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

ELEVENTH LOK SABHA

**MINISTRY OF RURAL AREAS & EMPLOYMENT
(DEPARTMENT OF RURAL EMPLOYMENT
AND POVERTY ALLEVIATION)**

DEMANDS FOR GRANTS—1997-98

TENTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

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AND POVERTY ALLEVIATION)

Presented to Lok Sabha on 22.4.1997

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LOK SABHA SECRETARIAT
NEW DELHI

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(1996-97)

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

** Ceased to be a member consequent upon his retirement from Rajya Sabha *w.e.f.* 21.04.97.

INTRODUCTION

I, the Chairman of Standing Committee on Urban and Rural Development (1996-97) having been authorised by the Committee to submit the Report on their behalf, present this Tenth Report on Demands for Grants (1997-98) of the Department of Rural Employment & Poverty Alleviation of the Ministry of Rural Areas & Employment.

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

3. The Committee took evidence of the representatives of Ministry of Rural Areas & Employment (Department of Rural Employment & Poverty Alleviation) on 3rd April, 1997.

4. The Report was considered and adopted by the Committee at its sitting held on 20th April, 1997.

5. The Committee wish to express their thanks to the Ministry/ Department for placing before them the requisite material in connection with examination of the subject.

6. The Committee wish to express their thanks to the officers of the Ministry/Department who appeared before the Committee and placed their considered views. 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 21, 1997
Vaisakha 1, 1919 (Saka)

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

CHAPTER I

INTRODUCTORY

Ministry of Rural Areas and Employment endeavours to reach out to the last and most disadvantaged sections of society who live in rural areas, provide them with self employment or wage employment and to improve their life support systems and infrastructure. The Ministry of Rural Areas & Employment at present encompasses the following Departments :

- A. Department of Rural Development
- B. Department of Wastelands Development, and
- C. Department of Rural Employment and Poverty Alleviation

1.2 The focus of the Department of Rural Employment and Poverty Alleviation during 1996-97, continued to be on provision of self employment, wage employment and area development programmes. The programmes that are being implemented by the Department are :—

1. Self Employment and Income Generation Programmes:
 - Integrated Rural Development Programme (IRDP)
 - Development of Women and Children in Rural Areas (DWCRA)
 - Training of Rural Youth for Self Employment (TRYSEM)
 - Ganga Kalyan Yojana (GKY)
 - Supply of Improved Tool Kits to Rural Artisans
2. Wage Employment and Infrastructure Development Programmes :
 - Jawahar Rozgar Yojana (JRY)
 - Indira Aawas Yojana (IAY)
 - Million Wells Scheme (MWS)

- Employment Assurance Scheme (EAS)
- 3. Special Area Programmes :
 - Drought Prone Area Programme (DPAP)
 - Desert Development Programme (DDP)

1.3 During the year 1996-97, the Scheme of Tool Kits to Rural Artisans which was a sub-scheme of IRDP was made a separate programme. A new Centrally sponsored Scheme of Ganga Kalyan Yojana (GKY) has been launched in all districts of the country w.e.f. 1.2.97. Similarly the Employment Assurance Scheme (EAS) has been extended to cover the entire country during 1997-98.

1.4 In the present Report, the Committee have restricted its examination to only major issues concerning programmes that are being implemented by the Department of Rural Employment and Poverty Alleviation relating to poverty alleviation, employment generation and housing in the context of the budget and Demands for Grants for the ensuing year *i.e.* 1997-98.

CHAPTER II

ANALYSIS OF DEMANDS FOR GRANTS OF THE DEPARTMENT OF RURAL EMPLOYMENT AND POVERTY ALLEVIATION

DEMAND NO. 72

(i) Plan Scheme Outlay for 1997-98

2.2 The Department of Rural Employment and Poverty Alleviation have presented the Demands for Grants of Rs. 6805.70 crores for the year 1997-98 as against Rs. 6388.94 crores (actuals) during 1995-96 and Rs. 5977.00 crore of RE 1996-97. The year-wise details of the Demands for Grants 1997-98 of the Department is given at Annexure—I.

The Scheme-wise outlay for the year 1997-98 as proposed by the Department and finally approved by the Planning Commission is as given at Annexure—II.

2.3 It can be seen that there was no increase in the BE 1996-97 over BE 1995-96 while the BE for 1997-98 has an increase of 5.73% over the BE 1996-97. If the proposed allocation of Rs. 200.00 crores for the new scheme of Ganga Kalyan Yojana (GKY) which is introduced from this year, is deducted from the BE 1997-98, the total allocation will be Rs. 6605.70 crores, which is only 2.7% increase over BE 1996-97.

2.4 On a query whether the proposed outlay of Rs. 6805.70 crores would be sufficient to meet the targets fixed for different schemes of the Department specifically in view of 1997-98 being the first year of the Ninth Five Year Plan, the Department in their written reply have stated that the targets under different programmes/schemes of the Department are fixed on the basis of Annual Plan outlay approved by the Planning Commission. Accordingly, the targets for the year 1997-98 have been fixed based on the provisions approved in BE 1997-98. However, this Ministry feels that this outlay is inadequate as the physical targets will have to be reduced in view of the inflation, increase in wage rates and enhanced ceiling of assistance for houses under Indira Awaas Yojana (IAY). The targets under IAY have been reduced to 7 lakhs houses as against 11 lakhs in the previous year.

2.5 The Committee observe that the proposed outlay for 1997-98 of the Department in real terms has only marginal hike over BE 1996-97. Given the importance of rural areas in the vast size of the country, in which a larger concentration of people live below the poverty line, a direct and frontal attack on rural poverty needs utmost importance. The Committee feel that the proposed plan outlay of Rs. 6805.70 crores for 1997-98 is not sufficient to meet the targets fixed for different schemes of the Department. They note that 1997-98 being the first year of Ninth Five Year Plan, the Department placed before the Planning Commission a proposal of Rs. 14340.00 crores out of which only Rs. 6805.70 crores were allocated. The Committee are concerned about the lesser allocation for the Department and feel that it will adversely affect the physical targets. In view of the above, they recommend that outlay of the Department should be increased from Rs. 6805.70 crores to Rs. 14340.00 crores as proposed by the Department.

2.6 As per the written information forwarded to the Committee, the BE 1996-97 and RE 1996-97 of the Department was Rs. 6437.0 crores and Rs. 5977.00 crores respectively. When asked what are the reasons for the marked reduction of Rs. 460.00 crores between BE 1996-97 and RE 1996-97, the Department in their reply have stated, the difference is due to :—

- (i) Huge opening balance (*i.e.* Unspent Balance) with the States under various Plan Schemes, and
- (ii) Slow pace of utilization of funds under E.A.S.

2.7 The Committee note with concern the marked reduction of Rs. 460.00 crores between BE 1996-97 and RE 1996-97 which as the Department acknowledges is due to huge opening/Unspent balance with the States and slow pace of utilisation of funds under EAS. They also note, during 1995-96, Rs. 6388.94 crores (actuals) were spent against an allocation of Rs. 6434.00 crores. On the one hand the Department feels the outlay for 1997-98 is inadequate and on the other, what ever meagre amount was available could not be spent fully. In view of the above they recommend the Department to initiate urgent corrective steps to avoid and effectively use the huge unspent balance left with the States. Further they recommend the Department to initiate appropriate measures against slow pace of utilisation of funds.

2.8 The Committee note the Department's instruction to constitute and functionalise Monitoring and Vigilance Committees at the village,

block and district levels for all the Schemes of the Department is yet to be started. They are constrained to note that even the Department does not have correct information on the constitution of Vigilance and Monitoring Committees in several States/UTs, as acknowledged by the Secretary during the course of official evidence. The Committee take strong view of the non-availability of up-to-date information with the Department. They would like to strongly recommend for constitution and functionalisation of Monitoring and Vigilance Committees at the Village, Block and District Levels without any further delay. Further they would like the Department to give a deadline by which all the States and Union Territories will constitute the required Monitoring and Vigilance Committees.

2.9 The Committee note that funds meant for different programmes of the Department are not utilised properly or are diverted for other purposes. They feel cases of diversion of funds or malfunctioning of the States/UTs for effective utilisation of funds can not come to notice due to the absence of any audit/evaluation conducted at the regular intervals. They would like to urge the Department to carry out evaluation/audit/review of each of the Schemes, 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 shortfalls before the beginning of the subsequent five year plans.

2.10 The Committee note that 73rd Constitutional Amendment came into force from 24th April, 1993. Various provisions of the said amendment had called for significant changes in the federal set up of the country. The Committee would like to know the current status of implementation of various provisions of the said Act.

2.11 The Committee feel the success of all the programmes of Department of Rural Employment and Poverty Alleviation depends upon involvement of Panchayati Raj Institutions (PRIs) and the administration attached with the PRIs. They also feel that all round development of rural areas cannot take place unless devolution of financial powers are given to the PRIs and its administration. They observe till date, different programmes of the Department lack adequate peoples participation/involvement. In view of the above, they would like to urge the Department to ensure optimum People's participation/Public Participation in rural areas so that all the programmes of the Department can achieve their objectives.

