 1980s. However, recent estimates suggest that projections on reduction of proportion and number of people below poverty line made in the 9<sup>th</sup> Plan have not been realised in the first two years of the plan period.

2.16 When asked to comment on the above mentioned findings of Mid Term Appraisal, the Government in their reply have stated as under:

“At the time of making the Mid-Term Appraisal of the Ninth Five Year Plan in 2000, reliable estimates of poverty were not available, on a comparable basis, to come to a definite conclusion as regards the changes in the proportion and number of people Below the Poverty Line. Apparently, the above observations were made (by the Planning Commission) based on rough estimates.

The National Sample Survey Organisation (NSSO) has now released the key results of the latest large sample survey data on consumer expenditure (55<sup>th</sup> Round), covering the period July, 1999 to June, 2000 (based on which the Planning Commission have estimated the proportion and the number of people Below the Poverty Line) and as per which the poverty ratio for 1999-2000 is 27.09% in rural areas, 23.62% in urban areas and 26.10% for the country as a whole (on a 30 day recall basis). Thus, recently

published reliable estimates show that the number of rural poor has come down from 24.40 crore in 1993-94 to 19.32 crore in 1999-2000 and their proportion has been reduced from 37.27% to 27.09% during the same period.”

**2.17 The Committee are deeply concerned that it is almost impossible to keep a track of the decline in poverty as there has been too much recourse to different methodologies and no concerted effort was made to ascertain whether poverty has really been alleviated to the extent claimed.**

The Committee therefore, express their concern over the different methodologies adopted by Planning Commission at different times to assess rural poverty. The multiplicity of methodologies not only give non-comparable data but also hinders any realistic assessment of the impact of the various poverty alleviation programmes. The Committee are dismayed to know that even after 50 years of independence, there is no agreed methodology to assess the rural poverty and BPL percentage with the Planning Commission. They, therefore, recommend that an agreed methodology should be maintained over time and for any new methodology to be adopted. This should be applied retrospectively so as to achieve comparability in the data generated. Generally speaking, the Committee share deep concern expressed by many international organisations and economists that quality of statistics in India which at one time was the best in the developing world is now suffering from serious lacunae.

**2.18 While noting that the results of the recent survey done by the National Sample Survey Organisation (NSSO) regarding the persons living below the poverty line have arrived, the Committee would like to be apprised of the details of the said survey State-wise. Besides, the details of the criteria adopted by NSSO during the survey may also be explained. While going through the information furnished by the Government as given in the preceding paras, the Committee find a**

**contradictory position. On the one hand the Secretary during the course of oral evidence has admitted that the two methodologies adopted by NSSO during 1993-94 and 1999-2000 being different, are not comparable, on the other hand the Government in their replies have mentioned that the number of poor has come down from 24.40 crore in 1993-94 to 19.32 crore in 1999-2000 and their proportion has been reduced from 37.37 percent to 27.09 percent. The Committee caution that in the absence of comparability, it would not be ethical or statistically correct to make definite claims about the trends of poverty alleviation.**

#### **Assessment of erstwhile programmes for eradication of rural poverty**

**2.19 As per the said Mid-Term Appraisal, the average investment per family remained at sub-critical levels, too inadequate to generate income of Rs.2000 per family per month as the programmes had set out to do. Such investment at the beginning of the 8<sup>th</sup> Plan was Rs.7889. Even the investment at the beginning of 9<sup>th</sup> Plan of Rs.16,753 was not much higher in real terms. Such low per family investment in the face of inflationary trends and rising cost of assets cannot finance viable projects to offer adequate incomes on a sustained basis.**

2.20 When asked by the Committee why investment even being double as compared to investment during 8<sup>th</sup> Plan is not considered higher in real terms, the Government in their reply have stated as under:

The above findings of the Mid Term Appraisal are in regard to the performance of the (erstwhile) Integrated Rural Development Programme (IRDP); per family investment of Rs.16753 was not much higher in real terms because it was not considered adequate to finance viable projects to offer enough income on a sustained basis. Apart from the inflationary factors which tend to reduce money value in real terms, the cost of the assets required for production or processing activities have gone up during the Ninth Five Year Plan, as compared to the Eighth Five Year Plan. Similarly, the cost – push inflation raises the overall economic costs including the factor cost. These considerations are important in determining the viability of projects.

Apparently, the investment of Rs.16,753 was considered to be inadequate to take up any viable self-employment ventures, especially in the context of rising costs.

### **Linkages between various programmes launched for eradication of rural poverty**

2.21 As per the Mid-Term Appraisal, various programmes launched for eradication of rural poverty presented matrix of multiple programmes without desired linkages. These were implemented as separate programmes when keeping in mind the overall objective of generating sustainable incomes.

2.22 When asked how the Government would react to the above mentioned findings of Mid-Term Appraisal, the Government in their written reply have stated as under:

“Considering the conceptual and administrative problems of the (erstwhile) Integrated Rural Development Programme (IRDP) and allied Programmes like the Training of Rural Youth for Self-Employment (TRYSEM), the Development of Women & Children in Rural Areas (DWCRA), the Ganga Kalyan Yojana (GKY), the Million Wells Scheme (MWS) and Supply of Improved Toolkits to Rural Artisans (SATRA) as brought out in the Evaluation Studies, these Programmes were restructured with effect from April 1<sup>st</sup>, 1999 and a single Self-Employment Programme namely, the Swarnajayanti Gram Swarozgar Yojana (SGSY) was launched.”

The SGSY is conceived as a holistic Programme of micro enterprises covering all aspects of Self Employment, viz., organisation of the rural poor into Self Help Groups and their capacity building, planning of activity clusters, infrastructure build up, technology, credit and marketing. Under the restructured Self Employment Programme of SGSY, the desired linkages are established; the Self Employment Programme of the IRDP and allied Programmes are no longer in operation. The restructured SGSY is also based on a project approach having credit linkages and subsidy is only an enabling element of the Programme.

**2.23 The Committee note that earlier programmes launched for eradication of rural poverty were beset with matrix of multiple programmes without desired linkages and posed conceptual and administrative problems and as such these programmes were restructured into single Self-Employment Programme namely SGSY. The Committee are eager to know how SGSY has been successful in organizing the rural poor into Self Help Groups and has added to their capacity of planning infra-structure build up while establishing the desired linkages.**

**2.24 The Committee are informed that although SGSY is conceived as a holistic programme of micro enterprises covering all aspects of self employment excluding the ills of erstwhile IRDP and allied programmes like TRYSEM and DWCRA but the physical achievement under SGSY has been most inadequate, the decline having been particularly sharp after restructuring. Moreover, while convergence is being attempted in some areas, there is a proliferation of similar programmes in other areas, such as the newly announced 'Pradhan Mantri Gramodaya Yojana' (PMGY). Also there is little evidence of bureaucratic delivery mechanism being discarded in favour of programmes, planned and implemented through the PRIs in accordance with the provisions of Part IX of the Constitution. As such, the Committee recommend that Government should take a high level initiative to secure convergence and effect implementation through the PRIs as the necessary pre-requisite for exponentially expanding the budgetary resources allocated to programmes like SGSY and JGSY.**

## CHAPTER III

### SCHEME-WISE ANALYSIS OF THE PROGRAMMES/SCHEMES RELATED TO POVERTY ALLEVIATION AND EMPLOYMENT GENERATION

#### (i) Swarnjayanti Gram Swarozgar Yojana

##### Demand No.65

##### Major Head 2501

##### Objective

3.1 The objective of Swarnjayanti Gram Swarozgar Yojana (SGSY) is to provide sustainable income to the rural poor. The programme aims at establishing a large number of micro-enterprises in the rural areas building upon the potential of the rural poor. It is envisaged that every family assisted under SGSY will be brought above the poverty line in a period of three years.

##### Scope

3.2 Launched on 1<sup>st</sup> April, 1999, the programme replaces the earlier self-employment and allied programmes - IRDP, TRYSEM, DWCRA, SITRA, GKY and MWS, which are no longer in operation. The programme covers families below poverty line in rural areas of the country. Within this target group, special safeguards have been provided by reserving 50 per cent of benefits for SCs/STs, 40 per cent for women and 3 per cent for physically handicapped persons. Subject to availability of funds, it is proposed to cover 30 percent of the rural poor in each block in the next 5 years.

##### Funding

3.3 SGSY is a centrally sponsored scheme and funding is shared by the Central and State Governments in the ratio of 75:25.

##### Strategy

3.4 SGSY is a credit-cum-subsidy programme. It covers all aspects of self-employment, such as organisation of the poor into self-help groups, training, credit technology, infrastructure and marketing. Efforts would be made to involve women members in each self help group. SGSY lays emphasis on activity clusters. Four/five activities will be identified for each block with the approval of Panchayat Samitis. The Gram Sabha will authenticate the list of families below the poverty line identified in BPL census. Identification of individual families suitable for each key activity will be made through a participatory process. Closer attention will be paid on skill development of the beneficiaries known as swarogaris and their technology and marketing needs.

#### 3.5 Comparative data of BE/RE outlay during 2000-2001 and 2001-2002.

(Rs. in crore)

	BE 2000-2001	RE 2000-2001	BE 2001-2002
Subsidy to DRDAs	869.46	351.39	432.18
Other Programmes	30.54	18.61	17.82
Total SGSY	900.00	370.00	450.00



**3.6 Financial and Physical achievement during the first four years of the 9<sup>th</sup> Plan**  
**FINANCIAL PROGRESS**

Year	Allocation	Utilisation	(Rs. in crores)
			% utilisation
1997-1998	1133.51	1109.54	97.89
1998-1999	1456.28	1162.28	79.81
1999-2000*	1472.34	959.86	65.19
2000-2001**	1332.50	499.38	37.48

\* Provisional

\*\* upto December 2000

**PHYSICAL PROGRESS**

Year	Total Achievement	SC	ST	(In numbers)
				Women
1997-98	17,06,609	5,74,851	2,17,319	5,85,895
1998-99	16,77,000	5,67,000	2,11,000	5,78,000
1999-2000*	9,33,868	2,78,938	1,34,944	4,16,690
2000-2001	4,46,190	1,38,581	62,204	1,93,797

\* Provisional

**3.7 The following observation can be made while analysing the data which are given in above two paragraphs:**

- (i) there has been steep decline in physical performance since the inception of SGSY;
- (ii) there has been underspending during the last two years;
- (iii) the position of utilisation during 1999-2000 is indicated provisional;

**3.8** When asked to comment on the above mentioned points, the Government in their written note have stated the point-wise replies as follows:

- (i) The erstwhile IRDP and its allied Programmes were under review for restructuring. This obviously affected the normal pace of implementation of these programmes during that year. From 1999-2000 onwards, the Swarnjayanti Gram Swarozgar Yojana (SGSY) is under implementation. It may be recalled the SGSY is a process oriented Programme and involved very considerable initial preparatory works like consultation with the State

Governments, RBI, NABARD and Bankers for finalization of the guidelines and sensitisation of the Implementing Agencies, including Bankers of local branches. In addition, it also took sometime for mobilization and formation of Self-Help Groups (SHGs) and their capacity building. An SHG becomes eligible for revolving fund on passing of the Grade-I Stage, which is after six months of its formation. The Group becomes eligible for assistance for economic activity after passing Grade-II, which is after six more months of the first Grading. Thus, a Group becomes eligible for assistance for economic activity after one year of its formation. As a result, many of the SHGs could not have qualified for

financing. While, during 2000-2001, opening balances were responsible for slow progress, the same is now picking up.

- (ii) As has been explained in reply to para 13 above, the initial preparatory works and the time involved in the formation of the SHGs and their gradation before becoming eligible for financial assistance for economic activity are among the reasons accounting for under-utilisation of funds during 1999-2000. Despite the opening balance, it is expected that the utilisation of funds during 2000-2001 will have picked up, when the progress reports from the States/UTs for the entire financial year are received.
- (iii) The confirmed figures relating to the progress were still awaited from some States and the position of utilisation, therefore was shown as provisional. As on date, except for Manipur, Meghalaya, Dadra & Nagar Haveli and Daman & Diu, the information received from remaining States/UTs is complete.

“The experience has been that initial implementation of the Swarnjayanti Gram Swarozgar Yojana (SGSY) has been slow, because the programme is process-oriented. preparatory works had to be taken up before providing assistance to the Swarozgaris.

Government feel convinced that restructuring of the IRDP will have a positive effect in realising the desired results because the SGSY in a holistic programme covering all aspects of self employment like mobilization and formation of the rural poor into SHGs and their capacity building, skill training and assistance to start economic activities, marketing and technology support.”

3.9 In their written reply the Department has explained the meaning of ‘Process Oriented Programme’ in respect of SGSY which can be enumerated as follows:

- (i) Selection of Key Activities (4-5 Key Activities in each Block).
- (ii) Preparation of Project Report for the selected Key Activities.
- (iii) Identification of Activity Clusters.
- (iv) Mobilization of the poor people and their formation into Self Help Groups (SHGs).
- (v) Educating the members of the groups about the virtues of thrift and credit activities.
- (vi) Creation of a Corpus fund through the savings by the members.
- (vii) First Gradation of the Group after 6 months and grant of Revolving Fund to supplement the Group Corpus.
- (viii) Second Gradation after another six months for financial assistance through bank credit and subsidy to start economic activity.
- (ix) Skill development training to the members.
- (x) Marketing and technology support to the groups, which take up economic activity.

**3.10 The Committee deplore the steep decline in physical and financial performance since the inception of SGSY. Not only has physical and financial achievement during 2000-2001 remained at half of what was achieved during the previous year, the Committee are not convinced with the plea furnished by the Government that the initial preparatory work was the basic reason for the shortfall in physical and financial achievement. While accepting that the shortfall during**

1999-2000 might have been due to certain teething problems, they fail to understand how in the next year 2000-2001 after sorting out the teething problems, the achievement should plummet to 50% of the already poor performance of the previous year. It is no comfort to know that there might be some increase in the provisional data relating to 2000-2001 as some States/UTs have not furnished the complete information in this regard because the absence of upto date data only reflects the extremely casual attitude of the Ministry of what is transpiring at the ground level.

The Committee are concerned over the shortfall in physical and financial achievement of SGSY and would like the Government to seriously analyse the problems being faced in implementation of the newly re-structured SGSY programme and take remedial steps and apprise the Committee accordingly.

**3.11** The Committee note that almost one year has passed just in the formation of Self Help Groups and other formalities without transacting any real business. They have noted the various steps involved in the processing of implementation of SGSY and find that it is imperative that each step of its process should be given a deadline so that Self Help Groups may quickly strengthen their financial position. As per submission of the Ministry, SGSY has picked up during the last six months and it is on the top of their agenda. In the objective of the scheme, the Government have envisaged that every family assisted under SGSY will be brought above the poverty line within a period of three years. The Committee, therefore, recommend that process oriented approach involved in SGSY is simplified and geared up at the earliest and expeditious actions are required to be taken by the Government in this regard.

