### THIRTY-FIRST REPORT

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

(THIRTEENTH LOK SABHA)

# MINISTRY OF RURAL DEVELOPMENT (DEPARTMENT OF RURAL DEVELOPMENT)

### DEMANDS FOR GRANTS 2001-2002

[Action taken by the Government on the Recommendations contained in the Twenty-Fifth Report of the Standing Committee on Urban and Rural Development (Thirteenth Lok Sabha)]

Presented to Lok Sabha on 13.3.2002 Laid in Rajya Sabha on 14.3.2002



LOK SABHA SECRETARIAT NEW DELHI

March, 2002/Phalguna, 1923 (Saka)

# COMMITTEE ON URBAN AND RURAL DEVELOPMENT (2002)

#### Corrigenda to the 31st Report (13th Lok Sabba)

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

#### Shri Anant Gangaram Geete - Chairman

#### **MEMBERS**

#### Lok Sabha

- 2. Shri Mani Shankar Aiyar
- 3. Shri Ranen Barman
- 4. Shri Padmanava Behera
- 5. Shri Jaswant Singh Bishnoi
- 6. Shri Haribhai Chaudhary
- 7. Shri Shriram Chauhan
- 8. Shri Shamsher Singh Dullo
- 9. Shrimati Hema Gamang
- 10. Shri G. Putta Swamy Gowda
- 11. Shri Basavanagoud Kolour
- 12. Shri Shrichand Kriplani
- 13. Shri Bir Singh Mahato
- 14. Shri Savshibhai Makwana
- 15. Dr. Laxminarayan Pandey
- 16. Shri Sukhdeo Paswan
- 17. Shri Chandresh Patel
- 18. Shri Laxmanrao Patil
- 19. Prof. (Shrimati) A.K. Premajam
- 20. Shri Rajesh Ranjan
- 21. Shri Gutha Sukender Reddy,
- 22. Shri Pyare Lal Sankhwar
- 23. Shri Nikhilananda Sar
- 24. Shri Maheshwar Singh
- 25. Shri D.C Srikantappa
- 26. Shri V.M. Sudheeran
- 27. Shri Chinmayanand Swami
- 28. Shri Ravi Prakash Verma
- 29. Shri D. Venugopal
- 30. Shri Dinesh Chandra Yadav

#### Rajya Sabha

- 31. Shri S. Agniraj
- 32. Shrimati Shabana Azmi
- 33. Shri N.R. Dasari
- 34. Ven'ble Dhammaviriyo
- 35. Shri H.K. Javare Gowda
- 36. Shri Maurice Kujur
- 37. Shri Faqir Chand Mullana
- 38. Shri Onward L. Nongtdu
- 39. Shri A. Vijaya Raghavan
- 40. Shri Nabam Rebia
- 41. Shri Solipeta Ramachandra Reddy
- 42. Shri Man Mohan Samal
- 43. Shri Devi Prasad Singh
- 44. Shri Prakanta Warisa
- 45. Vacant

#### SECRETARIAT

Shri S.C. Rastogi — Joint Secretary
 Shri K. Chakraborty — Deputy Secretary
 Shrimati Sudesh Luthra — Under Secretary
 Shri A.K. Srivastava — Committee Officer

#### **ABBREVIATIONS**

BE — Budget Estimates

BPL — Below Poverty Line

CAPART — Council for Advancement of People's Action and Rural

Technology

CRSP — Central Rural Sanitation Programme

DAVP — Directorate of Advertising and Visual Publicity

DWCRA - Development of Women and Children in Rural Areas

DRDA - District Rural Development Agency

DLCC — District Level Coordination Committee

EAS — Employment Assurance Scheme

ETC — Extension Training Centre

GKY — Ganga Kalyan Yojana

IAY — Indira Awass Yojana

IRDP - Integrated Rural Development Programme

IRMA - Indian Institute of Rural Management Anand

IWDP — Integrated Wastelands Development Programme

JRY — Jawahar Rozgar Yojana

JGSY — Jawahar Gram Samridhi Yojana

MNP — Minimum Needs Programme

MWS - Million Wells Scheme

NIRD — National Institute of Rural Development

NC — Not Covered

NMBS - National Maternity Benefit Scheme

NOAPS - National Old Age Pension Scheme

NFBS - National Family Benefit Scheme

NGO - Non-Government Organization

NSAP — National Social Assistance Programme

NSSO . — National Sample Survey Organisation

NCT — National Capital Territory

OB - Organization of Beneficiaries

PC - Partially Covered

PMGY — Prime Minister's Gramodaya Yojana

PMRY — Prime Minister's Rozgar Yojana

PRIs — Panchayati Raj Institutions

RE — Revised Estimates

SIRD — State Institute of Rural Development

SGSY — Swaranjayanti Gram Swarozgar Yojana

SC — Scheduled Caste

TRYSEM — Training of Rural Youth for Self-Employment

UT — Union Territory

VO — Voluntary Organization

#### INTRODUCTION

- I, the Chairman of the Standing Committee on Urban and Rural Development (2002) having been authorised by the Committee to submit the Report on their behalf, present this Thirty-First Report on Action Taken by Government on the recommendations contained in the Twenty-Fifth Report of the Standing Committee on Urban and Rural Development (2001) on Demands for Grants (2001-2002) of the Department of Rural Development (Ministry of Rural Development).
- 2. The Twenty-Fifth Report was presented to Lok Sabha on 20th April, 2001. The replies of the Government to all the recommendations contained in the Report were received on 4th September, 2001.
- 3. The replies of the Government were examined and the Report was considered and adopted by the Committee at their sitting held on 27th February, 2002.
- 4. An analysis of the action taken by the Government on the recommendations contained in the Twenty-Fifth Report of the Committee (2001) is given in *Appendix II*.

New Delhi; 7 March, 2002 16 Phalguna, 1923 (Saka) \* ANANT GANGARAM GEETE, Chairman, Standing Committee on Urban and Rural Development.

#### CHAPTER I

#### REPORT

This Report of the Committee on Urban and Rural Development (2002) deals with the action taken by the Government on the recommendations contained in their Twenty-Fifth Report on Demands for Grants for the year (2001-2002) of the Department of Rural Development (Ministry of Rural Development) which was presented to Lok Sabha on 20th April, 2001.

- 1.2 Action taken notes have received from the Government in respect of all the 38 recommendations which have been categorised as follows:
  - (i) Recommendations that have been accepted by the Government
    - 2.10, 2.17, 2.23, 2.24, 3.10, 3.11, 3.19, 3.20, 3.22, 3.30, 3.35, 3.44, 3.45, 3.46, 3.47, 3.54, 3.55, 3.71, 3.72, 3.73, 3.74, 3.75, 4.20, 4.21, 4.22, 5.12, 5.18, 5.21, 5.24 and 5.26.
  - (ii) Recommendations which the Committee do not desire to pursue in view of the Government's replies
    - 2.18, 3.70 and 4.13.
  - (iii) Recommendations in respect of which replies of the Government have not been accepted by the Committee 2.7, 2.11, 3.53, 4.11 and 5.6.
  - (iv) Recommendations in respect of which final replies of the Government is still awaited

NIL

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

## A. Enhancement in outlay for anti-poverty programmes and the proper utilisation of resources

#### Recommendation (Para No. 2.7)

#### 4. The Committee had recommended as under:

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

The Committee are informed that the Government have introduced Food for Work Programme as a temporary measure to meet the current drought situation in certain States. while appreciating such a move the Committee would like to know the details of programme chalked out under the scheme and the strategy worked out so that the benefits reach the needy with adequate safeguards to ensure that funds are not diverted or remain confined in the officers. Moreover, given the huge stocks available with Food Corporation of India (FCI), the Committee urge that Food for Work Programme' should be made permanent programme instead of a temporary measure applicable in all DPAP and DDP, areas affected by natural disasters and other areas where there is a demand from State Governments. In this regard, the Committee request that Planning Commission should be requested to provide adequate outlay for the purpose."

#### 5. The Government in their reply have stated:

"The Ministry of Rural Development undertake regular review meeting in consultation with the State Governments at the highest level with view to understand the reasons for under-utilisation of funds allocated under various schemes such as SGSY and IAY, in particular. The Minister (RD) himself, accompanied by Senior Officers of the Ministry has been taking review meetings with the Chief Ministers and Senior Officers of the State Governments during which the performance of various schemes is reviewed in greater details and measures suggested for better utilisation of funds and reducing the Opening Balance under various schemes.

In addition, the Performance Review Committee under the Chairmanship of Secretary (RD) and consisting of representatives from Planning Commission, Ministry of Finance, Ministry of Environment and Forest, Department of Programme Implementation also undertake periodic review of the progress of implementation of various schemes, and suggest corrective steps wherever required."

- 6. While appreciating the existing system of review of various Centrally sponsored schemes/programmes like SGSY and IAY, where Hon'ble Minister himself has undertake a high level review with the Chief Ministers and senior officers of the State Governments, the Committee would like to be apprised of the details of the findings of such reviews and the corrective steps taken by the Government to ensure cent per cent utilisation of scarce resources and proper implementation of each programme/scheme. In respect of latter part of the recommendation, the Government have not addressed the following issues:
  - emphasis on training to ensure the proper implementation of different programmes;
  - (ii) making Food for Work Programme a permanent programme; and
  - (iii) allocating adequate outlay for Food for Work programme.

