

FIFTY FOURTH REPORT
STANDING COMMITTEE ON URBAN
AND RURAL DEVELOPMENT
(2004)

(THIRTEENTH LOK SABHA)

MINISTRY OF RURAL DEVELOPMENT
(DEPARTMENT OF RURAL DEVELOPMENT)

DEMANDS FOR GRANTS
(2003-2004)

*[Action taken by the Government on the recommendations contained in
the Forty-eighth Report of the Standing Committee on Urban and
Rural Development (Thirteenth Lok Sabha)]*

Presented to Lok Sabha on

Laid in Rajya Sabha on



LOK SABHA SECRETARIAT
NEW DELHI

February, 2004/Magha, 1925 (Saka)

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COMPOSITION OF THE STANDING COMMITTEE ON
URBAN AND RURAL DEVELOPMENT (2004)

Shri Chandrakant Khaire — *Chairman*

MEMBERS

Lok Sabha

2. Shri Yogi Aditya Nath
3. Shri Mani Shankar Aiyar
4. Shri S. Ajaya Kumar
5. Shri Ranen Barman
6. Shri Padmanava Behera
7. Shri Jaswant Singh Bishnoi
8. Shri Haribhai Chaudhary
9. Shri Shriram Chauhan
10. Shri Shamsher Singh Dullo
11. Shrimati Hema Gamang
12. Shri G. Putta Swamy Gowda
13. Shri Jaiprakash
14. Shri Hassan Khan
15. Shri Basavanagoud Kolar
16. Shri Shrichand Kriplani
17. Shri Savshibhai Makwana
18. Prof. Vijay Kumar Malhotra
19. Shri Sadashivrao Dadoba Mandlik
20. Shri Mahendra Singh Pal
21. Shri Chandresh Patel
22. Prof. (Shrimati) A.K. Premajam
23. Shri Nawal Kishore Rai
24. Shri Gutha Sukender Reddy
25. Shri Pyare Lal Sankhwar
26. Shri Maheshwar Singh
27. Shri D.C. Srikantappa
28. Shri V. M. Sudheeran
29. Shri Ravi Prakash Verma
30. Shri Pradeep Yadav

(iv)

Rajya Sabha

31. Shri S. Agniraj
32. Shri Urkhao Gwra Brahma
33. Shrimati Prema Cariappa
34. Shri Prasanta Chatterjee
35. Shri N.R. Dasari
36. Shri Ramadhar Kashyap
37. Shrimati Gurcharan Kaur
38. Shri Vidya Nivas Misra
39. Shri Faqir Chand Mullana
40. Shri Rumandla Ramachandraiah
41. Shri Harish Rawat
42. Shri Man Mohan Samal
43. Shri G.K. Vasani

SECRETARIAT

1. Shri N.K. Sapra — *Joint Secretary*
2. Shri K. Chakraborty — *Director*
3. Shrimati Sudesh Luthra — *Under Secretary*
4. Shri Sundar Prasad Das — *Committee Officer*

INTRODUCTION

I, the Chairman of the Standing Committee on Urban and Rural Development (2004) having been authorised by the Committee to submit the Report on their behalf, present the Fifty-fourth Report on the action taken by the Government on the recommendations contained in the Forty-eighth Report of the Standing Committee on Urban and Rural Development (2003) on Demands for Grants (2003-2004) of the Department of Rural Development (Ministry of Rural Development).

2. The Forty-eighth Report was presented to Lok Sabha on 22 April 2003. The replies of the Government to all the recommendations contained in the Report were received on 14 October, 2003.

3. The replies of the Government were examined and the Report was considered and adopted by the Committee at their sitting held on 13 January 2004.

4. An analysis of the action taken by the Government on the recommendations contained in the Forty-eighth Report of the Committee is given in *Appendix IV*.

NEW DELHI;
20 January, 2004
30 Pausa, 1925 (Saka)

CHANDRAKANT KHAIRE,
Chairman,
Standing Committee on
Urban and Rural Development.

CHAPTER I

REPORT

This Report of the Committee on Urban and Rural Development (2004) deals with the action taken by the Government on the recommendations contained in their Forty-eighth Report on Demands for Grants (2003-2004) of the Department of Rural Development (Ministry of Rural Development) which was presented to Lok Sabha on 22 April 2003.

2. Action taken notes have been received from the Government in respect of all the 62 recommendations which have been categorised as follows:

- (i) Recommendations which have been accepted by the Government:

Para Nos. 2.9B, 2.10, 2.11, 2.21, 2.32, 2.34A, 3.21, 3.22, 3.24, 3.36, 3.36A, 3.48, 3.50, 3.53, 3.56, 3.59, 3.61, 4.14, 4.15, 4.16, 5.10, 5.10A, 5.14, 5.20, 5.21, 5.23A, 5.25, 6.8, 6.16, 6.21, 6.28, 6.30, 7.22 and 7.23

- (ii) Recommendations which the Committee do not desire to pursue in view of Government's replies:

Para Nos. 2.9A, 2.20, 3.23, 4.13 and 5.26

- (iii) Recommendations in respect of which reply of the Government has not been accepted by the Committee:

Para Nos. 2.9, 2.9C, 2.12, 2.25, 2.28, 2.34, 3.35, 3.39, 3.42, 4.12, 5.11, 5.13, 5.16, 5.18, 5.23, 6.29, and 6.32

- (iv) Recommendations in respect of which final replies of the Government is still awaited:

Para No. 2.38, 3.25, 4.17, 5.12, 6.7, and 6.20

3. The Committee desire that final replies in respect of the recommendations for which only interim replies have been given by the Government should be furnished to the Committee within three months of the presentation of the Report.

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

(i) **Outlay of the Department of Rural Development during 8th, 9th and 10th Plans.**

Recommendation (Para Nos. 2.9 and 2.12)

5. The Committee had recommended as under:

“While going through the analysis of the overall outlay of the Department of Rural Development during 8th, 9th and 10th Plans, the Committee find that the Department is getting less than one-half of what is proposed to the Planning Commission. Given that close to two-thirds of India’s people live in rural areas, and that several hundred million of these are desperately in need of augmented entitlements, it is deeply distressing that priority for the poor is not reflected in Plan outlay.”

Recommendation (Para No. 2.9)

“The Committee would further like to recommend that the Department should pursue with the Planning Commission to exponentially increase the outlay under different schemes during the 10th Plan.”

Recommendation (Para No. 2.12)

6. The Government in their action taken replies have stated as under:

“The Ministry of Rural Development has been pursuing the issue of enhanced plan allocation appropriately with the Planning Commission and the Ministry of Finance. Planning Commission has provided a substantial increase in the Tenth Plan outlay for Department of Rural Development (DoRD) and Department of Drinking Water Supply (DoDWS) as compared to the Ninth Plan. The outlay for the DoRD was Rs. 32,869.87 crore in the Ninth Plan against which an outlay of Rs., 56,748 crore has been provided for the Tenth Five Year Plan (an increase of 73 per cent). Similarly, the outlay for the DoDWS has been enhanced from Rs. 8,650 crore in the Ninth Plan to Rs. 13,500 crore in the Tenth Plan (an increase

of 56 per cent). Further, the Annual Plan outlay of Department of Rural Development has also been raised from Rs. 8,070 crore (excluding NSAP and Annapurna) in 2001-02 to Rs. 10,270 crore in 2002-03 (an increase of over 27 per cent). This substantial increase in Tenth Plan/Annual Plan outlays have been provided despite the severe resource crunch, keeping in view the commitments of the Ministry of Rural Development. While the Planning Commission is in favour of increasing funds for the programmes that have a direct bearing on the poor, availability of resources is the major constraint. However, it has been stated that given that outlays are fixed on annual basis, based on utilization and availability of funds, Planning Commission could consider an increase at the time of Annual Plan discussions, each year.”

7. Although there is an increase in 10th Plan outlay as compared to 9th Plan, the Committee feel that the enhancement of outlay is not sufficient keeping in view the big challenges of tackling the rural poverty and unemployment in the country. Besides, the recommendations of the Committee were based on the fact that there is a huge gap between the proposed allocation of the Department and the allocation agreed to by Planning Commission. In view of these facts, the Committee had recommended that the Department should pursue with the Planning Commission to exponentially increase the outlay under different Schemes during the 10th Plan. Instead of taking the matter urgently with the Planning Commission, the Department has tried to justify the position by stating that there is substantial enhancement in outlay. The Committee do not approve of such an approach of the Department in this regard. They would like the Department to pursue the matter with the Planning Commission without any further delay and the Committee be kept informed about the steps taken and the outcome thereof.

(ii) Devolution of functions to PRIs as listed in Eleventh Schedule.

Recommendation (Para No. 2.9C)

8. The Committee had recommended as under:

“The Committee recognize that implementation is a joint function of the Union and State Governments and the PRIs. Therefore, the Committee urge frequent interaction between the Union and State Governments, with the active participation of the PRIs with a view

to ensuring time-bound implementation through the PRIs of all devolved functions, including those listed in the Eleventh Schedule. To this end, the Committee reiterate their suggestion made in their earlier Report that the Planning Commission and the Department should jointly prepare an index of devolution and submit an annual state of the Panchayats Report to Parliament.”

9. The Government in their reply have stated as under:

“The Ministry of Rural Development has ensured involvement of PRIs in implementation of certain schemes of the Ministry such as ‘SWAJALDHARA’, ‘HARIYALI’ and ‘SAMPOORNA GRAMEEN ROZGAR YOJANA’ (SGRY) at all the three levels of Panchayats. Periodic meetings and workshops are held with the State Ministers and State Government officials to ensure implementation through PRIs and speed up devolution of funds, functions and functionaries to Panchayats as per the Constitutional provisions, including the subjects in the Eleventh Schedule of the Constitution. The National Level Monitors, engaged by the Ministry of Rural Development to inspect the implementation of the programmes of the Ministry have also been requested to look into the implementation of the mandatory provisions of the Constitution (Seventy-third Amendment) Act, 1992, particularly relating to (i) District Planning Committees, (ii) Elections for PRIs, (iii) State Finance Commissions, (iv) Status of Devolution, and (v) Functioning of Panchayati Raj Institutions. A study project has also been assigned to a reputed NGO to design a decentralisation index.”

10. The Committee find that the initiatives being taken by the Department with regard to devolution of functions to PRIs as listed in Eleventh Schedule of the Constitution are not adequate. They had earlier recommended that the Planning Commission and the Department should jointly prepare an index of devolution and submit an annual state of the Panchayats Report to Parliament. The Committee note that a study project has been assigned to a reputed NGO to design a decentralisation index. The Committee would like to be apprised of the findings of the said study. Besides, as recommended by them earlier, they would like the Planning Commission to be consulted in the matter for enabling the Government to prepare an index of devolution. The reply of the Department is, however, silent on their recommendation to submit an annual state of the Panchayats Report to Parliament. The Committee would like the response of the Department in this regard.

(iii) Estimation of poverty and identification of BPL families.

Recommendation (Para No. 2.25)

11. The Committee had recommended as under:

“The Committee are deeply disturbed to find that over the decade of the 1990–2000, there have been so many changes in the methodology for estimating the number of the poor resulting in conflicting estimates before the country. They feel that there is an urgent need to reconcile those conflicting estimates so as to evolve a truly objective and scientific method for the identification of BPL families to whom those anti-poverty programmes should be directed. The Committee propose undertaking a special study in this regard. The Committee are more disturbed to find that the Planning Commission is instructing State Governments to restrict the number of identifying BPL families to below and arbitrarily cut off level that does not take into account grave realities as perceived by the State Governments and the institutions of local self-Government. The Committee are of the view that poverty number cannot be a statistical abstraction, but must include all those in real need. Therefore, entitlements under ‘anti-poverty programmes’ and guidelines for reaching the individuals and families who need these programmes must be fashioned in consultation with State Governments and institutions of local self-governments instead of being arbitrarily determined in Yojana Bhawan.”

12. The Government in their reply have stated as under:

“The Ministry of Rural Development has also been conducting the BPL Census since the Eighth Plan for identifying households living below the poverty line so that the programmes of the Ministry could be properly targeted. The methodology adopted in 1997 BPL Census is different from 1992 BPL Census. The methodologies adopted for the identification of BPL households in 1992 was on income basis while that for BPL Census, 1997, was on expenditure basis. As both these methodologies had certain shortcomings, an Expert Group was constituted by the Ministry of Rural Development to advise on the methodology for conducting the BPL Census 2002. The expert group adopted a normative approach for identification of the rural poor by introducing a score-based

ranking based on relatively deprivation revealed by 13 socio-economic indicators of the rural households. The State Governments have been allowed the flexibility to decide the cut-off scores for identifying the rural poor and sub-categorization of households into poor and non-poor subject to the ceiling of 10 per cent of the estimate of the rural households worked out under the adjusted formula. The cut-off scores in the States may be uniform or varying within a State depending on the ground realities.

It may also be mentioned that the Expert Group while considering the methodology for the BPL Census 2002 had consultation with all the State Governments. The Expert Group itself consisted of representatives of the State Governments also. Further, all the State Governments were requested to furnish their views, regarding the proposed methodology and their comments and suggestions were incorporated wherever found appropriate before finalisation of the methodology for the BPL Census 2002. The social sector Ministries of the Government of India were also consulted before finalisation of the methodology. After the BPL list has been drawn by the State Government, the same is required to be placed before the *Gram Sabha* who can file objections. The list will be adopted only after the approval of the *Gram Sabha*.”

13. The Committee are least satisfied with the reply furnished by the Department on the issue of estimation of poverty and identification of BPL families. They had, in their earlier recommendation:

- (i) desired to evolve a truly objective and scientific method for the identification of BPL families in view of the conflicting estimates of BPL as estimated by different methodologies; and
- (ii) expressed concern over the instruction by Planning Commission to State Governments to restrict the number of identifying BPL families to below and arbitrarily cut-off level.

On the issue raised at (i) above, the Department has simply indicated the process undertaken for finalising the different methodologies for estimation of poverty. On the issue indicated at (ii) above, the reply of the Department is totally silent. The Committee, while expressing their unhappiness, over the way the Department has responded to their recommendation, would like a categorical reply on the aforesaid issues.

(iv) Flexibility to be given to States while implementing Centrally Sponsored Schemes.

Recommendation (Para No. 2.28)

14. The Committee had recommended as under:

“The Committee note that the request of Government of Goa (and perhaps other State Governments) to provide certain flexibility while implementing various Centrally Sponsored Schemes has not been specifically addressed in the replies furnished by the Department. Instead of taking note of the request to earmark such flexibility in various Schemes, the Department has indicated the flexibility given under SGRY to PRIs to take the projects of employment generation, infrastructure development and food security according to their needs. But nothing has been mentioned about the other Schemes of the Department. The Committee would like that the request of the Government of Goa (and other State Governments, if any) should be considered and they would like to be apprised of the comments of the Department in this regard in respect of all the Schemes. With a view to encouraging States which are lagging behind to catch up with States which have gone further forward, the Union Government should bring both sets of States together to learn from each other’s experience and follow the best available practice.”

15. The Government in their reply have stated as under:

“The Ministry of Rural Development maintains a regular contact with the States and UTs in the formulation and implementation of the various Schemes of this Ministry. Guidelines and parameters of the Schemes are formulated and revised from time to time in consultation with States, UTs and other stakeholders keeping the basic objectives of the Scheme intact. Increasingly, Panchayati Raj Institutions are being given an important role in the implementation of the Schemes to secure required reflection of local priorities and needs in the Programmes. Also regular avenues are provided to the States and Union Territories to share and exchange experiences with each other through periodic National level and Regional level meetings of Chief Ministers, Ministers from States and officials of

the States. Workshops, Conferences are organized by National Institute of Rural Development (NIRD) and State Institutes of Rural Development (SIRDs) also; where officials from across the States participate in sharing and learning experiences. The officers of the Ministry also tour the States/UTs to interact with the implementing agencies to help them to tide over any difficulties and also receive inputs for required changes in the programmes. These then feed into the overall policy and Programme framework.”

16. The Committee are constrained to note that the Department has not addressed to the earlier part of their recommendation whereby the Committee had desired that the request of the Government of Goa (and perhaps other State Governments) to provide certain flexibilities while implementing various Centrally Sponsored Schemes should be taken care of. The Committee would like a specific response of the Department in this regard at an early date.

(v) VSAT connectivity to all DRDAs.

Recommendation (Para No. 2.32)

17. The Committee had recommended as under:

“The Committee note that the pilot project VSAT has been undertaken to provide connectivity to 15 DRDAs for making internet facilities available and a web software for poverty alleviation and rural development programmes. They would like that similar projects should be undertaken in the remaining districts expeditiously. The Committee further find that in the era of e-governance, there is delay in getting the utilization certificates from various States/implementing agencies resulting in late releases of funds. The Committee feel that substantial endeavour has not been done in this regard. They hope VSAT connectivity being provided to all DRDAs would be of great help in getting timely utilization certificates.”

18. The Government in their reply have stated as under:

“The Ministry of Rural Development undertook the project of providing Very Small Aperture Terminal (VSAT) based connectivity

to DRDAs on the pilot basis. Under the pilot project, connectivity was provided to 15 DRDAs with the following objectives:

- provide CRISP Applications Software Package (based on server client architecture, GUI based and Web Based) to process the data related to various programmes implemented by the Ministry;
- facilitate online availability of information from these fifteen districts regarding implementation to various agencies involved in planning, implementation and monitoring of Schemes;
- provide Web Based Information System (Programme Status Report) at Ministry of Rural Development to monitor the Programmes;
- provide E-mail facility to fifteen DRDAs;
- provide online information sharing facility (chat) among the sites to facilitate online sharing of the information about the Rural Development Programmes; and
- provide INTERNET Access to fifteen DRDAs.

The connectivity of Very Small Aperture Terminal (VSAT) is functional in almost all the DRDAs but its connection is very costly. The non-recurring installation expenditure for VSAT per District Rural Development Agencies (DRDAs) is about Rs. 4.50 lakh; recurring annual charges include a technology access (connectivity) payment of Rs. 1.25 lakh to National Informatics Centre (NIC) and an AMC of Rs. 50,000. The National Informatics Centre (NIC), the implementing agency of the project has observed that VSAT is one of the network communication mediums. The other options like Leased Lines, ISDN Line; etc., will have to provide high speed and low cost connectivity to other DRDAs.”

19. While noting the steps taken by the Government to provide Very Small Aperture Terminal (VSAT) based connectivity to District Rural Development Agencies (DRDAs), the Committee would like to be apprised of the extent to which the receipt of utilisation certificates from the said 15 DRDAs has been improved by providing the said connectivity. The Committee are informed that NIC has indicated other network communications media also like leased lines,

ISDN line, etc. The Committee would like the Department to examine these options also with a view to evolve cost effective and fast network communication.

(vi) Involvement of MPs in Vigilance and Monitoring Committees.

Recommendation (Para No. 2.34)

20. The Committee had recommended as under:

“The Committee note the steps taken by the Department for constitution of Vigilance and Monitoring Committee at the State and District levels in all States and Union territories. They feel that involving the members of Parliament in the monitoring mechanism would result in optimum utilization of the scarce resources meant for rural poor. The Committee urge the Department to circulate a copy of the guidelines of the Department in this regard to all the members of Parliament. They also request the Department to circulate a copy of the guidelines in both Hindi and English versions. This would help the members to know about the rights and duties of Chairman/Vice-Chairman of Vigilance Committee. The Committee also want that all State Governments, UTs and the officers of the State and District administrations should be apprised about the rights of members of Parliament as Chairman/Vice-Chairman of Monitoring and Vigilance Committees to forestall any difference among the District level/State level officers and members of Parliament.”

21. The Government in their reply have stated as under:

“The Ministry has already issued guidelines of the Vigilance and Monitoring Committees which contains the compositions, role and functions of these reconstituted Committees including instructions of conducting meetings to the District Collectors, District Magistrate, Dy. Commissioner, Chief Executive Officer Zilla Parishad, Chief Development Officers etc. who are the Member Secretary of the District Level Vigilance and Monitoring Committee. The meetings of these committees may be held on quarterly basis and the Ministry of Rural Development will make necessary financial provision to each of the Districts for facilitating the meetings of the reconstituted Committees.

The Ministry has also issued letters to the four Members of Lok Sabha and one Member of Rajya Sabha nominating them Members of State Level Vigilance and Monitoring Committee.”

22. The Committee in their earlier recommendation had desired:

- (i) to circulate a copy of the guidelines in respect of constitution of Vigilance and Monitoring Committees to all members of Parliament in Hindi and English versions; and
- (ii) all State Governments/UTs and the Officers of the State and the District Administration to be apprised about the rights of members of Parliament as Chairman/Vice-Chairman of Monitoring and Vigilance Committees.

No action seems to have been taken on the above mentioned recommendations. The Committee highly deplore the way the Department has reacted to their recommendation and would like that an urgent action is taken in this regard, and the Committee be kept informed about the outcome.

(vii) Status of implementation of PESA 1996.

Recommendation (Para No. 2.38)

23. The Committee had recommended as under:

“The Committee note that two independent research studies have been commissioned to assess the implementation of various provisions of the Panchayats (Extension to Scheduled Areas) Act, 1996 (PESA) in nine States to which the said Act applies. The Committee would like to be apprised of the details of the findings of the said studies when completed.”

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

“The two research studies—to assess the implementation of various provisions of the Panchayats (Extension to Scheduled Areas) Act, 1996 (PESA) in all the nine States covered under Fifth Scheduled Areas—have been commissioned to the Institute of Social Sciences (ISS) and ORG Centre for Social Research. While ISS has been assigned to conduct the study in the States of Madhya Pradesh,

Maharashtra, Gujarat and Rajasthan, the ORG has been entrusted to conduct the study in the States of Andhra Pradesh, Chhattisgarh, Jharkhand, Orissa and Himachal Pradesh. The Committee will be apprised of the findings of the studies on receipt of the same.”

25. While noting that two research studies have been commissioned to assess the impact of the Panchayats (Extension to Scheduled Areas) Act, 1996 (PESA), the Committee would like to have the findings of the said studies as soon as these are completed.

(viii) Implementation of SGSY through PRIs.

Recommendation (Para No. 3.21)

26. The Committee had recommended as under:

“By noting the trends of allocation made during 8th, 9th and 10th Plans under IRDP/SGSY, the Committee are disturbed to find that the Department has been allocated less than half of what it proposed to the Planning Commission. As the Committee note from what has been stated in preceding paras of the Report, the unsatisfactory performance of the SGSY has resulted in reduced allocation during 10th Plan. Not only that, the Committee are also perturbed to note the decreasing trends of allocation from the year 2000-2001 onwards. They are not satisfied with the replies furnished by the Department according to which the restructuring of the Programme has affected the implementation of the Programme. The Committee find that the mechanism evolved to implement restructured SGSY is not a new one. It is the same mechanism familiar with IRDP. Moreover, it is the responsibility of the Department to do the spade work before restructuring a Programme so that its implementation is not affected thereby. Moreover, now more than four years have passed since SGSY came into operation. The Committee feel that bureaucratic delivery mechanism is the root cause for the poor implementation of the Programme. The Committee recommend to the Government to undertake an urgent study of the ways and means by which SGSY can be implemented by PRIs functionaries as units of self government as provided in the Constitution.”

27. The Government in their reply have stated as under:

“SGSY was restructured by merging IRDP and its allied Programmes (TRYSEM, DWCRA, SITRA, Million Wells Scheme etc.) As per instructions the unspent balance of all these Programmes as on

1.4.1999 amounting to Rs. 776.66 crores were brought forward as the opening balance of this Programme. In the initial years the fund utilisation was low due to the time taken in formation, development and stabilisation of groups. The following table would indicate that the utilisation increased from 2000-2001 onwards and has been more than the yearly allocations under the Programme for 2001-2002 and 2002-2003.

**Total Allocation, Releases & Utilisation under SGSY for year
1999-2000 to 2002-2003**

(in Rs. crore)

Year	Total Allocation (Centre+State)	Total Releases (Centre+State)	Utilization	% of utilization of total allocation
1999-2000	1472.34	1131.02	959.86	65.19
2000-2001	1332.50	662.87	1117.94	83.9
2001-2002	774.50	557.15	970.32	125.3
2002-03	756.37	667.51	910.29	120.34

Moreover, as per the Concurrent Evaluation of the Scheme conducted by the Ministry for the years 1999-2002, almost 14 States are able to utilise the fund allocated to them completely. The average income generated by sample individuals and groups is found steadily increasing through years 1999-2000 and 2001-2002. More than 58 per cent of the SHG Swarozgaris and more than 83 per cent of the individual Swarozgaris are of the opinion that SHG activities have helped them in increasing their income. The percentage level of satisfaction is more than 91 per cent in some States. A noteworthy percentage (93.74 per cent) of the sample group beneficiaries participate in the group decision process and as high as 91.72 per cent of the total sample SHGs maintain group corpus fund. Also, majority of the sample SHGs perform thrift and credit activities.

The guidelines provide for involvement of PRIs in implementation of the Scheme as follows:

- The Gram Sabha will approve the list of Below Poverty line families.

- The Block SGSY Committee must interact with as many Sarpanchs as possible in identification and selection of key activities in the Block.
- The list of key activities identified in the Block should be placed before the General Body of the Panchayat Samiti (Block Panchayat) for approval.
- The list of villages selected, every year for assistance under the Scheme may be placed before the Panchayat Samiti so that members of the Panchayat Samiti are aware of the selection and also the principles that underline the selection of villages.
- The individual Swarozgaris/Self Help Groups are selected in the Gram Sabha by a three members team consisting of the BDO or his representative, the Banker and the Sarpanch.
- The list of swarozgaris finally selected (for the year) should be made available to the Gram Panchayat for placing it before the next Gram Sabha.
- The Gram Panchayat would actively monitor the performance of the Swarozgaris particularly repayment of loan.
- Zilla Parishad will review the performance under the SGSY in its General Body Meetings.

The recommendation of the Committee regarding the implementation of the programme through PRIs has been communicated to the States/UTs for obtaining their comments and based on the suggestions received necessary provision for more closer involvement of Panchayati Raj institutions in implementation of SGSY will be considered.

28. The Committee note that pursuant to their recommendation regarding implementation of 'Swarnajayanti Gram Swarozgar Yojana' (SGSY) through Panchayati Raj Institutions (PRIs), the Government have sought comments of the States and Union territories. The Committee would like to know the response of the States and Union territories in this regard.

(ix) Defunct Self Help Groups**Recommendation (Para No. 3.25)**

29. The Committee had recommended as under:

“The Committee further note that under the erstwhile Programme IRDP, the data with regard to the number of defunct Self Help Groups was being maintained. However, under restructured SGSY, such data is not being maintained. The Committee feel that maintaining of said data is essential to know about the problems being faced in forming of SHGs and would like that the Department should endeavour to monitor the said data and it should be included in the guidelines.”

30. The Government in their reply have stated as under:

“The Ministry agrees with the recommendation of the Committee and required information on defunct SHGs will be collected from the States/UT.”

31. With regard to data concerning the number of defunct Self Help Groups (SHGs), the Government have replied that the required information will be collected from the States and Union territories. The Committee would like to be apprised of the same as early as possible. Besides, the Committee had also desired that the said data should be monitored regularly and provision in this regard should be made in the guidelines. Nothing has, however, been mentioned on this aspect in the reply. The Committee would like the Department to respond expeditiously in this regard as well.

(x) Sensitizing Commercial Banks on implementation of SGSY.**Recommendation (Para No. 3.35)**

32. The Committee had recommended as under:

“The Committee in their respective Reports for the last five or six years have been drawing the attention of the Department over the issue of non-cooperation of Banks towards such a priority programme of providing self-employment in rural areas, *i.e.* SGSY. From the information made available to the Committee, they are given to understand that the non-cooperation is of various forms,

viz. delay in sanction and disbursement of loan, under financing of projects, delay in opening of Saving Bank Accounts of SHGs, non-participation of Bank officials in the block level SGSYs Committee, insistence of collateral security, etc. In spite of taking several steps by the Department in this regard and involvement of Banks throughout the implementation of the Programme at all the stages, the desired results are not forthcoming. The Committee are really concerned over the sorry state of affairs which is really resulting in ineffective implementation of the Programme. Not only that, as could be seen from the information furnished by the Department, Banks have their own complaints for not being involved by the District Administration and the field level officers. Besides, there is considerable time lag between sanctions and disbursements. Then there are lot of formalities and complicated procedures to be gone through as is learnt from the Secretary of the Department during the course of oral evidence. In this scenario, the Committee feel that simply involving Banks at all the stages of the implementation of the programme is not enough. The need is to sensitize the Commercial Banks more and more about their social commitments. Much is required to be done in this direction. It is by emphasizing more and more towards their social commitment that maximum cooperation could be extracted from them. Besides, the Committee feel that coordination amongst various agencies involved in the implementation of the programme, *viz.* State Government officials PRIs, Bank officials is lacking. The Committee feel far greater co-ordination between Banks, District Administration and field level officers is required to remove lacunae in accessing loans by individuals and/or self help groups.”

