

THIRTY - FOURTH REPORT

**STANDING COMMITTEE ON
URBAN AND RURAL DEVELOPMENT
(2002)**

(THIRTEENTH LOK SABHA)

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

***DEMANDS FOR GRANTS
(2002-2003)***

*Presented to Lok Sabha on 24.4.2002
Laid in Rajya Sabha on 24.4.2002*

**LOK SABHA SECRETARIAT
NEW DELHI**

April, 2002/Vaisakha, 1924 (Saka)

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**COMPOSITION OF THE STANDING COMMITTEE ON
URBAN AND RURAL DEVELOPMENT (2002)**

Shri Anant Gangaram Geete - Chairman

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3. Shri Ranen Barman
4. Shri Padmanava Behera
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12. Shri Shrichand Kriplani
13. Shri Bir Singh Mahato
14. Shri Savshibhai Makwana
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27. Shri Chinmayanand Swami
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36. Shri Maurice Kujur\$
37. Shri Faqir Chand Mullana
38. Shri Onward L. Nongtdu@

39. Shri A. Vijaya Raghavan
40. Shri Nabam Rebia
41. Shri Solipeta Ramachandra Reddy*
42. Shri Man Mohan Samal
43. Shri Devi Prasad Singh
44. Shri Prakanta Warisa*
45. Vacant

SECRETARIAT

- | | | | |
|----|------------------------|---|----------------------|
| 1. | Shri P.D.T. Achary | - | Additional Secretary |
| 2. | Shri S.C. Rastogi | - | Joint Secretary |
| 3. | Shri K. Chakraborty | - | Deputy Secretary |
| 4. | Shrimati Sudesh Luthra | - | Under Secretary |
| 5. | Shri N.S. Hooda | - | Assistant Director |
| 6. | Shri A.K. Srivastava | - | Committee Officer |

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- \$ Retired from the Committee consequent upon his retirement from Rajya Sabha on 2.4.2002
* Retired from the Committee consequent upon his retirement from Rajya Sabha on 9.4.2002
@ Retired from the Committee consequent upon his retirement from Rajya Sabha on 12.4.2002

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
IEC	-	Information Education and Communication
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
PMGSY	-	Pradhan Mantri Gram Sadak Yojana
PMRY	-	Prime Minister's Rozgar Yojana
PRIs	-	Panchayati Raj Institutions
RE	-	Revised Estimates
SIRD	-	State Institute of Rural Development

SGRY	-	Sampoorna Gramin Rozgar Yojana
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 (2002) having been authorised by the Committee to submit the Report on their behalf, present the Thirty-fourth Report on Demands for Grants (2002-2003) of the Department of Rural Development (Ministry of Rural Development).

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

3. The Committee took evidence of the representatives of the Department of Rural Development (Ministry of Rural Development) on 27th March, 2002.

4. The Report was considered and adopted by the Committee at their sitting held on 16th April, 2002.

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

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

*NEW DELHI ;
23 April, 2002
3 Vaisakha, 1924(Saka)*

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

REPORT

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, Sampoorna Gramin Rozgar Yojana, 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 Z D of Part IX A.

1.3 The overall Demand for Grants of the Department for 2002-2003 are for Rs.10289.41 crore.

1.4 The Demand for Grants of the Department has been presented to Parliament under Demand No.67. The detailed Demand for Grants of the Department was laid in Lok Sabha on 19th March, 2002.

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 Demands for Grants 2002-2003.

CHAPTER II

Overall analysis of the Demands for Grants 2002-2003 of the Department of Rural Development (Ministry of Rural Development)

Comparative analysis of plan and non – plan outlay and expenditure of the Department of Rural Development

2.1 The plan and non-plan outlay of the Department i.e. outlay and expenditure during 9th Plan, proposed outlay BE, RE and Actuals for the years 1999-2000, 2000-2001 and 2001-2002 and BE of 2002-2003 total as well as scheme-wise has been given at Appendices I and II respectively. The outlay for 10th Plan has not so far been agreed to by the Planning Commission. While analysing the data as given in the Appendices the following observations can be made:-

- (i) The expenditure during 9th Plan is Rs.6318.87 crore more than the allocated outlay;
- (ii) The proposed outlay during 10th Plan is more than four times to the outlay allocated during 9th Plan;
- (iii) There is reduction of Rs.297 crore and Rs.390 crore at RE stage during 1999-2000 and 2000-2001 respectively;
- (iv) The outlay to the tune of Rs.1401.50 crore is more at RE stage during 2001-2002;
- (v) There is underspending of Rs.03.30 crore and Rs. 393.14 crore during 1999-2000 and 2000-2001 respectively of the actuals as compared to RE. During 2001-2002, although the outlay was increased at RE stage by Rs.1401.50 crore during 2001-2002,(upto 18.3.2002) there is underspending of Rs.1273.27 crore.
- (vi) The BE 2002-2003 is 1/3rd of the proposed outlay.
- (vii) The outlay during 2000-2001 is increased by Rs.1943 crore as compared to previous year BE. During 2001-2002, the outlay was decreased by Rs.55 crore. However, during 2002-2003, the outlay is increased by 1065 crore as compared to previous year.

2.2 When asked to justify steep hike in the proposed outlay during 10th Plan i.e. more than four times, the Department has stated that the projections for the Tenth Plan are based on the past performances of various schemes and the felt needs, including for Employment, Rural Housing and Rural Connectivity and allocations would be made, depending upon the availability of resources. Also, efforts are warranted for mobilization of resources through market borrowing/external sources (e.g. Rural Connectivity).

2.3 From the analysis of plan outlay and expenditure during 9th Plan the Committee observe that there is a variation between BE, RE and actuals during each of the year. The outlay during 2000-2001 was reduced at RE stage and there was marginal underspending. Though, during 2001-2002, Rs.1401.50 crore were provided at RE stage, the allocation could not be spent fully as

Rs.1273.27 crore were left as balance there by nullifying the increase in the allocation at RE stage. The Committee are disturbed to find that unrealistic projections are being made by the Department while asking for outlay at RE stage. They strongly disapprove the way the projections are made. While going through the trends available, the Committee have their apprehension how four times of what was allocated during 9th Plan, would be utilised by the Department. While stressing for the higher allocation during 10th Plan so as to fulfil the set targets, the Committee would like to recommend to the Government to ensure that every paisa earmarked under the scheme is meaningfully utilised.

Non-plan Expenditure

2.4 The Government in their written reply have furnished the position of the funds available in B.E. and RE for 2000-2001 and 2001-2002 and BE 2002-2003 in respect of non-plan expenditure as per details given below:

Rs. in crore				
2000-2001		2001-2002		2002-2003
B.E.	R.E.	B.E.	R.E.	B.E.
18.99	18.84	19.49	19.12	19.41

2.5 When asked about the reasons of continuous increase in non-plan expenditure, the Government in their reply have stated that the entire non-plan expenditure is basically meant for meeting the administrative expenses of the Department, an increase of between 5 to 10% is normally allowed (by the Ministry of Finance) over the previous year's RE to meet the additional requirement towards normal annual increments, additional D.A. and bonus. Evidently, the increase in non-plan expenditure is commensurate with meeting the administrative expenses of the Department.

2.6. When asked about the steps being undertaken to contain non-plan expenditure, the Department has stated as under:

“Non-plan provision of the Department of Rural Development is nominal as compared to the plan provision and is basically meant for meeting administrative expenses of the Department. However, it is always ensured that the level of expenditure under Non-plan is kept to a bare minimum. In order to contain the expenditure, it will be ensured that the economy instructions issued by the Ministry of Finance time to time are strictly adhered to.”

2.7 The Committee desire that utmost care should be taken by the Department to contain the non-plan expenditure to the extent possible.

Monitoring of different schemes of the Department of Rural Development under Area Officer's Scheme

2.8 The guidelines of the 'Area Officer's Scheme stipulate that the area officers should have a critical review of the release of funds to the implementing agencies

under major programmes of the Ministry. The review should include the precise dates when central allocation was released by the States to Zilla Parishads (ZPs) / DRDAs/other implementing agencies and from there to lower levels. Similarly, release of State's matching share to ZPs/DRDAs / other implementing agencies should be reviewed.

2.9 The area officers are required to impress upon the implementing agencies to ensure that the schemes are implemented in a transparent manner, as per the guidelines, and every Panchayat displays the details of the projects/programmes including their costs/list of beneficiaries at a common place in the village. The area officers touring the States also review the functioning of Vigilance and Monitoring Committees at State/District and Block levels, besides ascertaining the status of implementation of the 4-Point Programme from the DRDAs. Area officers' reports are meant to be fact finding, with a constructive approach and indicating areas for improvement / innovation. Every effort is made to reassure the State Governments that the idea is to strengthen the relationship between the Central and State Governments in the execution of schemes and programmes.

2.10 By way of follow up action, letters highlighting the main issues, (brought out in the areas officers' reports) are forwarded to the Chief Secretary of the concerned State Government and are followed up until action taken reports are received. The reports are also sent to the programme division for further action.

2.11 During the year 2001-2002, 36 officers visited 33 States/UTs. All the Additional Secretaries/Joint Secretaries visited their assigned States during the year and covered 16 States; 26 Directors/Deputy Secretaries also visited 26 States/UTs. All the States/UTs have been visited during the year. The officers, in their tours to the States during January-February 2002, reviewed the financial performance under various programmes, in addition to physical verification of assets, and assisting the States in expediting proposals for release of funds from the Ministry.

2.12 The important findings of the area officers during their visits are under:-

- (i) lack of transparency in identification of beneficiaries and in implementation of Schemes;
- (ii) lack of involvement and partnership of people;
- (iii) Gram Sabha Meetings are either not held or are not held in accordance with the guidelines;
- (iv) lack of awareness of the details of the schemes, in some cases;
- (v) display boards (indicating details of works) are not installed;
- (vi) accounting procedures are not strictly followed;
- (vii) data management is poor in several Districts;
- (viii) there is delay in receipt of State's share by the District Implementing Agencies under various Programmes;
- (ix) beneficiaries apparently did not belong to the Below Poverty Line (BPL) category;

- (x) while the quality of construction of assets was good, in general, proper maintenance was often in doubt;
- (xi) there was shortage of staff in DRDAs, which affects the implementation of the programmes;
- (xii) in certain cases, there was involvement of contractors in construction of assets, which is not allowed in the guidelines of the programme;
- (xiii) a problem in starting micro enterprises under SGSY was inadequate flow of credit from the banking sector/financial institutions;
- (xiv) although elections to the PRIs have been conducted in most of the States, devolution of funds, functions and functionaries has yet to take place;
- (xv) social mobilization is a prolonged process in some States and, therefore, the number of self - help groups is not much;
- (xvi) the EAS and JGSY have been instrumental in creating community and social assets and in providing additional wage employment to the rural poor;
- (xvii) in certain States, the IAY houses are of excellent quality and the beneficiaries are satisfied with the scheme which has improved social status, in addition to providing shelter;
- (xviii) watershed development programmes have been instrumental in creating community and social assets and in providing additional wage employment to the rural poor, but also in land improvements, increased land productivity and increase in income; and
- (xix) the National Social Assistance Programme' has, by and large, helped in providing social security to the rural poor.”

Non-plan expenditure on Travel Expenses

2.13 In the statement showing the detailed provision head-wise (Detailed Demands for Grants page 20) R.E. for 'Domestic Travel Expenses' during the year 2001-2002 was 1100 thousands of rupees under 'plan scheme' and 3900 thousands of rupees under 'non-plan Schemes' while during the year 2002-2003 the expenses under the plan and non-plan are 8900 and 4200 thousands of rupees respectively. When asked about the justification in the steep rise in domestic travel expenses under the plan scheme and rise under non-plan scheme the Department has stated as under:

“The Ministry of Rural Development has attached special emphasis to monitoring and evaluation of the rural development programmes, in general, and poverty alleviation schemes in particular. A comprehensive mechanism of monitoring and evaluation of the poverty alleviation and other rural development programmes has been put in place in order to ensure that programmes benefit reach the target groups. Though Vigilance and Monitoring Committees have been set up at the State, District and Block levels to monitor the implementation of various rural development programmes, the Ministry of Rural Development have been giving greater emphasis to physical verification of the implementation of the schemes in the States. In order to meet this objective, the Ministry of Rural Development have

introduced an 'Area Officers' Scheme' under which senior officers of the Ministry are required to undertake tours to the States and the districts. The scheme has been recently re-organised to serve as an important mechanism for monitoring various rural development programmes with a special reference to quality, timeliness and proper achievement of physical and financial targets. A change was introduced in the Area Officers' Scheme in 2000-01, as per which groups of officers, headed by a Joint Secretary/Additional Secretary, were designated joint area officers for a group of States. The modification was brought in to ensure that area officers visit the allocated States at regular intervals to effectively monitor the implementation of the programmes. The Scheme has been thoroughly reviewed during the year 2001-02 and comprehensive guidelines have been issued for the area officers to follow. Officers from all the Departments of the Ministry have been allocated different States and are required to visit the allocated States under their respective jurisdiction frequently and submit comprehensive reports on different aspects of implementation within 10 days of their visit to the State.