The Committee would like to have the categorical reply of the Government on the aforesaid issues.

#### B. Strengthening of Employment Assurance Scheme

#### Recommendation (Para No. 2.11)

#### 7. The Committee had recommended as under:

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

#### 8. The Government in their reply have stated:

"According to the latest information available, the total mandays of employment generated is 2055.48 lakh mandays during 2000-2001 on the basis of Progress Reports received from 18 States and 2 UTs. The defaulting States/UTs are being remained at regular intervals to submit the complete progress report forthwith so that a final picture of total employment generation during 2000-2001 becomes clear. The final picture will emerge when all the Monthly Progress Reports for March, 2000 are received. The defaulting States have also been warned that further release of funds under the EAS would depend on submission of pending reports. As regard utilisation of funds under the EAS, it may be clarified that 2nd instalment of funds is release only after the concerned district has utilised minimum prescribed percentage of 60% as per the guidelines and submits the requisite documents.

During 2000-01 and 2001-02, the Food for Work Programme is being implemented in drought affected States under the EAS. A High Powered group of Ministers has been constituted, which regularly monitors the implementation of this programme. Group of Ministers, in its meeting held on 4.6.2001, has recommended to extend the programme upto September, 2001."

9. The Committee find that the Government have not addressed to the various shortcomings, as pointed out by the Planning Commission in the Mid Term Appraisal, and as raised by the Committee in their earlier recommendation viz. bogus reporting under EAS and the pressure on the field staff to show the excellent results irrespective of the ground realities as the States cannot draw the next instalment from the Centre unless they provide the utilisation certificates. The Government instead of finding out ways to ensure that the data regarding achievement of targets, as shown by States, reflects the ground reality, have taken the steps to be strict in respect of releasing funds under EAS. While appreciating the limitations of the Government in this regard, the Committee express their apprehension that the said move of the Government may further pressurise the State Governments to indicate the inflated data in respect of achievement of targets. In view of this scenario, the Committee reiterate their earlier recommendation to sensitise all the concerned to the crucial importance of EAS in assuring employment and would like to have categorical reply of the Government in this regard.

C. Simplification of process oriented approach under SGSY

#### Recommendation (Para No. 3.11)

#### 10. The Committee had recommended as under:

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

#### 11. The Government in their reply have stated:

"The formation of Self Help Groups under the SGSY involves a process of social mobilization of the poor and involves motivation, awareness creation, training and capacity building etc., to create proper understanding amongst the members of the group. After motivation and awareness generation, the members are to start thrift the credit activities which further strengthens the group behaviour. At this point the members also meet regularly and understand rules and regulations to avail internal loaning etc. The first six months prescribed for these processes therefore is considered essential and cannot be relaxed which has also been confirmed in the last meeting of Central Level Coordination Committee (CLCC). However, the time period of six months required for passing grade II to be eligible for assistance for economic activity may be relaxed for Minor Irrigation by the block level SGSY Committee it they are so satisfied and the group is found creditworthy. This has been agreed to by the Members of CLCC in the last meeting held on 12.5.2001 at Hyderbad."

12. The Committee appreciate the steps, taken by the Government to provide the discretion to the block level SGSY Committee to relax the time period of six months, required for passing grade II to be eligible for assistance under SGSY for groups involved in minor irrigation. They would also like that proper endeavour should be made to extend similar relaxation to groups involved in other activities.

#### D. Wage material ratio under JGSY

#### Recommendation (Para No. 3.35)

#### 13. The Committee had recommended as under:

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

#### 14. The Government in their reply have stated:

(i) "The proposal to enhance the allocation of those Village Panchayats which are at present getting less than Rs. 50,000/to that amount is still under the active consideration of the Ministry.

(ii) \*\* \*\* \*\* \*\*

- 15. The Committee hope that the final decision in respect of the proposal of the Government to provide a minimum assistance of Rs. 50,000 to those Panchayats which are at present getting less might have been taken by the Government by now and they would like to be apprised about it.
- E. Enhancement of outlay under EAS

#### Recommendation (Para No. 3.47)

16. The Committee had recommended as under:

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

17. The Government in their reply have stated:

"The budgetary outlay of the Employment Assurance Scheme for the year 2000-2001 was kept at Rs. 1300 crore and no enhancement of outlay was agreed to though a proposal to this effect was sent to the Planning Commission/Ministry of Finance."

- 18. The Committee find that the Planning Commission/Ministry of Finance have not agreed to the proposal of the Government to enhance the allocation under Employment Assurance Scheme. They would like that in the light of the importance of the said Employment Assurance scheme in assuring employment in rural sectors, the Planning Commission/Ministry of Finance should reconsider their decision and agree to enhance the outlay for EAS.
- F. To restore the provision of providing at least 100 days of employment to all under the restructured EAS

#### Recommendation (Para No. 3.53)

19. The Committee had recommended as under:

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

#### 20. The Government in their reply have stated:

"The budgetary allocation of the Employment Assurance Scheme has been considerably reduced from the year 1999-2000. With the reduced allocation, it is not possible to provide assured employment of 100 days to all the beneficiaries of the EAS. Thus, owing to financial constraints the provision of 100 days' assured employment has been dropped. Since the programme is self-targeting in nature, the provision of registration of workers has also been done away with. As the EAS has been restructured recently, i.e. w.e.f. 1.4.1999, on the basis of recommendations of the High Powered Committee under Prof. Hashim, Member, Planning Commission, it will not be prudent to make any modification in the scheme so early."

21. The Committee are not inclined to accept the plea taken by the Government that certain modifications to the guidelines of Employment Assurance Scheme cannot be made in view of the fact that the programme has been restructured recently. While noting that the Employment Assurance Scheme has been restructured recently, the Committee would like that the provision of assured employment of 100 days should be retained in the restructured programme so that the scheme could achieve its object for which it was started.

#### G. Convergence of Housing Schemes

#### Recommendation (Para No. 4.11)

#### 22. The Committee had recommended as under:

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

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

#### 23. The Government in their reply have stated:

"Each Rural Housing Scheme has a distinct identity and objective. The objectives of various Rural Housing Programmes are as under:

The Government of India is implementing Indira Awaas Yojana (IAY) since the year 1985-86 with an objective of providing assistance to rural Below Poverty Line members from the Scheduled Castes, Scheduled Tribes, families of servicemen of the armed and paramilitary forces killed in action, disabled persons, freed bonded labourers and other categories. Consistent with 73rd Amendment Act of the Constitution, Gram Sabhas have been empowered to select beneficiaries from amongst the eligible categories."

# Indira Awaas Yojana—Conversion of Unserviceable kutcha houses into Pucca/semi-pucca houses

The Indira Awaas Yojana was restructured by earmarking 20% of the allocation for conversion of unserviceable kutcha houses to semipucca/pucca category w.e.f. 1.4.1999,

#### Pradhan Mantri Gramodaya Yojana (Gramin Awaas)

The objective of PMGY (Gramin Awaas) is to introduce new initiative to accelerate performance in providing Basic Minimum Services in rural areas to promote the objectives of sustainable human development. The PMGY has five components Rural Housing, Primary, Health, Primary Education, Drinking Water and Nutrition. Now a new sub component-Rural Electrification has also been included.

#### Credit-cum-Subsidy Scheme for Rural Housing

The Objective of Credit Cum Subsidy Scheme is to cover households (below the poverty line and above it) in the rural areas who have not been covered under Indira Awaas Yojana, as either they do not fall within the eligibility or due to the limits imposed by the available budget. On the other hand, due to limited repayment capacity these rural households cannot take benefit of fully loan-based schemes offered by some of the Housing Finance Institutions. The needs of this large majority is covered under Credit Cum Subsidy Scheme which is part-credit and part-subsidy based.

#### Innovative Stream for Rural Housing and Habitat Development

The objective of the Innovative Stream for Rural Housing and Habitat Development launched in 1999-2000, is to promote/propagate innovative and proven construction technologies, designs and materials in the rural areas for construction of cost effective houses and habitat development.

#### **Rural Building Centres**

The objective of the setting up of Rural Building Centres are:

- (i) Technology transfer
- (ii) Information dissemination
- (iii) Skill up-gradation through training
- (iv) Production of cost effective and environment friendly building components/materials etc.

#### Samagra Awaas Yojana

The objective of the Samagra Awaas Yojana launched in 1999-2000 is to improve the quality of life of the people and overall habitat in the rural areas. The Scheme specifically aims at providing convergence to activities, such as construction of houses, sanitation facilities and drinking water schemes and ensure their effective implementation by suitable and sustainable induction of technology, IEC and innovative ideas.

Thus, it is clear that each Rural Housing Programme has its own distinctive feature and objective. Each scheme caters to a different client group. Thus while the Indira Awaas Yojana and the Pradhan Mantri Gramodaya Yojana (Gramin Awaas) cater to the rural BPL poor, the Credit Cum Subsidy Scheme for Rural Housing as its name suggests, is really meant for the slightly better off, who have some capacity to repay small loans. The Samagra Awaas Yojana specially aims to converge activities as diverse as housing, drinking water and sanitation in a single platform. The intention of the Rural Building Centres Scheme is to create an institutional back up to facilitate technology transfer and for production of cost effective and environment friendly building materials, technologies and design, while under the Innoviate Stream, Projects having potential demonstrable and replicable value are being funded. Thus while some of the Rural Housing Schemes are project based others are allocation driven. Even the Pradhan Mantri Gramodaya Yojana (Gramin Awaas) and the Indira Awaas Yojana which are analogous in nature, cannot be merged, since funding/release pattern of the two schemes are totally different."

