

7

**STANDING COMMITTEE ON
URBAN AND RURAL
DEVELOPMENT
(1996-97)**

ELEVENTH LOK SABHA

**MINISTRY OF URBAN AFFAIRS &
EMPLOYMENT
AND
MINISTRY OF RURAL AREAS & EMPLOYMENT**

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

SEVENTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

SEVENTH REPORT
STANDING COMMITTEE ON
URBAN AND RURAL
DEVELOPMENT
(1996-97)

(ELEVENTH LOK SABHA)

ALLOCATION/UTILISATION OF
CENTRAL FUNDS BY STATES UNDER
VARIOUS SCHEMES
(PART I & II)

MINISTRY OF URBAN AFFAIRS & EMPLOYMENT
AND
MINISTRY OF RURAL AREAS & EMPLOYMENT
(DEPARTMENTS OF RURAL
DEVELOPMENT AND
WASTELANDS DEVELOPMENT)



Presented to Lok Sabha on 11th April, 1997
Presented to Rajya Sabha on 22nd April, 1997

LOK SABHA SECRETARIAT
NEW DELHI

April, 1997/Chaitra, 1919 (Saka)

Price: Rs.28.00

© 1997 BY LOK SABHA SECRETARIAT

Published under Rule 382 of the Rules of Procedure and Conduct of Business in Lok Sabha (Eighth Edition) and Printed by Manager, Government of India Press, (Photo Litho Unit), New Delhi-110002.

CONTENTS

	PAGE No.
COMPOSITION OF THE COMMITTEE	(iii)
COMPOSITION OF THE SUB-COMMITTEE	(v)
INTRODUCTION	(vi)
PART-I (DEPARTMENT OF RURAL DEVELOPMENT)	
CHAPTER I. Introductory	1
CHAPTER II. Allocation and Release of Central Funds	4
CHAPTER III. Non-release of Funds Allocated	7
CHAPTER IV. Unspent Balances	9
CHAPTER V. Release of State Share of funds	12
CHAPTER VI. Administrative Expenses	16
CHAPTER VII. Expenditure on Publicity	18
CHAPTER VIII. Availability of Infrastructure and Maintenance of assets	19
CHAPTER IX. Implementation and Monitoring	20
CHAPTER X. Evaluation and Review of Programmes/Schemes	21
PART II (DEPARTMENT OF WASTELANDS DEVELOPMENT)	
CHAPTER I. Introductory	25
CHAPTER II. Allocation and the Release of Central Funds	26
CHAPTER III. Funds allocated but not released	28
CHAPTER IV. Unspent Balances	29
CHAPTER V. Expenditure for Administrative purposes	30
CHAPTER VI. Expenditure on publicity	31
CHAPTER VII. Infrastructure availability and Maintenance of Assets	32
CHAPTER VIII. Implementation and Monitoring	33
CHAPTER IX. Evaluation/Review of Programmes/Schemes	34

CHAPTER XI.	Involvement of Elected Representatives in the Selection of Works/Projects/Monitoring and Evaluation of Programmes/Schemes (Common to all 5 Departments of the Ministries of Urban Affairs & Employment and Rural Areas & Employment)	35
--------------------	---	-----------

ANNEXURES

ANNEXURE-I	Financial Progress of various Centrally Sponsored Schemes of Department of Rural Development	39
ANNEXURE-II	Financial Progress various Centrally Sponsored Schemes of Department of Wastlands Development	40
ANNEXURE-III	Existing and Proposed selection of Works/Projects/Beneficiaries by elected representatives	41

APPENDICES

APPENDIX-I	Summary of Observations, Conclusions and Recommendations (Deptt. of Rural Development)	43
APPENDIX-II	Summary of Observations, Conclusions and Recommendations (Deptt. of Wastlands Development)	56

STANDING COMMITTEE ON URBAN AND RURAL DEVELOPMENT
(1996-97)

Shri Sontosh Mohan Dev—*Chairman*

MEMBERS

Lok Sabha

2. Shri Nand Kumar Sai
3. Shri Shivraj Singh Chauhan
4. Shri Lalmuni Chaubey
5. Shri Prahalad Singh Patel
6. Shri Chitrasen Sinku
7. Smt. Ketki Singh
8. Shri Sankar Prasad Jaiswal
9. Shri Chintaman Wanaga
10. Shri Ashok Singh
11. Shri Kishanlal Diler
12. Shri J.P. Aggarwal
13. Shri Sarat Pattanayak
14. Shri Joyanta Bhattacharya
15. Dr. B.N. Reddy
16. Shri Dilip Singh Bhuria
17. Shri Maruti Patil D. Shelke
18. Shri C. Narayanaswamy
19. Shri Basavaraj Rayareddi
20. Shri Subrata Mukherjee
21. Shri T. Govindan
22. Shri L. Balaraman
23. Shri Ramakant Yadav
24. Shri D. Venugopal
25. Shri Chhayana Patrudu
26. Shri Anant G. Geete
27. Shri B. Dharma Biksham
28. Shri Ram Sajivan
29. Shri Surjit Singh Barnala
30. Shri Jai Parkash

Rajya Sabha

31. Shri Thennala Balakrishna Pillai
- *32. Shri Sushil Barongpa
33. Shri V. Rajeshwar Rao

*Nominated w.e.f. 5.11.96 vice Shri Ajit P.K. Jogi ceased to be Member of the Committee.

34. Shri Radhakrishan Malviya
35. Shri Sitaram Kesri
36. Shri O.P. Kohli
37. Shri Suryabhan Patil Vahadane
38. Shri Jagdambi Mandal
39. Shri Bhagaban Majhi
40. Shri Nilotpal Basu
41. Shri V. Rajan Chellappa
42. Shri Solipeta Ramachandra Reddy
- *43. Shri Joy Nadukkara

SECRETARIAT

- | | | |
|-------------------------|---|-----------------------------|
| 1. Shri S.N. Mishra | — | <i>Additional Secretary</i> |
| 2. Smt. Roli Srivastava | — | <i>Joint Secretary</i> |
| 3. Shri G.R. Juncja | — | <i>Deputy Secretary</i> |
| 4. Smt. Sudesh Luthra | — | <i>Under Secretary</i> |
| 5. Shri Sundar P. Das | — | <i>Reporting Officer</i> |

* Ceased to be a Member of the Committee consequent upon his retirement from Rajya Sabha w.e.f. 21.04.97.

..

**SUB-COMMITTEE I ON ALLOCATION/UTILISATION OF
CENTRAL FUNDS BY STATES UNDER VARIOUS SCHEMES
OF THE STANDING COMMITTEE ON URBAN AND RURAL
DEVELOPMENT**

Shri Sontosh Mohan Dev—Chairman

- 2. Shri O. P. Kohli—Alt. Convenor**
- 3. Shri Chintaman Wanaga**
- 4. Shri Kishanlal Diler**
- 5. Shri Joyanta Bhattacharya**
- 6. Shri Subrata Mukherjee**
- 7. Shri Anant G. Geete**
- 8. Shri Ram Sajivan**
- 9. Shri Radhakrishan Malviya**
- 10. Shri Sitaram Kesri**
- 11. Shri Suryabhan Patil Vahadane**

INTRODUCTION

1. the Chairman of Standing Committee on Urban and Rural Development (1996-97) having been authorized by the Committee to submit the Report on their behalf, present this Seventh Report on 'Allocation/ Utilisation of Central Funds by States under various Schemes' of the Ministry of Rural Areas & Employment and Ministry of Urban Affairs & Employment. The subject was entrusted to a Sub-Committee of the Standing Committee on Urban and Rural Development.

2. The Sub-Committee took evidence of the representatives of Ministry of Rural Areas & Employment and Ministry of Urban Affairs & Employment on 26th September, 1996 and 11th October, 1996.

3. The Committee wish to express their thanks to the Ministry of Rural Areas & Employment and Ministry of Urban Affairs & Employment for placing before them the requisite material in connection with examination of the subject.

4. The Report was considered and approved by the Sub-Committee at its sitting held on 19th December, 1996 and adopted by the full Committee at their sitting held on 4th April, 1997.

5. The Committee wish to express their thanks to the officers of the Ministry of Rural Areas & Employment and Ministry of Urban Affairs & Employment who appeared before the Committee and placed their considered views. The Committee place on record their appreciation of the work done by the Sub-Committee of the Committee on Urban & Rural Development. They would like to place on record their sense of deep appreciation for the invaluable assistance rendered to them by the officials of the Lok Sabha Secretariat attached to the Committee.

NEW DELHI;
April 9, 1997

Chaitra 19, 1919 (Saka)

SONTOSH MOHAN DEV,
Chairman,
Standing Committee on
Urban and Rural Development.

PART I

**MINISTRY OF RURAL AREAS & EMPLOYMENT
(DEPARTMENT OF RURAL DEVELOPMENT)**

CHAPTER I

INTRODUCTORY

The Ministry of Rural Areas and Employment came into being by renaming the Ministry of Rural Development on March 8, 1995, which endeavours to reach out to the last and most under privileged sections of society, providing them with gainful Self-Employment and Wage Employment and to improve their life support systems and infrastructure.