As a result of the above re-organised structure, the senior officers have been extensively touring their respective States from 2001-02, which has resulted in a substantial increase under Domestic Travel Expenses. Accordingly, a provision of Rs.30 lakhs has been made for T.E. under monitoring mechanism for 2002-03. Besides, a provision of Rs.19 lakhs has also been made for T.E. under the scheme of 'Pradhan Mantri Gram Sadak Yojana' because of the fact that the scheme will be grounded fully from 2002-03 and there will be greater emphasis to physical verification of the roads constructed under the programme for which extensive touring will have to be done from 2002-03 by the officers and staff involved in the implementation of the programme.

The increase under non-plan 'Domestic Travel Expenses' is nominal. Normally, an increase of 10% is allowed in next year's B.E."

2.14 The Committee find that a number of irregularities have been noticed in respect of implementation of various schemes/programmes of the Department in respective States/UTs by the area officers visiting the implementing sites of the schemes/programmes. These are matters of great concern. Each irregularity noticed need to be addressed earnestly and ameliorative measures to be spelled out side by side. The Committee laud the monitoring work done by the concerned officers but at the same time much introspection and analysis is necessary to get at the root cause. The Committee, therefore, would like to be apprised about the corrective measures contemplated, steps taken/proposed to be taken by the Department to ensure that the different schemes are implemented according to the specific guidelines and the deficiencies removed. The most disturbing fact, as noticed by the area officers is that the beneficiaries under the respective schemes did not belong to BPL category, and the Gram Sabha meetings are either not held or if held, these are not held in accordance with the guidelines. In view of the fact that different schemes of the Department are meant to bring BPL category of persons above the poverty line, the objectives of the schemes are defeated if the eligible category of persons are not being benefited. This is a very serious flaw and the Committee strongly

recommend to the Government to write to the State Governments about this and take strict actions to ensure that only the eligible and genuine beneficiaries are benefited under the schemes. Besides, people's participation is missing, when the beneficiaries are not identified/selected during the Gram Sabha meetings. The Committee would like that all the discrepancies mentioned above are taken note of by the Department seriously and the Committee apprised about the action taken in this regard.

2.15 The Committee appreciate the gearing up of monitoring mechanism by the Department by expanding the activity of the area officers scheme. While they have no objection in the increased outlay for travel expenses of the officers visiting various implementing sites, they would like that the Department should ensure that every paisa meant for the rural masses is meaningfully utilised. Besides, the Committee also recommend that whenever a team of area officers visit a particular implementing site, the local MP/MLA of the area should be informed prior to the visit so as to enable him to accompany the area officer and be a participatory in the monitoring mechanism of the Central Government. They hope that the Department would take care of this while planning the visits of area officers.

Transfer of NSAP & Annapurna under State Plan

2.16 As per the written replies furnished by the Department, the National Social Assistance Programme (NSAP) and the Annapurna Scheme have been transferred to the State plan from the year 2002-2003. When asked for the justification for transferring NSAP and Annapurna Scheme to State plan, the Department has replied as below:

“As a follow up of Finance Minister's Budget Speech for 2001-02 and in order to implement the decision of the National Development Council in its meeting held on 1.9.2001, the Planning Commission had undertaken a zero-based Budgeting exercise. The decision to transfer the Scheme to the State plans was taken, accordingly, by the Planning Commission in consultation with this Ministry. As most of the State Governments have their own Pension Schemes, it is expected that the transfer of the Schemes to the States plans will provide necessary flexibility to the States in implementation of the Schemes.

2.17 When asked for the criteria for allocating additional assistance to the States/UTs, the Department has stated as below:

“The distribution of Rs.680 crore among the States/Uts for the year 2002-03 has broadly been done applying the criteria for determining Qualifying Financial Entitlements under the guidelines of the Annapurna Scheme and the National Old Age Pension Scheme. These criteria take into account the parameters like population, poverty ratio and proportion of 65+ age group to total population. It is assumed that 50 per cent of the population, thus estimated, qualifies for old age pension as destitutes. For the NFBS, the proportion of 65+ age group to total

populations is replaced by proportion of population between 18-64 age group to total population and the age specific mortality within that group. Half the number of deaths, thus estimated, are assumed to relate to the primary breadwinner for qualifying for assistance under the NFBS.”

2.18 Further it has been mentioned by the Department that the Planning Commission had intimated them that Rs.680 crore have been allocated for the said schemes as Additional Central Assistance (ACA) to the State plans during the year 2002-2003.

2.19 When asked about the total amount as unspent balances under both of the schemes with the States/UTs and the modalities for utilising the said unspent amount, the Department has stated that issues and modalities are under consideration and are being examined.

2.20 The recommendations of the 10th Plan Working Group in this regards are as under:

(i) The NSAP being a social security programme should continue during the 10th Plan as well. It should, however, be made an open-ended programme specially the Old Age Pension scheme to cover all eligible beneficiaries as per the criteria. Budgetary allocations, accordingly, should be made on the basis of actual number of beneficiaries.

(ii) This being welfare scheme, it should be transferred to the Department of Social Justice and Empowerment.”

2.21 The Committee are unable to comprehend the reason given by the Department for transferring NSAP and Annapurna scheme to the State Government that the State Governments have their own pension scheme and it will provide necessary flexibility to the States in implementation of the schemes. While admitting that it is true that State Governments have their own pension schemes, the Committee find that the Central allocation provided for the above mentioned schemes was an additionality to the State Governments. The Committee observed during their on the spot study visits that the Central pension of Rs.75 was being added to the State Government’s pension amount and as such a good amount was being provided to each old age beneficiary to provide sustenance. They also note that the 10th Plan Working Group had recommended the transfer of the scheme to Department of Social Justice and Empowerment. They also note that one component of the scheme that is National Maternity Benefit Scheme has already been transferred to the Ministry of Health and Family Welfare during the year 2001. In this scenario, the Committee feel that there is no planning on the part of the Government while launching certain schemes. After one or two years of the implementation of the scheme one part is transferred to the one Ministry or to the other Ministry and now the remaining parts are being transferred to the State Governments. In case any irregularities or lacunae are being felt in the implementation of the scheme the corrective steps should be taken by the

Central Government instead of transferring schemes to the State Governments. They recommend to the Government to reconsider the decision of transferring the said schemes to the State Governments in view of the Committee's strong reservations.

2.22 Lump sum provision for North-Eastern States and Sikkim

(Rs. in Crore)

BE	RE	BE
2001-2002	2001-2002	2002-2003
9205	10606.50	10270

2.23 In the written reply, the Department has furnished the following details:

“A non-lapsable Central pool of resources comprising unspent amount(s) from 10% of the budgets of the Central Ministries/Departments (required to be spent on NE States including Sikkim) was constituted during 1998-99, for assisting development projects in these States.

For the years 1998-99 and 1999-2000, the Ministry of Rural Development had explained the position to the Planning Commission expressing its inability to follow the prescribed norm, due to absence of additional allocation in the plan budget, as well as on account of surrender of Rs.500 crore during 1998-1999. For the year 1999-2000, it was intimated that all the major programmes of this Ministry were being implemented in the NE States and the criteria for allocation of funds to these States was based on the poverty ratio of Assam, the largest among all the NE States and having more SC/ST population. Thus, preferential treatment was already being directed to the NE States. Further, in the light of non-utilisation of funds allocated under regular schemes, it was felt that the NE States, including Sikkim, may not be in a position to absorb three times the present level of funds allocated. It was also observed that allocating more funds to NE States would mean reduction in the allocation of other States which would have an adverse effect on the implementation of the schemes of the Ministry and on the targeted beneficiaries in other States. Thus, no amounts were specifically contributed to non-lapsable pool of Central resources.

For the year 2000-2001, the Department of Rural Development has gross budgetary support of Rs.6760 core (BE). Out of this amount Rs.676 crore were earmarked as lump-sum provision (10% of the budgetary support) for the North-East and Sikkim. The actual expenditure for North-East States including Sikkim against this provision was Rs.351.96 crore. The Department of Rural Development contributed Rs.324.04 crore to the non-lapsable pool of Central Resources. During the year 2001-2002, the Department has earmarked an amount of Rs.627.50 crore (excluding PMGSY) for NE States against which the released amount is Rs.516.35 crore (76.78%) as on 18th March, 2002.”

2.24 It has further been stated in the written reply that North-Eastern States have not furnished action plans to ensure the utilisation of funds earmarked to them.

2.25 On being asked about the steps undertaken to ensure the meaningful utilisation of the outlay earmarked for NE States, the Department has submitted:

“The Ministry of Rural Development is actually aware of the need to ensure that the outlay earmarked to North-Eastern States is meaningfully utilised. For this purpose an Inter-Ministerial Committee was set-up by the Ministry of Rural Development to look into the problems of the flow of funds for rural development programmes. The summary of the major recommendations of the said Committee are given at Appendix III. The Committee, *inter-alia*, recommended that for development programmes in the North East Region, a State specific approach should be adopted. In this context, the States were advised by the Ministry to formulate a district-wise Perspective Plan for 10 years with a focus on rural areas and rural poor. With a view to ensuring both relevance and specificity, it was suggested that these plans should contain detailed description of projects to be formulated based on local resources, skills and an assessment of the demand potential and marketability of these products, not only within the region but also outside.”

2.26 It has further been stated that while district-wise Perspective Plans have not yet been furnished by any North-Eastern State, the Governments of Nagaland and Mizoram have identified agencies for preparation of their District –wise Perspective Plans and requested release of the Central share.

2.27 On being asked about the steps to implement the aforesaid recommendations made by Inter-Ministerial Committee the Government have replied:

“The Report of the Inter-Ministerial Committee has been circulated to all the North-Eastern States to elicit their views/comments. The Report is also under active consideration in the Ministry who have also sought the comments of the other concerned Ministries/Departments *viz.* the Department of Development of North Eastern Region (DONER) and the Planning Commission.”

2.28 The Committee find that a laudable initiative was taken by the Government for the integrated development of the North-East. For the purpose, 10% of the allocated outlay of the Department is being exclusively earmarked to North-Eastern States. The Committee also note that the Department has certain reservations regarding the absorption capacity of the North-Eastern States. Although the allocation in this regard was started since 2000-2001, the utilisation position is very poor. Less than 10% of the allocated outlay could only be utilised and the remaining amount was contributed to non-lapsable pool of resources. Nothing concrete appears to have been done so far to ensure the meaningful utilisation of scarce resources. Although the States were advised to formulate the Perspective Plan for 10 years, most of the States are yet to take concrete action in this regard. The Committee, therefore,

recommend that the concerned State Governments be persuaded to take timely action to prepare the Perspective Plans and to ensure the absorption capacity of the State Governments. Besides, they would also like that the immediate action should be taken by the Government to consider and implement the recommendations of the Inter-Ministerial Committee as given in the Appendix-III, specifically with regard to agreeing to the request of such States for changing the funding pattern from 75:25 to 90:10 and allowing flexibility for reallocation of rural development funds among various schemes after due approval of the Department of Rural Development.

Allocation to Jammu and Kashmir for Centrally sponsored schemes programmes of Ministry of Rural Development

2.29 The Committee during the study visit to Jammu was apprised by the representatives of the State Government that in view of the peculiar situation of Jammu and Kashmir having a difficult terrain, due to extreme weather condition and cross border terrorism, the State needed rather more allocation. In view of this, it was suggested that the State Government should be given special status in respect of the allocation of funds for the Centrally sponsored schemes, as is being done in the case of North-Eastern States. When asked for the comments of the Government on the above mentioned suggestion, the Department has stated under:

“Regarding the funding pattern, there is no proposal at present, to alter the funding pattern. The Ministry of Finance and the Planning Commission would need to examine any suggested change in this behalf which would have implications for other States, as well, in respect of other Centrally sponsored schemes in various sectors.”

2.30 The Committee urge the Union Government to examine the request of the Jammu and Kashmir Government for giving more allocation under different centrally sponsored schemes/programmes in view of the reasons indicated by the State Government. The Committee would like to be apprised about the reactions of the Government in the matter.

CHAPTER – III

Swarnjayanti Gram Swarazgar Yojana

Demand No.67
Major Head 2501

3.1 The objective of Swarnjayanti Gram Swarazgar 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.

3.2 SGSY was launched on 1st April, 1999, the programme replaces the earlier self-employment and allied programmes-IRDP, TRYSEM, DWACRA, 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 percent 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.

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

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 swarojgaris and their technology and marketing needs.