24. The Committee find that the Government's reply, though detailing various schemes run by them, is silent about the main issue raised in their earlier recommendation. The Committee have repeatedly been recommending for merger of all the housing schemes being implemented in rural areas. Instead of addressing the main issue, the Government have furnished the routine reply. The Committee deplore the casual attitude of the Government towards their recommendation and would like the categorical reply of the Government at an early date.

#### H. Merger of functions of DRDAs with District Panchayats

#### Recommendation (Para No. 5.6)

#### 25. The Committee had recommended as under:

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

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

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

#### 26. The Government in their reply have stated:

"The Ministry of Rural Development have time and again advised the State Governments to suitably instruct all concerned agencies to ensure full involvement of Members of Parliament in the implementation of various schemes of the Ministry. The instructions in this regard were issued on April 2, 1997 as follows:

- (i) To hold meeting of the DRDA Governing Body regularly, and fix, as far as possible, such meetings at a time when Parliament would not be in session.
- (ii) To ensure that the MPs are invited to attend such meetings by giving sufficient advance notice.
- (iii) To extend all proper courtesies to MPs when they come to attend the meting of DRDA Governing Body and to ensure that their views are given due importance.
- (iv) To ensure that proposals submitted by MPs, are duly included in the agenda notes and that the minutes of the meetings reflect fully the suggestions made by PMs.

Thereafter, vide letter dated 30th September, 1998 the then Hon'ble Minister (RA&E) has reiterated the Ministry's stand in this regard. A detailed letter dated 26th August, 1998 was issued by Secretary (RD) to the State Chief Secretaries, stressing the need to follow the instructions in this regard. A similar letter dated 4th April, 2000 was issued by Secretary (RD) to the Chief Secretaries emphasizing the need to follow the instructions in this regard so as to ensure that the MPs participate meaningfully in the implementation of anti-poverty programmes."

27. While noting the reply of Government regarding the involvement of MPs/MLAs in DRDAs the Committee observe that the Government have not addressed to the issue regarding merger of DRDAs with District Panchayats. They would, therefore, like to have a categorical reply from the Government in this regard.

#### CHAPTER II

### RECOMMENDATIONS THAT HAVE BEEN ACCEPTED BY THE GOVERNMENT

#### Recommendation (Para No. 2.10)

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

#### Reply of the Government

The Ministry has taken many initiatives to revamp the Systems for collection of information from the States/Districts about the performance of various programmes. The use of Information Technology, both at the centre and in the District Rural Development Agencies (DRDAs), is being encouraged. The Ministry have financed purchase of 5 computers and one server alongwith other peripherals in all the DRDAs of the country. Realising the importance of swift and reliable communications between the Ministry and the DRDAs, a pilot project for providing V-SAT based internet connectivity to 15 DRDAs has been taken up so that information can flow on real-time. The Ministry have also taken the initiative for management of District-wise data in web-enabled form in the quickest possible time.

[Ministry of Rural Development O.M. No. H-11020/5/2001-GC(P) dated 31.8.2001 Department of Rural Development]

#### Recommendation (Para No. 2.17)

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

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

#### Reply of the Government

There have been only two methodologies of poverty estimation used by the Government. The Planning Commission used to estimated poverty at National and State levels on the basis of the Task Force methodology. Since March, 1997, the Task Force methodology has been discontinued and poverty estimates are being made using Expert Group methodology. As has been recommended by the Committee, the Expert Group methodology has been applied retrospectively. The estimates of poverty for the earlier years (1973-74, 1977-78, 1983, 1987-88) were reestimated on the basis of this methodology in order to ensure availability of comparable estimates over time. These are annexed.

Regarding the quality of Statistics: Comments may be invited from the Department of Statistics.

[Ministry of Rural Development O.M. No. H-11020/5/2001-GC(P) dated 31.8.2001 Department of Rural Development]

#### Recommendation (Para No. 2.23)

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

#### Reply of the Government

It may be mentioned that the emphasis under the SGSY is on social mobilization and organizing the rural poor in to Self-Help Groups (SHGs). The SGSY is also expected to take care of all aspects of self-employment i.e. capacity building, infrastructure, technology, credit and marketing. While the degree of success in respect of organizing the poor into self-help groups varied from State to State, it would not be proper to claim instant success as it is process oriented and requires coordinated efforts from officials, non-officials and Voluntary Organizations working in the area. The fact that 4.41 lakhs Self Help Groups have been organized during the first two years of the implementation of the Programme shows that the progress is on the expected lines.

[Ministry of Rural Development O.M. No. H-11020/5/2001-GC(P) dated 31.8.2001 Department of Rural Development]

#### Recommendation (Para No. 2.24)

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

#### Reply of the Government

It may not be appropriate to compare the physical achievements made under the erstwhile IRDP and its allied progarmmes and under the SGSY. The strategies of implementation of these two programmes are different. The IRDP was mostly individual oriented whereas the SGSY focusses on Self Help Groups. A Self Help Group usually takes a minimum of one-year time to undergo the processes of social mobilization and motivation of the members, capacity building etc. and passing of grade I and grade II before if it becomes eligible for assistance for economic activity. Obviously, the time involved in forming SHGs accounted for slow progress and consequently less physical achievements under the SGSY soon after restructuring.

The recommendation of the Committee regarding role of PRIs in the delivery mechanism is well taken. The PRIs however are already involved in implementation of the SGSY. The BPL list is to be approved by the Gram Sabha which forms the basis for selection of the swarozgaris. The SGSY guidelines also provide that a three member team comprising of the Sarpanch, the banker BDO or his/her representative should visit the habitats where the swarozgaris live to finally select the swarozgaris after ascertaining the aptitude of the prospective swarozgaris. The Block SGSY Committee must interact with as many Sarpanches as possible in selection of Key activities. The list of key activities should be approved by the Panchayat Samiti before forwarding the same to the district committee for vetting. The Guidelines therefore contains adequate provisions for the involvement of the PRIs in the implementation of the SGSY.

The JGSY Guidelines contain provisions for achieving physical and financial convergence. Firstly, the Village Panchayats are required to take into consideration the facilities being created under the Basic Minimum Services and other Centrally Sponsored Schemes or State Government Schemes while taking up new works under the programme. In fact under JGSY, providing infrastructure support for the SGSY has been accorded very high priority. The Guidelines also provide for financial convergence by allowing the Village Panchyats to dovetail funds available from other sources like market committees, co-operatives, cane societies and other institutions like the National/State Finance Commissions, State Departments etc. with the JGSY funds for construction of durable community assets.

As regards the Commitee's recommendation to implement JGSY through PRIs, it is stated that JGSY is implemented by the Village Panchayats with the active involvement of the Gram Sabha. 100% funds, therefore, go to them. They can take up individual works costing up to Rs. 50,000/-, which have been approved by the Gram Sabha, for implementation without administrative or technical approval by any other authority.

[Ministry of Rural Development O.M. No. H-11020/5/2001-GC(P) dated 31.8.2001 Department of Rural Development]

#### Recommendation (Para No. 3.10)

The Committee deplore the steep decline in physical and financial performance since the inception of SGSY. Not only has physical and financial achievement during 2000-01 remained at half of what was achieved during the previous year, the Committee are not convinced with the plea furnished by the Government, that the initial preparatory work was the basic reason for the shortfall in physical and financial achievement. While accepting that the shortfall during 1999-2000 might have been due to certain teething problems, they fail to understand how in the next year 2000-01 after sorting out the teething problems, the achievements should plummet to 50% of the already poor performance of the previous year. It is no comfort to know that there might be some increase in the provisional data relating to 2000-01 as some States/UTs have not furnished the complete Information in this regard because the absence of up to date data only reflects the extremely casual attitude of the Ministry of what is transpiring at the ground level.

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

#### Reply of the Government

The suggestions of the Committee to seriously analyse the problems being faced in implementation of the SGSY in order to improve the physical and financial achievements is well taken. The Ministry has already initiated some steps in this direction, which are as follows:

- (i) In order to speed up the process of group formation and capacity building etc. the involvement of Non-Governmental Organizations (NGOs)/Voluntary Agencies has been spelt out.
- (ii) The Ministry will continue to review the performance under the SGSY in State specific manner for those States where the performance under the Programme has not been satisfactory.
- (iii) It has come to the notice of the Ministry that credit mobilization was of a low order. It means, that either enough cases were not sanctioned or there could have been cases of under finance. The matter was discussed with representatives of RBI, NABARD and also the Banking division of the Ministry of Finance in the last meeting of Central Level Coordination Committee (CLCC) held at Hyderabad on 12.5.2001. It is hoped that in the current year progress would be much better.
- (iv) In order to give a thrust to this Programme a sound personnel policy has been enunciated in the Guidelines. This issue will be emphasised in the coming Conference for the Ministers of Rural Development and meeting of State Secretaries. A Conference of Project Directors of DRDAs are planned in the near future.
- (v) the Programme is also being reviewed at this stage by the Working Group on Poverty Alleviation Programmes for the formulation of Tenth Five Year Plan.