1.2 The Department of Rural Development is one of the three Departments of this Ministry. This Department implements and coordinates the following major Programmes/Schemes to achieve the desired objectives:—

1. Rural Water Supply Programme (RWSP)
 - Accelerated Rural Water Supply Programme (ARWSP)
 - Rural Water Supply Programme being implemented by different State Governments through their respective Minimum Needs Programmes (MNPs)
2. Rural Sanitation Programme (RSP)
 - Central Rural Sanitation Programme (CRSP)
 - Rural Sanitation Programme being implemented by different State Governments through their respective Minimum Needs Programmes (MNPs)
3. National Social Assistance Programme (NSAP)
 - National Old Age Pension Scheme (NOAPS)
 - National Family Benefit Scheme (NFBS)
 - National Maternity Benefit Scheme (NMBS)
4. Land Reforms
 - Strengthening of Revenue Administration and Updating of Land Records (SRA & ULR)
 - Computerisation of Land Records
 - Grants-in-Aid to Institutions for Agrarian Studies
5. Other Rural Development Programmes
 - Roads in Special Problem Areas (RSPA)
 - Organisation of Beneficiaries (OB)

- Promotion of Voluntary Schemes and Social Action Programme (PC & SAP)
- Establishment/Strengthening of Regional Training Centres (ETCs)
- Organisation of Training Courses, Seminars and Workshops (OTCs)

1.3 All of the above mentioned Programmes/Schemes are either Centrally Sponsored Schemes/Central Sector Schemes or in the State Sector Schemes having a direct bearing on the Central Sector Schemes.

1.4 The Committee during their course of examination of Demands for Grants 1995-96 have found that funds allocated for different rural and urban poverty alleviation and employment creation schemes are inadequate keeping in view the big challenges of rural and urban poverty in the country. The proposed amount by the respective rural and urban Departments are not agreed to by the Planning Commission and huge cuts are exercised due to the stringency of funds. They further noticed an alarming situation where not only there is unspending during the 8th Plan outlay for different programmes/schemes, but releases to States are lesser than the allocation. Further disturbing feature is that there are huge unspent balances with the States. In some of the States, the utilisation is marginal in specific programmes. It was also found that States are not providing the requisite matching contribution. In this background the Committee decided to examine the allocation and utilisation of Central funds by States under various Centrally Sponsored Schemes of the respective Departments of Ministry of Rural Areas and Employment and Ministry of Urban Affairs and Employment. The Committee examined in depth the allocation and utilisation of funds earmarked for respective Urban and Rural Schemes. They during their on the spot study visit to West Bengal and some of the North Eastern States observed the situation in detail. The conclusions/observation of the Committee are given in the following parts of the Report:

Part I—Department of Rural Development

Part II—Department of Westlands Development

Part III—Department of Rural Employment and Poverty Alleviation

Part IV—Department of Urban Development, and

Part V—Department of Urban Employment and Poverty Alleviation

1.5 In the first part of the Report the Committee have examined the Department of Rural Development relating only to allocation and utilisation of selected schemes of the Department of Rural Development in the context of plan allocation or Budget Estimates (BE).

1.6 The respective observations/recommendations pertaining to the Department of Wastelands have been given in Part II of the Report. Due

to preoccupation with examining Demands for Grants (1997-98) the Committee could not present Part III, IV & V as given in the Para 1.4 of the Report. The said reports will be finalised and presented to Parliament in due course.

1.7 While analysing allocation and utilisation of funds for various rural and urban development schemes, it has been noticed that the elected representatives have not so far been involved with the selection of projects/schemes. The Committee have examined the situation in depth and the observations/recommendations in respect of all the urban and rural development schemes have been given in Chapter XI.

CHAPTER II

ALLOCATION AND RELEASE OF CENTRAL FUNDS

The Eighth Plan (1992—97) Outlay of the Ministry of Rural Areas and Employment was for Rs. 30,000 crores which included Rs. 6116 crores for the Department of Rural Development. Allocations to different Plan schemes/programmes are made at the beginning of each Five Year Plan. Similarly, allocation to programmes/schemes being initiated during the plan period are made in the Budgetary Demand *i.e.* Budgetary Expenditure or Budget Estimates of the ensuing financial year and ultimately are reflected in the total actual expenditure of that intervening Five Year Plan. The release of Central funds to different programmes/schemes are made out of these allocations/Budgetary Demand.

2.2 As far as funding pattern to different programmes/schemes are concerned, there are mainly three types of patterns that are being followed by the Department. Firstly, there are programmes for which 100% funds are provided by the Central Government. Secondly, there are certain schemes in which both Centre and the States share the funding and lastly, there are schemes in which the Centre, the States and the implementing agencies are jointly involved. The details regarding the funding pattern and the financial performance of the different schemes are given at Annexure-I.

2.3 As per the written information forwarded to the Committee funds allocated to the Department are normally released in two instalments. The first instalment is released on adhoc basis during the month of April, May when 50% of the funds are released and the second instalment is released from October onwards on fulfillment of the conditions laid down in the guidelines of the respective schemes which, normally, cover utilisation certificate, audit report for the previous year and the release of appropriate share by the State Government. There is no uniform pattern for release of Central share of funds for all the programmes/schemes. Under each of the schemes, guidelines have been issued governing the pattern of release of Central funds.

2.4 On the question of whether the Department is considering any proposal for uniform pattern for release of Central share of funds in which the Centre and at least another funding agency are jointly involved, the Department in their replies have stated that there is variation in the release pattern from scheme to scheme. It depends on the specific requirement of the scheme which is based on the guidelines of that

particular scheme. These variations generally relate to the number of instalments and the conditions of release. Normally, the outlay is released in two instalments of 50% each but in case of the scheme where specific projects, the proposals or training activity is supported, the number of instalments may be even three in the ratio of 40:40:20. The release of second/subsequent instalment is generally based on a percentage utilisation of the amount of first instalment. However, in the case of ARWSP, CRSP, the State Governments are required to make matching provisions under their Minimum Needs Programme and report expenditure upto the level of Central funds so as to qualify for the release of the second instalment.

2.5 On a query whether Central allocation of funds to different States/UTs are being adjusted against the overdraft of that particular State/UT accumulated during previous years, the Government in their reply have stated that the Central allocation of funds to different States/UTs is done on the basis of criteria given in the guidelines of the respective schemes and release of funds is, therefore, made observing the procedure laid down. None of these guidelines provides for adjustment of Central release of a particular year against the overdraft of any particular State/UT during the previous year. On the contrary, the shortfall in the State's matching share in a particular year is deducted from the Central allocation for the State for the next year.

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

2.7 The Committee during their on the spot study visit to West Bengal and some of the North Eastern States have noticed several instances of diversion of funds. It was observed that outlay released by the Centre to the

respective State Governments for rural development schemes are deposited in their revenue Account or Personal Ledger Account to serve the various purposes as below:

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

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

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

CHAPTER III

NON-RELEASE OF ALLOCATED FUNDS

As per the written information forwarded to the Committee a huge amount have not been released out of the Central allocation. As per Annexure-I during the year 1995-96, the Department's Revised Expenditure (RE) was Rs. 1814.00 crores and State's MNP Sector allocation was Rs. 1330.32 crores whereas amount not released for different schemes were for RWSP Rs. 277.058 crores, for RSP Rs. 32.55 crores, for NSAP Rs. 158.44 crores, for Grants in aid to Agrarian Institutions Rs. 0.41 crores and for other Rural Development Programmes was Rs. 1.48 crores. Thus during 1995-96 the amount not released by the Department was to the tune of Rs. 443.938 crores.

3.2 As per the written note furnished to the Committee by the Department, it is noticed that huge amount allocated by Central Government for respective Centrally sponsored schemes as well as contribution of State Government for the respective schemes have not been released over the year. The statement for the year 1995-96 is given at Annexure I. It could be seen that huge funds earmarked for the schemes have not been released under various schemes as below:—

RWSP	<i>Rs. in Crores</i>
ARWSP	54.942
MNP	149.802
RGNWM	72.314
RSP	
CRSP	9.81
MNP	22.74
NSAP	
NOAPs	54.36
NFBS	49.42
NMBS	28.66
Land Reforms	
Grants in aid to Agrarian Institutions	0.41
Roads in Special Problem Area	1.48
Total	Rs. 443.938 Crores

Centre's contribution (not released)	271.396
State Contribution (not released)	172.542

It may be highlighted here that Budget Estimates and Revised Estimates (Plan schemes) contribution for the year 1995-96 of the Department was to the tune of Rs. 1263.00 crores and Rs. 1814 crores respectively.

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

The Committee are surprised to note that the amount has not been released for the particular years under different Central schemes by the Centre as well as State Governments under their State Government funds. The position as given for the year 1995-96 is quite alarming. When we see the Central sector allocation, out of Rs. 1814 crores Revised Estimates, Rs. 698.132 crores was not released which comes to around 32%. They are disturbed to note that there is not only meagre allocation for the different Centrally sponsored schemes but the funds finally allocated and agreed to by the Planning Commission are not allocated fully for the schemes. They feel that this is a gross injustice to the poorer section of society for which the schemes has been launched. The Committee would like to recommend emphatically that the funds finally agreed by the Planning Commission should be allocated fully for the respective schemes and further it should also be ensured that the State matching contribution is also provided.

CHAPTER IV

UNSPENT BALANCES

(i) Unspent Balances in respect of different Centrally Sponsored Schemes and their reasons

4.1 The information with regard to accumulated unspent balances in respect of the different schemes being implemented by the Department as on 1.4.96 is given at Annexure I.