3.5 BE, RE and actual releases during the years 2000-2001, 2001-2002 and 2002-2003

(Rs. in crore)

Year	Total allocation (Centre and State)	Revised central allocation	Actual release from Centre	Total utilisation of funds (Centre and State)
2000-2001	1332.50	470.00	462.11	1116.26 (83.77%)
2001-2002	774.50	581.50	301.48	499.33

			(upto 31.1.2002)	(64.47%)
2002-2003	710.00			

3.6 When asked for the reasons for the underspending during the year 2000-2001 the Department has stated as under:

“SGSY is a process oriented scheme which involves organizing the rural poor into Self Help Groups (SHGs) through the process of social mobilization, their training and capacity building. The emphasis, under the programme, is on group approach. Under the scheme, the group is eligible for revolving fund after six months from the date of formation and passing the Grade I test and for economic activity, after another six months from the date of sanction of revolving fund and qualifying Grade II test, which means, the group becomes eligible for economic activity only after one year from the date of formation. In the first year of implementation and part of the second year i.e. 1999-2000 and 2000-2001, much time was utilised in preparatory works i.e. selection of key activities, sensitization and the training of functionaries of DRDA, line departments and bank officials, preparation of project reports, awareness creation and mobilization for group formation. The scheme has been showing consistent improvement in performance.”

Observations of the Committee during Study visits

Part I

3.7 The Study Group I of the Committee on Urban and Rural Development to Gangtok, Darjeeling and Siliguri were apprised of the following difficulties in the implementation of SGSY :

- (i) the guidelines provide that the beneficiaries under the programme should be able to achieve an income of at least Rs.2000 p.m. at the end of three years of their being assisted under the programme which should entail an investment of around Rs.1 lakh for individual beneficiaries and Rs.4 to 5 lakh for group project. Bankers are somewhat wary about investing such a high amount on people below poverty line (BPL).
- (ii) the guidelines of RBI state that wilful IRDP defaulters having a due loan of Rs.5000 or less will be entitled to assistance under this programme provided they meet the other eligibility criteria. But the Banks in State have debarred all defaulters irrespective of sum due from them and irrespective of reasons for default. Even the family members of such defaulters are not considered for the programme.
- (iii) due to delay in publishing of BPL list by the Department of Rural Development, the beneficiaries are not getting timely assistance from the Banks.
- (iv) in some cases, assets were not created or if created were disposed of by the beneficiaries.
- (v) genuine failure of scheme/project due to poor marketing and other infrastructural facilities.
- (vi) Public Demand Recovery Act was not extended for recovery of Bank loan in the State.

Part II

The Study Group II of the Committee on Urban and Rural Development to Ahemdabad, Jamnagar and Dwarka observed that Commercial Banks take a long time than required for sanctioning the loan and some Banks demand collateral security to give loans.

Part III

The Study Group II of the Committee on Urban and Rural Development to Bhopal, Indore, Ajmer and Jaipur observed that SGSY beneficiaries had to pay exorbitant fees for the care of their livestock due to shortage of Government veterinary doctors.

3.8 When asked to comment on the aforesaid findings of the Study Group of the Committee, the Department has submitted as under :

- (i) "The Ministry has been receiving complaints form the State regarding Bank's refusal to finance the erstwhile IRDP beneficiaries with non-wilful default of loan upto Rs.5000. The matter was discussed in the Meeting of Central Level

Coordination Committee(CLCC) last year when it was noted that the representatives of several Banks were yet unaware of the RBI instructions that non-wilful defaulters of erstwhile IRDP beneficiaries with loan upto Rs. 5000 should not be refused loan under the SGSY. The RBI were urged to reiterate the earlier instructions.

- (ii) The RBI have since reiterated their instructions *vide* their letter No.RPCD.SP.BC.19/09.01.01/2001-02 dated 31.8.2001. The NABARD have also issued similar instructions to the Regional Rural Banks and the State Cooperative Agriculture and Rural Development Banks *vide* their circular No.DPD-FS/28/2001-02 dated 23.11.2001.
- (iii) As regards enhancement of investment to around Rs.1 lakh for individual beneficiaries, it may be mentioned that the programme provides for no investment ceiling for credit other than unit cost i.e. investment requirement worked out for the project. However, it has been observed that persons below poverty line have to be extended multiple doses of credit, keeping in view their absorptive capacity, and requirements for working capital etc. The Banks, therefore, may consider loans even beyond Rs.1 lakh to individual beneficiaries, depending on the project.
- (iv) Multiple doses of credit can be available to the Swarozgaris so long as the Banks have the confidence that Swarozgaris are able to prove their credit worthiness by way of proper utilisation of funds / assets and prompt repayment of bank loan. The second and subsequent doses can be given even during the currency of first / earlier loan provided the Banker is satisfied about the financial discipline of the first/ earlier dose. However, the subsidy amount for all doses taken together will not exceed the limit of entitlement prescribed.
- (v) The Ministry of Rural Development, as the Nodal Ministry for Poverty Alleviation Programmes, is actively involved in activating the process of sanction of loans by the Banks. The State-wise credit mobilization targets under the SGSY is decided by the Ministry of Rural Development in consultation with the Ministry of Finance, RBI, NABARD and SBI. The State-wise targets are communicated to the respective States. The target for each State is discussed in the Meeting of the SLBC of the concerned State. The targets are further allocated among the participating Commercial Banks and Rural Banks.

Part II

Specific guidelines have been issued in consultation with the RBI that loans should be sanctioned within 15 days and not more than one month and disbursed within next two months of the receipt of application. The RBI & NABARD have issued separate guidelines for the same. If any instance of delay in sanction of loan is brought to the notice of the Ministry of Rural Development, the same is urgently taken up with RBI/NABARD and the concerned Bank, under intimation to the Ministry of Finance. Yet, there are recurring instances of pending applications for loans in the Banks which have been reported by States. The matter of pending applications in the Banks is brought to the notice of the RBI, who have reiterated their guidelines to the Banks so that the position improves to the desired extent.

The matter regarding exemption of collateral security for group loans upto Rs.5 lakh was raised in the CLCC meeting last year and the RBI have, subsequently, suggested further discussion in this behalf.

PART - III

As per para 2.3 of the SGSY guidelines, the provision of infrastructure, including veterinary care in this case, is the responsibility of the State Governments who have to provide for necessary investments as part of their plan effort. Where the plan funds of the line Departments do not have adequate provision, recourse may be had to the JGSY and the EAS (SGRY from 1.4.2002) or any other State or Centrally Sponsored Scheme for construction of Animal Health Care Centres. Veterinary care for the livestock purchased from the assistance received under the scheme is, therefore, to be provided by the State Animal Husbandry Department; critical gaps in infrastructure can be met from SGSY – Infrastructure Fund, but these funds are not to be utilised for hiring of veterinary doctors.”

3.9 The Committee during study visits undertaken during the year 2000-2001, had observed that the Banks were not cooperative in sanctioning/releasing loans under the scheme. The bankers were not only wary about investing funds on BPL persons, but the various guidelines of SGSY were also being flouted by them. Another surprising fact noticed by them is ignorance of bankers about the specific guidelines of RBI issued with regard to providing assistance to IRDP defaulters having a due up to Rs.5,000. Besides, there is much delay in publishing of BPL list by the Department of Rural Development. The Committee take all these irregularities in implementation of the programme very seriously and urge the Government to take corrective steps in this regard. On the issue of collateral security, the Committee are concerned to note, whereas the guidelines are very clear that collateral security is not required to sanction loan by the Banks under SGSY, the same is always insisted upon by the Bank. The Committee recommend that the Department

should pursue the issue with RBI and ensure that no complaint in this regard is received in future.

Assistance under SGSY to people above poverty line

3.10 The Committee in their 25th Report had recommended to find out some mechanism whereby organised groups BPL and APL could be allowed under SGSY. It was also recommended that non-BPL category of beneficiaries could be provided loan by the Banks. The Government in their action taken reply had stated that they may consider permitting 20 per cent of the members from APL category who may be given loan by Banks under SGSY.

3.11 When asked whether final decision in this regard has been taken by the Government, they have stated as under:

“Based on the recommendations made in the National Conference on the SHG Movement in the Country and the SGSY” held at Hyderabad last year and the Working Group on Poverty Alleviation for the Tenth Five Year, the proposal to allow 20% members from the APL category in the self help groups formed under SGSY is under consideration, in the context of proposed amendments in the guidelines of the SGSY. However, members from APL category would not be eligible for subsidy under the scheme.”

3.12 When asked about the reasons for delay in taking the decision, The Department stated as under:

“Besides the proposal to allow 20% members from the APL category in the self help groups formed under the scheme, other recommendations were also made in the National Conference and the Working Group on Poverty Alleviation for the Tenth Five Year Plan, which require modifications in relevant paras of the guidelines, which is under examination.”

3.13 The Committee note that in pursuance of their recommendation, the Government is considering to allow 20 percent APL members in a Self Help Group formed under SGSY. They hope that the final decision in this regard will be taken expeditiously by the Government and the Committee be apprised accordingly.

Coverage of handicapped persons

3.14 As per Performance Budget 0.93 per cent of handicapped persons have been assisted under SGSY during 2001-02 whereas as per the guidelines at least 3 per cent of the handicapped persons have to be assisted under the programme.

3.15 When asked about the reasons of low coverage of handicapped persons during 2001-02 the Department has furnished the following reasons:

“lack of sensitisation towards the problems of the disabled persons by the field level-Implementing Agencies;
scattered distribution of the disabled population and inability of Implementing Agencies; to form their Self-Help Group (SHGs);

difficulty in identification of suitable income generating activities for disabled persons;

persons with disabilities are often felt to be non-earning/non-productive; and

difficulty in organising Self-Help Group of persons with different types of disability for taking up income generating activities.

3.16 Further the Government in their written reply have stated as under:

“The Ministry has written to all the State/Ut Governments to take appropriate measures for coverage of disabled as prescribed in the guidelines of the scheme. Besides, meetings have been conducted with Ministry of Social Justice and Empowerment for involvement of NGOs funded by them in social mobilisation of disabled for formation of self help groups, their training and capacity building. On the initiative of the Ministry, NGOs and DRDA representatives of five districts in the country were imparted training by Rehabilitation Council of India (RCI), New Delhi on problems and issues related to disabled.”

3.17 The Committee note that whereas 3% of the handicapped persons have to be covered under SGSY, their actual coverage is less than 1%. One of the major factors as admitted by the Department for not fulfilling the targets is lack of sensitisation towards the problems of the disabled persons by the field implementing agencies. The Committee take this issue very seriously and are of the view that the implementing agencies are perhaps not keen to involve the disabled persons in formation of Self Help Groups for the reason best known to them. The Committee are of the opinion that attitude towards the disabled need to be changed and their involvement at every stage should be treated as productive. For this, proper initiation, orientation and sensitisation programme need to be organised through audio and visual media and also through persuasion and discussions. Much is required to be done. While the world is going ahead in turning the disabled into assets, India is lagging behind and finding scapegoats in defence of their failures. They appreciate that recently the issue has been addressed by the Department and NGOs and DRDA’s representatives of five districts have been imparted training by Rehabilitation Council of India (RCI), New Delhi. They would like that similar training is imparted to the persons involved in the implementation of the programmes including the NGOs. Besides, they would also like that various prestigious institutions involved in imparting training in respect of various rural development schemes like NIRD, SIRD and ETC, should also include in their curriculum, the problems of disabled and their participation in poverty alleviation programmes.

Recommendations of the Working Group on 10th Plan on SGSY

3.18 The following recommendations have been made by the Working Group on 10th Plan of SGSY:

“A rethinking is necessary to establish an effective and trust-worthy linkage between the rural poor and the credit delivery system in the country. Social mobilisation of the poor through the self help groups (SHGs) can be an effective mean to establish this linkage. It is drawn from the experience over the years and across the world that SHG is an effective instrument for successful operation of various poverty alleviation programmes.

The SGSY should be implemented with greater emphasis on social mobilisation and formation of SHGs. Even if the SHG is not ready to take up employment generation activity, it definitely helps the poor in strengthening their economic position by reducing their dependence on and exploitation by vested interest in rural areas like local moneylenders. It also improves their collective bargaining power. There should be an explicit recognition that not all groups will want to, or be judged suitable for, moving on to the stage of setting up full fledged micro-enterprises. Such groups should be linked to the banks as in the general programme. The SGSY should define itself as a quality and process oriented micro-finance and micro-enterprise programme for the poor. There should be no pressure of targets or rigid time limits for groups to move on from one stage to the next.

Social mobilisation is considered to be the natural field for the NGOs and they should be involved in this process.

The Banks have to be willing partners along with other Non-Governmental Organisations in making movement a success.

The subsidy component of the SGSY should be utilised for public utilities such as capacity building, skill training, infrastructure development, marketing and technology support etc. A stage of micro-finance may be introduced into the scheme without subsidy. The system of subsidy, however, should continue for the micro-enterprise stage.

While economic development of the country provides a lasting solution to the problem of poverty in rural areas, the target oriented intervention through different programmes to deal with the problem of poverty can not be dispensed with immediately. Obviously self-employment programmes would account for a major role in the government's effort for poverty alleviation in the country. If they succeed, it is obvious that they also provide a sustainable solution to the problem. The programmes, therefore need to be strengthened during the Tenth Five Year Plan as well.