33. The Government in their reply have stated as under:

“To facilitate coordination between various agencies of the Government involved in implementation of the Scheme, guideline provides for constitution of Monitoring Committees at the level of Block, District, State and the Centre. The Block level SGSY Committee includes the Bank managers of all Bank Branches in the Block and it is at this level various issues related to identification of beneficiaries, selection of key activities, sanction and disbursement of loan, recovery of loan etc. are sorted out. The provision in the guidelines will be reiterated by the Ministry for strict implementation by the DRDAs/States.

Further, to ensure better understanding and coordination between the Bank officials, functionaries of DRDAs and Self Help Promoting Institutions, during the current year, a separate budget has been earmarked for conducting training programmes and States have been advised to hold joint trainings for all the above functionaries/Institutions. RBI have issued instructions to Banks to remove lacunae in accessing loans by individuals and/or SHGs.”

34. The Committee express their displeasure that no action has yet been taken by the Government on the part of the recommendation whereby they had emphasized the need for sensitizing the Commercial Banks about their social commitments while implementing the Swarnajayanti Gram Swarozgar Yojana (SGSY). The Committee urge the Government to take appropriate steps in this regard within a stipulated time period and apprise them accordingly.

(xi) Subsidy on rate of interest charged by Banks under SGSY.

Recommendation (Para No. 3.39)

35. The Committee had recommended as under:

“The Committee note that the interest charged from BPL persons, *i.e.* above the Prime Lending Rate (PLR) of the banks, which is 11.5 to 12 per cent is very high, keeping in view the overall scenario of reduced interest rates in the market. The Committee feel that such a high rate of interest being charged from persons below poverty line being assisted under the Programme is really shocking keeping in view the very low rate of interest that they get on their own deposit in the Bank. They further emphasize here that such a high rate of interest adversely affects the women particularly. The Committee feel that some sort of subsidy either by Union Government or by State Governments should be given on the rate of interest charged by Banks on loan advanced to BPL persons under SGSY. The Committee also note that the matter is being taken up by the Government with RBI. The Committee would like that RBI should also be apprised about the concern of the Committee in this regard. They would also like to be intimated about the final outcome in this regard.”

36. The Government in their reply have stated as under:

“In the recent meeting of Central Level Coordination Committee chaired by Secretary (RD) held on 19th May, 2003 at NIRD,

Hyderabad, the RBI has once again been requested to examine the issue of interest rate charged on loans sanctioned under the SGSY. However, it was informed by RBI that banks have to fix their prime lending rate periodically and loans under the priority sector which includes SGSY should not be more than the PLR. During the meeting it was informed by the representative of State Bank of India and Andhra Bank that their Bank is charging 9.5 per cent interest on loans sanctioned under SGSY and State Bank of Hyderabad is charging 10 per cent. The members of the CLCC suggested other Banks to follow the pattern of State Bank of India and Andhra Bank. Indian Banks Association has advised all Member Banks to adopt the interest rate similar to that State Bank of India which has announced an interest rate of 2 per cent above and below its PLF.”

37. The Committee are not satisfied with the action taken by the Department on their recommendation regarding subsidising rate of interest charged by Banks under SGSY. They find that recently the members of the Central Level Coordination Committee (CLCC) had suggested the other Banks to follow the pattern of rate of interest charged by State Bank of India and Andhra Bank in respect of loans advanced under SGSY. They find that even the rate of interest charged by these two Banks *i.e.*, 9.5 per cent and 10 per cent, is too high for those persons belonging to poor strata of the society, specifically in the overall scenario of reduced interest rates in the market. The Committee note with dismay the silence of the Department on their earlier recommendation, that some sort of subsidy either by Union Government or by State Governments should be given on the rate of interest charged by Banks on loans advanced to BPL persons under SGSY. The Committee would like the Department to take their recommendation seriously in consultation with Ministry of Finance, Planning Commission and Reserve Bank of India and forward their considered views at an early date.

(xii) Recovery of loan under SGSY

Recommendation (Para No. 3.42)

38. The Committee had recommended as under:

“Notwithstanding complaints about problem of recovery from SHGs brought to the Committee’s attention by some Banks, the Committee are of the view that, in general, recovery rate from

SHGs is of an exceptionally high order. They would, therefore, like to be informed on a comparative basis of rates of recovery from SHGs as compared to rates of recovery from corporate entities and other categories of borrowers. Indeed the Committee are persuaded that Banks should earmark a certain portion of their lending exclusively to SHGs in order to facilitate the SGSY programme. To this end, the Committee recommend that Department of Rural Development, in consultation with the Ministry of Finance make an objective study of the proportion of Bank's funds going to SHGs, comparative rate of recovery from SHGs, and means of ensuring that SHGs have easy and ready access to the credit required to make them viable. Of course, in addition to Banks' credit, viability requires training and capacity building as well as backward and forward linkages including protection in the market."

39. The Government in their reply have stated as under:

"To review and monitor the performance under SGSY, different Committees have been set up at various levels starting from Block level to Central level. The Central Level Co-ordination Committee (CLCC) comprising Secretary (MoRD) as Chairman and Secretary (Deptt. of Expenditure), Special Secretary (Banking Division, Ministry of Finance), Deputy Governor (RBI), Secretary (Rural Development Departments of States/UTs) and others as members, periodically reviews the performance of the Scheme. The Committee makes recommendations on various issues related to the implementation of the Scheme including the issues related to the credit arrangements and the performance of the Banks in this regard. The Committee also suggests conducting studies time to time as required for assessing ground level difficulties in the implementation of the Scheme so that the Scheme can be implemented properly. Keeping in view the non-availability of separate data on recovery of loans from SHGs and individuals, the Central Level Co-ordination Committee (CLCC) in its last meeting held on 19th May 2003 at NIRD, Hyderabad requested the Banks to reconcile the recovery figures under SGSY and maintain the data separately for SHGs and individuals on recovery under SGSY. The Committee also recommended for collection of necessary data regarding vacancy position in the Rural Banks Branches. Further the Monitoring Cell in the RBI also holds review meetings and conducts field visits from time to time to assess the

problems and suggest measures for quick resolution. Moreover to discuss credit related issues pertaining to SGSY, Secretary level meeting between Secretary (Ministry of Rural Development) and Secretary (Banking Division of Ministry of Finance) was convened on 21st February, 2003. As a follow up action to this meeting, the RBI conducted a quick study through 8 Regional Offices of the RBI covering 35 Districts and 144 rural and semi-urban Bank Branches in the country in order to assess the reasons for the gap between sanction and disbursement of loans under SGSY. The Ministry has further proposed a higher level meeting under the Chairmanship of Hon'ble Finance Minister to discuss credit related problems under SGSY. The recommendations of the Standing Committee for conducting an objective study of the proposal of the Banks' fund owing to SHGs etc. will be developed in the above mentioned foras.

At present, the 40 per cent of the total credit to be disbursed by the Banks is earmarked for Priority Sector Lending which includes disbursement of loans to SHGs under SGSY."

40 The Committee are concerned to note that the Government are yet to take any action for initiating a comprehensive study of the proportion of Banks' funds going to the SHGs, comparative recovery from SHGs *vis-a-vis* other category of borrowers and to find out as to whether the SHGs have easy and ready access to the credit required to make them viable. They feel that without having a comparative recovery position of the advances made by the Banks, no conclusion can be arrived at regarding the recovery position from the SHGs. The Committee, therefore, reiterate their earlier recommendation in this regard and desire that the steps taken by the Government be intimated to them without further delay.

(xiii) Marketing of products of SGSY

Recommendation (Para No. 3.48)

41. The Committee had recommended as under:

"While noting the steps taken by the Department for providing better marketing for SGSY products, they feel that more emphasis need to be given to the competition these products would face from the free market whereby international products at much

cheaper rates are being sold. They feel that the quality of the products produced by the SHGs has to be improved a lot, keeping in view the aforesaid competition. They hope that the Department would take the desired steps in this regard and intimate the Committee accordingly. The Committee feel that State Governments should provide protection to locally produced items and a survey should be done in this regard to find out, to what extent SHG products are being sold in the local market.”

42. The Government in their reply have stated as under:

“SGSY Guidelines provide for expenditure up to Rs. 5 lakh annually by each DRDA for management of professional input to marketing research, value addition or product diversification or any other input which would facilitate marketing of the products resulting in additional income to swarozgaris. DRDAs have been permitted to incur expenditure on organizing exhibitions, fairs and fund promotion and sale of SGSY products.

DRDAs/State Governments/Ministry has been organizing fairs in different parts of the country/States periodically to facilitate sale of products manufactured by Swarozgaris besides exposing them to the market trend and market competition. SARAS fair is being organised by the Ministry of Rural Development during India International Trade Fair since 1999. However, during the current year apart from participation in the India International Trade Fair Event to be held in November 2003, a number of initiatives for organising such events at Delhi and at major cities like Hyderabad, Mumbai, Bhubaneshwar and Guwahati have been planned.

As regards the recommendation of the Committee that the State Governments may be asked to provide protection to the SHG produced items and to find out the success in sale of SHG products in local markets, the Ministry has suggested to the States and UTs to give preference to the products manufactured under SGSY for Government supply and purchases. Some of the State Governments have already initiated action in this regard and necessary tie up of Government supply/purchases are being made with SHGs/Swarozgaris of SGSY. The State Governments will be requested to submit time to time Progress Report on this issue.”

43. While noting the steps taken by the Government regarding marketing of products, the Committee would like the Government to initiate a survey to find out the extent to which SHG products are being sold in the local market. The Committee have been informed that SGSY guidelines provide for expenditure upto Rs. 5 lakh annually by each DRDA as management of professional input to marketing research. The Committee would like to know about the deployment of funds made in this regard for the last three years and the results achieved in pursuance thereof.

(xiv) Performance of Area Officers

Recommendation (Para No. 3.59)

44. The Committee had recommended as under:

“The Committee find that the Department has a systematic arrangement for monitoring of the Programme by the Monitoring Cell of the Department. The Committee would like to be apprised of the reports of the Monitoring Cell during the last three years indicating the visits made by the Area Officers, their findings in the respective States and the specific action taken on their findings. They would also like that Performance Budget of the Department should contain the information with regard to the work done by the field visits under Area Officers Scheme.”

45. The Government in their reply have stated as under:

“The Area Officers Scheme aims at monitoring the major Programmes of the Ministry with special reference to quality, adherence to implementation schedule, flow of funds, proper utilisation of funds and achievement of physical and financial targets etc. through field visits.

During the last three years, *i.e.* 2000-01 to 2002-03, 116 visits were undertaken by the Area Officers in the States. The important observations of such visits were sent to the concerned State Governments for taking appropriate corrective measures, wherever shortcomings were noticed. The main observations made by the Area Officers are briefly indicated as under:

State	Name of the Programme	Issue/Suggestions
1	2	3
Gujarat	ARWSP	<p>Proper record of the work and expenditure are not maintained by the Panchayats.</p> <p>Both the Districts are facing acute Drinking Water Problem. In these districts the water is being provided to the public once in a week.</p>
	RH	District Administration should take responsibility for clean environment. Non acceptability of Central latrines due to lack of sufficient water. Beneficiaries were also not habitual to use the sanitary latrines.
	JGSY	Panchayats have not utilized their full amount.
	IWDP	<p>Lack of Monitoring of the Watershed works by the District Level Officials.</p> <p>The watershed approach was totally lacking. They have only taken up some check dams in that area.</p>
	SGSY	<p>The district officials reported that they are facing great problem in forming bigger groups under SGSY.</p> <p>The administration at Zilla Panchayat level is totally paralysed due to local politics.</p> <p>Ministry of Finance/RBI to issue clear directions to the Banks so that the poor people get financial help easily.</p>

1	2	3
Uttaranchal		
NFBS	Amount for the IInd instalment should be released on the basis of actual demand pending with the State Administration after utilization of first instalment.	
SGSY	There is no progress under SGSY. District officials informed that the villages are sparsely populated and it is difficult to form SHGs of 10 persons.	
IAY	No Smokeless Chullah was found in IAY houses constructed during 1998-99. Sanitary latrines were not functional. No house has name of the beneficiary and year of construction.	
Maharashtra		
JGSY	The works under EAS or JRY are in sufficient to provide full time wage employment. Hence, many labour households migrate to Nasik and other Districts for 4 to 5 months period in search of wage employment. There was considerable delay in finalizing the list of beneficiaries, particularly under IAY, due to political reasons. Normally, the list is finalized by the Guardian Minister. The Gram Sabhas do not have any real role in selecting the beneficiaries.	
SGSY	Local leaders tutored the beneficiary not to tall anything to the stranger about their acquiring of assets under the Scheme.	
IWDP	Some of the farmers have changed cropping pattern by adopting irrigated crops due to increase of ground water level.	

1	2	3
	RH	<p>The Ministry released Rs. 10 crore to Aurangabad towards the end of March, 2000, which led to larger opening balance for the current year. This has made it difficult for them to claim the second instalment and has resulted in cuts in the allocations for the current year.</p> <p>In a couple of cases, the IAY houses have been allotted to persons who had earlier got houses under Government Schemes.</p> <p>All the houses visited by the Area Officers were in the name of male member, which is against the guidelines.</p>
	ARWSP	<p>In Jalana district, the agency had a budget of Rs. 4,295.79 lakh during 1999-2000 but could utilize only Rs. 1,199.51 lakh in 2000-2001.</p>
	LR	<p>The district Jalana required more efforts to complete the computerization of all the land records.</p> <p>Neither the meetings of Gram Sabha were held nor the selection of beneficiaries was done by Gram Sabha for various Programmes.</p>
Kerala		<p>JGSY</p> <p>The State Government officials pointed out the necessity of enhancing the allocation to complete many pending projects.</p>
	EAS	<p>The funds under the Scheme were not sufficient for carrying out construction activity under the Scheme.</p>

1	2	3
		The maintenance of Government aided lower primary school built under EAS during 1997-98 was not found satisfactory.
	CRSP	Sanitation in lower primary school is very poor in the projects implemented by DRDA. Involvement of school authority is lacking while implementing the projects in the schools, no physical/financial progress has been compiled on Rural sanitation programme during 2000-2001.
	RH	<p>The beneficiaries do not opt for smokeless chullah in their house as gas connections are easily available.</p> <p>Cost sharing pattern in IAY Projects of DRDA has not been spelt out clearly between the Centre, State and Beneficiaries.</p> <p>An IAY construction allotted to the beneficiary namely Ms. Sudha was inspected. The beneficiary is reported to own ten cents of land on which the house is constructed. In actual fact, she cannot be classified as BPL.</p> <p>In the house inspected and the adjoining houses, water supply is not provided and in the entire locality, acute scarcity of drinking water is reported.</p>
	General	Non-receipt of proposals for release of second instalment for various Districts, non-receipt of Utilisation Certificate and Auditor's Report under certain Programmes, non-release of State share, the reconciliation of accounts etc. were the major deficiencies observed during the review.

1	2	3
		Consequent to the decentralization of administration in the State, all proposals are to move through the block level technical committee, district level technical committee and the district planning committees which create delay in processing the proposals, besides leading to cost escalation for the project.
	ARWSP	The entire coastal area is supplied with ground water exploited through tubewell, the water quality is not good. The provision for maintenance of these works is not satisfactory which affects adversely the quality of water.
	IEC	DRDA has so far not taken any action in implementing the four point programme.
Madhya Pradesh		
	EAS	Few villagers demand work under the Scheme. The State Government should be free to divert funds from one District to the other depending on the need. The District Authorities are facing problems in taking up works due to non-availability of local labour.
	JGSY	While most villagers are aware of the fact that the Gram Panchayat receives funds, they are not aware of the quantum of funds or their applications. All the villagers stated that the works are neither planned nor monitored in the Gram Sabha.
	RH	Officials of Hoshangabad observe that 60-70 percent cases may not be deserving cases.

1	2	3
	ARWSP	<p>2 among 6 houses constructed under a special programme for food relief were found incomplete even as on date. Even as on date instalments were not paid to the house owners for completion of houses. the quality of houses constructed under IAY was mediocre.</p> <p>There was stagnant water around the hand-pumps and the cattle troughs constructed to collect the outflow were dirty, this could lead to possible contamination of drinking water.</p> <p>Though soak-pits had been constructed near the hand-pumps, the nature and quality of construction appears to deserve a closure look so that they can be beneficial.</p>
Meghalaya	PMGSY	The cost of connectivity would be higher per kilometre of road length because of uneven surface.
	SGSY	A variety of cash crops are grown, which is able to improve the living standard and economy of the people.
Karnataka	EAS	Raising of seedling by Forest Department from EAS funds.
	RH	<p>More houses constructed under schemes other than IAY in every year.</p> <p>In most of the houses even though there is no smokeless chullah or latrine, full grants have been given to the beneficiaries. In none of the houses the name of the beneficiary or Scheme and year of construction etc. has been written.</p>

1	2	3
IWDP	<p>The Secretary of the Watershed Committee in all cases was found to be a Government Servant which is against the Guidelines.</p>	<p>The DPAP Projects sanctioned in 1995-96 are not implemented as per the new guidelines.</p>
		<p>Micro plans are not prepared, sectoral distribution of funds to different departments is being done to implement the Scheme.</p>
		<p>Although watershed committees have been formed in some cases, watershed development fund for maintenance of structures has not been achieved.</p>
		<p>The progress in DDP Projects sanctioned in 1998-99 is very slow.</p>
SGSY	<p>The scheme has not been picked up in Kolar district. Whatever fund has been spent, it is only in infrastructure development. It is more than 40 per cent of the released of 1999-2000. Thus District has spent more funds on infrastructure violating the guidelines. Not a single group has been graded so far.</p>	
PR	<p>JGSY is the only major Scheme implemented by the Panchayats.</p>	
General	<p>Meeting of State Level/Block Level/District Level Vigilance and Monitoring Committee are not held regularly. Many of the Districts Officers/BDOs are ignorant of such committee.</p>	
		<p>A detailed review of release of funds indicates that it takes on an average three</p>

1	2	3
		months on the date of release of funds on the Central Government to reach the PIA.
Daman	General	UT Administration proposed that fresh BPL Survey should be conducted to find out correct status of BPL families.
Mizoram	PMGSY	Physical progress of the work is much behind the financial progress which is being shown.
	RH	The list is finally approved by State Level which is conceptually wrong.
Maharashtra	SGRY	5 Kg of the foodgrains is to be given to the wage earner. The total quantity of the take home foodgrain per day is more than their daily requirement. This fact discourages them to take food grains as wage.
	RH	Utilisation of toilets specially where the toilets are attached in the building appears to be not satisfactory.
Rajasthan	PR	Meeting of Gram Sabha should be held in six months, not in every quarter.
	FFW	The quality of foodgrains now supplied under SGRY is much better.
Uttar Pradesh	Monitoring	At many places in the State, the Vigilance and Monitoring Committees are yet to be constituted/Members yet to be nominated.

1	2	3
Chhattisgarh		
	RH	Quality of construction of house need to be improved.
Tamil Nadu		
	PMGSY	State must set up an independent quality control agency.
	SGSY	There is significant scope to take up marketing activities and technology up-gradation.
Andhra Pradesh		
	RH	Allocation of housing units is reducing every year.
Bihar		
	SGSY	Inspite of co-operation by the DRDA. & blocks there is no effort by them to meaningfully launch the Programme.
	IWDP	To prevent soil erosion by putting an end to shifting cultivation, and to bring about agricultural prosperity through Horticulture, IWDP is an ideal Scheme for the State which is an ideal place for Horticulture because of climate, soil quality and rainfall. There should be an IWDP project for each Block.
	ARWSP	Proper emphasis should be given at the State level for implementation of Rural Drinking Water Supply Sector Reforms project at Vaishali District as well as Total Sanitation Campaign in the selected district.
	PMGSY	PMGY-RDW & PMGSY have not picked up till date although substantial period

1	2	3
		has elapsed alongwith releases/ revalidation of releases of funds since 2000-01 by GoI.
	Assam	
	PR	Continuation with the system of Construction Committee would be against the spirit of the 73rd amendment of the Constitution.
	PMGSY	State Government could not release the entire allocation to the implementing agency.
	SGRY	For the funding of the transport cost of lifting of the foodgrains under SGSY, the State Government is depending on Central grant even now, while the other N.E. States have gone ahead in lifting the foodgrains from the FCI godowns.
	Tripura	
	SGSY	There is a lot of potential for horticulture produce.
	General	The State Government suggested that the releases to the District should be made directly.
	IDWP	There has been no regular feedback from the DRDA/State Government and no quarterly Progress Report has been received since August, 1998. Audited Statement of Accounts are awaited from 1994-95 onwards and UC for the period from 1997-98 onwards.

Information regarding the field work done by the Area Officer will be included in the Performance Budget of the Department, as desired by the Committee.”

46. While appreciating the Area Officers Scheme meant to strengthen the monitoring mechanism of various Centrally Sponsored Schemes, being implemented by the Department of Rural Development, the Committee note that glaring violations have been noticed by the Area Officers in the implementation of different Schemes as per the information provided by the Department. The Committee would like them to be apprised about the action taken on the various observations of Area Officers by the Department. They would also like that the Performance Budget 2004-2005 should contain the complete information with regard to the observations of Area Officers and action taken by the Department in this regard. The Committee further note that during the last three years, seventeen States and one Union territory were covered by the Area Officers Scheme. They would like that the inspection by various Officers should be expedited in the remaining States and Union territories.

xv. Poor implementation of SGRY-I and SGRY-II and price of foodgrains under SGRY.

Recommendation (Para Nos. 4.12 and 4.17)

47. The Committee had recommended as under:

“The Committee are disturbed to note the declining physical and financial achievements under the two components of SGRY, *i.e.* SGRY-I and SGRY-II during the year 2001-2002 and 2002-2003. They find that during the year 2002-2003, the data indicate declining trends in mandays generated and foodgrains lifted. Besides, as regards physical achievement, only 69.90 per cent of the total available funds could be utilised under SGRY-I. Similar is the position with regard to SGRY-II also whereby only 75.71 per cent of the available funds could be utilised. They are further disturbed to note the inadequate allocation under special component of SGRY. The special component was meant for augmenting foodgrains availability in the food scarcity areas and providing additional wage employment in the calamity affected rural areas in 14 States of the country. Under the special component, there is huge difference between foodgrains authorised, disturbed and utilised. Out of 4.9 million tons of authorised foodgrains during 2002-2003, only 2.9 million tons foodgrains have actually been lifted. They note that the serious flaw in the implementation of the programme, which has resulted in such a poor physical and financial performance of

the programme is the cost of foodgrains in terms of the purchasing power of BPL consumers, as also in terms of the financial resources available with State Governments for lifting stocks. Otherwise, foodgrains stocks, especially in the areas affected by severe drought in the country during the year 2003-04, would have been lifted. As noted by the Committee during their field visits, during the year 2002-2003, two reasons for not lifting the FCI foodgrains were (i) charging of more rate than the market rate for foodgrains from BPL persons, and (ii) poor quality of the foodgrains. While expressing their concern over the poor implementation of the programme, the Committee would like to recommend that the Government should think of distributing the foodgrains free of cost, specifically keeping in view that the surplus foodgrains are lying outside the godowns. In such a situation, they find no reason for stocking the foodgrains in godowns, specifically in the calamity areas, where there is widespread hunger and malnutrition, and, even, worse reports of starvation deaths. They would like that an action plan in this regard should be chalked out in consultation with the Ministries of Consumer Affairs, Food and Public Distribution and Agriculture. They would also like that the concerned Ministries should work in synergy and it should be the collective endeavour of the Government as a whole to ensure the effective implementation of the Programme.”

(Recommendation Para No. 4.12)

“As stated earlier, one of the reasons for not lifting the foodgrains in the high rate of the foodgrains being supplied to the BPL persons. However, the Department has stated that the price of the foodgrains is generally low as compared to the market prices. Further they also note that as per the guidelines of the Programme, the cost of foodgrains paid is part of the wages—may be either BPL rate or APL rate or anywhere between the two. The Committee feel that such type of instructions given to State Governments are very confusing and they also feel that most of the State Governments are not giving foodgrains at BPL or below BPL rates. They would like that the foodgrains supplied to the BPL persons should be at BPL and below BPL rates and the guidelines of the programme in this regard should be revised and the Committee informed accordingly.”

(Recommendation Para No. 4.17)

48. The Government in their replies have stated as under:

“During the year 2001-2002, 5,229.78 lakh mandays were generated under the SGRY, while during the year 2002-2003 it was 7,298.07 lakh mandays. Thus, there is increase in mandays created under the SGRY since 2001-2002.

The information relating to financial performance, physical performance and foodgrains lifted/utilised is updated based on Monthly Progress Report received from DRDAs/Zilla Parishads. The figures furnished earlier for 2002-2003 have since been updated and are indicated as under. During the year 2001-2002, 17.28 lakh tonnes foodgrains were lifted against 34.51 lakhs tonnes foodgrains authorized. During the year 2002-2003, 42.17 lakhs tonnes foodgrains were lifted against total available foodgrains of 62.49 lakh tonnes (*45.2 lakh tonnes foodgrains authorized during 2002-2003+ 17.23 lakh tonnes unlifted foodgrains with the States*). Under Special Component of the SGRY, the quantity of foodgrains authorized by the Ministry of rural Development, lifted and utilized by the State Governments during 2002-2003 are 63.41 lakhs tonnes, 55.86 lakhs tonnes and 53.06 lakhs tonnes respectively. Thus, the percentage of utilization of foodgrains against lifting is 95 per cent while lifting of foodgrains against authorized quantity is 88 per cent.

It is not true that the cost of foodgrains being provided as part of wages, was changed more than market rate from BPL families under the SGRY. The main effort under this Programme is to generate maximum number of mandays work and to cover maximum number of workers. Besides, availability of foodgrains in open market and its prices vary from State to State and even region to region within the State. To provide maximum flexibility to the Implementing Agencies, it has been left to the States to fix the cost of foodgrains, to be paid as part of wages under the SGRY, at either BPL rate or APL rate or anywhere between the two. In most of the States, the cost of foodgrains is calculated at BPL rate. If some States have fixed the cost of foodgrains above the BPL rate, it is always kept below the market price.

As regard the quality constraint, this Ministry has already advised the Food Corporation of India (FCI) to provide 'fair average quality (FAQ)' foodgrains to District Panchayats, Intermediate Panchayats and Village Panchayats under the SGRY. The concerned

officials of DRDA/District Panchayat are required to conduct inspection of the stocks before taking delivery of foodgrains to ensure that foodgrains below the FAQ are not accepted.

As regards distributing the foodgrains free of cost, specifically keeping in view that the surplus foodgrains are lying outside the godowns, specifically in the calamity areas, this matter relates to the Department of Food & Public Distribution. Though it does not come under the purview of the SGRY, Department of Rural Development have conveyed the concern of the Committee in the Meeting held with the officials of the Department of Food & Public Distribution & FCI and requested them to take corrective measures.”

(Reply to Recommendation Para No. 4.12)

“The SGRY Programme is self-targetting. Anybody who desires to do unskilled work under this Programme can ask for wage employment. The main effort under this Programme is to generate maximum number of mandays work and to cover maximum number of workers. Besides, availability of foodgrains in open market and its prices vary from State to State and even region to region within the State. To provide maximum flexibility to the Implementing Agencies, it has been left to the States to fix the cost of foodgrains, to be paid as part of wages under the SGRY, at either BPL rate or APL rate or anywhere between the two. In most of the States, the cost of foodgrains is calculated at BPL rate. If some States have fixed the cost of foodgrains above the BPL rate, it is always kept below the market price. However, the suggestion of the Hon'ble Committee will be considered by the Ministry in consultation with the Planning Commission and the Finance Ministry.”