2.12 As per the written replies the recent conference of Chief Ministers have recommended that State Governments/UTs should be given greater freedom and flexibility for all the Centrally Sponsored Schemes relating to seven basic services, the areas of rural poverty alleviation & employment and in the development of desert & drought prone areas.

2.13 The Committee note the recommendation of the conference of Chief Ministers which calls for providing greater freedom and flexibility to the State Governments/UTs. Though they are not against further decentralization, they feel greater freedom and flexibility to the State Governments/Union Territory Administrations might result in accumulation of unspent balance, diversion of funds to other Schemes and poor implementation of the Programmes. They note Poverty eradication is a national goal and should be achieved through the Centrally Sponsored Schemes. They would like to recommend, while giving greater freedom and flexibility to State Governments/UTs, it should be ensured by the Department that it does not lead to problems of accumulation for unspent balance, diversion of funds and poor implementation.

(ii) Unspent Balance of Different Schemes

2.14 As per the Annual Report and Performance Budget of the Ministry the accumulated unspent balance as on 1.4.96 under different Schemes of the Department of Rural Employment and Poverty Alleviation is as follows :—

The Scheme where opening/unspent Balance are reported
as on 1996-97

since inception of the respective Schemes

IRDP	Rs. 376.91 crores
— DWCRA	Rs. 19.81 crores
— TRYSEM (Recurring Expenses)	Rs. 36.40 crores
Improved Tool Kits to Rural Artisans	Rs. 11.31 crores
JRY	Rs. 832.27 crores
IAY	Rs. 198.44 crores
MWS	Rs. 228.09 crores
EAS	Rs. 959.55 crores
DPAP	Rs. 106.99 crores
DDP	Rs. 35.73 crores

2.15 The Committee note with concern, the huge accumulation of unspent balances over the years in each of the Schemes mentioned above since their inception. They regret to note that for the Scheme of Rural Artisans the State-wise information on unspent balances are not being monitored by the Department as stated by them in the written replies. The Committee would like to know the reasons for accumulation of huge unspent balances scheme-wise. The Committee need hardly emphasise that given the huge task of alleviating rural poverty, the Department can hardly make any room for unspent balance under any Scheme. The Committee recommend that the amount released for each Programme/Scheme should be spent fully. They would like to urge the Department to chalk out a time schedule in consultation with the respective State Governments/UTs by which the entire accumulated unspent amount can be utilised in the particular Programmes/Schemes.

(iii) Rural Poverty (Revised Formula)

2.16 As per the written reply forwarded to the Committee, the Budget proposal for 1997-98 of the Department, is not based on revised poverty estimates of Lakhdawala Committee (Expert Group Report, July 1993). Further, the Department at present has made projections to cover all persons below the poverty line by 2005 AD under IRDP.

2.17 On another question, with the existing proposal of Rs. 6805.70 crores during 1997-98 how much people living below the poverty line can actually be benefited, the Department have replied, in so far as main self-employment programme of IRDP and it's sub-schemes are concerned, last year two million families were assisted with self-employment programmes. It is not possible to quantify precisely the number of beneficiaries to be benefited. Further it would not be proper to give a consolidated figure of estimates of number of beneficiaries or the kind of that flow to the people below poverty line under various schemes.

2.18 The Department in the written reply have stated, the budget proposals for 1997-98 is not based on Lakhdawala Committee Report of July, 1993. Further the Department has made projections to cover all the persons below the poverty line by 2005 AD under IRDP. On a

query how much additional funds does the Department propose for the same, the Department have replied:

“it is not possible at this stage to make an estimation as to the additional financial allocation needed to cover all the persons living below the Poverty Line under IRDP by 2005 AD”.

2.19 The Committee note that the Budget proposal for 1997-98 is not based on the revised poverty estimates of Lakhdawala Committee Report which identifies that during 1993-94 the total number of people living below the poverty line in rural areas of the country was 24.40 crores i.e. 37.27% of the total rural population. They are constrained to note, though the Department have made projections to cover all the persons below poverty line by 2005 AD, as on date they don't know how much additional funds would be needed for the purpose. They feel, poverty eradication in the rural areas should be the goal of the department instead of the existing poverty allevation. Further they also feel that the Department should get more funds, i.e. in proportion to the increase in the number of persons who are living below the poverty line. In view of the above they would like to recommend the Department to impress up on the Planning Commission to provide a Sizable amount of Plan Outlay for the 9th Five Year Plan based on the revised estimation of people living below the poverty line.

CHAPTER III

INTEGRATED RURAL DEVELOPMENT PROGRAMME

The Integrated Rural Development Programme (IRDP) was launched in all the blocks of the country on 2.10.1980 as a self-employment programme for rural poor families. The objective of this programme is to enable selected rural families living below the poverty line to enhance their income levels and cross the poverty line on a sustained basis. Assistance is given for the acquisition of income generating assets in the form of part subsidy by the government and the remaining as term credit advanced by financial institutions/Banks. The target group consists largely of small and marginal farmers, agricultural labourers and rural artisans.

3.2 Within the target group, there is an ensured coverage for certain categories—SCs/STs (50 percent) women (40 per cent) and the physically handicapped (3 per cent). Priority in assistance is also given to the families belonging to the assistance of ceiling surplus land, green card holders covered under Family Welfare Programme and freed bonded labourers.

3.3 The pattern of subsidy is 25 percent for small farmers, $33\frac{1}{3}$ percent for marginal farmers, agricultural labourers and rural artisans and 50 percent for SC/ST families and physically handicapped persons. The ceiling for subsidy in Rs. 6000 for SC/ST families and the physically handicapped, for others, it is Rs. 4000 in non-DPAP areas and Rs. 5000 each in DPAP-DDP and DDP areas. In the case of irrigation schemes there is no monetary ceiling on subsidy but assistance is limited to the percentage of subsidy prescribed above.

3.4 The programme is being implemented in all the blocks of the country as a Centrally Sponsored Scheme funded on a 50 : 50 basis by the centre and the States. The District Rural Development Agencies (DRDAs) are implementing this programme in the States.

3.5 As per the written replies, the Department had proposed an outlay Rs. 1500.00 crores for the Programme against which the allocation for 1997-98 is Rs. 571.00 crores.

The physical and financial targets *vis-a-vis* achievements under IRDP since 1995-96 is as below :

Year	Physical			Financial		
	Target	Achievement	% Achv.	Targets	Achievement	% Achv.
	(Lakh Families)			(Central Share) (in Rs. crores)		
1995-96	19.50	20.90	105.13	549.50	514.22	93.58
1996-97	Not Fxd.	11.24	—	549.50	322.09	58.62
1997-98	Not Fxd.	—	—	571.00	—	—

3.6 The Committee note the marginal hike of financial targets (Central Share) for IRDP during 1997-98. They observe that the Central share allocation to IRDP which was Rs. 549.00 crores during 1996-97, has been increased to Rs. 571.00 crores for 1997-98. They feel that this marginal hike is not sufficient to meet either the growing challenges of Poverty Alleviation or the stepping up of per family investment. They appreciate the Department's observation that sub-critical level of investment have been one of the serious limitations for IRDP because of which not all assisted families were able to cross the poverty line in one go. They would like to recommend that the outlay for the Programme should be substantially stepped up keeping in view the higher proposed outlay of Rs. 1500.00 crores placed before the Planning Commission.

3.7 The Committee note that as per guidelines of the Programme the Gram Sabha identifies a list of poor beneficiaries and sends the same to Panchayat Samiti/Block and the DRDA. The Committee during it's study visit to various parts of the country have found that the list of beneficiaries prepared by the Gram Sabha has been altered at the block and DRDA levels. The Committee would like to urge the Department to initiate prompt remedial action so that the provision of guidelines are not violated for identification of beneficiaries.

3.8 The Committee note that Banks *viz.* Commercial, Cooperative and Rural Banks play a very important role in the implementation of the programme. It is regretted to note that the performance of banks is not satisfactory. The banks don't disburse the allocated money within six to seven months. In most of the cases loan

applications are rejected on the ground of viability. Further, they also note, as per the existing guidelines, the Bank Manager of the concerned area is to be associated with the selection of beneficiaries in an open meeting of Gram Sabha and all Banks are required to dispose off loan application received from Blocks/DRDAs within a fortnight. But in actual practice the guidelines are not followed. In view of the above they recommend that there should be a district survey on the viability of projects in each districts of the country so that Banks can provide advances for such projects. Further the reasons of rejection of loan applications, should be promptly communicated to the beneficiaries and sponsoring agencies for necessary remedial action. They also recommend that monitoring of the Programme should further be strengthened so that all loans sanctioned should be disbursed within the stipulated period of a fortnight.

3.9 The Committee observe success of the IRDP depends largely upon the success and the role of financial institutions/Banks to provide the term credit advance, as per the guidelines. They feel since the inception of the Programme the involvement of financial institutions has become by and large, unsatisfactory. They also observe the Department's reply that, percentage of recovery of total term credit to demand by all the Public Sector Banks at the end of March, 1996 was 31.65 per cent in addition to the total subsidy of Rs. 870.81 crores given during 1995-96. They feel a fresh look is needed for involvement of various types of financial institutions. Further, they recommend that the existing system should be modified for involving appropriate financial institutions, that are sensitive to the needs of the poor people living in the rural areas.