### **3.12 Role of banks in implementation of SGSY**

As per the Mid Term Appraisal the delivery of credit by banks has also been a constraint in the effective implementation of SGSY. The fear of default meant that banks lent to the better-off applicants who could make their projects work, or to the unscrupulous who would pocket the subsidy element and repay the loan in connivance with the bank. Furthermore, the bureaucratic procedures were also too complex and beyond the comprehension of beneficiaries. On being asked about the steps being taken to improve the attitude of banks towards SGSY beneficiaries who belong to the poorest of the poor strata of society and for simplifying the procedure for advancing loan under SGSY which are stated to be complex as per the Mid Term Appraisal, the Department in their written reply has stated as under:

**3.13** “Banks have an active role to play in implementation of the SGSY. They are involved in selection of key activities and preparation of the project reports for each key activity. Banks are also involved in identification of activity clusters, infrastructure planning as well as capacity building and choice of activity of the SHGs, besides selection of individual swarozgaris. The banks also undertake pre-credit and post-credit monitoring and loan recovery. Because of the specific role assigned to the banks, the sensitization of bankers has been a regular feature of the SGSY. The active involvement of banks in implementation of the programme is required to focus their attention to the BPL families for assistance under the programme and eliminate the apprehensions that banks may largely lend to the better-off applicants.

Besides the above provisions wherever any deficiency is brought to the notice of the Ministry, the same is immediately brought to the notice of the Head Office of the concerned bank and the RBI for the current measures. The State specific reviews are also made to assess the credit flow. During current financial year, such reviews were held for Bihar, Uttar Pradesh and Maharashtra. The position regarding NE States is reviewed by a separate committee constituted for the purpose.

Regarding the steps taken for simplifying the procedure for advancing loan under SGSY the following steps have been taken by the Government:

- (i) The ceiling limit for investment has been removed. The size of loan under the SGSY will depend on the nature of the project. Banks have been asked to follow model project set out for the key activities selected in the districts for financing the project of the Swarozgaris.
- (ii) The banks have also been addressed to provide the second (and subsequent release) during the currency of first/earlier loan provided the bank is satisfied about the financial discipline of the first/earlier sode.
- (iii) banks have been urged to dispose off the loan applications within 15 days, and at any rate, not later than one month.
- (iv) Credit under the SGSY is now being extended to non-wilful defaulters owing dues up to Rs.5000 under the IRDP.
- (v) Security norms for obtaining the loan have also been relaxed.
- (vi) The provision in para 4.26 of the guidelines, which denies Panchayat/Panchayat Samitis having less than 80% loan recovery, from the benefit assistance under the Swarnjayanti Gram Swarozgar Yojana (SGSY) is under temporary abeyance.

3.14 The Department in their reply have also stated that the position in respect of the recovery of loans at the Panchayat/Intermediate Panchayat levels is not being maintained in the Ministry. Such information is monitored and published by the RBI, Bank-wise and State-wise.

3.15 The Study Group-II of the Committee on Urban and Rural Development during on the spot study visit to Maharashtra during October, 2000 and observed as below:-

- (i) More emphasis was desired on training of women in the formation of Self Help Groups so as to make more and more such SHGs functional.
- (ii) The amount of subsidy under SHGs was not adequate. It should be enhanced and released timely so that maximum benefit could reach the beneficiaries.
- (iii) Some of the beneficiaries complained that the banks insisted some security deposits before granting loan whereas there is no requirement as per the guidelines.
- (iv) As per central guidelines, subsidy and loan were advanced to BPL persons, however, in Maharashtra such groups were mixed group. This was the major hurdle in the creation of groups under SGSY. It was suggested that the loan under SGSY should also be advanced to non BPL persons were not available as it was felt that there was marginal difference between such BPL and non-BPL persons.

- (v) It takes nearly one year for a SHG to establish itself as such recovery of loan should start after one year taking into consideration the initial problems faced by SHGs.

3.16 Further the Committee during their on the spot study visit to Himachal Pradesh during June, 2000 observed as below:-

- (i) There was lack of infrastructure due to which SGSY could not be effectively implemented.
- (ii) There was absence of regulated market due to which the beneficiaries could not get the desired prices for the product manufactured/produced by them under SGSY.
- (iii) Participation of NGOs was not effective.
- (iv) The schemes should be published through electronic media.
- (v) Training should be imparted to beneficiaries of SGSY.
- (vi) The Government should take the initiative to facilitate marketing of organic, fruits and crops produced in Himachal Pradesh.

3.17 When asked for the comments of the Government on the above mentioned observation of the Committee, the reply as furnished by the Government is as below:

- (i) **Training of Women in the formation of Self-Help Groups (SHGs):** The suggestion of the Committee is well taken. The guidelines of the

Swarnjayanti Gram Swarozgar Yojana (SGY) provide for training of the members of the Self-Help Groups, including women.

- (ii) **Enhancing subsidy to the SHGs:** The subsidy limit for the group activity is 50% of the project cost or Rs.1.25 lakh whichever is less. For irrigation projects, there is no monetary ceiling on the subsidy. The programme is at an early stage of implementation and it may not be appropriate to review the subsidy component at the present stage.
- (iii) **Insistence by banks for security deposits in non-required cases:** The RBI has issued detailed instructions regarding security deposits against loans under the Swarnjayanti Gram Swarozgar Yojana (SGSY). However, if specific complaints are received, the same would be taken up at the earliest with the RBI and the concerned bank.
- (iv) **Loan for APL Members in Mixed Groups:** The programme is for BPL families only; it would dilute the objectives of the programme should APL families also be provided loans and subsidy in a Group.
- (v) **Minimum time for recovery of loan :** The RBI and the banks have prescribed moratorium period for recovery of loan on the basis of the gestation period involved in commencement of production under different activities assisted under the Swarnjayanti Gram Swarozgar Yojana (SGSY). It would not be appropriate to prescribe a uniform moratorium period for all activities.

## Part-II

- (i) **Lack of infrastructure :** The Ministry appreciates that lack of adequate infrastructure is an impediment to the successful implementation of the SGSY. The Programme already provides for the utilisation of 20% funds for infrastructure development. In case of NE States including Sikkim, this limit is upto 25% of the allocation. Realizing the importance of infrastructure specific permission were given to the States/UTs during 1999-2000 and 2000-2001 to utilise funds upto 40% of the allocation under the SGSY during 1999-2000 for infrastructure development. The States can also pose special projects for infrastructure development in case, if they are unable to meet the finances for the same from out of funds available with the DRDAs.
- (ii) **Regulated Markets for SGSY products:** Marketing of SGSY products is an integral part of implementation of the SGSY. Efforts are made to promote the marketing at the local level and also at the District, State, National & International levels. Participation has been arranged in National/Inter-national Exhibitions with SGSY products. Special projects have also been sanctioned to some States for creation of marketing infrastructure.
- (iii) **Participation of the NGOs:** The NGOs are already involved information of Self-Help Groups (SHGs) and are provided a monetary incentive of Rs.10,000/- per group; their involvement is to be from the stage formation to capacity building, facilitating for assistance and post project monitoring.
- (iv) **Electronic Media to publicize SGSY:** A sponsored 15 minute radio programme “Jage Jan Jan Jage Gaon” is on AIR on a weekly basis to publicize various programmes, including Swarnjayanti Gram Swarozgar Yojana (SGSY). The matter relating to TV programmes is being processed and efforts are in hand to start publicizing the programmes of Doordarshan.
- (v) **Training to SGSY Beneficiaries :** Training is an integral part of implementation of the SGSY for which 10% of the funds available under the programme are set at the DRDA level.
- (vi) **Marketing of Organic Fruits and Crops produced in Himachal Pradesh :** As mentioned marketing is an integral part of the Swarnjayanti Gram Swarozjar Yojana (SGSY). In Himachal Pradesh, on the basis of the request of the State Government, a Special Project namely *Special Project for Marketing of Rural Goods in Himachal Pradesh* has been sanctioned in March 2001, which could cover marketing of organic fruits and crops in the State.

3.18 When asked for the number of persons required to form an SHG, it is submitted by the Government that in SHG under the Swarnjayanti Gram Swarozgar Yojana (SGSY) will have members not less than 10 and not more than 20. For SHG for minor irrigation and disabled persons minimum number of members could be upto 5.

**3.19** The Committee are concerned to note the findings of Mid Term Appraisal of 9<sup>th</sup> Plan as done by the Planning Commission according to which the benefits under SGSY meant for the poorest of the rural poor are being pocketed by the unscrupulous in connivance with the bank. While noting that State reviews were held during the current financial year for Bihar, Uttar Pradesh and Maharashtra and the position of North East is being reviewed by a separate Committee, the Committee would like to be apprised of the findings of the review undertaken for the said States. They would also like to be apprised of the findings of the Special Committee meant for North East when the review is completed. Keeping in view the serious lapse in the implementation of SGSY as noticed during Mid Term Review, the Committee feel that there is a need to further strengthen the monitoring mechanism. They note that SGSY is the most important programme meant to bring the BPL in rural areas above the poverty line and as such, desire that there should be a set mechanism to evaluate the programme by some independent evaluators. There should be some inbuilt mechanism for such evaluation after a specific period of time irrespective of the cost involved in such evaluation to ensure that the benefits reach the real beneficiaries.

**3.20** While noting the point-wise reply on the observations made by the Committee during their on the spot study visit to Maharashtra and Himachal Pradesh during 2000, the Committee observe/recommend as follows:

- (i) Although the guidelines provide for training of the members of Self Help Groups including women, the Committee would like that the Government should ensure that more stress is given to the training of women by the respective State Government. For providing training linkages can be established with the various training institutions like ITIs located in the respective State. Further, it is also stressed that training should be imparted to the beneficiaries keeping in view the local needs of that area. The Committee would like to know how many members of the Self Help Groups including women have been trained so far and how far this has added to their efficiency.
- (ii) While agreeing with the reply of the Government that it is not desirable to enhance the subsidy to the Self Help Groups under SGSY, the Committee urge that the subsidy should be released timely to such groups. Necessary instructions in this regard should be issued to the State Governments.
- (iii) Although it has been provided in the guidelines that security deposits against loan under SGSY are not required, the observation of the Committee, as noted during the said study visits, is itself a complaint against the banks in this regard. The Committee feel that banks are not adhering to the guidelines in this regard. As such, the Committee strongly recommend that the Government should take the necessary steps to ensure that the guidelines are strictly followed. The matter should be taken up at the earliest with the Reserve Bank of India and necessary action taken. The Committee may also be apprised about the steps taken in this regard.
- (iv) The Committee appreciate that various Rural Employment Programmes of the Ministry are meant for the BPL persons.

However, as noted by the Committee during their on the spot study visit to Maharashtra, it was very difficult to find the requisite number of BPL persons for making a group and as such mixed groups were formed. In such a situation, it is desired that the Government should find out some mechanism whereby such mixed groups could be allowed under SGSY. While recommending for mixed groups in this regard, the Committee desire that the subsidy component should only be available to BPL persons. Non-BPL category of beneficiaries could be provided loan by the banks. It is recommended that the Government should find out the mechanism in this regard and apprise the Committee accordingly.

As it is difficult to get the requisite BPL members for making a Self Help Groups, the Committee would like to urge that the Government should think of reducing the requisite number as prescribed for the formation of a Self Help Group.

- (v) While appreciating the prescribed norms for recovery of loan as mentioned in the reply, the Committee desire that sufficient time should be given to a group to establish itself and to be able to repay the loan.



## PART-II

- (i) As admitted by the Government in their reply that lack of adequate infrastructure is an impediment to the successful implementation of SGSY, the Committee feel that more stress needs to be given towards this aspect. While appreciating the steps taken by the Government to provide 40% of the allocation during 1999-2000 for infrastructure development, the Committee would like that mere allocation of funds is not sufficient in this regard. Besides allocating the outlay the Government should monitor the utilisation of funds by the State Governments for the specific purpose.
- (ii) While appreciating the fact that marketing of SGSY is an integral part of the implementation of the programme, the Committee during their on the spot study visit had found that there was an urgent need to provide regulated markets for SGSY products to make the programme really successful. The Committee urge the Government to take necessary steps to ensure the marketing for SGSY products. In this regard, it is recommended that the Government can think over of providing marketing of SGSY products by using such products by the various local Government offices/agencies. Necessary instructions in this regard can be issued to the State Governments.
- (iii) While noting that NGOs are involved in formation of Self Help Groups, the Committee would like that more stress need to be given in this regard. They have found during their on the spot study visit that the programme has picked up very well where good NGOs are involved. In view of this, it is recommended that the Government should pay more attention in this regard.
- (iv) While noting that the publicity of the programme is being made by AIR, the Committee urge that the programme should be publicised through various national and regional channels of Doordarshan through some simple and attractive documentary films.

### 3.21 Lack of Infrastructure

The Committee during their on the spot study visit to Himachal Pradesh during June, 2000 *inter- alia* observed that due to the lack of infrastructure SGSY could not be effectively implemented.

**3.22 The Committee observe that lack of adequate infrastructure is an stumbling block in the effective implementation of SGSY. They therefore recommend that States should provide special projects for infrastructure development in case they are unable to meet the finances for the same out of funds available with the DRDAs.**

**(ii) Jawahar Gram Samridhi Yojana**

**Demand No.65**

**Major Head 2505**

**Objective**

3.23 Jawahar Gram Samridhi Yojana (JGSY) is the restructured, streamlined and comprehensive version of the erstwhile Jawahar Rozgar Yojana. Designed to improve the quality of life of the poor, JGSY has been launched on 1<sup>st</sup> April, 1999. The primary objective of the JGSY is creation of demand driven community village infrastructure including durable assets at the village level and assets to enable the rural poor to increase the opportunities for sustained employment. The secondary objective is the generation of supplementary employment for the unemployed poor in the rural areas. The wage employment under the programme shall be given to Below Poverty Line (BPL) families.

**Scope**

3.24 JGSY is being implemented entirely at the Village Panchayat level. Village Panchayat is the sole authority for preparation of the Annual Plan and its implementation.

**Funding**

3.25 The programme will be implemented as a centrally sponsored scheme on cost sharing basis between the Centre and the State in the ratio of 75:25. In the case of Union Territories, 100 per cent expenditure will be met by the Centre.

**Strategy**

3.26 The Programme is to be implemented by Village Panchayats with the approval of the Gram Sabha. Village Panchayats will have the power to execute the schemes upto Rs.50,000/- with the approval of Gram Sabha. No other administrative or technical approval will be required. For works/schemes costing more than Rs.50,000/-, after taking the approval of the Gram Sabha, the Village Panchayats shall seek the technical/administrative approval of appropriate authorities. Panchayats may spend upto a maximum of 15 percent of allocation on maintenance of assets created under the programme within its geographical boundary. 22.5 percent of JGSY funds have been earmarked for individual beneficiary schemes for SCs/STs. 3 percent of annual allocation would be utilised for creation of barrier-free infrastructure for the disabled. The funds to the Village Panchayats will be allocated on the basis of population. The upper ceiling of 10,000 population has been removed.