3.19 Strategy for Self Employment Programme

(i) It is estimated that nearly 10 million new persons enter into the workforce of the country every year. The need accordingly is to generate and enhance additional livelihood opportunities for about 50 million rural poor households, besides the already existing one, during 10th Plan period, which itself establishes the essentialities of effective implementation of the Self-Employment Programme.

(ii) It should emphasis on;

- (a) Social mobilisation by way of having the Self Help Group in every habitat and by 2004, 14 lakh Self Help Groups would be formed;
- (b) Micro finance stage is to be introduced between revolving funds and micro enterprise;
- (c) Flexibility in use of funds by the Districts for social mobilisation, training, infrastructure and subsidy; and
- (d) Success should be judged based on the marketability of the product.

3.20 When asked to comment on the above recommendations of 10th Plan Working Group and strategy during 10th Plan the Government in their reply stated as under:

The guidelines of SGSY already provide for involvement of NGOs/Community Based Organisations (CBOs) as facilitators for formation, development, training and capacity building of Self Help Groups. Further, to encourage the participation of NGOs/CBOs as facilitators, a provision has been made in the guidelines to incur an expenditure upto Rs.10,000 per group for formation, training and capacity building of groups through NGOs/CBOs. Payment of the amount to the NGOs will be made in four instalments, namely:

- (i) 20% of the funds in the beginning of the formation of SHG by NGOs; these funds may be utilized up to the formation of the Group;
- (ii) 30% after the group qualifies for the revolving fund;
- (iii) 40% after the group takes up an economic activity, and
- (iv) 10% six months after the start of the economic activity, if the group is doing well and the repayment to the Bank is regular.

3.21 The guidelines also provide for involvement of NGOs/CBOs as facilitators for formation, development, training and capacity building of groups formed under the Scheme. The financial assistance i.e. revolving fund and subsidy for income generating activity, is sanctioned directly to the group and not through the NGOs. In the training programme conducted by DRDAs, for capacity building of groups, NGOs as well as field level functionaries of Banks are involved to ensure proper coordination between various agencies involved in the implementation.”

3.22 The Committee find that the challenges of poverty alleviation would be more during the coming years. As reported by Tenth Plan Working Group, 50 million additional rural poor households would be added to the existing number of Below Poverty Line persons in the country. In view of this scenario, the Committee urge that the stress of the Department should be to enable the person assisted under the programme to set up viable enterprises so as to enable him to cross the poverty line. Besides Bankers non-cooperative attitude towards Below Poverty Line (BPL) persons in respect of providing multi doses of assistance as dealt in detail in the earlier part of the report has to be corrected. Further, as recommended by the Working Group much has to be done to motivate Banks and NGOs to be the active partner to make the movement a success.

The Committee hope that the various recommendations made by the Working Group are taken note by the Department and the required steps taken in this regards without further delay.

State-wise position of utilisation of outlay during 2000-01 and 2001-02

3.23 In the Performance Budget, during 2000-01 percentage of utilisation of funds has been indicated as 73.52 per cent whereas during 2001-02, the said percentage is 48.18 per cent. As regards State-wise position in 25 States/Uts, the percentage utilisation is less than 70 per cent. In Manipur, Dadra & Nagar Haveli and Nagaland the percentage utilisation during 2001-2002 is zero.

3.24 When asked to explain the dismal performance in State/Uts during 2000-2001 and 2001-2002 the Department has stated as under:

“The percentage of utilisation of funds during the year 2001-02 based on the monthly progress reports received from the States/Uts upto February, 2002, is 53.94, which is likely to improve, once progress reports for the month of March, 2002 are received from the States/Uts. In regard to the States/Uts and between 50-70 in 5 States/Uts. The monthly progress reports from Manipur and Dadra & Nagar Haveli have not been received in the Ministry therefore, the utilisation has been shown as zero. The percentage utilisation of funds in Nagaland is 31.57 (upto February, 2002).

The scheme is process oriented involving several stages before the group takes up an economic activity. Further, as could be seen the performance of the States/Uts has been improving over the years and is expected to improve further in the coming years as by that time self help groups already formed would have stabilised and would be in a position to take up economic activity.”

3.25 The Committee find that the percentage of utilisation of funds during 2000-2001 is not satisfactory in some of the States. Most of the States have reported less than 70% of the utilisation. As assured by the Department, they hope that the percentage of utilisation would improve during 2001-2002. As regards the position of Manipur, Dadra & Nagar Haveli and Nagaland, the

utilisation position in Performance Budget has been indicated as nil, whereas as per the reply of the Government actually these States have not furnished the utilisation certificates. The Committee urge the Government to find out the reason for not furnishing the utilisation certificates by the said States and apprise them Committee accordingly. They also feel that the Budget documents should given correct and clear picture of resources utilisation by each and every State/UT. They, therefore, urge the Government to take necessary steps in this regard in future.

Review of the Scheme

3.26 The Committee in their 25th Report (13th Lok Sabha) *inter-alia* recommended that they should be apprised of the findings of the Special Committee meant for North East when the review is completed. It was also desired by the Committee that review in respect of States of Bihar, UP and Maharashtra should also be made in view of the restructured scheme i.e. SGSY. The Government in their action taken reply have stated that the findings of the Committee for North Eastern States are awaited. When asked about the evaluation in respect of North-Eastern States, the Department has stated that the Concurrent Evaluation of the Scheme is likely to be commissioned shortly.

3.27 It has further been stated that the programme in respect of Bihar, Jharkhand, Uttar Pradesh & West Bengal was reviewed in the SLBC Meeting held at Patna in January, 2002. The following points emerged in the meeting;

- (i) The implementation of the programme in Bihar, Jharkhand, Uttar Pradesh & West Bengal has been rather slow; there is an immediate need for sensitisation of both field level functionaries and the Bankers. The programme can be taken up jointly by lead Bank i.e. SBI and the respective State Government;
- (ii) There is need for proper backward and forward linkages for Banks to be encouraged to sanction funds under the programme.
- (iii) While, the SGSY does not encourage physical targeting, in order to activate the field level Bank Branches, targeting or close monitoring is essential;
- (iv) A group comprising Bankers and Government officials should visit some Block/Banks to assess the actual field situation of sanctioning loans. This might convey a message to other Bank Branches as well;
- (v) There is need to draw an action plan regarding credit mobilisation, which the RBI/lead Bank would initiate so as to achieve the target within the financial year; and
- (vi) Under-financing should be avoided at any cost, as it results in failure of projects. Individual Banks should take disciplinary action against Bank officials responsible for under-financing. RRBs and PRIs can be involved as Self-Help Promoting Institutes (SHPIs) with incentives to them permissible under SGSY guidelines.

The issues have again been taken up separately with RBI, under intimation to the respective State Governments.

3.28 The Committee feel that to make the programme a success, there is an urgent need for a coordinated approach on the part of Bankers, NGOs, Panchayat/Implementing agencies and Government officials. To achieve the desired results, a mission mode approach is necessary. The Committee hope that the Department would look into this aspect and take the desired action. The Committee also recommend that to know the ground reality in respect of the implementation of SGSY and to provide the necessary feed back to take the corrective steps for the better implementation of the Yojana concurrent evaluation should be commissioned expeditiously.

Infrastructure Development under SGSY

3.29 The Committee in their 25th Report, recommended to provide special projects for infrastructure development funds for SGSY. In response to that the Department has stated as below:

“SGSY already has provision for infrastructure development. 20% (25% in case of NE States) of SGSY allocation for each district can be utilised for this purpose. In case the funds are not adequate, States can also pose special projects for infrastructure development. The Ministry have already sanctioned such projects to Andhra Pradesh, Gujarat and Himachal Pradesh.”

3.30 While appreciating the fact that sufficient provision has been made for infrastructure development under the guidelines, the Committee would like the Department to evaluate whether sufficient attention is being given by the various implementing authorities in this regard. While noting that few States have so far sent their demand for infrastructure development, the Department should motivate other States to come forward with suitable proposals for infrastructure development.

CHAPTER IV

Sampoorna Gramin Rozgar Yojana

Demand No. 67

Major Head(s)-2501, 2505, 3601 and 3602

4.1 A new Centrally sponsored scheme *viz.* Sampoorna Gramin Rozgar Yojana (SGRY) has been launched with effect from 25th September, 2001 by merging the on-going schemes of the Employment Assurance Scheme (EAS) and the Jawahar Gramin Samridhi Yojana (JGSY). The objective of the new programme is to provide additional wage employment in the rural areas as also food security, alongside the creation of durable community, social and economic assets and infrastructure development in these areas. Towards this end the SGRY envisages distribution of foodgrains @5 kg. per manday to the workers as part wages. While the cash component will be shared by the Centre and States in the ratio of 75:25, the Central Government will bear the cost of foodgrains. The programme will be implemented in two streams. The streams will get 50% each of the total resources available under the programme. The first stream will be implemented at the district and Intermediate Panchayat levels. 50% of the funds and foodgrains available under the programme will be distributed between the Zilla Parishad and the Intermediate Panchayats in the ratio of 40:60. The second stream will be implemented at the Village Panchayat level. The entire allocation under this stream will be distributed among the Village Panchayats through the DRDAs/Zilla Parishads. The programme will be implemented through the Panchayati Raj Institutions (PRIs).

4.2 SGRY consists of two streams 1st stream i.e. EAS and second stream i.e. JGSY. When asked for the reasons for merging two schemes and later bifurcating them in two streams, the Department has stated that any wage employment programme cannot be very different from its predecessor schemes. However, the EAS and the JGSY have been merged to have an ambitious Scheme namely the SGRY to provide atleast 100 crore additional mandays of employment with food security to the rural poor. The scheme is different from the earlier schemes of the EAS and the JGSY in the following manner:-

- (i) The provision of foodgrains is central to its implementation.
- (ii) The Scheme is self targeting nature.
- (iii) All the three levels of PRIs are made independent to utilize their share of funds.
- (iv) 50% of the funds are earmarked in the 2nd Stream of the SGRY to provide infrastructure in the SC/ST habitations.
- (v) 22.5% funds are earmarked for individual beneficiary schemes for SC/ST under the 1st stream of the SGRY. Earlier there was no such provision under the EAS.
- (vi) Under 2nd stream of the SGRY provision has been made for certain minimum amount to each Gram Panchayat so that worthwhile assets are created.

4.3 When asked whether such frequent changes in the schemes may lead to confusion to implementing agencies, it is stated that the changes have been made keeping in view the aspirations and needs of the rural poor. There is no cause for confusion in the minds of Implementing Agencies, so far implementation is concerned.

4.4 As per the announcement of the Hon'ble Prime Minister on 15th August, 2001, the enhanced outlay for the SGRY is Rs.10,000 crore, of which Rs.5,000 crore is earmarked for foodgrains and the balance of Rs.5,000 crore to meet the cash component (Rs.3750 crore Central share and Rs.1250 crore State Share.) This enhanced amount has been basically provided to meet the cash requirement to utilize the foodgrains release to the State Government under the SGRY.

Strategy for restructured scheme

4.5 When asked about the training to the concerned agencies/Departments in handling the newly structured programme, the Department has stated as under:

“The JGSY and the EAS are already in operation and are being implemented by the Panchayati Raj Institutions. Under the new scheme of the SGRY, the component of foodgrains has been added. Instructions/operational guidelines have been issued to all the implementing agencies. The guidelines are in the process of getting finalised. All concerned will be sensitised. There is a separate provision for training.

4.6 On being asked about the delay in finalising the guidelines the Department has stated as under:

“The operational guidelines have already been issued to the States and Union territories for implementation of the SGRY in the current year 2001-2002. The detailed guidelines are being finalised in consultation, *inter-alia*, with the Planning Commission.”

4.7 During the course of oral evidence the Secretary, Department of Rural Development stated as under:

“.....we will have some recommendations which we will consider in the context of SGRY. But even now we have issued guidelines for SGRY and we are going to revise the guidelines.”

4.8 It was further stated by him that some further thought will be given in the revised guidelines. He also informed the Committee that target under the scheme is to create employment of about one crore mandays.

4.9 On being asked about the minimum amount to be earmarked to each Village Panchayat under 2nd stream of SGSY, the Department has stated that the amount would be determined when the above guidelines stand finalised.

4.10 When asked about the steps proposed to be taken by the Government to ensure the quality of foodgrains supplied to workers by DRDAs/Zilla Parishads and Panchayat Samities as part of the wages, the Department has stated as under:

“The instructions have been issued to the FCI to provide ‘Fair Average Quality (FAQ)’ foodgrains to Zilla Parishads and Panchayat Samities (Intermediate Panchayats) and Gram Panchayats for distribution among the workers, as part of wages. The concerned officials of DRDA/Zilla Parishads are required to conduct inspection of the stocks before taking delivery of the same to ensure that foodgrains below the FAQ are not accepted. The normal practice of joint sampling, as is done for the PDS, will operate under the SGRY as well. For lifting bad quality foodgrains for FCI godowns, individual officers will be held responsible.”