3.10 The Committee regret to note that linkages between IRDP and it's two Sub-Schemes could not be established as per the concurrent Evaluation of 1992-93. They also note the maximum extent to which the linkage between IRDP and the components can be achieved is upto 10% for TRYSEM and 14% for DWCRA. The Committee strongly feel that it must be made mandatory by the guidelines that whosoever is qualified under TRYSEM & DWCRA should be provided with the loans under IRDP to establish a proper linkage between the Schemes. Further, the Department should fix a time frame within which the optimum linkage between IRDP and it's components can be achieved.

3.11 The Committee note that the 5th round of Concurrent Evaluation of IRDP was initiated during April, 1995 and was expected

to continue for a year. They regret to note the reply of the Department that the report of the same is still under progress, even though one year has been passed since the expected completion of the concurrent Evaluation. They would like to urge the Department to expedite publication of results of the 5th Concurrent Evaluation so that necessary corrections in the implementation of the Programme would be carried out on the basis of its findings.

(i) Development of Women and Children in Rural Areas (DWCRA)

3.12 The Scheme of Development of Women and Children in Rural Areas (DWCRA) aims to improve the socio-economic status of the poor women in the rural areas through creation of opportunities for income generating activities on a self-sustaining basis. The DWCRA programme was jointly funded by the Central Government, State Governments and the UNICEF till 1995-96. The UNICEF support was, however, withdrawn from 1.1.96. Therefore, from 1996-97 the programme is being funded by Centre and the States on 50 : 50 sharing basis. A 'Revolving Fund' of Rs. 25,000 is provided to be used for seed money, honorarium to group organizers, child care facilities etc. DWCRA is being implemented in all the districts in the country.

3.13 There are four components of DWCRA, viz.;

- (i) Income Generating Activities (IGA), in which Poverty ratio of each State/UT is taken into account for allocating funds for IGA. At present, Government of India allocates Rs. 12,600/- per group. This is equally matched by the State Govts. In the case of Union Territories, Government of India allocates Rs. 25,200/- per group.
- (ii) Community Based Convergent Services (CBCS), in which Government of India provides cent per cent assistance for CBCS programme. At present, the allocation per district is Rs. 10.00 lakhs.
- (iii) Child Care Activities (CCA), and
- (iv) Information, Education and Communication (IEC).

In the case of CCA and IEC, Govt. of India allocates Rs. 1.00 lakh per district for each programme. The States are required to provide Rs. 50,000/- per district for each programme.

3.14 As per the written replies the proposed outlay of the Scheme was Rs. 150.00 crores against which an allocation of Rs. 65.00 crores has been made for 1997-98. The Physical and Financial targets vis-a-vis achievements under DWCRA since 1995-96 is as below:—

Year	Physical			Financial		
	Target	Achievement (Lakh Families)	%Achv.	Targets (in Rs. crores)	Achiev- ment	%Achv.
1995-96	30000	37576	125.25	65.00	63.65	97.92
1996-97	30000	37631	125.44	65.00	33.80	52.00
1997-98	30000	—	—	65.00	—	—

3.15 The Committee note that there is mismatch between the Physical and financial achievements of the scheme during 1996-97. They note that the Physical Achievement has been stated as 125.44% against the financial achievement of 52.00%. The Committee would like to have an explanation of the Government in this regard.

3.16 The Committee note that DWCRA is a good programme for upliftment of Women and Children in the rural areas. They observe, some State Governments release lesser amount of Revolving Fund for formation of Self Help Groups under DWRCRA. The Committee recommend that the formation of Self Help Groups should be strengthened and the full amount of Revolving Fund should be released to these groups.

3.17 The Committee note that under the guidelines of the Scheme, there is provision for establishment of District Supply and Marketing Societies (DSMS) for facilitating supply of raw-materials and marketing of DWCRA products. As per the written replies, the Department at present does not have information regarding number of DSMS established and their functioning, so far in the States/UTs. In this regard they recommend the Department to procure and provide up-to-date information on the establishment and functioning of District Supply and a Marketing Societies.

(ii) Training of Rural Youth for Self-Employment (TRYSEM)

3.18 TRYSEM which is a facilitating component of IRDP was started on 15th August, 1979, aims at providing basic technical and entrepreneurial skills to rural youth in the age groups of 10 to 35

years from families living below the poverty line to enable them to take up income generating activities. The minimum age for providing training under TRYSEM is relaxed to 16 years for inmates of orphanages in rural areas, while the upper age limit of 35 years has been relaxed upto 45 years in case of widows, freed bonded labourers, freed convicts, projects and cured leprosy patients. The training is need-based. The duration of training is for six months, though the State Level Coordination Committee can change the duration. Every TRYSEM trainee is a potential IRDP beneficiary. Willing TRYSEM trainees are provided assistance under IRDP on completion of their training Programme.

3.19 Under the Scheme two types of financial assistance are provided :

- (a) Recurring expenses on TRYSEM training : for, stipends to trainees, honorarium to training institution/master craftsmen, tool kits which are given free of cost to trainees and purchase of raw materials; and,
- (b) Non-recurring expenses: for, TRYSEM Infrastructural Development, including building, equipment and training aids.

3.20 Training is imparted both through formal training institutions like ITIs, Nehru Yuvak Kendras (NYKs) Polytechnics, Krishi Vigyan Kendras, Khadi and Village Industries Boards, State Institutes of Rural Development, Extension Training Centres, Institutes run by NGOs etc.; and also through non-institutionalized modes like the Master Craftsmen functioning from their own place of work.

3.21 Under TRYSEM, minimum of 50 per cent of selected youth should belong to the SC/ST communities. The coverage of women among the rural youth trained should be at least 40% while a minimum of 3% of the benefits should be earmarked for physically handicapped persons.

3.22 As per the written replies, the Department had proposed an outlay of Rs. 90.00 crores against which the allocation of Rs. 59.00 crores has been made for this scheme during 1997-98.

The physical and financial targets and achievements under TRYSEM since 1995-96 is as below :—

Year	Physical			Financial		
	Target	Achievement (In lakh Trainees)	%Achv.	Targets	Achievement	%Achv.
				(Rs. in crores)		
1995-96	3.70	3.03	81.89	59.25	59.21	99.93
1996-97	Not Fxd.	1.80	—	59.25	25.92	43.75
1997-98	Not Fxd.	—	—	59.00	—	—

3.23 The Committee note unsatisfactory physical performance of TRYSEM made during 1995-96. The Physical achievement for the Scheme has been stated to be only 81.89% against the financial achievement of 99.93%. Further, they note, as per the written replies the physical targets of the Scheme had not been fixed during 1996-97. The Committee would like to urge the Department to fix some physical targets so that the performance of the Scheme can be correctly judged.

3.24 The Committee note, when asked about the actual number of persons brought above the poverty line by the assistance under TRYSEM, the Department have replied, monitoring of the number of persons crossing the poverty line doesn't come under the purview of the Scheme. They further note the findings of 4th Round of concurrent Evaluations of IRDP in which it was found that 47.19% of the TRYSEM beneficiaries were found unemployed after training. In this regard, the Committee would like to urge the Department to carry out a thorough evaluation of the Programme and further strengthen the monitoring of the Scheme.

3.25 The Committee note the existing guidelines of the Scheme doesn't permit supply of Tool Kits to the trainees. They understand, the problem of unemployment of TRYSEM trainees after completion of the training can be reduced if necessary action is taken to provide tool kits under the Scheme of Rural Artisans. They recommend that the linkage between the TRYSEM and Supply of improved tool kits to Rural Artisans Scheme be established to achieve better performance of the Scheme.

(iii) Ganga Kalyan Yojana (GKY)

3.26 A new Centrally Sponsored Scheme namely Ganga Kalyan Yojana (GKY) has been launched in all the districts of the country

w.e.f. 1.2.97 with the objective of providing irrigation through exploitation of ground water (bore-wells & tube-wells) to individuals and groups of beneficiaries belonging to the target groups (*i.e.* small and marginal farmers below the poverty line). The assistance to be provided, would be a mix of subsidy by Government and term credit by financial institutions. The expenditure under the scheme is shared between the Central and the State Governments in the ratio of 80:20.

3.27 Under the Scheme, 75% subsidy is allowed for SCs/STs and physically disabled groups and 50% for the others. The monetary ceiling on subsidy per group is Rs. 40000.00, in case of individual beneficiaries, subsidy is Rs. 5000.00 per acre of land under the scheme subject to a ceiling of Rs. 12500.00 per beneficiary. The gap between the project cost and subsidy admissible has to be bridged with term credit by financial institutions or SC/ST/OBC Finance and Development Corporations. The selection of beneficiaries will be approved by the Gram Sabha in an open General Body meeting in the presence of concerned officers.