[Ministry of Rural Development (Department of Rural Development)
O.M. No. H-11020/5/2001-GC(P) dated 31.8.2001]

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#### Recommendation (Para No. 3.11)

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

#### Reply of the Government

The formation of Self Help Groups under the SGSY involves a process of social mobilization of the poor and involves motivation, awareness creation, training and capacity building etc. to create proper understanding amongst the members of the group. After motivation and awareness generation, the members are to start thrift and credit activities which further strengthens the group behaviour. At this point the members also meet regularly and understand rules and regulations to avail internal loaning etc. The first six months prescribed for these processes therefore is considered essential and cannot be relaxed which has also been confirmed in the last meeting of Central Level Coordination Committee (CLCC). However, the time period of six months required for passing grade II to be eligible for assistance for economic activity may be relaxed for Minor Irrigation by the Block level SGSY Committee if they are so satisfied and the group is found creditworthy. This has been agreed to by the members of CLCC in the last meeting held on 12.5.2001 at Hyderabad.

[Ministry of Rural Development (Department of Rural Development)
O.M. No. H-11020/5/2001-GC(P) dated 31.8.2001]

#### Comments of the Committee

(Please See Paragraph No. 12 of Chapter I of the Report)

#### Recommendation (Para No. 3.19)

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

#### Reply of the Government

Regarding the observations made in the Mid-Term Appraisal of the 9th Five Year Plan that 'the benefits under the SGSY meant for the poorest of the rural poor are being pocketed by unscrupulous in connivance with the bank', it may be mentioned that the observations were on the basis of the findings of the evaluation of the erstwhile IRDP and not the SGSY.

The findings of the review made in respect of Bihar, U.P. and Maharashtra included the following:

- (i) Poor Credit mobilization during 1999-2000.
- (ii) Long pending loan applications.
- (iii) Need for close coordination with bankers and district administration and the State Government.
- (iv) Need for preparing economical viable and technically feasible projects.

- (v) Need for banks to draw an action taken by the SLBC to minimize the pendency of loan applications.
- (vi) Need for delegation of sanctioning powers to the Branch Managers.
- (vii) Need for regular sensitization of the banks.

The findings of the Committee for the North Eastern States are awaited.

The observations of the Committee regarding strengthening of the monitoring mechanism is appreciated. The recommendation of the Committee regarding evaluation is also well taken and will be implemented.

[Ministry of Rural Development (Department of Rural Development)
O.M. No. H-11020/5/2001-GC(P) dated 31.8.2001]

#### Recommendation (Para No. 3,20)

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

- (i) Although the guidelines provide for training of the members of the Self Help Groups including women, the Committee would like that the Government, should ensure that more stress is given to the training of women by the respective State Government. For providing training linkages can be established with the various training institutions like it is located in the respective States. Further, it is also stressed that training should imparted the beneficiaries keeping in view the local needs of that area. The Committee would like to know how many members of the SHGs including women have been trained so far and how far this has added to their efficiency.
- (ii) While agreeing with the reply of the Government that it is not desirable to enhance the subsidy to the SHGs under SGSY, the Committee urge that the subsidy should be released timely to such groups. Necessary instructions in this regard should be issued to the State Government.

- (iii) Although it has been provided in the guidelines that security deposits against loan under SGSY are not required, the observation of the Committee, as noted during he said study visits, is itself a complaint against the banks in this regard. The Committee feel that banks are not adhering to the guidelines in this regard. As such, the Committee strongly recommend that the Government should take the necessary steps to ensure that the guidelines are strictly followed. The matter should be taken up at the earliest with the Reserve Bank of India and necessary action taken. The Committee may also be apprised about the steps taken in this regard.
- (iv) The Committee appreciate that various Rural Employment Programmes of the Ministry are meant for the BPL persons. However, as noted by the Committee during their on the spot study visit to Maharashtra, it was very difficult to find the requisite number of BPL persons for making a group and as such mixed groups were formed. In such a situation, it is desired that the Government, should find out some mechanism whereby such mixed groups could be allowed under SGSY. While recommending for mixed groups in this regard, the Committee desire that the subsidy component should only be available to BPL persons. Non-BPL category of beneficiaries could be provide loan by the banks. It is recommended that the Government should find out the mechanism in this regard and apprise the Committee accordingly.

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

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

#### Reply of the Government

The sub para-wise position in this regard is as follows:

- (i) Training of women: Training is an integral part of the SGSY. However, training is not imparted independent on the selection of swarozgaris and sanction of assistance for economic activity which was found earlier under the erstwhile TRYSEM. The guidelines for the SGSY already provide that 50% of the Self Help Groups and 40% of the swarozgaris should comprise of women. The coverage of women for training is therefore automatically taken care of. If there is need for skill development of women swarozgaris after their selection/sanction of loan the training has to be provided automatically. It may be mentioned that the coverage of training is not monitored separately. Regarding linkages to be established with the various training institutions like I.T.I.s, it is stated that the SGSY guidelines para 5.4 already provides for such linkages.
- (ii) Timely release of subsidy to Self Help Groups: It may be mentioned that subsidy under the SGSY is back-ended. The assistance for economic activity is provided initially by way of bank credit. There are standing instructions that the loan should be sanctioned and disbursed timely.
- (iii) Security against the loan: The matter is being taken up with RBI to reiterate their instructions to the banks regarding the security norms.
- (iv) Inclusion of Non-BPL members in the group and reducing the number of the members in the group: The Ministry may consider permitting 20% of the members from APL category, but as suggested by the Committee APL members will not be eligible for subsidy under the Programme. However, they may avail Bank Credit.

Regarding the suggestion to reduce the size of the group it is mentioned that the size of 10-20 members in a group has been fixed based on the past experience in organizing Self Help Groups. The adopted size is considered to be ideal however the Ministry may consider relaxation in minimum number of members in a Self Help Group in highly difficult terrain with sparse population.

(v) Recovery of loans: The matter relating to recovery of loan is to be indicated in the Project Report of every activity which should have direct relevance to the earning of the group net of loan repayment. Each activity has defined gestation period which ensures flow of income to Swarozgaries after which repayment starts. The provision is therefore already there that a loan should be repaid only after a group is established.

#### Part II

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

(iv) While noting that the publicity of the programme is being made by AIR, the Committee urge that the programme should be publicized through various national and regional channels of Doordarshan through some simple and attractive documentary films.

#### Reply of the Government

The sub para wise replies are as given below:

- (i) Monitoring of utilization of funds for infrastructure development: Recommendation of the Committee is well taken and steps will be taken to monitor the funds utilized for infrastructure development.
- (ii) Marketing: The steps taken include the following:
  - Opening of marketing outlets through participation in the exhibition-cum-sales organized by ITPO through 'SARAS' and in similar national and international exhibition.
  - Organisation of local and State level exhibition-cumsales by the respective State Governments.
  - The swarozgaris also participate in the exhibition-cumsale organized by CAPART through their Gramshree Melas.
  - Creation of marketing infrastructure through normal SGSY.

Sanction of special projects for marketing support and infrastructure development in case such projects are posed by State Governments. Regarding marketing of the SGSY products by promoting use of such products by various Government offices/agencies, it may be mentioned that such initiatives have already been taken by some State Governments.

(iii) Participation of NGOs: The SGSY guidelines already provide for involvement of NGOs. The Ministry have further clarified the same through a recently issued circular regarding incentives which could be given to NGOs. (iv) Publicity: The publicity of the programme as suggested is being done at regular intervals.

[Ministry of Rural Development O.M. No. H-11020/5/2001-GC(P) dated 31.8.2001 Department of Rural Development]

#### Recommendation (Para No. 3.22)

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

#### Reply of the Government

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

[Ministry of Rural Development O.M. No. H-11020/5/2001-GC(P) dated 31.8.2001 Department of Rural Development]

#### Recommendation (Para No. 3.30)

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

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

#### Reply of the Government

The physical and financial achievements shown in the progress reports are based on the feedback received from the States/UTs. When the Monthly Progress Report for and up to a particular month is consolidated in the Ministry, all the Monthly Reports for and up to that particular month may not have been received from all the States/UTs. However, by the end of the financial year the States/UTs send their more updated reports. This is the reason for the slight increase in the figures of physical and financial achievement noted during the closing months of the financial year. There is no deliberate attempt on the part of the Ministry to inflate the figures.

As regards the Committee's observation that a major part of the funds are released towards the fag end of the financial year and its suggestion to effect the releases in phased manner throughout the year, it is stated that as per the Guidelines of the programme, the Central assistance is to be released in two instalments (one instalment in the case of cold, snow-bound districts viz., Kinnaur, Lahul & Spiti, Leh, Kargil and those districts of the North-Eastern India to be decided mutually between the Central Government and the State Government concerned). As soon as the Vote on Account is passed by the Parliament, the first instalment of Central share is released to all those districts which had claimed second instalment during the previous year. The Second instalment is released only after the State has utilised 60% of the available funds and on the submission of claims along with the Utilisation Certificate and Audit Report for the previous year. Many States/UTs submit their claims very late resulting in delayed release of funds by the Central Government. To discourage the States/ UTs from submitting their claims late, the Guidelines provide for deduction in Central allocation of the concerned district @ 15% and 30% respectively for proposals received in the months of January and February. During the year 1999-2000, about 48% of the total Central releases were made during the last quarter of the financial year. The percentage has, however, come down to about 28% during the year 2000-01 which shows a definite improvement. Besides, the States/UTs have been instructed, vide this Ministry's letter No. G-25011/7/2001/ JGSY Acts dated 28.5.2001 to submit their claims for second instalment well in time.