(Reply to Recommendation Para No. 4.17)

49. The Committee had expressed serious concern over the fact that BPL persons were being charged more than the market rate for foodgrains being supplied under SGRY. The recommendation of the Committee was based on their findings during the field visits. The Department has least bothered to know the ground situation in this regard. They have simply reproduced the existing position as per the guidelines in this respect. The Committee while expressing their regret over the way their recommendation has been taken would like that the Department should try to know the ground reality in this regard from different States/Union territories and apprise them accordingly.

Further, the Committee note that on their recommendation to distribute foodgrains free of cost, specifically in the calamity areas, the Department has taken up the matter in consultation with the Planning Commission and the Finance Ministry. The Committee would like that priority should be given in this regard and the Ministry of Consumer Affairs, Food and Public Distribution and FCI should also be consulted and the Committee apprised about the final decision taken in this respect.

(xvi) Underspending under Stream-I and Stream-II of SGRY.

Recommendation (Para No. 4.14)

50. The Committee had recommended as under:

“As regards the State-wise position of the implementation of the programme the Committee note that the position in some of the States is worse where less than 50 per cent of the expenditure is being made. Further disturbing is the fact that in some of the States, the position of expenditure reported is nil. The Committee would recommend to the Government to analyse the position of underspending from each of the State and furnish the same to the Committee. Besides, after analysing the reasons, the desired corrective steps should be taken.”

51. The Government have replied as below:—

“The following States under Stream-I & II of the SGRY have reported expenditure less than 50 per cent of total available funds during 2002-2003.

S.No.	States/UTs	Percentage of Expenditure Reported		Reasons for such less expenditure
		Stream-I	Stream-II	
1	2	3	4	5
1.	Goa	40.83	45.58	Requested for exemption for compulsory distribution of grains
2.	Himchal Pradesh	47.93	37.56	Difficulties faced in lifting foodgrains from FCI godowns to work sites

1	2	3	4	5
3.	Manipur	0.00	0.00	Difficulties faced in lifting foodgrains from FCI godowns to work sites.
4.	Meghalaya	24.09	37.68	Difficulties faced in lifting foodgrains from FCI godowns to work sites.
5.	Sikkim	41.51	—	Difficulties faced in lifting foodgrains from FCI godowns to work sites.
6.	A&N Islands	0.00	0.00	Labourers do not want foodgrains as part of their wages
7.	D&N Haveli	0.00	0.00	Labourers do not want foodgrains as part of their wages
8.	Daman & Diu	0.00	0.00	Labourers do not want foodgrains as part of their wages
9.	Lakshadweep	0.00	32.77	Labourers do not want foodgrains as part of their wages”

52. The Committee note the reasons for under spending under SGRY, as reported by the respective States/Union territories. They find that Himachal Pradesh, Manipur, Meghalaya and Sikkim are facing difficulties in lifting foodgrains from FCI godowns to worksites. Further, in Andaman and Nicobar Islands, Dadra and Nagar Haveli, Daman and Diu and Lakshadweep, the problem being faced is that labourers do not want foodgrains as part of their wages. Goa has requested for exemption of compulsory distribution of foodgrains. The Committee would like that the various difficulties being faced by these States, which have caused huge underspending, should be sorted out on a priority basis in consultation with the respective States/Union territories and the Ministry of Consumer Affairs, Food and Public Distribution and Food Corporation of India. The Committee would like to be informed about the action taken in this regard.

(xvii) Allocation for States under PMGSY.

Recommendation (Para Nos. 5.11 and 5.16)

53. The Committee had recommended as under:

“The Committee in their earlier recommendation made in the 26th Report (13th Lok Sabha) (*refer* para 5.16) had recommended to the Government to review the criteria of allocation of funds according to which weightage of 75 per cent is given to unconnected habitations in the country. The Committee find that the States like Kerala and Maharashtra which are contributing more towards cess are getting very less allocation, being the progressive States in the country. The Committee feel that the progressive States should not be punished for their better performance. In view of this, they would like that the norms which seriously discriminate against States which have used their own resources to provide rural connectivity should be further revised. Further, the guidelines should be revised to allow the black topped roads which are in poor conditions to be brought up to the prescribed standards of roads under Sadak Yojana.”

(Recommendation Para No. 5.11)

“The Committee find that the condition of roads in habitations which are already connected is in a worse condition and as such connected habitations are no better than the unconnected habitations. They find that as per the guidelines, 25 per cent of the outlay has been earmarked for upgrading. They fail to understand that the guidelines do not permit repairs to black topped roads or cement roads, even if the surface conditions is bad. The Committee would like to recommend to revise the aforesaid guidelines so that the roads which are in a very bad shape could be repaired/upgraded under the Sadak Yojana.”

(Recommendation Para No. 5.16)

54. The Government in their replies have stated as under:

“The objective of the PMGSY is to provide connectivity to about 1.60 lakh unconnected habitations in the rural areas with a population of more than 500 persons (250 persons in certain areas), through good all weather roads by the end of the Tenth Plan

Period (2007) at an estimated investment of about Rs. 60,000 crore. All States have been asked to identify the eligible habitations and prepare the Core Networks from which an accurate estimate can be made of requirement of funds. The present allocation among States is based on a weightage of 75 per cent for Need (share of unconnected habitations in the total unconnected habitations of the country), and 25 per cent on coverage (share of connected habitations in the total connected habitations of the country), subject to a minimum of Rs. 20 crore for each State (other than Goa) and Rs. 5 crore for Goa and each Union territory (except Andaman & Nicobar Islands which gets Rs. 10 crore). This formula has been arrived at to balance the requirements of the various States. However, in the context of scarce resources, preference has to be given to States with low connectivity, which are also likely to be States whose diesel cess accrual to the Central Road Fund is relatively less.

Rural roads is essentially a State subject and PMGSY is a special Central intervention. Maintenance, upgradation and rehabilitation of roads constructed earlier by the States is predominantly the responsibility of the State Government, for which in addition to the States' own resources, a portion of the Central Road Fund has been separately earmarked under the Central Road Fund Act, 2000. Therefore, no change in the guidelines is contemplated to allow repair etc. to the black-topped roads under the Pradhan Mantri Gram Sadak Yojana (PMGSY)."

(Reply to Recommendation Para No. 5.11)

"The primary objective of the PMGSY is to provide road connectivity, through good all weather roads, to all Unconnected Habitations in the rural areas with population of more than 500 persons by the year 2007 (end of the 10th Plan Period). The Programme, as a related objective, provides for upgradation (to prescribed standards) of existing roads in those Districts where all the habitations of the designated population size have been provided all weather road connectivity. Upgradation is not central to the Programme and cannot exceed 20 per cent of the State's allocation where Unconnected Habitations in the State still exist.

PMGSY does not permit repairs to Black-topped or Cement Roads, even if the surface condition is bad. This is because the

primary purpose of the PMGSY is to provide New Conenctivity, as a poverty reduction measure. Rural Rods is a State subject and the existing roads are constructed and maintained by the State Governments. It is neither desirable nor feasible for the Central Government to assume direct responsibility for Rural Roads as a sector.”

(Reply to Recommendation Para No. 5.16)

55. While appreciating the fact that the main objective of PMGSY is to provide connectivity to unconnected habitations, the Committee feel that progressive States like Kerala and Maharashtra which are contributing more towards cess, cannot be punished for their better performance. As such, they had desired in their earlier recommendation that the guidelines should be revised to allow the black topped roads which are in poor condition to be brought up to the prescribed standards of roads under Sadak Yojana. The Committee would like that their recommendation should be reconsidered in view of the aforesaid facts and they are apprised about the action taken in this regard.

(xviii) Construction of PMGSY roads by Border Roads Organisation.

Recommendation (Para No. 5.12)

56. The Committee had recommended as under:

“The Committee note that as per the priorities being given under the Gram Sadak Yojana, there is no place for Naxal or terrorist affected areas, in the country. They feel that lack of proper connectivity to such areas further instigates insurgency in such areas. In such a situation, the Committee strongly recommend that these States should be given high priority under the Sadak Yojana and sufficient allocation should be made for providing total connectivity in such States/UTs and such areas. The Committee find that in Naxalite and terrorist affected areas, the Sadak Yojana cannot be implemented by PWD. They note that in insurgency affected areas, Border Roads Organisation is the authority responsible for construction of roads. They feel that in such insurgency affected areas, Border Roads Organisation should be entrusted responsibility of construction of roads under PMGSY.”

57. The Government in their reply have stated as under:

“A special allocation of 5 per cent of the annual allocation under PMGSY to deal with the special requirements of different areas including requirements of North East and of special problem areas (including border districts/naxalite affected areas), has now been earmarked, keeping also in view communications received from the Ministry of Home Affairs with reference to border/extremist/insurgency affected areas. As such, the special allocation is being administered as follows:

- (i) 1 per cent for districts sharing borders with Pakistan & China (in collaboration with Ministry of Home Affairs);
- (ii) 0.5 per cent for district sharing border with Myanmar, Bangladesh and Nepal (in collaboration with Ministry of Home Affairs);
- (iii) 1.5 per cent for Left Wing Extremists areas for construction of rural roads in the District identified by the Ministry of Home Affairs (MHA);
- (iv) 1 per cent for the extremely backward district which can be categorised as Special Problem Areas; and
- (v) 1 per cent for Research and Development Projects and innovations.

A meeting was held on 10 April 2003 to discuss the issues with the Border Roads Organisation (BRO). The BRO has intimated that their Organization was working only along the National Highways in the North East. The threat perception was particularly more in the case of Manipur and they have not even accepted the offer of the State Government for construction of roads in the State, as the State Government was not in a position to provide adequate security to their personnel. For this reason, and also because their resources were already oversteretched, BRO would not be able to take up PMGSY works all over the State. The representative stated that sufficient labour was not available to work in Manipur due to insurgency problem.

The representative regretted the inability of the BRO to take up any road work in Jammu & Kashmir due to their pre-occupation with defence work.

The BRO has been requested to intimate the Districts in the States of the North East where it would be possible for the BRO to undertake the construction of rural roads under the PMGSY. It was decided that the State Governments would be approached in the matter on receipt of feedback from the BRO.

The National Building Construction Corporation (NBCC) has also been requested to indicate its willingness to take up PMGSY in the North Eastern States and discussions are continuing.”

58. On the recommendation of the Committee regarding the involvement of Border Roads Organisation (BRO) for construction of roads under PMGSY in North East and special problem areas like border Districts and naxalite affected areas, the Government have replied that BRO has been requested to intimate the Districts in the North-East, where it would be possible to take up construction of roads. It has also been replied that the State Governments would be approached in the matter after the receipt of feedback from the BRO. The Committee would like to have the final action taken by the Government in this regard.

(xix) Coverage of habitations under PMGSY.

Recommendation (Para Nos. 5.13 and 5.18)

59. The Committee had recommended as under:

“The Committee find that population is the main criteria under the Sadak Yojana. As per the targets, the unconnected habitations with a population of more than, 1000 persons are supposed to be covered by the year 2007. In case of hilly areas, this criteria is less than 250. The Committee find that such criteria is not justified keeping in view the difference in density of population in different States, viz. delta, desert, and plain area. While appreciating that hilly areas have been given a special position in the guidelines, the density of population in other areas has not been given due consideration. They would, therefore, like to recommend that the habitations having lesser density of population in other than hilly areas should also be given relaxation. The norms of population in such areas should also be 250, like the hilly area. Besides, the expression ‘habitation’ should be interpreted to cover the population served by the proposed road and not, as at present, the population

with 500 metre radius the terminal positions. Equally the expression 'rural connectivity' must be interpreted liberally to provide connectivity which is required by the shortest available roads. The Government should review the guidelines in this regard and apprise the Committee accordingly."

(Recommendation Para No. 5.13)

"The Committee note that the concepts of single and multiple connectivity are, in practice, being respectively interpreted by the sanctioning and implementing agencies concerned. They would like that it should be clarified in the guidelines that connectivity by the shorter available route between two point should be provided even if connectivity *via* a third point is at present available."

(Recommendation Para No. 5.18)

60. The Government in their replies have stated as under:

"Rural connectivity under PMGSY is aimed at poverty reduction and as such is necessarily linked with habitations. Given the need to allocate scarce resources in a way that best subserves the public good, the criteria for providing connectivity has been objectively linked to population size of the habitations. According to estimates, there are about 58,787 Unconnected Habitations with a population of 1,000 or more and 80,590 Unconnected Habitations of population of 500-999. Connecting these habitations, therefore, is the primary objective of PMGSY. In case of Hill States, North East and tribal and desert areas, the population criteria has been relaxed slightly in view of the considerations involved. However, given the problem of resources, it is not feasible to cover all habitations with population of 250 or more. For the same reason, liberal interpretation of connectivity to allow multiple connectivity is also not feasible."

(Reply to Recommendation Para No. 5.13)

"Due to paucity of funds for the Programme, it is not feasible to expand the scope of the PMGSY to provide multiple connectivity to already connected villages when many habitations still remain unconnected. According to figures made available by the State Governments, about 1.60 lakh unconnected habitations need to be taken up under the PMGSY. This include 58,787 unconnected

habitations with population of over 1,000 persons, 80,590 having population between 500-999 and 21,414 habitations having population of 250-499 persons.

The PMGSY envisages only single road connectivity to be provided. If a habitation is already connected to another connected habitation by way of an all-weather road, then no further work can be taken up under the PMGSY at that habitation.”

(Reply to Recommendation Para No. 5.18)

61. The Committee are really disturbed to note the lackadaisical manner in which the Department has replied to certain points raised by them in their earlier recommendations. The Committee had desired that:

- (i) in delta, desert and plain areas where the density of population is low, these areas should be considered at par with the hilly areas so far as the criteria of population is concerned;
- (ii) habitation should be interpreted to cover the population served by the proposed road and not, as at present, the population having 500 metres roads of the terminal position;
- (iii) rural connectivity must be interpreted liberally to provide connectivity which is required by the shortest available road; and
- (iv) it should be clarified in the guidelines that connectivity by the shorter available route between two points should be provided even if connectivity *via* a third point is available.

The Committee find that instead of seriously dwelling upon the issues raised by the Committee and reviewing the guidelines, the Department has simply given the existing position as per guidelines in respect of implementation of PMGSY. The Committee, while reiterating their earlier recommendation, would like that these issues should be considered and decided expeditiously and they be apprised in details about the action taken.

(xx) National norms for re-settlement and rehabilitation of people affected by the implementation of PMGSY.

Recommendation (Para No. 5.23)

62. The Committee had recommended as under:

“The Committee note that the Department has some thinking for laying down National norms for resettlement and rehabilitation of people whose lands are required for construction of roads under Gram Sadak Yojana. They would like to be apprised about the details in this regard. Besides, as regards the issue related to forest clearance, the forest authorities should be requested to give priority to Gram Sadak Yojana. The Committee would like that these issues are settled expeditiously and the Committee be apprised accordingly. The Committee also recommend that some mechanism should be evolved to ensure that the proposals with regard to construction of roads under PMGSY get expeditious clearance from the forest authorities.”

63. The Government in their reply have stated as under:

“Rural roads are essentially the responsibility of the State Government. The PMGSY is in the nature of a special Central intervention for a specific purpose, *i.e.*, providing basic single connectivity to unconnected habitations as a poverty reduction strategy.

The roads are constructed by the State Governments and are to be maintained by them. As such, in case land is not otherwise available, State Government has to frame suitable policies for exchange, compensatory grants or other acquisition methodologies. The State Governments have to draw up policies so that the process of making land available for the road works sub-serves the common good and is also just and equitable.

It may also be stated here that in the year 2000 when the matter was taken up with the Ministry of Environment & Forests, they were of the view that in respect of most of the rural roads forest clearance, if required, can be obtained within a period of 6 weeks since the powers have been delegated to the Regional Offices for upto 5 hectares in each case. The State Governments have reported during Review Meetings in May-June, 2003 that if any problem arises in obtaining clearance under the Forest (Conservation) Act, it is sorted out in consultation with Forest Department officials at the State level.”

64. The Committee note that while examining the Demands for Grants for 2003-04 of the Department of Rural Development, they were informed that the Government were thinking for laying down national norms for resettlement and rehabilitation for people whose lands were required for construction of roads under Gram Sadak Yojana. Taking cognizance of the position given by the Department, the Committee had desired that these issues should be settled expeditiously. The Department in their Action Taken Reply has not addressed to their recommendation in this regard. The Committee would like to reiterate their earlier recommendation and urge that the said norms should be finalised expeditiously so that the problem in getting clearance from the Forest Authorities for construction of roads under PMGSY are minimized.

The Committee feel that, for getting expeditious forest clearance for construction of roads under the Sadak Yojana, the cooperation of forest officials is required. They would also like that the Department of Rural Development should consult the matter with the representatives of the Ministry of Environment and Forests. Clear instructions for giving maximum cooperation be issued in this regard to the concerned officers and the Committee be apprised accordingly.

(xxi) Merging of all housing schemes.

Recommendation (Para No. 6.7)

65. The Committee had recommended as under:

“The Committee note that they have been told (refer action taken notes on para 5.29 of 34th Report, 13th Lok Sabha) that from the year 2002-2003 onwards all the existing rural housing schemes will be merged into one integrated rural housing scheme. They note that as per the latest position, concerned Ministries/Planning Commission’s comments have been received and as stated by the Department the same would be placed before the Expenditure Finance Committee. The Committee find that although the Government agree in principle to merge all the housing schemes, the final decision in this regard is getting delayed. They hope that expeditious action in this regard is taken and they should be informed accordingly. Besides, the Committee stress that under the restructured scheme, Indira Awas Yojana which is a very successful scheme for providing rural housing, should have a distinctive status.”

66. The Government in their reply have stated as under:

“It was proposed to merge all Rural Housing Schemes into one namely Kendriya Gramin Awas Yojana (KGAY) and implement the

same from the year 2002-2003. However, Planning Commission desired that approval of the Cabinet should be obtained to implement the KGAY. Accordingly, the Ministry circulated the draft EFC Memo among all the concerned Ministries Planning Commission. Comments have since been received and the same will be placed before the Expenditure Finance Committee shortly.

Under the integrated rural housing scheme, grant based housing like the existing Indira Awaas Yojana is proposed to be the main component wherein 80 per cent of allocation will be for new construction and for remaining 20 per cent States/UTs will have flexibility to utilize either for upgradation of unserviceable kutch houses or for providing subsidy under Credit based housing or for both."

67. The Committee have persistently been recommending to the Government to bring different rural housing scheme under one umbrella. They note that at last, the Department is actively working on their suggestion. The Committee would like to be informed about the final decision taken in this regard at an early date.

(xxii) Ending the problem of shelterlessness by the end of 10th Plan.

Recommendation (Para No. 6.8)

68. The Committee had recommended as under:

"The Committee find that the Government have targeted to end shelterlessness by the end of 10th Plan period, but keeping in view the pace of development under different housing schemes as apprised to them by the representatives of the Department, they doubt about achieving the said targets within the stipulated time frame. The Committee deeply regret that while restructuring the existing rural housing scheme, the Department has not bothered to increase the allocation under housing substantially to meet the huge and widening gap between resource and availability of rural housing. The Committee strongly recommend much higher allocation for the Indira Awaas Yojana and related infrastructure Plan. Final allocation in Tenth Five Year Plan should be reviewed within the framework of a time bound programme for ending grave shortage of housing in rural areas."

69. The Government in their reply have stated as under:

"While the Ministry appreciates the concern of the Committee, it is also a fact that there is no laxity on achievement of target towards eradication of shelterlessness. However, the given task is huge and requires huge investment but the budgetary support the

Government could provide is much less. This is evident from the fact that during IXth Plan, the Ministry had proposed a budgetary support of Rs. 28,042 crore against which, the approved IXth Plan outlay by Planning Commission was only Rs. 87,90 crore.

During Xth Plan, the Ministry has proposed Rs. 13,040 crore against which, the Planning Commission has approved an outlay of Rs. 8,603 crore for Rural Housing. The Ministry is taking up the matter with Planning Commission for enhancement of outlay.”

70. On the matter of achieving the problem of shelterlessness, the Committee note that the Ministry is taking up the matter with the Planning Commission for enhancement of outlay. While nothing the steps taken by the Government, the Committee would like to know the response of the Planning Commission in this regard.

(xxiii) Criteria of allocation under IAY.

Recommendation (Para No. 6.16)

71. The Committee had recommended as under:

“The Committee find that the physical achievement during the year 2002-03 is far lesser than the year 2001-02. They hope that after detailed information is received from different State Governments by the end of the financial year, the Department would be able to construct more houses as compared to the number of houses constructed during the previous year.

As regards outlay earmarked during the 10th Plan, the Committee find that there is enhancement of only Rs. 659.03 crore as compared to 9th Plan. In spite of recommending by the Committee in their earlier reports, the Planning Commission has approved an outlay which is far below the proposals made by the Department. The Department should pursue with the Planning Commission for getting the adequate allocation to enable them to achieve the set targets and the Committee be apprised accordingly.”

72. The Government in their reply have stated as under:

“As per latest information available from various States/UTs, 15,250,63 houses have been constructed/upgraded and another 546,937 houses were under various stages of completion with an estimated expenditure of Rs. 2,739.99 crore against the target of construction/upgradation of 13,144,31 houses during 2002-2003.

The issue of enhancement of allocation under IAY is being taken up with the Planning Commission separately.”

73. The Committee note the reply of the Government that the issue of enhancement of allocation under Indira Awaas Yojana (IAY) is being taken up with the Planning Commission, as per their recommendation. While noting the steps taken by the Government in this regard, the Committee would like to be apprised of the response of the Planning Commission at the earliest.

(xxiv) Increase in per unit assistance given under IAY.

Recommendation (Para No. 6.20)

74. The Committee had recommended as under:

“The Committee find that the Government have made the proposal to enhance the unit cost under IAY from Rs. 20,000 in plain areas to Rs. 25,000 and from Rs. 22,000 in hilly and difficult areas to Rs. 27,500. They note that even the proposed enhanced allocation is not sufficient, keeping in view the fact that Rs. 20,000 and Rs. 22,000 as the unit cost in plain and hilly areas respectively was fixed years back and the revised allocation does not even cover the increase due to inflationary trends. They would like that the Department should review the proposed revised norms in this regard.”

75. The Government in their reply have stated as under:

“The proposal for increase in per unit assistance under the Indira Awaas Yojana is under active consideration of this Ministry. If the same is agreed to, overall target at the national level will be required to be reduced, in case matching increase in budgetary allocation is not made.”

76. The Committee note that the proposal for an increase in per unit assistance under IAY is under active consideration of the Ministry. The Committee would like that the issue should be settled expeditiously and they be apprised accordingly. Further, the Committee would also like that while increasing the per unit assistance under IAY, matching share increases in Budgetary allocation should be made so as to give benefit to the eligible beneficiaries. they would also like that the Ministry of Finance/Planning Commission should be consulted in this regard.

(xxv) HUDCO Rural Housing Scheme

Recommendation (Para No. 6.29)

77. The Committee had recommended as under:

“The Committee further note that HUDCO rural housing scheme does not generally cater to BPL category, however, as they could

note from Performance Budget the equity support to HUDCO was provided to meet the requirement of EWS in rural areas. They would like to be informed the category of persons who are helped by HUCO under EWS category specifically whether they belong to APL or BPL persons. Besides, the Committee would like to be apprised of the State-wise and category-wise details of the houses provided by HUDCO in States/Union territories, since equity support to HUDCO has been started.”

78. The Government in their reply have stated as under:

“HUDCO’s Rural Housing Schemes do not generally cater to the ‘Below Poverty Line’ category because of the loan component. Hence, beneficiaries above poverty line under EWS category (monthly family income of upto Rs. 2,500), who can repay the monthly instalments, are the primary target group under HUDCO’s Rural Housing Schemes. The details of dwelling units sanctioned by HUDCO, as per information provided by them, under two million rural housing programme since 1998-99, Statewise/yearwise are as follows:

**Statewise/Year-wise Details of Dwelling Units Sanctioned Under
2MHP (Rural)**

States	1998-99 Units sanctioned	1999-2000 Units sanctioned	2000-2001 Units sanctioned	2001-2002 Units sanctioned	2002-2003 Units sanctioned
Andhra Pradesh	249378	139745	295362	124681	129879
Assam	0	0	0	50	0
Himachal Pradesh	10941	0	0	0	0
Gujarat	4011	0	0	123	161
Karnataka	149808	56711	184808	107796	221004
Kerala	96075	55200	31667	24600	0
Mizoram	0	0	0	379	106
Orissa	11700	137688	0	0	5000
Rajasthan	0	0	0	2000	0
Tamil Nadu	37725	33200	25294	46586	56828
Tripura	0	0	0	0	100
Uttaranchal	0	0	0	600	0
West Bengal	75000	231506	195000	26298	0
Total	634638	654050	732131	333113	413078

79. The Committee in their earlier recommendation had desired the information with regard to the type of persons who have been helped by HUDCO under EWS specifically whether they belong to APL/BPL category. Besides, they had also desired to be apprised of the State-wise and category-wise details of the houses provided by HUDCO in States/Union territories, since equity support to HUDCO has been started. The Department has furnished the combined data which does not reflect APL/BPL persons and category of houses separately. The Committee would like to be apprised of the category-wise and APL/BPL beneficiaries-wise data in this regard so as to enable them to appreciate the position as given in the reply indicating that the primary target group under HUDCO's Schemes are mostly above poverty line who can repay the loan. The Committee would like the Government to further pursue with their recommendation.

(xxvi) Implementation of the Golden Jubilee Rural Housing Finance Scheme of National Housing Bank.

Recommendation (Para No. 6.32)

80. The Committee had recommended as under:

“The Committee note that under Golden Jubilee Rural Housing Finance Scheme of National Housing Bank, so far 6,50,000 new dwelling units in the rural areas have been financed. They also note that during the year 2002-03, 2,25,000 dwelling units are targeted in the regard. The Committee would like to be apprised of the category of houses for which assistance has been provided under GJRHFS. They would also like to be apprised about the recovery position with regard to the housing loan provided under the scheme.”

81. The Government in their reply have stated as under:

“The Golden Jubilee Rural Housing Finance Scheme (GJRHFS) was launched in 1997 to commemorate the 50th Year of India's independence. Till date, more than 8,35,000 dwelling units in the rural areas have been financed under the Scheme by the primary lending institutions. The Scheme is being implemented through Scheduled Commercial Banks, Scheduled State Cooperative Banks, Regional Rural Banks (RRBs), dedicated housing finance institutions, viz. the Housing Finance Companies (HFCs) and the State level Apex Cooperative Housing Finance Societies (ACHFS), as also through the State cooperative Agriculture and Rural Development Banks (ARDBs).

Under the Scheme, housing loans are permitted to be given for construction, purchase or improvement of houses in rural areas. "Rural Areas" for this purpose, is based on the definition as stipulated by the Reserve Bank of India under the NABARD Act. Individual housing loans in rural areas are included for reporting progress under the Scheme.

The GJRHFS envisages lending with due regard to the viability and bank ability of the cases, without any compromise in the appraisal, etc. norms followed by the lending institutions. However, it is a pure loan scheme with no subsidy involved. The primary lending institutions are free to decide the security, margin requirement rate of interest and repayment terms and conditions depending on their lending norms/policies, without any intervention from NHB. As such NHB does not monitor the recovery position with regard to the housing loans provided under the Scheme.

A target of financing 2,50,000 units has been fixed under the scheme for the current year *i.e.* 2003-2004."

82. On their earlier recommendation, the Committee had sought information on the details and the recovery position of funds provided under the Golden Jubilee Rural Housing Finance Scheme (GJRHFS). The reply of the Government is evasive and does not contain the details, *viz.* category of houses assisted, recovery position etc. It has been stated that NHB does not monitor the recovery position with regard to the housing loans provided under the Scheme. The Committee, therefore, desire that both the National Housing Bank (NHB) and the Ministry of Rural Development should closely monitor the progress of implementation and the recovery of loans made under GJRHFS.

CHAPTER II
RECOMMENDATIONS THAT HAVE BEEN
ACCEPTED BY GOVERNMENT

Recommendation (Para No. 2.9B)

The Committee are concerned over the under utilization of scarce resources earmarked for the poorer of the poor in rural areas of the country. The Committee have repeatedly drawn the attention of the Department towards this aspect and have been requesting the Department to critically analyze the performance of each scheme in consultation with the State Governments and take the required steps to improve the implementation of the Schemes. In spite of that, year after year the same trends have been noticed in the outlay and expenditure position of the Department. The Committee, therefore, recommend that the Government should pay serious attention to implementation and ensure that every paisa earmarked for the upliftment of the poor is meaningfully utilized.

