

PART II

RATIONALISATION OF THE FUNCTIONS, ACTIVITIES AND STRUCTURE OF THE MINISTRY OF RURAL DEVELOPMENT

Rationalisation of the functions, activities and structures of the Ministry of Rural Development

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Ministry of Rural Development

1. *Executive Summary*

Department of Rural Development

1.1 The attempt, every few years, at giving a new thrust to the people oriented programmes has resulted in there being a large number of plan schemes. In a Paper prepared in the Planning Commission last year, the number of schemes being implemented in one district is placed at 150! The resultant fragmentation of allocations leads to funds available under individual schemes having to be spread too thinly over a large section of the population. The implementation of these schemes through numerous agencies also increases the administrative overheads considerably. It will therefore be desirable particularly in areas like Agriculture and Rural Development which are in the State list to group these programmes in four or five broad categories, giving considerable freedom and flexibility to the States in the formulation as well as implementation of the schemes taking into account the requirements of each agro climatic regions in their States.

1.2 To the extent possible the funds earmarked for wage employment programmes should be utilised in conjunction with other programmes like village infrastructure programmes, soil conservation/water conservation programmes, wasteland development/afforestation and eco development programmes, etc. being implemented in the area. Such an approach will, on the one hand secure a larger coverage under these other land based productive programmes, while on the other hand maximise the number of beneficiaries under the wage employment programme.

1.3 The programmes for promoting self/group enterprises contain a large subsidy element. It is necessary to ensure that the benefit of the subsidy accrues to the beneficiary right at the beginning. It would help if the Ministry of Rural Development, and the Ministry of Agriculture are associated with the review/supervision mechanisms set up at the State/Regional levels so that they are able to pursue the cause of these small borrowers effectively.

1.4 Instead of directly releasing funds to the District Rural Development Agencies, Government of India could release the funds to the States (after all this is a State subject) requiring the State in turn to release the funds to the Panchayati Raj Institutions in accordance with the prescribed pattern. The Panchayati Raj Institutions should be set up and given greater responsibilities in the formulation of programmes as well as in implementation. The State Government's hierarchy of officials at the district and sub-district level could be utilised in the implementation process. Under such an arrangement there will be need for DRDAs to continue and the practice of Central Government setting apart substantial funds – Rs. 220 crore in the current year's budget - for meeting the DRDAs' overheads would also not arise. Instead the State Government could be authorised to utilise a part – say 5 to 10 per cent – of the funds allocated for rural development programmes for meeting the cost of the official hierarchy utilised for the implementation of these programmes. The adoption of this approach will lead to a considerable reduction in work load of the Department of Rural Development. In the circumstances, two posts of Joint Secretaries, out of the sanctioned strength of six, could be surrendered, along with the supporting staff complement.

1.5 Audit reports reveal substantial unspent balances being maintained by the district agencies with banks – as much as Rs.3000 crore as on 1.4.2000. Strict monitoring of the utilisation of funds is therefore called for. The release of funds for any quarter should take into account the utilisation of funds released upto two quarters earlier and the releases of State Government's contribution on the equal basis. If diversion or non-use of funds is seen, or if they are short falls in the State Government's contribution then that should be taken into account in determining the funds to be released in the new quarter. At no point of time should the money in the pipeline exceed one quarter's requirements. Government have already accepted the recommendation of the Eleventh Finance Commission that when a State Government is found to be in default in conducting panchayati raj elections or in devolving adequate powers to these bodies, then release of some funds could be held back. This decision taken in

the context of speeding up the process of democratic decentralization has great applicability in the case of the programmes of the Department of Rural Development. This aspect also be taken into account when deciding on release of funds to the States.

1.6 It will promote transparency if the programmes under implementation are given due publicity. Apart from increasing the awareness of the people in regard to the programmes being implemented for their benefit, this will also facilitate NGOs or other organisations, if they so wish to report to the State Governments and to the Centre on how these programmes are being implemented. The introduction of such a social audit would be more beneficial than any elaborate arrangements that could be put down for this purpose directly under the government. If necessary a small percentage of the allocations for these schemes could be earmarked for providing such publicity.