4.2 The data with regard to the unspent amount is as below:—

	<i>Rs. in crores</i>
Budget Estimate 1995-96	1263
Revised Estimates 1995-96	1814
<i>Unspent Balance as on 1.4.96</i>	
Accumulated unspent balance	623.76

(Data on unspent balance with regard to Rural Sanitation Programme (MNP), Roads in Special Problem Areas, ETCs is not available with the Department).

4.3 The Department in the written replies have themselves admitted that one of the reasons for accumulated unspent balances is late release of the funds. The funds are either released at the fag end of the financial year and even during the last months, *i.e.* February-March. Further as admitted by Secretary during the course of oral evidence is that as per the guidelines 25% of the annual allocation can remain unspent.

4.4 The Committee note with concern the huge accumulated unspent balances that has been as high as 34.28% of the Revised Estimates for the year 1995-96. They are perturbed to note that there is not even a single scheme/programme of the Department for which nil unspent balance exists. They apprehend that the rule which provides that 25% of the annual allocation can remain unspent is a licence for the State Government to keep huge amount as unspent balance. Further, it is noted with regret that major portion of the funds are released at the fag end of the year and that too in the month of February and March. It is needless to highlight here that monitoring for the Centrally sponsored schemes needs to be further strengthened and there is a great scope for revision of the set guidelines by the Centre as recommended in the Para 2.6 in Chapter II. They feel that, there should be some uniform pattern for the release of funds with proper time schedule for all the schemes being implemented by the Department. The Committee need hardly emphasise that given the huge task of

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

(ii) Unspent balance with CAPART

4.5 As per the written note forwarded to the Committee the accumulated unspent balance left with CAPART for some of the schemes as on 1.4.95 is as below:—

Name of the Scheme	Release 95-96	Expenditure 96-97	Unspent as on 1.4.95	Balance as on 1.4.96
ARWSP	63.50	42.35	21.15	NA
CRSP	NA	06.12	2.93	NA
OB	0.875	0.79	0.085	1.06
PC & SAP	NA	04.82	NA	0.20
Total	64.375	54.08	24.165	1.26

4.6 The reasons for involving CAPART since 1985-86 for the above mentioned schemes as admitted by the Secretary during the course of evidence is as below:—

“What we thought was that where the Governmental agencies were implementing the programme, we should involve voluntary organisations also so that there should be some element of competition. If voluntary organisations can do the work better, that would set an example for Government agencies to follow the same”.

4.7 On another query on the existing monitoring mechanism of CAPART, the Secretary during the course of evidence admitted as below:—

“CAPART has its own mechanism of monitoring its expenditure. We are represented in the Executive Committee and the General Body and there we get to know what is the progress. We are not regularly monitoring the scheme which the CAPART funds”

4.8 The Committee are surprised to find that the objective for which CAPART and other voluntary organisations were involved in the implementation has not yet been achieved. Similarly, they note that the purpose that voluntary organisations will inject an element of competition for the Governmental agencies, as admitted by the Secretary, has been

totally defeated. They are equally surprised to note that even after completion of eight months of fiscal year 1995-96, the Department does not have a correct estimate of the total unspent balance left with CAPART as on 1.4.96 and the department does not regularly monitor the schemes which CAPART funds. In view of the above scenario, the Committee urge the Department to initiate immediate corrective steps in consultation with CAPART to utilise the unspent balance left so far. They would also like the Department to regularly monitor the claims of CAPART and the schemes by its own existing monitoring mechanism.

CHAPTER V

RELEASE OF STATE SHARE OF FUNDS

As per the written information forwarded to the Committee, State Governments release the State's share after the release of Central share and indicate the position regarding the release of State share of funds in the Monthly Progress Reports. On another query whether all the States/UTs provide Monthly Progress Reports in time, the Department in the written replies have stated as below:—

“The State Governments/UTs are generally providing Monthly Progress Reports regularly by the due date *i.e.* 20th of the following months. However, in a few cases, the receipt of the report get delayed due to the various reasons.”

5.2 The State/UTs which have not provided the Monthly Progress report regularly are as under:

Rural Water Supply Programme	J&K, Nagaland, Andaman and Nicobar Islands and Daman & Diu
Rural Sanitation Programme	Haryana, J&K, Nagaland, Orissa, Punjab, Tamil Nadu, Daman & Diu

These States have constantly been reminded to send the progress reports and expedite the missing reports.

5.3 The reasons for not providing the requisite share or spending a lesser amount of the State share under CRSP as mentioned in the written notes are as under:—

Andhra Pradesh	:	The shortfall occurred during the course of implementation of the schemes by the Zila Parishad. Even though whatever State Government provided as the matching funds, could not be fully utilised.
Assam		Due to adequate provision approved in the annual plan of the States keeping in view the low priorities of different plan programmes.
Kerala	:	The shortfall was covered by excess MNP expenditure during the previous year.
Madhya Pradesh	:	The shortfall was covered by excess expenditure under MNP in the previous years.

Maharashtra	Due to low priority given to the programme by the State Government. The State Government has now informed the Central Government that from 1995-96, adequate priority is being given to the Rural Sanitation Programme in the State and efforts are being made to provide adequate funds to match the Central allocation. The State Government has also sought the permission of the Central Government.
Nagaland	Financial constraints
Orissa	Slow Progress of implementation
West Bengal	Implementing a model other than the ones mentioned in the guidelines and not achieving the provision/expenditure on year to year basis.

5.4 On the query, what action is proposed to be taken against each of the States mentioned above for not releasing the States share, the Department in the written replies have stated that the shortfall in expenditure under MNP as compared to that under the CRSP in the previous years upto 1995-96, is deducted at the time of release of second/last instalment of funds for the financial year. The State Governments which have not provided matching provision under the MNP during 1996-97 have been requested to take steps to increase the MNP allocation to match the CRSP allocation. Despite the request from the Central Government, if the States do not provide the matching amount under the MNP, release of funds under the CRSP is restricted to the provision made by them under the MNP.

5.5 On another question whether there is any incentive for the States which provide the requisite matching share the Department in the written replies have stated that no special incentive is given for such States. The incentive is in-built into the system of release of full allocation for the States which do not have any shortfall in the matching contribution.

5.6 The Committee note with concern the reasons furnished by various State Governments for not providing the requisite share or spending lesser amount of the State's share under the respective schemes as given at Para 5.3 above. They feel that State Governments have not taken the Centrally sponsored schemes for the upliftment of poorer of the poor, seriously. It is surprising to note the statement given by the Maharashtra Government with regard to the lesser spending under Central Rural Sanitation Programme as low priority given by the respective State Government. It is astonishing to note that one of the bigger priority programme to provide hygienic conditions in the rural masses has not been given priority by the

State Government. The reasons given by the other State Governments are equally disturbing. The Committee feel that States have yet to take the programmes for rural masses as the priority programmes. They would like to recommend that Centre should take necessary corrective steps to make the State Governments aware of the priority for these programmes and unless earnest action is taken on their part there could not be any sources for the satisfactory implementation of the programmes.

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

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

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

Programme can be pulled together by virtually making both Rural Water Supply Programmes and Rural Sanitation Programmes on 50:50 per cent funded programme.

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

CHAPTER VI

EXPENDITURE FOR ADMINISTRATIVE EXPENSES

On the query what are the reasons for uneven/nil ratio of expenditure earmarked for administrative expenses to be met by the implementing agencies under each of the programme/scheme and whether the Department is considering a proposal to earmark a fixed ratio of expenditure for administrative expenses to be met by the implementing agencies, the Department in their written reply have stated that in case of NSAP which is 100% funded by the Central Government, a fixed ratio for administrative expenses has been provided in the scheme itself and this relates to the funds released by the Central Government. Further in case of Centrally Sponsored Schemes like CRSP, the percentage fixed for administrative expenses relates to the total allocation which includes the Central as well as the State share. In case of ARWSP, no provision has been allowed while in respect of all other schemes of the Department no fixed ratio has been provided for the purpose of administrative expenses. The percentage for administrative expenses under NSAP and CRSP have been fixed with reference to the quantum of funds, the administrative infrastructure required for implementation of the Scheme and the availability of such infrastructure with the implementing agencies. ARWSP is being implemented by the Public Health Engineering Departments of the States, which are existing Organisations with requisite infrastructure. In the case of Schemes where no fixed ratio has been provided, the Central assistance is given with reference to specific projects, proposals or requirements. In case of Training schemes like ETCs, SIRDs, OTCs, etc. no specific allocation is made to any State and the funds are released on the specific requirement of the ETC/SIRD/OTC towards recurring and non-recurring expenditure.

6.2 The Department in their written reply have also stated that Central assistance provided takes care of administrative expenses adequately, and no need is felt to consider any proposal to introduce changes in the existing setup.

6.3 The Committee are distressed to note that except for NSAP, the existing guidelines of different Schemes being implemented by the Department, either do not clearly mention provisions for administrative expenses or have nil ratio of expenditure for administrative expenses. As a result, allocation for such programmes/schemes are definitely inadequate to take care of the requirement on account of administrative expenses. They also note that administrative charges, are disbursement charges, which are

meant for administering the schemes in a proper manner and provide infrastructure for it. At the same time, Administrative charges should be sufficient to meet disbursement charges. They recommend that all the Centrally funded/Centrally sponsored schemes should have a clear provision in the guidelines itself, for the administrative expenses. They also recommend the Department to earmark a fixed ratio of administrative expenditure for each programme/scheme which will take care of administrative expenses adequately.