**3.27 Physical performance during 1999-2000 and 2000-2001**

Year	No. of works completed	Mandays generated
1999-2000	6.98 lakh	2683.08
2000-2001	3.61 lakh completed 3.24 lakh works under progress (up to 30.11.2000)	1179.98

3.28 When asked about the reasons for slow pace of work even during the second year of its launching, the Department in its written reply has furnished the following figure to prove that the figures of the physical achievement upto 30.11.2000 are better than the figures of corresponding period of the last financial year.

Year	No. of works			Employment Generated (lakh man days)
	Completed	In progress	Total	
1999-2000 (Upto 30.11.1999)	203285	283211	486496	1096.73
2000-2001 (Upto 30.11.2000)	361321	323880	685201	1179.98

3.29 State-wise position of physical achievement under JGSY during 1999-2000 and 2000-2001 as could be seen from page 37-38 of the Performance Budget 2001-2002 of the Department during 1999-2000, the overall percentage utilisation of outlay has been indicated as 72.80% whereas in 6 States/UTs the expenditure is less than 50%. Similarly during 2000-2001, the overall percentage of funds is 48.80% whereas in 19 States/UTs percentage utilisation is less than 50%.

**3.30 While going through the reply furnished by the Government, the Committee comes to the conclusion that the data regarding physical and financial achievement under JGSY is very low up to December, and the figures have been raised abnormally during the last 3 months of the year. While noting this scenario, the Committee feel that a substantial portion of the outlay is being released at the fag end of the year and the figures relating to physical and financial achievement are inflated to project a bright picture about the implementation of the programme. The Committee take this very seriously and recommend that the outlay under the programme should be released in a phased manner throughout the year as per the guideline which would not only ensure the better utilisation of resources, but would not put extra pressure on the implementing agencies to utilise the resources during the last two or three months.**

As could be seen from the data furnished in the preceding paragraphs regarding physical achievement during 1999 and 2000, some of the States have huge underspending. The Committee would like that the Government should take note of the States where underspending is a regular feature and come forward with detailed analysis of the reasons for such huge underspending so that the corrective measures in this regard could be initiated.

#### **Advance planning for remaining year of IXth Plan**

3.31 When asked to comment on the advance planning for the remaining years of IXth Five Year Plan, the Department in its written reply has stated as under:

“At present many Panchayats in the country get less than Rs.50,000/- as annual allocation, under JGSY (some even get as low as Rs.5,000). No infrastructure worth the name can be created with such meagre resources. As such, providing a minimum assistance of Rs.50,000/- to those Panchayats which are at present getting less than that amount is under the consideration of the Ministry. Notwithstanding this proposal, the scheme will continue to be implemented during the year 2001-202.”

### **Mid Term Appraisal of Ninth Plan**

3.32 The following are the observation of the said Appraisal:

“Evaluation studies of the programme reveal that the employment generated per person was too inadequate to bring about any meaningful increase in the earnings of the beneficiaries. According to a concurrent evaluation carried out by the Ministry of Rural Development during June 1993 –May 1994, roughly 11 days of employment was generated per person. At this level, the programme could not have made any significant impact on the income levels of the beneficiaries. It fell far short of the need to create enough employment in the rural areas to remove unemployment/under employment.”

It appears that the villagers perceived this programme as an asset-building programme rather than as a wage-employment programme. Hence, the entire focus was on creation of assets. The works undertaken involved high material cost and were not particularly labour intensive. Instances of violation of material-labour norm prescribed

under the programme were very common. In many areas these norms themselves were considered unrealistic, given the high cost of material.

When asked for the comments of the Government on the above mentioned findings on Mid Term Appraisal, it is submitted by the Government that the Mid Term Appraisal related to the erstwhile Jawahar Rozgar Yojana (JRY) and not the Jawahar Gram Samridhi Yojana (JGSY). The JRY, which was a wage employment programme, was restructured as the JGSY w.e.f. 1.4.1999. The thrust of the JGSY is on creation of demand driven village infrastructure; the secondary objective of the programme is the generation of employment for the rural poor living below the Poverty Line.

3.33 Study Group II of the Committee on Urban and Rural Development during the field visit to Maharashtra during October, 2000 were apprised about the difficulties being faced in the implementation of JGSY works as the wage material ratio was 60:40. Since the material was very costly in coastal areas, it was, therefore, suggested that the ratio should be changed to 50:50. When asked about the views of the Officers of State Government of Maharashtra, the representative of State Government of Maharashtra suggested that the wage ratio should be changed to 60% for skilled and 40% for unskilled labourers as was done in the urban areas in that State.

3.34 When asked whether the Government have thought of revision of wage-material ratio under JGSY in view of the observation made by the Committee and Mid Term Appraisal, the Government have stated that since the primary objective of the JGSY is creation of village infrastructure, the implementing agencies, i.e, Village Panchayats, are empowered to suitably relax the wage-material ratio of 60: 40 so as to enable them to go for demand driven rural infrastructure.

**3.35 While noting that the proposal regarding providing a minimum assistance of Rs.50,000 to those Panchayats which are at present getting less than that amount is under consideration of the Ministry, the Committee would like that the decision in**

this regard is taken expeditiously. As regards the wage employment ratio, the Committee understand from the reply furnished by the Government as per the guidelines, flexibility has been provided to the State Governments to suitably relax the wage material ratio of 60:40 so as to enable them to go for demand driven rural infrastructure. The Committee find that perhaps the State Governments are not aware of the said guidelines. The Committee during various visits to the respective States have repeatedly been represented by the respective State Governments that the wage material ratio of 60:40 is not judicious and desired revision for the same. In view of this, the Committee would like that a circular should be issued to all the State/UT Governments making them aware about the flexibility given to them in this regard. The Committee would also like to emphasise that an awareness initiative should be launched by the Government so that the villagers are well acquainted with the significance and scope of the programme with a view to draw maximum benefit from the scheme.

### **(iii) Employment Assurance Scheme**

#### **Demand No.70**

#### **Major Head 2501**

#### **Objective**

3.36 The Employment Assurance Scheme (EAS) aims at providing wage employment to unskilled manual works to the rural poor who are in need of employment and seeking it. The secondary objective is to create economic infrastructure and community assets for sustained employment and development.

#### **Scope**

3.37 The scheme is the single wage employment programme to be implemented at the district/block level throughout the country. Special priority would be given to areas suffering from endemic labour exodus. All the able bodied adult poor, with a maximum of two per family, who need and seek wage employment during the lean agricultural season would be the beneficiaries.

#### **Funding**

3.38 The resources under the scheme would be shared between the Centre and States in the ratio of 75:25 respectively.

#### **Strategy**

3.39 The Employment Assurance Scheme is being restructured on the following lines:

- (i) the funds to the State will be allocated in accordance with the criteria to be decided by the Government/National Development Council from time to time and also to the districts on the index of backwardness evolved at the Centre.
- (ii) seventy percent of funds flowing to the districts would be allocated to the blocks and 30% reserved at the district level to be utilised in the areas of distress.
- (iii) the selection of works would be decided by Zila Parishads after due consultations with MPs of the area.
- (iv) in the absence of elected bodies, a Committee comprising of local MPs and MLAs and other elected representatives would be constituted for selection of works.

- (v) the funds would flow to the District Rural Development Agencies (DRDAs/Zilla Parishads) and would lapse if not utilised, with permission to carry forward only 15 percent as opening balance in the following year:

#### 3.40 Performance during 1999-2000

	<b>(Rs. in crore)</b>
BE 1999-2000	1700.00
RE 1999-2000	2040.00
Funds released	1736.42
Funds released for Watershed programme during 1999-2000	301.15
Total availability of funds	2910.67
Utilisation of funds	2182.60 (74.99%)
	2786.17
Employment generated during 1999-2000	2786.17 lakh mandays

#### 3.41 Performance during 2000-2001

BE 2000-2001	13,00 crore
Amount released during 2000-2001 (upto 31 <sup>st</sup> June, 2001)	739.39 crore
Total availability of funds	1579.22 crore
Utilisation of funds	715.86 crore (45.33% upto November, 2000)
Employment generated	858.49 lakh mandays
BE 2001-2002	1600 crore

3.42 When asked about the reasons for poor performance of EAS, the Department in their written note have stated that some of the States have not submitted their monthly progress reports and some of the States have submitted their reports which are not updated.

#### **State-wise Physical and Financial achievement of EAS**

3.43 As could be seen from page 44 & 45 (Performance Budget 2001-2002), the percentage achievement during 1999-2000 is 74.99%, whereas in 14 States/UTs, the utilisation is less than 70%.

When asked for the reasons for such a steep decline in employment generation during 2000-2001, as compared to the previous year, the Government have stated that the physical performance (mandays generated) for the previous year 1999-2000 is based on

the figures available upto March, 2000 whereas the mandays generated during the current financial year are based on the figures available upto October/November, 2000. The comparative picture will only emerge on receipt of reports from all the States/UTs upto the month of March, 2001.

However, the comparative position indicates that against the targets of 4091.53 lakh mandays, about 1701.43 lakh mandays were generated upto 31<sup>st</sup> January, 2000 during the year 1999-2000 which comes to 41.58%. Similarly, against the target of 2594.47 lakh mandays about 1195.10 lakh mandays had been generated upto 31<sup>st</sup> January, 2001, during 2000-2001, which comes to 46.06%. As per the latest data made available to the Committee upto 21.3.2001, the overall percentage of expenditure is 60.28%, whereas in a States/UTs, the percentage achievement is less than 50%. Similarly, the overall percentage of achievement for target is 46.06. Percentage share for total achievement under different categories of beneficiaries is as below:

SC	33.64
ST	22.39
Others	42.44
General	25.95
Landless	38.15

It could be seen from data mentioned above that even though the allocation during 2001-02 has been increased from Rs.1300 crore to Rs.1600 crore, it was yet less than the outlay earmarked during 1999-2000. When asked to clarify, it is submitted by the Government that from the year 1999-2000, two major components of the EAS namely, Watershed Development and Construction of rural roads have been delinked. Funds for watershed are now provided under the Watershed Development Programme separately. A new scheme namely 'Pradhan Mantri Gram Sadak Yojana' (PMGSY) has been launched for construction of rural link roads. Hence, lower provision for the EAS in the current year's budget has been made.

The apparent increase from Rs.1300 crore to Rs.1600 crore is due to the provision of Rs.300 crore for the new programme i.e., the Food For Work Programme, which will be required to meet the cost of the supply of free foodgrains to the drought affected States. Therefore, in fact, there is no increase in the allocation of the EAS. Since, the EAS is the only single wage employment programme, the allocation is required to be increased.

**3.44 The Committee find that the system of submitting monthly progress reports by State Governments in respect of the programme is not working well. As acknowledged by the Department in the written note, the progress reports furnished by States/UT Governments are not submitted timely and are not upto date resulting in lag end releases. The Committee urge the Government to impress upon the State Governments/UTs by the mixed tactics of persuasion and compulsion, the need for submission of complete and timely progress reports. In any case, lag end releases have to be discontinued and Government should think over it seriously.**

**3.45 While noting the strategy of the newly structured Employment Assurance Scheme, the Committee find that the funds released in a particular year for DRDAs/Zilla Parishads would lapse if not utilised with the permission to carry forward only 15 per cent as unspent balance in the following year. The Committee**

understand that under the old Employment Assurance Scheme, the unspent balances in a particular year, continue to be accumulated, and were non-lapsable. These funds were being used for that particular purpose. While appreciating the need for optimum utilisation of scarce resources, the Committee are not in favour of surrendering the unutilised amount. They are disturbed to note that instead of taking steps to contain the unspent balances by ensuring the proper utilisation of the funds, the Government have resorted to an approach which is negative. The Committee disapprove of the revised guidelines and recommend that the old practice should continue i.e. unspent amount should not lapse. Further, the Government should find out ways and means to ensure cent percent utilisation of outlay and come forward with suitable proposals.

3.46 While analysing the data regarding State-wise performance of EAS, the Committee have their doubts about the cent percent physical and financial achievement during 2000-2001 even after the completed information is received from States/UTs Governments. The Committee would like that the Government should try to find out the specific reasons for underspending in each States/UTs and apprise the Committee accordingly.

3.47 As regards the outlay earmarked during 2000-2001 the Committee feel that the Government are not serious about the issue of providing employment to rural-masses, as the only programme for wage employment generation has not been provided adequate outlay. As such, the Committee strongly recommend the enhancement in outlay for EAS.

#### **Finding of the Mid-Term Appraisal of 9<sup>th</sup> Five Year Plan**

3.48 The following observations have been made in the said Mid Term Appraisal:

“As to EAS impact, the study found that the estimated proportion of registered job seekers who actually got any employment was as low as 25 per cent in sample villages. The average number of days of employment per person per year was less than 53 as per official records. However, information gathered from the beneficiaries reveals that 69 per cent of them got less than 30 days of employment and another 17 per cent between 30 days and 50 days. The overall average for the sample States works out to 31 days.”

3.49 When asked for the comments of the Government on the above mentioned finding of Mid Term Appraisal, it is submitted that the EAS guidelines have been revised with effect from 1.4.1999. References relating to registration of workers and provision of employment for 100 days have been done away with because central allocation under the EAS is not adequate to provide employment to all for 100 days in a year.

3.50 When asked whether the Government were aware of the role of middleman in the implementation off EAS, it is replied that as per the guidelines of the EAS, the programme is implemented departmentally only. No contractors are permitted to be engaged for execution of any of the works under the programme. No middleman or any other intermediate agency should be employed for executing works under the programme. The full benefit of wages to be paid should reach the worker and the cost of the works should not involve any commission charges payable to such contractors/middlemen/intermediate agency.



The implementing agencies of the EAS within a district can be any line department/corporation of the State Government and Panchayati Raj Institutions at all three levels. The implementing agencies may utilise one person from among the beneficiaries, group as animator/leader/facilitator in maintenance of muster roll, payment of wages, monitoring of quality of work etc.

Some reports have been received that, in some places, contractors or the sub-contractors are engaged in execution of EAS works, which is against the guidelines. The concerned States have been asked to take remedial measures.

3.51 When enquired about the steps undertaken by the Government to bring transparency in the implementation of the programme to reduce corruption both at the political and administrative level, it is stated that a comprehensive system of monitoring and evaluation mechanism has been evolved to bring transparency in implementation of the programmes of the Ministry and to reduce corruption, which contains components such as submission of periodical progress reports, Area Officer Scheme, field visits by State and Central Government Officers, conferences of State Secretaries of Rural Development and Project Directors of DRDAs, State Level Committees, concurrent evaluation, research studies and impact assessment studies. In almost all the States, the vigilance committees have been set up at the State/district and block levels, except in a few States. Recently, the Area Officer scheme has been modified in 2000-2001, as per which Group Officer, headed by a Joint Secretary/Additional Secretary, are designated as Joint Area Officers for a group of States. The reports from the area officers are sent to the concerned State Governments for further follow up action.

In order to assess the impact of the programme, the concurrent evaluation and research studies of the scheme have also been conducted by P.E.O., Planning Commission and three other independent research institutes.