As regards under spending by some States, the States/UTs have been requested to send their comments along with suggestions for improving the level of utilisation of funds. Necessary steps to improve the utilisation of funds will be taken after the receipt of the comments of the State Governments.

[Ministry of Rural Development O.M. No. H-11020/5/2001-GC(P) dated 31.8.2001 Department of Rural Development]

#### Recommendation (Para No. 3.35)

While noting that the proposal regarding providing a minimum assistance of Rs. 50,000/- to those Panchayats which are at present getting less than that amount is under consideration of the Ministry, the Committee would like that the decision in this regards is taken expeditiously. As regards the wage employment ratio, the Committee understand from the reply furnished by the Government as per the guidelines, flexibility has been provided to the State Governments to suitably relax the wage material ratio of 60:40 so as to enable them to go for demand driven rural infrastructure. The Committee find that perhaps the State Governments are not aware of the said guidelines. The Committee during various visits to the respective States have repeatedly been represented by the respective State Governments that the wage material ratio of 60:40 is not judicious and desired revision for the same. In view of this, the Committee would like that a circular should be issued to all the State/UT Governments making them aware about the flexibility given to them in this regard. The Committee would also like to emphasise that an awareness initiative should be launched by the Government so that the villagers are well acquainted with the significance and scope of the programme with a view to draw maximum benefit from the scheme.

#### Reply of the Government

- (i) The proposal to enhance the allocation of those Village Panchayats which are at present getting less than Rs. 50,000/to that amount is still under the active consideration of the Ministry.
- (ii) The provisions of the Guidelines giving flexibility to the Village Panchayats to suitably relax the wage-material ratio have been brought to the notice of the States/UTs vide this Ministry's letter No. G-25011/7/2001/JGSY Acts dated 28.5.2001.

(iii) The Ministry is making concerned efforts to create awareness and disseminate information to target groups about all the Programmes including JGSY through most of the available modes of communication such as Print Media, Electronic Media (Radio and TV), Outdoor Publicity and Field Level Communication Campaign. In order to adequately meet the communication needs of the Programmes of the Ministry, the IEC activities through all the available modes of communication are being scaled up.

To sensitize the people, advertisements in press in Hindi, English and Regional languages are released on all India basis from time to time. Leaflets and Pamphlets on the Programmes of the Ministry are printed in Hindi, English and regional languages for distribution across the country. A booklet 'Gram Vikas-Programme at a Glance' in easy-to-understand language in Hindi, Engish and regional languages is being printed for distribution in rural areas all over the country. Instructions have also been issued by the Ministry for putting up Display Boards giving information on allocations made for each Programme of the Ministry in the offices of District Rural Development Agencies, Blocks and at each Gram Panchayat.

Information on the Programmes of the Ministry is being disseminated through weekly radio programme of 15 minutes duration over Commercial Broadcasting Stations of AIR. In addition, production and broadcast of half an hour programme based on folk music over Primary Channels and Local Radio Stations of AIR is likely to start shortly. It is also proposed to sponsor weekly Programmes on Primary Channels and Local Radio Stations. Modalities for production and broadcast of half an hour Programme on Rural Development over Primary Channels and Local Radio Stations are being worked out by AIR. In addition to sponsored Programmes, audio spots on Programmes of the Ministry are being produced and broadcast over Primary Channels and Local Radio Stations of AIR. It is proposed to broadcast audio spots on the Programmes on the AIR.

It has been decided to produce video spots on the Programme of the Ministry and to telecast them over Doordarshan. In addition, Programmes of half an hour duration in Hindi and Regional Language are also proposed to be produced and telecast. IEC activities to create awareness about the Programmes of the Ministry through other modes of communication such as bus back panel, cinema slides etc. are also proposed to be scaled up.

[Ministry of Rural Development O.M. No. H-11020/5/2001-GC(P) dated 31.8.2001 Department of Rural Development]

#### Comments of the Committee

(Please see Paragraph No. 15 of Chapter I of the Report)

#### Recommendation (Para No. 3.44)

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

#### Reply of the Government

The Ministry of Rural Development has impressed upon the State Governments/UT Administrations, time and again, the need and importance of furnishing Monthly Progress Reports/Annual Progress Reports by due dates. In a recent communication to the States/UTs, it has also been made clear that any delay in furnishing these reports would be viewed seriously and would affect releasing of further funds under the scheme. To maintain the financial discipline, mandatory deductions on account of late submission of proposals by the State Government is imposed at the time of release of second instalment of EAS funds. Under this system (outlined in the guidelines) proposals received in the month of January and February face a cut of 15% and 30% respectively on the total allocation for the year. Moreover, no proposal will be accepted after 15th February under any circumstances. This provision has been mentioned in the Guidelines with a view to end the practice of submission of proposals/release of funds at the fag end of the financial year. The suggestion of the Committee is well taken and every effort will be made to improve the situation further.

[Ministry of Rural Development O.M. No. H-11020/5/2001-GC(P) dated 31.8.2001 Department of Rural Development]

#### Recommendation (Para No. 3.45)

While noting the strategy of the newly structured Employment Assurance Scheme, the Committee find that the funds released in a particular year for DRDAs/Zilla Parishads would lapse if not utilised with the permission to carry forward only 15 per cent as unspent balance in the following year. The Committee understand that under the old Employment Assurance Scheme, the unspent balances in a particular year, continue to be accumulated, and were non-lapsable. These funds were being used for that particular purpose. While appreciating the need for optimum utilisation of scarce resources, the Committee are not in favour of surrendering the unutilised amount. They are disturbed to note that instead of taking steps to contain the unspent balances by ensuring the proper utilisation of the funds, the Government have resorted to an approach which is negative. The Committee disaprove of the revised guidelines and recommend that the old practice should continue i.e., unspent amount should not lapse. Further, the Government should find out ways and means to ensure cent percent utilisation of outlay and come forward with suitable proposals.

#### Reply of the Government

The provision of permissible carry over of 15% was introduced in the restructured scheme with the objective that the State Governments should utilise funds to the optimum level before they come forward to lift the next instalment of funds. There is no question of surrender of unutilised funds by the States. However, to ensure that the States do not accumulate huge unspent balances, it has been mentioned in the revised guidelines that in case the Opening Balance of funds, as on 1st April of the financial year exceeds the limit of 15%, the central share of the excess amount will be deducted at the time of release of 2nd instalment. The deducted amount is re-distributed at the end of the financial year among better performing States. This provision in the guidelines ensures availability of funds as per utilisation capacity of the District and brings about overall improvement in implementation of the scheme.

[Ministry of Rural Development O.M. No. H-11020/5/2001-GC(P) dated 31.8.2001 Department of Rural Development]

#### Recommendation (Para No. 3.46)

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

#### Reply of the Government

During the year 2000-2001, the total available funds (Opening Balance + Central allocation + State share + Other receipts) was to the tune of Rs. 2167.13 crore, against which total utilisation so far reported is Rs. 1757.91 crore which comes to 81.12%. As per latest information received from the State Governments, against the target of 2594.47 lakh mandays of employment generation, the achievement is 2055.48 lakh mandays which comes to 79% of the targets. Complete reports have been received only from nine States/UTs, namely, Assam, Chhattisgarh, Goa, Gujarat, Haryana, Karnataka, Mizoram, Punjab and Daman & Diu. A clear picture of actual total achievement, both financial and physical, will emerge only on receipt of Progress Reports from the defaulting States, which are being reminded from time to time at an appropriate level for it's early submission, failing which the Ministry may be constrained to stop the release of 2nd instalment.

[Ministry of Rural Development O.M. No. H-11020/5/2001-GC(P) dated 31.8.2001, Department of Rural Development]

#### Recommendation (Para No. 3.47)

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

As such, the Committee strongly recommend the enhancement in outlay for EAS.

The budgetary outlay of the Employment Assurance Scheme for the year 2000-2001 was kept at Rs. 1300 crore and no enhancement of outlay was agreed to though a proposal to this effect was sent to the Planning Commission/Ministry of Finance.

[Ministry of Rural Development O.M. No. H-11020/5/2001-GC(P) dated 31.8.2001 Department of Rural Development]

#### Comments of the Committee

(Please see Paragraph No. 18 of Chapter I of the Report)

#### Recommendation (Para No. 3.54)

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

#### Reply of the Government

Engagement of middleman/contractor for execution of EAS works is strictly prohibited. While submitting proposal for 2nd instalment of funds a certificate is given by the District authorities that no middleman/contractor has been engaged in execution of works during the year. A clause of such prohibition has also been included in the revised Guidelines of the EAS. However, C&AG Report does indicate that contractors have been engaged in execution of EAS works by some of the States. The Ministry had informed the concerned State Governments that this was in clear violation of the Guidelines and that they had to stop this practice of engaging contractors for EAS work totally.