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

CHAPTER VII

EXPENDITURE FOR PUBLICITY OF THE SCHEME

On a question what is the ratio of expenditure for publicity of the scheme, the Department in the written reply have stated that, for ARWSP and CRSP the beneficiaries are fully aware of the benefits of the drinking water supply schemes. It has also been stated that since the subject falls under the purview of the States, for further betterment of masses the States can publicise the programme/scheme to inform the beneficiaries of the action plan for the financial year. For NSAP, the Department have stated that, in addition to the 5% of funds earmarked as administrative expenditure of which 4% will be released to the districts in two instalments (of 2% each) and 1% of funds is kept with the Centre as reserves to be released to States/UTs for the implementation of the programme. Any additional expenditure incurred by the States/UTs for publicity can be partly or fully met from this reserve. The States/UTs are also expected to contribute from their own funds towards publicity.

7.2 As per the written information forwarded to the Committee, none of the Schemes coming under Land Reform and Other Rural Development Programmes have provisions for expenditure on publicity.

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

CHAPTER VIII

INFRASTRUCTURE AT THE IMPLEMENTATION LEVEL AND MAINTENANCE OF ASSETS CREATED UNDER THE SCHEMES

As per the written information forwarded to the Committee, for ARWSP and CRSP the involvement at the Block/Panchayat level is mainly in the operation and maintenance of the scheme for which necessary infrastructure is available. For NSAP and SRA & ULR, it has been stated that the existing infrastructure available at the level of Block/Panchayat/Revenue Department is expected to implement the programme. For the scheme of computerization of land records, Central Govt. provides funds for creation of infrastructure at the District level. For all other Rural Development programmes, the Department have stated that the infrastructure is available with NGOs and at institutional level. On a query whether the Government has ever made verifications on the claimed infrastructure, the Department have stated they have not verified the claims of the implementing agencies about the availability of infrastructure.

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

CHAPTER IX

INVOLVEMENT OF ELECTED REPRESENTATIVES IN THE IMPLEMENTATION AND MONITORING OF THE SCHEMES

On the question in what way local representatives *i.e.* MLAs, MLCs and MPs are involved in the monitoring and implementation of the Schemes the Department in the written reply have stated as under:—

ARWSP & CRSP : MPs, MLAs and MLCs are involved through the consultative Committees and Standing Committee.

NSAP : MPs, MLAs are involved at the District/Zilla Parishad/Municipalities/Panchayat Samitis levels.

Land Reforms : Local representatives are not involved but their involvement would be of great help.

Other Rural Development Programmes :

MPs, MLAs and MLCs can give valuable suggestions.

9.2 The Committee during their on the spot study visit to West Bengal and North Eastern States found the Governing Body of DRDAs do not have representation of elected representatives or SCSTs and minorities.

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

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

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

CHAPTER X

EVALUATION/REVIEW OF PROGRAMMES

As per the written information forwarded to the Committee the Department undertakes Concurrent Evaluation of different schemes at regular intervals throughout the country by associating independent Research Institutions of repute. Details of such evaluations conducted so far programme-wise, are as follows:—

(i) **ARWSP:** The evaluation of the programme was carried out by Operation Research Group in selected States during 1988-89. During 1991-93 a habitation-wise survey was carried out to find out the status of availability of drinking water.

(ii) **Land Reforms:** During 1994-95 an evaluation study on allotment of ceiling surplus Land Reforms Programme was undertaken in nine major States of Andhra Pradesh, Bihar, Gujarat, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Orissa and Uttar Pradesh.

10.2 For the information on all other programmes and schemes for which no concurrent evaluations has been undertaken yet and the probable year by which the Department proposes to conduct the concurrent evaluation the Department have replied that no concurrent evaluation has been conducted so far in respect of Rural Sanitation and NSAP.

10.3 The Department have also stated that the concurrent evaluation of NSAP is proposed to be undertaken sometime in early 1997-98 after completing the proposed quick evaluation of EAS by April 1997. Proposal for concurrent Evaluation of Rural Sanitation Programme during 1997-98/1998-99 will also be put to the Expert Group on Concurrent Evaluation for its advice.

10.4 The Committee are distressed to find that out of all programmes/schemes being implemented by Department, evaluation of ARWSP and Distribution of Ceiling surplus Land has been undertaken by the Department so far. They also note that as per the bifurcation of Ministry of Rural Areas & Employment in March, 1995, the evaluation of EAS (Employment Assurance Scheme) comes under the purview of Department of Rural Employment and Poverty Alleviation and not under the purview of Department of Rural Development. They also note that the schemes like CRSP, SRA & ULR, Computerization of Land Records, Grants-in-Aid to Agrarian Institutions and all other Rural Development programmes/schemes which was initiated on or before mid 1980 does not have a single evaluation to assess the actual impact of the implementation of these

schemes. In view of the above they recommend that the Department should carry out a thorough evaluation of each of the schemes at the earliest. They also urge the Department to carry out evaluation/review of each of the schemes being implemented by the Department preferably at the end of each Five year plan so that the Department would have a fairly accurate idea of the current status of achievements and the shortfalls before the beginning of the subsequent five year plans.

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

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

PART II
MINISTRY OF RURAL AREAS & EMPLOYMENT
(DEPARTMENT OF WASTELANDS DEVELOPMENT)

CHAPTER I

INTRODUCTORY

The Ministry of Rural Areas & Employment came into being by renaming the Ministry of Rural Development on March 8, 1995. The Ministry, through its various Programmes/Schemes endeavours to reach out to the last and most under privileged section of society, providing them with gainful self employment and wage employment and to improve their life support systems and infrastructure.

1.2 The Department of Wastelands Development is one of the three Departments of this Ministry. The Department implements and coordinates the following major Programmes/Schemes to achieve the desired objective:—

1. Integrated Wastelands Development Projects Scheme (IWDP)
2. Support to NGOs/VAs Scheme
3. Technology Development, Extension and Training Scheme (TDET)
4. Investment Promotion Scheme (IPS)
5. Wastelands Development Task Force (WDTF)

1.3 All of the above mentioned Programmes/Schemes are Centrally Sponsored Schemes/Central Sector Schemes.

1.4 In the present part of the Report, the Committee have restricted its examination only to the major issues relating to allocation and utilisation of Central Funds by States under various major Schemes being implemented by the Department of Wastelands Development in the context of Plan Allocation or Budgetary Estimates (BE) since the beginning of the VIIIth Five Year Plan i.e. 1992-93.

CHAPTER II

ALLOCATION OF CENTRAL FUNDS AND RELEASE

2.1 Department of Wastelands Development was set up under, the then Ministry of Rural Development in July, 1992. Thus allocation to Programme/Scheme being initiated during the plan period is made in the Budgetary Demand i.e. Budgetary Estimate (BE) of the ensuing financial year and ultimately are reflected in the total actual expenditure of that intervening five year plan. The release of Central funds to different Programmes/Schemes of the Department are made out of these Budgetary Demand.

2.2 All the Schemes of this Department are Plan Schemes, in which the funds are released in the form of Grants-in-Aid, where in 100% funding of the project is made by the Government of India except for Investment Promotional Scheme (IPS) under which central assistance is restricted to 25% (50% for SC/ST) of the total Project cost (subject to a maximum of Rs. 25.00 lakhs)

2.3 As per the written information forwarded to the Committee funds are released round the year depending upon the receipt of utilization certificate, Quarterly Progress Reports and audited Statements of accounts of the previous financial year. Apart from the initial release, subsequent releases take place in the last quarter of the year. Further, there is no uniform pattern for release of central share of funds for all the Programmes/Schemes. At the same time District Rural Development Agencies/Project Implementation Agencies (DRDAs/PIAs) are not regular in sending the Utilisation Certificate and Quarterly Progress Reports.

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

2.5 On a question whether the Department have incorporated an in-built mechanism in the guidelines to find out diversion of funds to other Schemes the Department in the written reply have stated that since funds are released under the Scheme against specific projects there is no question of diverting these to other schemes; but in case of shortfall, reappropriation is done in a particular Scheme from other Scheme of the Department.

2.6 The Department have also mentioned, that the total amount reappropriated to other Schemes of the Department since 1993-94 is as below:—

<u>Year</u>	<u>Reappropriated Amount</u> (in Rs. Crores)
1993-94	3.64
1994-95	3.92
1995-96	1.99
<hr/> Total <hr/>	<hr/> 9.55 <hr/>

2.7 The Committee are disturbed to note that, though the Department admits no diversion of funds among the Schemes, in reality the released funds has been diverted and used for other Schemes since 1993-94. They note with concern, that Rs. 9.55 crores, were reappropriated and used by the Department between 1993—95 period for other Schemes. The Committee strongly recommend that the funds meant for the Schemes should be spent fully and for the particular Scheme for which they are meant. They also recommend that under no circumstances the Department should adhere to diversion of allocated funds.