Evaluation of wage employment programme

4.11 As per the Approach Paper to the Tenth Five Year Plan, evaluation of the programmes for Wage Employment reveal serious weaknesses. These may be enumerated on follows:

- (i) fudging of muster rolls;
- (ii) payment of lower wages as the contractors sometimes hire outside labourers;
- (iii) Centre norms for earmarking 40% of funds for watershed development and 20% for minor irrigation are not being followed;
- (iv) payment of lower wages to women workers; and
- (v) norms for reservation of women under Employment Schemes are not followed consistently.

4.12 Further the Department has furnished the following comments:

“The SGRY was announced on 15th August, 2001 and was launched on 25th September, 2001. The Approach Paper to the Tenth Plan was issued around and, as such, could not have been kept in view while structuring the SGRY. However, the SGRY was cleared in consultation with the Planning Commission. Several issues raised in the Approach Paper to the Tenth Plan, find place in the SGRY e.g. inclusion of foodgrains as part of wage payment, focus on Group Area target and provision for calamity affected areas.”

Recommendations of the Working Group on Wage Employment and Infrastructure Development Programmes

4.13 There should be better targeting for the districts for the wage employment. Wage employment programmes are not needed in all the regions. There is a need to focus these programmes in limited areas. Programmes focusing on (wage) employment should cover only the backward and poor districts where there is demand as well as supply of labour. Such districts can be selected on the basis of some set norms.

4.14 Panchayati Raj Institutions (PRIs) should prepare need based long term planning and accordingly action plan and shelf of projects should be prepared and implemented depending upon the resource availability.

Employment generation programmes may be for three categories:

- Employment generation programme should focus on the most needy districts/blocks of the country with reference to the lack of employment opportunities to provide food security to the rural poor. Food grains should be linked with the wage employment programme. Employment generation work could be taken up for calamity relief such as drought/flood/cyclone proofing to prevent migration in the distress situation due to shortage of work. State Governments should enact legislation to provide guaranteed employment to the rural workers who are in need of and desire to work.
- A part of the wage employment programme should continue to be implemented through Gram Panchayat to create need based infrastructure which may include common property resources, particularly for fuel and fodder and land development for disadvantaged sections like SC, ST and other BPL families.
- In severely drought prone areas where migration of population is acute, guarantee of employment should be provided on the pattern of Employment Guarantee Scheme (EGS) in Maharashtra and with necessary legislation.
- The Gram Panchayats may be asked to make some contributions for the scheme and also prepare long term action plan i.e., at least for five years on the basis of expected resource mobilisation and prepare annual action plan for taking up works on priority basis as approved by the Gram Sabha.

Strategy for Wage-employment programme during 10th Plan

4.15 A wage employment programme in the rural areas will have to be designed to cater to the demand of 3000 million man-days every year. The Government at the Centre is committed to continue the reform process but at the same time protect the interest of the poor as well.

4.16 The broad strategy for implementation of the Wage Employment Programme during 10th Five Year Plan is as indicated below:

- Wage Employment Programme should be more focussed in respect of the Target Group and Target Areas.
- Wage Employment Programme should also be able to take care of situation arising out of natural calamities.
- Since the country has surplus stock of foodgrains, it should be used as part of wage payment under the Wage Employment Programme.
- Women Self Help Groups should be involved in the implementation of the Wage Employment Programmes.

Physical Performance under EAS

4.17 Overall Physical Performance under Employment Assurance Scheme during 2001-02, indicates very dismal performance i.e. nearly 34% of the targets were achieved, while some of the States/UTs viz. Chhatisgarh, Mizoram and Lakshadweep showed 206.66%, 106.84% and 268.43% achievement.

4.18 When asked to explain the reasons for dismal performance in most of the States and the reasons for such abnormal achievement in the States/Ut of Chhatisgarh, Mizoram and Lakshadweep, the Department has stated as under:

“The physical performance is based on the report received from the State Government upto November, 2001. The final position will emerge at the end of the financial year, when progress reports become available from all the States/UTs. The State of Chhatisgarh was experiencing continuing drought conditions and utilised the entire funds and foodgrains (both instalments were released to Chhatisgarh in advance). The State Government was required to take-up new steps. Hence, their performance is better than others. Similarly, Mizoram utilised 83% of the funds released to them and physical performance is also on the expected line. Lakshadweep did not claim any instalment during the current year under EAS and did not send any progress report.”

4.19 When asked about the reasons for not claiming any instalment by Lakshadweep during the current year the Department has stated as under:

“Even though the Union territory of Lakshadweep was advised to send proposal for release of funds under the EAS, no reply has been received from them, perhaps for the reason that the scheme may not be especially relevant in the Ut.”

Opening Balances under JGSY and EAS

4.20 Opening balance as on 1.4.2001 under JGSY has been indicated as Rs.359.41 crore whereas under EAS, the opening balance is Rs.410.18 crore.

4.21 In the written reply it has been stated by the Department that unspent balance (opening balance) of funds under EAS and JGSY will form part of 1st and 2nd stream of SGRY respectively.

4.22 Further it has been submitted that targets would be determined every year on the basis of the allocations received for that year under the SGRY.

Observations of the Committee during Study-visits

4.23 The Committee during their visit to Gangtok interacted with the officials of State Government. The officials of the State Government suggested some points to make the schemes of JGSY and EAS more effective. Their suggestions are as follows:

- (i) guidelines in respect of JGSY should be made flexible keeping in view the conditions in the hilly States like Sikkim; and
- (ii) the share of small States like Sikkim, Mizoram and Meghalaya was marginally small in the ratio of 1.003% as compared to its sister States even in North-

Eastern Region like Assam and not compare with the States like Uttar Pradesh and Andhra Pradesh. As such the criteria of allocation of funds under EAS should be modified as 50% on the basis of population and 50% on State priority.

The following suggestions were also made by the officials of M.P.

Government to the Committee during their Study-visit to Bhopal:

- (i) the provision should be made for giving double or triple of the amount which Gram Panchayat collects through people's contribution; and
- (ii) final approval for the Action Plan under EAS should be given to intermediate Panchayat only and the scheme should be targeted to specific States/districts/blocks.

4.24 It was further suggested to the Study Group at Ahmedabad that for storage of foodgrains at the district level "Gram Anna Bhandar" may be permitted to be built under EAS.

4.25 When asked to comment on the aforesaid suggestions/observations of the State Governments the department has stated as under:

- (i) While framing the guidelines, care is always taken to provide flexibility to the State Governments in implementation of the programme so that they could take appropriate decisions keeping in view the topography of the areas. However, if any specific suggestion is received from the State Government, the same is considered by the Government of India;
- (ii) 10% of the total outlay is earmarked for the North-Eastern States and allocation among these States is made on the basis of poverty ratio in their respective States. Any unspent balance from this allocation is also utilised in the North Eastern States only as unspent fund goes to the non-lapsesable pool;
- (iii) The allocation cannot be linked with contribution made by the Panchyati Raj Institution as allocation is made out of a given budget provision on the basis of laid down criteria based on the poverty ratio; and
- (iv) Gram Anna Bhandar Scheme (Grain Bank Scheme) is being implemented by the Ministry of Tribal Affairs.

4.26 The Committee find that the well established programmes JGSY and EAS have been merged and restructured by the Department. Some of the new features like provision of foodgrains have been introduced in the newly structured scheme i.e. SGRY. The Committee note though programme has already started operating w.e.f. 1st April, 2002 the detailed guidelines are yet to be finalised in consultation with the Planning Commission. They have repeatedly been stressing that the Government should do proper planning before restructuring a programme so that there is no confusion in the minds of the implementing authorities and the scarce resources are properly utilised. In spite of that, the schemes are hurriedly restructured and closed. The final result being huge unspent balances with the respective State Governments. Frequent changing of the programme shows that the Government have not

given enough considered thought before launching a scheme. The approach paper of the 10th Five Year Plan indicates serious weaknesses in the wage employment programme. The reply given by the Department is not convincing and it attempts to side track the issues. The Committee feel that this is not the correct approach. The Government before embarking on a new scheme should have addressed the aforesaid shortcomings first. The Committee therefore, disapprove of the way the Department is restructuring its programmes frequently. They stress that the detailed guidelines of restructured programme should be finalised without any further delay after taking into account, the recommendations made by them in their earlier reports concerning EAS and JGSY as well as the recommendations made by the Working Group on Wage Employment and Infrastructure Development Programmes and the Working Group on 10th Plan. It should also be ensured that the opening balances with the State Governments in respect of erstwhile JGSY and EAS, are properly utilised.

4.27 The Committee find that one of the new features included in SGRY is the provision of foodgrains. There is a provision of distribution of foodgrains at the rate of 5 kg. per manday to the workers as part wages for which Rs.5,000 crore have been earmarked during 2002-2003. While appreciating the provision of distribution of foodgrains as part of wages under the programme, the Committee have their apprehension about the quality as well as of quantity of the foodgrains to be supplied to the workers. The Committee urge the Government to find out a fool proof mechanism to ensure that the quality of foodgrains that will be supplied to the labourers is up to the mark and the workers get full quantity as per their entitlement. To achieve this objective the guidelines should clearly stipulate as to who would be responsible for any shortfall in the quality/quantity of the foodgrains.

While the Committee note that the “Gram Anna Bhandar” scheme is being run by the Ministry of Tribal Affairs, they find no reasons for not permitting construction of such Anna Bhandars at the District level under E.A.S. programme, particularly when infrastructure development work can be undertaken under the E.A.S. They, therefore, recommend that the Government should chalk out a programme for construction of Gram Anna Bhandar in coordination with the Ministry of Tribal Affairs, particularly when the country is facing acute shortage of space to store the surplus food grains.

CHAPTER V

RURAL HOUSING

Demand No.67

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5.1 The Government of India, in 1998, announced a National Housing and Habitat Policy which aims at providing 'Housing for All' and facilitating the construction of 20 lakh additional housing units (13 lakh in rural areas and 7 lakh in urban areas) annually, with emphasis on extending benefits to the poor and the deprived. An action plan for Rural Housing has, accordingly, been prepared.

5.2 Under 'Rural Housing', an allocation of Rs.1725 crore had been made during 2001-2002 to implement the action plan, which has been approved with the objectives of providing "Shelter for All". The Government has the goal of ending shelterlessness and conversion of all unserviceable kutcha houses to pucca / semi-pucca by the end of the Tenth Plan period.

5.3 As per the action plan, the following schemes are being implemented by the Ministry of Rural Development under Rural Housing :-

1. Indira Awaas Yojana including a component for the conversion of unserviceable kutcha houses.
2. Pradhan Mantri Gramodaya Yojana – Gramin Awaas
3. Credit-cum-Subsidy Scheme for Rural Housing.
4. Samagra Awaas Yojana.
5. Innovative Stream for Rural Housing and Habitat Development.
6. Rural Building Centres.
7. Equity contribution to HUDCO.
8. National Mission for Rural Housing and Habitat.

Indira Awaas Yojana

Objective

5.4 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 houses 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

5.5 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 1st April, 1999.

Funding

5.6 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 State's 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 the 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

5.7 Grant of Rs. 20,000 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.

Analysis of the outlay earmarked under IAY

(Rs. in crore)		
BE	2000-2001	1710
RE	2000-2001	1710
	Actual Expenditure	1663.42
BE	2001-2002	1527
RE	2001-2002	1991
	Actual Expenditure	1573.39(upto 18.3.2002)
	Outlay proposed during 2002-2003	2405
BE	2002-2003	1725

The observation of the Study Group of the Committee during their on the spot study visit during 2001.

5.8 The representatives of the Government of Gujarat briefed the Committee during their study visit that per unit assistance for Indira Awaas Yojana houses should be further enhanced and houses should be constructed to sustain natural hazards / calamities.

5.9 When asked to comment, the Department has stated as under :

“The ceiling of assistance for construction of a house in plain and hilly / difficult areas under IAY is Rs.20,000 and Rs.22,000 respectively. As per the National Housing and Habitat Policy, the amount of subsidy should be gradually reduced. Moreover, in case the assistance per unit under Indira Awaas Yojana is increased, the same amount of budgetary allocation available the number of beneficiaries have to be reduced. Due to financial crunch it has not been possible for the Planning Commission to increase the budgetary support for Rural Housing. In view of this, at present there is no proposal under consideration to increase the per unit cost under Indira Awaas Yojana.

Habitat Development and civic amenities under IAY

5.10 Regarding the issue of funding habitat development and other facilities like drinking water, sanitation, the Secretary Department of Rural Development during the course of oral evidence stated as under:

“.....But the issues mentioned by Hon’ble member about environment and about habitat development and other legitimate requirements of the people, I would like to submit that they require funds. We provide the maximum possible funds under the IAY. I would be grateful if I have the support of Hon’ble Committee in this matter so that we can look into these guidelines. We have examined the question of raising the unit cost.”

Pradhan Mantri Gramoday Yojana (Gramin Awaas)

5.11 The PMGY was launched during 2000-2001. The Ministry of Rural Development is the nodal Ministry for the implementation and monitoring of the programme, PMGY (Gramin Awaas). Funds under the Scheme are allocated by the Planning Commission and the same are released to the States by the Ministry of Finance on the recommendations of Ministry of Rural Development.