3.28 The Scheme is being implemented by DRDAs/Zila Parishads. The amount provided for 1996-97 is Rs. 90.00 crores which has been met, as per the written replies, out of the savings under IRDP subsidy, since the Scheme is regarded as a sub-scheme of IRDP during 1996-97. The Budget Estimates for scheme during 1997-98 is Rs. 200.00 crores. The scheme will be an independent scheme *w.e.f.* 1.4.1997, with separate budgetary allocations under 'Plan Schemes' head. As per the written replies, no physical targets have been fixed for the reasons that the actual number of individual and group Schemes feasible would depend on factors like land holding pattern, ground water availability and caste composition etc. On a query whether the Department have an updated data of existing ground water table of the country the Department have replied that it does not maintain data on ground water table. On another question that, given the common objective of the MWS and GKY, how does the Department can prevent duplication of targets and achievements between Million Wells Scheme and Ganga Kalyan Yojana, the Department have replied, only borewells and tube wells are permitted under GKY whereas under Million Wells Scheme (MWS), now only dug wells in addition to other surface water exploitation schemes are allowed. The tube-well and borewell components of MWS and also those of IRDP are subsumed under GKY. Therefore, there will be no duplication of targets/achievements.

3.29 The Committee note that the objective of both the old Million wells scheme (MWS) and the new Ganga Kalyan Yojana (GKY) is same *i.e.* to facilitate irrigation by different means. They also note the only difference with the new GKY is that the term credit of the financial institutions have to be repaid by the beneficiary where as there is no repayment clause under MWS. Further they feel, the Department could have introduced the Scheme by slightly modifying the existing provisions of MWS. The Committee have their own doubts as on how the Department can prevent duplication of targets and achievements among GKY, MWS and irrigation components of IRDP. In view of the above they recommend the Department to integrate GKY, MWS and irrigation component of IRDP for a higher allocation and better implementation of the Scheme.

3.30 The Committee note as on date, the Department does not have information of the ground water table in the country. They feel such an information will facilitate better implementation of Schemes related to irrigation. In this regard they would like to recommend the Department to procure and maintain up-to-date information on the existing ground water-table.

CHAPTER IV

SUPPLY OF IMPROVED TOOL KITS TO RURAL ARTISANS

The Scheme of Supply of Improved Tool Kits to Rural Artisans was launched in July, 1992 as a sub-scheme of IRDP and is being made a separate Programme from 1.4.97. Under the Scheme, artisans from different crafts, except weavers, tailors, needle workers and beedi workers, living below the poverty line are given improved tools to enable them to enhance the quality of their products, increase their production and income and to ensure a better quality of life by utilization of improved tools. This scheme also intends to reduce their migration from rural areas to urban areas.

4.2 The average cost of Tool Kits provided to the rural artisans is Rs. 2000/-. The unit cost is fixed by the DRDA. The artisans are required to contribute 10 per cent of the cost as their contribution and the balance 90 per cent is provided as subsidy by the Central Government.

4.3 The Scheme has been extended to all the districts in the country from 1994-95. At the district level DRDA is the nodal agency. The Department had proposed an outlay of Rs. 60.0 crores against which an allocation of Rs. 40.0 crores has been made for the programme during 1997-98. The Physical and financial targets *vis-a-vis* achievements under this Programme for the last three years is as under :

Year	Physical			Financial		
	Target	Achievement (Number in lakh Kits)	%Achv.	Targets	Achievement	%Achv. (Rs. in crores)
1995-96	2.22	1.53	69.00	40.00	28.69	72.00
1996-97	2.22	1.19	51.00	40.00	26.38	66.00
1997-98	2.22	—	—	40.00	—	—

4.4 The Committee are constrained to note unsatisfactory physical and financial performance of the Scheme during 1995-96 and 1996-97. They also note as per the written replies, artisans are required to contribute 10% of the cost of tool Kits and the balance 90% is assisted by the Central Government as subsidy. The physical and financial

performance of the Scheme during 1995-96 is stated to be 69% and 72% where as during 1996-97 it is stated to be 66% and 51%. The Committee fail to understand the reasons for this unsatisfactory performance of the Scheme especially when entire Central assistance is provided as the subsidy. They would like to have an explanation of the Department in this regard.

4.5 The Committee note with concern the reply of the Department that at present it is not maintaining the unspent balance under Rural Artisan Schemes, and financial releases are made only to those DRDAs who have utilised atleast 75% of the funds available with them during the preceding year. They feel by not releasing funds to those DRDAs whose fund utilisation in the previous year is less than 75%, would have left many DRDAs with no release under the Scheme and would have given a non-satisfactory coverage of the Scheme. The Committee therefore recommd now that the Scheme is being made a separate programe from the 9th Five year Plan, the Department should monitor state-wise information of unspent Balance of the Scheme.

CHAPTER V

JAWAHAR ROZGAR YOJANA (JRY)

The Jawahar Rozgar Yojana which is in operation since 1989 aims at generation of additional gainful employment for the unemployed and underemployed men and women in the rural areas, strengthening of rural economy infrastructure and assets and improvement in the overall quality of life in rural areas. The Programme is implemented in all States and is funded by the Centre and the State on 80:20 sharing basis. Expenditure in the Union Territories is borne by the Centre on 100% basis. Central assistance is provided to the States/UTs, on the basis of the proportion of rural poor in the State/UT to the total of rural poor in the Country. JRY has since been restructured and streamlined. From 1997-98 it has also been decided to abolish another sub-scheme under JRY called Intensive JRY (IJRY) and extend the Employment Assurance Scheme to the areas where IJRY was being implemented.

5.2 As per the Annual Report 1996-97 of the Ministry, funds under JRY are now being distributed among different DRDAs/Zila Parishads, Intermediate level Panchayats and Village Panchayats, in ratio of 20:15:65 from the current financial year.

5.3 The resources of two or more Districts/Village Panchayats can be pooled to take up works for common benefits of the concerned Districts/Village Panchayats. Works may be taken up for execution anytime during the year whenever the need for employment generation is felt. They are preferably to be started during lean agricultural season but may continue thereafter during the busy agricultural season too. Contractors or middlemen are not to be engaged for executing any of the works under the Yojana. At least 60% of resources have to be spent on the wage component. From the year 1993-94, it has been decided that the wages paid to the skilled labourers will be assessed as a part of the wage component, subject to a limit of 10% of the total wage cost.

5.4 Wages under JRY are paid at the rate notified for the prescribed Schedule of Employment under the Minimum Wages Act for the

relevant works and may be paid partly in cash. The rate of distribution of foodgrains has been prescribed at 2 kg. per manday. however, the payment of wages in foodgrains is optional from September, 1993. Payment of wages has to be made on a fixed day of the week and should not be delayed by more than a week except at the option of workers and in the latter case for not more than 15 days.

5.5 The Department had proposed an outlay of Rs. 4410.0 crores against which an allocation of Rs. 2077.70 crores has been made for the Scheme during 1997-98.

The physical and financial targets and achievements under JRY since 1995-96 is as below :

Year	Physical			Financial		
	Target (in Million)	Achievement (in Mandays)	% Achv.	Targets	Achiev- (in Rs. crores)	% Achv.
1995-96	848.01	895.83	105.64	3862.00	3686.59	95.46
1996-97	428.86	230.45	53.74	1865.00	1219.22	65.37
1997-98	520.00	—	—	2077.70	—	—

5.6 The Committee appreciate the good physical and financial performance under the Scheme during 1995-96 which is stated to be nearly 106 percent and 95.46 percent respectively. They note the increase in allocation to the Yojana during 1997-98. They also note, from the current year funds to the tune of 15% under JRY have been allocated to intermediate level Panchayats but the share of Village Panchayats has been reduced from 80% to 65%. They further note the observation of the Department that the increase in the overall allocation under JRY will not fully compensate the Gram Panchayats and the share of Gram Panchayats will come down, as admitted by the Secretary during the course of officials evidence. In view of the above they recommend allocation to the JRY should further be increased so that allocations to the Gram Panchayats stay at the 1996-97 level.

5.7 The Committee note the restructuring of JRY allocation to District Panchayats, Intermediate level Panchayats and village level panchayats is being made in the ratio of 25: 15 :65 % from 1997-98.

They feel the Department should monitor information on the release and expenditure separately for the three types of Panchayats namely, Village Panchayats, Intermediate Panchayats and District Panchayats.

5.8 The Committee note that there are complaints in various States about uniform application of the guidelines issued by the Centre. They also note, often guidelines are never followed scrupulously. In view of the above they recommend that monitoring of JRY should further be strengthened.

CHAPTER VI

INDIRA AAWAS YOJANA (IAY)

The Scheme of Indira Aawas Yojana is in operation since 1989-90. The objective of the Yojana is to provide dwelling units, free of cost to rural poor living below the poverty line. The benefits under the scheme, which were earlier limited to SCs/STs and freed bonded labourers below the poverty line, have been extended to non-SCs/STs also. Accordingly, from the year 1993-94, the sectorial earmarking for IAY has been raised from 6% to 10% and its scope extended to cover non-SC/ST poor, subject to the condition that the benefits to the non-SC/ST poor does not exceed 4% of the total allocation. With effect from 1.8.96, the permissible expenditure on a house under IAY including the construction of sanitary latrine, and smokeless chulas has been increased from Rs. 14,000 to Rs. 20,000 in the plains and from Rs. 15,800 to Rs. 22,000 in remote or hilly areas.