CHAPTER III

AMOUNT NOT RELEASED OUT OF THE CENTRAL ALLOCATION

Central allocation to different programmes are made at the beginning of each Five Year Plan. If a Programme/Scheme starts at the intervening period of Five Year Plan, relevant allocation for such schemes are demanded in Budgetary Demands of the Ministry. As per the written information forwarded to the Committee, over the years there was some amount not released out of the Central Allocation, which has been given at Annexure II. It could be seen there from, that during the year 1995-96, allocations to Investment Promotion Scheme (IPS) and Wastelands Development Task Force (WDTF) was Rs. 2.00 crores and Rs. 1.50 crores respectively against which an expenditure of only Rs. 0.14 crores and Rs. 0.41 crores were made. This resulted in an amount not released to the tune of Rs. 1.86 crores and Rs. 1.09 crores respectively for Investment Promotion Scheme and Wastelands Development Task Force during 1995-96.

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

CHAPTER IV

UNSPENT BALANCE OF DIFFERENT SCHEMES

The information on the accumulated unspent balance of the different Schemes being implemented by the Department as on 1.4.96 is at Annexure-II.

4.2 One of the reasons for accumulation of maximum unspent balance as admitted by the Department in the written replies is the fact that the funds under the Programmes/Schemes are released round the year. Even, second and subsequent releases take place in the last quarter of the year. The funds are utilized by DRDAs/PIAs by way of spill over. The Department have also stated, since, this a continuous process, so the continuity of the project is maintained.

4.3 The Committee note with concern, huge accumulation of unspent balance over the years for several schemes of the Department of Wastelands Development like in the Schemes of IPS and WDTF. They apprehend that the practice of releasing second and subsequent releases in the last quarter of the year, is contributing to the accumulation of unspent balance. They recommend that Department should clearly demarcate the months by which 1st, 2nd and subsequent instalment of funds should be released, preferably latest by the month of December so that the States have enough time to utilize the allocated money. The Committee also urge the Department to chalk out a time frame programme in consultation with the involved DRDAs/PIAs by which the entire accumulated unspent balance can be utilized.

CHAPTER V

RATIO OF EXPENDITURE FOR ADMINISTRATIVE EXPENSES

On a question what is the ratio of expenditure earmarked for administrative expenses to be met by the implementing agencies, the Department have replied for IWDP, 10% of the total cost of the project has been fixed as administrative expense to be met from the mentioned amount of the project but the Project Implementing Agencies (PIAs) are not required to meet the administrative cost. For Support to NGOs/VAs Scheme 15% expenses are provided to NGOs/VAs for meeting the overhead charges which include administrative expenses, publicity and training. For Technology Development, Extension & Training, Wastelands Development Task Force and Investment Promotion Scheme there is no fixed ratio of expenditure earmarked for administrative expenses.

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

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

CHAPTER VI

EXPENDITURE ON PUBLICITY OF THE SCHEME

When asked whether the beneficiaries are aware of details of the Schemes, the Department have replied that it is not a fact that beneficiaries are not aware about the Schemes. The common guidelines for development of Wastelands through Watershed approach, provide for people's participation and involvement of Panchayati Raj Institutions, Non-Government Organization (PRIs & NGOs) for sustainable development. For disseminating information, creating awareness and activating implementation and beneficiaries, all means of Communication-Mass Media, Traditional Media, Group Media, including inter-personnel Communication are used to the fullest extent possible. Publicity through the Electronic and Print Media is also used for greater coverage and visibility. The Department has also instituted a National Award, namely "Rajiv Gandhi Parti-Bhoomi Award" with the objective of according recognition to the outstanding work done by individual and institutions for development of non-forest Wastelands. These measures appear adequate at this stage to publicize the programmes/schemes for the benefit of beneficiaries.

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

CHAPTER VII

INFRASTRUCTURE AT THE IMPLEMENTATION LEVEL AND MAINTENANCE OF ASSETS CREATED UNDER THE SCHEMES

When asked about the infrastructure available at the District/Panchayat/Implementation level, the Department have replied, under the guidelines, for Watershed Development, the projects are being implemented by the PIAs/DRDAs/Zilla Parishads in active involvement of the Panchayat Raj Institutions and infrastructure available with them is utilized by the Project Implementing Agencies. On another query whether the Department has ever made verifications of the available infrastructure, the Department have stated that they have not verified the claims of the implementing agencies about the infrastructure available.

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

CHAPTER VIII

INVOLVEMENT OF ELECTED REPRESENTATIVES

On a question in what way the local representatives i.e. MLAs, MLCs and MPs are involved in the monitoring and implementation of the Schemes, the Department in the written reply have stated that local MLAs/MLCs and MPs are involved in the Scheme at the DRDA/Zilla Parishad/Panchayat level. It has also been stated that their involvement will ensure public participation at the grass root level.

8.2 The Committee during their on the spot study visit to West Bengal and some of the North Eastern States found the Governing Body of DRDAs do not have representation of elected representatives, or SCs/STs and minorities.

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

CHAPTER IX

EVALUATION/REVIEW OF PROGRAMMES

As per the written information forwarded to the Committee, there is a system of getting the completed projects independently evaluated by the evaluator. As per the existing guidelines, projects should be evaluated in alternate years. On a question if the Department have ever made any detailed study on the actual impact of the Schemes, the Department have stated that most of the projects taken up are still under implementation. As per Annexure-II, the Scheme of IWDP and support to NGOs/VAs were started in 1989-90, TDET was started during 1993-94 and IPS, WDTF were started during 1994-95.

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

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

CHAPTER XI

INVOLVEMENT OF ELECTED REPRESENTATIVES IN THE SELECTION OF WORKS/PROJECTS/MONITORING AND EVALUATIONS OF SCHEMES/PROGRAMMES COMMON TO ALL FIVE DEPARTMENTS OF MINISTRY OF URBAN AFFAIRS & EMPLOYMENT AND MINISTRY OF RURAL AREAS & EMPLOYMENT

As per the written note furnished by Government, elected representatives are involved only at District Rural Development Agency i.e. DRDA (for Ministry of Rural Areas & Employment) or at District/State Urban Development Agency i.e. DUDA, SUDA (Ministry of Urban Affairs & Employment) through their representatives in the Governing Bodies. These Governing Bodies in turn monitor and review the progress of various Urban and Rural Development Schemes. Further, the elected representatives are only invited to attend the Governing Body meetings of DRDA/DUDA/SUDA. It has also been informed by the Department that elected MPs don't have any authority to decide the works/projects/beneficiaries under various Urban & Rural Development Schemes.

11.2 The detailed information, scheme-wise, with regard to existing status of selection of works/projects under various schemes and beneficiaries is given at Annexure-III.

11.3 The Committee during their on-the-spot study visit to West Bengal and some of the North-Eastern States have noticed that funds earmarked for various rural and urban development schemes are diverted by respective State Governments for fulfilling the State's own financial obligations. It was found that outlay released by Central Government for specific Rural Development Schemes are diverted by State Governments to their Revenue Account or Personal Ledger Account to serve the multiple purpose, i.e. to get the overdraft from Reserve Bank of India by showing higher deposits under their Revenue/PL Accounts or fulfilling their various obligations like disbursement of their salary to their staff etc.

11.4 During the said study visit it was also found that as per the existing implementing and monitoring mechanism, for utilising infrastructure at the State/Block, DRDA/DUDA/SUDA or other implementing agencies level District Magistrate, PHE Department, NGOs/State Institutes/ICAR etc. has been given more powers with regard to selection of works/projects and beneficiaries which is resulting in misutilisation of funds meant for various urban and rural schemes.

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

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

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

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

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

11.8 The Committee are constrained to note that in DRDA elected Pts / MLAs have been given weightage on Party lines. They note this

undesirable practice and would like to recommend that all the elected MPs should be given equal weightage irrespective of the political party affiliation.

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

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

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

11.11 The Committee during the examination of the subject have found that the programmes dealing with one subject under respective Departments are handled under different schemes. Besides, it is also found that one activity is dealt not only by one Department but by various Ministries. A pertinent example in this regard is schemes related to Development of wastelands/treatment of wastelands in the country. The task of developing wastelands/treatment of land is at present being undertaken by different Ministries under different programmes like Ministries of Environment and Forest, Agriculture and Rural Areas & Employment. Even under the Ministry of Rural Areas & Employment there are different schemes like DPAP, DDP, EAS and various schemes under Department of Wastelands

Development. Further various employment schemes are under Department of Rural Employment & Poverty Alleviation like JRY & EAS, IRDP, DWCRA & TRYSEM, GKY & MWS which can be merged together. The Committee feel that there may be other multiple overlapping schemes with the similar objectives.

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

NEW DELHI;
April 10, 1997

Chaitra 20, 1919 (S)

SONTOSH MOHAN DEV,
Chairman,
Standing Committee on
Urban & Rural Development.