[Ministry of Rural Development O.M. No. H-11020/5/2001-GC(P) dated 31.8.2001 Department of Rural Development]

#### Recommendation (Para No. 3.55)

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

#### Reply of the Government

The Vigilance and Monitoring Committees have been set up in almost all the States/UTs at State/District/Block level excepting Chhattisgarh and Jharkhand from whom the information is yet to be received. Copies of the report on research studies conducted by the Planning Commission and other three independent Research Institutes are enclosed.

[Ministry of Rural Development O.M. No. H-11020/5/2001-GC(P) dated 31.8.2001 Department of Rural Development]

#### Recommendation (Para No. 3.71)

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

#### Reply of the Government

Due to State specific reasons, the State/UT Governments often fail to utilise full funds released to them causing significant unspent balances with them at the end of a year. Late release of funds to the States/UTs which is again caused by late fulfilment of the required conditionalities, may also lead to unspent balances with the District implementing Authorities.

The Government is taking various measures to ensure that the unspent balances with the District is at the minimum level. Thus, cuts are imposed at proportionate rates while processing the proposals received late. Each of the Districts/States is intimated about the position in relation to the utilisation of the available funds and the shortfalls thereof in this regard with a view to give it scope for revamping initiative and take necessary action accordingly in the right direction. Though a well formulated reporting system is in existence, the States are often found to be not very serious in sending periodical progress reports properly and in time. Since this practice caused adverse reflection on expenditure/achievement, the States/UTs have been asked to strictly adhere to the norms of submitting periodical progress reports to the Central Government.

#### Recommendation (Para No. 3.72)

While going through the replies furnished by the Government, the Committee find that one of the basic reason of the programme not working well is the lack of adequate coordination between the Departments implementing the programme in different States. Besides the State Governments are not submitting the utilisation certificates in time. Another noticeable feature found is that there are similar schemes in the State Governments. In view of this, the Committee urge the Government to seriously consider the shortcomings in the implementation of the programme and should ensure that money for the respective components of the programme are entrusted at the appropriate level of the three tiers of Panchayati Raj. Besides, the Government should ensure the uniformity of implementing authorities in respective States for proper utilisation of resources.

#### Reply of the Government

Lack of co-ordination between the implementing Departments had affected the NMBS which now stands transferred to the Ministry of Health & Family Welfare. As regards the non-submission of the UCs in time, the States and the District level implementing authorities concerned have and are being reminded for immediate necessary action.

Several State Governments have Schemes similar to the National Old Age Pension Scheme (NOAPS). However, any Social Security Scheme operated in the States/UTs with Central funds provided for the National Social Assistance Programme (NSAP) will carry the name of the appropriate component of the NSAP such as the National Old Age Pension Scheme/National Family Benefit Scheme.

The State Governments implement their Old Age Pension Schemes and other Social Security Schemes, through the Department(s) most suited for the same. The designated Department often varies from State to State. Since the States generally find it more convenient to implement the NOAPS through the State Departments which implement their own Old Age Pension Schemes, it has not been considered appropriate so far, to attempt uniformity of Implementing Authorities in all parts of the country in respect of NSAP Schemes.

The Ministry of Rural Development have taken due one of the suggestion, alongside examining the aspect on release of funds directly to the appropriate tier of the Panchayat Raj Institution.

[Ministry of Rural Development O.M. No. H-11020/5/2001-GC(P) Dated 31.8.2001, Department of Rural Development]

#### Recommendation (Para No. 3.73)

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

#### Reply of the Government

The Ministry agrees with the above views and is endeavouring to implement the Schemes in a manner that ensures benefits to the target group.

[Ministry of Rural Development O.M. No. H-11020/5/2001-GC(P)
Dated 31.8.2001, Department of Rural Development]

#### Recommendation (Para No. 3.74)

The Committee find that the guidelines in respect of identifying the destitute are not clear. As per the Government reply, the destitute is a person having little or no means of subsistence from his or her own sources of income or through financial support from family members or other sources. The words having 'little or no regular means' have not been specified and as such there is a great scope of misinterpretation for identifying a destitute. In view of this, the Committee recommend that the Government should clearly mention what they mean by little or no regular means of subsistence to avoid any confusion and to ensure that the benefits reach to the deserving persons.

#### Reply of the Government

The destitution criteria, as given in the Guidelines, are to ensure that the poorest of the poor get preference, in the selection process, for benefits under the NOAPS. In order to determine destitution, the criteria, if any, currently in force in States/UT, are also to be followed.

[Ministry of Rural Development O.M. No. H-11020/5/2001-GC(P) Dated 31.8.2001, Department of Rural Development]

#### Recommendation (Para No. 3.75)

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

#### Reply of the Government

The Ministry of Rural Development agree with the Committee on the need to have more publicity measures. It may be stated in this connection that the Ministry is taking steps to ensure that measures to improving awareness are intensified. The IEC campaign is being strengthened to focus better on different Programme including the National Social Assistance Programme.

[Ministry of Rural Development O.M. No. H-11020/5/2001-GC(P) Dated 31.8.2001, Department of Rural Development]

#### Recommendation (Para No. 4.20)

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

#### Reply of the Government

A proposal to finance the construction of 1 lakh additional houses for below poverty line rural households of earthquake affected Gujarat has been approved by the Government.

Accordingly to the IAY Guidelines, in areas frequented by natural calamities such as fire, flood, cyclones, earthquakes etc., incorporation of disaster resistant features in design are to be encouraged.

[Ministry of Rural Development O.M. No. H-11020/5/2001-GC(P) Dated 31.8.2001, Department of Rural Development]

#### Recommendation (Para No. 4.21)

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

The National Mission for Rural Housing & Habitat Development has been constituted to enable the induction of science and technology inputs on a continuous basis into the sector and providing convergence to technology, habitat and energy related issues with a goal to provide affordable shelter for all in rural areas within a specified time frame and through community participation.

Over time it is anticipated that it will emerge as the ideal platform the coordinate the efforts being made by different agencies.

[Ministry of Rural Development O.M. No. H-11020/5/2001-GC(P) Dated 31.8.2001, Department of Rural Development]

#### Recommendation (Para No. 4.22)

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

#### Reply of the Government

The recommendation of the Committee has been noted and is well taken.

[Ministry of Rural Development O.M. No. H-11020/5/2001-GC(P) Dated 31.8.2001, Department of Rural Development]

#### Recommendation (Para No. 5.12)

While the Committee have constituted a sub-Committee to examine in detail the progress in regard to implementation of Part IX and IX-A of the Constitution, the Committee urge the immediate action on the part of the Central Government and State Governments concerned to establish District Planning Committees as provided for in Article 243ZD and to ensure that, in keeping with the letter and spirit of the Constitution, drafting of the 10th Five Year Plan is based on District Plans coming from the PRIs and the Municipalities. The Committee are concerned to learn that attempts are being made to amend the State Panchayati Raj legislation in ways which would not be in conformity with the Constitutional provisions. The Committee stress that the Ministry of Rural Development shall take cognizance of such attempts so as to forestall any violation of constitutional provisions. Where any violation of Constitutional provision takes place, the Government should take pro-active recourse to litigation in the Supreme Court.

The observations of the Committee relating to constitution of DPCs have been noted. Despite the passage of 8 years, many States are yet to constitute the DPCs. Only ten States, Haryana (only in 3 district) Karnataka (in 10 districts), Kerala, Madhya Pradesh, Rajasthan, Sikkim, Tamil Nadu, Uttar Pradesh and West Bengal and ten UTs namely, A&N Islands and Daman & Diu have constituted DPCs. Even most of these DPCs, wherever these have been constituted, are not functioning, keeping with the letter and spirit of the Constitution. The Ministry of Rural Development has been taking up the matter with the State Governments concerned as and when any violation of the provisions of the Constitution (73rd Amendment) Act, 1992 comes to the notice of this Ministry. This Ministry had already intervened in a number of Court cases involving Panchayati Raj. In other cases, this Ministry had taken up the matters with the Chief Ministers concerned for early rectification.

[Ministry of Rural Development O.M. No. H-11020/5/2001-GC(P) Dated 31.8.2001, Department of Rural Development]

#### Recommendation (Para No. 5.18)

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

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

#### Reply of the Government

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

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Dated 31.8.2001, Department of Rural Development]

#### Recommendation (Para No. 5.21)

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

The present position of constitution of SFCs given as under. Most of the States constituted their State Finance Commission. However, there was either delay in constitution of SFC or SFC took a longer period of time than anticipated in submitting their reports or some State Governments took a long time in accepting the recommendation Barring Bihar, most of the States and UTs have received the recommendations of the State Finance Commission. These States/UTs have accepted the recommendations of SFC either partially or substantially. The State Govt. of Sikkim has accepted recommendations of SFC but necessary orders are yet to be issued whereas the State Govt. of Gujarat and Goa are yet to accept such recommendations. In the case of UTs of Andaman & Nicobar Islands, Daman & Diu, Dadra & Nagar Haveli and Lakshadweep, the recommendations of the Finance Commission have been accepted by the Ministry of Home Affairs. The Report alongwith Action Taken Notes is proposed to be laid in the Parliament during the ensuing Session. The recommendations of these SFCs will be reviewed and the Committee will be appraised the outcome of it.