Reply of the Government

The Ministry have developed a comprehensive system of monitoring the implementation and impact of the Rural Development programmes, including utilization of funds by the State Governments, through the following mechanisms:—

1. Review by Union Ministers with Chief Ministers and other State Ministers concerned with the programmes of the Ministry.
2. Performance Review Committee.
3. Area Officer's Scheme.
4. Inspection by State/District Officials.
5. Monitoring of Release of Funds.
6. Periodical Progress Reports.
7. Central Level/Co-ordination Committee (CLCC) and State Level Co-ordination Committees (SLCC).

8. Concurrent and Quick Evaluation Studies.

9. Impact Assessment Studies.

The Department of Rural Development through various consultations with the State Governments including through the performance Review Committee Meetings critically analyse the Performance of each scheme in order to improve the implementation environment. A series of new initiatives has been taken in this direction and monitoring mechanism has been strengthened.

The recent initiative includes the District Level Monitoring, empanment of National Level Monitors and the reconstitution of the Vigilance & Monitoring committees at the state and the District levels.

The reconstituted V & M Committees assign a central role to the Members of Parliament and they are nominated Chairmen of these Committees at the District level. The major objective of the reconstituted V & M Committees is to put in place an effective mechanism to see that the public funds are put to optimal use and the programme benefit will flow to the rural poor in full measure. The Committees would effectively liaison and coordinate with the State Governments for ensuring that all the schemes of the Ministry of Rural Development are implemented as per the guidelines. The implementation of the schemes is expected to improve with effective functioning of the reconstituted V & M Committees.

[Ministry of Rural Development O.M. No. H-11020/5/2003-GC (P) dated 8.9.2003 (Department of Rural Development)]

Recommendation (Para No. 2.10)

The Committee, further, note that the Department has evolved a formula of release of funds in a phased manner throughout the year as given in the preceding para of the Report. However, they fail to understand the release of around 25 per cent of the outlay during one and half month of the year 2002-03 *i.e.* from 1st February, 2003 to 15th March, 2003. The said trend indicates that a lot is being done on paper, but the actual implementation is still lacking in every aspect resulting in under utilization and wastage of money. The Committee would like to strongly recommend that the Government should follow scrupulously the formula evolved by the Department for the optimum utilization of funds. They should also watch the reaction once the

formula is applied and whether this is bearing fruit or not. In case the same is not effective, more and more introspection will be necessary.

Reply of the Government

The funds under the programmes of the Ministry are released in two instalments. The first instalment is automatically released to all those districts, who take second installment in the previous year without any condition. The States are advised from time to time to improve their utilization of funds based on the review of their performance so that the State can avail the second instalment quickly. One of the reasons for release of large amount of funds during the last quarter of the year is that the proposals are received from the States during the last quarter of the year, as the districts are required to submit the proposals with complete documents *viz.* Audit Reports, utilization certificates etc.

[Ministry of Rural Development O.M. No. H-11020/5/2003-GC (P) dated 8.9.2003 (Department of Rural Development)]

Recommendation (Para No. 2.11)

The Committee further note that the Ministry introduced a system of credit cuts as disincentive to late submission of the proposals for release of 2nd installment. Although they appreciate their concerns with regard to late submissions of proposals by the State Governments, they feel that something has to be done to motivate the poorly performing States towards implementation of various schemes meant for rural development and employment generation in rural areas. They feel that inefficient implementing mechanism with the State Governments is depriving the poorer of poor to their dues for no fault of theirs. Besides this, this is also resulting in uneven development in rural areas in different States of the country. They, therefore, like that rather than adopting negative aptitude *i.e.* disincentive to certain States, some positive approach of incentive to perform better should be adopted. The success stories of the States, where the implementation of the progress is excellent, should be brought to the notice of poorly performing States to really motivate them towards successful and effective implementation of different programmes. They hope that the Department would think on the lines as stated above, and the Committee would like to be apprised about the specific steps that the Department would propose to take in this direction.

Reply of the Government

The programme guidelines already have provided a provision that success stories should be highlighted through print or electronic media. The States are also encouraged to depute its officials to neighbouring or any other State to interact with the officials of the States where the Rural Development programmes have been successfully implemented so that experience sharing may improve the performance of certain States. This is also a system of intensive interaction with the States through measures such as Performance Review Committee meeting in which the Secretaries of all States Participates and share their experiences which will encourage the poorly performing States. The officials of the Ministry of Rural Development also properly guide and help the District Officials in sorting out the problems/bottlenecks, particularly for those States where the funds are not utilized timely and proposals are not received in time. The Ministry of Rural Development has been impressing upon the States to ensure four pronged strategy for improving the quality of implementation of its programmes at the grass roots level improving delivery of benefits, which has the following components:

- Creation of awareness about the Schemes.
- Transparency.
- People's Participation.
- Accountability—Social Audit by Gram Sabha.

The Ministry will also take necessary steps to bring to the notice of poorly performing States the suggestions of States where the implementing during progress is excellent to motivate the former.

[Ministry of Rural Development O.M. No. H-11020/5/2003-GC (P)
dated 8.9.2003 (Department of Rural Development)]

Recommendation (Para No. 2.21)

The Committee observe that earmarking 10 percent of the allocation specifically to the North-Eastern States is a welcome step but the trends of expenditure whereby around 46 per cent of the funds remain unutilised are disturbing. During 2000-2001 and 2001-2002, 25 percent of the funds are deposited in non-lapsable pool. These trends are very disappointing. The desired development of North-Eastern area can only

take place if the specific outlay is properly utilised under different schemes. Otherwise, the objective of earmarking specific outlay to such State is defeated. The Committee are given the impression that providing matching share is the biggest problem with North-Eastern States resulting in improper implementation of programme. They fail to understand why the Planning Commission is not agreeing to the request of the Department of changing pattern from 75:25 to 90:10. They would like that the Department should sort out this matter after discussing the issue with the newly created 'Department of development of North-Eastern region', concerned State Governments and Planning Commission.

Reply of the Government

Based on the recommendations of the Inter-Ministerial Committee for Rural Development Programme in North Eastern States, the Ministry has already proposed to the Planning Commission for changing the funding pattern of the Centrally Sponsored Schemes from the existing 75:25 to 90:10. The matter is under the consideration of the Planning Commission based on the recommendation of the Standing Committee, the Ministry has taken up the issue with the Planning Commission and Ministry of Finance for early suitable decision on change in the funding pattern of Centrally Sponsored Schemes of the Ministry of Rural Development for North-Eastern States and Sikkim.

[Ministry of Rural Development O.M. No. H-11020/5/2003-GC (P) dated 8.9.2003 (Department of Rural Development)]

Recommendation (Para No. 2.32)

The Committee note that the pilot project VSAT has been undertaken to provide connectivity to 15 DRDAs for making available internet facilities and a web software for poverty alleviation and rural development programmes. They would like that similar projects should be undertaken in the remaining districts expeditiously. The Committee further find that in the era of e-governance, there is delay in getting the utilization certificates from various States/implementing agencies resulting in late releases of funds. The Committee feel that substantial endeavour has not been done in this regard. They hope VSAT connectivity being provided to all DRDAs would be of great help in getting timely utilization certificates.

Reply of the Government

The Ministry of Rural Development undertook the project of providing Very Small Aperture Terminal (VSAT) based connectivity to DRDAs on the pilot basis. Under the pilot project, connectivity was provided to 15 DRDAs with the following objectives:

- Provide CRISP Applications Software Package (based on server client architecture, GUI based and Web Based) to process the data related to various programmes implemented by the Ministry;
- Facilitate online availability of information from these fifteen implementation to various agencies involved in planning, implementation and monitoring of Schemes.
- Provide Web Based Information System (Programme Status Report) at Ministry of Rural Development to monitor the Programmes;
- Provide E-mail facility to fifteen DRDAs;
- Provide online information sharing facility (chat) among the sites to facilitate online sharing of the information about the Rural Development Programmes; and
- Provide INTERNET Access to fifteen DRDAs.

The connectivity of Very Small Aperture Terminal (VSAT) is functional in almost all the DRDAs but its connection is very costly. The non-recurring installation expenditure for VSAT per District Rural Development Agencies (DRDAs) is about Rs. 4.50 lakh; recurring annual charges include a technology access (connectivity) payment of Rs. 1.25 lakh to National Informatics Centre (NIC) and an AMC of Rs. 50,000. The National Informatics Centre (NIC), the implementing agency of the project has observed that VSAT is one of the network communication mediums. The other options like Leased Lines, ISDN Line, etc., will have to provide high speed and low cost connectivity to other DRDAs.

[Ministry of Rural Development O.M. No. H-11020/5/2003-GC (P)
dated 8.9.2003 (Department of Rural Development)]

Comments of the Committee

(Please see Paragraph number 19 of Chapter I of the Report)

Recommendation (Para No. 2.34A)

The Committee find from what has been stated in the preceding para that in the composition of State Level Vigilance and Monitoring Committees, four MPs (Lok Sabha) and one MP (Rajya Sabha) are to be nominated by the Ministry of Rural Development. As regards the District Level Vigilance and Monitoring Committees, the Committee find that one MP (Lok Sabha) elected from the district is to be nominated by the Ministry of Rural Development. Besides, all MPs (Lok Sabha) of the District are Vice-Chairmen. One member of Parliament (Rajya Sabha) can also be associated with the said Committee. While noting the guidelines of the Department as given above, the Committee would like to be apprised about the criteria of nominating a member from Lok Sabha as Chairman of District Level Vigilance and Monitoring Committees where the members from Lok Sabha in a District is more than one. They also feel that while deciding the criteria in this regard, the Department should consider nominating a MP (Lok Sabha) from a district who has larger area in his constituency as Chairman. Besides, another criteria in this regard can be to give Chairmanship to members of Lok Sabha in a district on a rotation basis. The Committee would like to be apprised of the position in detail in this regard.

Reply of the Government

The Ministry of Rural Development had consulted the Ministry of Parliamentary Affairs about the criteria to be adopted to nominate the Member of Parliament (Lok Sabha) as Chairman/Vice Chairman of the District Level Vigilance and Monitoring Committee. Accordingly, the following criteria has been adopted:

- (a) Where there is only one Member of Lok Sabha in a District, he/she may be nominated as Chairman of the Committee.
- (b) Where there are more than one Member of Lok Sabha in a District, Speaker, Deputy Speaker, Lok Sabha or a Minister in the Union Council of Ministers, if there is anyone of these amongst Members, should be nominated as Chairman and other Members(s) may be nominated as Co-Chairman

of the Committee. If, however, all are Members one who is representing maximum geographical area of the district as a part of his/her consultancy should be nominated a Chairman and the other Member(s) should be nominated as the Co-Chairman.

Where there is only one Member of Lok Sabha in a district and he/she is representing more than one District, he/she may be nominated as Chairman of the Committee in all Districts which he/she is representing.

[Ministry of Rural Development O.M. No. H-11020/5/2003-GC (P) dated 8.9.2003 (Department of Rural Development)]

Recommendation (Para No. 3.21)

By noting the trends of allocation made during 8th, 9th and 10th Plans under IRDP/SGSY, the Committee are disturbed to find that the Department has been allocated less than half of what it proposed to the Planning Commission. As the Committee note from what has been stated in preceding paras of the Report, the unsatisfactory performance of the SGSY has resulted in reduced allocation during 10th Plan. Not only that, the Committee are also perturbed to note the decreasing trends of allocation from the year 2000-2001 onwards. They are not satisfied with the replies furnished by the Department according to which the restructuring of the Programme has affected the implementation of the Programme. The Committee find that the mechanism evolved to implement restructured SGSY is not a new one. It is the same mechanism familiar with IRDP. Moreover, it is the responsibility of the Department to do the spade work before restructuring a Programme so that its implementation is not affected thereby. Moreover, now more than four years have passed since SGSY came into operation. The Committee feel that bureaucratic delivery mechanism is the root cause for the poor implementation of the Programme. The Committee recommend to the Government to undertake an urgent study of the ways and means by which SGSY can be implemented by PRIs functionaries as units of self government as provided in the Constitution."

Reply of the Government

SGSY was restructured by merging IRDP and its allied Programmes (TRYSEM, DWCRA, SITRA, Million Wells Scheme etc.). As per

instructions the unspent balance of all these Programmes as on 1.4.1999 amounting to Rs. 776.66 crores were brought forward as the opening balance of this Programme. In the initial years the fund utilisation was low due to the time taken in formation, development and stabilisation of groups. The following table would indicate that the utilisation increased from 2000-2001 onwards and has been more than the yearly allocations under the Programme for 2001-2002 and 2002-2003.

**Total Allocation, Releases & Utilisation under
SGSY for year 1999-2000 to 2002-2003**

(in Rs. crore)

Year	Total Allocation (Centre+State)	Total Releases (Centre+State)	Utilization	% of utilization of total allocation
1999-2000	1472.34	1131.02	959.86	65.19
2000-2001	1332.50	662.87	1117.94	83.9
2001-2002	774.50	557.15	970.32	125.3
2002-2003	756.37	667.51	910.29	120.34

Moreover, as per the Concurrent Evaluation of the Scheme conducted by the Ministry for the years 1999-2002, almost 14 States are able to utilise the fund allocated to them completely. The average income generated by sample individuals and groups is found steadily increasing through years 1999-2000 and 2001-2002. More than 58% of the SHG Swarozgaris and more than 83% of the individual Swarozgaris are of the opinion that SHG activities have helped them in increasing their income. The percentage level of satisfaction is more than 91% in some States. A noteworthy percentage (93.74%) of the sample group beneficiaries participate in the group decision process and as high as 91.72% of the total sample SHGs maintain group corpus fund. Also, majority of the sample SHGs perform thrift and credit activities.

The guidelines provide for involvement of PRIs in implementation of the Scheme as follows:

- The Gram Sabha will approve the list of Below Poverty line families.

- The Block SGSY Committee must interact with as many Sarpanchs as possible in identification and selection of key activities in the Block.
- The list of key activities identified in the Block should be placed before the General Body of the Panchayat Samiti (Block Panchayat) for approval.
- The list of villages selected, every year for assistance under the Scheme may be placed before the Panchayat Samiti so that members of the Panchayat Samiti are aware of the selection and also the principles that underline the selection of villages.
- The individual Swarozgaris/Self Help Groups are selected in the Gram Sabha by a three members team consisting of the BDO or his representative, the Banker and the Sarpanch.
- The list of Swarozgaris finally selected (for the year) should be made available to the Gram Panchayat for placing it before the next Gram Sabha.
- The Gram Panchayat would actively monitor the performance of the Swarozgaris particularly repayment of loan.
- Zilla Parishad will review the performance under the SGSY in its General Body Meetings.

The recommendation of the Committee regarding the implementation of the programme through PRIs has been communicated to the States/UTs for obtaining their comments and based on the suggestions received necessary provision for more closer involvement of Panchayati Raj Institutions in implementation of SGSY will be considered.

[Ministry of Rural Development O.M. No. H-11020/5/2003-GC (P)
dated 8.9.2003 (Department of Rural Development)]

Comments of the Committee

(Please see Paragraph number 28 of Chapter I of the Report)

Recommendation (Para No. 3.22)

The Committee are further concerned to note that the programme has failed to take off in those parts of India where there is concentration of poverty. They feel that the programme has failed to make any bigger impact on rural poverty in the country. They urge the Department to take the desired steps to motivate the backward States where the concentration of poverty is high. Besides, as recommended earlier, district level and State level implementing agencies should be apprised of the success stories of the progressive States. There should be proper interaction between the officers and PRIs involved in implementation of the programme in better and poor performing States so that they can gain from each other's experience. Besides, training is another input which can result in the effective implementation of the programme. The Committee would like that the Department should give more stress on the training of the officers/PRIs responsible for implementation of the programme. Besides, the impact assessment studies with regard to the impact of training on the implementation of the programme should be done periodically.

Reply of the Government

The Ministry agrees with the recommendation of the Committee to take necessary steps to motivate the backward States where there is concentration of poverty. To create awareness in poor performing states the Ministry has launched a weekly TV programme namely 'Grameen Bharat' which is being telecast five times a week through 23 local Doordarshan Kendras in 11 languages throughout the country. As part of this programme, success stories/best practices prevalent in different parts of the country are filmed and telecast. Besides the Ministry is also publishing a news magazine namely 'Grameen Bharat' in 13 languages in which success stories/best practices are published and circulated to all the Gram panchayats in the country.

Recently, during April 2002, Ministry had organized a workshop on Marketing initiatives for all the States/UTs for sharing of experiences in marketing of SGSY products. The marketing initiatives in the States and UTs have been compiled in the form of booklet and it is being circulated to all the DRDAs/states to create awareness in them besides examining the possibilities of replication in their area.

During the current year a separate budget has been earmarked for organizing training programmes in the States which would also include

exposure visits to the areas where programme is being successfully implemented. The impact assessment studies with regard to impact of training on implementation of the programme will be commissioned after completion of training during the current year.

[Ministry of Rural Development O.M. No. H-11020/5/2003-GC (P) dated 8.9.2003 (Department of Rural Development)]

Recommendation (Para No. 3.24)

The Committee note that there is some confusion between providing assistance to self help groups (SHGs) and individual beneficiaries. While the guidelines of the programme provide assistance to individuals as well as SHGs, the endeavour is made to assist Swarozgaris as part of SHGs. The Committee would like to ensure better performance under the programme, specifically in the States where the same is lacking, the effort of the Department should be to assist SHGs, where they are formed, and where SHGs have not been formed, individuals should be assisted. To make the group successful, it should be ensured that once the groups are formed they are imparted training and then credit is made available to them. Besides, they are assisted by providing both backward and forward linkages for the supply of inputs and marketing of products produced by them. Further, it should also be ensured that adequate protection is given to the products of these SHGs in the market. This multifaceted approach of the Department would result in better implementation of the programme.

Reply of the Government

The SGSY lays emphasis on group approach although individual swarozgaris are also eligible for assistance under the scheme. As laid down in Para 3.1 of the SGSY Guideline, the Swarozgaris can be either individuals or groups. So long as groups are not available for financing the States can continue to finance individual swarozgaris. Besides, there may be families/individuals who are left out and are not willing to join the self help group due to various reasons, such families/individuals can be assisted under the scheme.

With regard to the recommendations for imparting training to the groups, backward and forward linkages for supply of inputs in marketing of products and access to credit, the Ministry agrees with the recommendations of the committee. The guideline of the scheme provides for basic orientation and skill development training to Self

Help Groups formed under the Scheme for which adequate financial provision and mechanism has been provided. In each block about 10 activities would be identified as key activities based on local resources, aptitude and skill of the people and the market potentiality. Besides, the guidelines provides for earmarking of 20% (25% in case of North-east States) of the annual allocation as SGSY Programme Infrastructure, Fund which *inter-alia* can be utilised for creation and upgradation of Marketing infrastructure, provision of input for market service, research, design development, value addition and diversification of products. There is also a provision for hiring services of professional agencies and Institutes for preparation of project profiles for selecting key activities for taking up integrated projects for development of clusters. Under this component, a large number of cluster based projects for weavers, artisans and craftsmen have been taken up. The scheme also provides for organization of fairs at the local level, regional level and national level. From time to time training programmes are organized to sensitize SHGs and other RD functionaries by DRDA. However, to give more impetus to training component and ensure that a systematic training to trainers, facilitators, RD functionaries at State/District/Block level, Bank Officers and PRI functionaries is provided, the Ministry has earmarked fund for training during current financial year. With a view to assess the requirement of training at field level, the State Governments were requested to submit the training proposals. In response to this, some proposals from State Governments have already been received and the Ministry is in process of approving the same.

DRDAs/State Governments/Ministry has been organizing fairs in different parts of the country/States periodically to facilitate sale of products manufactured by Swarozgaris besides exposing them to the market trend and market competition. SARAS Fair is being organised by the Ministry of Rural Development during India International Trade Fair since 1999. However, during the current year apart from participation in India International Trade Fair even to be held in November, 2003, a number of initiatives for organising such events at Delhi and at major cities like Hyderabad, Mumbai, Bhubaneshwar and Guwahati have been planned. The first event of the year was Basant SARAS which took place from 1-15 April, 2003 at Delhi Haat. This Event had participation of about 450 rural artisans from 23 States who were able to sell goods worth Rs. 1.2 crore. Sawan SARAS is taking place at Delli Haat, Delhi from 16-31 August, 2003 and is second in

series which is expected to bring forth 350 craft persons for display and sale of their products having wide range of items covering handicrafts, furniture, textile (including handlooms), leather items, processed food items, pottery, paintings, bell metal items, bamboo products, gift items etc. This fair will not only provide outlet for sale of products of SGSY beneficiaries but will also expose them to marketing trends and latest development in product design, value addition, packaging quality etc. During these events, buyers and sellers meet are also being organized so as to establish a long term relationship between producers and the sellers/exporters.

The Ministry has suggested to the States/UTs to give preference to the products manufactured under SGSY for Government supply and purchases. Some of the State Governments have already initiated action in this regard and necessary tie up for Government supply/purchases are being made with SHGs/Swarozgaris of SGSY.

[Ministry of Rural Development O.M. No. H-11020/5/2003-GC (P) dated 8.9.2003 (Department of Rural Development)]

Recommendation (Para No. 3.36)

The Committee further note that the attitude of Regional Rural Banks and Cooperative Banks towards this programme is much encouraging as compared to commercial Banks. They would like that more of such banks should be involved in the implementation of the programme to get the desired results.

Reply of the Government

To facilitate closer involvement of banks, necessary amendments in the guidelines have been made and rural bank branches could function as Self Help Promoting Institutions in the similar manner in which NGOs/CBOs are involved as facilitators/Self Help Promoting Institutions in Development and nurturing of Self Help Groups. RBI have advised commercial Banks to put in all efforts to achieve the credit targets, achieve the minimum subsidy credit ratio of 1:3 and the lead banks have been advised to review the performance especially credit mobilization at regular intervals in each State/UT through the respective SLBC/DCC.

[Ministry of Rural Development O.M. No. H-11020/5/2003-GC (P) dated 8.9.2003 (Department of Rural Development)]

Recommendation (Para No. 3.36A)

The Committee note that supervision of the Commercial and Co-operative Banks is the responsibility of Ministry of Finance and the Department of Rural Development has little influence in this regard on their own. The Committee therefore, recommend that a joint task force of the Department of Rural Development and Ministry of Finance should be constituted to urgently report on the steps to be taken and thereafter jointly monitor the progress reports of both the Ministries. The Committee should also be kept informed about the decisions taken by the said joint task force.

Reply of the Government

A Central Level Coordination Committee Chaired by the Secretary (RD), and with Dy. Governor of Reserve Bank of India, Secretary, Department of Expenditure, Special Secretary (Banking Division), Ministry of Finance Secretaries of some other Ministries of Government of India, Managing Director of NABARD, State Secretaries of Rural Development, Chairman, Indian Banks Association. CMD of all the Commercial Banks etc. has a mandate to review the credit arrangements in addition to that to review other issues related with effective implementation of the programme. This Committee holds Meeting every six months not only to review the issues related to the effective implementation of the programme but also to review the credit arrangements and supervision of the performance of the Banks. The recommendations of this Committee are sent to the RBI and other concerned for taking necessary actions. Further the Monitoring Cell in the RBI also holds review meetings and conducts field visits from time to time to assess the problems and suggests measures for quick resolution. Moreover to discuss credit related issues pertaining to SGSY Secretary level meeting between Secretary (MORD) and Secretary (Banking Division of M/o Finance) was convened on 21st February 2003. As a follow up action on this meeting, the RBI conducted a quick study through 8 Regional Offices of the RBI covering 35 districts and 144 rural and semi-urban branches in the country in order to assess the reasons for the gap between sanction and disbursement of loans under SGSY. The Ministry has further proposed a higher level meeting under the Chairmanship of Hon'ble Finance Minister to discuss credit related problems under SGSY. In view of the Ministry, the

purpose of constituting a Joint Task Force of Ministry of Rural Development and Ministry of Finance can easily be served through these above mentioned fora.

[Ministry of Rural Development O.M. No. H-11020/5/2003-GC (P) dated 8.9.2003 (Department of Rural Development)]

Recommendation (Para No. 3.48)

While noting the steps taken by the Department for providing better marketing for SGSY products, they feel that more emphasis need to be given to the competition these products would face from the free market whereby international products at much cheaper rates are being sold. They feel that the quality of the products produced by the SHGs has to be improved a lot, keeping in view the aforesaid competition. They hope that the Department would take the desired steps in this regard and intimate the Committee accordingly. The Committee feel that State Governments should provide protection to locally produced items and a survey should be done in this regard to find out, to what extent SHG products are being sold in the local market.”

Reply of the Government

SGSY Guidelines provides for expenditure up to Rs. 5 lakhs annually by each DRDA for management of professional input to marketing research, value addition or product diversification or any other input which would facilitate marketing of the products resulting in additional income to Swarozgaris. DRDAs have been permitted to incur expenditure on organizing exhibitions, fairs and fund promotion and sale of SGSY products.

DRDAs/State Governments/Ministry has been organizing fairs in different parts of the country/States periodically to facilitate sale of products manufactured by Swarozgaris besides exposing them to the market trend and market competition. SARAS fair is being organised by the Ministry of Rural Development during India International Trade Fair since 1999. However, during the current year apart from participation in the India International Trade Fair Event to be held in November 2003, a number of initiatives for organising such events at Delhi and at major cities like Hyderabad, Mumbai, Bhubaneshwar and Guwahati have been planned.

As regards the recommendation of the Committee that the State Governments may be asked to provide protection to the SHG produced items and to find out the success in sale of SHG products in local markets, the Ministry has suggested to the States and UTs to give preference to the products manufactured under SGSY for Government supply and purchases. Some of the State Governments have already initiated action in this regard and necessary tie up of Government supply/purchases are being made with SHGs/Swarozgaris of SGSY. The State Governments will be requested to submit time to time Progress Report on this issue.

[Ministry of Rural Development O.M. No. H-11020/5/2003-GC (P) dated 8.9.2003 (Department of Rural Development)]

Comments of the Committee

(Please see Paragraph number 43 of Chapter I of the Report)

Recommendation (Para No. 3.50)

The Committee feel that in view of the resource constraints with regard to Government funding, the targets of poverty alleviation cannot be achieved. On the issue of the involvement of corporate sector, the Committee are constrained to note that corporate sector is not coming forward in this regard as has been stated by the Secretary during the course of oral evidence. While expressing their concern over the insensitive attitude of corporate sector, the Committee would like to be apprised about the steps taken by the Department to motivate the corporate sector. Besides, possibility of getting help from International Agencies has to be explored. The Committee would like the Department to take the desired steps in this regard and they may be intimated accordingly.

Reply of the Government

Recently, the Ministry had organized a workshop on marketing strategy/initiatives taken up by the States/UTs to facilitate marketing of products under SGSY. In the workshop Hindustan Levels Ltd. and Sahara India was invited as participants to facilitate tie up between rural development departments of States/UTs with corporate entities for promotion of SGSY products. It was revealed that HLL has partnered with State Government of Madhya Pradesh for developing the "Vindhya Valley" brand of processed food. The Committee

suggestions for involving the Corporate Sector and the International Agencies will be explored further.

[Ministry of Rural Development O.M. No. H-11020/5/2003-GC (P)
dated 8.9.2003 (Department of Rural Development)]

Recommendation (Para No. 3.53)

While noting that substantial allocation, *i.e.* 20 per cent and 25 per cent (in case of North-Eastern States) has been allocated under SGSY for infrastructure, the Committee would like to be apprised whether monitoring of this component is separately being done by the Department. Besides, the Committee would also like to recommend that on the lines of North-Eastern States, hilly area should also be earmarked 25 per cent of SGSY allocation for infrastructure under SGSY.

Reply of the Government

The suggestion of the Committee for monitoring the funds being given to the States for infrastructure is accepted. This item shall be introduced in the proforma for monitoring of SGSY. Regarding suggestion of the Committee for amending the guidelines to provide 25% funds for infrastructure for hilly areas on the pattern of NE States. It may be mentioned that no such request has been received from hill States. More over infrastructure is also being provided in the States under Special SGSY Projects.

[Ministry of Rural Development O.M. No. H-11020/5/2003-GC (P)
dated 8.9.2003 (Department of Rural Development)]

Recommendation (Para No. 3.56)

The Committee are surprised to note that the allocation during 2003-2004 under advertisement and publicity has been reduced as compared to the previous year. They are further disturbed to note that this reduction is due to the actual assessment of requirement during the financial year 2003-2004. The Committee feel that the success of a programme depend upon the awareness generated among the rural masses for whom the programme is meant for to ensure the peoples involvement in the programme. Once the people are sensitized, the success of the programme is ensured. In spite of such urgent need for advertisement and publication on which the awareness generation

totally depends, the allocation earmarked is being reduced. The Committee would like that sufficient attention should be made towards this aspect.