DEPARTMENT OF RURAL DEVELOPMENT

FINANCIAL PROGRESS OF VARIOUS CENTRALLY SPONSORED SCHEMES

(Rs. in crores)

	Started	Funding Pattern (Centre: State)	Allocation 1995-96	Amount not released 1995-96	Unspent Balance	
					as on 01.04.95	as on 01.04.96
RWSP	1951					
—ARWSP*	1972-73	100%	866.80	54.942	154.295	252.401
—MMP	1974-75	0:100%	1238.25	149.802	NA	NA
—RGNWM	1986	100%	243.20	72.314	12.298	NA
RSP	1986					
—CRSP*	-do-	100%	47.69	9.81	34.97	39.44
—MMP	-do-	0:100%	92.07	22.74	NA	NA
NSAP	1995-96					
—NOAPS	-do-	100%	297.07	54.36	NA	118.59
—NFBS	-do-	100%	154.48	49.42	NA	70.51
—NMBS	-do-	100%	07.37	28.66	NA	38.87
Land Reforms						
—SRA & ULR	1987-88	50:50	18.80	NA	44.01	56.097
—Computerisation	1988-89	100%	20.00	NA	NA	33.81
—Grants-in-Aid to Institutions	1972-73	100%	0.57	0.41	0.045	0.053
Other Progresses						
—Roads in SPA	1985-86	50:50%	2.00	1.48	Nil	NA
—OB	1985-86	100%	3.50	NA	NA	1.06
—PC&SAP	1960-61	100%	10.00	NA	1.85	0.20
—SIRDs	6th Plan	@	3.25	NA	2.21	2.497
—ETCs	7th Plan	100%	3.00	NA	0.58	NA
—Training Courses Workshops etc. (DTCs)	1980-81	75:0:25£	0.50	NA	0.68#	0.230
Total	—	—	3088.55	443.938	250.941	623.76

* Subject to matching provisions by States in their respective Minimum Needs Programme (MNPs).

@ Funding pattern for non-recurring expenditure is 100% and for recurring expenditure is 50:50, by the Centre.

£ Central allocations are subject to 75% of the project cost and rest 25% is borne by the institution/organisation.

Re-appropriated to other schemes of the Department.

NA—Not available.

**FINANCIAL PROGRESS OF VARIOUS CENTRALLY SPONSORED/
SECTOR SCHEMES OF THE DEPARTMENT OF WASTELANDS
DEVELOPMENT**

Name of Scheme	Started	Funding Pattern (Centre: State)	Allocation 1995-96	Amount not Released	Unspent Balance	
					as on 1.4.95	as on 1.4.96 (In Rs. Crores)
IWDP	1989-90	100:0%	49.50	Nil	Nil	Nil
Support to NGOs/VAs	1989-90	100:0%	3.00	Nil	Nil	Nil
TDET	1993-94	100:0%	2.00	Nil	Nil	Nil
IPS	1994-95	@	2.00	1.86	1.93	1.86
WDTF	1994-95	100:0%	1.50	1.09	1.15	1.09

@ Central Assistance in the form of Grants-in-aid is restricted to 25% (50% for SC/ST) of the total project cost and upto the Rs. 25.0 lakhs.

ANNEXURE III

**EXISTING AND PROPOSED SELECTION OF WORKS/PROJECTS/
BENEFICIARIES BY THE ELECTED REPRESENTATIVES**

Name of the Programme	Implementing Agency at the grass root level	Existing Selection of works/projects/beneficiaries by MPs	Proposed Selection of works/projects by elected representatives (MPs)
(1)	(2)	(3)	(4)
(i) Department of Rural Development			
—RWSP	PHE Department	Nil	25%
—RSP	State Government	Nil	25%
—NSAP	Dist. Collector/DM Municipality/ Panchayats	Nil	25%
—Land Reforms	State Government	Nil	—
—Roads in SPA	NA	Nil	25%
—Organisation of Beneficiaries	CAPART	Nil	—
—PC & SAP	CAPART	Nil	—
—SIRDs	NA	Nil	—
—ETCs	NA	Nil	—
—OTCs	NA	Nil	—
(ii) Department of Wastelands Development			
—IWDP	DRDA/Project Implementing Agencies	Nil	25%
—Support to NGOs/ VAs	-do-	Nil	25%
—TDET	-do-	Nil	25%
—IPS	-do-	Nil	—
—WDTF	-do-	Nil	25%
(iii) Department of Rural Employment & Poverty Alleviation			
—IRDp	DRDA/ZP	No	25%
—TRYSEM	DRDA/ZP	No	25%
—DWCRA	DRDA/ZP	No	25%
—Supply of Tool Kits	DRDA/ZP	No	25%
—JRY	DRDA/ZP/Block/Panchayats	No	50%
—EAS	Dist. Collector/DM	No	50%

(1)	(2)	(3)	(4)
—IAY	DRDA/ZP	No	50%
—MWS/ GKY	DRDA/ZP	No	25%
—DPAP	DRDA/ZP	No	25%
—DDP	DRDA/ZP	Nil	25%
(iv) Department of Urban Development			
—Mega City Metropolitan Scheme	Metropolitan Dept. Agency/Council	Nil	25%
—IDSMT	TCPO/State Level Sanc- tioning Committees	Nil	25%
—Low Cost Sanitation for liberation of Scaven- gers	HUDCO	Nil	25%
—AUWSP	State Govts./PHE Deptt Water Supply Board/ ULBs	Nil	25%
—Solid Waste Manage- ment Scheme	State Government	Nil	25%
(v) Department of Urban Employment & Poverty Alleviation			
—NRY	State Govt./DUDA/ZP	Nil	50%
—UBSP	State Urban Development Agency	Nil	25%
—PMIUPEP	State Urban Development Agency	Nil	25%
—Night Shelters/ Sanitation facility to footpath- dwellers	HUDCO	Nil	25%

APPENDIX I
SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS
(DEPARTMENT OF RURAL DEVELOPMENT)

Sl. No.	Para No.	Observation / Recommendation
1	2	3
1	2.6	<p>The Committee note that at present there is no uniform pattern for the release of Central share of funds under the respective schemes. They also observe that there is variation in the release pattern of funds for all the schemes being implemented by the Department. They understand that the variation leads to duplicity, delay and poor implementation of the programme. Further it is found that the major portion of the allocated fund for the year is released at the fag end of the year say during the month of October-December. This not only affects the implementation of the programme but also leads to accumulation of unspent balances. The Committee would like to recommend that to the extent possible there should be some uniform pattern for the release of funds. The first instalment should invariably be issued in the month of April. Further there should be only two instalments for the schemes which are totally Centrally sponsored. In other Schemes where States and other implementing agencies have to contribute, there should be three instalments. In that case too the first instalment should be released in April. It is needless to emphasise here that there should be some uniform pattern for the release of funds with the proper time schedule for all the schemes being implemented by the Department.</p>
2.	2.7	<p>The Committee during their on the spot study visit to West Bengal and some of the North Eastern States have noticed several instances of diversion of funds. It was observed that outlay released by the Centre to the respective State Governments for rural development schemes are deposited in their Revenue Account or Personal Ledger Account to serve the</p>

1

2

3

various purposes as below:

(i) to get the overdraft from Reserve Bank of India by showing higher deposits in their Revenue and PL accounts.

(ii) to fulfil their various obligations like disbursement of salary to their staff etc.

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

3.

2.8

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

4.

3.3

The Committee note with concern that a huge amount was not released out of the Central allocation over the years. For example even during 1995-96, the

1

2

3

amount not released was to the extent of Rs. 443.938 crores. The Committee are deeply concerned about the accumulation of huge amount of allocated money not released, by the Central as well as the State Governments. The Committee would like to have an explanation of the Department in this regard and would like to urge that for various schemes, the Department should find out ways and means to utilise the entire amount allocated to the Department by the Planning Commission.

The Committee are surprised to note that the amount has not been released for the particular years under different Central schemes by the Centre as well as State Governments under their State Government funds. The position as given for the year 1995-96 is quite alarming. When we see the Central sector allocation, out of Rs. 1814 crores Revised Estimates, Rs. 698.132 crores was not released which comes to around 32%. They are disturbed to note that there is not only meagre allocation for the different Centrally sponsored schemes but the funds finally allocated and agreed to by the Planning Commission are not allocated fully for the schemes. They feel that this is a gross injustice to the poorer section of society for which the schemes has been launched. The Committee would like to recommend emphatically that the funds finally agreed by the Planning Commission should be allocated fully for the respective schemes and further it should also be ensured that the State matching contribution is also provided.

5.

4.4

The Committee note with concern the huge accumulated unspent balances that has been as high as 34.28% of the Revised Estimates for the year 1995-96. They are perturbed to note that there is not even a single scheme / programme of the Department for which nil unspent balance exists. They apprehend that the rule which provides that 25% of the annual allocation can remain unspent is a licence for the State Government to keep huge amount as unspent balance. Further, it is noted with regret that major portion of the funds are released at the fag end of the

year and that too in the month of February and March. It is needless to highlight here that monitoring for the Centrally sponsored schemes needs to be further strengthened and there is a great scope for revision of the set guidelines by the Centre as recommended in the Para 2.6 in Chapter II. They feel that there should be some uniform pattern for the release of funds with proper time schedule for all the schemes being implemented by the Department. The Committee need hardly emphasise that given the huge task of reaching out to the last and most under-privileged sections of the society the Department can hardly afford a situation leading to unspent balance under any scheme. The Committee would like to recommend that the Department should take immediate steps to review the guidelines in respect of the various schemes which encourage unspent balance as given in Para 4.2 above. It is also urged that the Department should chalk out a time schedule in consultation with the respective State Government/UT administration by which the entire accumulated unspent amount could be utilised for that particular scheme.

6. 4.8

The Committee are surprised to find that the objective for which CAPART and other voluntary organisations were involved in the implementation has not yet been achieved. Similarly, they note that the purpose that voluntary organisations will inject an element of competition for the Governmental agencies, as admitted by the Secretary, has been totally defeated. They are equally surprised to note that even after completion of eight months of fiscal year 1995-96, the Department does not have a correct estimate of the total unspent balance left with CAPART as on 1-4-96 and the department does not regularly monitor the schemes which CAPART funds. In view of the above scenario, the Committee urge the Department to initiate immediate corrective steps in consultation with CAPART to utilise the unspent balance left so far. They would also like the Department to regularly monitor the claims of CAPART and the schemes by its own existing monitoring mechanism.