A Conference of the State Ministers of Panchayati Raj was held on 11th July, 2001. It was decided to constitute a Task Force comprising senior officers of the Ministry of Rural Development having representation from the State Governments to suggest the manner of transfer of functions by 31.8.2001 and the States/UTs will devolve functions upon PRIs in respect of the subjects listed in the XI Schedule and issue detailed executive instructions devolving specific and substantial executive powers upon each tier of Panchayats by 31st March, 2001.

[Ministry of Rural Development O.M. No. H-11020/5/2001-GC(P) Dated 31.8.2001 Department of Rural Development]

#### Recommendation (Para No. 5.24)

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

The observations of the Committee have been noted. Vide letter dated 18th June, 2001 addressed to all the Chief Ministers/Administrators, the Minister of Rural Development emphasized to facilitate early constitution of DPCs by the States/UTs concerned. In the Conference of the State Ministers of Panchayati Raj held on 11th July, 2001, the matter relating to the constitutions of DPCs was also discussed. The Conference taking note of the poor progress in setting up of DPCs in most of the States/UTs, recommended that DPCs should be constituted by the end of 2001. The Ministry of Urban Development was also invited to attend this Conference.

[Ministry of Rural Development O.M. No. H-11020/5/2001-GC(P)
Dated 31.8.2001 Department of Rural Development]

#### Recommendation (Para No. 5.26)

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

#### Reply of the Government

The valuable suggestion of the Committee is highly appreciable. *Vide* letter dated 18th June, 2001 addressed to all the Chief Ministers of States and Administrators of UTs, the Minister of Rural Development requested to identify voluntary groups/institutions (like Voluntary Technical Corps in Kerala) to provide services, training and support for effective implementation of programmes at the local level.

[Ministry of Rural Development O.M. No. H-11020/5/2001-GC(P)
Dated 31.8.2001 Department of Rural Development]

#### CHAPTER III

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

#### Recommendation (Para No. 2.18)

While noting that the results of the recent survey done by the National Sample Survey Organisation (NSSO) regarding the persons living below the poverty line have arrived, the Committee would like to be apprised of the details of the said survey State-wise. Besides, the details of the criteria adopted by NSSO during the survey may also be explained. While going through the information furnished by the Government as given in the preceding paras, the Committee find a contradictory position. On the one hand the Secretary during the course of oral evidence has admitted that the two methodologies adopted by NSSO during 1993-94 and 1999-2000 being different, are not comparable on the other hand the Government in their replies have mentioned that the number of poor has come down from 24.40 crore in 1993-94 to 19.32 crore in 1999-2000 and their proportion has been reduced from 37.37 percent to 27.09 per cent. The Committee caution that in the absence of comparability, it would not be ethical or statistically correct to make definite claims about the trends of poverty alleviation.

#### Reply of the Government

The National Sample Survey Organisation (NSSO) do not estimate poverty. The NSSO carries out household consumer expenditure surveys. The data collected in the large sample surveys of the household consumer expenditure are used by the Planning Commission to estimate the incidence of poverty at National and State level.

The methodology of estimation of poverty in 1993-94 and 1999-2000 is same. However, there is some change in the method of data collection in the NSS consumer expenditure survey of 1999-2000, as compared to the 1993-94.

[Ministry of Rural Development O.M. No. H-11020/5/2001-GC(P) Dated 31.8.2001 Department of Rural Development]

#### Recommendation (Para No. 3.70)

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

#### Reply of the Government

The NMBS now stands transferred to the Ministry of Health & Family Welfare, after the Committee of Group of Ministers (GOM) on Population in its Second Meeting to consider the National Population Policy (on 15.6.1999) indicated that the National Maternity Benefit Scheme (NMBS) could be assigned to the Department of Family Welfare (Ministry of Health & Family Welfare) to become part and parcel of the Population Stabilisation Programme. The Planning Commission intimated the decision of the Committee of GOM in July, 1999. The Department of Family Welfare is also the nodal Department for Healthcare and Family Welfare Programmes of Mother and Child-

[Ministry of Rural Development O.M. No. H-11020/5/2001-GC(P)
Dated 31.8.2001 Department of Rural Development]

#### Recommendation (Para No. 4.13)

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

The Equity support to HUDCO to the extent of Rs. 350 crore is based upon the Action Plan for Rural Housing which has approval of the Government *i.e.* Rs. 350 crore will be released towards HUDCO's equity by the Ministry of Rural Development. In pursuance of this decision Rs. 50 crore, Rs. 150 crore and Rs. 100 crore was released to HUDCO in 1998-99, 1999-2000 and 2000-2001 respectively. The balance of Rs. 50 crore is slated for release in 2001-2002.

As per reports received from HUDCO 634638, 611302, 479578 (till 31.1.2001) dwelling units have been assisted in 1998-99, 1999-2000 and 2000-2001 respectively.

[Ministry of Rural Development O.M. No. H-11020/5/2001-GC(P) Dated 31.8.2001 Department of Rural Development]

#### CHAPTER IV

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

#### Recommendation (Para No. 2.7)

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

The Committee are informed that the Government have introduced Food for Work Programme as a temporary measure to meet the current drought situation in certain States, while appreciating such a move the Committee would like to know the details of programme chalked out under the scheme and the strategy worked out so that the benefits reach the needy with adequate safeguards to ensure that funds are not diverted or remain confined in the officers. Moreover, given the huge stock available with Food Corporation of India (FCI), the Committee urge that 'Food for Work Programme' should be made permanent programmes instead of a temporary measure applicable in all DPAP and DDP, areas affected by natural disasters and other areas where there is a demand from State Governments. In this regard, the Committee request that Planning Commission should be requested to provide adequate outlay for the purpose.

The Ministry of Rural Development undertake regular review meeting in consultation with the State Governments at the highest level with view to understand the reasons for under-utilisation of funds allocated under various schemes such as SGSY and IAY, in particular. The Minister (RD) himself, accompanied by Senior Officers of the Ministry has been taking review meetings with the Chief Ministers and Senior Officers of the State Governments during which the performance of various schemes is reviewed in great details and measures suggested for better utilisation of funds and reducing the Opening Balance under various schemes.

In addition, the Performance Review Committee under the Chairmanship of Secretary (RD) and consisting of representatives form Planning Commission, Ministry of Finance, Ministry of Environment and Forest, Department of Programme Implementation also undertake periodic review of the progress of implementation of various schemes, and suggest corrective steps wherever required.

[Ministry of Rural Development O.M. No. H-11020/5/2001-GC Dated 31.8.2001 Department of Rural Development]

#### Comments of the Committee

(Please see Paragraph No. 6 of Chapter I of the Report)

#### Recommendation (Para No. 2.11)

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

According to the latest information available, the total mandays of employment generated is 2055.48 lakh mandays during 2000-2001 on the basis of Progress Reports received from 18 States and 2 UTs. The defaulting States/UTs are being remained at regular intervals to submit the complete progress report forthwith so that a final picture of total employment generation during 2000-2001 becomes clear. The final picture will emerge when all the Monthly Progress Reports for March, 2000 are received. The defaulting States have also been warned that further release of funds under the EAS would depend on submission of pending reports. As regard utilisation of funds under the EAS, it may be clarified that 2nd instalment of funds is released only after the concerned district has utilised minimum prescribed percentage of 60% as per the guidelines and submits the requisite documents.

During 2000-01 and 2001-02, the Food for Work Programme is being implemented in drought affected States under the EAS. A High Powered group of Ministers has been constituted, which regularly monitors the implementation of this programme. Group of Ministers, in its meeting held on 4.6.2001, has recommended to extend the programme upto September, 2001.

[Ministry of Rural Development O.M. No. H-11020/5/2001-GC(P)
Dated 31.8.2001 Department of Rural Development]

#### Comments of the Committee

(Please see Paragraph No. 9 of Chapter I of the Report)

#### Recommendation (Para No. 3.53)

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

The budgetary allocation of the Employment Assurance Scheme has been considerably reduced from the year 1999-2000. With the reduced allocation, it is not possible to provide assured employment of 100 days to all the beneficiaries of the EAS. Thus, owing to financial constraints the provision of 100 days' assured employment has been dropped. Since the programme is self-targeting in nature, the provision of registration of workers has also been done away with. As the EAS has been restructured recently, i.e. w.e.f. 1.4.199, on the basis of recommendations of the High Powered Committee under Prof. Hashim, Member, Planning Commission, it will not be prudent to make any modification in the scheme so early.

[Ministry of Rural Development O.M. No. H-11020/5/2001-GC(P)

Dated 31.8.2001 Department of Rural Development]

#### Comments of the Committee

(Please see Paragraph No. 21 of Chapter I of the Report)

#### Recommendation (Para No. 4.11)

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

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

#### Reply of the Government

Each Rural Housing Scheme has a distinct identity and objective. The objectives of various Rural Housing Programmes are as under:

The Government of India is implementing Indira Awaas Yojana (IAY) since the year 1985-86 with an objective of providing assistance to rural Below Poverty Line members from the Scheduled Castes, Scheduled Tribes, families of servicemen of the armed and paramilitary forces killed in action, disabled persons, freed bonded labourers and other categories. Consistent with 73rd Amendment Act of the Constitution, Gram Sabhas have been empowered to select beneficiaries from amongst the eligible categories.

Indira Awaas Yojana - Conversion of Unserviceable Kutcha houses into Pucca/semi-pucca houses.

The Indira Awaas Yojana was restructured by earmarking 20% of the allocation for conversion of unserviceable kutcha houses to semi pucca/pucca category w.e.f. 1.4.1999.