Reply of the Government

The Ministry agrees with the recommendation of the Committee regarding the need for advertisement and publicity for awareness generation and therefore due weightages are being given for making sufficient budgetary provision for advertisement and publicity. Besides the budgetary provisions for IEC activities available under SGSY Scheme the funds provided under IEC Head of the Ministry are also being utilised for advertisement and publicity of the Scheme. Advertisement and publicity of the SGSY Programme is one of the top most priorities of the IEC Division of the Ministry. The frequency of the TV Programme namely Gramin Bharat has been increased from two episodes a week to five episodes a week during 2003-04. On radio ten programmes a week are being broadcast through 125 radio stations in 11 regional languages. The Ministry considers the SARAS Fair as an effective mean for advertisement and publicity of the Programme. Therefore, during the current year besides participating in the IITF Event during November, 03, a number of initiatives for organising SARAS Fairs at Delhi and at major cities like. Hyderabad, Mumbai, Bhubaneshwar and Guwahati have been planned.

[Ministry of Rural Development O.M. No. H-11020/5/2003-GC (P) dated 8.9.2003 (Department of Rural Development)]

Recommendation (Para No. 3.59)

The Committee find that the Department has a systematic arrangement for monitoring of the Programme by the Monitoring Cell of the Department. The Committee would like to be apprised of the reports of the Monitoring Cell during the last three years indicating the visits made by the Area Officers, their findings in the respective States and the specific action taken on their findings. they would also like that Performance Budget of the Department should contain the information with regard to the work done by the field visits under Area Officers Scheme.

Reply of the Government

The Area Officers Scheme aims at monitoring the major Programmes of the Ministry with special reference to quality, adherence

to implementation schedule, flow of funds, proper utilisation of funds and achievement of physical and financial targets etc. through field visits.

During the last three years, *i.e.* 2000-01 to 2002-03, 116 visits were undertaken by the Area Officers in the States. The important observations of such visits were sent to the concerned State Governments for taking appropriate corrective measures, wherever short comings were noticed. The main observations made by the Area Officers are briefly indicated as under:—

State	Name of the Programme	Issues/Suggestions
1	2	3
Gujarat	ARWSP	Proper record of the work and expenditure are not maintained by the Panchayats. Both the Districts are facing acute Drinking Water Problem. In these districts the water is being provided to the public once in a week.
	RH	District Administration should take responsibility for clean environment. Non acceptability of Central latrines due to lack of sufficient water. Beneficiaries were also not habitual to use the sanitary latrines.
	JGSY	Panchayats have not utilized their full amount.
	IWDP	Lack of Monitoring of the Watershed works by the District Level Officials. The watershed approach was totally lacking. They have only taken up some check dams in that area.

1	2	3
Uttaranchal	SGSY	<p>The district officials reported that they are facing great problem in forming bigger groups under SGSY.</p> <p>The administration at Zilla Panchayat level is totally paralysed due to local politics.</p> <p>Ministry of Finance/RBI to issue clear directions to the Banks so that the poor people get financial help easily.</p>
	NFBS	<p>Amount for the IInd instalment should be released on the basis of actual demand pending with the State Administration after utilization of first instalment.</p>
	SGSY	<p>There is no progress under SGSY. District officials informed that the villages are sparsely populated and it is difficult to form SHGs of 10 persons.</p>
	IAY	<p>No Smokeless Chullah was found in IAY houses constructed during 1998-99. Sanitary latrines were not functional. No house has name of the beneficiary and year of construction.</p>
Maharashtra	JGSY	<p>The works under EAS or JRY are in sufficient to provide full time wage employment. Hence, many labour households migrate to Nasik and other Districts for 4 to 5 months period in search of wage employment.</p> <p>There was considerable delay in finalizing the list of beneficiaries, particularly under IAY, due to political reasons. Normally,</p>

1	2	3
		the list is finalized by the Guardian Minister. The Gram Sabhas do not have any real role in selecting the beneficiaries.
	SGSY	Local leaders tutored the beneficiary not to tell anything to the stranger about their acquiring of assets under the Scheme.
	IWDP	Some of the farmers have changed cropping pattern by adopting irrigated crops due to increase of ground water level.
	RH	The Ministry released Rs. 10 crore to Aurangabad towards the end of March, 2000, which led to larger opening balance for the current year. This has made it difficult for them to claim the second instalment and has resulted in cuts in the allocations for the current year.
		In a couple of cases, the IAY houses have been allotted to persons who had earlier got houses under Government Schemes.
		All the houses visited by the Area Officers were in the name of male member, which is against the guidelines.
	ARWSP	In Jalana district, the agency had a budget of Rs. 4,295.79 lakh during 1999-2000 but could utilize only Rs. 1,199.51 lakh in 2000-2001.
	LR	The district Jalana required more efforts to complete the computerization of all the land records.
		Neither the meetings of Gram Sabha were held nor the selection of beneficiaries was done by Gram Sabha for various Programmes.

1	2	3
Kerala	JGSY	The State Government officials pointed out the necessity of enhancing the allocation to complete many pending projects.
	EAS	The funds under the Scheme were not sufficient for carrying out construction activity under the Scheme. The maintenance of Government aided lower primary school built under EAS during 1997-98 was not found satisfactory.
	CRSP	Sanitation in lower primary school is very poor in the projects implemented by DRDA. Involvement of school authority is lacking while implementing the projects in the schools, no physical/financial progress has been compiled on Rural sanitation programme during 2000-2001.
	RH	The beneficiaries do not opt for smokeless chullah in their house as gas connections are easily available. Cost sharing pattern in IAY Projects of DRDA has not been spelt out clearly between the Centre, State and Beneficiaries. An IAY construction allotted to the beneficiary namely Ms. Sudha was inspected. The beneficiary is reported to own ten cents of land on which the house is constructed. In actual fact, she cannot be classified as BPL. In the house inspected and the adjoining houses, water supply is not provided and in the entire locality, acute scarcity of drinking water is reported.

1	2	3
	General	<p>Non-receipt of proposals for release of second instalment for various Districts, non-receipt of Utilisation Certificate and Auditor's Report under certain Programmes, non-release of State share, the reconciliation of accounts etc. were the major deficiencies observed during the review.</p> <p>Consequent to the decentralization of administration in the State, all proposals are to move through the block level technical committee, district level technical committee and the district planning committees which creates delay in processing the proposals, besides leading to cost escalation for the project.</p>
	ARWSP	<p>The entire coastal area is supplied with ground water exploited through tubewell, the water quality is not good. The provision for maintenance of these works is not satisfactory which affects adversely the quality of water.</p>
	IEC	<p>DRDA has so far not taken any action in implementing the four point programme.</p>
Madhya Pradesh		
	EAS	<p>Few villagers demand work under the Scheme. The State Government should be free to divert funds from one District to the other depending on the need.</p> <p>The District Authorities are facing problems in taking up works due to non-availability of local labour.</p>
	JGSY	<p>While most villagers are aware of the fact that the Gram Panchayat receives funds,</p>

1	2	3
		they are not aware of the quantum of funds or their applications. All the villagers stated that the works are neither planned nor monitored in the Gram Sabha.
	RH	Officials of Hoshangabad observe that 60-70 percent cases may not be deserving cases. 2 among 6 houses constructed under a special programme for food relief were found incomplete even as on date. Even as on date instalments were not paid to the house owners for completion of houses. the quality of houses constructed under IAY was mediocre.
	ARWSP	there was stagnant water around the hand-pumps and the cattle troughs constructed to collect the outflow were dirty, this could lead to possible contamination of drinking water. Though soak-pits had been constructed near the hand-pumps, the nature and quality of construction appears to deserve a closure look so that they can be beneficial.
Meghalaya	PMGSY	The cost of connectivity would be higher per kilometer of road length because of uneven surface.
	SGSY	A variety of cash crops are grown, which is above to improve the living standard and economy of the people.
Karnataka	EAS	Raising of seedling by Forest Department from EAS funds.

1	2	3
RH	<p>More houses constructed under schemes other than IAY in every year.</p>	<p>In most of the houses even though there is no smokeless chullahs or latrine, full grants have been given to the beneficiaries. In none of the houses the name of the beneficiary or Scheme and year of construction etc. has been written.</p>
IWDP	<p>The Secretary of the Watershed Committee in all cases was found to be a Government Servant which is against the Guidelines.</p>	<p>The DPAP Projects sanctioned in 1995-96 are not implemented as per the new guidelines.</p>
	<p>Micro plans are not prepared, sectoral distribution of funds to different departments is being done to implement the Scheme.</p>	<p>Although watershed committees have been formed in some cases, watershed development fund for maintenance of structures has not been achieved.</p>
	<p>The progress in DDP Projects sanctioned in 1998-99 is very slow.</p>	
SGSY	<p>The scheme has not been picked up in Kolar district. Whatever fund has been spent, it is only in infrastructure development. It is more than 40 per cent of the release of 1999-2000. Thus District has spent more funds on infrastructure violating the guidelines. Not a single group has been graded so far.</p>	
PR	<p>JGSY is the only major Scheme implemented by the Panchayats.</p>	

1	2	3
	General	<p>Meetings of State Level/Block Level/District Level Vigilance and Monitoring Committee are not held regularly. Many of the Districts Officers/BDOs are ignorant of such committee.</p> <p>A detailed review of release of funds indicates that it takes on an average three months on the date of release of funds on the Central Government to reach the PIA.</p>
Daman	General	<p>Union Territory Administration proposed that fresh BPL Survey should be conducted to find out correct status of BPL families.</p>
Mizoram	PMGSY	<p>Physical progress of the work is much behind the financial progress which is being shown.</p>
	RH	<p>The list is finally approved by State Level which is conceptually wrong.</p>
Maharashtra	SGRY	<p>5 Kg of the foodgrains is to be given to the wage earner. The total quantity of the take home foodgrains per day is more than their daily requirement. This fact discourages them to take foodgrains as wage.</p>
	RH	<p>Utilisation of toilets specially where the toilets are attached in the building appears to be not satisfactory.</p>
Rajasthan	PR	<p>Meeting of Gram Sabha should be held in six months, not in every quarter.</p>

1	2	3
	FFW	The quality of foodgrains now supplied under SGRY is much better.
Uttar Pradesh	Monitoring	At many places in the State, the Vigilance and Monitoring Committees are yet to be constituted/Members yet to be nominated.
Chhattisgarh	RH	Quality of construction of house needs to be improved.
Tamil Nadu	PMGSY	State must set up an independent quality control agency.
	SGSY	There is significant scope to take up marketing activities and technology up-gradation.
Andhra Pradesh	RH	Allocation of housing units is reducing every year.
Bihar	SGSY	Inspite of co-operation by the DRDA & blocks there is no effort by them to meaningfully launch the Programme.
	IWDP	To prevent soil erosion by putting an end to shifting cultivation, and to bring about agricultural prosperity through Horticulture, IWDP is an ideal Scheme for the State which is an ideal place for Horticulture because of climate, soil quality and rainfall. There should be an IWDP project for each Block.

1	2	3
	ARWSP	Proper emphasis should be given at the State level for implementation of Rural Drinking Water Supply Sector Reforms Project at Vaishali District as well as Total Sanitation Campaign in the selected district.
	PMGSY	PMGY-RDW & PMGSY have not picked up till date although substantial period has elapsed alongwith releases/ revalidation of releases of funds since 2000-01 by GOI.
Assam		
	PR	Continuation with the system of Construction Committee would be against the spirit of the 73rd amendment of the Constitution.
	PMGSY	State Government could not release the entire allocation to the implementing agency.
	SGRY	The funding of the transport cost of lifting of the foodgrains under SGSY, the State Government is depending on Central grant even now, while the other N.E. States have gone ahead in lifting the foodgrains from the FCI godowns.
Tripura		
	SGSY	There is a lot of potential for horticulture produce.
	General	The State Government suggested that the releases to the district should be made directly.
	IDWP	There has been no regular feedback from the DRDA/State Government and no

1	2	3
		quarterly Progress Reports have been received since August, 1998. Audited Statement of Accounts are awaited from 1994-95 onwards and UC for the period from 1997-98 onwards.

Information regarding the field work done by the Area Officer will be included in the Performance Budget of the Department, as desired by the Committee.

[Ministry of Rural Development O.M. No. H-11020/5/2003-GC (P) dated 8.9.2003 (Department of Rural Development)]

Comments of the Committee

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

Recommendation (Para No. 3.61)

While noting the reservations for SC/ST women and disabled persons under SGSY, the Committee find that in the reserved 50 per cent for SC/ST, there is no quota for women. However, overall 40 per cent has been reserved for women Swarozgaris. The Committee would like that it should be ensured that out of 50 per cent reserved SC/ST beneficiaries 40 per cent should be women. The Department should think of framing the guidelines keeping in view the above.

Reply of the Government

As per the guidelines of the scheme 40% of total swarozgaris assisted should be women. The recommendation of the Committee to reserve 40% within SC/ST category for women swarozgaris will be implemented and necessary instructions to that effect will be issued to the States/UTs.

[Ministry of Rural Development O.M. No. H-11020/5/2003-GC (P) dated 8.9.2003 (Department of Rural Development)]

Comments of the Committee

(Please see Paragraph No. 34 of Chapter I of the Report)

Recommendation (Para No. 4.14)

As regards the State-wise position of the implementation of the programme, the Committee note that the position in some of the States is worse where less than 50 per cent of the expenditure is being made. Further disturbing is the fact that in some of the States, the position of expenditure reported is nil. The Committee would recommend to the Government to analyse the position of under-spending from each of the State and furnish the same to the Committee. Besides, after analysing the reasons, the desired corrective steps should be taken.

Reply of the Government

The following States under Stream-I & II of the SGRY have reported expenditure less than 50 per cent of total available funds during 2002-2003.

Sl. No.	States/UTs	Percentage of Expenditure Reported		Reasons for such less expenditure
		Stream-I	Stream-II	
1	2	3	4	5
1.	Goa	40.83	45.58	Requested for exemption for compulsory distribution of grains.
2.	Himchal Pradesh	47.93	37.56	Difficulties faced in lifting foodgrains from FCI godowns to work sites.
3.	Manipur	0.00	0.00	Difficulties faced in lifting foodgrains from FCI godowns to work sites.
4.	Meghalaya	24.09	37.68	Difficulties faced in lifting foodgrains from FCI godowns to work sites.
5.	Sikkim	41.51	—	Difficulties faced in lifting foodgrains from FCI godowns to work sites.

1	2	3	4	5
6.	A&N Islands	0.00	0.00	Labourers do not want foodgrains as part of their wages
7.	D&N Haveli	0.00	0.00	Labourers do not want foodgrains as part of their wages
8.	Daman & Diu	0.00	0.00	Labourers do not want foodgrains as part of their wages
9.	Lakshadweep	0.00	32.77	Labourers do not want foodgrains as part of their wages

[Ministry of Rural Development O.M. No. H-11020/5/2003-GC (P) dated 8.9.2003 (Department of Rural Development)]

Comments of the Committee

(Please see Paragraph number 52 of Chapter I of the Report)

Recommendation (Para No. 4.15)

The Committee then note that the Department in general have furnished some of the reasons for huge under-spending under the programme. One of the reasons a indicated is non-availability of funds for transportation. They feel that establishment of Gram Anna Bhandar at the block headquarter can solve this problem of transportation. Besides, they also note that as per the guidelines of SGRY, there is provision to construct Anna Bhandar with the money allocated under SGRY. They would like that the Department should give instructions to different States to establish Gram Bhandar at the block headquarter or at the Gram Panchayat level, which would go a long way in the effective implementation of the programme. Another reason submitted for the poor implementation of programme is because of poor infrastructure with FCI. The Committee would like that in consultation with the Ministries of Consumer Affairs, Food and Public Distribution and Food Corporation of India, the problems resulting in poor implementation of the programme should be sorted out and remedial action taken immediately. As regards delay in furnishing proposals, and also the defective proposals from some of the State Governments,

the Committee would like that the procedures should be further simplified and appropriate/proper training should be given to the officers and Panchayati Raj Institutions involved in implementation of the programme. The training should have a component to sensitize the officers about the need for effective implementation of the programme, *i.e.* to serve the Below Poverty Line Persons specifically in the States where people are starving.

Reply of the Government

According to Para 6.5.1 of the SGRY Guidelines, under the Stream-I of the Programme District Panchayats and Intermediate Panchayats can take up works that result in creation of durable socio-economic assets such as schools, kitchen sheds for schools, dispensaries, community centers, Panchayat Ghars, development of hats, etc. As such, construction of 'Anna Bhandar' can also be taken up under the SGRY. The construction of godowns at the local level have been taken up in Orissa in a big way under the SGRY. The above suggestion has been communicated to the State Governments for compliance.

The Food Corporation of India as well as the Ministry of Consumer Affairs, Food and Public Distribution have been advised to ensure availability of foodgrains at the FCI Godowns as per requirements of the Districts which could be decided in advance in consultation with the concerned authorities in DRDAs/District Panchayats.

To facilitate the availability of foodgrains smoothly, the Ministry of Rural Development has decided to release 75% of allocated foodgrains as first instalment. However, for release of balance 25% foodgrains, DRDAs/Zilla Parishads are required to fulfil conditions for release of 2nd instalment as per the SGRY Guidelines. The States can lift foodgrains within a period of two years.

This Ministry emphasized the need of capacity building of elected members of Panchayats and Panchayat functionaries through training, seminars/workshops and awareness generation through printed as well as electronic media. Under the Panchayati Raj Training Programme, all elected Members of Panchayats and Panchayat functionaries are to be trained in a time bound manner.

[Ministry of Rural Development O.M. No. H-11020/5/2003-GC (P)
dated 8.9.2003 (Department of Rural Development)]

Recommendation (Para No. 4.16)

The Committee further note that one of the two main reasons for reluctance of beneficiaries in lifting the foodgrains stocks is the quality constraint. The Committee would strongly recommend to further gear up the monitoring mechanism and this problem should be taken up at the appropriate level with FCI and the Ministries of Consumer Affairs, Food and Public Distribution. It should be ensured that the quality of the foodgrains supplied to BPL persons is of eatable quality.

Reply of the Government

As regard the quality constraint, this Ministry has already advised the Food Corporation of India (FCI) to provide 'Fair Average Quality (FAQ)' foodgrains to District Panchayats, Intermediate Panchayats and Gram Panchayats under the SGRY. The concerned officials of DRDA/ District Panchayat are required to conduct inspection of the stocks before taking delivery of foodgrains to ensure that foodgrains below the FAQ are not accepted. For lifting bad quality foodgrains from FCI Godowns, individual officers will be held responsible. This suggestion has been communicated to the States for compliance.

[Ministry of Rural Development O.M. No. H-11020/5/2003-GC (P) dated 8.9.2003 (Department of Rural Development)]

Recommendation (Para No. 5.10)

The Committee find that at least Rs. 60,000 crore, at present level, will be required to ensure universal rural connectivity. At the present rate of expenditure, this will take 20 to 25 years or even longer. Therefore, as recommended earlier in their Report (*refer* para 5.20 of 26th Report, 13th Lok Sabha), the Committee would like to emphasise that the Government should treat rural connectivity on a particularly high priority in seeking additional funds from International Financial Organisations such as World Bank and Asian Development Bank, etc. and by raising loans to achieve the objectives within the stipulated time limit, *i.e.* by the end of the 10th Plan. The Committee note that in the three years that have passed, nothing substantial has been done in this regard. In this scenario, the Committee fail to understand how the Government would achieve the said targets. While reiterating their earlier recommendation very strongly, the Committee would impress upon the Government to give adequate allocation to this programme

keeping in view the fact that this is the single most important programme ever conceived by the Department of Rural Development.

Reply of the Government

The following is the financial resources through which it is proposed to mobilise additional funds to achieve the objectives of the Programme which require a rough estimate of Rs. 60,000 crore (the States have been asked to prepare the Core Network from which an accurate estimate can be made of the requirement of funds).

(a) Diesel Cess

The available source of funds, for the present, is the 50% share of the Cess on *High Speed Diesel* (HSD) amounting to approximately Rs. 2500 crore per annum, which revenue stream is clearly inadequate to finance a Programme of this magnitude in a definite time-frame (2000-2007). For achieving this objective, it would be imperative to generate additional financial resources. In the Budget Speech of 2003-04, the Finance Minister has mentioned that:

“Encouraged by the success of the scheme of funding rural roads under the Pradhan Mantri Gram Sadak Yojana by earmarking 50 per cent of the cess on diesel, it is proposed that the resources for rural roads be augmented. Accordingly, apart from allocating the anticipated Rs. 2,325 crore from the existing cess on diesel for 2003-04, additional funds will be made available for rural roads from the proposed additional cess on diesel of 50 paise.”

This is likely to result in additional availability of about Rs. 1150-1200 crore per annum from the year 2004-05. Thus, in the Budget of 2004-05, about Rs. 3500 crore is likely to become available for the PMGSY.

(b) External Funding Agencies

The Ministry had addressed the Department of Economic Affairs to explore the feasibility of raising additional resources, including by way of borrowings from, *inter alia*, the External Funding Agencies, including the World Bank and the Asian Development Bank. The Department of Economic Affairs circulated the Concept Note on the PMGSY to Multi-lateral as well as Bi-lateral Funding Agencies in February, 2002. The World Bank and the Asian Development Bank have evinced interest in funding the Programme.

The World Bank fielded an Identification Mission in the month of April, 2002. The Minister of Rural Development held discussions with the Vice President of the World Bank during his visit to Washington in May, 2002 wherein the World Bank agreed to take up the funding of the PMGSY on a fast track since it had accorded, in principle, clearance to support Rural Connectivity Programme. The World Bank fielded Missions in November-December, 2002 and further discussions were held with Preparation Mission in April, 2003. The proposed States for World Bank funding are Rajasthan, Uttar Pradesh, Jharkhand and Himachal Pradesh. Discussions are presently continuing regarding the nature, type and size of loan. Initial indications are that the first tranche of the loan is likely to be cleared by December, 2003 and is likely to be of the order of \$300 million.

The Asian Development Bank (ADB) also fielded the Country Programme Mission in May, 2002 wherein the ADB agreed to support the Rural Roads Sector Development Programme. The ADB had launched a Fact-finding Mission for Technical Assistance between 5th-17th July, 2002. The Mission undertook field visits to Madhya Pradesh and Chhattisgarh, which are proposed to be covered under ADB funding. The ADB fielded a Fact-Finding Mission in December, 2002 and Consultation Mission in March, 2003. Discussions are presently continuing regarding the nature, type and size of loan. Initial indications are that the first tranche of the loan is likely to be cleared by October, 2003, and is likely to be of the order of \$400 million (in a project size of \$500 million). The Appraisal Mission of the ADB is due to visit the country from June 4-18, 2003.

(c) Leveraging the resources for accelerated implementation

Keeping in view the requirements of upgradation of Through Routes and Link Routes in States with better connectivity such as Tamil Nadu, Gujarat, Maharashtra, Andhra Pradesh, Karnataka, Kerala, Haryana and Punjab, these States have been addressed to give their views whether they would be willing and able to leverage the necessary from the financial institutions for the purpose.

Discussions have also been held with LIC to make available long term funding for the PMGSY.

It is hoped that with the assistance of the above mentioned organisations, the funding requirement of the PMGSY will be met.

[Ministry of Rural Development O.M. No. H-11020/5/2003-GC (P)
dated 8.9.2003 (Department of Rural Development)]

Recommendation (Para No. 5.10A)

Almost three years have passed since the Yojana was launched, yet the progress of the programme in most of the States/UTs is not very encouraging. The Committee have examined the subject, 'Pradhan Mantri Gram Sadak Yojana' in detail and the detailed recommendations were made in the 26th Report of the Committee (13th Lok Sabha) presented to Parliament on 19 December, 2001. The Committee find that in spite of the detailed recommendations made to the Government with regard to the said Yojana, the desired action taken on the recommendations, as could be seen from the information provided by the Department, has not been taken. As regards the position of resources available for implementing the Gram Sadak Yojana, the Committee note that the Department is getting less than 50 per cent of what was proposed to Planning Commission during the 10th Plan. As could be seen from the progress of works during the last 24 months, the proposals to the tune of Rs. 7,553.77 crore could be cleared by the Department. Further disturbing is the position of utilisation of resources provided under PMGSY as could be seen from the progress made in various States which has been indicated in the preceding para of the Report. It is disturbing to note that in many States/UTs, the position of utilisation is zero percent. Further disturbing is the progress made in the various Union Territories. In this scenario, the Committee have their apprehensions about the achievement of targets, *i.e.* providing connectivity to all rural habitations with a population of more than 500 persons by the year 2007.

Reply of the Government

Two statements showing physical and financial progress under PMGSY 2000-01 (Phase-I) and 2001-02 & 2002-03 (Phase-II) are appended as *Appendix I & II*, respectively. As seen from the said statements, 90.05% of road works of Phase-I have been completed and 16.61% of the road works of the Phase-II have been completed till March, 2003. The percentage of expenditure incurred for Phase-I is 87.76% and for Phase-II, it is 44.14%. The relatively slow progress in Phase-II in the States is on account of the new procedures stipulated in the PMGSY Guidelines (PMGSY actually became a Centrally Sponsored Scheme only during 2001-02), delays in tender process, seasonal nature of the work etc. The tendering process has now been streamlined as a Standard Bidding Document has been prepared to standardise the PMGSY works' tendering process in the States. Action

is now being taken to select the road proposals, complete the field investigation and prepare the design and estimates well in advance, so that tendering can be done as soon as proposals are cleared.

The States have now geared up and are progressing in executing the road works.

[Ministry of Rural Development O.M. No. H-11020/5/2003-GC (P) dated 8.9.2003 (Department of Rural Development)]

Recommendation (Para No. 5.14)

The Committee also note that in hilly areas and insurgency affected areas, the cost of construction may be very high, as compared to other plain areas. They in their earlier Report [26th Report (13th Lok Sabha) (refer para 5.19)] had drawn the attention of the Department in this regard. Further, nothing seems to have been done. They would reiterate their earlier recommendation to have some special norms with regard to the cost of construction in hilly as well as insurgency affected areas.

Reply of the Government

The road works under the Pradhan Mantri Gram Sadak Yojana (PMGSY) are designed as proper engineering structures, as per the technical specifications prescribed by the Indian Roads Congress (Rural Roads Manual : IRC SP : 20). The design of a road depends, *inter alia*, on the topography, soil type, rail-fall and traffic density. The actual cost of construction being a function of the Design and Cost of inputs, it varies as per local conditions. The State Schedule of Rates are used to estimate the cost and as the actual estimated cost is the basis for funding of the road work, there is no difficulty in meeting the construction cost however high, so long as it is as per the Rural Roads Manual provisions. For example, in the State of Rajasthan, the average cost per km. for the pavement is Rs. 9.62 lakh with an average cost of CDs of Rs. 1.58 lakh per km. However, within the State the variation of the cost is between Rs. 6.75 lakh (Jaisalmer) to as much as Rs. 15 lakh per km. (Kota & Sriganganagar), which is mainly due to the topographical features and type of soil strata. Similarly, for the State of Gujarat the average cost is Rs. 12.45 lakh per km. The variation in the cost is found to be vary between Rs. 8.48 lakh (Junagarh) to Rs. 22.56 lakhs (Bhavnagar).

For the State of Assam, while the average cost per km. for the State as a whole is Rs. 26.20 lakh per km, it touched a figure of Rs. 30.01 lakh in case of Lakhimpur. The high cost per km. in the State of Assam is attributed to poor soil subgrades and the number of CD Works required.

In case of West Bengal the cost per km. is varying between Rs. 20.86 lakh per km. (Malda) to Rs. 41.36 lakhs per km. (South 24 Parganas). In general the high cost in the State of West Bengal is attributed to weak soil subgrades, number of Cross Drainage/Protection Works and the lead for the aggregates which is more than 300 km.

In a hill State like Mizoram, where the road construction under PMGSY is taken in two stages with formation cutting and CD works being done in one Phase and the Granular Base and Black Topping done in subsequent stage, the cost of formation and cutting is as high as Rs. 24 lakh per km. due to large scale hill side cutting. In some cases the cost per km. of the CD Works itself is working out to be Rs. 10.06 lakh per km. (Lawngtlai).