3.52 The Study Group-II of the Committee during their on the spot study visit to Himachal Pradesh during June, 2000 were apprised that the pattern of allocation of funds under EAS had recently been changed by the Central Government according to which now the funds were sanctioned according to density of BPL population in a particular State and as such, funding for the scheme had been reduced for Himachal Pradesh and no incentives were given for good performing blocks. When asked for the comments of the Government on the above mentioned observation of the Committee, it was stated that EAS is a Centrally sponsored allocation based scheme and the funds for the programme are shared in the ratio of 75:25 between the Centre and the States. The release of the Central share depends on the budgetary allocation of the scheme.

The Central share is allocated to the States/UTs on the basis of proportion of rural poor population in a State to the total rural poor in the country. From out of the State allocation, allocation of funds to the districts is based on an index of backwardness. Two indicators are used for working out the index of backwardness namely the proportion of SC/ST population of the district and the inverse of agriculture production per agriculture worker. Equal weightage would be given to both these indicators. The rural population of the district as weighted by these indicators separately will be the basis of allocation of funds to the districts within the overall allocation of the State. The basis reason for reduced allocation to Himachal Pradesh in 2000-2001 was that the central allocation for EAS has been reduced to Rs.1300 crore in 2000-2002 from Rs.2040 core in 1999-2000.

**3.53** The Committee are constrained to find that instead of ensuring the wage employment for 100 days, references relating to registration of workers and provision of employment for 100 days have been done away with under the restructured programme and the plea taken by the Government is that the Central allocation under EAS is not adequate to provide employment to all for 100 days a year. While recommending for higher outlay under EAS, keeping in view the fact that EAS is the only wage employment of the Ministry, the Committee would like that that Government should review their revised guidelines and consider to restore the provision of providing at least 100 days of employment.

**3.54** The Committee note that although as per the guidelines there is no scope for a middleman, the possibilities of middleman for executing the works under EAS is not ruled out. As admitted by the Government contractors are sub-contractors are being engaged in execution of EAS works in some of the States, which is against the guidelines. The Committee urge that the Government should issue clear-cut guidelines to respective States for not engaging middleman or some intermediate agency for execution of works under EAS and some pecuniary measures should be taken against the defaulter States.

**3.55** While noting the initiatives taken by the Government to strengthen the monitoring mechanism of EAS, the Committee would like to know the name of the States where the State/district and block level vigilance committees have not been set up so far along with the follow up action taken by the Government in this regard. Further while noting that the concurrent evaluation and research studies of the programme have been conducted by P.E.O. Planning Commission and three other independent research institutes, the Committee would like to be apprised of the findings of Planning Commission and said research studies in this regard.

**(iv) National Social Assistance Programme**

**Demand No.: 65**

**Head No.: 2235**

**3.56** The National Social Assistance Programme (NSAP) which came into effect from 15<sup>th</sup> August, 1995 is a Centrally Sponsored Programme under which 100 per cent Central funding is made to the States/Union Territories. It had three components namely, National Old Age Pension Scheme (NOAPS), National Family Benefit Scheme (NFBS) and National Maternity Benefit Scheme (NMBS) upto 2000-2001. However, the third component *viz.* National Maternity Benefit Scheme (NMBS) has since been transferred to the Ministry of Family Welfare from 2001-2002. It is a social assistance programme for poor households and represents a significant step towards the fulfillment of the Directive Principles in Articles 41 and 42 of the Constitution recognizing the concurrent responsibility of the Central and State Governments in the matter. The objective of the programme is to give financial assistance to old persons having little or no regular means of subsistence, to households below poverty line in case of death of the primary breadwinner and to pregnant women of households living below poverty line for the first two live birth. While the benefit payable under the National Old Age Pension Scheme is Rs.75/- per month, the benefits under the National Family Benefit Scheme is Rs.10,000/-. The Gram Panchayats/Municipalities are responsible for identification of beneficiaries.

The benefit under the Programme may, preferably be disbursed in Gram Sabha/public meetings in rural areas and neighbourhood/mohalla Committees in urban areas.

3.57 When asked for the reason for transferring NMBS to the Ministry of Family Welfare, it was stated by the Government that the NMBS is being transferred to the Department of Family Welfare, Ministry of Health and Family Welfare, as part of the population stabilisation programme, with effect from 1<sup>st</sup> April, 2001.

3.58 Further, when enquired about NOAPS and NFBS are also to be transferred, it is stated that the NOAPS and the NFBS are not to be transferred to the Department of Family Welfare as the beneficiaries under these Schemes do not come within the purview of the normal activities of the Department of Family Welfare.

### **3.59 Financial Allocation during 1999-2000 and 2000-2001**

<b>(Rs. in Crore)</b>		
BE	1999-2000	725.00
BE	1999-2000	710.00
BE	2000-2001	715.00

3.60 When asked to justify the decreased B.E. outlay during 2000-2001 the Government in their written reply have stated as under:

The Ministry of Rural Development had proposed Rs.1000 crore for 1999-2000 but an amount of Rs.725 crore only was allocated for NSAP during the year. Owing to imposition of budgetary cuts, the allocation was reduced to Rs.710 crore at RE stage.

The proposal for allocation was Rs.1000 crore by the Ministry for 2000-2001. The allocation received was Rs.715 crore, which however, is slightly higher (by Rs. 5 crore) than the RE of 1999-2000.

### **3.61 Physical and financial achievement under National Social Assistance Programme during 1999-2000.**

	Allocation	Financial Achievement		
		Releases	Expenditure	(Rs. in core) Opening Balance as on 01.04.1999
National Old Age Pension Scheme	476.23	447.97	55.58	159.22
National Family Benefit Scheme	197.90	92.45	194.70	47.29

National Maternity Benefit Scheme	92.87	67.38	73.26	34.05
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	<b>Physical Achievement Target</b>	<b>Achievement</b>
NOAPS	5087990	5017542
NFBS	190110	215779
NMBS	1781402	1300745

3.62 Further as regards the underspending under NMBS, it is submitted by the Government that in releasing the funds the amounts under the three schemes based on which the actual releases were made are higher than the budgetary provision made for the scheme. This was done with a view to ensuring maximum outflow of funds to the States. The position on allocation releases expenditure reported by the States and opening balance as on 1.4.1999 is given below:

**Financial Achievements (as on 21.3.2001)**

	<b>Allocation</b>	<b>Releases</b>	<b>Expenditure</b>	<b>Opening Balance As on 1.4.2000</b>
NOAPS	447.00	414.51	343.79	143.54
NFBS	193.00	176.79	149.09	46.42
NMBS	73.00	70.71	64.43	27.16

3.63 As regards the slippage of targets under NFBS, it is submitted by the Government that the reasons for slippage of targets under NFBS during 2000-2001, are many. Several States had to face cuts on account of excess opening balance and delayed submission of proposals including audit reports and utilisation certificates, affecting performance:-

	<b>Physical Achievement Target</b>	<b>Achievement</b>
NOAPS	5530677	6067778
NFBS	206810	119546

3.67 When asked to justify the mismatch between allocation, releases and expenditure under three components of NSAP, the Government in their written reply have stated that in making allocation to the States, the amount based on which actual releases are made under the scheme is adopted at a level higher than the BE for the year. It was further stated that this is done with a view to ensuring maximum outflow of funds to the States.

When asked for the reasons of slippage of targets under NMBS the Government in their written reply have stated as below:

“The implementation of NMBS has not been smooth in several States leading to slippage of targets. In the States where implementation of the NMBS has been assigned to a Department other than the State Nodal Department on NSAP, the lack of adequate coordination between the Departments has affected the implementation of the Scheme. Frequent changes of the implementing Department (as in U.P.), prolonged strike by the State Government employees (as in Bihar), reporting of actual expenditure showing less than 60% utilisation of funds, non-submission or late submission of audit report and utilisation certificate (by some States) account for lower achievement under the NMBS.”

3.65 As per the objective of the programme:

The NSAP is a 100% Centrally Sponsored Programme. The Programme aims at ensuring minimum national standard of social assistance in addition to the benefit that the States are currently providing or might provide in future. The intention in providing 100 per cent Central Assistance is to ensure that social protection to the beneficiaries every where in the country is uniformly available without interruption. Accordingly, it is ensured that the Central Assistance does not displace States' own expenditure on social security Schemes and that the States/UTs may expand their own coverage of social assistance independently wherever they like to do so.

The NSAP provides opportunities for linking social assistance packages to the Schemes for poverty alleviation and Provision of basic needs. Specifically, old age pension can be linked to medical care and other benefits for the old and the poor.

Assistance under SGSY, etc. may be provided in addition to the benefit under NFBS to the families of poor households who suffer the loss of the breadwinner. Maternity assistance can be linked to maternal and child care Programmes.

**Criteria for identifying a destitute under NSAP**

3.66 The NSAP guidelines provide that an applicant under NOAPS must be a destitute in the sense of having little or no regular means of subsistence from his/her own sources of income or through financial support from family members or other sources. In order to determine destitution, the criteria, if any, currently in force in the States/UT Governments may also be followed.

3.67 As per the Mid Term Appraisal, the evaluation revealed that the NFBS beneficiaries either saved the assistance money in a bank or used it to repay old debts. Use of benefit in income generating activities was negligible. There have been cases of corruption in implementation of the programme.

3.68 When asked for the comments of the Government in this regard, it is stated that being a welfare scheme, the benefit given under NFBS is not supposed to be utilized on income generating activities. Keeping the assistance money in bank or using the same to

repay old debts conform to measures, which a BPL family is likely to adopt, in the fact of poverty.

3.69 When enquired why the Panchayats are not aware of the criteria for identifying destitutes, it is stated that the State nodal authority on NSAP and district level committee on NSAP are required to give wide publicity to the NSAP schemes and its procedures including the criteria for identification of beneficiaries among all concerned including the

Panchayat functionaries. They are provided with adequate funds in the form of administrative expenses to take up, *inter-alia*, to give wide publicity to the programmes in their respective areas. These publicity measures are required to cover the Panchayat functionaries, the prospective beneficiaries as well as the general public.

As regards publicity, it is stated that publicity is arranged by the District Collectors for disseminating information on the benefits of the NSAP and its procedures. The State Governments/the districts are provided with funds @4% of the total allocation by the Ministry of Rural Development in the form of administrative expenses. This also includes expenses on publicity campaigns, to make the people aware of NSAP.

**3.70 The Committee note that the reasons for transferring NMBS to the Department of Family Welfare as furnished by the Government are that the scheme has been transferred as part of the population stabilisation programme with effect from 1<sup>st</sup> April, 2001. The Committee fail to understand the rationale for transferring the programme to the Department of Family Welfare. They feel that since the programme was not working well, instead of taking the corrective steps, it has itself been transferred to some other Department. Keeping in view the analogy, for transferring NMBS to the Department of Welfare, they feel that the other components of NSAP like NOAPS and NFBS can also be transferred to the Department of Social Welfare. While noting the response of the Government as given in the preceding paras, the Committee conclude that there is absolutely no planning in launching programmes for the benefit of the poorest of the poor resulting in such reshuffling from one Department to the other. They take serious note of it and strongly recommend to the Government that proper home work should be done before launching a programme/scheme so that such things can be avoided.**

**3.71 The Committee are concerned to note the huge underspending under the three components of NSAP. They find that the Department itself is responsible for getting lesser outlay under the programme keeping in view the huge unspent balances with the State Governments. In view of it, the Committee strongly recommend that the outlay under the programme should be enhanced to commensurate with the targets set under the respective components of the programme. Not only that, the Department should think of ways to ensure cent percent utilisation of resources.**

**3.72 While going through the replies furnished by the Government, the Committee find that one of the basic reason of the programme not working well is the lack of adequate coordination between the Departments implementing the programme in different States. Besides the State Governments are not submitting the utilisation certificates in time. Another noticeable feature found is that there are similar schemes in the State Governments. In view of this, the Committee urge the Government to seriously consider the shortcomings in the implementation of the**

programme and should ensure that money for the respective components of the programme are entrusted at the appropriate level of the three tiers of Panchayati Raj. Besides, the Government should ensure the uniformity of implementing authorities in respective States for proper utilisation of resources.

3.73 The Committee note that NSAP is a social assistance programme for poor households and represents a significant step towards the fulfillment of the provisions enshrined in Articles 41 and 42 of Constitution, which ask the State to make necessary provision to right to work, to education and to public assistance in certain cases of the unemployment, old age, etc. and to ensure securing just and humane conditions of work and for matching relief. The scheme as run is eloquent of its own importance and needs proper execution. An earnest effort is required on the part of the Government to make it a grand success.

3.74 The Committee find that the guidelines in respect of identifying the destitute are not clear. As per the Government reply, the destitute is a person having little or no means of subsistence from his or her own sources of income or through financial support from family members or other sources. The words having 'little or no

regular means' have not been specified and as such there is a great scope of misinterpretation for identifying a destitute. In view of this, the Committee recommend that the Government should clearly mention what they mean by little or no regular means of subsistence to avoid any confusion and to ensure that the benefits reach to the deserving persons.

3.75 The Committee are concerned to note the finding of Mid Term Appraisal that the lack of awareness about the programme is a major problem as there is no formal system of information dissemination, the Committee take the findings of the Mid Term Appraisal seriously and urge the Government to take the necessary steps to make the programme popular with the rural masses. Necessary publicity of the programme should be given by media like Radio and National Channel and Regional Channel of Doordarshan. Besides, the Government should allocate specific outlay for the purpose and ensure that the funds are spent for the specific purpose by the State Governments.

## CHAPTER IV HOUSING SCHEMES

### (i) Indira Awaas Yojana

#### **Demand No. 65**

#### **Major Head. 2216**

#### **Objective**

4.1 The objective of Indira Awaas Yojana (IAY) is primarily to help construction of new dwelling units as well as conversion of unserviceable Kutcha houses into pucca/semi pucca by members of Scheduled Castes/Scheduled Tribes, freed bonded labourers and also non-SC/ST rural poor below the poverty line by extending them grant-in-aid.

#### **Scope**

4.2 IAY is a beneficiary-oriented programme aimed at providing houses for SC/ST households who are victims of atrocities, households headed by widows/unmarried women and SC/ST households who are below the poverty line. Its scope has been expanded to conversion of unserviceable Kutcha houses into pucca/semi pucca houses with effect from 1<sup>st</sup> April, 1999.

#### **Funding**

Indira Awaas Yojana is a Centrally sponsored scheme funded on cost-sharing basis between the Government of India and the States in the ratio of 75:25. In case of Union Territories, the entire resources under this scheme are provided by the Government of India. Previously the funding pattern between Centre and State was 80:20. When asked for the reasons for the increase in States share it has been stated by the Government in the written note that in accordance with the Cabinet decision to have a uniform pattern of

fund sharing between Centre and State for all schemes of the Ministry of Rural Development, the Central Share under Indira Awaas Yojana was reduced from 80:20 to 75:25 ratio w.e.f. 1.4.1999.

#### **Strategy**

4.4 Grant of Rs. 20000/- per unit is provided in the plain areas and Rs. 22000/- in hilly/difficult areas for construction of a house. For conversion of a Kutcha house into pucca/semi pucca house, Rs. 10,000/- is provided. Sanitary latrine and smokeless chulha are integral part of the house. In construction/upgradation of the house, cost effective and environment friendly technologies, materials, designs are encouraged. The house should be allotted in the name of female member of beneficiary household, alternatively it can be allotted in joint names of both husband and wife.