6.2 The Scheme was made a separate programme and the allocation under the scheme of Rural Housing was merged with it from 1.1.96. The Scheme is a Centrally Sponsored Programme, and the resources are shared on 80:20 basis between the Centre and the States.

6.3 The Department had proposed an allocation of Rs. 260.00 crores against which an allocation of Rs. 1190.00 crores has been made for 1997-98.

The physical and financial targets vis-a-vis achievements under IAY since 1995-96 is as below :

Year	Target	Achievement (in Lakh houses)	Physical %Achv.	Targets	Financial Achiev- (in Rs. crores)	% Achv.
1995-96	11.47	8.64	75.33	1094.99	1170.78	106.92
1996-97	11.24	3.57	31.76	1194.00	700.72	58.69
1997-98	7.00	—	—	1190.00	—	—

6.4 The Committee note the Physical target for 1997-98 under IAY has been reduced from the 1996-97 target of Rs. 11.24 lakhs to

7 lakhs, in view of the enhancement in per unit upper ceiling limits. They observe that the Department had placed a proposal of Rs. 2600.00 crores for the Yojana during 1997-98 against which an allocation of only Rs. 1190.00 crores has been made. In view of this they urge the Department to impress upon the Planning Commission to enhance the allocation for IAY.

6.5 The Committee note as per the guidelines each house constructed under IAY must include the construction of sanitary latrine and smokeless chulas. They observe several houses constructed under the Yojana lack these basic facilities. They recommend that the guidelines of the Scheme should be suitably modified to incorporate and implement that no house built under IAY should lack basic amenities like sanitary latrine and the Kitchen Unit.

CHAPTER VII

MILLION WELLS SCHEME

The Scheme was launched during the year 1988-89. The objective of the Million Wells Scheme (MWS) is to provide open irrigation wells, free of cost, to small and marginal farmers and freed bonded labourers who are below the poverty line. Where wells are not feasible due to geological factors, other scheme of minor irrigation like irrigation tanks, water harvesting structures and the development of lands belonging to small & marginal farmers can be taken up. The benefits under the Scheme, which were earlier limited to SC/ST, small and marginal farmers and freed bonded labourers below the poverty line, have been extended to non-SCs/STs also. Accordingly, from the year 1993-94, the scope of the MWS has been enlarged to cover non-SC/ST small and marginal farmers who are below the poverty line. Under the Scheme, the sectorial earmarking which was 20% upto 1992-93 has also been raised to 30% from 1993-94 subject to the condition that the benefits to non-SC/ST do not exceed 10% of the total allocation.

7.2 MWS being a Centrally Sponsored Scheme, the funds are shared between the Centre and the States on 80:20 basis.

7.3 The Department had proposed an outlay of Rs. 1500.0 crores against which an allocation of Rs. 448.00 crores has been made.

The physical and financial targets vis-a-vis achievements under MWS since 1995-96 is as below :

Year	Physical			Financial		
	Target	Achievement (in lakh wells)	%Achv.	Targets	Achievement (in Rs. crores)	% Achv.
1995-96	Not Fxd.	1.43	—	447.40	477.79	106.79
1996-97	Not Fxd.	0.71	—	448.00	288.32	64.36
1997-98	Not Fxd.	—	—	448.00	—	—

7.4 The Committee regret to note that Physical Performance of the Scheme is decreasing over the years. For example, during 1994-95, 1.59 lakh wells were constructed where as during 1995-96 and 1996-97 only 1.43 and 0.71 lakh wells have been constructed. Further, physical targets of the Scheme is not fixed. They note that a similar programme of Ganga Kalyan Yojana (GKY) has been introduced from 1996-97. In view of the above they reiterate their recommendation at Para 3.28 (Chapter III) to integrate under one umbrella, similar programmes of GKY, MWS and irrigation components of IRDP, in order to have a higher allocation and better implementation of the Scheme.

CHAPTER VIII

EMPLOYMENT ASSURANCE SCHEME

With a view to provide assured purchasing power to the most needy persons in backward areas of the country, the Employment Assurance Scheme (EAS) was introduced from 2nd October, 1993. The blocks where EAS is implemented, are situated mainly in drought prone areas, desert areas, tribal areas and hilly areas in which the Revamped Public Distribution System (RPDS) is in operation. During the year 1995-96, the Scheme of Intensified-JRY was merged with the Employment Assurance Scheme. During 1997-98 this Scheme is expected to cover all 5452 rural blocks of the country. The objectives of EAS are to provide gainful manual employment during the lean agricultural season to all able bodied adults in rural areas and creation of economic infrastructure and community assets for sustained employment and development. The Scheme assures 100 days of unskilled manual work to men and women of over 18 years and below 60 years of age during the lean agricultural season. There can be a maximum of two persons per family as the beneficiary. The District Collector/Deputy Commissioner of the district is the Implementation Authority of EAS.

8.2 Works to be taken up under EAS is given a fixed percentage of activity in terms of water and soil conservation (40%), Minor Irrigation works (20%), link roads featuring in Master Plans (20%) and Primary School & Anganwadi Buildings (20%).

8.3 The expenditure under the Scheme is shared between the Centre and the State on 80 : 20 basis. The Central assistance is released directly to DRDAs/Zila Parishads (ZPs).

8.4 The Department had proposed an outlay of Rs. 3500.00 crores against which an allocation of Rs. 1970.00 crores has been made for 1997-98.

The physical and financial targets vis-a-vis achievements under EAS since 1995-96 is as below :

Year	Physical			Financial		
	Target	Achievement (in million mandays)	%Achv.	Targets	Achievement (in Rs. crores)	% Achievement
1995-96	Not Fxd.	346.50	—	1570.00	1705.69	108.64
1996-97	Not Fxd.	194.18	—	1970.00	1084.47	55.05
1997-98	Not Fxd.	—	—	1970.00	—	—

8.5 The Committee note the satisfactory achievements of financial targets under EAS during 1995-96. They also note the Scheme was extended to cover 1123 new blocks during 1996-97 which has been further extended to cover all the rural blocks numbering 5452 of the whole country from the current financial year. The Committee observe that the proposed allocation of Rs. 1970.00 crores is insufficient keeping in view increase in the wage rate and the target to cover additional 1123 new blocks during 1997-98. They feel the performance under the Scheme will be adversely affected during the current year due to no change in the allocation. They also note that the Department had proposed an allocation of Rs. 3500.00 crores before the Planning Commission for the current financial year. In view of the above, they recommend that the allocations to EAS should be suitably increased for a better performance of the Scheme.

8.6 The Committee note during 1996-97 a release of Rs. 1647.71 crores were made to 3206 old blocks and Rs. 292.08 crores were released to 1123 new blocks. Further they note that as per the written replies expenditure under EAS is only monitored District-wise on a monthly basis. But separate block-wise expenditure for old and new blocks is not available with the Department. In view of the above they recommend the Department to monitor the progress of the Scheme also for district-wise and block-wise expenditures.

CHAPTER IX

DROUGHT PRONE AREAS PROGRAMME

Drought Prone Areas Programme is an 'Area Development Programme' that was launched during 1993-94 and was recasted during 1994-95. The objectives of the programme are to mitigate the adverse effects of drought on crops and live stock, to encourage restoration of ecological balance, to promote economic development of village community and to improve economic and social conditions of the Poor village community. The programme is under implementation in 947 blocks in 155 Districts of 13 States, spread in 7.46 lac sq. kms.

9.2 The Programme is funded on 50 : 50 basis between the Centre and the State. The Department in the written replies have stated that against the proposed outlay for Rs. 290.00 crores an allocation of Rs. 115.0 crores has been made for 1997-98.

The physical and financial targets vis-a-vis achievements under DPAP since 1995-96 is as below :

Year	Physical		Financial	
	Target Achievement (in hectares)	target %Achv.	Achievement (in Rs. crores)	%Achv.
1995-96	Target of 4957watershed	125.00	119.10	95.25
1996-97	Projects for the period of	125.00	66.78	53.42
1997-98	1995 to 2000 AD	115.00	—	—

9.3 The Committee note the near full utilisation of financial targets under DPAP during 1995-96. They also note the utilisation of 53.42% of the Financial Targets upto January, 1997. They apprehend the release of rest of the allocation at the fag end of the financial year may lead to accumulation of unspent balance. They also observe watershed works in 2417 projects have only been started so far against the target of 4995 watershed projects for 1995-2000 period. Further they also note the reply of the Department that the percentage of expenditure to total allocation on watershed projects was only 32.67% of allocation during 1995-96 and 29.27% of the allocation

during 1996-97 so far. They would like to know the reasons for this slow physical and financial progress under the Scheme.