[Ministry of Rural Development O.M. No. H-11020/5/2003-GC (P) dated 8.9.2003 (Department of Rural Development)]

Recommendation (Para No. 5.20)

The Committee find that inspite of their repeatedly recommending through respective Reports to have the identification and implementation of PMGSY by Gram Panchayats, nothing substantial has been done in this regard. They are given to understand from the reply furnished by the Department in their action taken notes, pursuant to their recommendation made on 26th Report, on Pradhan Mantri Gram Sadak Yojana, the State Governments are to be advised to place Core Network before the Gram Sabha and Gram Panchayat for consideration. They find that the role of Gram Sabha has been in the advisory capacity only as could be seen from the reply furnished by the Department. They strongly deplore the attitude of the Department towards the way their recommendation has been taken. They would like that instead of being in advisory capacity, the proposals should come from Gram Sabha thereby making it a people's programme. Similarly, in case of involvement of MPs, they would like that while deciding about the Core Network, local MPs should be consulted. Not only that, the Core Network should be approved only after the approval of the local MPs.

Reply of the Government

The Manual for the Preparation of District Rural Roads Plans and the Core Network lays down the various steps in the planning process and the role of different agencies including the Intermediate Panchayat, the District Panchayat as well as the State Level Standing Committee. In the identification of Core Network, the priorities of elected representatives, including Members of Parliament and MLAs, are expected to be duly taken into account and given full consideration. In preparing the District Rural Roads Plans, it would be first necessary to indicate the weightage for various services. The District Panchayat is the competent authority to select the set of socio-economic/ infrastructure variables best suited for the District, categories them and accord relative weightages to them. This would be communicated to all concerned before commencing the preparation of the District Rural Roads Plans. The Plan would first be prepared at the Block Level (Block Level Master Plan), in accordance with the directions contained in the Manual and the priorities spelt out by the District Panchayat. The Block Level Master Plan and the Core Network are then placed before the Intermediate Panchayat for consideration and approval of the Core Network. They are simultaneously sent, along with the list of all Unconnected Habitations to the Members of Parliament and MLAs for their comments, if any. After approval by the Intermediate Panchayat, the plans would be placed before the District Panchayat for its approval along with the suggestions of Elected Representatives.

It will be incumbent on the District Panchayat to ensure that the suggestions given by the Members of Parliament are given full consideration, within the framework of the PMGSY Guidelines. No road work is to be proposed under the PMGSY for New Connectivity or upgradation (where permitted) unless it forms part of the Core Network. The list is to be finalised through a consultative process involving lower level Panchayati Institutions and elected representatives. As such, it is open to Gram Panchayats to make suggestions to the Intermediate Panchayats for its consideration. The role of the Gram Sabha has necessarily to be advisory because cost Rural Roads cover more than one panchayat and in case the prior approval of every Panchayat along the route is to be taken, it will be extremely difficult to finalise the Core Network and take further steps to execute the Programme in a time bound manner.

[Ministry of Rural Development O.M. No. H-11020/5/2003-GC (P)
dated 8.9.2003 (Department of Rural Development)]

Recommendation (Para No. 5.21)

The Committee find that inspite of their strongly recommending to involve MPs in the implementation of the programme and directions being issued to by the Union Government to respective State Governments, MPs are not being apprised about the status of implementation of the programme in their constituencies. They would like that suitable action should be taken from the Union Government in this regard.

Reply of the Government

A letter was addressed to all the Chief Ministers on 11th June, 2001, drawing their attention to the provisions of the Manual. In this letter, Minister of Rural Development emphasised the need to consult Members of Parliament while finalising the proposals as per the Manual which specifically provides that the proposals of Members of Parliament should be given full consideration by the Zilla Parishads and the matter should be overseen by the State Level Standing Committee. He also indicated that a number of Members of Parliament have stated that their views have not been duly taken into consideration. Further, the Minister of Rural Development again wrote on 14th August, 2001 to all the Chief Ministers stating that several Members of Parliament continue to indicate that the proposals forwarded by them are not being duly considered and as such it would be both desirable and useful for the Chief Secretary heading the State level Standing Committee to also meet with all Members of Parliament to discuss their proposals before the same are forwarded to the Ministry of Rural Development.

The Minister of Rural Development has again on 25.6.03 written to all Chief Ministers to involve Members of Parliament in the implementation of the Programme in their Constituencies and keep them apprised of the status of implementation.

[Ministry of Rural Development O.M. No. H-11020/5/2003-GC (P)
dated 8.9.2003 (Department of Rural Development)]

Recommendation (Para No. 5.23A)

The Committee would further like that in order to know ground reality with regard to forest clearance under Gram Sadak Yojana, there should be some mechanism whereby the position in this regard can

be periodically monitored. The Department should review the guidelines in this regard and apprise the Committee accordingly.

Reply of the Government

The suggestion made by the Committee has been noted. The State Secretaries in-charge of Rural Development have been asked to monitor regularly at their level such cases where forest clearance is held up. A quarterly report has also been specified to enable this Ministry to keep a watch and to analyse the extent, if any, of delays on this account.

[Ministry of Rural Development O.M. No. H-11020/5/2003-GC (P)
dated 8.9.2003 (Department of Rural Development)]

Recommendation (Para No. 5.25)

The Committee note that maintenance is another area of concern. They appreciate that Cooperative Societies are coming on their own to maintain the roads without any financial assistance. They welcome this move and would like that in other States also the Department should explore the possibility of maintenance of roads by similar type of Cooperative Societies.

Reply of the Government

In order to give the effect to the Standard Bidding Documents, the following procedure has been adopted for execution of works under the Pradhan Mantri Gram Sadak Yojana:—

1. The estimates of each work under PMGSY will be made in two parts. The first part will be estimate for Construction of the Road and related works and the second part will be the estimate of year wise routine maintenance for 5 years.
2. The clearance for the estimates for construction of Road and related works will be provided by this Ministry of Rural Development but the clearance for the estimate of routine maintenance will be provided by the State Government and the provision for the funds related to the maintenance will be done by the State Government.
3. Before submitting the proposals for Construction of Roads and related works for clearance to the Empowered

Committee of the Ministry of Rural Development, the State Government will be required to give approval for routine maintenance of every work in the proposal. The State Government will also be required to furnish a certificate to the effect that the provision of funds for maintenance has been made in the State Budget separately for PMGSY Roads.

The document has been circulated to State Governments for adoption with effect from 2003-04.

A proposal has been received from Warana Cooperative to construct and maintain 1690 kms. of road of different categories in the District of Sangli, Sindhudurg and Kolhapur in Maharashtra. The innovative feature of the proposal was that the maintenance of the constructed roads would be done out of the income generated by plantation activity and this is to be included in the project. Accordingly, after discussions, an in-principle approval was granted to Warana Cooperative on 4th February, 2003 for the preparation of a concept document for the above pilot project. The proposal was reviewed on 21st March, 2003 in a meeting chaired by Secretary (RD) when it was decided that:

- the proposal may be considered as a pilot project for establishing the viability.
- the Infrastructure Development & Finance Corporation (IDFC) will appraise the project, determine the cash flows, and annual size of the project. It shall prepare a full and complete project document for the purpose, covering both construction and maintenance; and
- the funds for the entire project will be advanced as a loan in suitable instalment to the Warana Cooperative/DPIUs by the IDFC.

The Project Document is being prepared by the IDFC on the basis of above parameters.

The model will be considered for further replication after execution commences.

[Ministry of Rural Development O.M. No. H-11020/5/2003-GC (P)
dated 8.9.2003 (Department of Rural Development)]

Recommendation (Para No. 6.8)

The Committee find that the Government have targeted to end shelterlessness by the end of 10th Plan period, but keeping in view the pace of development under different housing schemes as appraised to them by the representatives of the Department, they doubt about achieving the said targets within the stipulated time frame. The Committee deeply regret that while restructuring the existing rural housing scheme, the Department has not bothered to increase the allocation under housing substantially to meet the huge and widening gap between resource and availability of rural housing. The Committee strongly recommend much higher allocation for the Indira Awaas Yojana and related infrastructure Plan. Final allocation in Tenth Five Year Plan should be reviewed within the framework of a time bound programme for ending grave shortage of housing in rural areas.

Reply of the Government

While the Ministry appreciates the concern of the Committee, it is also a fact that there is no laxity on achievement of target towards eradication of shelterlessness. However, the given task is huge and requires huge investment but the budgetary support the Government could provide is much less. This is evident from the fact that during IXth Plan, the Ministry had proposed a budgetary support of Rs. 28,042 crore against which, the approved IXth Plan outlay by Planning Commission was only Rs. 87,90 crore.

During Xth Plan, the Ministry has proposed Rs. 13,040 crore against which, the Planning Commission has approved an outlay of Rs. 8,603 crore for Rural Housing. The Ministry is taking up the matter with Planning Commission for enhancement of outlay.

[Ministry of Rural Development O.M. No. H-11020/5/2003-GC (P)
dated 8.9.2003 (Department of Rural Development)]

Comments of the Committee

(Please see Paragraph number 70 of Chapter I of the Report)

Recommendation (Para No. 6.16)

The Committee find that the physical achievement during the year 2002-03 is far lesser than the year 2001-02. They hope that after detailed

information is received from different State Governments by the end of the financial year, the Department would be able to construct more houses as compared to the number of houses constructed during the previous year.

As regards outlay earmarked during the 10th Plan, the Committee find that there is enhancement of only Rs. 659.03 crore as compared to 9th Plan. In spite of recommendation by the Committee in their earlier reports, the Planning Commission has approved an outlay which is far below the proposals made by the Department. The Department should pursue with the Planning Commission for getting the adequate allocation to enable them to achieve the set targets and the Committee be apprised accordingly.

Reply of the Government

As per latest information available from various States/UTs, 15,250,63 houses have been constructed/upgraded and another 546,937 houses were under various stages of completion with an estimated expenditure of Rs. 2,739.99 crore against the target of construction/upgradation of 13,144,31 houses during 2002-2003.

The issue of enhancement of allocation under IAY is being taken up with the Planning Commission separately.

[Ministry of Rural Development O.M. No. H-11020/5/2003-GC (P)
dated 8.9.2003 (Department of Rural Development)]

Comments of the Committee

(Please see Paragraph number 73 of Chapter I of the Report)

Recommendation (Para No. 6.21)

The Committee find that the Ministry has issued instructions to all the States/UTs to implement the Rural Housing Schemes keeping in view the National Policy for Older Persons (1999). The Committee would like to be apprised about the details with regard to the housing in the said policy.

Reply of the Government

The extracts of the National Policy on Older Persons on which the States were asked to fine tune the IAY/CCS are as follows:

Shelter is a basic human need. The stock of housing for different income segments will be increased. Housing schemes for urban and rural lower income segments will earmark 10% of the houses/house sites for allotment to older persons. This will include Indira Awaas Yojana and other schemes of the Government. Earning persons will be motivated to invest in their housing in their earning days so that they have no problems of shelter when they grow old. This will require speedy urban land development for housing, time bound provision of civic services and communication links, availability of loans at reasonable rates, easy repayment instalments, time bound construction schedules and tax relief. Development of housing has to be a joint endeavour of public and private sectors and require participation of Housing Development Boards, civic authorities, housing finance institutions and private developers and builders. Older persons will be given easy access to loans for purchase of housing and for major repairs, with easy repayment schedules.

Lay outs of housing colonies will have to respond to the life styles of the elderly. It will have to be ensured that there are no physical barriers to mobility and accessibility to shopping complexes, community centres, parks and other services is safe and easy. A multi-purpose centre for older persons is a necessity for social interaction and to meet other needs. It will, therefore, be necessary to earmark sites for such centres in all housing colonies segregation of older persons in housing colonies has to be avoided.

[Ministry of Rural Development O.M. No. H-11020/5/2003-GC (P)
dated 8.9.2003 (Department of Rural Development)]

Recommendation (Para No. 6.28)

The Committee note that the performance of HUDCO in rural areas is not satisfactory, as could be seen from the information provided by Department, according to which HUDCO has been able to construct only 40% of the dwelling units sanctioned since 1998-99. Besides, they are also unhappy to note that due to under performance equity support to HUDCO has been reduced from Rs. 50 crore to Rs. 10 crore during the current financial year, *i.e.* 2003-04. They also note that one of the reasons for unsatisfactory performance of HUDCO in rural areas is lack of interest of State Governments/Government agencies towards HUDCO's loan based rural housing programme, in view of the subsidized schemes and due to the fact that there are no separate State level agencies for taking up rural housing programmes in most of the States. The Committee would like the Department to interact with the State Governments and persuade them to come forward and

set-up separate State level agencies in each of the States which would automatically solve the problem of Government guarantee.

Reply of the Government

As informed by HUDCO, they have again taken up the matter through its Zonal/Regional Offices with all the State Governments to formulate substantial number of schemes so that HUDCO's low interest funds allocated for the benefit of rural poor every year are fully utilized by each State/UT. Chairman-cum-Managing Director of HUDCO is also taking up the matter with the Chief Secretaries of the concerned States requesting them to nominate a state level nodal agency for channelising institutional finance and monitoring the implementation of rural housing schemes in their respective States.

[Ministry of Rural Development O.M. No. H-11020/5/2003-GC (P) dated 8.9.2003 (Department of Rural Development)]

Recommendation (Para No. 6.30)

The Committee understand that the equity contribution by the Ministry of Rural Development was to be utilized by HUDCO to garner and mobilize additional resources which is approximately eight times the size of equity contribution from the market, the Committee would like to be apprised of the details of the additional sources generated by HUDCO in each of the year indicating specifically whether HUDCO was able to generate resources eight times the size of the equity contribution from the market.

Reply of the Government

The summary of equity received and the resources mobilized from 1998-99 to 2002-2003 as reported by HUDCO is as below:

RESOURCE MOBILISATION SUMMARY

(Rs. in crore)

Sl.No.	Particulars	2002-03	2001-02	2000-01	1999-00	1998-99
1	2	3	4	5	6	7
A.	Domestic Resources					
	Equity	255.0	230.0	280.0	321.0	181.0
	BORROWINGS					
(a)	Banking Sector Fund	270.00	902.4	1527.50	1196.50	1082.00

1	2	3	4	5	6	7
(b)	Financial Institutions	0.00	0	1325.00	458.00	1037.00
(c)	Public Sector Bonds	1527.00	2468.16	899.3	457.18	645.60
(d)	Loan from NHB	0.00	0	100.0	105.23	168.04
(e)	Public deposit scheme	836.0	370.0	201.3	543.63	36.9
(f)	Loan from CGEHS	0.74	1	0	—	0
Total Domestic Borrowing		2933.74	3741.73	4053.38	2760.54	2970.11
B. Internal Drawals						
	OECD draws	—	0	216.5	77.3	41.8
	Loan from USAID	—	0	82	43.6	—
	Loan from ADB	—	0	0	217.00	—
	Total	0.00	0	308.5	337.95	41.8
	Total Resources	3188.74	3971.73	4868.17	3461.06	3200.98

[Ministry of Rural Development O.M. No. H-11020/5/2003-GC (P) dated 8.9.2003 (Department of Rural Development)]

Recommendation (Para No. 7.22)

While analysing the data with regard to the allocation made to NIRD during 10th Plan, the Committee find that the Department has got Rs. 5 crore more than what was proposed during the 10th Plan for training, which means that Ministry of Finance has given adequate importance to training which is basic input for successful implementation of different rural development programmes. Further, from the data furnished by the Department with regard to number of training programmes conducted from 1997-98 onwards by NIRD, the Committee find that there is not much increase in the number of training programmes conducted. The Committee find that with the enactment of 73rd Amendment Act, the rural development schemes are to be implemented by the Panchayati Raj Institutions which is a bigger challenge. For the capacity building of Panchayats, the Panchayati Raj Functionaries need to be properly trained to enable

them to successfully implement the rural development programmes. Besides, training of State Governments functionaries and persons involved in implementation of different programmes is another aspect which need to be given priority. In view of this, the Committee would like that the Department should give serious attention towards this aspect and ensure that PRIs, State Government functionaries and other persons involved in the implementation of the rural development programmes are imparted training within a stipulated time period and adequate allocation is made under NIRD, SIRD and ETC and Panchayat Development and Training Programme.

Reply of the Government

The year-wise Training Programmes conducted by the NIRD are as under:

Year	No. of Training Programmes
1997-98	142
1998-99	132
1999-2000	152
2000-2001	155
2001-2002	162
2002-2003	177

The training programmes of NIRD have shown a steady increase except in the year 1998-99. The Institute proposes to organise 800 Training Programmes for about 25000 participants during the Tenth Plan period.

The Government of India attaches great importance to the capacity building of elected representatives and officials of Panchayati Raj Institutions as well the functionaries involved in the implementation of Rural Development programmes. It is estimated that a mass of about 36 lakh persons which includes elected representatives and officials require training during the 10th Five Year Plan to enable them to discharge their function effectively. The Ministry of Rural Development is assisting the States in meeting this challenge of imparting training to all the elected representatives and official functionaries in an effective, time-bound and economical fashion. The

strategy adopted focuses attention on the need to develop skills and competencies of the people related to Rural Development and increase the reach of training to district, block and village level by adopting a cascading model of training. It also aims at improving the quality of training at all levels by networking among institutions of training in diverse sectors and at promoting macro, meso and micro level annual action plans to facilitate need-based goal-oriented training.

Currently, 28 State Institutes of Rural Development (SIRD) and 88 Extension Training Centres are engaged in imparting training to the elected representatives and officials in the States. The State Governments are also being encouraged to use all available infrastructure and networking with NGOs and other institutions for the training. The Ministry continues to provide financial assistance to SIRDs and ETCs to meet partially their recurring and non-recurring expenditure.

Realising the need to provide training to all the functionaries during the Tenth Plan, the Ministry of Rural Development has enhanced the allocation for the training schemes of the Ministry from Rs. 30.75 crores in 2002-03 to Rs. 48.62 crores in 2003-04. This includes an increase of Rs. 1.07 crores for NIRD from Rs. 12.55 crores in 2002-03 to Rs. 13.62 crores in 2003-04 and an increase of Rs. 5.75 crores for SIRDs/ETCs from Rs. 11.75 crores in 2002-03 to Rs. 17.50 crores in 2003-04. Substantial increase has also been made under the Panchayat Development and Training Scheme during the year 2003-04 by raising the allocation to Rs. 16.00 crores from Rs. 5.00 crores in 2002-03. During the year 2003-04, till 31st July, 2003, an amount of Rs. 4.59 crores has been released to six States under the Panchayat Development and Training Scheme to enable them to take up the training of PRI representatives and officials during the year.

The Ministry of Rural Development is also making efforts to enhance the allocation for training schemes further during the Tenth Plan from the current allocation of Rs. 145 crores so as to provide for the training of all the elected functionaries and officials of the PRI during the Tenth Plan period.

[Ministry of Rural Development O.M. No. H-11020/5/2003-GC (P)
dated 8.9.2003 (Department of Rural Development)]

Recommendation (Para No. 7.23)

The Committee would further like that an impact study with regard to the training imparted to the Government officials, PRIs and NGOs

responsible for implementation of the programme should be made and the Committee apprised accordingly.

Reply of the Government

The National Institute of Rural Development (NIRD), an autonomous organisation under the administrative control of the Ministry of Rural Development imparts training to Senior Administrators, Policy Makers, Elected Representatives, appointed functionaries of PR bodies and NGOs above district level in the implementation of RD Programmes. An Impact assessment study entitled "Impact Assessment of NIRD Programmes" was conducted by the Administrative Staff College of India (ASCI), Hyderabad. The basic objective of the study was to assess the impact of the training programmes conducted by NIRD on the performance of the participants on the job. The study was based on a survey conducted among the training participants who attended various NIRD training programmes during the years 1997-98, 1998-99 and 1999-2000. The total population base for the study was 5431 out of which 15% *i.e.* 820 responded to the mail questionnaire, in depth interviews were also conducted in six states representing all the regions of the country.

The knowledge gained from the training programmes and its positive impact on the job performance was indicated by more than 85% of the respondents. Analysis of the results by designation and work experience of respondents indicated that "Seniors" and those with "less numbers of work experience" found the training programmes slightly more useful than Juniors and with "large number of years work experience". However the impact on job performance is high across all occupation groups. The major impact on the quantitative aspects of implementation was on the quick execution of projects under rural development schemes, and efficiency in implementing the rural development programmes. In addition to this, the training programmes helped to increase proposals for new schemes and/or increase the number of beneficiaries. The impact on the qualitative aspects of implementation was reflected in the improved service levels and improved performance of employees implementing rural development programmes. Impact according to occupation showed that "Voluntary Organisations" had been able to translate most of the inputs from the training into improving the quantitative aspects of implementation of Rural Development programmes. In respect of qualitative aspects of implementation of rural development programmes, the Zila Parishad

Chairmen have found better utility from the training programmes. In respect of Government officials, the greatest gains had been in the quantitative aspects, that of efficient implementation of the schemes.

The study also made comparison of the Training Programmes Conducted by NIRD with those of other organisations in terms of programme content, delivery and infrastructure. The respondents found relevance of training to job, programme content, expertise of faculty and training methods of NIRD to be superior to other institutions. There were, however, suggestions to further improve programme content like introducing advanced topics on IT and computer applications for Rural Development and the training methods. The academic facilities and physical facilities at NIRD were also considered superior to other institutions offering Rural Development Programmes. The programme effectiveness was considered superior by those who attended more than one programme in different institutions compared to those who have attended few programmes in different institutions. Similar attempts at studies will be made in future also from time to time.

[Ministry of Rural Development (Department of Rural Development)
O.M. No. H-11020/5/2003-GC (P) dated 8.9.2003]

CHAPTER III

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

Recommendation (Para No. 2.9A)

The Planning alone is not to blame. As the Department has itself admitted, poor utilization of funds has resulted in a sharp reduction of outlay of outlay for the Tenth Five Year Plan. While a detailed analysis of different schemes has been made in subsequent Chapters of the Report, The Committee would like to highlight here that their analysis of the data indicate that there are serious problems in implementation of different schemes. It is evident that the root cause of poor implementation is that schemes of the Department of Rural Development continue to be delivered bureaucratically instead of being planned and implemented by the PRIs, functioning as "units of the local self-governance" in accordance with the letter and spirit of Part IX of the Constitution, in particular, Article 243G. The Committee presented the Report on the aforesaid subject to Parliament on 20th November, 2002. The Government was expected to furnish action taken replies in pursuance of their recommendations by 19th February, 2003. The Committee note that action taken replies are still awaited from the Government. They urge that the Department of Rural Development should urgently submit the action taken replies to the Committee.

Reply of the Government

The Action Taken Replies have already been submitted by this Ministry to Lok Sabha Secretariat *vide* this Ministry's OM No. H-11011/12003-PR dated 12th May, 2003.

[Ministry of Rural Development (Department of Rural Development)
O.M. No. H-11020/5/2003-GC (P), dated 8.9.2003]

Recommendation (Para No. 2.20)

While going through the information furnished by the Department, the Committee note that North-Eastern States are not getting any allocation for foodgrain component under SGRY thereby depriving them of substantial outlay under the scheme. The Committee fail to

understand the basis on which North-Eastern States and Sikkim have been deprived of the said allocation. They would like the Department to explain the specific reasons for the same.

Reply of the Government

10% of all resources (Funds+Foodgrains) are earmarked for the North-Eastern States under the SGRY. Earmarked resources are allocated among the N.E. States on the basis of poverty ratio in their respective States. Any unspent balance from this allocation is utilized in the North-Eastern States only, as unspent fund goes to the non-lapseable pool.

Food grains allocated and released during 2002-2003 and 2003-2004 (till date) under the SGRY in respect of N.E. States are given below:

During the year 2002-2003 During the year 2003-2004

Sl.No.	State	(In Tonnes)			
		Allocation	Released	Allocation	Released
1.	Arunachal Pradesh	13853	5033	13853	4906
2.	Assam	359679	343445	359679	—
3.	Manipur	24129	8218	24129	4368
4.	Meghalaya	27040	25102	27040	16798
5.	Mizoram	6257	7794	6257	4692
6.	Nagaland	18548	6559	18548	6359
7.	Sikkim	6931	4819	6931	5199
8.	Tripura	43573	53912	43573	32679
Total		500010	454882	500010	75001

Against the allocation, 454882 and 75001 tonnes foodgrains have been released to N.E. States during 2002-2003 and 2003-2004 (till date) respectively.

[Ministry of Rural Development (Department of Rural Development)
O.M. No. H-11020/5/2003-GC (P), dated 8.9.2003]

Recommendation (Para No. 3.23)

Another disturbing trend is reduction in per family investment. The Committee feel that spreading the resources thinly among the beneficiaries would not result in realizing the objectives of the programmes, *i.e.* bringing the beneficiary above the poverty line. The meagre subsidy or loan provided under the programme would defeat the real objectives. They feel that the Department should think over this aspect and ensure that by providing additional instalment of assistance till the beneficiary comes over the poverty line.

Reply of the Government

The SGSY has adopted the approach of credit-cum-subsidy with subsidy as the enabling element only and credit as the key component of the Scheme. Provision of additional instalment of assistance (subsidy) till the beneficiary comes over poverty line may not help in making the beneficiary self-reliant and confident of proving his own credit worthiness. Instead linkages of Swarozgari with Financial Institutions/Banks will ensure continuous flow of credit in multiple doses and help Swarozgari to come over the poverty line without relying on Government assistance. In fact guidelines provides for the second/subsequent dose even during the currency of first/earlier loan provided the bank is satisfied about the financial discipline maintained by the beneficiary in respect of the first/earlier loan.

[Ministry of Rural Development (Department of Rural Development)
O.M. No. H-11020/5/2003-GC (P), dated 8.9.2003]

Recommendation (Para No. 4.13)

The Committee further note that during the 10th Plan, Rs. 30,000 crore have been earmarked for the programme, *i.e.* Rs. 10,000 crore more than what were earmarked during the 9th Plan. They would like that every paise of the allocation made during the 10th Plan is meaningfully utilized.

Reply of the Government

As per the announcement of the Hon'ble Prime Minister on 15th August, 2001, the SGRY would be provided Rs. 10,000 crores per year to generate 100 crores mandays. Out of this amount, Rs. 5,000 crores is earmarked for foodgrains (*about 50 lakh tonnes of foodgrains to be*

provided under the Programme free of cost to the States) the balance of Rs. 5,000 crores to meet the cash component (i.e. Rs. 3750 crores Central share and Rs. 1250 crores State share). Department of Rural Development proposed an outlay of Rs. 48,538 crores (*which includes cost of foodgrains*) as Central Share for the Tenth Five Year Plan. Since, the Planning Commission made allocation on year to year basis, no outlay has been indicated for the Tenth Five Year Plan.

[Ministry of Rural Development (Department of Rural Development)
O.M. No. H-11020/5/2003-GC (P), dated 8.9.2003]

Recommendation (Para No. 5.26)

The Committee find that in some of the districts there is saving by way of getting tenders of lesser amount than the prescribed norms. They would like that the saving made by a district should be used for construction of roads in that district only. The Department should think over this issue and revise the guidelines in this regard.

Reply of the Government

The funds are released by the Central Government to the State Government. The State Government is expected to make the District-wise allocation in accordance with provisions of the PMGSY Guidelines. Since tender premium is not borne by the PMGSY, as a facility, States have been allowed to adjust savings in one District against tender premiums in another District. In case there is a net saving, the State Government can propose additional road works. The State Governments have found this arrangement most practicable in the circumstances.

[Ministry of Rural Development (Department of Rural Development)
O.M. No. H-11020/5/2003-GC (P), dated 8.9.2003]

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

Recommendation (Para No. 2.9)

While going through the analysis of the overall outlay of the Department of Rural Development during 8th, 9th and 10th Plans, the Committee find that the Department is getting less than one-half of what is proposed to the Planning Commission. Given that close to two-thirds of India's people live in rural areas, and that several hundred million of these are desperately in need of augmented entitlements, it is deeply distressing that priority for the poor is not reflected in Plan outlay.