4.5 As per performance Budget, the following housing schemes are under operation in rural areas.

- (i) Indira Awaas Yojana;
- (ii) Prime Minister's Scheme for Rural Housing;
- (iii) Credit Cum Subsidy Scheme for Rural Housing;
- (iv) Samagra Awaas Yojana (SAY);
- (v) Innovative Scheme for Rural Housing and Habitat Development;



- (vi) Setting up of Rural Building Centres;
- (vii) Equity Support to HUDCO;
- (viii) National Mission for Rural Housing and Habitat.

#### 4.6 Indira Awaas Yojana

	(Rs. in crore)
BE 2000-2001	1539
RE 2000-2001	1490
BE 2001-2002	1284.30
Target for the number of houses constructed during the year 2000-2001	12.44 lakh
Number of Houses built during the year 2000-2001	4.98 lakh
Target for the year 2001-2002 (No. of Houses to be constructed)	9.84 lakh

4.7 When asked about the reasons for reducing the allocation during 2001-2002 as compared to the previous year, it is stated by the Government that budgetary allocation of the Ministry of Rural Development is determined by the Ministry of Finance and the Planning Commission and as regards the slippage in targets during the year 2000-2001, it is stated by the Government that it would be somewhat early to say that there has been any slippage in achievement of target, since reports conveying the final picture come in around August 2001.

4.8 When asked to justify the multiplicity of Housing Schemes in rural areas and coordination between various schemes maintained by the Government, the Secretary, Department of Rural Development during the course of oral evidence stated as under:

“We have a large number of schemes. While we are trying to make the actual working of the schemes successful within the parametres – we also know that some of the parametres are not adequate and some changes are required – the general approach, as you are aware, of the Government in the Department as well as the Planning commission is that we should attempt at some effective convergence of the schemes. There is a

scheme which was introduced a few months ago called, *Samagra Awaas Yojana*. It is, by and large, implemented on the lines of *Indira Awaas Yojana*. But this is a new scheme. I have been told by most of the State Secretaries that funds are not adequate for this scheme and it is not making any impact. So, they said that something has to be done to see that this money is utilised in a better way. Therefore, we are working on this, as indicated by the Hon’ble Member and currently we are lucky that we have the Working Group which has been constituted in consultation with the Planning Commission for the Tenth Plan and we have our Sub Groups. We are going into all this in the context of Working Group’s condition. We have to aim at rationalisation and convergence can be attempted for more effective implementation. The Working Group has started meeting. This is an issue that is relevant also in terms of certain other schemes of the Department. There are programmes that have interface and overlapping. Sometimes, the Government has felt that we must have more direct focus and we must aim at convergence of implementation for flow of benefits to the people who are being targeted.”

4.9 In the written note, the Government have further stated that all housing schemes have a separate allocation of their own except the Samagra Awaas Yojana and the National Mission for Rural Housing, and Habitat Development. In so far as the Samagra Awaas Yojana is concerned, this scheme is presently being implemented only on pilot

basis in 25 blocks of 24 States and 1 UT and funds available under the IAY are drawn on as and when required. As far as National Mission for Rural Housing, and Habitat Development is concerned the scheme is at its initial stage and it was felt that there would be no financial allocation required in 2000-2001. An allocation has been made for the Mission for the year 2001-2002.

4.10 Regarding Pradhan Mantri Gramodaya Yojana, the Department in its written reply has stated as below:

“The PMGY has been launched only from 2000-2001. The Ministry of Rural Development is the nodal Ministry for the implementation and monitoring of the programme. The PMGY (Gramin Awaas) is designated on the pattern of Indira Awaas Yojana and the guidelines have been circulated to all concerned. States/UTs are required to send project proposals for release of funds under the Scheme. Releases are made by the Ministry of Finance on the recommendation of this Ministry. A minimum of Rs.3.75 crore is available under the PMGY (Gramin Awaas) and States/UTs can avail more funds for the purpose out of 25% funds kept at their disposal for all components of PMGY under discretionary quota. Proposals as and when received are sent before the Committee constituted for the purpose for approval. Thereafter, approved proposals are referred to Ministry of Finance for releasing funds. The Ministry of Finance has released the first instalment of grants to all the State Governments for meeting their requirements for first six months on an ad-hoc basis, as a special case. The total amount thus releases is Rs.185 crore.”

**4.11 The Committee are constrained to note the reduced target and outlay during 2001-2002 as compared to the previous year under IAY, one of the most popular housing scheme in the rural areas. They note that inspite of giving priority to the housing sector by the Government, there is no serious planning to achieve the objectives set in this regard. Another noticeable feature is the multiplicity of the schemes. Instead of giving more emphasis on one of the well established scheme, i.e. IAY, there is thrust on launching more and more housing schemes. As could be seen from the preceding paras, although the Government have recognised the need for rationalisation and conversion of multiple schemes for effective implementation and making a noticeable impact, inspite of that, the Government have introduced another scheme i.e. PMGY (Gramin Aawas). The Committee deplore the way the planning is being made by the Government. The Committee take serious note of this and as recommended in their 13<sup>th</sup> Report (13<sup>th</sup> Lok Sabha), urge the Government to seriously think of convergence of the schemes under housing so that adequate outlay could be provided to make an impact of the programme.**

As per scope of IAY, the scheme aims at providing houses to SC/ST households who are victims of atrocities, household, headed by widows/unmarried women and SC/ST households who are below poverty line. The Committee want to know how many of the aforesaid categories have been benefited by the scheme so far and how many unserviceable kutchha houses have been constructed into pucca houses till date.

### **Equity Support to HUDCO**

4.12 To meet the requirement of Economically Weaker Section (EWS) and Lower Income Group (LIG) groups in rural areas and to improve the outreach of housing finance in rural areas, it has been decided to increase the equity support to Housing and Urban Development Corporation during the Ninth Five Year Plan period. In pursuance of this, Rs.50 crore was released during 1998-99, Rs.150 crore was released during 1999-2000 and during 2000-2001 Rs.100 crore has been released.

The resources raised by HUDCO as a consequence of increased equity share capital participation by the Ministry of Rural Development, is targeted to be used exclusively in the rural areas. Already a separate, dedicated Rural Housing Cell has been set up in HUDCO, under an executive of the rank of Executive Director. HUDCO is the operational arm of the Ministry of Rural Development for the setting up of Rural Building Centres, a programme funded by the Ministry of Rural Development. HUDCO through Human Settlement Management Institute (HSMI) also supports the training requirements of rural housing sector professionals.

**4.13 While appreciating the initiative taken by the Government to involve HUDCO under Rural Housing, the Committee are concerned to note that, an outlay of Rs.100 crore was released during 2000-2001 which was 50 crore less than that of the previous year. They urge that sufficient outlay should be provided to HUDCO. Besides the Committee would like to be apprised of the number of persons category-wise assisted by HUDCO since their involvement in the rural sector.**

### **(iii) Research and Development regarding Housing**

4.14 As per the Annual Report, with a view to encourage innovative cost effective and environment – friendly situations in building/housing sectors in rural areas ‘innovative stream for Rural Housing and Habitat Development’ has been launched with effect from 1.4.1999. Further as per the Performance Budget 2001-2002 and Annual Report 2000-2001, two main schemes viz (i) Setting up of Rural Building Centres and (ii) National Mission for Rural Housing and Habitat are also in operation with the same objective for which the scheme ‘Innovative Stream for Rural Housing and Habitat Development’ has been launched. In the Annual Report (2000-2001), it has been mentioned that Central Building Research Institute (CBRI) Roorkee has been entrusted with a study on ‘Demonstration and Training on Innovative Materials and Technologies for Rural Housing in seven villages in different region’.

4.15 When asked whether the Government have made any study regarding the rural areas in the country which are earthquake prone, it is stated that the Ministry of Urban Affairs and Poverty Alleviation, through an Expert Group has prepared a vulnerability atlas which covers all the States and UTs of the country (including the rural areas). The studies undertaken by the Expert Group and by Buildings Materials Technology Promotion Council cover the following issues:

- (i) Identification of various hazard prone areas in urban and rural areas
- (ii) Vulnerability and Risk Assessment of housing in rural and urban settlements (This study compiles the district wise tables showing risk levels of all existing house types as per 1991 census)

- (iii) Technical Guidelines for Improving Earthquake Resistant Construction of Housing
- (iv) Upgradation of Existing Housing Stock through repair and retrofitting.
- (v) Techno-Legal Regime to be adopted at local level for promoting quake resistant houses and buildings.

The vulnerability Atlas and other recommendations made by the Group provide ready reference for the States and local authorities to plan for preventive action and implement measures for mitigation and preparedness.

4.16 As regards the policy of the Government to ensure earthquake proof houses in seismic prone areas in the country, it is submitted by the Government that the Ministry of Rural Development is the nodal Ministry on matters pertaining and germane to Rural Housing. Until recently the main plank of the Governments intervention was through the Indira Awaas Yojana (IAY). According to the guidelines of the IAY, incorporation of disaster resistant features in design has been encouraged in areas visited by natural calamities such as floods/cyclone/earthquake.

4.17 When asked whether the houses built under Centrally Sponsored Schemes like IAY are following the requisite standards to make houses earthquake resistant as per the guidelines, it is stated that according to the IAY Guidelines, effort should be made to utilise to the maximum possible extent, local materials and cost effective technologies developed by various institutions. The implementing agency should contact various organisations/institutions for seeking expertise and information on innovative technologies, materials, designs and methods to help beneficiaries in the construction of durable cost effective houses. The State Governments may also arrange to make available information

on cost effective environment friendly technologies, materials, designs, etc., at block/district level. Technologies using bricks, cement and steel on a large scale should be discouraged. As far as possible, cement should be substituted by lime and lime surkhi manufactured locally. Bricks manufactured by beneficiaries themselves may also be used to reduce cost and increase opportunities for wage employment. In areas frequented by natural calamities such as fire, flood, cyclones, earthquakes etc., incorporation of disaster resistant features in design should be encouraged.

4.18 When enquired about the precautionary steps the Government has sought to undertake to ensure earthquake resistant houses in earthquake prone areas in view of the latest earthquake in Gujarat, it is stated that the Ministry of Rural Development is implementing the innovative stream for Rural Housing and Habitat Development under which projects involving use of earthquake resistant technologies, designs and materials are being funded.

4.19 Further, when asked whether any special allocation has been made to Gujarat to rebuild the houses of below poverty line devastated in the recent earthquake, it has been stated by the Government that they decided to sanction one lakh houses @ Rs.30,000/- per unit of Central assistance) for below poverty line rural households who have been affected by the recent earthquake in Gujarat. This will entail a budgetary outgo of Rs.300 crore under the Indira Awaas Yojana (Rs.150 crore) and Pradhan Mantri Gramodaya Yojana: Gramin Awaas (Rs.150 crore). The Government of Gujarat is being requested to ensure that all houses proposed to be built for the Below poverty Line persons in the earthquake affected areas are earthquake proof.

**4.20** The Committee note from the reply furnished by the Government that incorporation of disaster resistant features in design has been encouraged in areas visited by natural calamities such as floods/cyclone/earthquake. Further, as per the guidelines of the IAY, in areas frequented by natural calamities incorporation of disaster resistant features are to be encouraged. The Committee note that the steps taken by the Government to ensure disaster resistant houses are not sufficient especially in view of the recent disaster caused by Gujarat earthquake. They, therefore, feel that more is required to be done in this field to protect the lives of millions of persons who are residing in seismic prone areas. In view of this, the Committee recommend that the Ministry of Rural Development should coordinate with the Ministry of Urban Development and formulate certain guidelines to be circulated to the State Governments to ensure the building of earthquake proof houses in rural areas. Under these guidelines, the State Governments should be requested to amend the bye-laws for housing to include the provision of earthquake proof houses in the seismic prone areas with the instruction to use earthquake resistant technologies, designs and materials as a deterrent. The comprehensive guidelines covering all the aspects should be prepared and circulated to the State Governments in this regard.

**4.21** While noting that the different central schemes are working in the field of research and development for housing, the Committee urge that an apex body at the Centre should be constituted to coordinate the efforts made by the different agencies in the field of research being done.

**4.22** While appreciating the steps taken by the Government to provide allocation in earthquake affected Gujarat for rebuilding the houses below poverty line devastated in the recent earthquake, the Committee would like that the position of expenditure made in this regard should be monitored to ensure that the special outlay is meaningfully utilised.

## CHAPTER V

### OTHER SCHEMES

#### (i) DRDA Administration

##### **Demand No. 65**

##### **Major Head 2515**

##### **Objective**

5.1 The objective of the scheme of DRDA Administration is to strengthen the DRDAs and to make them more professional and effective. Under this scheme, DRDA is visualised as specialised agency capable of managing anti-poverty programmes of the Ministry on the one hand and to effectively relate these to the overall efforts of poverty eradication in the district on the other.

##### **Funding**

5.2 The funding pattern of the programme will be in the ratio of 75:25 between the Centre and the States.

##### **5.3 Performance during 2000-2001**

During 2000-01, a provision of Rs.220.00 crore has been approved as against the total requirement of Rs.260.00 crore which is based on the ceiling prescribed in the guidelines. The first instalment of 50% of central share based on the prescribed ceiling, amounting to Rs.130.00 crore has already been released to all the State/UTs towards 1<sup>st</sup> instalment of central share and an amount of Rs.7.83 crore has also been released as 2<sup>nd</sup> instalment upto 31.1.2001. Therefore, the total central release upto 31.1.2001 was Rs.137.83 crore. However, due to anticipated saving under the scheme, the allocation has been reduced to Rs.200.00 crore in R.E. 2000-01.

An outlay of Rs.220.00 crore has been made for the year 2001-02.

5.4 When asked to explain the reason of anticipated saving which led to curtailment of allocation the Government in their written reply have stated as under:

The allocation is worked out, as per the ceiling fixed in the guidelines of DRDA Administration Scheme. However, the release of funds is being worked out on the basis of the ceilings fixed or actual requirement whichever is less. In actual practice, several DRDAs have not submitted proposals for 2<sup>nd</sup> Instalment this year; cuts have also been imposed while releasing 2<sup>nd</sup> instalment resulting in curtailment of allocation.

5.5 The Committee in their 13<sup>th</sup> Report (13<sup>th</sup> Lok Sabha) have recommended to consider the bureaucratic overload of DRDAs in view of the article 243 G of the Constitution. It was further recommended to merge the function of DRDAs with the district Panchayats. In response to this Report, the Government in their action taken reply have stated as below:

“Steps have already been taken to democratise the DRDAs. The DRDAs are expected to co-ordinate effectively with Panchayati Raj Institutions. Clear instructions are there that the Chairman of Zilla Parishads shall be the Chairman of the Governing

Body of the DRDA. The administration of the DRDA is carried out by a Governing Body which itself is democratic in nature. The Governing Body of the DRDA is well represented by MPs, MLAs, MLCs, Panchayati Samiti Chairpersons, representatives of various Bank and technical institutions, welfare officers, NGOs, representatives of weaker sections of society and rural women.”