5.12 During 2000-2001, the Ministry of Finance had released Rs.291.93 crore to various States/Uts out of a total allocation of Rs.375 crore. Against this, 12408 houses have been constructed with an estimated expenditure of Rs.46.48 crore. Since inception and till 28.1.2002, the Ministry of Finance have released Rs. 407.60 crore to various States/Uts. Since inception, 24376 houses are reported to have been constructed with an estimated expenditure of Rs.60.91 crore so far.

Credit cum Subsidy Scheme for Rural Housing

5.13 The Credit-cum-Subsidy Scheme for Rural Housing was launched on 1st April, 1999. The Scheme targets rural families having annual income upto Rs.32,000 per annum. While, subsidy is restricted to Rs.10,000, the maximum loan amount that can be availed is Rs.40,000. The subsidy portion is shared by the Centre and the States in the ratio of 75:25. The loan portion is being disbursed by the commercial banks, housing finance institutions etc.

5.14 During 2000-2001, Rs.26.99 crore as Central assistance of funds under the scheme was released to the States of Andhra Pradesh, Chhatisgarh, Haryana, Himachal Pradesh, Karnataka, Madhya Pradesh, Manipur, Orissa, Punjab and Tamil Nadu. 45346 houses were reported to have been constructed and another 17104 houses were under various stages of construction with an estimated expenditure of Rs.38.51 crore.

5.15 During 2001-2002, Rs. 4.28 crore have been released as Central funds to the States of Andhra Pradesh, Chhatisgarh, Haryana, Himachal Pradesh, Karnataka, Madhya Pradesh, Manipur, Orissa, Punjab and Tamil Nadu so far. As per reports received till 28.1.2002., 7263 houses are reported to have been constructed and another 12319 houses are under various stages of construction with an estimated expenditure of Rs.8.53 crore.

Samagra Awaas Yojana

5.16 Samagra Awaas Yojana was launched in 1999-2000 in one block each of Demands for Grants (2002-2003) of Department of Land Resources (Ministry of Rural Development). 25 districts of 24 States and one Union territory which have been identified for institutionalizing the participatory approach under the Accelerated Rural Water Supply Programme. The existing schemes of housing, drinking water and sanitation follow the normal funding pattern. However, a special Central assistance of Rs.25 lakh is provided for each block for undertaking overall habitat development and Information, Education and Communication (IEC) work with 10% contribution coming from the people. During 2000-2001, an amount of Rs.1.35 crore was released to various DRDAs under the Scheme and in the current financial year 2001-2002, an amount of Rs.0.90 crore has so far been released under the Scheme to the States of Andhra Pradesh, Madhya Pradesh and Uttar Pradesh.

Innovative Stream for Rural Housing and Habitat Development

5.17 The objective of the Innovative Stream for Rural Housing and Habitat Development is to promote/propagate innovative and proven construction technologies, designs and materials, in the rural areas for construction of cost effective houses and habitat development. A maximum of Rs.50 lakh is provided to Government Agencies for implementation, of a project. A maximum of Rs.20 lakh is provided to Non-Governmental Agencies with experience in technology promotion and propagation of cost effective and environmental friendly housing technologies, designs, materials etc., are eligible for funding. The Scheme is being implemented on project basis.

5.18 Project proposals received under the Scheme are scrutinized by a Committee. During 2000-20001, innovative projects worth Rs.15.18 crore were sanctioned and Rs.7.72 crore were released. During the current financial year 2001-2002, projects worth Rs.3.90 crore have been sanctioned.

Setting up of Rural Building Centres

5.19 The three primary objectives of setting up of building centres are (a) technology transfer and information dissemination (b) skill upgradation through training and (c) production of cost effective and environment friendly material components. Two building centres in every State are proposed to be established by some governmental institution and the other by an NGO. For each building Centre, a one time grant of Rs.15lakh is given by the Central Government (in instalments). During 2000-2001 and 2001-2002, an amount of Rs.1.56 crore and Rs.0.78 crore respectively has been released to HUDCO for onward transmission to various Districts in order to set up Rural Building Centres.

5.20 It has been stated in the written reply furnished by the Government that during 2001-200, 21 proposals for setting up of Rural Building Centres in the States of Andhra Pradesh, Bihar, Gujarat, Jammu and Kashmir, Karnataka and Maharashtra and U.P. have been received.

5.21 When asked about the reasons for not approving the proposals in respect of other States the Government in their written reply stated as under:-

“The Scheme of Rural Building Centres is a demand driven Scheme and approval is accorded on receipt of the project proposals from States/UTs. When proposals are received from State Governments/NGOs, these are processed in consultation with HUDCO as per the guidelines of the scheme and the proposals found satisfactory, are cleared by the Screening Committee constituted for the purpose.”

Equity Support to HUDCO

5.22 As per Performance Budget in order to meet the requirement of EWS and LIG groups in rural areas and to improve the outreach of housing finance in rural areas it was decided to increase the equity support to HUDCO from Rs.5 crore to Rs.355 crore during the Ninth Five Year Plan period. In pursuance to this, Rs.50 crore was released to HUDCO, thus fulfilling the commitment of Rs.350 crore towards Equity Support.

5.23 The Committee during their study visit to Madhya Pradesh and Rajasthan during 2001 observed that HUDCO was not involved in financing rural housing as there was no nodal agency which could provide guarantee.

5.24 When asked to comment the Department has stated as under :

“As per the information furnished by HUDCO, “60 Rural Housing schemes with a loan amount of Rs.6.68 crore for construction of 26664 dwelling units in Madhya Pradesh and 88 Rural Housing Schemes with a loan amount of Rs.38.03 crore for construction of 59690 dwelling units in Rajasthan have been sanctioned. However, all the schemes were sanctioned a number of years ago.

So far as Madhya Pradesh is concerned, as informed, there has been no demand for HUDCO’s loan assistance from any agency in the State of

Madhya Pradesh during the last many years. The main reasons attributed for this is the absence of nodal agency in the State for coordinating all rural housing activities and channeling institutional finance. Earlier, the State Government had identified and nominated Madhya Pradesh Apex Cooperative Bank to obtain HUDCO's loan assistance for implementation of rural housing schemes in the State. Subsequently this was discontinued on account of problems in actual recoveries from the individual beneficiaries.

In respect of Rajasthan, HUDCO's loan assistance in the State was channelised for implementation of large number of Rural Housing Schemes for reconstruction of houses damaged by flash floods around Jaipur during the year 1981-82. HUDCO's loan assistance for all these schemes were sanctioned to the individual Panchayat Samities. Subsequently, the State Government nominated Rajasthan State Apex Cooperative Society for channelising HUDCO's loan assistance for implementation of Rural Housing Schemes during the year 1983-84 and 1984-85. However, no loan assistance has been requested by the State Apex Cooperative Society for implementation of Rural Housing Schemes since the year 1984-85. Subsequently, HUDCO's loan assistance was obtained by various Zilla Parishads during the year 1994-95 and 1995-96 based on the State Governments' decision in this regard but since then the Zilla Parishads have also stopped implementing Rural House Housing with HUDCO's loan assistance in view of difficulties in loan recoveries from individual beneficiaries.

However, in order to overcome the shortcomings, HUDCO is in constant touch with these State Governments for nominating a Nodal Agency for channelising institutional finance for implementation of Rural Housing Scheme.”

National Mission for Rural Housing and Habitat

5.25 A National Mission for Rural Housing and Habitat has been set up by the Ministry of Rural Development to facilitate the induction of science and technology inputs on a continuous basis into the sector and providing convergence to technology, habitat and energy related issues with a goal to provide affordable shelter for all in rural areas within a specified time frame and through community participation. In this regard, an Executive Council under the Chairmanship of Minister of Rural Development and an Empowered Committee under the Chairmanship of the Secretary, Rural Development has been constituted.

5.26 When asked to explain the multiplicity of housing schemes in rural areas the Department has stated as under :

“At present, the Government is implementing a number of Rural Housing Schemes. As these schemes have different objectives and cater to different target groups there is a little overlapping. However, it is now proposed to integrate all the rural housing schemes being implemented by the

Ministry for greater flexibility and more effective implementation and monitoring.

5.27 Recommendation of the working group on 10th Plan on Rural Housing

- Under IAY 100% subsidy for houses should be provided to BPL families belonging to SC/ST category only and other BPL families should be provided houses under a suitable credit-cum-subsidy scheme.
- Better targeting should be based on the need/housing shortage and identification of beneficiaries should be made on the basis on the data available under BPL Census.
- For allocation of funds under IAY, more weightage should be given to the housing shortage.
- A Housing unit should be provided as a package with the provisions of rain water harvesting, sanitation and habitat development with clean environment through plantation in the habitat.
- Habitation should be selected on the basis of housing shortage and saturated to the extent possible under IAY. Habitat development work should be taken up in the habitations where more than 10 IAY houses are likely to be constructed.
- There should be no collateral guarantee in respect of credit-cum-subsidy based schemes and loan should be provided on differential rate of interests.
- Nationalised Banks should earmark a certain percentage of loan for rural housing.
- The layout, size and type design of the IAY dwelling units should continue to be in accordance with the desire and preference of the beneficiary/beneficiaries, keeping in view the local conditions.
- The rural building centers should provide technology to the beneficiaries that should be user friendly, cost effective and calamity proof.
- Strengthening of institutional mechanism for transfer of technology.
- There is need for paradigm shift in delivery mechanism. The new orientation, apart from target/project focus, should be more process oriented. Monitoring mechanism, accordingly is also required to be strengthened.
- The allocation under Rural Housing should be increased in accordance with the increase in cost of the dwelling units and actual annual requirement of dwelling units.

5.28 Strategy for Rural Housing

- Over the years there has been multiplicity of the Rural Housing Programmes, the line of distinction between one and other being very thin. This creates confusion and duplication at the level of implementation and monitoring. An important step required during the 10th Plan is to merge all the existing Rural Housing Programmes into a single integrated programme to be implemented throughout the country on a uniform basis.
- Housing unit should be provided in the form of a package comprising of rain water harvesting, sanitation etc. Accordingly, the unit cost should be revised upwards.
- A strategic shift is also required in the Rural Housing sector during 10th Plan period. It would require an enabling environment comprising policy framework which would politically, legally and institutionally support for the strategic shift. The actions are required urgently in the following area:
 - Establishment of institutional sustainability by clarifying and rationalizing the role and responsibilities of various sectoral agencies; strengthening facilitation or implementation capacity of existing agencies or setting up of a new agency where necessary; supporting the decentralization process further by involving NGOs in a bigger way setting up institutional mechanisms for the transfer of technologies, designs and materials on the continuous basis and achieving full participation of rural communities in sector decision making and project implementation.
 - Establishment of financial viability and sustainability by implementing policies and actions which expand the outreach of housing finance in the rural areas offer a menu of financing options and achieve full cost recovery.
 - Resource management to ensure adequate quantities and quality supply of building technologies materials and designs.

5.29 The Committee find that there are multiplicity of Central sector housing schemes. They have repeatedly been stressing in their earlier reports for convergence of various housing schemes. They note that the urgency of convergence of so many housing schemes has at last been recognised by the Government. Besides, the 10th Plan Working Group has also stressed to merge the existing rural housing programmes into a single integrated programme to be implemented throughout the country on a uniform basis. They hope that final decision in this regard is taken without any further delay and the Committee be apprised accordingly.

5.30 The Committee find that 10th Plan Working Group have stressed that housing unit should be provided in the form of package comprising of rain water harvesting, sanitation, etc. and accordingly the unit cost should be revised upwards. The Secretary during the course of oral evidence has stated that they require more funds to implement the above mentioned recommendation of the Working Group. The Committee recommend that the recommendation made by the Working Group should be implemented and adequate outlay should be provided during 10th Plan.

5.31 While analysing the position of outlay and expenditure under one of the oldest and biggest housing schemes of the Department, i.e. IAY, the Committee find that during 2000-2001, there was underspending of Rs.46.58 crore. Further, during 2001-2002 at RE stage Rs.464 crore was provided more under the scheme but there was underspending of Rs.427.61 crore as compared to RE during 2001-2002. They disapprove the way the projections are being made for demanding more outlay at RE stage. They strongly recommend that proper assessment of the funds required and planning should be done meticulously and realistic targets should be fixed to demand the outlay specifically at RE stage. Besides, when the additional outlay is provided at RE stage, it should be ensured that there is cent per cent utilisation of outlay.

5.32 The Committee find that Rural Building Centres have been financed by HUDCO only in case of seven States/Uts. They also note that the scheme of setting up of Rural Building Centre is a demand driven scheme. They urge the Government to taken necessary steps to create awareness of such schemes amongst the States so that proposals from the remaining States are forthcoming.