9.4 The Committee are constrained to note that during 1995-96 Rs. 1.0 crore was released for DDP by appropriation from DPAP. They also note as on 1.5.1996 both the DPAP and DDP had unspent balance of Rs. 47.46 crores and Rs. 31.15 crores respectively which would have been utilised. They cannot but accept the explanation of the Department that the said reappropriation was done as per the guidelines of Ministry of Finance which will not amount to diversion of funds from one Scheme to another scheme. The Committee, feel the practice of reappropriation actually means diversion of funds from one Scheme to the other. In view of the above they strongly recommend, under no-circumstances the Department should cater to the practice of reappropriation/diversion of funds.

9.5 The Committee note the findings of the evaluation study of DPAP last conducted by Project Evaluation Organization (PEO) of the Planning Commission during 1992-93, in which it was found that (i) the Programme could not make much impact (ii) Watershed approach was followed in limited cases and (iii) People's Participation was limited to obtaining their views. The Committee would like to urge the Department to take necessary corrective steps in this regard and to strengthen the existing monitoring mechanism of the Scheme.

CHAPTER X

DESERT DEVELOPMENT PROGRAMME

Desert Development Programme is an Area Development Programme that was launched during 1977-78 and was recasted last, during 1994-95. The objectives of DDP are to control desertification, mitigate the adverse effects of drought on crops and live stock, to encourage restoration of ecological balance, to promote economic development of village community and to improve economic and social conditions of the poor village community. The programme is under implementation in 227 blocks in 36 Districts of 7 States, spread in 4.57 lac sq. kms.

10.2 The allocation is made per 1000 sq. kms. in Hot Desert Areas and on lump-sum basis per district in Cold Desert Areas. The funds under the programme is provided for Hot Desert Areas on 75 : 25 basis, and for hot Sandy and Cold Arid Areas on 100% basis by the Centre. As per the written reply of the Department, against the proposed outlay of Rs. 240.0 crores an allocation of Rs. 70.0 crores has been made for the Programme during 1997-98.

The physical and financial targets *vis-a-vis* achievements under DDP since 1995-96 is as below:

Year	Physical		Financial	
	Target Achievement (in hectares)	%Achv.	target Achievement (in Rs. crores)	%Achv.
1995-96	Target of 1996 watershed	100.00	101.00	101.00
1996-97	Project for the period of	100.00	34.00	34.00
1997-98	1995 to 2000 AD	70.00	—	—

10.3 The Committee note that full utilisation of financial targets under DDP during 1995-96. They also note the utilisation of 34.0% of the financial targets upto January 1997. They apprehend the release of rest of the financial allocation at the fag end of the financial year will lead to accumulation of unspent Balance. They also observe watershed works in 414 projects have only been started so far against

the target of 1695 watershed projects for 1995-2000 period. Further they also note the reply of the Department that the percentage of expenditure to total allocation in watershed projects is only of 17.11% allocation during 1995-96 and 29.27% allocation during 1996-97, so far. They would like to know the reasons for this slow physical & financial progress under the Scheme. They would like to recommend the Department to initiate corrective measures to overcome the slow progress of the Scheme in recent years.

10.4 The Committee note that the evaluation of DDP was last conducted by Project Evaluation Organization (PEO) of Planning Commission during 1988-89. Since then, nine years has been passed without any assessment/evaluation of the Scheme. In view of this they recommend the Department to evaluate the Scheme at the earliest.

NEW DELHI;
April 21, 1997

Vaisakha 1, 1919 (Saka)

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

ANNEXURE I

DETAILED DEMANDS FOR GRANTS 1997-98

(In thousands of Rupees)

Sl. No.	Name of the Scheme	Major Head of Account	Budget Estimates, 1996-97	Revised Estimates, 1996-97	Budget Estimates 1997-98		
					Revenue	Capital/Loan	Total
1	2	3	4	5	6	7	8
Plan Schemes							
SPECIAL PROGRAMMES FOR RURAL DEVELOPMENT							
1.	Integrated Rural Development Programme :						
	(a) Subsidy to District Rural Development Agencies	2501	5345000	5345000	5676800	—	5676800
	(b) Other Integrated Rural Development Programmes	2501 3601 3602	50100 311500 900	50100 311500 900	30200 3000 —	— — —	30200 3000 —
Total - I.R.D.P.			5707500	5707500	5710000	—	5710000

1	2	3	4	5	6	7	8
2.	Rural Artisans	2501	400000	400000	400000	—	400000
3.	Ganga Kalyan Yojana (GKY)	2501	—	—	2000000	—	2000000
4.	Training of Rural Youth for Self Employment (TRYSEM)	2501	453000	353000	450500	—	450500
		3601	139300	139300	139300	—	139300
		3602	200	200	200	—	200
			592500	492500	590000	—	590000
5.	Drought Prone Areas programme (DPAP)	2501	1250000	1100000	1150000	—	1150000
6.	Desert Development Programme (DDP)	2501	1000000	650000	700000	—	700000
	Total . Special Programmes for Rural Development		8950000	8350000	10550000	—	10550000
RURAL EMPLOYMENT							
7.	Jawahar Rozgar Yojana (JRY)	2505	15060300	13360300	16339500	—	16339500
		3601	3582200	3182200	4430000	—	4430000
		3602	7500	7500	7500	—	7500
			18650000	16550000	20770000	—	20770000

1	2	3	4	5	6	7	8
8.	Employment Assurance Scheme (EAS)	2501	19700000	18400000	19700000	—	19700000
	Total-Rural Employment		38350000	34950000	40477000	—	40477000
OTHER RURAL DEVELOPMENT PROGRAMMES							
9.	Million Wells Scheme (MWS)	2515	3570000	3070000	4480000	—	4480000
		3601	900000	800000	—	—	—
		3602	10000	10000	—	—	—
			4480000	3880000	4480000	—	4480000
10.	Development of Women and Children in Rural Areas (DWCRA)	2515	650000	650000	650000	—	650000
	Total Other Rural Development Programme		5130000	4530000	5130000	—	5130000

1	2	3	4	5	6	7	8
Housing							
11.	Indira Awaas Yojana (IAY)	2216	9677000	9677000	11850000	—	11850000
		3601	2253000	2253000	50000	—	50000
		3602	10000	10000	—	—	—
			11940000	11940000	11900000	—	11900000
Total-Plan							
			64370000	59770000	68057000	—	68057000
NON-PLAN							
1	Headquarters-Estt. of Department of Rural Employment & Poverty Alleviation	—	—	—	13900	—	13900

PROPOSED AND APPROVED PLAN OUTLAY FOR 1997-98

Department of Rural Employment and Poverty Alleviation

(Rs. in crores)

Sl. No.	Name of the Schemes	Proposed outlay for 1997-98 placed before Planning Commission	Approved Outlay for 1997-98
1.	Jawahar Rozgar Yojana	4410.00	2077.70
2.	Employment Assurance Scheme	3500.00	1970.00
3.	Indira Awaas Yojana	2600.00	1190.00
4.	Millions Wells Scheme	1500.00	448.00
5.	Integrated Rural Development Programme	1500.00	571.00
6.	Supply of Tool Kits to Rural Artisans	60.00	40.00
7.	Ganga Kalyan Yojana	0.00	200.00
8.	Training of Rural Youth for Self-Employment	90.00	59.00
9.	Development of Women & Children in Rural Areas (DWCRA)	150.00	65.00
10.	Drought Prone Areas Programme (DPAP)	290.00	115.00
11.	Desert Development Programme (DDP)	240.00	70.00
Total :		14340.00	6805.70

APPENDIX

SUMMARY OF OBSERVATIONS, CONCLUSIONS AND RECOMMENDATIONS

Sl. No.	Para No.	Observations, Conclusions and Recommendations
1	2	3
1.	2.5	<p>The Committee observe that the proposed outlay for 1997-98 of the Department in real terms has only marginal hike over BE 1996-97. Given the importance of rural Areas in the vast size of the Country, in which a larger concentration of people live below the poverty line, a direct and frontal attack on rural poverty needs utmost importance. The Committee feel that the proposed plan outlay of Rs. 6805.70 crores for 1997-98 is not sufficient to meet the targets fixed for different schemes of the Department. They note that 1997-98 being the first year of 9th Five Year Plan, the Department placed before the Planning Commission a proposal of Rs. 14340.0 crores out of which only Rs. 6805.70 crores were allocated. The Committee are concerned about the lesser allocation for the Department and feel that it will adversely affect the physical targets. In view of the above, they recommend that outlay of the Department should be increased from Rs. 6805.70 crores to Rs. 14340.00 crores as proposed by the Department.</p>
2.	2.7	<p>The Committee note with concern the marked reduction of Rs. 460.0 crores between BE 1996-97 and RE 1996-97 which as the department acknowledges is due to huge opening/Unspent Balance with the States and slow pace of utilisation of funds under EAS. They also note, during 1995-96, Rs. 6388.94 crores (actuals) were spent against an allocation of Rs. 6434.0 crores. On the</p>

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one hand the Department feels the outlay for 1997-98 is inadequate and on the other, what ever meagre amount was available could not be spent fully. In view of the above they recommend the Department to initiate urgent corrective steps to avoid and effectively use the huge unspent balance left with the States. Further they recommend the Department to initiate appropriate measures against slow pace of utilisation of funds.