Reply of the Government

The Ministry of Rural Development has been pursuing the issue of enhanced Plan Allocation appropriately with the Planning Commission and the Ministry of Finance. Planning Commission has provided a substantial increase in the Tenth Plan outlay for Department of Rural Development (DoRD) and Department of Drinking Water Supply (DoDWS) as compared to the Ninth Plan. The outlay for the DoRD was Rs. 32,869.87 crore in the Ninth Plan against which an outlay of Rs. 56,748 crore has been provided for the Tenth Five Year Plan (an increase of 73 per cent). Similarly, the outlay for the DoDWS has been enhanced from Rs. 8,650 crore in the Ninth Plan to Rs. 13,500 crore in the Tenth Plan (an increase of 56 per cent). Further, the Annual Plan outlay of Department of Rural Development has also been raised from Rs. 8,070 crore (excluding NSAP and Annapurna) in 2001-02 to Rs. 10,270 crore in 2002-03 (an increase of over 27 per cent). This substantial increase in Tenth Plan/Annual Plan outlays have been provided despite the sever resource crunch, keeping in view the commitments of the Ministry of Rural Development. While the Planning Commission is in favour of increasing funds for the programmes that have a direct bearing on the poor, availability of resources is the major constraint. However, it has been stated that given that outlays are fixed on annual basis, based on utilization and availability of funds,

Planning Commission could consider an increase at the time of Annual Plan discussions, each year.

[Ministry of Rural Development (Department of Rural Development)
O.M. No. H-11020/5/2003-GC (P), dated 8.9.2003]

Comments of the Committee

(Please see Paragraph number 7 of Chapter I of the Report)

Recommendation (Para No. 2.9C)

The Committee recognize that implementation is a joint function of the Union and State Governments and the PRIs. Therefore, the Committee urges frequent interaction between the Union and State Governments, with the active participation of the PRIs with a view to ensuring time-bound implementation through the PRIs of all devolved functions, including those listed in the Eleventh Schedule. To this end, the Committee reiterate their suggestion made in their earlier Report that the Planning Commission and the Department should jointly prepare an index of devolution and submit an annual state of the Panchayats Report to Parliament."

Reply of the Government

The Ministry of Rural Development has ensured involvement of PRIs in implementation of certain schemes of the Ministry such as 'SWAJALDHARA', 'HARIYALI' and 'SAMPOORNA GRAMEEN ROZGAR YOJANA' (SGRY) at all the three levels of Panchayats. Periodic meetings and workshops are held with the State Ministers and State Government officials to ensure implementation through PRIs and speed up devolution of funds, functions and functionaries to Panchayats as per the Constitutional provisions, including the subjects in the Eleventh Schedule of the Constitution. The National Level Monitors, engaged by the Ministry of Rural Development to inspect the implementation of the programmes of the Ministry have also been requested to look into the implementation of the mandatory provisions of the 73rd Constitution (Amendment) Act, 1972, particularly relating to (i) District Planning Committees, (ii) Elections for PRIs, (iii) State Finance Commissions, (iv) Status of Devolution, and (v) Functioning of Panchayati Raj Institutions. A study project has also been assigned to a reputed NGO to design a decentralisation index.

[Ministry of Rural Development (Department of Rural Development)
O.M. No. H-11020/5/2003-GC (P), dated 8.9.2003]

Comments of the Committee

(Please see Paragraph number 10 of Chapter I of the Report)

Recommendation (Para No. 2.12)

The Committee would further like to recommend that the Department should pursue with the Planning Commission to exponentially increase the outlay under different schemes during the 10th Plan.

Reply of the Government

The Ministry of rural Development has been pursuing the issue of enhanced Plan Allocation appropriately with the Planning Commission and the Ministry of Finance. Planning Commission has provided a substantial increase in the Tenth Plan outlay for Department of Rural Development (DORD) and Department of Drinking Water Supply (DODWS) as compared to the Ninth Plan. The outlay for the DORD was Rs. 32,869.87 crore in the Ninth Plan against which an outlay of Rs. 56,748 crore has been provided for the Tenth Five Year Plan (an increase of 73 per cent.). Similarly, the outlay for the DODWS has been enhanced from Rs. 8,650 crore in the Ninth Plan to Rs. 13,500 crore in the Tenth Plan (an increase of 56 per cent.) Further, the Annual Plan outlay of Department of Rural Development has also been raised from Rs. 8,070 crore (excluding NSAP and Annapurna) in 2001-02 to Rs. 10,270 crore in 2002-03 (an increase of over 27 per cent). This substantial increase in Tenth Plan/Annual Plan outlays have been provided despite the severe resource crunch, keeping in view the commitments of the Ministry of Rural Development. While the Planning Commission is in favour of increasing funds for the programmes that have a direct bearing on the poor, availability of resources is the major constraint. However, it has been stated that given that outlays are fixed on annual basis, based on utilization and availability of funds, Planning Commission could consider an increase at the time of Annual Plan discussions, each year.

[Ministry of Rural Development (Department of Rural Development)
O.M. No. H-11020/5/2003-GC (P), dated 8.9.2003]

Comments of the Committee

(Please see Paragraph number 7 of Chapter I of the Report)

Recommendation (Para No. 2.25)

The Committee are deeply disturbed to find that over the decade of the 1999-2000, there have been so many changes in the methodology for estimating the number of the poor resulting in conflicting estimates before the country. They feel that there is an urgent need to reconcile those conflicting estimates so as to evolve a truly objective and scientific method for the identification of BPL families to whom those anti poverty programmes should be directed. The Committee propose undertaking a special study in this regard. The Committee are more disturbed to find that the Planning Commission is instructing State Governments to restrict the number of identifying BPL families to below and arbitrarily cut off level that does not take into account grave realities as perceived by the State Governments and the institutions of local self Government. The Committee are of the view that poverty number cannot be a statistical abstraction, but must include all those in real need. Therefore, entitlements under 'anti poverty programmes' and guidelines for reaching the individuals and families who need these programmes must be fashioned in consultation with State Governments and institutions of local self governments instead of being arbitrarily determined in Yojana Bhawan.

Reply of the Government

The Ministry of Rural Development has also been conducting the BPL Census since the Eighth Plan for identifying households living below the poverty line so that the programmes of the Ministry could be properly targeted. The methodology adopted in 1997 BPL Census is different from 1992 BPL Census. The methodologies adopted for the identification of BPL households in 1992 was on income basis while that for BPL Census, 1997, was on expenditure basis. As both these methodologies had certain shortcomings, an Expert group was constituted by the Ministry of Rural Development to advise on the methodology for conducting the BPL Census 2002. The expert group adopted a normative approach for identification of the rural poor by introducing a score-based ranking based on relatively deprivation revealed by 13 socio-economic indicators of the rural households. The State Governments have been allowed the flexibility to decide the cut-off scores for identifying the rural poor and sub categorization of households into poor and non-poor subject to the ceiling of 10 per cent of the estimate of the rural households worked out under the

adjusted formula. The cut-of scores in the States may be uniform or varying within a State depending on the ground realities.

It may also be mentioned that the Expert Group while considering the methodology for the BPL Census 2002 had consultation with all the State Governments. The Expert Group itself consisted of representatives of the State Governments also. Further, all the State Governments were requested to furnish their views, regarding the proposed methodology and their comments and suggestions were incorporated wherever found appropriate before finalisation of the methodology for the BPL Census 2002. The social sector Ministries of the Government of India were also consulted before finalisation of the methodology. After the BPL list has been drawn by the State Government, the same is required to be placed before the Gram Sabha who can file objections. The list will be adopted only after the approval of the Gram Sabha.

[Ministry of Rural Development (Department of Rural Development)
O.M. No. H-11020/5/2003-GC (P), dated 8.9.2003]

Comments of the Committee

(Please see Paragraph number 13 of Chapter I of the Report)

Recommendation (Para No. 2.28)

The Committee note that the request of Government of Goa (and perhaps other State Governments) to provide certain flexibility while implementing various Centrally Sponsored Schemes has not been specifically addressed in the replies furnished by the Department. Instead of taking note of the request to earmark such flexibility given under SGRY to PRIs to take the projects of employment generation, infrastructure development and food security according to their needs. But nothing has been mentioned about the other Schemes of the Department. The Committee would like that the request of the Government of Goa (and other State Governments, if any) should be considered and they would like to be apprised of the comments of the Department in this regard in respect of all the Schemes. With a view to encouraging States which are lagging behind to catch up with States which have gone further forward, the Union Government should bring both sets of States together to learn from each other's experience and follow the best available practice.

Reply of the Government

The Ministry of Rural Development maintains a regular contact with the States and UTs in the formulation and implementation of the various Schemes of this Ministry. Guidelines and parameters of the Schemes are formulated and revised from time to time in consultation with States, UTs and other stakeholders keeping the basic objectives of the Schemes in tact. Increasingly, Panchayati Raj Institutions are being given an important role in the implementation of the Schemes to secure required reflection of local priorities and needs in the Programmes. Also regular avenues are provided to the States and Union Territories to share and exchange experiences with each other through periodic National level and Regional level meetings of Chief Ministers, Ministers from States and officials of the States. Workshops, Conferences are organized by National Institute of Rural Development (NIRD) and State Institutes of Rural Development (SIRDs) also; where officials from across the States participate in sharing and learning experiences. The officers of the Ministry also tour the States/UTs to interact with the implementing agencies to help them to tide over any difficulties and also receive inputs for required changes in the programmes. These then feed into the overall policy and Programme framework.

[Ministry of Rural Development (Department of Rural Development)
O.M. No. H-11020/5/2003-GC (P), dated 8.9.2003]

Comments of the Committee

(Please see Paragraph number 16 of Chapter I of the Report)

Recommendation (Para No. 2.34)

The Committee note the steps taken by the Department for constitution of Vigilance and Monitoring Committee at the State and District levels in all States and Union territories. They feel that involving the members of Parliament in the monitoring mechanism would result in optimum utilization of the scarce resources meant for rural poor. The Committee urge the Department to circulate a copy of the guidelines of the Department in this regard to all the members of Parliament. They also request the Department to circulate a copy of the guidelines in both Hindi and English versions. This would help the members to know about the rights and duties of Chairman/Vice-Chairman of Vigilance Committee. The Committee also want that all

State Governments, UTs and the officers of the State and District administrations should be apprised about the rights of members of Parliament as Chairman/vice-Chairman of Monitoring and Vigilance Committees to forestall any difference among the District level/State level officers and members of Parliament.

Reply of the Government

The Ministry has already issued guidelines of the Vigilance and Monitoring Committees which contains the compositions, role and functions of these reconstituted Committees including instructions of conducting meetings to the District Collectors, District Magistrate, Dy. Commissioner, Chief Executive Officer Zilla Parishad, Chief Development Officers etc. who are the Member Secretary of the District Level Vigilance and Monitoring Committee. The meetings of these committees may be held on quarterly basis and the Ministry of Rural Development will make necessary financial provision to each of the Districts for facilitating the meetings of the reconstituted Committees.

The Ministry has also issued letters to the four Members of Lok Sabha and one Member of Rajya Sabha nominating them Members of State Level Vigilance and Monitoring Committee.

[Ministry of Rural Development (Department of Rural Development)
O.M. No. H-11020/5/2003-GC (P), dated 8.9.2003]

Comments of the Committee

(Please see Paragraph number 22 of Chapter I of the Report)

Recommendation (Para No. 3.35)

The Committee in their respective Reports for the last five or six years have been drawing the attention of the Department over the issue of non-cooperation of Banks towards such a priority programme of providing self-employment in rural areas, *i.e.* SGSY. From the information made available to the Committee, they are given to understand that the non-cooperation is of various forms, *viz.* delay in sanction and disbursement of loan, under financing of projects, delay in opening of Saving Bank Accounts of SHGs, non-participation of Bank officials in the block level SGSYs Committee, insistence of collateral security, etc. In spite of taking several steps by the Department in this regard and involvement of Banks throughout the implementation

of the Programme at all the stages, the desired results are not forthcoming. The Committee are really concerned over the sorry state of affairs which is really resulting in ineffective implementation of the Programme. Not only that, as could be seen from the information furnished by the Department, Banks have their own complaints for not being involved by the District Administration and the field level officer. Besides, there is considerable time lag between sanctions and disbursements. Then there are lot of formalities and complicated procedures to be gone through as is learnt from the Secretary of the Department during the course of oral evidence. In this scenario, the Committee feel that simply involving Banks at all the stages of the implementation of the programme is not enough. The need is to sensitize the Commercial Banks more and more about their social commitments. Much is required to be done in this direction. It is by emphasizing more and more towards their social commitment that maximum cooperation could be extracted from them. Besides, the Committee feel that coordination amongst various agencies involved in the implementation of the programme, viz. State Government officials PRIs, Bank officials is lacking. The Committee feel far greater co-ordination between Banks, District Administration and field level officers is required to remove lacunae in accessing loans by individuals and/or self help groups.

Reply of the Government

To facilitate coordination between various agencies of the Government involved in implementation of the Scheme, guideline provides for constitution of Monitoring Committees at the level of Block, District, State and the Centre. The Block level SGSY Committee includes the Bank managers of all Bank Branches in the Block and it is at this level various issues related to identification of beneficiaries, selection of key activities, sanction and disbursement of loan, recovery of loan etc. are sorted out. The provision in the guidelines will be reiterated by the Ministry for strict implementation by the DRDAs/ States.

Further, to ensure better understanding and coordination between the Bank officials, functionaries of DRDAs and Self Help Promoting Institutions, during the current year, a separate budget has been earmarked for conducting training programmes and States have been

advised to hold joint trainings for all the above functionaries/ Institutions. RBI have issued instructions to Banks to remove lacunae in accessing loans by individuals and/or SHGs.

[Ministry of Rural Development (Department of Rural Development)
O.M. No. H-11020/5/2003-GC (P), dated 8.9.2003]

Comments of the Committee

(Please see Paragraph number 34 of Chapter I of the Report)

Recommendation (Para No. 3.39)

The Committee note that the interest charged from BPL persons, *i.e.* above the Prime Lending Rate (PLR) of the banks, which is 11.5 to 12 per cent is very high, keeping in view the overall scenario of reduced interest rates in the market. The Committee feel that such a high rate of interest being charged from persons below poverty line being assisted under the Programme is really shocking keeping in view the very low rate of interest that they get on their own deposit in the Bank. They further emphasize here that such a high rate of interest adversely affects the women particularly. The Committee feel that some sort of subsidy either by Union Government or by State Governments should be given on the rate of interest charged by Banks on loan advanced to BPL persons under SGSY. The Committee also note that the matter is being taken up by the Government with RBI. The Committee would like that RBI should also be apprised about the concern of the Committee in this regard. They would also like to be intimated about the final outcome in this regard.

Reply of the Government

In the recent meeting of Central Level Coordination Committee chaired by Secretary (RD) held on 19th May, 2003 at NIRD, Hyderabad, the RBI has once again been requested to examine the issue of interest rate charged on loans sanctioned under the SGSY. However, it was informed by RBI that banks have to fix their prime lending rate periodically and loans under the priority sector which includes SGSY should not be more than 2 per cent the PLR. During the meeting it was informed by the representative of State Bank of India and Andhra Bank that their Bank is charging 9.5% interest on loans sanctioned under SGSY and State Bank of Hyderabad is charging 10%. The members of the CLCC suggested other Banks to follow the pattern of

State Bank of India and Andhra Bank. Indian Banks Association has advised all Member Banks to adopt the interest rate similar to that State Bank of India which has announced an interest rate of 2% above and below its PLR.

[Ministry of Rural Development (Department of Rural Development)
O.M. No. H-11020/5/2003-GC (P), dated 8.9.2003]

Comments of the Committee

(Please see Paragraph number 37 of Chapter I of the Report)

Recommendation (Para No. 3.42)

Notwithstanding complaints about problems of recovery from SHGs brought to the Committee's attention by some Banks, the Committee are of the view that, in general, recovery rate from SHGs is of an exceptionally high order. They would, therefore, like to be informed on a comparative basis of rates of recovery from SHGs as compared to rates of recovery from corporate entities and other categories of borrowers. Indeed the Committee are persuaded that Banks should earmark a certain portion of their lending exclusively to SHGs in order to facilitate the SGSY programme. To this end, the Committee recommend that Department of Rural Development, in consultation with the Ministry of Finance make an objective study of the proportion of Bank's funds going to SHGs, comparative rate of recovery from SHGs, and means of ensuring that SHGs have easy and ready access to the credit required to make them viable. Of course, in addition to Banks' credit, viability requires training and capacity building as well as backward and forward linkages including protection in the market.

Reply of the Government

To review and monitor the performance under SGSY, different Committees have been set up at various levels starting from Block level to Central level. The Central Level Co-ordination Committee (CLCC) comprising Secretary (MoRD) as Chairman and Secretary (Deptt. of Expenditure), Special Secretary (Banking Division, Ministry of Finance), Deputy Governor (RBI), Secretary (Rural Development Department of States/UTs) and others as members, periodically reviews the performance of the Scheme. The Committee makes recommendations on various issues related to the implementation of

the Scheme including the issues related to the credit arrangements and the performance of the Banks in this regard. The Committee also suggests conducting studies time to time as required for assessing ground level difficulties in the implementation of the Scheme so that the Scheme can be implemented properly. Keeping in view the non-availability of separate data on recovery of loans from SHGs and individuals, the Central Level Co-ordination Committee (CLCC) in its last meeting held on 19th May 2003 at NIRD, Hyderabad requested the Banks to reconcile the recovery figures under SGSY and maintain the data separately for SHGs and individuals on recovery under SGSY. The Committee also recommended for collection of necessary data regarding vacancy position in the Rural Banks Branches. Further the Monitoring Cell in the RBI also holds review meetings and conducts field visits from time to time to assess the problems and suggests measures for quick resolution. Moreover to discuss credit related issues pertaining to SGSY, Secretary level meeting between Secretary (Ministry of Rural Development) and Secretary (Banking Division of Ministry of Finance) was convened on 21st February, 2003. As a follow up action to this meeting, the RBI conducted a quick study through 8 Regional Offices of the RBI covering 35 Districts and 144 rural and semi-urban Bank Branches in the country in order to assess the reasons for the gap between sanction and disbursement of loans under SGSY. The Ministry has further proposed a higher level meeting under the Chairmanship of Hon'ble Finance Minister to discuss credit related problems under SGSY. The recommendations of the Standing Committee for conducting an objective study of the proposal of the Banks' fund owing to SHGs etc. will be developed in the above mentioned foras.

At present, the 40% of the total credit to be disbursed by the Banks is earmarked for Priority Sector Lending which includes disbursement of loans to SHGs under SGSY.

[Ministry of Rural Development (Department of Rural Development)
O.M. No. H-11020/5/2003-GC (P), dated 8.9.2003]

Comments of the Committee

(Please see Paragraph number 40 of Chapter I of the Report)

Recommendation (Para Nos. 4.12)

The Committee are disturbed to note the declining physical and financial achievements under the two components of SGRY, *i.e.* SGRY-I and SGRY-II during the year 2001-2002 and 2002-2003. They find that during the year 2002-2003, the data indicates declining trends in mandays generated and foodgrains lifted. Besides, as regards physical achievement, only 69.90 per cent of the total available funds could be utilised under SGRY-I. Similar is the position with regard to SGRY-II also whereby only 75.71 per cent of the available funds could be utilised. They are further disturbed to note the inadequate allocation under special component of the SGRY. The special component was meant for augmenting foodgrains availability in the food scarcity areas and providing additional wage employment in the calamity affected rural areas in 14 States of the country. Under the special component, there is huge difference between foodgrains authorised, distributed and utilised. Out of 4.9 million tons of authorised foodgrains during 2002-2003, only 2.9 million tons foodgrains have actually been lifted. They note that the serious flaw in the implementation of the programme, which has resulted in such a poor physical and financial performance of the programme is the cost of foodgrains in terms of the purchasing power of BPL consumers, as also in terms of the financial resources available with State Governments for lifting stocks. Otherwise, foodgrains stocks, especially in the areas affected by severe drought in the country during the year 2003-04, would have been lifted. As noted by the Committee during their field visits, during the year 2002-2003, two reasons for not lifting the FCI foodgrains were (i) charging of more rate than the market rate for foodgrains from BPL persons, and (ii) poor quality of the foodgrains. While expressing their concern over the poor implementation of the programme, the Committee would like to recommend that the Government should think of distributing the foodgrains free of cost, specifically keeping in view that the surplus foodgrains are lying outside the godowns. In such a situation, they find no reason for stocking the foodgrains in godowns, specifically in the calamity areas, where there is widespread hunger and malnutrition, and, even, worse reports of starvation deaths. They would like that an action plan in this regard should be chalked out in consultation with the Ministries of Consumer Affairs, Food and Public Distribution and Agriculture. They would also like that the concerned Ministries should work in synergy and it should be the collective endeavour of the Government as a whole to ensure the effective implementation of the Programme.

Reply of the Government

During the year 2001-2002, 5,229.78 lakh mandays were generated under the SGRY, while during the year 2002-2003 it was 7,298.07 lakh mandays. Thus, there is increase in mandays created under the SGRY since 2001-2002.

The information relating to financial performance, physical performance and foodgrains lifted/utilised is updated based on Monthly Progress Report received from DRDAs/Zilla Parishads. The figures furnished earlier for 2002-2003 have since been updated and are indicated as under. During the year 2001-2002, 17.28 lakh tonnes foodgrains were lifted against 34.51 lakhs tonnes foodgrains authorized. During the year 2002-2003, 42.17 lakhs tonnes foodgrains were lifted against total available foodgrains of 62.49 lakh tonnes (*45.2 lakh tonnes foodgrains authorized during 2002-2003 + 17.23 lakh tonnes unlifted foodgrains with the States*). Under Special Component of the SGRY, the quantity of foodgrains authorized by the Ministry of Rural Development, lifted and utilized by the State Governments during 2002-2003 are 63.41 lakhs tonnes, 55.86 lakhs tonnes and 53.06 lakhs tonnes respectively. Thus, the percentage of utilization of foodgrains against lifting is 95 per cent while lifting of foodgrains against authorized quantity is 88.10 per cent.

It is not true that the cost of foodgrains being provided as part of wages, was changed more than market rate from BPL families under the SGRY. The main effort under this Programme is to generate maximum number of mandays work and to cover maximum number of workers. Besides, availability of foodgrains in open market and its prices vary from State to State and even region to region within the State. To provide maximum flexibility to the Implementing Agencies, it has been left to the States to fix the cost of foodgrains, to be paid as part of wages under the SGRY, at either BPL rate or APL rate or anywhere between the two. In most of the States, the cost of foodgrains is calculated at BPL rate. If some States have fixed the cost of foodgrains above the BPL rate, it is always kept below the market price.

As regard the quality constraints, this Ministry has already advised the Food Corporation of India (FCI) to provide 'Fair Average Quality (FAQ)' foodgrains to District Panchayats, Intermediate Panchayats and Village Panchayats under the SGRY. The concerned officials of DRDA/District Panchayat are required to conduct inspection of the stocks before taking delivery of foodgrains to ensure that foodgrains below the FAQ are not accepted.

As regards distributing the foodgrains free of cost, specifically keeping in view that the surplus foodgrains are lying outside the godowns, specifically in the calamity areas, this matter relates to the Department of Food & Public Distribution. Though it does not come under the purview of the SGRY, Department of Rural Development have conveyed the concern of the Committee in the Meeting held with the officials of the Department of Food & Public Distribution & FCI and requested them to take corrective measures.

[Ministry of Rural Development (Department of Rural Development)
O.M. No. H-11020/5/2003-GC (P), dated 8.9.2003]

Comments of the Committee

(Please see Paragraph number 49 of Chapter I of the Report)

Recommendation (Para No. 5.11)

The Committee in their earlier recommendation made in the 26th Report (13th Lok Sabha) (refer para 5.16) had recommended to the Government to review the criteria of allocation of funds according to which weightage of 75 per cent is given to unconnected habitations in the country. The Committee find that the States like Kerala and Maharashtra which are contributing more towards cess are getting very less allocation, being the progressive States in the country. The Committee feel that the progressive States should not be punished for their better performance. In view of this, they would like that the norms which seriously discriminate against States which have used their own resources to provide rural connectivity should be further revised. Further, the guidelines should be revised to allow the black topped roads which are in poor condition to be brought up to the prescribed standards of roads under Sadak Yojana.

Reply of the Government

The objective of the PMGSY is to provide connectivity to about 1.60 lakh unconnected habitations in the rural areas with a population of more than 500 persons (250 persons in certain areas), through good all weather roads by the end of the Tenth Plan Period (2007) at an estimated investment of about Rs. 60,000 crore. All States have been asked to identify the eligible habitations and prepare the Core Networks from which an accurate estimate can be made of requirement of funds. The present allocation among States is based on a weightage of

75 per cent for Need (share of unconnected habitations in the total unconnected habitations of the country), and 25 per cent on coverage (share of connected habitations in the total connected habitations of the country), subject to a minimum of Rs. 20 crore for each State (other than Goa) and Rs. 5 crore for Goa and each Union territory (except Andaman & Nicobar Islands which gets Rs. 10 crore). This formula has been arrived at to balance the requirements of the various States. However, in the context of scarce resources, preference has to be given to States with low connectivity, which are also likely to be States whose diesel cess accrual to the Central Road Fund is relatively less.

Rural roads is essentially a State subject and PMGSY is a special Central intervention. Maintenance, upgradation and rehabilitation of roads constructed earlier by the States is predominantly the responsibility of the State Government, for which in addition to the States' own resources, a portion of the Central Road Fund has been separately earmarked under the Central Road Fund Act, 2000. Therefore, no change in the guidelines is contemplated to allow repair etc. to the black-topped roads under the Pradhan Mantri Gram Sadak Yojana (PMGSY).

[Ministry of Rural Development (Department of Rural Development)
O.M. No. H-11020/5/2003-GC (P), dated 8.9.2003]

Comments of the Committee

(Please see Paragraph number 55 of Chapter I of the Report)

Recommendation (Para No. 5.13)

The Committee find that population is the main criteria under the Sadak Yojana. As per the targets, the unconnected habitations with a population of more than, 1000 persons are supposed to be covered by the year 2007. In case of hilly areas, this criteria is less than 250. The Committee find that such criteria is not justified keeping in view the difference in density of population in different States, viz. delta, desert, and plain areas. While appreciating that hilly areas have been given a special position in the guidelines, the density of population in other areas has not been given due consideration. They would, therefore, like to recommend that the habitations having lesser density of population in other than hilly areas should also be given relaxation.

The norms of population in such areas should also be 250, like the hilly area. Besides, the expression 'habitation' should be interpreted to cover the population served by the proposed road and not, as at present, the population within 500 metre radius of the terminal position. Equally the expression 'rural connectivity' must be interpreted liberally to provide connectivity which is required by the shortest available roads. The Government should review the guidelines in this regard and apprise the Committee accordingly.

Reply of the Government

Rural connectivity under PMGSY is aimed at poverty reduction and as such is necessarily linked with habitations. Given the need to allocate scarce resources in a way that best subserves the public good, the criteria for providing connectivity has been objectively linked to population size of the habitations.

According to estimates, there are about 58,787 Unconnected Habitations with a population of 1,000 or more and 80,590 Unconnected Habitations of population of 500-999. Connecting these habitations, therefore, is the primary objective of PMGSY. In case of Hill States, North East and tribal and desert areas, the population criteria has been relaxed slightly in view of the considerations involved. However, given the problem of resources, it is not feasible to cover all habitations with population of 250 or more. For the same reason, liberal interpretation of connectivity to allow multiple connectivity is also not feasible.

[Ministry of Rural Development (Department of Rural Development)
O.M. No. H-11020/5/2003-GC (P), dated 8.9.2003]

Comments of the Committee

(Please see Paragraph number 61 of Chapter I of the Report)

Recommendation (Para No. 5.16)

The Committee find that the condition of roads in habitations which are already connected is in a worse condition and as such connected habitations are no better than the unconnected habitations. They find that as per the guidelines, 25 per cent of the outlay has been earmarked for upgrading. They fail to understand that the guidelines do not permit repairs to black topped roads or cement roads, even if the surface conditions is bad. The Committee would like to recommend to

revise the aforesaid guidelines so that the roads which are in a very bad shape could be repaired/upgraded under the Sadak Yojana.

Reply of the Government

The primary objective of the PMGSY is to provide road connectivity, through good all weather roads, to all Unconnected Habitations in the rural areas with population of more than 500 persons by the year 2007 (end of the 10th Plan Period). The Programme, as a related objective, provides for upgradation (to prescribed standards) of existing roads in those Districts where all the habitations of the designated population size have been provided all weather road connectivity. Upgradation is not central to the Programme and cannot exceed 20 per cent of the State's allocation where Unconnected Habitations in the State still exist.