#### Pradhan Mantri Gramodaya Yojana (Gramin Awaas)

The objective of PMGY (Gramin Awaas) is to introduce new initiative to accelerate performance in providing Basic Minimum Services in rural areas to promote the objectives of sustainable human development. The PMGY has five components Rural Housing, Primary, Health, Primary Education, Shelter, Drinking Water and Nutrition. Now a new sub component-Rural Electrification-has also been included.

#### Credit-cum-subsidy Scheme for Rural Housing

The Objective of Credit Cum Subsidy Scheme is to cover households (below the poverty line and above it) in the rural areas who have not been covered under Indira Awaas Yojana, as either they do not fall within the eligibility or due to the limits imposed by the available budget. On the other hand, due to limited repayment capacity these rural households cannot take benefit of fully loan-based schemes offered by some of the Housing Finance Institutions. The needs of this large majority is covered under Credit Cum Subsidy Scheme which is part-credit and part-subsidy based.

#### Innovative Stream for Rural Housing and Habitat Development

The objective of the Innovative Stream for Rural Housing and Habitat Development launched in 1999-2000, is to promote/propagate innovative and proven construction technologies, designs and materials in the rural areas for construction of cost effective houses and habitat development.

#### Rural Building Centres

The objective of the setting up of Rural Building Centres are:

- (i) Technology transfer
- (ii) Information dissemination
- (iii) Skill up-gradation through training
- (iv) Production of cost effective and environment friendly building components/materials etc.

#### Samagra Awaas Yojana

The objective of the Samagra Awaas Yojana launched in 1999-2000 is to improve the quality of life of the people and overall habitat in the rural areas. The Scheme specifically aims at providing convergence to activities, such as construction of houses, sanitation facilities and drinking water schemes and ensure their effective implementation by suitable and sustainable induction of technology, IEC and innovative ideas.

Thus, it is clear that each Rural Housing programme has its own distinctive feature and objective. Each scheme caters to a different client group. Thus while the Indira Awaas Yojana and the Pradhan Mantri Gramodaya Yojana (Gramin Awaas) cater to the rural BPL poor, the Credit Cum Subsidy Scheme for Rural Housing as its name suggests, is really meant for the slightly better off, who have some capacity to repay small loans. The Samagra Awaas Yojana specially aims to converge activities as diverse as housing, drinking water and sanitation in a single platform. The intention of the Rural Building centres Scheme is to create on institutional back up to facilitate technology transfer and for production of cost effective and environment friendly building materials, technologies and design, while under the Innoviate Stream, Projects having potential demonstrable and replaceable value are being funded. Thus while some of the Rural Housing schemes are project based others are allocation driven. Even the Pradhan Mantri Gramodaya Yojana (Gramin Awaas) and the Indira Awaas Yojana which are analogous in nature, cannot be merged, since funding/release pattern of the two schemes are totally different.

[Ministry of Rural Development O.M. No. H-11020/5/2001-GC(P) Dated 31.8.2001 Department of Rural Development]

#### Comments of the Committee

(Please see Paragraph No. 24 of Chapter I of the Report)

#### Recommendation (Para No. 5.6)

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

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

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

#### Reply of the Government

The Ministry of Rural Development have time and again advised the State Governments to suitably instruct all concerned agencies to ensure full involvement of Members of Parliament in the implementation of various schemes of the Ministry. The instructions in this regard were issued on April, 2, 1997 as follows:

- (i) To hold meeting of the DRDA Governing Body regularly, and fix, as far as possible, such meetings at a time when Parliament would not be in session.
- (ii) To ensure that the MPs are invited to attend such meetings by giving sufficient advance notice.
- (iii) To extend all proper courtesies to MPs when they come to attend the meting of DRDA Governing Body and to ensure that their views are given due importance.

(iv) To ensure that proposals submitted by MPs, are duly included in the agenda notes and that the minutes of the meetings reflect fully the suggestions made by PMs.

Thereafter, vide letter dated 30th September, 1998 the then Hon'ble Minister (RA &E) has reiterated the Ministry's stand in this regard. A detailed letter dated 26th August, 1998 was issued by Secretary (RD) to the State Chief Secretaries, stressing the need to follow the instructions in this regard. A similar letter dated 4th April, 2000 was issued by Secretary (RD) to the Chief Secretaries emphasizing the need to follow the instructions in this regard so as to ensure that the MPs participate meaningfully in the implementation of anti-poverty programmes.

[Ministry of Rural Development O.M. No. H-11020/5/2001-GC(P) Dated 31.8.2001 Department of Rural Development]

#### Comments of the Committee

(Please see Paragraph No. 27 of Chapter I of the Report)

# CHAPTER V

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

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New Delhi; 7 March, 2002 16 Phalguna, 1923 (Saka) ANANT GANGARAM GEETE
Chairman,
Standing Committee on
Urban and Rural Development.

#### APPENDIX I

#### COMMITTEE ON URBAN AND RURAL DEVELOPMENT (2002)

#### EXTRACT OF MINUTES OF THE THIRD SITTING OF THE COMMITTEE HELD ON WEDNESDAY, THE 27th FEBRUARY, 2002

The Committee sat from 1500 hrs. to 1720 hrs. in Committee Room 'E', Basement, Parliament House Annexe, New Delhi.

#### PRESENT

Shri Anant Gangaram Geete — Chairman

#### MEMBERS

#### Lok Sabha

- 2. Shri Ranen Barman
- 3. Shri Haribhai Chaudhary
- 4. Shri Shriram Chauhan
- 5. Shri Shrichand Kriplani
- 6. Shri Bir Singh Mahato
- 7. Shri Savshibhai Makwana
- 8. Shri Chandresh Patel
- 9. Shri Laxmanrao Patil
- 10. Shri Nikhilananda Sar
- 11. Shri D.C. Srikantappa
- 12. Shri V.M. Sudheeran

#### Rajya Sabha

- 13. Shrimati Shabana Azmi
- 14. Ven'ble Dhammaviriyo
- 15. Shri H.K. Javare Gowda
- 16. Shri Maurice Kujur
- 17. Shri Faqir Chand Mullana
- 18. Shri Onward L. Nongtdu
- 19. Shri Solipeta Ramachandra Reddy
- 20. Shri Devi Prasad Singh

#### SECRETARIAT

l. Shri S.C. Rastogi	_	Joint Secretary
2. Shri K. Chakraborty	_	Deputy Secretary
3. Smt. Sudesh Luthra	_	Under Secretary

2. The Chairman at the outset, welcomed the members to the sitting of the Committee. The Committee then took up for consideration and adoption the following action taken reports:—

(i)	***	***	***	***
(ii)	***	***	***	***
(iii)	***	***	***	***
(iv)	***	+++	***	***

(v) Draft report on the action taken by the Government on the recommendations contained in the 25th Report (13th Lok Sabha) on Demands for Grants (2001-2002) of the Department of Rural Development (Ministry of Rural Development).

The aforesaid report was adopted by the Committee with certain modifications as indicated in Annexure.

3. The Committee then authorised the Chairman to finalise the said draft action taken report on the basis of factual verification from the concerned Ministry/Department and to present the same to Parliament.

4. \*\*\* \*\*\* \*\*\*

The Committee then adjourned.

<sup>\*\*\*</sup> Relevant portions of the minutes not related to the subject have been kept separately.

[See Para 2 (v) of the Minutes dated 27.2.2001]

Sl. No.	Page No.	Para No.	Line No.	Modifications	
1	2	3	4	5	
1.	24	24	_	For existing para substitute the following:	

"The Committee find that, the Government's reply, though detailing various schemes run by them, is silent about the main issued raised in their earlier recommendation. The Committee have repeatedly been recommending for merger of all the housing schemes being implemented in rural areas. Instead of addressing the main issue, the Government have furnished the routine reply. The Committee deplore the casual attitude of the Government towards their recommendation and would like the categorical reply of the Government at an early date."

## APPENDIX II [Vide Para 4 of the Introduction]

ANALYSIS OF THE ACTION TAKEN BY THE GOVERNMENT ON THE RECOMMENDATIONS CONTAINED IN THE TWENTY FIFTH REPORT OF THE STANDING COMMITTEE ON URBAN AND RURAL DEVELOPMENT (THIRTEENTH LOK SABHA)

I.	Total number of recommendations	38
П.	Recommendations that have been accepted by the Government (Para Nos. 2.10, 2.17, 2.23, 2.24, 3.10, 3.11, 3.19, 3.2 3.22, 3.30, 3.35, 3.44, 3.45, 3.46, 3.47, 3.54, 3.55, 3.73 3.72, 3.73, 3.74, 3.75, 4.20, 4.21, 4.22, 5.12, 5.18, 5.23 5.24 and 5.26)	ι,
	Percentage to the total recommednations	(78.95%)
Ш.	Recommendations which the Committee do not desire to pursue in view of the Government's replies (Para Nos. 2.18, 3.70 and 4.13)  Percentage to the total recommendations	(7.89%)
IV.	Recommendations in respect of which replies of the Government have not been accepted by the Committee (Para Nos. 2.7, 2.11, 3.53, 4.11 and 5.6)	5
	Percentage to the total recommendations	(13.16%)
V.	Recommendations in respect of which final replies of the Government are still awaited	Nil