3. 2.8 The Committee note the Department's instruction to constitute and functionalise Monitoring and Vigilance Committees at the village, block and district levels for all the Schemes of the Department is yet to be started. They are constrained to note that even the Department does not have correct information on the constitution of Vigilance and Monitoring Committees in several States/UTs, as acknowledged by the Secretary during the course of official evidence. The Committee take strong view of the non-availability of up-to-date information with the Department. They would like to strongly recommend for constitution and functionalisation of Monitoring and Vigilance Committees at the Village, Block and District Levels without any further delay, Further they would like the Department to give a deadline by which all the States and Union Territories will constitute the required Monitoring and Vigilance Committees.
4. 2.9 The Committee note that funds meant for different programmes of the Department are not utilised properly or are diverted for other purposes. They feel cases of diversion of funds or malfunctioning of the States/UTs for effective utilisation of funds can not come to notice due to the absence of any audit/evaluation conducted at the regular intervals. They would like to urge the Department to carry out evaluation/audit/review of each of the Schemes,
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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 shortfalls before the beginning of the subsequent Five Year Plans.

5. 2.10 The Committee note that 73rd Constitutional Amendment came into force from 24th April, 1993. Various provisions of the said amendment had called for significant changes in the federal set up of the Country. The Committee would like to know the current status of implementation of various provisions of the said Act.
6. 2.11 The Committee feel the success of all the programmes of Department of Rural Employment and Poverty Alleviation depends upon involvement of Panchayati Raj Institutions (PRIs) and the administration attached with the PRIs. They also feel that all round development of rural areas cannot take place unless devolution of financial powers are given to the PRIs and its administration. They observe till date, different programmes of the department lack adequate peoples participation/ involvement. In view of the above they would like to urge the Department to ensure optimum People's participation/Public Participation in rural areas so that all the programmes of the Department can achieve their objectives.
7. 2.13 The Committee note the recommendation of the conference of Chief Ministers which calls for providing greater freedom and flexibility to the State Govts./UTs. Though they are not against further decentralization, they feel greater freedom and flexibility to the State Governments/Union Territory Administrations might result in accumulation of unspent balance. diversion of funds to other Schemes and poor implementation of the
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Programmes. They note Poverty eradication is a national goal and should be achieved through the Centrally Sponsored Schemes. They would like to recommend while giving greater freedom and flexibility to State Govts./UTs, it should be ensured by the Department that it does not lead to problems of accumulation of Unspent balance, diversion of funds and poor implementation.

8. 2.15 The Committee note with concern, the huge accumulation of unspent balances over the years in each of the Schemes mentioned above since their inception. They regret to note that for the Scheme of Rural Artisans the State-wise information on unspent balances are not being monitored by the Department as stated by them in the written replies. The Committee would like to know the reasons for accumulation of huge unspent balances scheme-wise. The Committee need hardly emphasise that given the huge task of alleviating rural poverty, the Department can hardly make any room for unspent balance under any Scheme. The Committee recommend that the amount released for each Programme/Scheme should be spent fully. They would like to urge the Department to chalk out a time schedule in consultation with the respective State Govts./UTs by which the entire accumulated unspent amount can be utilised in the particular Programmes/Schemes.
9. 2.19 The Committee note that the Budget proposal for 1997-98 is not based on the revised poverty estimates of Lakhdawala Committee Report which identifies that during 1993-94 the total number of people living below the poverty line in rural areas of the country was 24.40 crores i.e. 37.27% of the total rural population. They are constrained to note, though the Department have made projections to

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cover all the persons below poverty line by 2005 AD, as on date they don't know how much additional funds would be needed for the purpose. They feel, poverty eradication in the rural areas should be the goal of the Department instead of the existing poverty alleviation. Further they also feel that the Department should get more funds i.e. in proportion to the increase in the number of persons who are living below the poverty line. In view of the above they would like to recommend the Department to impress upon the Planning Commission to provide a sizable amount of plan outlay for the 9th Five Year Plan based on the revised estimation of people below the poverty line.

10. 3.6 The Committee note the marginal hike of financial targets (Central Share) for IRDP during 1997-98. They observe that the central share allocation to IRDP which was Rs. 549.00 crores during 1996-97, has been increased to Rs. 571.00 crores for 1997-98. They feel that this marginal hike is not sufficient to meet either the growing challenges of Poverty Alleviation or the stepping up of per family investment. They appreciate the Department's observation that sub-critical Level of investment have been one of the serious limitations for IRDP because of which not all assisted families were able to cross the poverty line in one go. They would like to recommend that the outlay for the Programme should be substantially stepped up keeping in view the higher proposed outlay of Rs. 1500.00 crores placed before the Planning Commission.

11. 3.7 The Committee note that as per guidelines of the programme the Gram Sabha identifies a list of poor beneficiaries and sends the same to Panchayat Samiti/Block and the DRDA. The Committee during it's study visit to various parts of the country have

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found that the list of beneficiaries prepared by the Gram Sabha has been altered at the Block and DRDA levels. The Committee would like to urge the Department to initiate prompt remedial action so that the provisions of guidelines are not violated for identification of beneficiaries.

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3.8

The Committee note that Banks *viz.* Commercial, Cooperative and Rural Banks play a very important role in the implementation of the Programme. It is regretted to note that the performance of Banks is not satisfactory. The Banks don't disburse the allocated money within six to seven months. In most of the cases loan applications are rejected on the ground of viability. Further, they also note, as per the existing guidelines, the bank Manager of the concerned area is to be associated with the selection of beneficiaries in an open meeting of Gram Sabha and all Banks are required to dispose off loan application received from Blocks/DRDAs within a fortnight. But in actual practice the guidelines are not followed. In view of the above they recommend that there should be a district survey on the viability of projects in each district of the country so that Banks can provide advances for such projects. Further the reasons of rejection of loan applications, should be promptly communicated to the beneficiaries and sponsoring agencies for necessary remedial action. They also recommend that monitoring of the Programme should further be strengthened so that all loans sanctioned should be disbursed within the stipulated period of a fortnight.

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3.9

The Committee observe success of the IRDP depends largely upon the success and the role of financial institutions/Banks, to provide the term credit advance, as per the guidelines. They feel, since the inception of the programme the

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involvement of financial institution, has become by and large, unsatisfactory. They also observe the Department's reply that, percentage of recovery of total term credit to demand by all the Public Sector Banks at the end of March, 1996 was 31.65 percent in addition to the total subsidy of Rs. 870.81 crores given during 1995-96. They feel a fresh look is needed for involvement of various types of financial institutions. Further, they recommend that the existing system should be modified for involving appropriate financial institutions, that are sensitive to the needs of the poor people living in the rural areas.

14. 3.10

The Committee regret to note that linkages between IRDP and its two Sub-Schemes could not be established as per the Concurrent Evaluation of 1992-93. They also note the maximum extent to which the linkage between IRDP and the components can be achieved is upto 10% for TRYSEM and 14% for DWCRA. The Committee strongly feel that it must be made mandatory by the guidelines that whosoever is qualified under TRYSEM & DWCRA should be provided with the loans under IRDP to establish a proper linkage between the Schemes. Further, the Department should fix a time frame within which the optimum linkage between IRDP and its components can be achieved.

15. 3.11

The Committee note that the 5th round of Concurrent Evaluation of IRDP was initiated during April, 1995 and was expected to continue for a year. They regret to note the reply of the Department that the report of the same is still under progress, even though one year has been passed since the expected completion of the Concurrent Evaluation. They would like to urge the Department to expedite

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publication of results of the 5th Concurrent Evaluation so that necessary corrections in the implementation of the Programme would be carried out on the basis of its findings.

16. 3.15 The Committee note that there is mismatch between the physical and financial achievements of the scheme during 1996-97. They note that the Physical Achievement has been stated as 125.44% against the financial achievement of 52.00%. The Committee would like to have an explanation of the Government in this regard.
17. 3.16 The Committee note that DWCRA is a good programme for upliftment of Women and Children in the rural areas. They observe, some State Governments release lesser amount of Revolving Fund for formation of Self Help Groups under DWCRA. The Committee recommend that the formation of Self Help Groups should be strengthened and the full amount of Revolving Fund should be released to these groups. Further, they would like to urge the Department to strengthen and streamline the existing monitoring of the Scheme so that deviations from the guidelines are detected.
18. 3.17 The Committee note that under the guidelines of the Scheme, there is provision for establishment of District Supply and Marketing Societies (DSMS) for facilitating supply of raw-materials and marketing of DWCRA products. As per the written replies, the Department at present does not have information regarding number of DSMS established and their functioning, so far in the States/UTs. In this regard they recommend the Department to procure and provide up-to-date information on the establishment and functioning of District Supply and Marketing Societies.