The Committee in its 13<sup>th</sup> Report have also recommended for the increased role of MPs in the functioning of DRDAs. Further during the course of oral evidence the Secretary Rural Development stated that final decision regarding the involvement of MPs in DRDA is yet to be taken.

**5.6 The Committee are concerned to note the reply of the Government in response to their recommendation made earlier (Refer Para 5.5 of the 13<sup>th</sup> Report) to merge the function of DRDAs with the District Panchayats. Instead of addressing the issue and furnishing a categorical reply, the existing guidelines are reproduced according to which DRDAs are expected to coordinate effectively with Panchayati Raj Institutions.**

**In view of this, the Committee reiterate their recommendation. Besides, the Committee feel that the meetings of DRDAs should be fixed after seeking the convenience of local MPs/MLAs etc. Necessary instructions in this regard should be issued to DRDAs.**

**While noting that a year has elapsed since the Committee recommended for the involvement of MPs in DRDAs, the Government are yet to take the decision in this regard. They deplore the undue delay taken in this regard and urge the Government to take the decision within three months of the presentation of the Report.**

## **(ii) Training**

### **Demand No.65**

#### **Major Head 2515 and 3601**

5.7 The massive thrust to a diverse range of rural development programmes aimed at rural employment and rural infrastructure development has generated a concomitant demand for trained personnel. More so since such programmes routinely call for very complex tasks requiring high levels of specialised skills in a considerable number of field personnel, be they officials or elected functionaries.

Further, to strengthen the Panchayati Raj Institutions, it is pertinent to empower the elected representatives at all levels with necessary knowledge and skills, so that they can discharge their Constitutional obligation. To fulfill the objectives of training, the National Institute of Rural Development (NIRD) at National Level, 25 State Institutes of Rural Development (SIRDs) at the State Level and 88 Extension Training Centres (ETCs) at District/Block Level have been set up. In addition, extensive support has been provided to a number of training and academic Institutes for conducting training programmes. In consonance with the National Training Policy (1996), these Training

Institutes have made a variety of programmes including participatory methods of training with a view to not only imparting skills to the trainees but also enlisting participation of peoples' action groups and local institutions like Panchayats. Apart from this, officers of various grades of this Ministry including the organized service officers are nominated regularly for their "in-service" training programmes as a part of "Career Management" activity.

5.8 Budget Estimates in respect of National Institutes of Rural Development, State Institute of Training in Rural Development Extension Training Centres and organisation of Training Centres Seminars and Workshops.

	<b>Rs. in Crore</b>	
	<b>BE 2000-2001</b>	<b>BE 2001-2002</b>
NIRD	5.00	5.00
SIRD	7.25	8.75
ETC	3.00	3.00
Organising of Training Centres Seminars and Workshops	1.25	1.25

5.9 When asked why status quo in respect of allocation has been made for the year 2001-2002 as compared to the previous year the Government in their written reply have stated as under:

The Ministry had demanded a higher allocation under each scheme of Training Section, but the Planning Commission was able to only accept nominal increase in the case of SIRDs, as per details given below:-

<b>Scheme</b>	<b>(Rs. in Crores)</b>	
	<b>Amount Proposed/ demanded</b>	<b>Amount approved by Planning Commission</b>
1. NIRD	8.00	5.00
2. SIRD	15.00	8.75
3. ETC	5.00	3.00
4. O.T.C.	1.75	1.25
<b>Total:</b>	<b>29.75</b>	<b>18.00</b>

The percentage of achievement of plan targets (both in the physical and financial terms) during the 9<sup>th</sup> plan, are as below:

<b>Year</b>	<b>Financial (Rs. in crores)</b>			<b>Physical (No of Trg. Programmes)</b>		
	<b>Target</b>	<b>Achievement</b>	<b>%</b>	<b>Target</b>	<b>Achievement</b>	<b>%</b>
1997-98	5.00	5.00	100	179	142	79
1998-99	5.00	5.00	100	153	132	86



1999-2000	5.00	2.50	100	128	152	118
2000-2001	5.00	5.00 (upto16.2.2001)	100	167	81 (upto30.9.2000)	49

### (iii) PANCHAYATI RAJ

5.10 With the passage of the Constitution (73<sup>rd</sup> Amendment) Act, 1992, constitutional status has been provided to the Panchayati Raj Institutions (PRIs) and almost all the States/UTs, except J&K, NCT Delhi and Arunachal Pradesh have enacted the necessary legislation pertaining to PRIs. Consequently, 2,27,698 Panchayats at village level; 5,906 Panchayats at intermediate level and 474 Panchayats at district level have been constituted in the country. These Panchayats are being manned by about 34 lakh elected representatives of Panchayats at all levels. This is the broadest representative base that exists in any country in the world-developed or under-developed.

5.11 The main features of the Act are—(i) a 3-tier Panchayati Raj system; (ii) Panchayat elections to be held regularly every 5 years; (iii) reservation of seats for Scheduled Castes, Scheduled Tribes and women; (iv) periodical appointment of State Finance Commission to make recommendations as regards the financial powers of the Panchayats and (v) constitution of District Planning Committees to prepare development plans for the district as a whole. The Panchayati Raj Institutions have to be endowed with such powers and authority as may be necessary to enable them to function as institutions of self-government. The Amendment Act contains provisions for devolution of powers and responsibilities upon Panchayats with reference to (a) the preparation of plans for economic plans for economic development and social justice; and (b) the implementation of such schemes for economic development and social justice as may be entrusted to them.

**5.12 While the Committee have constituted a sub-Committee to examine in detail the progress in regard to implementation of Part IX and IX A of the Constitution, the Committee urge the immediate action on the part of the Central Government and State Governments concerned to establish District Planning Committees as provided for in Article 243 ZD and to ensure that, in keeping with the letter and spirit of the Constitution, drafting of the 10<sup>th</sup> Five Year Plan is based on District Plans coming from the PRIs and the Municipalities.**

**The Committee are concerned to learn that attempts are being made to amend the State Panchayati Raj legislation in ways which would not be in conformity with the Constitutional provisions. The Committee stress that the Ministry of Rural Development shall take cognizance of such attempts so as to forestall any violation of Constitutional provisions. Where any violation of Constitutional provision takes place, the Government should take pro-active recourse to litigation in the Supreme Court.**

**5.13 Budget Estimate, Revised Estimate and actual Expenditure during 1999-2000 and 2000-2001.**

Budget Estimate		Revised Estimate		Actual Expenditure		Rs. in lakh Budget Estimate For 2001-2002
1999-2000	2000-2001	1999-2000	2000-2001	1999-2000	2000-2001	
Rs.300.00	300.00	Rs 300.00	300.00	Rs.300.00	Rs.Rs.83.24	Rs.500.00
			100%	(as 0 19.1.2001)		
			utilisation	27.67% utilisation		

5.14 When asked about the reasons for variation in budget estimates, revised estimates and actual expenditure for the year 2000-2001, it was submitted by the Ministry that during the last three quarters of current financial year, sufficient funds could not be released for want of demand. It has further been stated that release of funds to some States is in the offing and some States have sent their proposals for grant of funds for their training programme.

**5.15 Training to PRI functionaries**

When asked about the number of elected functionaries who have been imparted training during the year 2000-2001, the Department in their written note have stated as under:

Funds under “Panchayat Development and Training” are released on demand from States. During 1999-2000 and 2000-2001, Seven States were assisted under the Scheme. During the year 2000-2001, a total number of 8375 elected representatives of all the three levels of Panchayati Raj Institutions (PRIs) were provided training in the States of Madhya Pradesh, Himachal Pradesh and Haryana (Mewat Region) under this Scheme.

Information from the States of Punjab, Maharashtra, Nagaland and Kerala is awaited.

5.16 According to ‘Mid-Term Appraisal of Ninth Five Year Plan, in pursuance of the Constitutional mandate in respect of 29 items of the Eleventh Schedule, funds have to be devolved on the Panchayati Raj Institutions for planning and implementation of schemes pertaining to particular sector. It has also been mentioned that involvement of Panchayati Raj Institutions with respect to these 29 items have been minimal in most of the States and they continue to be implemented departmentally.

5.17 When asked to comment the Department in its written reply has stated as below:  
 “The State Government organize training on the different aspects of 73<sup>rd</sup> Amendment Act, either with their own funds or with the financial assistance of the Central Government. The State Governments have been urged to devolve powers with regard to the 29 subjects as enshrined in the Constitution and to familiarise all Panchayati Raj Institutions personnel with these subjects. The Budget outlay for training programmes during the next financial year 2001-2002, has been proposed to be enhanced from Rs.3 crore to Rs.5 crore in order to provide greater support to the efforts of the State Governments.”

**5.18** While going through the preceding paras of the Report, the Committee feel that adequate attention is not being paid to the training programmes. As could be seen from the outlay position, there is a marginal increase in the outlay under SIRD during 2001-2002 as compared to the previous year and status quo has been maintained for the outlay earmarked for SIRD and ETCs. Further, as regards the programme, Panchayati Raj, under which the training is imparted to the PRIs, the utilisation position of the outlay is not very encouraging. The Committee note that as observed in the Mid Term Appraisal of the 9<sup>th</sup> Five Year Plan in pursuance of the Constitutional mandate, funds have to be devolved on the PRIs for planning and implementation of the schemes pertaining to a particular sector. The Committee feel that training is the pre-requisite for the successful implementation of a Programme. Further, in view of the mandate of the Constitution, the Committee urge that the Panchayati Raj functionaries have to be trained to enable them to handle the responsibility of implementing the Centrally Sponsored Programmes for which huge outlay is being provided by the Central as well as State Governments. In view of the importance of training in execution of the respective programmes, the Committee strongly recommend that the outlay for the apex institutions for training like NIRD, SIRD and ETCs should be adequately enhanced. Besides the coordination with the ITIs located in a area should be maintained to ensure the training of the Panchayati Raj functionaries and other Government functionaries concerned with the implementation of respective poverty alleviation programmes.

The Committee urge that the Government should evaluate the standard and quality of training being imparted to Panchayats and spell out any shortcomings detected with suitable remedial steps with a view to strengthen PRI so that they acquire necessary skill and knowledge to face the challenges thrown by the diverse range of rural development programme.

#### **5.19 Devolution of Financial Powers to PRIs and Constitution of State Finance Commission**

As per Performance Budget (2001-2002), all the States/ UTs barring Arunachal Pradesh constituted State Finance Commissions and all the SFCs except Bihar have submitted their Reports to the respective State Governments. According to Mid-term Appraisal of Ninth Five Year Plan, recommendations of the SFCs, have been accepted in to by ten States viz. Karnataka, Kerala, Madhya Pradesh, Manipur, Punjab, Rajasthan, Tamil Nadu, Tripura, Uttar Pradesh and West Bengal. It has further been that as per recommendations of SFCs, many of the State Governments have agreed to give PRIs a specific percentage of share in some of the State taxes like land revenue cess on it, additional stamp duty, entertainment tax, royalties on minerals and mines, forest revenue and market fees. But the study reveals that in real terms no improvement in local resources base is likely as a result of the recommendations of SFCs. Moreover, the SFC reports have paid far less attention to issue of autonomy, financial management and auditing procedures. The main deficiency of the reports lies in the fact that the recommendations are not based on a clear statement of the spending responsibilities of local bodies. Indeed the absence of attention to the elementary principle, that expenditure

assignment must precede any tax or revenue assignments has made most of the SFC's recommendations suspect.

5.20 When asked to comment on the above mentioned facts reported in the Mid Term Appraisal, the Government in their written reply have stated as under:

“The Ministry agree with the comments in the Mid-term Appraisal. The State Finance Commissions are constituted by the State Governments with certain terms of reference. However, in the absence of devolution of functional and financial powers to Panchayati Raj Institutions, it may not be possible for the State Finance Commissions to assess the resource mobilisation capabilities of PRIs and their requirements.”

**5.21 While noting that all the States/UTs have constituted State Finance Commissions and ten States have submitted their reports, the Committee would like that a critical analysis of the reports in view of the observation made in the Mid Term Review as given above should be made by the Government and the Committee be apprised about the results thereto. Besides as rightly stated by the Department in its reply that in the absence of devolution of functional and financial powers to Panchayati Raj Institutions, it is not possible to assess the resource mobilisation capabilities of PRIs and their requirements, it is high time to act upon them expeditiously. The Committee urge that necessary instructions in this regard should be issued to the State Governments. A nexus must be established between the functions, functionaries and finances in the devolution of powers and responsibilities of PRIs. A nexus must be established between the functions, functionaries and finances in the devolution of powers and responsibilities of PRIs.**

#### **5.22 Constitution of District Planning Committees**

As per Performance Budget, the State Governments are required to constitute District Planning Committees (DPCs) as envisaged under Article 243 (ZD) of the Constitution 74<sup>th</sup> Amendment Act to facilitate the process of decentralized planning for each district as a whole. Only ten States, namely Haryana (only in 3 Districts), Karnataka (in 10 out of 27 districts), Kerala, Madhya Pradesh, Rajasthan, Sikkim, Tamil Nadu, Tripura, Uttar Pradesh and West Bengal and two Union Territories, namely, A&N Islands and Daman & Diu have constituted DPCs. In some States, where Ministers-in-charge of the District have been made the Chairpersons of DPCs this arrangement is in violation of the spirit of the 73<sup>rd</sup> Constitutional Amendment Act.

5.23 When asked about the action proposed to be taken against those States who have not yet constituted DPCs and where minister-in-charge of the District have been made the Chairperson of DPCs against the 73<sup>rd</sup> Constitutional Amendment Act, the Department in their written reply have stated as under:

“The Ministry of Urban Development is the implementing authority in respect of the Constitutions (74<sup>th</sup> Amendment) Act, 1992 under which DPCs are required to be set up by the State Governments. However, the Ministry of Rural Development have taken a serious note of non compliance with the provisions on DPCs. As per the Guidelines of the Employment Assurance Scheme (EAS), 20% of the allocated funds are to be released to those States who have put the elected and empowered Panchayats in place. Constitution of DPC in each District is one of the parameters to measure empowerment of Panchayats.”

**5.24 The Committee note that the responsibility of implementation of the Constitution (Seventy-Fourth Amendment) Act, 1992 under which DPCs are required to be set up by the State Governments lies with the Union Ministry of Urban Development. Further, it is found that as per the guidelines of Employment Assurance Scheme, 20% of the allocated funds are to be released to those States who have put the elected and empowered Panchayats in place. While appreciating the concern expressed by the Ministry of Rural Development on the issue of non-compliance with the provisions of DPCs, the Committee urge the Ministry of Rural Development to coordinate with the Ministry of Urban Development in the Centre to impress upon them about the urgency to constitute DPCs in each District as rightly stated by the Government, the Constitution of DPC in each district is Constitutional obligation to measure empowerment of Panchayats.**

**Constitution of Voluntary Technical Corps (VTCs)**

5.25 As per Mid-term Appraisal of Ninth Five-Year Plan in Kerala, a voluntary Technical Corps (VTC) has been created consisting of about 10,000 technical experienced people to yet and re-work projects prepared by the Panchayats. These include retired persons with technical expertise, bank personnel and official of government departments.