PMGSY does not permit repairs to Black-topped or Cement Roads, even if the surface condition is bad. This is because the primary purpose of the PMGSY is to provide New Connectivity, as a poverty reduction measure. Rural Roads is a State subject and the existing roads are constructed and maintained by the State Governments. It is neither desirable nor feasible for the Central Government to assume direct responsibility for Rural Roads as a sector.

[Ministry of Rural Development (Department of Rural Development)
O.M. No. H-11020/5/2003-GC (P), dated 8.9.2003]

Comments of the Committee

(Please see Paragraph number 55 of Chapter I of the Report)

Recommendation (Para No. 5.18)

The Committee note that the concepts of single and multiple connectivity are, in practice, being respectively interpreted by the sanctioning and implementing agencies concerned. They would like that it should be clarified in the guidelines that connectivity by the shorter available route between two points should be provided even if connectivity *via* a third point is at present available.

Reply of the Government

Due to paucity of funds for the Programme, it is not feasible to expand the scope of the PMGSY to provide multiple connectivity to

already connected villages when many habitations still remain unconnected. According to figures made available by the State Governments, about 1.60 lakh unconnected habitations need to be taken up under the PMGSY. This include 58,787 unconnected habitations with population of over 1,000 persons, 80,590 having population between 500-999 and 21,414 habitations having population of 250-499 persons.

The PMGSY envisages only single road connectivity to be provided. If a habitation is already connected to another connected habitation by way of an all-weather road, then no further work can be taken up under the PMGSY at that habitation.

[Ministry of Rural Development (Department of Rural Development)
O.M. No. H-11020/5/2003-GC (P), dated 8.9.2003]

Comments of the Committee

(Please see Paragraph number 61 of Chapter I of the Report)

Recommendation (Para No. 5.23)

The Committee note that the Department has some thinking for laying down National norms for resettlement and rehabilitation of people whose lands are required for construction of roads under Gram Sadak Yojana. They would like to be apprised about the details in this regard. Besides, as regards the issue related to forest clearance, the forest authorities should be requested to give priority to Gram Sadak Yojana. The Committee would like that these issues are settled expeditiously and the Committee be apprised accordingly. The Committee also recommend that some mechanism should be evolved to ensure that the proposals with regard to construction of roads under PMGSY get expeditious clearance from the forest authorities.

Reply of the Government

Rural roads are essentially the responsibility of the State Government. The PMGSY is in the nature of a special Central intervention for a specific purpose, *i.e.*, providing basic single connectivity to unconnected habitations as a poverty reduction strategy.

The roads are constructed by the State Governments and are to be maintained by them. As such, in case land is not otherwise available,

State Government has to frame suitable policies for exchange, compensatory grants or other acquisition methodologies. The State Governments have to draw up policies so that the process of making land available for the road works subserves the common good and is also just and equitable.

It may also be stated here that in the year 2000 when the matter was taken up with the Ministry of Environment & Forests, they were of the view that in respect of most of the rural roads forest clearance, if required, can be obtained within a period of 6 weeks since the powers have been delegated to the Regional Offices for upto 5 hectares in each case. The State Governments have reported during Review Meetings in May-June, 2003 that if any problem arises in obtaining clearance under the Forest (Conservation) Act, it is sorted out in consultation with Forest Department officials at the State level.

[Ministry of Rural Development (Department of Rural Development)
O.M. No. H-11020/5/2003-GC (P), dated 8.9.2003]

Comments of the Committee

(Please see Paragraph number 64 of Chapter I of the Report)

Recommendation (Para No. 6.29)

The Committee further note that HUDCO rural housing scheme does not generally cater to BPL category, however, as they could note from Performance Budget the equity support to HUDCO was provided to meet the requirement of EWS in rural areas. They would like to be informed the category of persons who are helped by HUDCO under EWS category specifically whether they belong to APL or BPL persons. Besides, the Committee would like to be apprised of the State-wise and category-wise details of the houses provided by HUDCO in States/ Union territories, since equity support to HUDCO has been started.

Reply of the Government

HUDCO's Rural Housing Schemes do not generally cater to the 'Below Poverty Line' category because of the loan component. Hence, beneficiaries above poverty line under EWS category (monthly family income of upto Rs. 2,500/-), who can repay the monthly instalments, are the primary target group under HUDCO's Rural Housing Schemes. The details of dwelling units sanctioned by HUDCO, as per information

provided by them, under two main rural housing programmes since 1998-99, State-wise/year-wise are as below:

**Statewise/Year Details of Dwelling Units Sanctioned Under
2MHP (Rural)**

States	1998-99 Units sanctioned	1999-2000 Units sanctioned	2000-2001 Units sanctioned	2001-2002 Units sanctioned	2002-2003 Units sanctioned
Andhra Pradesh	249378	139745	295362	124681	129879
Assam	0	0	0	0	0
Himachal Pradesh	10941	0	0	0	0
Gujarat	401	0	0	12	161
Karnataka	149808	56711	184808	107796	221004
Kerala	96075	55200	31667	24600	0
Mizoram	0	0	0	379	106
Orissa	11700	137688	0	0	5000
Rajasthan	0	0	0	2000	0
Tamil Nadu	37725	33200	25294	46586	56828
Tripura	0	0	0	0	100
Uttaranchal	0	0	0	60	0
West Bengal	75000	231506	195000	26298	0
Total	634638	654050	732131	333113	413078

[Ministry of Rural Development (Department of Rural Development)
O.M. No. H-11020/5/2003-GC (P), dated 8.9.2003]

Comments of the Committee

(Please see Paragraph number 79 of Chapter I of the Report)

Recommendation (Para No. 6.32)

The Committee note that under Golden Jubilee Rural Housing Finance Scheme of National Housing Bank, so far 6,50,000 new dwelling

units in the rural areas have been financed. They also note that during the year 2002-03, 2,25,000 dwelling units are targeted in this regard. The Committee would like to be apprised of the category of houses for which assistance has been provided under GJRHFS. They would also like to be apprised about the recovery position with regard to the housing loan provided under the scheme.

Reply of the Government

The Golden Jubilee Rural Housing Finance Scheme (GJRHFS) was launched in 1997 to commemorate the 50th Year of India's independence. Till date, more than 8,35,000 dwelling units in the rural areas have been financed under the Scheme by the primary lending institutions. The Scheme is being implemented through Scheduled Commercial Banks, Scheduled State Cooperative Banks, Regional Rural Banks (RRBs), dedicated housing finance institutions, viz. the Housing Finance Companies (HFCs) and the State level Apex Cooperative Housing Finance Societies (ACHFS), as also through the State Cooperative Agriculture and Rural Development Banks (ARDBs).

Under the Scheme, housing loans are permitted to be given for construction, purchase or improvement of houses in rural areas. "Rural Areas" for this purpose, is based on the definition as stipulated by the Reserve Bank of India under the NABARD Act. Individual housing loans in rural areas are included for reporting progress under the Scheme.

The GJRHFS envisages lending with due regard to the viability and bank ability of the cases, without any compromise in the appraisal, etc. norms followed by the lending institutions. However, it is a pure loan scheme with no subsidy involved. The primary lending institutions are free to decide the security, margin requirement rate of interest and repayment terms and conditions depending on their lending norms/policies, without any intervention from NHB. As such NHB does not monitor the recovery position with regard to the housing loans provided under the Scheme.

A target of financing 2,50,000 units has been fixed under the scheme for the current year *i.e.* 2003-2004.

[Ministry of Rural Development (Department of Rural Development)
O.M. No. H-11020/5/2003-GC (P), dated 8.9.2003]

Comments of the Committee

(Please see Paragraph number 82 of Chapter I of the Report)

CHAPTER V

RECOMMENDATIONS IN RESPECT OF WHICH FINAL REPLIES OF GOVERNMENT ARE STILL AWAITED

Recommendation (Para No. 2.38)

The Committee note that two independent research studies have been commissioned to assess the implementation of various provisions of the Panchayats (Extension to Scheduled Areas) Act, 1996 (PESA) in nine States to which the said Act applies. The Committee would like to be apprised of the details of the findings of the said studies when completed.

Reply of the Government

The two research studies—to assess the implementation of various provisions of the Panchayats (Extension to Scheduled Areas) Act, 1996 [PESA] in all the nine States covered under Scheduled-V Areas—have been commissioned to the Institute of Social Sciences (ISS) and ORG Centre for Social Research. While ISS has been assigned to conduct the study in the States of Madhya Pradesh, Maharashtra, Gujarat and Rajasthan, the ORG has been entrusted to conduct the study in the States of Andhra Pradesh, Chhattisgarh, Jharkhand, Orissa and Himachal Pradesh. The Committee will be apprised of the findings of the studies on receipt of the same.

CRITERIA FOR NOMINATION OF MEMBERS OF PARLIAMENT

Where there is only one Member of Lok Sabha representing the district, he has been nominated Chairman. If there are more MPs representing the district in the Lok Sabha, the Members covering the maximum geographical area of the district has been nominated as Chairman and other Member(s) representing the district have been nominated Vice-Chairman. If Speaker/Deputy Speaker, Lok Sabha or a Minister in the Union Council of Ministers is among the Members, such Member has been nominated as Chairman and other Member(s) have been nominated as Vice-Chairman of the Committee. The amended Guidelines *inter alia* provide that one Member of Parliament (Rajya Sabha) representing the State and exercising option to be

associated with the District Level Committee of that District will be a Vice-Chairman of that District Level Committee. In this regard option has been asked from all the Members of Parliament (Rajya Sabha) for nomination of Vice-Chairman.

[Ministry of Rural Development (Department of Rural Development)
O.M. No. H-11020/5/2003-GC (P), dated 8.9.2003]

Comments of the Committee

(Please see Paragraph number 25 of Chapter I of the Report)

Recommendation (Para No. 3.25)

The Committee further note that under the erstwhile programme IRDP, the data with regard to the number of defunct Self Help Groups was being maintained. However, under restructured SGSY, such data is not being maintained. The Committee feel that maintaining of said data is essential to know about the problems being faced in forming of SHGs and would like that the Department should endeavour to monitor the said data and it should be included in the guidelines.

Reply of the Government

The Ministry agrees with the recommendation of the Committee and required information on defunct SHGs will be collected from the States/UTs.

[Ministry of Rural Development (Department of Rural Development)
O.M. No. H-11020/5/2003-GC (P), dated 8.9.2003]

Comments of the Committee

(Please see Paragraph number 31 of Chapter I of the Report)

Recommendation (Para No. 4.17)

As stated earlier, one of the reasons for not lifting the foodgrains in the high rate of the foodgrains being supplied to the BPL persons. However, the Department has stated that the price of the foodgrains is generally low as compared to the market prices. Further they also note that as per the guidelines of the Programme, the cost of foodgrains paid is part of the wages—may be either BPL rate or APL rate or

anywhere between the two. The Committee feel that such type of instructions given to State Governments are very confusing and they also feel that most of the State Governments are not giving foodgrains at BPL rates. They would like that the foodgrains supplied to the BPL persons should be at BPL and below BPL rates and the guidelines of the programme in this regard should be revised and the Committee informed accordingly.

Reply of the Government

The SGRY Programme is self-targetting. Anybody who desires to do unskilled work under this Programme can ask for wage employment. The main effort under this Programme is to generate maximum number of mandays work and to cover maximum number of workers. Besides, availability of foodgrains in open market and its prices vary from State to State and even region to region within the State. To provide maximum flexibility to the Implementing Agencies, it has been left to the States to fix the cost of foodgrains, to be paid as part of wages under the SGRY, at either BPL rate or APL rate or anywhere between the two. In most of the States, the cost of foodgrains is calculated at BPL rate. If some States have fixed the cost of foodgrains above the BPL rate, it is always kept below the market price. However, the suggestion of the Hon'ble Committee will be considered by the Ministry in consultation with the Planning Commission and the Finance Ministry.

[Ministry of Rural Development (Department of Rural Development)
O.M. No. H-11020/5/2003-GC (P), dated 8.9.2003]

Comments of the Committee

(Please see Paragraph number 49 of Chapter I of the Report)

Recommendation (Para No. 5.12)

The Committee note that as per the priorities being given under the Gram Sadak Yojana, there is no place for Naxal or terrorist affected areas, in the country. They feel that lack of proper connectivity to such areas further instigates insurgency in such areas. In such a situation, the Committee strongly recommend that these States should be given high priority under the Sadak Yojana and sufficient allocation should be made for providing total connectivity in such States/UTs and such areas. The Committee find that in Naxalite and terrorist affected areas, the Sadak Yojana cannot be implemented by PWD. They note that in insurgency affected areas, Border Roads Organisation is the authority responsible for construction of roads. They feel that in

such insurgency affected areas, Border Roads Organisation should be entrusted responsibility of construction of roads under PMGSY.

Reply of the Government

A special allocation of 5 per cent of the annual allocation under PMGSY to deal with the special requirements of different areas including requirements of North East and of special problem areas (including border districts/naxalite affected areas), has now been earmarked, keeping also in view communications received from the Ministry of Home Affairs with reference to border/extremist/insurgency affected areas. As such, the special allocation is being administered as follows:

- (i) 1 per cent for districts sharing borders with Pakistan & China (in collaboration with Ministry of Home Affairs);
- (ii) 0.5 per cent for district sharing borders with Myanmar, Bangladesh and Nepal (in collaboration with Ministry of Home Affairs);
- (iii) 1.5 per cent for Left Wing Extremists areas for construction of rural roads in the Districts identified by the Ministry of Home Affairs (MHA);
- (iv) 1 per cent for the extremely backward district which can be categorised as Special Problem Areas; and
- (v) 1 per cent for Research and Development Projects and innovations.

A meeting was held on 10th April, 2003 to discuss the issues with the Border Roads Organisation (BRO). The BRO has intimated that their Organization was working only along the National Highways in the North East. The threat perception was particularly more in the case of Manipur and they have not even accepted the offer of the State Government for construction of roads in the State, as the State Government was not in a position to provide adequate security to their personnel. For this reason, and also because their resources were already overstretched, BRO would not be able to take up PMGSY works all over the State. The representative stated that sufficient labour was not available to work in Manipur due to insurgency problem.

The representative regretted the inability of the BRO to take up any road work in Jammu & Kashmir due to their pre-occupation with defence work.

The BRO has been requested to intimate the Districts in the States of the North East where it would be possible for the BRO to undertake

the construction of rural roads under the PMGSY. It was decided that the State Governments would be approached in the matter on receipt of feedback from the BRO.

The National Building Construction Corporation (NBCC) has also been requested to indicate its willingness to take up PMGSY in the North Eastern States and discussions are continuing.

[Ministry of Rural Development (Department of Rural Development)
O.M. No. H-11020/5/2003-GC (P), dated 8.9.2003]

Comments of the Committee

(Please see Paragraph number 58 of Chapter I of the Report)

Recommendation (Para No. 6.7)

The Committee note that they have been told (refer action taken notes on para 5.59 of 34th Report, 13th Lok Sabha) that from the year 2002-2003 onwards all the existing rural housing schemes will be merged into one integrated rural housing scheme. They note that as per the latest position, concerned Ministries/Planning Commission's comments have been received and as stated by the Department the same would be placed before the Expenditure Finance Committee. The Committee find that although the Government agree in principle to merge all the housing scheme, the final decision in this regard is getting delayed. They hope that expeditious action in this regard is taken and they should be informed accordingly. Besides, the Committee stress that under the restructured scheme, Indira Awaas Yojana which is a very successful scheme for providing rural housing, should have a distinctive status.

Reply of the Government

It was proposed to merge all Rural Housing Schemes into one namely Kendriya Gramin Awaas Yojana (KGAY) and implement the same from the year 2002-2003. However, Planning Commission desired that approval of the Cabinet should be obtained to implement the KGAY. Accordingly, the Ministry circulated the draft EFC Memo among all the concerned Ministries/Planning Commission. Comments have since been received and the same will be placed before the Expenditure Finance Committee shortly.

Under the integrated rural housing scheme, grant based housing like the existing Indira Awaas Yojana is proposed to be the main component wherein 80 per cent of allocation will be for new construction and for remaining 20 per cent States/UTs will have flexibility to utilize either for upgradation of unserviceable kutchha

houses or for providing subsidy under Credit based housing or for both.”

[Ministry of Rural Development (Department of Rural Development)
O.M. No. H-11020/5/2003-GC (P), dated 8.9.2003]

Comments of the Committee

(Please see Paragraph number 67 of Chapter I of the Report)

Recommendation (Para No. 6.20)

The Committee find that the Government have made the proposal to enhance the unit cost under IAY from Rs. 20,000 in plain areas to Rs. 25,000 and from Rs. 22,000 in hilly and difficult areas to Rs. 27,500. They note that even the proposed enhanced allocation is not sufficient, keeping in view the fact that Rs. 20,000 and Rs. 22,000 as the unit cost in plain and hilly areas respectively was fixed years back and the revised allocation does not even cover the increase due to inflationary trends. They would like that the Department should review the proposed revised norms in this regard.

Reply of the Government

The proposal for increase in per unit assistance under the Indira Awaas Yojana is under active consideration of this Ministry. If the same is agreed to, overall target at the national level will be required to be reduced, in case matching increase in budgetary allocation is not made.

[Ministry of Rural Development (Department of Rural Development)
O.M. No. H-11020/5/2003-GC (P), dated 8.9.2003]

Comments of the Committee

(Please see Paragraph number 76 of Chapter I of the Report)

NEW DELHI;
20 January, 2004
30 Pausa, 1925 (Saka)

CHANDRAKANT KHAIRE,
Chairman,
Standing Committee on
Urban and Rural Development.

APPENDIX I

**STATEMENT SHOWING PHYSICAL & FINANCIAL PROGRESS
UNDER PMGSY 2000-01 (PHASE-I)**

#	State	Value of proposals	Amount released	No. of road works	No. of road works completed (upto Mar.03)	% of completed road works	Exp. upto Mar.03	% Exp.
1	2	3	4	5	6	7	8	9
1.	Andhra Pradesh	244.62	195.00	1475	1475	100.00	244.62	125.45
2.	Arunachal Pradesh	49.95	40.95	204	204	100.00	40.95	100.00
3.	Assam	75.00	75.00	209	181	86.60	70.86	94.48
4.	Bihar	149.89	149.90	298	15	5.03	58.39	38.95
5.	Chhattisgarh	91.99	92.41	113	73	64.60	80.41	87.01
6.	Goa	5.00	5.00	57	57	100.00	5.00	100.00
7.	Gujarat	56.76	59.81	222	167	75.23	52.24	87.34
8.	Haryana	20.57	25.18	21	21	100.00	20.96	83.24
9.	Himachal Pradesh	60.00	60.00	127	124	97.64	59.31	98.85
10.	Jammu & Kashmir	20.09	20.00	37	0	0.00	10.73	53.65
11.	Jharkhand	105.92	110.05	168	35	20.83	99.00	89.96
12.	Karnataka	102.94	100.57	412	383	92.96	99.20	98.64
13.	Kerala	16.98	19.71	33	27	81.82	15.30	77.63
14.	Madhya Pradesh	207.13	217.64	413	256	61.99	147.24	67.65
15.	Maharashtra	130.21	130.21	800	800	100.00	126.25	96.96
16.	Manipur	40.00	40.00	663	404	60.94	31.33	78.33
17.	Meghalaya	34.95	34.95	208	208	100.00	34.95	100.00

1	2	3	4	5	6	7	8	9
18.	Mizoram	23.12	19.93	17	17	100.00	19.93	100.00
19.	Nagaland	19.75	19.75	127	120	94.49	19.09	96.66
20.	Orissa	170.88	179.70	518	376	72.59	143.06	79.61
21.	Punjab	27.93	24.66	86	81	94.19	22.09	89.58
22.	Rajasthan	140.09	140.09	338	319	94.38	95.97	68.29
23.	Sikkim	13.16	13.16	30	30	100.00	13.16	100.00
24.	Tamil Nadu	152.01	99.25	865	862	99.65	137.02	138.06
25.	Tripura	24.75	24.75	193	193	100.00	24.76	100.04
26.	Uttar Pradesh	324.22	321.11	5133	5128	99.90	319.09	99.37
27.	Uttaranchal	58.99	60.63	69	34	49.28	43.51	71.76
28.	West Bengal	138.58	135.00	174	129	74.14	99.61	73.79
Total (States)		2496.48	2414.41	13010	11719	90.08	2133.73	88.37
Union territories								
29.	A&N Islands	10.01	10.59	7	0	0.00	0.26	2.46
30.	Daman & Diu	5.00	5.00	0	0	0.00	0.35	7.00
31.	Delhi	5.00	0.00	1	0	0.00	0.00	0.00
32.	Pondicherry	5.00	5.00	52	50	96.15	2.69	53.80
Total (UTs)		25.01	20.59	60	50	83.33	3.30	16.03
Grand Total		2521.49	2435.00	13070	11769	90.05	2137.03	87.76

APPENDIX II

STATEMENT SHOWING PHYSICAL & FINANCIAL PROGRESS
UNDER PMGSY 2001-02 AND 2002-03 (PHASE-II)

#	State	Value of proposals	Amount released	No. of road works	No. of road works completed (upto Mar.03)	% of completed road works	Exp. upto Mar.03	% Exp.
1	2	3	4	5	6	7	8	9
1.	Andhra Pradesh	415.35	443.94	1529	353	23.09	240.71	54.22
2.	Arunachal Pradesh	80.00	86.51	127	0	0.00	40.18	46.45
3.	Assam	154.92	154.92	293	73	24.91	104.79	67.64
4.	Bihar	302.98	0.00	666	0	0.00	4.94	0.00
5.	Chhattisgarh	184.45	203.22	270	26	9.63	115.42	56.80
6.	Goa	10.16	5.00	50	0	0.00	0.00	0.00
7.	Gujarat	106.15	111.70	438	195	44.52	58.50	52.37
8.	Haryana	65.00	62.74	30	0	0.00	18.13	28.90
9.	Himachal Pradesh	132.36	176.66	246	3	1.22	57.07	32.30
10.	Jammu & Kashmir	60.33	35.00	74	0	0.00	4.64	13.26
11.	Jharkhand	230.26	120.00	202	0	0.00	39.38	32.82
12.	Karnataka	203.35	206.11	938	7	0.75	64.38	31.24
13.	Kerala	47.65	39.08	184	13	7.07	20.65	52.84
14.	Madhya Pradesh	513.68	552.49	890	60	6.74	303.70	54.97
15.	Maharashtra	263.90	249.08	804	2	0.25	62.77	25.20
16.	Manipur	80.71	40.00	0	0	0.00	0.00	0.00
17.	Meghalaya	80.72	80.72	109	0	0.00	21.78	26.98

1	2	3	4	5	6	7	8	9
18.	Mizoram	46.53	49.38	24	2	8.33	36.34	73.59
19.	Nagaland	45.53	47.76	27	1	3.70	21.39	44.79
20.	Orissa	350.00	345.09	663	88	13.27	178.99	51.87
21.	Punjab	74.29	75.39	249	128	51.41	51.97	68.93
22.	Rajasthan	263.05	290.64	669	374	55.90	189.90	65.34
23.	Sikkim	37.81	37.81	30	0	0.00	13.70	36.23
24.	Tamil Nadu	115.81	168.89	450	166	36.89	53.88	31.90
25.	Tripura	51.85	51.85	54	0	0.00	0.00	0.00
26.	Uttar Pradesh	569.83	588.65	1529	311	20.34	256.90	43.64
27.	Uttaranchal	140.41	70.00	92	0	0.00	15.00	21.43
28.	West Bengal	281.07	309.17	213	0	0.00	62.86	20.33
Total (States)		4908.15	4601.80	10850	1802	16.61	2037.97	44.29
Union territories								
29.	A&N Islands	22.38	0.00	11	0	0.00	0.00	0.00
30.	D&N Haveli	9.95	5.00	37	0	0.00	0.00	0.00
31.	Daman & Diu	10.00	0.00	0	0	0.00	0.00	0.00
32.	Delhi	0.00	5.00	0	0	0.00	0.00	0.00
33.	Lakshadweep	4.89	4.89	0	0	0.00	0.00	0.00
34.	Pondicherry	7.40	0.00	34	0	0.00	0.00	0.00
Total (UTs)		54.62	14.89	82	0	0.00	0.00	0.00
Grand Total		4962.77	4616.69	10932	1802	16.61	2037.97	44.14

COMMITTEE ON URBAN AND RURAL DEVELOPMENT (2004)
EXTRACTS OF THE MINUTES OF THE FIRST SITTING OF THE
COMMITTEE HELD ON TUESDAY, 13 JANUARY, 2004

The Committee sat from 1515 hours to 1615 hours in Room No. 139, Parliament House Annexe, New Delhi.

PRESENT

Shri Chandrakant Khaire—*Chairman*

MEMBERS

Lok Sabha

2. Shri S. Ajaya Kumar
3. Shri Ranen Barman
4. Shri Padmanava Behera
5. Shri Jaswant Singh Bishnoi
6. Shri Shriram Chauhan
7. Shri Jaiprakash
8. Shri Shrichand Kriplani
9. Shri Savshibhai Makwana
10. Shri Sadashivrao Dadoba Mandlik
11. Shri Maheshwar Singh
12. Shri D.C. Srikantappa
13. Shri V.M. Sudheeran
14. Shri Ravi Prakash Verma

Rajya Sabha

15. Shrimati Prema Cariappa
16. Shri Ramadhar Kashyap
17. Shri Faqir Chand Mullana
18. Shri Harish Rawat

SECRETARIAT

1. Shri K. Chakraborty — *Director*
2. Shrimati Sudesh Luthra — *Under Secretary*

2. At the outset, the Chairman, welcomed the members to the first sitting of the Committee and congratulated them on their nomination to the Committee.

3. The Committee, thereafter, considered Memoranda No. 2 xxx regarding xxx draft action taken report on Demands for Grants (2003-2004) of the Department of Rural Development xxx. The Committee adopted xxx the action taken report with slight modifications/additions as given in Annexure-I xxx. The Committee authorised the Chairman to finalise the above draft action taken report on the basis of factual verification from the concerned Ministries/Departments and to present the same to Parliament.

4. ***

5. ***

6. ***

7. ***

The Committee then adjourned.

ANNEXURE I

[See Para 3 of the Minutes of the first of the
Committee (2004) held on 13.1.2004]

Sl.No.	Page No.	Para No.	Line No.	Modification
1.	33	34	Last Line	<i>For</i> “urgently” <i>Substitute</i> “within a stipulated time period”
2.	73	64	<i>Add</i> at the end:	“The Committee feel that, for getting expeditious forest clearance for construction of roads under the Sadak Yojana, the cooperation of forest officials is required. They would also like that the Department of Rural Development should consult the matter with the representatives of the Ministry of Environment and Forests. Clear instructions for giving maximum cooperation be issued in this regard to the concerned officers and the Committee be apprised accordingly.”

APPENDIX IV

[Vide Para 4 of the Introduction]

ANALYSIS OF THE ACTION TAKEN BY THE GOVERNMENT ON THE RECOMMENDATIONS CONTAINED IN THE FORTY EIGHTH REPORT OF THE STANDING COMMITTEE ON URBAN AND RURAL DEVELOPMENT (13TH LOK SABHA)

I.	Total number of recommendations	62
II.	Recommendations that have been accepted by the Government Para Nos. 2.9B, 2.10, 2.11, 2.21, 2.32, 2.34A, 3.21, 3.22, 3.24, 3.36, 3.36A, 3.48, 3.50, 3.53, 3.56, 3.59, 3.61, 4.14, 4.15, 4.16, 5.10, 5.10A, 5.14, 5.20, 5.21, 5.23A, 5.25, 6.8, 6.16, 6.21, 6.28, 6.30, 7.22 and 7.3	34
	Percentage to total recommendations	(54.84%)
III.	Recommendations which the Committee do not desire to pursue in view of the Government's replies Para Nos. 2.9A, 2.20, 3.23, 4.13 and 5.26	5
	Percentage to total recommendations	(8.06%)
IV.	Recommendations in respect of which replies of the Government have not been accepted by the Committee Para Nos. 2.9, 2.9C, 2.12, 2.25, 2.28, 2.34, 3.35, 3.39, 3.42, 4.12, 5.11, 5.13, 5.16, 5.18, 5.23, 6.29 and 6.32	17
	Percentage to total recommendations	(27.42%)
V.	Recommendations in respect of which final replies of the Government are still awaited Para Nos. 2.38, 3.25, 4.17, 5.12, 6.7 and 6.20	6
	Percentage to total recommendations	(9.68%)