1.7 The three schemes – National Old Age Pension Scheme, National Family Benefit Scheme and the National Maternity Benefit Scheme - launched in 1995 cater to the targeted sections whether they live in rural or urban areas. The administration of such schemes, which cater to both rural and urban areas, does tend to dilute the focus of attention of this department from the problems of the rural poor. Recently the National Maternity Benefit Scheme has been transferred to the Ministry of Health and Family Welfare. Following this, the other two schemes could appropriately be transferred and vested in the Ministry of Social Justice and Empowerment. Likewise the implementation of the Annapoorna Scheme could also be vested in the Ministry of Social Justice and Empowerment.

Department of Land Resources

1.8 The need for separate Department of Land Resources can be justified only if it could

- (a) focus on the problem of degradation of land resources and the remedial measures that are urgently called for; and
- (b) implement various programmes already approved for restoring degraded lands to the earlier status – this will also include soil

conservation; catchment area treatment and water conservation programmes.

1.9 However in practice not much has happened in both areas. With a view to remedying the situation, the Expenditure Reforms Commission would therefore recommend the following:

- (i) To effectively handle all aspects of the problems of degraded lands, this department should also deal with catchment area treatment, soil and water conservation programmes etc., all of which help in restoring degraded land to the original status. The designation of this department therefore needs to be suitably changed to reflect this arrangement.
- (ii) Following programmes that are now implemented by the Department of Agriculture and Cooperation should be transferred to the new department:
 - (1) National Watershed Development Project for rainfed areas.
 - (2) Centrally Sponsored Scheme of Soil Conservation in Catchment of River Valley Projects.
 - (3) Centrally Sponsored Scheme of Soil Conservation in the catchment of flood prone rivers.
 - (4) Centrally Sponsored Scheme of Reclamation of Soil.
 - (5) Scheme of Watershed Development Project in shifting cultivation areas.
- (iii) The Western Ghat Development Project now being directly administered by the Planning Commission should also be transferred to this department. It is indeed anomalous that the Planning Commission should be vested with responsibility for direct implementation of any project.
- (iv) The officers and support staff sanctioned for administering these schemes in the Department of Agriculture and Cooperation and in the Planning Commission should be surrendered.

- (v) This department could be required to bring up for the consideration of the Committee of Secretaries and the Cabinet proposals from time to time for transfer of allied schemes now being implemented by other Ministries/departments to this department.
- (vi) Of the various high level bodies earlier set up it will be necessary to revive the National Land Use and Wasteland Development Council set up in 1985 under the Chairmanship of the Prime Minister and either the National Land Board or the National Land Resource Conservation and Development Commission set up under the Chairmanship of the Ministry of Agriculture and Rural Development. The focus as well as membership on both bodies would need to be suitable redefined. The Board to be presided over by the Minister for Agriculture/Rural Development could include as Members, the Secretaries of various department like Agriculture, Rural Development, Drinking Water Supply, Water Resources, Urban Development, Environment and Forests etc. and could meet once a quarter to bring about greater convergence in the implementation of all programmes which seek to address somewhat similar issues. The National Council headed by the Prime Minister could oversee the functioning of not only this Board but also the National Afforestation and Eco Development Board (NAEB) located in the Ministry of Environment and Forests. The National Council could meet at least once in six months. The Department of Land Resources could service both the Council to be presided by the Prime Minister and the Board to be presided by the Minister for Agriculture/Rural Development.
- (vii) The wasteland development programmes would get enlarged substantially, if as suggested earlier, the funds set apart for this programme are utilized mostly for the material component and the Wage Employment Programme of the Department of Rural Development is accessed for the wage component part. It would

therefore be desirable to revive the National Wasteland Development Board to oversee the implementation of this programme.

- (viii) Government should take an early view on the appropriate placement of this department within the overall structure.
- (ix) If it is decided that the placement of this department should be outside the Ministry of Rural Development then it will be necessary that the first six items in the list of functions now allocated to this department and which rely on land reforms continue to remain with the Ministry of Rural Development. These functions have necessarily to be viewed from the angle of addressing the problems of rural people particularly the poor and the disadvantaged sections.