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19.	3.23	The Committee note unsatisfactory physical performance of TRYSEM made during 1995-96. The Physical achievement for the Scheme has been stated to be only 81.89% against the financial achievement of 99.93%. Further, they note, as per the written replies the physical targets of the Scheme had not been fixed during 1996-97. The Committee would like to urge the Department to fix some physical targets so that the performance of the Scheme can be correctly judged.
20.	3.24	The Committee note, when asked about the actual number of persons brought above the poverty line by the assistance under TRYSEM, the Department have replied, monitoring of the number of persons crossing the poverty line doesn't come under the purview of the Scheme. They further note the findings of 4th Round of Concurrent Evaluation of IRDP in which it was found that 47.19% of the TRYSEM beneficiaries were found unemployed after training. In this regard, the Committee would like to urge the Department to carry out a thorough evaluation of the Programme and further strengthen the monitoring of the Schemes.
21.	3.25	The Committee note the existing guidelines of the Scheme doesn't permit supply of Tool Kits to the trainees. They understand, the problem of unemployment of TRYSEM trainees after completion of the training can be reduced if necessary action is taken to provide tool kits under the Scheme of Rural Artisans. They recommend that the linkage between the TRYSEM and supply of improved tool kits to Rural Artisans Scheme be established to achieve better performance of the Scheme.
22.	3.29	The Committee note that the objective of both the old Million Wells Scheme (MWS) and the new Ganga Kalyan Yojana (GKY) is same <i>i.e.</i> to facilitate

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irrigation by different means. They also note the only difference with the new GKY is that the term credit of the financial institutions have to be repaid by the beneficiary whereas there is no repayment clause under MWS. Further they feel, the Department could have introduced the Scheme by slightly modifying the existing provisions of MWS. The Committee have their own doubts as on how the Department can prevent duplication of targets and achievements among GKY, MWS and irrigation components of IRDP. In view of the above they recommend the Department to integrate GKY, MWS and irrigation component of IRDP for a higher allocation and better implementation of the Scheme.

23. 3.30 The Committee note as on date, the Department does not have information of the ground water table in the country. They feel such an information will facilitate better implementation of Schemes related to irrigation. In this regard they would like to recommend the Department to procure and maintain up-to-date information on the existing ground water table.

24. 4.4 The Committee are constrained to note unsatisfactory physical and financial performance of the Scheme during 1995-96 and 1996-97. They also note as per the written replies, artisans are required to contribute 10% of the cost of tool kits and the balance 90% is assisted by the Central Government as subsidy. The physical and financial performance of the Scheme during 1995-96 is stated to be 69% and 72% whereas during 1996-97 it is stated to be 66% and 51%. The Committee fail to understand the reasons for this unsatisfactory performance of the Scheme especially when entire Central assistance is provided as the subsidy. They would like to have an explanation of the Department in this regard.

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25. 4.5 The Committee note with concern the reply of the Department that at present it is not maintaining the unspent balance under Rural Artisan Schemes, and financial releases are made only to those DRDAs who have utilised atleast 75% of the funds available with them during the preceding year. They feel by not releasing funds to those DRDAs whose fund utilisation in the previous year is less than 75%, would have left many DRDAs with no release under the Scheme and would have given a non-satisfactory coverage of the Scheme. The Committee therefore recommend, now that the Scheme is being made a separate programme from the 9th Five Year Plan, the Department should monitor State-wise information of unspent balance of the Scheme.
26. 5.6 The Committee appreciate the good physical and financial performance under the Scheme during 1995-96 which is stated to be nearly 106 percent and 95.46 percent respectively. They note the increase in allocation to the Yojana during 1997-98. They also note, from the current year funds to the tune of 15% under JRY have been allocated to intermediate level Panchayats but the share of village Panchayats has been reduced from 80% to 65%. They further note the observation of the Department that the increase in the overall allocation under JRY will not fully compensate the Gram Panchayats and the share of Gram Panchayats will come down, as admitted by the Secretary during the course of officials evidence. In view of the above they recommend, allocation to the JRY should further be increased so that allocations to the Gram Panchayats stay at the 1996-97 level.
27. 6.4 The Committee note the Physical target for 1997-98 under IAY has been reduced from the 1996-97 target of 11.24 lakhs to 7 lakhs, in view of the
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enhancement in per unit upper ceiling limits. They observe that the Department had placed a proposal of Rs. 2600.00 crores for the Yojana during 1997-98 against which an allocation of only Rs. 1190.00 crores has been made. In view of this they urge the Department of impress up on the Planning Commission to enhance the allocation for IAY.

28. 6.5 The Committee note, as per the guidelines each house constructed under IAY must include the construction of sanitary latrine and smokeless chulas. They observe several houses constructed under the Yojana lack these basic facilities. They recommend that the guidelines of the Scheme should be suitably modified to incorporate and implement that no house built under IAY should lack basic amenities like sanitary latrine and the Kitchen Unit.
29. 7.4 The Committee regret to note that Physical Performance of the Scheme is decreasing over the years. For example, during 1994-95, 1.59 lakh wells were constructed whereas during 1995-96 and 1996-97 only 1.43 and 0.71 lakh wells have been constructed. Further, physical targets of the Scheme is not fixed. They note that a Similar Programme of Ganga Kalyan Yojana (GKY) has been introduced from 1996-97. In view of the above they reiterate their recommendation at Para 3.28 (Chapter III) to integrate under one umbrella, similar programmes of GKY, MWS and irrigation components of IRDP, in order to have a higher allocation and better implementation of the Scheme.
30. 8.5 The Committee note the satisfactory achievements of financial targets under EAS during 1995-96. They also note the Scheme was extended to cover 1123 new blocks during 1996-97 which has been further extended to cover all the rural blocks numbering
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5452 of the whole country from the current financial year. The Committee observe the proposed allocation of Rs. 1970.00 crores is insufficient keeping in view increase in the wage rate and the target to cover additional 1123 new blocks during 1997-98. They feel the performance under the Scheme will be adversely affected during the current year due to no change in the allocation. They also note that the Department had proposed an allocation of Rs. 3500.00 crores before the Planning Commission for the current financial year. In view of the above, they recommend that the allocations to EAS should be suitably increased for a better performance of the Scheme.

31. 8.6 The Committee note during 1996-97 a release of Rs. 1647.71 crores were made to 3206 old blocks and Rs. 292.08 crores were released to 1123 new blocks. Further they note that as per the written replies expenditure under EAS is only monitored district-wise on a monthly basis. But separate block-wise expenditure for old and new blocks is not available with the Department. In view of the above they recommend the Department to monitor the progress of the Scheme also for district-wise and block-wise expenditures.
32. 9.4 The Committee note the near full utilisation of financial targets under DPAP during 1995-96. They also note the utilisation of 53.42% of the Financial Targets upto January, 1997. They apprehend the release of rest of the allocation at the fag end of the financial year may lead to accumulation of unspent balance. They also observe watershed works in 2417 projects have only been started so far against the target of 4995 watershed projects for 1995—2000 period. Further they also note the reply of the Department that the percentage of
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expenditure to total allocation on watershed projects was only 32.67% of allocation during 1995-96 and 29.27% of the allocation during 1996-97 so far. They would like to know the reasons for this slow physical and financial progress under the Scheme.

33. 9.5 The Committee are constrained to note that during 1995-96 Rs. 1.00 crore was released for DDP by appropriation from DPAP. They also note as on 1.5.1996 both the DPAP and DDP had unspent balance of Rs. 47.46 crores and Rs. 31.15 crores respectively which would have been utilised. They cannot but accept the explanation of the Department that the said reappropriation was done as per the guidelines of Ministry of Finance which will not amount to diversion of funds from one Scheme to another Scheme. The Committee, feels the practice of reappropriation actually means diversion of funds from one Scheme to the other. In view of the above they strongly recommend, under no-circumstances the Department should cater to the practice of reappropriation/diversion of funds.
34. 9.6 The Committee note the findings of the evaluation study of DPAP last conducted by Project Evaluation Organization (PEO) of the Planning Commission during 1992-93, in which it was found that (i) the Programme could not make much impact (ii) Watershed approach was followed in limited cases and (iii) People's Participation was limited to obtaining their views. The Committee would like to urge the Department to take necessary corrective steps in this regard and to strengthen the existing monitoring mechanism of the Scheme.
35. 10.3 The Committee note the full utilisation of financial targets under DDP during 1995-96. They also note the utilisation of 34.0% of the financial targets upto January 1997. They apprehend the release of rest of
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the financial allocation at the fag end of the financial year will lead to accumulation of unspent Balance. They also observe watershed works in 414 projects have only been started so far against the target of 1695 watershed projects for 1995—2000 period. Further they also note the reply of the Department that the percentage of expenditure to total allocation in watershed projects is only of 17.11% allocation during 1995-96 and 29.27% allocation during 1996-97, so far. They would like to know the reasons for this slow physical & financial progress under the Scheme. They would like to recommend, the Department to initiate corrective measures to overcome the slow progress of the Scheme in recent years.

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10.4

The Committee note that the evaluation of DDP was last conducted by Project Evaluation Organization (PEO) of Planning Commission during 1988-89. Since then, nine years has been passed without any assessment/evaluation of the Scheme. In view of this they recommend the Department to evaluate the Scheme at the earliest.