1	2	3
7.	5.6	<p>The Committee note with concern the reasons furnished by various State Governments for not providing the requisite share or spending lesser amount of the State's share under the respective schemes as given at Para 5.3 above. They feel that State Governments have not taken the Centrally sponsored schemes for the upliftment of poorer of the poor, seriously. It is surprising to note the statement given by the Maharashtra Government with regard to the lesser spending under Central Rural Sanitation Programme as low priority given by the respective State Government. It is astonishing to note that one of the bigger priority programme to provide hygienic conditions in the rural masses has not been given priority by the State Governments. The reasons given by the other State Governments are equally disturbing. The Committee feel that States have yet to take the programmes for rural masses as the priority programmes. They would like to recommend that Centre should take necessary corrective steps to make the State Governments aware of the priority for these programmes unless earnest action is taken on their part there could not be any sources for the satisfactory implementation of the programmes.</p>
8.	5.7	<p>The Committee are disturbed to note that many States/UTs do not provide Monthly Progress Reports in time. They also feel that the delay in releasing the State share and reporting of utilisation to the Department ultimately delay releasing of subsequent instalment by the Central Government which in the other way affects the implementation of the programme. They would like to recommend that the Department should take up these issues with the State Government/UT Administration and sort out some corrective measures for the better implementation of the Programme. It is also recommended that there should be some full proof mechanism to verify the matching contribution by each of the State Government/Union Territories. The guidelines in this respect should be suitably modified.</p>

1	2	3
9.	5.8	<p>The Committee recommend that for understanding the difficulties and suggesting possible solutions to overcome the constraints, the Department should initiate review meetings, correspondence with the States at the appropriate level, discussions and visits to the States where the implementation is slow. The States should also be persuaded to implement the programme as a joint programme by pooling the financial resource under CRSP which resulted in either non-implementation or mismatch under one of the components (CRSP or MNP). They would like the Department to intensively and vigorously monitor the schemes so that incidents like the delay in reporting can be reduced for better implementation of the schemes.</p>
10.	5.9	<p>The Committee note that funding for ARWSP and CRSP is 100 per cent by the Central Government subject to the matching share/provisions by States in their respective Minimum Needs Programmes. The criteria and target for both the schemes in the Rural Water Supply Programme and Rural Sanitation Programme are the same, both for the Central sector scheme i.e. ARWSP and CRSP and State sector schemes in MNPs. They also note that for Rural Water Supply Programme, the States do not provide the matching share whereas for Rural Sanitation programme share of States is much more than the central allocations and release. They feel the funding pattern of 100 per cent allocation by the centre subject to the matching provisions by the States instead of 50:50 funding pattern adds to the confusion resulting in the poor implementation of schemes. In view of the above they recommend that both ARWSP vis-a-vis Rural Water Supply Programme can be pulled together by virtually making both Rural Water Supply Programme and Rural Sanitation Programmes on 50:50 per cent funded programme.</p>
11.	5.10	<p>The Committee feel that some sort of incentives to the States who are contributing the matching share in time and furnishing timely Monthly Progress Reports as per the guidelines will certainly enthruse the other</p>

1	2	3
		States for the same. They would like to recommend that the department should chalk out some sort of incentive scheme for the programme as implemented by the good performing States.
12.	6.3	The Committee are distressed to note that except for NSAP, the existing guidelines of different Schemes being implemented by the Department, either do not clearly mention provisions for administrative expenses or have nil ratio of expenditure for administrative expenses. As a result, allocation for such programmes/schemes are definitely inadequate to take care of the requirement on account of administrative expenses. They also note that administrative charges, are disbursement charges, which are meant for administering the schemes in a proper manner and provide infrastructure for it. At the same time, Administrative charges should be sufficient to meet disbursement charges. They recommend that all Centrally funded/Centrally sponsored schemes should have a clear provision in the guidelines itself, for the administrative expenses. They also recommend the Department to earmark a fixed ratio of administrative expenditure for each programme/scheme which will take care of administrative expenses adequately.
13.	6.4	The Committee would also like to recommend that the funds earmarked for administrative expenditure should be incurred on the same purpose. There should not be any diversion of such funds for other purposes.
14.	7.3	The Committee note that publicity of the scheme is an important factor for its implementation. They also observe that apart from National Social Assistance Programme in none of the schemes some fixed ratio of expenditure for publicity has been provided. They are astonished to know the claims of the Deptt. that the beneficiaries of ARWSP and CRSP are fully aware of the benefits of the respective schemes and hence there was no such need for separate funds for publicity. It is needless to stress here that dissemination of information is a major factor for the better implementation of the rural schemes meant for

1	2	3
		<p>upliftment of the poorer of the poor which are usually the illiterate strata of society. They would like to recommend that some percentage, say 2% of the funds are specifically be earmarked for the publicity of the respective scheme/programme and which are further be ensured that such amount is spent only for the purpose. The Committee would also like to recommend that for National Social Assistance Programmes stress should be given to publicity because this is a new programme launched for the rural masses.</p>
15.	8.2	<p>The Committee note with concern the inadequate attention given to the infrastructure at the implementation level and maintenance of assets created under the scheme. They feel that equally important is the maintenance of the assets created under the respective schemes. It is further disturbing to note the contradictory statement of the department. On the one hand it has been stated that apart from some of the schemes like NSAP, SRA & ULR, the infrastructure is available with NGOs and at the institutional level and on the other hand they are not, sure about the claim of the implementing agencies about the adequate infrastructure. The Committee take the said statement strongly and would like to recommend that it should be ensured that adequate infrastructure is available with the implementing agencies. Equal emphasis should be given to the maintenance of assets created under various programmes/schemes. It is recommended that certain fixed ratio of expenditure should be earmarked for the maintance of assets. Further they would also like that it should be ensured that the funds are spent for the said purpose.</p>
16.	9.3	<p>The Committee note with concern that the elected representatives have not at all been involved for some of the schemes like Land Reforms and Other Rural Development Programmes.</p> <p>The Committee also note that as per the guidelines, DRDA Governing bodies must include representation of elected representatives, Women, SC/STs and minorities as members, which in turn</p>

1

2

3

monitors and reviews the progress of Programmes/ Schemes at the district level. The Committee note with concern that many DRDAs so far have not constituted the Governing Bodies as per the guidelines. They feel that non involvement of elected representatives speaks well of the poor implementation and monitoring of the Schemes. They would like to recommend that the department should issue standard guidelines by the centre regarding involvement of MPs, MLAs, MLCs and other elected representatives of the District, block and Panchayat levels.

17. 9.4 The Committee observed that as on date elected MPs have not been associated with the selection of works/ projects under respective Rural Development Schemes. They feel that their representation in some of the Schemes would help in the right and timely selection of projects/works under their schemes. In view of the above they would like to recommend that elected MPs, should be entrusted with the selection of projects/works in certain selected schemes as given in the Annexure III of Chapter XI.
18. 10.4 The Committee are distressed to find that out of all programmes/schemes being implemented by the Department, evaluation of ARWSP and Distribution of Ceiling surplus Land has been undertaken by the Department so far. They also note that as per the bifurcation of Ministry of Rural Areas & Employment in March 1995, the evaluation of EAS (Employment Assurance Scheme) comes under the purview of Department of Rural Employment and Poverty Alleviation and not under the purview of Department of Rural Development. They also note that the schemes like CRSP, SRA & ULR, Computerization of Land Records, Grants-in-Aid to Agrarian Institutions and all other Rural Development programmes/schemes which was initiated on or before mid 1980 does not have a single evaluation to assess the actual impact of the implementation of these schemes. In view of the above they recommend that the Department should
-

1

2

3

carry out a thorough evaluation of each of the schemes at the earliest. They also urge the Department to carry out evaluation/review of each of the schemes being implemented by them preferably at the end of each five year plan so that the Department would have a fairly accurate idea of the current status of achievements and the shortfalls before the beginning of the subsequent five year plans.