When asked whether Government propose to encourage other States also to emulate the VTC setup in Kerala? While if so, whether any scheme in this regard is likely to be launched, the Government in their written reply have state as under:

“There is no such proposal with the Ministry of Rural Development. However, under the Jawahar Gram Samridhi Yojana (JGSY), each Gram Panchayat has been authorised to spend upto a maximum of Rs.7.5% of the annual allocation of funds or Rs.7,500/-, whichever is less, on administrative contingencies and for hiring experts for technical consultancy to prepared projects/plans.”

**5.26 The Committee appreciate the stand taken by the Government to create a Voluntary Technical Corps(VTCs) where the experience and expertise of retired officials is being meaningfully used to assist the projects prepared by the Panchayats. The Committee feel that this is a model to be followed by the other State Governments. In this regard, the Committee urge that the Department should make aware other State Governments also about the working of such technical groups which could be followed by them. Necessary instructions in this regard should be issued to the State Governments.**

NEW DELHI;  
19<sup>th</sup> April, 2001  
29 Chaitra, 1923 (Saka)

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

## STATEMENT OF OBSERVATIONS/RECOMMENDATIONS

Sl.No.	Para	Observation/Recommendation
1	2	3
1.	2.7	<p>While going through the critical analysis of the sector-wise outlay as provided for the various schemes of the Department of Rural Development, the Committee comes to the conclusion that the Department itself is responsible for getting lesser allocation under certain schemes like SGSY and Rural Housing. The Planning Commission have enhanced the allocation for the schemes which were doing comparatively better and reduced the allocation for schemes like SGSY and IAY where there were huge opening balances. The Committee note that IRDP was restructured as SGSY during 1999-2000 and two years have passed since then. They feel that a period of two years is sufficient to make functionaries and implementing authorities to understand the scheme. As regards IAY, the Committee fail to understand the huge unspent balances with the State Government. In view of this, the Committee strongly recommend that the Government should undertake in consultation with the State Governments a high level review to ascertain the reasons for the under utilisation of resources and the corrective steps which needs to be undertaken in this regard. Further to ensure the proper implementation of the different programmes, the Government should pay serious attention to make the persons responsible for implementing such schemes adequately trained. The Committee are informed that the Government have introduced Food for Work Programme as a temporary measure to meet the current drought situation in certain States. While appreciating such a move the Committee would like to know the details of programme chalked out under the scheme and the strategy worked out so that the benefits reach the needy with adequate safeguards to ensure that funds are not diverted or remain confined in the coffers. Moreover, given the huge stocks available with Food Corporation of India (FCI), the Committee urge that 'Food for Work Programme' should be made permanent programme instead of a temporary measure applicable in all DPAP and DDP, areas affected by natural disasters and other areas where there is a demand from State Governments. In this regard, the Committee request that Planning Commission should be requested to provide adequate outlay for the purpose.</p>
2.	2.10	<p>The Committee view with scepticism, the Government's claim that the 100% physical and financial targets would be achieved under the different schemes of the Department. It is not because of real shortfall, but because reports received from the States/UTs are not updated. The Committee can not meaningfully analyse the</p>

performance under the respective schemes, unless updated information is supplied by the Ministry. While hoping that the Government will achieve the target, the Committee stress that it is Ministry's duty to revamp the mechanism using modern tools of communication such as Information Technology.

3. 2.11 It is disheartening to hear that against the annual target of 2356 lakh mandays, only 1195 lakh mandays have been generated upto January, 2001 under EAS. The Committee are not re-assured by the statement that (EAS) has been running successfully in the absence of upto date reports from the States and in the face of information which is available under the scheme. The dismal performance cannot be set aside simply by saying that the reports from the States do not reflect the exact achievement. The Mid Term Appraisal (Page 145) says that EAS suffers from various lacunae including bogus reporting. The field staff have to show that targets have been fully achieved irrespective of the ground realities. Collectors have to provide Utilisation Certificates so that the State can draw the next instalment from the Centre. The Government have to address the aforesaid lacunae and find out a solution. To this end, the Committee urge the Government at the highest level to sensitise all concerned to the crucial importance of EAS in assuring employment, especially when employment in both organised and unorganised sectors is very slow. The Committee urge the expansion of EAS by incorporating 'Food for Work Programme' in view of huge stocks of foodgrains available with Food Corporation of India (FCI).
4. 2.17 The Committee are deeply concerned that it is almost impossible to keep a track of the decline in poverty as there has been too much recourse to different methodologies and no concerted effort was made to ascertain whether poverty has really been alleviated to the extent claimed. The Committee therefore, express their concern over the different methodologies adopted by Planning Commission at different times to assess rural poverty. The multiplicity of methodologies not only give non-comparable data but also hinders any realistic assessment of the impact of the various poverty alleviation programmes. The Committee are dismayed to know that even after 50 years of independence, there is no agreed methodology to assess the rural poverty and BPL percentage with the Planning Commission. They, therefore, recommend that an agreed methodology should be maintained over time and for any new methodology to be adopted. This should be applied retrospectively so as to achieve comparability in the data generated. Generally speaking, the Committee share deep concern expressed by many international organisations and economists that quality of statistics in India which at one time was the best in the developing world is now suffering from serious lacunae.

5. 2.18 While noting that the results of the recent survey done by the National Sample Survey Organisation (NSSO) regarding the persons living below the poverty line have arrived, the Committee would like to be apprised of the details of the said survey State-wise. Besides, the details of the criteria adopted by NSSO during the survey may also be explained. While going through the information furnished by the Government as given in the preceding paras, the Committee find a contradictory position. On the one hand the Secretary during the course of oral evidence has admitted that the two methodologies adopted by NSSO during 1993-94 and 1999-2000 being different, are not comparable, on the other hand the Government in their replies have mentioned that the number of poor has come down from 24.40 crore in 1993-94 to 19.32 crore in 1999-2000 and their proportion has been reduced from 37.37 percent to 27.09 percent. The Committee caution that in the absence of comparability, it would not be ethical or statistically correct to make definite claims about the trends of poverty alleviation.
6. 2.23 The Committee note that earlier programmes launched for eradication of rural poverty were beset with matrix of multiple programmes without desired linkages and posed conceptual and administrative problems and as such these programmes were restructured into single Self-Employment Programme namely SGSY. The Committee are eager to know how SGSY has been successful in organizing the rural poor into Self Help Groups and has added to their capacity of planning infra-structure build up while establishing the desired linkages.
7. 2.24 The Committee are informed that although SGSY is conceived as a holistic programme of micro enterprises covering all aspects of self employment excluding the ills of erstwhile IRDP and allied programmes like TRYSEM and DWCRA but the physical achievement under SGSY has been most inadequate, the decline having been particularly sharp after restructuring. Moreover, while convergence is being attempted in some areas, there is a proliferation of similar programmes in other areas, such as the newly announced 'Pradhan Mantri Gramodaya Yojana' (PMGY). Also there is little evidence of bureaucratic delivery mechanism being discarded in favour of programmes, planned and implemented through the PRIs in accordance with the provisions of Part IX of the Constitution. As such, the Committee recommend that Government should take a high level initiative to secure convergence and effect implementation through the PRIs as the necessary pre-requisite for exponentially expanding the budgetary resources allocated to programmes like SGSY and JGSY.



8. 3.10 The Committee deplore the steep decline in physical and financial performance since the inception of SGSY. Not only has physical and financial achievement during 2000-2001 remained at half of what was achieved during the previous year, the Committee are not convinced with the plea furnished by the Government that the initial preparatory work was the basic reason for the shortfall in physical and financial achievement. While accepting that the shortfall during 1999-2000 might have been due to certain teething problems, they fail to understand how in the next year 2000-2001 after sorting out the teething problems, the achievement should plummet to 50% of the already poor performance of the previous year. It is no comfort to know that there might be some increase in the provisional data relating to 2000-2001 as some States/UTs have not furnished the complete information in this regard because the absence of upto date data only reflects the extremely casual attitude of the Ministry of what is transpiring at the ground level.

The Committee are concerned over the shortfall in physical and financial achievement of SGSY and would like the Government to seriously analyse the problems being faced in implementation of the newly re-structured SGSY programme and take remedial steps and apprise the Committee accordingly

9. 3.11 The Committee note that almost one year has passed just in the formation of Self Help Groups and other formalities without transacting any real business. They have noted the various steps involved in the processing of implementation of SGSY and find that it is imperative that each step of its process should be given a deadline so that Self Help Groups may quickly strengthen their financial position. As per submission of the Ministry, SGSY has picked up during the last six months and it is on the top of their agenda. In the objective of the scheme, the Government have envisaged that every family assisted under SGSY will be brought above the poverty line within a period of three years. The Committee, therefore, recommend that process oriented approach involved in SGSY is simplified and geared up at the earliest and expeditious actions are required to be taken by the Government in this regard.

10. 3.19 The Committee are concerned to note the findings of Mid Term Appraisal of 9<sup>th</sup> Plan as done by the Planning Commission according to which the benefits under SGSY meant for the poorest of the rural poor are being pocketed by the unscrupulous in connivance with the bank. While noting that State reviews were held during the current financial year for Bihar, Uttar Pradesh and Maharashtra and the position of North East is being reviewed by a separate Committee, the Committee would like to be apprised of the findings of the review undertaken for the said States. They

would also like to be apprised of the findings of the Special Committee meant for North East when the review is completed. Keeping in view the serious lapse in the implementation of SGSY as noticed during Mid Term Review, the Committee feel that there is a need to further strengthen the monitoring mechanism. They note that SGSY is the most important programme meant to bring the BPL in rural areas above the poverty line and as such, desire that there should be a set mechanism to evaluate the programme by some independent evaluators. There should be some inbuilt mechanism for such evaluation after a specific period of time irrespective of the cost involved in such evaluation to ensure that the benefits reach the real beneficiaries.

11. 3.20

While noting the point-wise reply on the observations made by the Committee during their on the spot study visit to Maharashtra and Himachal Pradesh during 2000, the Committee observe/recommend as follows:

- (i) Although the guidelines provide for training of the members of Self Help Groups including women, the Committee would like that the Government should ensure that more stress is given to the training of women by the respective State Government. For providing training linkages can be established with the various training institutions like ITIs located in the respective State. Further, it is also stressed that training should be imparted to the beneficiaries keeping in view the local needs of that area. The Committee would like to know how many members of the Self Help Groups including women have been trained so far and how far this has added to their efficiency.
- (ii) While agreeing with the reply of the Government that it is not desirable to enhance the subsidy to the Self Help Groups under SGSY, the Committee urge that the subsidy should be released timely to such groups. Necessary instructions in this regard should be issued to the State Governments.
- (iii) Although it has been provided in the guidelines that security deposits against loan under SGSY are not required, the observation of the Committee, as noted during the said study visits, is itself a complaint against the banks in this regard. The Committee feel that banks are not adhering to the guidelines in this regard. As such, the Committee strongly recommend that the Government should take the necessary steps to ensure that the guidelines are strictly followed. The matter should be taken up at the earliest with

the Reserve Bank of India and necessary action taken. The Committee may also be apprised about the steps taken in this regard.

- (iv) The Committee appreciate that various Rural Employment Programmes of the Ministry are meant for the BPL persons. However, as noted by the Committee during their on the spot study visit to Maharashtra, it was very difficult to find the requisite number of BPL persons for making a group and as such mixed groups were formed. In such a situation, it is desired that the Government should find out some mechanism whereby such mixed groups could be allowed under SGSY. While recommending for mixed groups in this regard, the Committee desire that the subsidy component should only be available to BPL persons. Non-BPL category of beneficiaries could be provided loan by the banks. It is recommended that the Government should find out the mechanism in this regard and apprise the Committee accordingly.
- (v) As it is difficult to get the requisite BPL members for making a Self Help Groups, the Committee would like to urge that the Government should think of reducing the requisite number as prescribed for the formation of a Self Help Group.
- (vi) While appreciating the prescribed norms for recovery of loan as mentioned in the reply, the Committee desire that sufficient time should be given to a group to establish itself and to be able to repay the loan.

## PART-II

- (i) As admitted by the Government in their reply that lack of adequate infrastructure is an impediment to the successful implementation of SGSY, the Committee feel that more stress needs to be given towards this aspect. While appreciating the steps taken by the Government to provide 40% of the allocation during 1999-2000 for infrastructure development, the Committee would like that mere allocation of funds is not sufficient in this regard. Besides allocating the outlay the Government should monitor the utilisation of funds by the State Governments for the specific purpose.
- (ii) While appreciating the fact that marketing of SGSY is an integral part of the implementation of the programme, the Committee during their on the spot study visit had found that there was an urgent need to provide regulated markets

for SGSY products to make the programme really successful. The Committee urge the Government to take necessary steps to ensure the marketing for SGSY products. In this regard, it is recommended that the Government can think over of providing marketing of SGSY products by using such products by the various local Government offices/agencies. Necessary instructions in this regard can be issued to the State Governments.

- (iii) While noting that NGOs are involved in formation of Self Help Groups, the Committee would like that more stress need to be given in this regard. They have found during their on the spot study visit that the programme has picked up very well where good NGOs are involved. In view of this, it is recommended that the Government should pay more attention in this regard.
- (iv) While noting that the publicity of the programme is being made by AIR, the Committee urge that the programme should be publicised through various national and regional channels of Doordarshan through some simple and attractive documentary films.

12. 3.22 The Committee observe that lack of adequate infrastructure is an stumbling block in the effective implementation of SGSY. They therefore recommend that States should provide special projects for infrastructure development in case they are unable to meet the finances for the same out of funds available with the DRDAs.

13. 3.30 While going through the reply furnished by the Government, the Committee comes to the conclusion that the data regarding physical and financial achievement under JGSY is very low up to December, and the figures have been raised abnormally during the last 3 months of the year. While noting this scenario, the Committee feel that a substantial portion of the outlay is being released at the fag end of the year and the figures relating to physical and financial achievement are inflated to project a bright picture about the implementation of the programme. The Committee take this very seriously and recommend that the outlay under the programme should be released in a phased manner throughout the year as per the guideline which would not only ensure the better utilisation of resources, but would not put extra pressure on the implementing agencies to utilise the resources during the last two or three months. As could be seen from the data furnished in the preceding paragraphs regarding physical achievement during 1999 and 2000, some of the States have huge underspending. The Committee would like that the Government

should take note of the States where underspending is a regular feature and come forward with detailed analysis of the reasons for such huge underspending so that the corrective measures in this regard could be initiated.