5.33 The Committee find that HUDCO is not able to provide loan in some of the States due to the problem of a guarantor. Neither the State Government nor any agency in the States is ready to stand guarantor for providing houses in the rural areas. They also find that to overcome this problem, the HUDCO is consulting State Governments for nominating a Nodal Agency for channeling institutional finance for implementation of various rural housing schemes. The Committee appreciate the efforts being made by HUDCO in this regard and also urge the Government to write to the State Governments to nominate a

nodal agency through which the loan by HUDCO could be channelised. The State Government should be asked to do the needful in this regard expeditiously so that the rural poor do not suffer on account of paucity of funds.

5.34 The Committee find that Working Group of 10th Plan have made certain recommendations on Rural Housing. They urge the Government to take the necessary steps to implement the same particularly the strengthening of monitoring mechanism, resource management, proper identifications of beneficiaries and availability of technology which should be user friendly, cost effective and calamity proof. An all out efforts are called for the propagation and promotion of innovative and proven construction technologies, design and materials in the rural areas. More and more NGOs with experience in the above field should be associated.

5.35 The Committee find that the Government have the goal of ending shelterlessness and conversion of all unserviceable kutchha houses to pucca/semi pucca houses by the end of Ninth Plan period. Since the Ninth Plan is already over, they would like to be apprised how far the set targets have been achieved.

CHAPTER VI

Panchayati Raj

6.1 With the passage of the Constitution (73rd 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 Uttranchal have enacted the necessary legislation pertaining to PRIs. Consequently, 2,32,278 Panchayats at village level: 5906, Panchayats at intermediate level and 499 Panchayats at district level have been constituted in the country. These Panchayats are being manned by about 2.92 million 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.

6.2 The main features of the Act are (i) a three tier Panchayati Raj system; (ii) Panchayat elections to be held regularly every five 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, (v) constitution of District Planning Committees to prepare development plans for the district as a whole and (vi) Gram Sabha at village level. The Panchayati Raj Institutions have to be endowed with such power and authority as may be necessary to enable them to function as institutions of self-government. The Act contains provisions for devolution of powers and responsibilities upon Panchayat with reference to (a) the preparation of 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.

Merger of DRDAs with District Panchayat and role of MPs in DRDA

6.3 The Committee in their 13th Report (13th Lok Sabha) had recommended to merge the functions of DRDAs with Districts Panchayats and hoped that the decision regarding role of MPs in the functioning of DRDAs would be taken expeditiously. In their 20th Report the Committee reiterated their earlier recommendation for increased role of MPs in DRDA.

6.4 The Committee in their 25th Report while examining Demands for Grants 2001-2002 had expressed their concern over not furnishing categorical reply in respect of merger of DRDA with District Panchayats. The same recommendation was made in the Action Taken Report (31st Report, 13th Lok Sabha) of said Report.

6.5 During the course of oral evidence on 27.3.2002, the Committee expressed their concern over the non-implementation of the issue regarding the merger of DRDAs with Zila Parishad. They observed that meetings of DRDAs are arranged during session period due to which it becomes difficult for MPs to attend the sittings of DRDAs.

6.6 The Secretary, Department of Rural Development during the course of oral evidence stated that in four States, DRDAs have been merged with District Panchayat/Zila Parishad. He further informed the Committee as follows:

“..... this is a process, as you have appreciated, which is moving towards Zila Parishad because they are the elected bodies and more and more of these bodies are attracting people who are trained, who have got experience now even from the elected representatives.”

Recommendations of the Working Group

6.7 The working group on 10th Plan *inter-alia* made the following recommendations:

(i) The DRDA should be merged with the Zilla Parishad without any further delay. Wherever Zilla Parishads do not exist, the State Government may be urged to set up the Zilla Parishads urgently. The DRDA should form a part and function as the secretariat of the Zilla Parishad. The functioning of the Zilla Parishads may be reviewed once again and modifications may be brought in .

(ii) The personal policy as laid down in the DRDA guidelines should be adhered to.

Training of PRI functionaries

6.8 The Government in their written reply have furnished the following information:

“Since effective functioning of Panchayati Raj Institutions is decentralised, planning and implementation of economic and social justice schemes would hinge on the efficiency of members of Panchayat, training assumes a great importance. Similarly, capacity building and awareness generation of the elected representatives and functionaries of Panchayats are also considered essential to the success of the Panchayati Raj Institutions. Panchayat elections have already been held in a number of States during 2001-2002 and are also due in some States during 2002-2003. A large number of elected representatives of Panchayats are required to be imparted training and this number will increase when Panchayat elections are held in some more States. The demand for funds for imparting training is anticipated in the near future. The Government of India, Department of Rural Development would continue to provide limited financial assistance by way of augmenting to budget requirement of the State Governments in their efforts to impart training to the elected representatives and functionaries of Panchayats. A National Action Plan for imparting training to all the elected representatives of Panchayats at all levels within the first three years of the Tenth Five Year Plan is under finalization.

6.9 The Committee in their 25th Report (13th Lok Sabha), *inter-alia* stated as under:

“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.”

6.10 The Government in their reply have stated:

“Keeping in view the importance of training to a large number of functionaries, at the National level by NIRD, at the State level by the SIRDs and the District, Block and Village level by ETCs, the Ministry would assess the requirement of further funds and suitable proposal would be made as per requirement at the time of supplementary grants.”

6.11 The Committee appreciate that pursuant to their recommendation made in their 13th Report, 13th Lok Sabha (refer para no.2.17) the Department has included a chapter on the status of the implementation of the Constitution (73rd Amendment Act). The Committee have separately taken up the subject ‘Implementation of Part IX of the Constitution’ and the same is under examination. The detailed analysis in this regard would be made in the report that will be presented to Parliament. However, at this stage, the Committee would like the Government to pay more stress on training of Panchayat Raj functionaries in view of the larger responsibility entrusted to them for implementation of various rural development programmes/schemes. The Committee also, presume that the National Action Plan for imparting training to Panchayats at all levels has been finalised by now. The Committee would like to be apprised about the salient features of the schemes with financial implications and the *modus operandi* of implementation. The Committee also recommend that outlay for training of Panchayats should be enhanced adequately.

6.12 The Committee have repeatedly been recommending to merge DRDA with district Panchayats. Similar recommendation has been made by the 10th Plan Working Group. Yet only in four States the objective could be achieved. They stress that further necessary action in this regard should be expedited and the Committee be informed about the outcome.

CHAPTER VII

Pradhan Mantri Gram Sadak Yojana

Demand No. 67

Major Head-3054

7.1 Rural road connectivity is not only a key component of Rural Development in India, it is also recognised as an effective poverty reduction programme. Notwithstanding the efforts made, over the years, at the State and Central levels, through different programmes, even after five decades of independence, about 40% of India's villages do not have proper road connectivity.

7.2 Keeping in view the fact that rural roads are vital to economic growth and to measures for poverty alleviation in the villages, Government have launched a 100% Centrally sponsored scheme called the Pradhan Mantri Gram Sadak Yojana. The programme seeks to provide connectivity to all unconnected habitations in the rural areas with a population of more than 500 persons through good all-weather roads by the end of Tenth Plan period. In respect of the hill States (North-East, Sikkim, Himachal Pradesh, Jammu & Kashmir and Uttaranchal) and the desert areas, the objective would be to connect habitations with a population of 250 persons and above. According to figures made available by the State Governments, about 1.60 lakh unconnected habitations need to be taken up under the PMGSY.

Participation of MPs in the finalisation of District plan

7.3 During the course of oral evidence on 27.3.2002, the Committee expressed their concern over not consulting local MPs before finalising the district plans. They felt that MPs are not asked for priority, instead plans are already proposed and they are asked only for vetting those plans.

The Committee in their 26th Report (13th Lok Sabha) had also expressed their displeasure over the way local MPs and MLAs are consulted in the finalisation of district plans.

7.4 The Committee have examined the guidelines of Pradhan Mantri Gram Sadak Yojana in their 25th Report presented to Parliament on 19th December, 2001. The various issues have been examined in detail and recommendations made accordingly. The Committee hope that the Government would consider their recommendations and make necessary changes in the guidelines. However, as regards the involvement of MPs/MLAs in the implementation of the Pradhan Mantri Gram Sadak Yojana, the Committee find that MPs are being involved after finalising various plans by the district Panchayats. After the plans are finalised by the district Panchayats, the Hon'ble MP has no option but to approve the same. In view of this, the Committee would like that the consent of Hon'ble MP should be obtained before deciding the priority in

connection with rural connectivity. The Committee urge the Government to take care of this aspect and issue necessary directions to the State Governments.

*NEW DELHI ;
23 April, 2002
3 Vaisakha, 1924(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.	2.3	<p>From the analysis of plan outlay and expenditure during 9th Plan the Committee observe that there is a variation between BE, RE and actuals during each of the year. The outlay during 2000-2001 was reduced at RE stage and there was marginal underspending. Though, during 2001-2002, Rs.1401.50 crore were provided at RE stage, the allocation could not be spent fully as Rs.1273.27 crore were left as balance there by nullifying the increase in the allocation at RE stage. The Committee are disturbed to find that unrealistic projections are being made by the Department while asking for outlay at RE stage. They strongly disapprove the way the projections are made. While going through the trends available, the Committee have their apprehension how four times of what was allocated during 9th Plan, would be utilised by the Department. While stressing for the higher allocation during 10th Plan so as to fulfill the set targets, the Committee would like to recommend to the Government to ensure that every paisa earmarked under the scheme is meaningfully utilised.</p>
2.	2.7	<p>The Committee desire that utmost care should be taken by the Department to contain the non-plan expenditure to the extent possible.</p>
3.	2.14	<p>The Committee find that a number of irregularities have been noticed in respect of implementation of various schemes/programmes of the Department in respective States/UTs by the area officers visiting the implementing sites of the schemes/programmes. These are matters of great concern. Each irregularity noticed need to be addressed earnestly and ameliorative measures to be spelled out side by side. The Committee laud the monitoring work done by the concerned officers but at the same time much introspection and analysis is necessary to get at the root cause. The Committee, therefore, would like to be</p>

apprised about the corrective measures contemplated, steps taken/proposed to be taken by the Department to ensure that the different schemes are implemented according to the specific guidelines and the deficiencies removed. The most disturbing fact, as noticed by the area officers is that the beneficiaries under the respective schemes did not belong to BPL category, and the Gram Sabha meetings are either not held or if held, these are not held in accordance with the guidelines. In view of the fact that different schemes of the Department are meant to bring BPL category of persons above the poverty line, the objectives of the schemes are defeated if the eligible category of persons are not being benefited. This is a very serious flaw and the Committee strongly recommend to the Government to write to the State Governments about this and take strict actions to ensure that only the eligible and genuine beneficiaries are benefited under the schemes. Besides, people's participation is missing, when the beneficiaries are not identified/selected during the Gram Sabha meetings. The Committee would like that all the discrepancies mentioned above are taken note of by the Department seriously and the Committee apprised about the action taken in this regard.

4. 2.15

The Committee appreciate the gearing up of monitoring mechanism by the Department by expanding the activity of the area officers scheme. While they have no objection in the increased outlay for travel expenses of the officers visiting various implementing sites, they would like that the Department should ensure that every paisa meant for the rural masses is meaningfully utilised. Besides, the Committee also recommend that whenever a team of area officers visit a particular implementing site, the local MP/MLA of the area should be informed prior to the visit so as to enable him to accompany the area officer and be a participatory in the monitoring mechanism of the Central Government. They hope that the Department would take care of this while planning the visits of area officers.

5. 2.21

The Committee are unable to comprehend the reason given by the Department for transferring NSAP and Annapurna scheme to the State Government that

the State Governments have their own pension scheme and it will provide necessary flexibility to the States in implementation of the schemes. While admitting that it is true that State Governments have their own pension schemes, the Committee find that the Central allocation provided for the above mentioned schemes was an additionality to the State Governments. The Committee observed during their on the spot study visits that the Central pension of Rs.75 was being added to the State Government's pension amount and as such a good amount was being provided to each old age beneficiary to provide sustenance. They also note that the 10th Plan Working Group had recommended the transfer of the scheme to Department of Social Justice and Empowerment. They also note that one component of the scheme that is National Maternity Benefit Scheme has already been transferred to the Ministry of Health and Family Welfare during the year 2001. In this scenario, the Committee feel that there is no planning on the part of the Government while launching certain schemes. After one or two years of the implementation of the scheme one part is transferred to the one Ministry or to the other Ministry and now the remaining parts are being transferred to the State Governments. In case any irregularities or lacunae are being felt in the implementation of the scheme the corrective steps should be taken by the Central Government instead of transferring schemes to the State Governments. They recommend to the Government to reconsider the decision of transferring the said schemes to the State Governments in view of the Committee's strong reservations.