19. 10.5 The Committee also recommend that new programmes like NSAP which was launched recently and whose financial and physical performance are stated to be not up to the mark the Department may select a district in each State for an indepth evaluation/examination on the implementation of the schemes to have a fairly accurate idea of positions on the field.
20. 10.6 The Committee feel that the concept of model villages will not only help in the overall development and create employment opportunities of that particular village but also set an example and enthuse other States. They would like to recommend that more and more model village should be identified and funds should be earmarked for their overall development.
21. 11.5 The Committee observe that in many of the States/UTs contrary to the spirit of 73rd Constitutional Amendment, the elected Rural Local Bodies/Urban Local Bodies are not vested real powers for taking administrative/executive decisions. This is particularly so in terms of choice & location of Projects, election of beneficiaries for the Central Government sponsored urban and rural development/employment schemes. Though in principle elected MPs are Members of DRDA/DUDA/SUDA Governing Bodies but in practical terms the overwhelming hegemony and control of bureaucracy over these are leading to virtual non-involvement of the elected Members of Parliament. So much so, that often these meetings not suit the convenience of the MPs and thus practically exclude their participation. In view of
-

1	2	3
		<p>this the Committee strongly feel that the Chairman of the elected Zila Parishad should also chair the District level Governing Body of these agencies or MPs of the respective District should be made Chairman of the DRDA/DUDA/SUDA and Vigilance Committees.</p>
22.	11.6	<p>Further, it is found that in many States DUDA has yet to be constituted. It is also noticed that many DRDAs so far have not constituted the Governing Bodies as required in the guidelines. The Committee feel that due to the existing machinery involved in the monitoring and implementation of various urban and rural development schemes the funds are, quite often, not released for the purpose for which they have been given by Central Government.</p>
23.	11.7	<p>The Committee feel in the light of the above, that involvement of elected MPs in the selection of works/projects and identification of beneficiaries would improve the monitoring, implementation, evaluation and selection of works/projects and beneficiaries. This would certainly ensure the proper utilisation of funds earmarked for various urban and rural development schemes. The proposed ratio of involvement of MPs with regard to the respective schemes under the following five Departments have been given in Annexure:</p> <ul style="list-style-type: none"> (i) Department of Rural Development (ii) Department of Wastelands Development (iii) Department of Rural Employment & Poverty Alleviation (iv) Department of Urban Development (v) Department of Urban Employment & Poverty Alleviation <p>The Committee would like that the Government should revise their guidelines in respect of selection of works/projects/beneficiaries under various urban & rural development schemes as proposed in the Annexure III and issue necessary directions to the State.</p>

1	2	3
24.	11.8	<p>The Committee note that in DRDA elected MPs/ MLAs have been given weightage on Party lines. They note this undesirable practice and would like to recommend that all the elected MPs should be given equal weightage irrespective of the political party affiliation.</p>
25.	11.9	<p>The Committee note that the recommendations made at the Conference of Chief Ministers in which a review of central sector of the scheme has been made with a view to provide greater freedom and flexibility to the State Governments for identifying/ implementing and monitoring various urban and rural development schemes. They feel that the existing system of funding by Central Sector has resulted in misutilisation and diversion of funds meant for the poorest strata of the society. Though the Committee are not averse to the idea of further decentralization but they would like that while giving greater freedom and flexibility to the State Governments necessary mechanism for proper utilisation of such funds meant for the poorest section of the society should be initiated. Further it should also be ensured that funds earmarked for the respective urban and rural development schemes must not be diverted for other purposes under any circumstances.</p> <p>The Committee would also like to recommend that stringent action should be taken against the State Governments who have diverted the funds meant for specific urban and rural development schemes to other purposes. Further, necessary amendments in the guidelines should be carried on and issued to concerned State and Union Territory administration for compliance.</p>
26.	11.10	<p>The Committee note that in some of the schemes the funds are given direct to the State Governments and State Governments distribute the funds to the various implementing agencies. They feel that funds in respect of the schemes where misutilisation of funds has been reported should be directly given to the</p>

1	2	3
		implementing agencies like DRDA/DUDA/SUDA/Panchayat NGOs and Urban Local Bodies. This would ensure proper utilisation of funds. They would like that Government should revise their guidelines and issue necessary directions to the State Government.
27.	11.11	The Committee during examination of the Subject have found that the programmes dealing with one subject under respective Departments are handled under different schemes. Besides, it is also found that one activity is dealt not only by one Department but by various Ministries. A pertinent example in this regard is schemes related to Development of Wastelands/treatment of wastelands in the country. The task of developing wastelands/treatment of land is at present being undertaken by different Ministries under different programmes like Ministries of Environment and Forests, Agriculture and Rural Areas & Employment. Even under the Ministry of Rural Areas & Employment there are different schemes like DPAP, DDP and various schemes under Department of Wastelands Development. Further various employment schemes are under Department of Rural Employment & Poverty Alleviation like JRY & EAS, IRDP, DWCRA & TRYSEM, GKY & MWS which can be merged together. The Committee feel that there may be other multiple over lapping schemes with the similar objectives.
28.	11.12	The Committee feel that due to multiple schemes having with the similar objectives, there is every chance of duplication and misuse of money. They would like that the schemes having similar objectives under the respective Departments of two Ministries of Urban Affairs & Employment & Rural Areas & Employment should be merged together and be brought under one umbrella to have a tangible impact on the quality of life of urban and rural poor.

APPENDIX II

SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS (DEPARTMENT OF WASTELANDS DEVELOPMENT)

Sl. No.	Para No.	Observation / Recommendation
1	2	3
1.	2.4	The Committee note that at present, the Department doesn't follow a uniform pattern for the release of Central share of funds under various schemes. They also note that on the one hand there is variation in the release pattern of funds for all the programmes/ Schemes and on the other DRDAs/PIAs are not regular in forwarding such reports which are necessary for the second and subsequent release of funds. In view of the above, the Committee recommend for a uniform pattern of release of Central funds for all the instalments with a proper time schedule. They also recommend, to avoid delay in reporting by DRDAs/PIAs, the guidelines of the Schemes should be revised to give a room for proper monitoring and strengthening of reporting.
2.	2.7	The Committee are disturbed to note that, though the Department admits no diversion of funds among the Schemes, in reality the released funds has been diverted and used for other Schemes since 1993-94. They note with concern, that Rs. 9.55 crores, were reappropriated and used by the Department between 1993—95 period for other Schemes. The Committee strongly recommend that the funds meant for the Schemes should be spent fully and for the particular Scheme for which they are meant. They also recommend that under no circumstances the Department should adhere to diversion of allocated funds.
3.	3.2	The Committee observe that there was some amount not released out of the Central allocation over the years. For example, during 1995-96 Rs. 1.86 crores and Rs. 1.09 crores were not released out of the

1

2

3

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

4.

4.3

The Committee note with concern, huge accumulation of unspent balance over the years for several schemes of the Department of Wastelands Development like in the scheme of IPS and WDTF. They apprehend that the practice of releasing second and subsequent releases in the last quarter of the year, is contributing to the accumulation of unspent balance. They recommend that Department to clearly demarcate the months by which 1st, 2nd and subsequent instalments of funds should be released, preferably latest by the month of December so that the States have enough time to utilize the allocated money. The Committee also urge the Department to chalk out a time frame programme in consultation with the involved DRDAs/PIAs by which the entire accumulated unspent balance can be utilized.

5.

5.2

The Committee are distressed to note that except for IWDP and support to NGOs/VAs, the existing guidelines of different Schemes being implemented by the Department have a nil ratio of expenditure for administrative expenses. Even the Scheme of support to NGOs/VAs does not clearly mention the provision for administrative expenses. As a result, allocations to the above Programmes/Schemes are definitely inadequate or not available to take care of the

1

2

3

requirement on account of administrative expenses. The Committee understand administrative charges are disbursement charges, that are meant for administering the Schemes in a proper manner and provide infrastructure for it. They feel Administrative charges should be sufficient to meet the disbursement charges. In view of the above, the Committee recommend that all Centrally funded/Centrally sponsored/Central Sector Schemes of the Department should have a clear cut provision in the guidelines itself for the administrative expenditure for each Programme/Scheme, which will take care of administrative expenses adequately.

6. 5.3 The Committee also recommend for the Schemes of IWDP and support to NGOs/VAs where there is provision for administrative expenses, the Department should effectively monitor and streamline the expenses for administrative purpose. They also recommend the Department to ensure that the administrative expenses are spent only for the purpose for which they are meant.
7. 6.2 The Committee note that publicity of the Schemes is an important factor for making the Schemes a success. They also note, although some methods are being adopted by the Department, in none of the Schemes, the Department have fixed some ratio of expenditure for publicity which should be aimed at spreading the knowledge and information to reach the village community beneficiaries to make wastelands development programme a success. The Committee would like to recommend the Department to earmark a certain ratio of expenditure for publicity of each of the Programmes/Schemes.
8. 7.2 The Committee understand that availability of adequate infrastructure at the implementation level is a pre-requisite for the better utilization of funds. They note that the Department presumes that the available infrastructure at the District/Panchayat/
-

1	2	3
		<p>implementation level is adequate and does not verify the claims of the implementing agencies about the availability and functioning of the infrastructure. In view of the above the Committee recommend that the Department should authorize and tune up its existing monitoring mechanism to verify the claims of the implementing agencies on the availability of infrastructure.</p>
9.	8.3	<p>The Committee note that as per the guidelines, DRDA Governing bodies must include representation of elected representatives, women, SC/STs and minorities as members which in turn monitors and reviews the progress of Programmes/Schemes at the district level. The Committee note with concern that many DRDAs so far have not constituted the Governing Bodies as per the guidelines. They feel that non involvement of elected representatives speaks well of the poor implementation and monitoring of the Schemes. They would like to recommend that the Department should issue standard guidelines by the Centre regarding involvement of MPs, MLAs, MLCs and other elected representatives of the District, Block and Panchayat levels.</p>
10.	9.2	<p>The Committee are distressed to find that out of the most of the Programmes/Schemes being implemented by the Department, evaluation of none of the programmes has been undertaken by the Department so far. They also note that for the Schemes like IWDP and support to NGOs/VAs which were introduced before 1990 does not have a single evaluation to assess the actual impact of the implementation of these Schemes. In view of the above they recommend the Department to carry out a thorough evaluation of each of the Scheme at the earliest. They also urge the Department to carry out evaluation/review of each Scheme being implemented by the Department, preferably at the end of each five</p>

1**2****3**

year plan so that the Department would have a fairly accurate idea of the current status of achievements and the shortfalls before the beginning of subsequent five year plan.

11.**9.3**

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