Department of Drinking Water Supply

1.10 Coordination of matters relating to drinking water supply in urban and rural areas is one of the functions entrusted to this department. The centrally sponsored scheme for provision of drinking water supply now being implemented by the Department of Urban Development caters to small towns with a population of less than 20,000 only. The benefits for the people could be optimized if the drinking water supply requirements of such small towns and those of the adjoining villages are addressed in an integrated manner. It is therefore recommended that this scheme for the provision of drinking water in small towns of less than 20,000 be transferred to the Department of drinking water supply so as to bring about better coordination. The officers and staff sanctioned for implementing these schemes in the Department of Urban Development should be surrendered.

1.11 While the demands for replacement, improvement of the facilities already created and coverage of new habitations have to be addressed, it will be necessary to sharpen the focus on non-covered habitations (26121) and partially

covered habitations (213331) so that this coverage could be achieved in a time bound manner. It is therefore recommended that in the allocation of funds to the States, the weightage for non-covered habitations and partially covered habitations should be increased.

Other Organisations

Council for Advancement of People's Action and Rural Technology

1.12 CAPART's balance sheet reveals a total bank balance of Rs.55 crore as on 31.3.2001. The arrangements should be such as to allow for no more than 3 months funds requirement to remain in the pipeline. It is therefore recommended that these surplus cash balances be closely scrutinized and amounts in excess of the three months requirements be taken back into the public account.

1.13 The administrative expenditure as a proportion of the total project expenditure has sharply increased from 13% in 1995-96 to 26% in 1998-99. There has been some reduction (to 23.18%) in 1999-2000. The Ministry of Rural Development should look into this aspect and in consultation with CAPART evolve procedures that will reduce it considerably.

1.14 Apart from seeking to effect economies in the expenditure in the staff and on the procedures one other way of reducing the burden on Government would be for CAPART to undertake similar work on behalf of the private sector as well. Private sector entities are entitled to certain tax concessions if it contributes funds to the National Fund for Rural Development. Perhaps a mechanism could be devised whereby private sector undertakings could make funds available directly to CAPART for development rural projects to be implemented through suitable NGOs, adopting the same screening and implementation procedures as in the case of the government funded programmes. The certification by CAPART of the moneys so spent could form the basis for tax concessions to be given by the government.

1.15 While CAPART undoubtedly benefits through the nomination in the General Body and Executive Committee of distinguished persons actively associated with NGOs in the country, it would be desirable if representatives of

'beneficiary' NGOs are not appointed on the Regional Committees. This approach will help to obviate possible conflict of interest/situations.

1.16 Once the volume of programmes implemented by CAPART with non-governmental funding exceeds 50%, CAPART could be formally advised to devise its own administrative and financial procedures and the ministry's representation on CAPART could be done away with.

National Institute of Rural Development

1.17 NIRD should seek to become a centre of excellence, focusing more on policy advise and training of trainers and giving support to State/Regional training centres, rather than itself take up too many training programmes. A memorandum of understanding should be entered into by NIRD with the government detailing the manner in which its dependence on government funding for recurring expenditure would be reduced to less than 50%. At that stage NIRD could be freed from all government controls and government procedures. A time bound programme, say a three year plan, needs to be drawn up to reduce the non-academic and support staff strength and for improving the academic to non-academic ratio.

2. *Historical Overview*

2.1 An organization with the name of Community Projects Administration was set up under the Planning Commission on 31st March 1952 to administer the programmes relating to Community Development covering 165 blocks in different parts of the country. The Community Projects Administration was elevated to the status of the Ministry of Community Development with effect from 20th September 1956. This ministry took over the work relating to village panchayats from the Ministry of Health in March 1958. In December 1958, the subject of Cooperation was transferred to this ministry from the Ministry of Food and Agriculture and, thereafter, it was renamed as the Ministry of Community Development and Cooperation. It became the Ministry of Community Development, Panchayati Raj and Cooperation in April 1962 but within a short period, it was redesignated as the Ministry of Community Development and Cooperation. In January 1966, the

Ministry of Community Development & Cooperation was merged with the Ministry of Food and Agriculture and renamed as the Ministry of Food, Agriculture, Community Development and Cooperation.