6. 2.28

The Committee find that a laudable initiative was taken by the Government for the integrated development of the North-East. For the purpose, 10% of the allocated outlay of the Department is being exclusively earmarked to North-Eastern States. The Committee also note that the Department has certain reservations regarding the absorption capacity of the North-Eastern States. Although the allocation in this regard was started since 2000-2001, the utilisation position is very poor. Less than 10% of the allocated outlay could only be utilised and the remaining amount was contributed to non-lapsable pool of resources. Nothing concrete appears to have been done so far to

ensure the meaningful utilisation of scarce resources. Although the States were advised to formulate the Perspective Plan for 10 years, most of the States are yet to take concrete action in this regard. The Committee, therefore, recommend that the concerned State Governments be persuaded to take timely action to prepare the Perspective Plans and to ensure the absorption capacity of the State Governments. Besides, they would also like that the immediate action should be taken by the Government to consider and implement the recommendations of the Inter-Ministerial Committee as given in the Appendix-III, specifically with regard to agreeing to the request of such States for changing the funding pattern from 75:25 to 90:10 and allowing flexibility for reallocation of rural development funds among various schemes after due approval of the Department of Rural Development.

7. 2.30 The Committee urge the Union Government to examine the request of the Jammu and Kashmir Government for giving more allocation under different centrally sponsored schemes/programmes in view of the reasons indicated by the State Government. The Committee would like to be apprised about the reactions of the Government in the matter.

8. 3.9 The Committee during study visits undertaken during the year 2000-2001, had observed that the Banks were not cooperative in sanctioning/releasing loans under the scheme. The bankers were not only wary about investing funds on BPL persons, but the various guidelines of SGSY were also being flouted by them. Another surprising fact noticed by them is ignorance of bankers about the specific guidelines of RBI issued with regard to providing assistance to IRDP defaulters having a due up to Rs.5,000. Besides, there is much delay in publishing of BPL list by the Department of Rural Development. The Committee take all these irregularities in implementation of the programme very seriously and urge the Government to take corrective steps in this regard. On the issue of collateral security, the Committee are concerned to note, whereas the guidelines are very clear that collateral security is not required to sanction loan by the Banks under SGSY, the same is always insisted upon by the Bank. The

Committee recommend that the Department should pursue the issue with RBI and ensure that no complaint in this regard is received in future.

9. 3.13 The Committee note that in pursuance of their recommendation, the Government is considering to allow 20 percent APL members in a Self Help Group formed under SGSY. They hope that the final decision in this regard will be taken expeditiously by the Government and the Committee be apprised accordingly.
10. 3.17 The Committee note that whereas 3% of the handicapped persons have to be covered under SGSY, their actual coverage is less than 1%. One of the major factors as admitted by the Department for not fulfilling the targets is lack of sensitisation towards the problems of the disabled persons by the field implementing agencies. The Committee take this issue very seriously and are of the view that the implementing agencies are perhaps not keen to involve the disabled persons in formation of Self Help Groups for the reason best known to them. The Committee are of the opinion that attitude towards the disabled need to be changed and their involvement at every stage should be treated as productive. For this, proper initiation, orientation and sensitisation programme need to be organised through audio and visual media and also through persuasion and discussions. Much is required to be done. While the world is going ahead in turning the disabled into assets, India is lagging behind and finding scapegoats in defence of their failures. They appreciate that recently the issue has been addressed by the Department and NGOs and DRDA's representatives of five districts have been imparted training by Rehabilitation Council of India (RCI), New Delhi. They would like that similar training is imparted to the persons involved in the implementation of the programmes including the NGOs. Besides, they would also like that various prestigious institutions involved in imparting training in respect of various rural development schemes like NIRD, SIRD and ETC, should also include in their curriculum, the problems of disabled and their participation in poverty alleviation programmes.

11. 3.22 The Committee find that the challenges of poverty alleviation would be more during the coming years. As reported by Tenth Plan Working Group, 50 million additional rural poor households would be added to the existing number of Below Poverty Line persons in the country. In view of this scenario, the Committee urge that the stress of the Department should be to enable the person assisted under the programme to set up viable enterprises so as to enable him to cross the poverty line. Besides Bankers non-cooperative attitude towards Below Poverty Line (BPL) persons in respect of providing multi doses of assistance as dealt in detail in the earlier part of the report has to be corrected. Further, as recommended by the Working Group much has to be done to motivate Banks and NGOs to be the active partner to make the movement a success.
- The Committee hope that the various recommendations made by the Working Group are taken note by the Department and the required steps taken in this regards without further delay.
12. 3.25 The Committee find that the percentage of utilisation of funds during 2000-2001 is not satisfactory in some of the States. Most of the States have reported less than 70% of the utilisation. As assured by the Department, they hope that the percentage of utilisation would improve during 2001-2002. As regards the position of Manipur, Dadra & Nagar Haveli and Nagaland, the utilisation position in Performance Budget has been indicated as nil, whereas as per the reply of the Government actually these States have not furnished the utilisation certificates. The Committee urge the Government to find out the reason for not furnishing the utilisation certificates by the said States and apprise them Committee accordingly. They also feel that the Budget documents should given correct and clear picture of resources utilisation by each and every State/UT. They, therefore, urge the Government to take necessary steps in this regard in future.
13. 3.28 The Committee feel that to make the programme a success, there is an urgent need for a coordinated approach on the part of Bankers, NGOs, Panchayat/Implementing agencies and Government

officials. To achieve the desired results, a mission mode approach is necessary. The Committee hope that the Department would look into this aspect and take the desired action. The Committee also recommend that to know the ground reality in respect of the implementation of SGSY and to provide the necessary feed back to take the corrective steps for the better implementation of the Yojana concurrent evaluation should be commissioned expeditiously.

14. 3.30

While appreciating the fact that sufficient provision has been made for infrastructure development under the guidelines, the Committee would like the Department to evaluate whether sufficient attention is being given by the various implementing authorities in this regard. While noting that few States have so far sent their demand for infrastructure development, the Department should motivate other States to come forward with suitable proposals for infrastructure development.

15. 4.26

The Committee find that the well established programmes JGSY and EAS have been merged and restructured by the Department. Some of the new features like provision of foodgrains have been introduced in the newly structured scheme i.e. SGRY. The Committee note though programme has already started operating w.e.f. 1st April, 2002 the detailed guidelines are yet to be finalised in consultation with the Planning Commission. They have repeatedly been stressing that the Government should do proper planning before restructuring a programme so that there is no confusion in the minds of the implementing authorities and the scarce resources are properly utilised. In spite of that, the schemes are hurriedly restructured and closed. The final result being huge unspent balances with the respective State Governments. Frequent changing of the programme shows that the Government have not given enough considered thought before launching a scheme. The approach paper of the 10th Five Year Plan indicates serious weaknesses in the wage employment programme. The reply given by the Department is not convincing and it attempts to side track the issues. The Committee feel that this is not the correct approach. The Government before embarking on a

new scheme should have addressed the aforesaid shortcomings first. The Committee therefore, disapprove of the way the Department is restructuring its programmes frequently. They stress that the detailed guidelines of restructured programme should be finalised without any further delay after taking into account, the recommendations made by them in their earlier reports concerning EAS and JGSY as well as the recommendations made by the Working Group on Wage Employment and Infrastructure Development Programmes and the Working Group on 10th Plan. It should also be ensured that the opening balances with the State Governments in respect of erstwhile JGSY and EAS, are properly utilised.

16. 4.27

The Committee find that one of the new features included in SGRY is the provision of foodgrains. There is a provision of distribution of foodgrains at the rate of 5 kg. per manday to the workers as part wages for which Rs.5,000 crore have been earmarked during 2002-2003. While appreciating the provision of distribution of foodgrains as part of wages under the programme, the Committee have their apprehension about the quality as well as of quantity of the foodgrains to be supplied to the workers. The Committee urge the Government to find out a fool proof mechanism to ensure that the quality of foodgrains that will be supplied to the labourers is up to the mark and the workers get full quantity as per their entitlement. To achieve this objective the guidelines should clearly stipulate as to who would be responsible for any shortfall in the quality/quantity of the foodgrains.

While the Committee note that the “Gram Anna Bhandar” scheme is being run by the Ministry of Tribal Affairs, they find no reasons for not permitting construction of such Anna Bhandars at the District level under E.A.S. programme, particularly when infrastructure development work can be undertaken under the E.A.S. They, therefore, recommend that the Government should chalk out a programme for construction of Gram Anna Bhandar in coordination with the Ministry of Tribal Affairs, particularly when the country is facing acute shortage of space to store the surplus food grains.

17. 5.29 The Committee find that there are multiplicity of Central sector housing schemes. They have repeatedly been stressing in their earlier reports for convergence of various housing schemes. They note that the urgency of convergence of so many housing schemes has at last been recognised by the Government. Besides, the 10th Plan Working Group has also stressed to merge the existing rural housing programmes into a single integrated programme to be implemented throughout the country on a uniform basis. They hope that final decision in this regard is taken without any further delay and the Committee be apprised accordingly.
18. 5.30 The Committee find that 10th Plan Working Group have stressed that housing unit should be provided in the form of package comprising of rain water harvesting, sanitation, etc. and accordingly the unit cost should be revised upwards. The Secretary during the course of oral evidence has stated that they require more funds to implement the above mentioned recommendation of the Working Group. The Committee recommend that the recommendation made by the Working Group should be implemented and adequate outlay should be provided during 10th Plan.
19. 5.31 While analysing the position of outlay and expenditure under one of the oldest and biggest housing schemes of the Department, i.e. IAY, the Committee find that during 2000-2001, there was underspending of Rs.46.58 crore. Further, during 2001-2002 at RE stage Rs.464 crore was provided more under the scheme but there was underspending of Rs.427.61 crore as compared to RE during 2001-2002. They disapprove the way the projections are being made for demanding more outlay at RE stage. They strongly recommend that proper assessment of the funds required and planning should be done meticulously and realistic targets should be fixed to demand the outlay specifically at RE stage. Besides, when the additional outlay is provided at RE stage, it should be ensured that there is cent per cent utilisation of outlay.
20. 5.32 The Committee find that Rural Building Centres

have been financed by HUDCO only in case of seven States/Uts. They also note that the scheme of setting up of Rural Building Centre is a demand driven scheme. They urge the Government to taken necessary steps to create awareness of such schemes amongst the States so that proposals from the remaining States are forthcoming.

21. 5.33

The Committee find that HUDCO is not able to provide loan in some of the States due to the problem of a guarantor. Neither the State Government nor any agency in the States is ready to stand guarantor for providing houses in the rural areas. They also find that to overcome this problem, the HUDCO is consulting State Governments for nominating a Nodal Agency for channeling institutional finance for implementation of various rural housing schemes. The Committee appreciate the efforts being made by HUDCO in this regard and also urge the Government to write to the State Governments to nominate a nodal agency through which the loan by HUDCO could be channelised. The State Government should be asked to do the needful in this regard expeditiously so that the rural poor do not suffer on account of paucity of funds.

22. 5.34

The Committee find that Working Group of 10th Plan have made certain recommendations on Rural Housing. They urge the Government to take the necessary steps to implement the same particularly the strengthening of monitoring mechanism, resource management, proper identifications of beneficiaries and availability of technology which should be user friendly, cost effective and calamity proof. An all out efforts are called for the propagation and promotion of innovative and proven construction technologies, design and materials in the rural areas. More and more NGOs with experience in the above field should be associated.

23. 5.35

The Committee find that the Government have the goal of ending shelterlessness and conversion of all unserviceable kutcha houses to pucca/semi pucca houses by the end of Ninth Plan period. Since the Ninth Plan is already over, they would like to be apprised how far the set targets have been achieved.

24. 6.11 The Committee appreciate that pursuant to their recommendation made in their 13th Report, 13th Lok Sabha (refer para no.2.17) the Department has included a chapter on the status of the implementation of the Constitution (73rd Amendment Act). The Committee have separately taken up the subject 'Implementation of Part IX of the Constitution' and the same is under examination. The detailed analysis in this regard would be made in the report that will be presented to Parliament. However, at this stage, the Committee would like the Government to pay more stress on training of Panchayat Raj functionaries in view of the larger responsibility entrusted to them for implementation of various rural development programmes/schemes. The Committee also, presume that the National Action Plan for imparting training to Panchayats at all levels has been finalised by now. The Committee would like to be apprised about the salient features of the schemes with financial implications and the *modus operandi* of implementation. The Committee also recommend that outlay for training of Panchayats should be enhanced adequately.
25. 6.12 The Committee have repeatedly been recommending to merge DRDA with district Panchayats. Similar recommendation has been made by the 10th Plan Working Group. Yet only in four States the objective could be achieved. They stress that further necessary action in this regard should be expedited and the Committee be informed about the outcome.
26. 7.4 The Committee have examined the guidelines of Pradhan Mantri Gram Sadak Yojana in their 25th Report presented to Parliament on 19th December, 2001. The various issues have been examined in detail and recommendations made accordingly. The Committee hope that the Government would consider their recommendations and make necessary changes in the guidelines. However, as regards the involvement of MPs/MLAs in the implementation of the Pradhan Mantri Gram Sadak Yojana, the Committee find that MPs are being involved after finalising various plans by the district Panchayats. After the plans are finalised

by the district Panchayats, the Hon'ble MP has no option but to approve the same. In view of this, the Committee would like that the consent of Hon'ble MP should be obtained before deciding the priority in connection with rural connectivity. The Committee urge the Government to take care of this aspect and issue necessary directions to the State Governments.