14. 3.35 While noting that the proposal regarding providing a minimum assistance of Rs.50,000 to those Panchayats which are at present getting less than that amount is under consideration of the Ministry, the Committee would like that the decision in this regard is taken expeditiously. As regards the wage employment ratio, the Committee understand from the reply furnished by the Government as per the guidelines, flexibility has been provided to the State Governments to suitably relax the wage material ratio of 60:40 so as to enable them to go for demand driven rural infrastructure. The Committee find that perhaps the State Governments are not aware of the said guidelines. The Committee during various visits to the respective States have repeatedly been represented by the respective State Governments that the wage material ratio of 60:40 is not judicious and desired revision for the same. In view of this, the Committee would like that a circular should be issued to all the State/UT Governments making them aware about the flexibility given to them in this regard. The Committee would also like to emphasise that an awareness initiative should be launched by the Government so that the villagers are well acquainted with the significance and scope of the programme with a view to draw maximum benefit from the scheme.
15. 3.44 The Committee find that the system of submitting monthly progress reports by State Governments in respect of the programme is not working well. As acknowledged by the Department in the written note, the progress reports furnished by States/UT Governments are not submitted timely and are not upto date resulting in lag end releases. The Committee urge the Government to impress upon the State Governments/UTs by the mixed tactics of persuasion and compulsion, the need for submission of complete and timely progress reports. In any case, lag end releases have to be discontinued and Government should think over it seriously.
16. 3.45 While noting the strategy of the newly structured Employment Assurance Scheme, the Committee find that the funds released in a particular year for DRDAs/Zilla Parishads would lapse if not utilised with the permission to carry forward only 15 per cent as unspent balance in the following year. The Committee understand that under the old Employment Assurance Scheme, the unspent balances in a particular year, continue to be accumulated, and were non-lapsable. These funds were being used for that particular

purpose. While appreciating the need for optimum utilisation of scarce resources, the Committee are not in favour of surrendering the unutilised amount. They are disturbed to note that instead of taking steps to contain the unspent balances by ensuring the proper utilisation of the funds, the Government have resorted to an approach which is negative. The Committee disapprove of the revised guidelines and recommend that the old practice should continue i.e. unspent amount should not lapse. Further, the Government should find out ways and means to ensure cent percent utilisation of outlay and come forward with suitable proposals.

17. 3.46 While analysing the data regarding State-wise performance of EAS, the Committee have their doubts about the cent percent physical and financial achievement during 2000-2001 even after the completed information is received from States/UTs Governments. The Committee would like that the Government should try to find out the specific reasons for underspending in each States/UTs and apprise the Committee accordingly.
18. 3.47 As regards the outlay earmarked during 2000-2001 the Committee feel that the Government are not serious about the issue of providing employment to rural-masses, as the only programme for wage employment generation has not been provided adequate outlay. As such, the Committee strongly recommend the enhancement in outlay for EAS.
19. 3.53 The Committee are constrained to find that instead of ensuring the wage employment for 100 days, references relating to registration of workers and provision of employment for 100 days have been done away with under the restructured programme and the plea taken by the Government is that the Central allocation under EAS is not adequate to provide employment to all for 100 days a year. While recommending for higher outlay under EAS, keeping in view the fact that EAS is the only wage employment of the Ministry, the Committee would like that that Government should review their revised guidelines and consider to restore the provision of providing at least 100 days of employment.
20. 3.54 The Committee note that although as per the guidelines there is no scope for a middleman, the possibilities of middleman for executing the works under EAS is not ruled out. As admitted by the Government contractors are sub-contractors are being engaged in execution of EAS works in some of the States, which is against the guidelines. The Committee urge that the Government should issue clear-cut guidelines to respective States for not engaging middleman or some intermediate agency for execution of works

under EAS and some pecuniary measures should be taken against the defaulter States.

21. 3.55 While noting the initiatives taken by the Government to strengthen the monitoring mechanism of EAS, the Committee would like to know the name of the States where the State/district and block level vigilance committees have not been set up so far along with the follow up action taken by the Government in this regard. Further while noting that the concurrent evaluation and research studies of the programme have been conducted by P.E.O. Planning Commission and three other independent research institutes, the Committee would like to be apprised of the findings of Planning Commission and said research studies in this regard.
22. 3.70 The Committee note that the reasons for transferring NMBS to the Department of Family Welfare as furnished by the Government are that the scheme has been transferred as part of the population stabilisation programme with effect from 1<sup>st</sup> April, 2001. The Committee fail to understand the rationale for transferring the programme to the Department of Family Welfare. They feel that since the programme was not working well, instead of taking the corrective steps, it has itself been transferred to some other Department. Keeping in view the analogy, for transferring NMBS to the Department of Welfare, they feel that the other components of NSAP like NOAPS and NFBS can also be transferred to the Department of Social Welfare. While noting the response of the Government as given in the preceding paras, the Committee conclude that there is absolutely no planning in launching programmes for the benefit of the poorest of the poor resulting in such reshuffling from one Department to the other. They take serious note of it and strongly recommend to the Government that proper home work should be done before launching a programme/scheme so that such things can be avoided.
23. 3.71 The Committee are concerned to note the huge underspending under the three components of NSAP. They find that the Department itself is responsible for getting lesser outlay under the programme keeping in view the huge unspent balances with the State Governments. In view of it, the Committee strongly recommend that the outlay under the programme should be enhanced to commensurate with the targets set under the respective components of the programme. Not only that, the Department should think of ways to ensure cent percent utilisation of resources.
24. 3.72 While going through the replies furnished by the Government, the Committee find that one of the basic reason of the programme not working well is the lack of adequate coordination between the

Departments implementing the programme in different States. Besides the State Governments are not submitting the utilisation certificates in time. Another noticeable feature found is that there are similar schemes in the State Governments. In view of this, the Committee urge the Government to seriously consider the shortcomings in the implementation of the programme and should ensure that money for the respective components of the programme are entrusted at the appropriate level of the three tiers of Panchayati Raj. Besides, the Government should ensure the uniformity of implementing authorities in respective States for proper utilisation of resources.

25. 3.73 The Committee note that NSAP is a social assistance programme for poor households and represents a significant step towards the fulfillment of the provisions enshrined in Articles 41 and 42 of Constitution, which ask the State to make necessary provision to right to work, to education and to public assistance in certain cases of the unemployment, old age, etc. and to ensure securing just and humane conditions of work and for matching relief. The scheme as run is eloquent of its own importance and needs proper execution. An earnest effort is required on the part of the Government to make it a grand success.
26. 3.74 The Committee find that the guidelines in respect of identifying the destitute are not clear. As per the Government reply, the destitute is a person having little or no means of subsistence from his or her own sources of income or through financial support from family members or other sources. The words having 'little or no regular means' have not been specified and as such there is a great scope of misinterpretation for identifying a destitute. In view of this, the Committee recommend that the Government should clearly mention what they mean by little or no regular means of subsistence to avoid any confusion and to ensure that the benefits reach to the deserving persons.
27. 3.75 The Committee are concerned to note the finding of Mid Term Appraisal that the lack of awareness about the programme is a major problem as there is no formal system of information dissemination, the Committee take the findings of the Mid Term Appraisal seriously and urge the Government to take the necessary steps to make the programme popular with the rural masses. Necessary publicity of the programme should be given by media like Radio and National Channel and Regional Channel of Doordarshan. Besides, the Government should allocate specific outlay for the purpose and ensure that the funds are spent for the specific purpose by the State Governments.



28. 4.11 The Committee are constrained to note the reduced target and outlay during 2001-2002 as compared to the previous year under IAY, one of the most popular housing scheme in the rural areas. They note that inspite of giving priority to the housing sector by the Government, there is no serious planning to achieve the objectives set in this regard. Another noticeable feature is the multiplicity of the schemes. Instead of giving more emphasis on one of the well established scheme, i.e. IAY, there is thrust on launching more and more housing schemes. As could be seen from the preceding paras, although the Government have recognised the need for rationalisation and conversion of multiple schemes for effective implementation and making a noticeable impact, inspite of that, the Government have introduced another scheme i.e. PMGY (Gramin Aawas). The Committee deplore the way the planning is being made by the Government. The Committee take serious note of this and as recommended in their 13<sup>th</sup> Report (13<sup>th</sup> Lok Sabha), urge the Government to seriously think of convergence of the schemes under housing so that adequate outlay could be provided to make an impact of the programme. As per scope of IAY, the scheme aims at providing houses to SC/ST households who are victims of atrocities, household, headed by widows/unmarried women and SC/ST households who are below poverty line. The Committee want to know how many of the aforesaid categories have been benefited by the scheme so far and how many unserviceable kutcha houses have been constructed into pucca houses till date.
29. 4.13 While appreciating the initiative taken by the Government to involve HUDCO under Rural Housing, the Committee are concerned to note that, an outlay of Rs.100 crore was released during 2000-2001 which was 50 crore less than that of the previous year. They urge that sufficient outlay should be provided to HUDCO. Besides the Committee would like to be apprised of the number of persons category-wise assisted by HUDCO since their involvement in the rural sector.
30. 4.20 The Committee note from the reply furnished by the Government that incorporation of disaster resistant features in design has been encouraged in areas visited by natural calamities such as floods/cyclone/earthquake. Further, as per the guidelines of the IAY, in areas frequented by natural calamities incorporation of disaster resistant features are to be encouraged. The Committee note that the steps taken by the Government to ensure disaster resistant houses are not sufficient especially in view of the recent disaster caused by Gujarat earthquake. They, therefore, feel that more is required to be done in this field to protect the lives of millions of persons who are residing in seismic prone areas. In view of this, the Committee recommend that the Ministry of Rural Development

should coordinate with the Ministry of Urban Development and formulate certain guidelines to be circulated to the State Governments to ensure the building of earthquake proof houses in rural areas. Under these guidelines, the State Governments should be requested to amend the bye-laws for housing to include the provision of earthquake proof houses in the seismic prone areas with the instruction to use earthquake resistant technologies, designs and materials as a deterrent. The comprehensive guidelines covering all the aspects should be prepared and circulated to the State Governments in this regard.

31. 4.21 While noting that the different central schemes are working in the field of research and development for housing, the Committee urge that an apex body at the Centre should be constituted to coordinate the efforts made by the different agencies in the field of research being done.
32. 4.22 While appreciating the steps taken by the Government to provide allocation in earthquake affected Gujarat for rebuilding the houses below poverty line devastated in the recent earthquake, the Committee would like that the position of expenditure made in this regard should be monitored to ensure that the special outlay is meaningfully utilised.
33. 5.6 The Committee are concerned to note the reply of the Government in response to their recommendation made earlier (Refer Para 5.5 of the 13<sup>th</sup> Report) to merge the function of DRDAs with the District Panchayats. Instead of addressing the issue and furnishing a categorical reply, the existing guidelines are reproduced according to which DRDAs are expected to coordinate effectively with Panchayati Raj Institutions. In view of this, the Committee reiterate their recommendation. Besides, the Committee feel that the meetings of DRDAs should be fixed after seeking the convenience of local MPs/MLAs etc. Necessary instructions in this regard should be issued to DRDAs. While noting that a year has elapsed since the Committee recommended for the involvement of MPs in DRDAs, the Government are yet to take the decision in this regard. They deplore the undue delay taken in this regard and urge the Government to take the decision within three months of the presentation of the Report.
34. 5.12 While the Committee have constituted a sub-Committee to examine in detail the progress in regard to implementation of Part IX and IX A of the Constitution, the Committee urge the immediate action on the part of the Central Government and State Governments concerned to establish District Planning Committees as provided for in Article 243 ZD and to ensure that, in keeping with the letter and spirit of the Constitution, drafting of the 10<sup>th</sup> Five Year Plan is

based on District Plans coming from the PRIs and the Municipalities. The Committee are concerned to learn that attempts are being made to amend the State Panchayati Raj legislation in ways which would not be in conformity with the Constitutional provisions. The Committee stress that the Ministry of Rural Development shall take cognizance of such attempts so as to forestall any violation of Constitutional provisions. Where any violation of Constitutional provision takes place, the Government should take pro-active recourse to litigation in the Supreme Court.

35. 5.18 While going through the preceding paras of the Report, the Committee feel that adequate attention is not being paid to the training programmes. As could be seen from the outlay position, there is a marginal increase in the outlay under SIRD during 2001-2002 as compared to the previous year and status quo has been maintained for the outlay earmarked for SIRD and ETCs. Further, as regards the programme, Panchayati Raj, under which the training is imparted to the PRIs, the utilisation position of the outlay is not very encouraging. The Committee note that as observed in the Mid Term Appraisal of the 9<sup>th</sup> Five Year Plan in pursuance of the Constitutional mandate, funds have to be devolved on the PRIs for planning and implementation of the schemes pertaining to a particular sector. The Committee feel that training is the pre-requisite for the successful implementation of a Programme. Further, in view of the mandate of the Constitution, the Committee urge that the Panchayati Raj functionaries have to be trained to enable them to handle the responsibility of implementing the Centrally Sponsored Programmes for which huge outlay is being provided by the Central as well as State Governments. In view of the importance of training in execution of the respective programmes, the Committee strongly recommend that the outlay for the apex institutions for training like NIRD, SIRD and ETCs should be adequately enhanced. Besides the coordination with the ITIs located in a area should be maintained to ensure the training of the Panchayati Raj functionaries and other Government functionaries concerned with the implementation of respective poverty alleviation programmes. The Committee urge that the Government should evaluate the standard and quality of training being imparted to Panchayats and spell out any shortcomings detected with suitable remedial steps with a view to strengthen PRI so that they acquire necessary skill and knowledge to face the challenges thrown by the diverse range of rural development programme.
36. 5.21 While noting that all the States/UTs have constituted State Finance Commissions and ten States have submitted their reports, the Committee would like that a critical analysis of the reports in view of the observation made in the Mid Term Review as given above

should be made by the Government and the Committee be apprised about the results thereto. Besides as rightly stated by the Department in its reply that in the absence of devolution of functional and financial powers to Panchayati Raj Institutions, it is not possible to assess the resource mobilisation capabilities of PRIs and their requirements, it is high time to act upon them expeditiously. The Committee urge that necessary instructions in this regard should be issued to the State Governments. A nexus must be established between the functions, functionaries and finances in the devolution of powers and responsibilities of PRIs. A nexus must be established between the functions, functionaries and finances in the devolution of powers and responsibilities of PRIs.

37. 5.24 The Committee note that the responsibility of implementation of the Constitution (Seventy-Fourth Amendment) Act, 1992 under which DPCs are required to be set up by the State Governments lies with the Union Ministry of Urban Development. Further, it is found that as per the guidelines of Employment Assurance Scheme, 20% of the allocated funds are to be released to those States who have put the elected and empowered Panchayats in place. While appreciating the concern expressed by the Ministry of Rural Development on the issue of non-compliance with the provisions of DPCs, the Committee urge the Ministry of Rural Development to coordinate with the Ministry of Urban Development in the Centre to impress upon them about the urgency to constitute DPCs in each District as rightly stated by the Government, the Constitution of DPC in each district is Constitutional obligation to measure empowerment of Panchayats.
38. 5.26 The Committee appreciate the stand taken by the Government to create a Voluntary Technical Corps(VTCs) where the experience and expertise of retired officials is being meaningfully used to assist the projects prepared by the Panchayats. The Committee feel that this is a model to be followed by the other State Governments. In this regard, the Committee urge that the Department should make aware other State Governments also about the working of such technical groups which could be followed by them. Necessary instructions in this regard should be issued to the State Governments.