2.2 The Department of Rural Development came into existence in October 1974 as a part of the Ministry of Food & Agriculture. The subject of Cooperation (except Cooperative Credit) was transferred to the Department of Civil Supplies & Cooperation. At the same time, special programmes known as the Small Farmers Development Agency, the Drought Prone Areas Programme, the Agricultural Credit and Marketing including the attached office of the Directorate of Marketing & Inspection, were transferred to this department. The department was elevated to the status of a new Ministry of Rural Reconstruction in August 1979. The subjects of agricultural credit and cooperative credit were transferred to the Department of Agriculture and Cooperation, under the Ministry of Agriculture and other subjects of the erstwhile Department of Rural Development were given to the new Ministry of Rural Reconstruction. It was renamed as the Ministry of Rural Development in January 1982.

2.3 In January 1985, the Ministry of Rural Development was again converted into a department under the Ministry of Agriculture and Rural Development, which was later re-christened as the Ministry of Agriculture in September 1985. The subjects of Rural Water Supply and Rural Sanitation were transferred from the Ministry of Urban Development to the Department of Rural Development in 1985. On July 5, 1991, the department was upgraded as the Ministry of Rural Development. Another department, namely, the Department of Wastelands Development was created under this ministry in July 1992.

2.4 In March 1995, the ministry was renamed as the Ministry of Rural Areas and employment with three departments, namely, the departments of Rural Employment and Poverty Alleviation, Rural Development and Wastelands Development. In 1999 it was again renamed as the Ministry of Rural Development with three departments – Rural Development, Drinking Water Supply, and Land Resources. This is as it stands today.

3. Evolution of Programmes and Schemes

a. Programmes of Self Employment

3.1 During the Sixth Five year Plan, the concept of direct attack on poverty became an integral part of the approach of this department in 1978-79. The earlier special programmes for small and marginal farmers (SFDA, MFAL) were converted into an Integrated Rural Development Programme (IRDP) in April 1978. This programme for self-employment generation through income-generating assets with subsidy and institutional credit. was initially introduced in 2500 blocks. The programme was extended to all the blocks in the country with effect from 2nd October, 1980.

3.2 Two supporting sub-programmes of IRDP, namely, Training of Rural Youth for Self-Employment and Development of Women and Children in Rural Areas were launched after mid-term appraisal of the Sixth plan in 1979 and 1982, respectively. A programme aimed at upgrading the skills of artisans in the rural areas and supplying them with modern and improved toolkits was introduced in 1992.

c. Programmes of Wage Employment

3.3 A Food for Work Programme was introduced in 1977, which got converted into the National Rural Employment Programme (NREP) during the Sixth Five Year Plan in 1980. This was followed by introduction of the Rural Landless Employment Guarantee Programme (RLEGP) in 1983 to provide a minimum of 100 days gainful employment to unemployed and under employed persons, both men and women, in the rural areas during the lean season. From April 1989, both NREP and RLEGP were merged into a single rural employment programme of Jawahar Rozgar Yojana (JRY). Considerable resources were committed for these programmes and they became an important plank of the strategy of growth with social justice.

3.4 Another programme of rural employment, namely, the Employment Assurance Scheme (EAS) was introduced on October 2, 1993 in 1778 identified

backward blocks of 257 districts situated in drought prone areas, desert areas, tribal areas and hill areas, in which the Revamped Public Distribution System (RPDS) was in operation. This was to bring employment into a sharper focus with the goal of reducing unemployment to a negligible level and to provide gainful employment during the lean agricultural season to all able bodied adults in rural areas, who are in need and who are desirous of work, but cannot find it, either on farm or on other allied operations or on the normal plan/non-plan works during such .By 1996-97, EAS was in operation in 3197 identified backward blocks.

3.5 The Million Wells Scheme (MWS) was launched as a sub-scheme of NREP/RLEGP during 1988-89 and was continued under JRY to provide open irrigation wells, free of cost, to poor small and marginal farmers belonging to SC/ST and to freed bonded labourers. It has been made a separate scheme from January 1996. The scheme has been extended in 1993-94 to include poor small and marginal farmers belonging to non-SC/ST categories with a ceiling of 1/3rd MWS allocation for such people. The rural housing scheme of Indira Awas Yojana (IAY) aimed at providing dwelling units, free of cost, to the members of SC/ST and freed bonded labourers in rural areas was started in 1985-86 as a part of RLEGP. It was continued under JRY since 1989-90. It has been made a separate scheme from January 1996.

3.6 Ganga Kalyan Yojana, a new centrally sponsored scheme was launched in February 1997 to help poor farmers by providing irrigation through exploitation of ground water (bore wells and tube wells). Individuals/ groups consisting of small and marginal farmers below poverty line were to be assisted through subsidy by Government and credit by financial institutions.

d. Rural Water Supply and Sanitation

3.7 In 1985, the subjects of Accelerated Rural Water Supply Programme and Central Rural Sanitation Programme were transferred from the Ministry of Urban Development to the Department of Rural Development and a technology Mission on Drinking Water Supply in rural areas was set up in 1987, with a view to providing potable drinking water to problem villages throughout the country.

e. *Wastelands and Area Development Programme*

3.8 A comprehensive programme to tackle degraded lands estimated to be nearly half of the total land area of the country, was first attempted in 1985 with the establishment of the National Wastelands Development Board (NWDB) under the Ministry of Environment and Forests. During the Seventh Five Year Plan period, the strategy adopted for the development of Wastelands was somewhat unidimensional with predominant emphasis on tree-planting activities. Realising the gravity of the ecological and socio-economic problems arising out of land degradation and the urgency of evolving and implementing integrated strategies for development of vast areas of Wastelands, a new Department of Wastelands Development was set up under the Ministry of Rural Development in July 1992. The NWDB was reconstituted in August, 1992, for the development of wastelands in non-forest areas aimed at checking land degradation, putting such wastelands in the country to sustainable use and increasing bio-mass availability specially fuel wood and fodder. Under the Integrated Wastelands Development Projects Scheme (IWDP) of NWDB, pilot projects are started aimed at integrated land management and Wastelands development based on village/micro-watershed plans, enhancing the content of people's participation in the wastelands development programme at all stages.

3.9 The Drought Prone Areas Programme (DPAP) and Desert Development Programme (DDP) are being implemented in selected areas for nearly 20 years to harness land, water and other natural resources on a watershed basis so as to mitigate the effects of drought and to achieve sustainable production of bio-mass including fuelwood and fodder for providing sustainable income generating activities to the rural poor of these areas. Three high level technical teams have reviewed these programmes so far. On the basis of these reviews, the areas have been reclassified or added and the programme contents modified. The latest high level technical team under Dr. Hanumantha Rao reviewed these programmes in 1994, and suggested changes in the classification of these areas and in the strategy for planning and implementation through enhanced peoples' participation and scientific integration of related programmes. On the basis of its

recommendations, the coverage of the DPAP has gone up from 627 to 945 blocks and of DDP from 131 blocks to 234 blocks in the country. Now common implementation guidelines have been designed for watershed development projects taken up under DPAP, DDP, IWDP and EAS. These provide for treatment, management and development of watersheds through people's proactive participation.

3.10 The Department of Wastelands Development was set up in the year 1992 for implementation of the following programmes

- (i) Integrated Wastelands Development Programme (IWDP)
- (ii) Investment Promotional Scheme (IPS)
- (iii) Technology Development, Extension and Training (TDET)
- (iv) Support to NGOs/VAs.
- (v) Wastelands Development Task force

With the formation of the Department of Land Resources, the erstwhile Department of Wasteland Development has now become the Wastelands Development Division in the new department.

3.11 The ministry is acting as the nodal agency to monitor and promote land reforms measures in the country. The ministry is implementing Centrally Sponsored Schemes to support revenue administration of the States / UTs. To improve and modernize land revenue administration, expedite land reforms measures and to enlarge the production base of the landless small and marginal farmers.

3.12 Land Reforms Division is also concerned with preparation of the draft National Policy on Resettlement and Rehabilitation of Project affected persons/families. The Plan Schemes of (1) Computerisation of Land Records; and (2) Strengthening of Revenue Administration and Updating of Land Records are also implemented by the Land Reforms Division.

f. National Social Assistance Programme

3.13 NSAP, a Centrally Sponsored Programme was launched from 15th August, 1995, to provide social assistance benefits to poor households in the case of old

age, death of breadwinner and maternity in the rural as well as urban areas, NSAP is the only programme with this ministry to cater to rural as well as urban areas. It includes three schemes: -

- a) National Old Age Pension Scheme
- b) National Family Benefit scheme
- c) National Maternity Benefit Scheme

4. *Department of Rural Development*

4.1 The subjects allocated to the Department of Rural Development are as under:

- (1) All matters relating to panchayati raj and panchayati raj institutions.
- (2) Nodal responsibility for all matters relating to the Minimum Needs Programme in rural areas in the field of elementary education, adult education, rural health, rural electrification and the nutrition programmes.
- (3) Cooperatives relatable to the items in this list.
- (4) All attached and subordinate offices or other organisations concerned with any of the subjects specified in this list.
- (5) All matters relating to rural roads including those under the Minimum Needs Programme in the rural areas.
- (6) Road works financed in whole or in part by the Central Government in tribal areas of Assam specified in Part I and Part II of the Table appended to paragraph 20 of the Sixth Schedule to the Constitution.
- (7) All matters relating to cooperation with the Centre for Integrated Rural Development for Asia and Pacific (CIRDAP) and the Afro-Asian Rural Reconstruction Organisation (AARRO).
- (8) (a) All matters pertaining to rural employment or unemployment such as working out of strategies and programmes for rural

employment including special works, wage or income generation and training related thereto;

- (b) Implementation of the specific programmes of rural employment or unemployment and administrative infrastructure therefore.
 - (c) Micro level planning related to rural employment or unemployment and administrative infrastructure therefore.
- (9) Integrated rural development including small farmers development agency, marginal farmers and agricultural labourers, etc.
- (10) Rural housing including Rural Housing Policy and all matters germane and incidental thereto under country or rural planning, in so far as it relates to rural areas.

4.2 This department is headed by a Secretary and 6 Joint Secretaries, has a total staff strength of 550. A Financial Adviser in the rank of an Additional Secretary provides financial advice to all three departments of this ministry. The organisational chart of this department is at Annex-II.

4.3 This ministry has a total plan outlay of Rs. 9205 crore spread over 23 schemes. The details of some of these schemes are set out in the succeeding paragraphs.

(i) Swarn Jayanti Gram Sewa-Rozgar Yojana

4.4 To begin with, IRDP (Integrated Rural Development Programme) was the only self-employment programme. Over the years, however, a number of programmes have been added. These include Training of Rural Youth for Self-Employment, Development of Women and Children in Rural Areas, Supply of Improved Toolkits of Rural Artisans and Ganga Kalyan Yojana.

4.5 Though all these programmes were intended to promote self-employment opportunities for the rural poor. This objective was not being effectively realized because of multiplicity of programmes, resulting in a lack of desired linkages among these programmes. It was therefore decided in 1999 that IRDP should be the single self-employment programme, and also that the predominantly

individual beneficiary approach should be combined with a group approach as well as identification of activity clusters for concerted action. According a new programme Swarn Jayanti Gram Sewa Rojgar Yojana (SGSY) come into effect.

4.6 There is now a single Self-employment programmes for the rural poor with the merger of Integrated Rural Development Programme and its sub schemes of Training of Rural Youth for Self Employment, Development of Women & Children in Rural Areas, Ganga Kalyan Yojana and Supply of Improved Toolkits to Rural Artisans. In addition, the Million Wells Scheme, which is a beneficiary oriented scheme resulting in creation of assets, would become an integral part of the Self-employment programme. The Self-employment programme has been renamed as SGSY and has been started from 1.4.99.

4.7 The outlay earmarked for this scheme in the current year is Rs.700 crore. The funds are allocated to the States on a ratio of 75:25 as between the Centre and the States.

(ii) Jawahar Gram Samridhi Yojana

4.8 Jawahar Rozgar Yojana was launched in the year 1989 by merging the Rural Landless Employment Guarantee Programme and the National Rural Programme. The primary objective of JRY was to provide additional gainful employment to the unemployed and under-employed and the secondary objective was to create durable community assets. The prescribed wage material ratio for works to be taken up under the programme was 60:40.

4.9 Two more schemes i.e. an intensified JRY and another called Innovative JRY were introduced from 1993-94. Intensified JRY was implemented in 120 most backward districts of the country and Innovative JRY was implemented by taking up innovative & special projects in the most backward areas, which were not covered by on-going rural development programmes. On the basis of experience gained, the scheme was again restructured and streamlined from 1.1.1996 when the innovative JRY scheme was merged with the Employment Assurance Scheme (EAS) and the two sub-schemes of JRY i.e. Indira Awaas

Yojana and Million Wells Schemes were made separate and independent schemes.

4.10 Earlier the funds under JRY were allocated among the DRDAs/Zilla Parishads and Village Panchayats in the ratio of 20:80 respectively. In July 1996, it was decided to earmark 15% of the JRY funds for Intermediate level Panchayat organisations as well. Accordingly, funds were allocated to DRDA/ZP, Intermediate level Panchayats and village Panchayats in the ratio of 15:15:70 respectively.

4.11 Jawahar Rojgar Yojna has since been restructured and renamed as Jawahar Gram Samridhhi Yojna with a change in focus from employment generation to creation of rural infrastructure. The revamped programme came into being w.e.f. 1.4.99. The programme aims at creating need based rural infrastructure at the village level to boost rural economy in general and improvement in the quality of life in particular. Priority is given to developing infrastructure for SC/ST habitations, education and public health. It is now to be implemented by the Panchayats at the village level and is confined to the creation of rural infrastructure at the village level according to the felt needs of the people. Under this scheme the allocations are made to the States and the money is routed to the village panchayats through the DRDAs.

4.12 The total outlay for the JGSY in the current year is Rs.1725 crore. The funds are allocated in the ratio of 75:25 as between the Centre and the States.

(iii) Employment Assurance Scheme

4.13 The Employment Assurance Scheme (EAS) was introduced during 1993-94 and implemented in 1748 Blocks of the country covered under Revamped Public Distribution System. Later on, the Scheme was extended to other backward blocks and finally universalised from 1.4.1997. Thus both JRY and EAS were being implemented throughout the country. As both schemes had the common objective of creation of wage employment in the rural areas, these were merged in 1998 as the Employment Assurance Scheme. EAS is now the single wage employment scheme and is in operation throughout the country. The

primary objective of the EAS is creation of additional wage employment through manual work for the rural poor living below the poverty line and the secondary objective is the creation of durable community, social and economic assets for sustained employment and development.

4.14 The outlay for this scheme in the current year is Rs.1300 crore. The funds are shared between Centre and the State in the ratio of 75:25. The funds are released to the DRDAs which in turn are required to transfer 70% of the funds to the Panchayat Samities and the remaining 30% of the funds to the Zila Parishads, which would utilise these funds in areas of distress. Funds are lapsable if not utilised within the year but with permission to carry forward only 15% as opening balance in the following year. Recently government has announced a new scheme titled Sampoorna Gram Vikas Yojana with an outlay of Rs.10,000 crore, of which half is to be in cash and the other half in the shape of food grains.

(iv) Indira Awas Yojna

4.15 Indira Awas Yojna (IAY) was started in May 1985 to meet the housing needs of the rural poor, as a sub-scheme of Jawahar Rojgar Yojna. From 1.1.1996 it is being implemented as an independent scheme. The objective is primarily to help construction of dwelling units and upgradation of existing unserviceable kuchha houses of members of SCs/STs, freed bonded labourers and also non-SC/ST rural poor below the poverty line by providing them with 100% grant. The provision for this scheme in the current year is Rs.1725 crore, with the funds being allocated in the ratio of 75:25 as between the Centre and the States. A credit-cum-subsidy scheme initiated w.e.f. 1.4.99 is now in operation to provide relief to rural households having an income of not more than Rs. 32,000. Subsidy is provided upto Rs. 10,000 per eligible household in plain areas and Rs. 11,000 in hilly/difficult areas.

4.16 Samagra Awas Yojana has been introduced with the aim of providing convergence to activities till now separately undertaken, such as house construction, sanitation, drinking water schemes and implementation with

suitable induction of technology, and innovative ideas. In the first phase, it is implemented in one block in each of 25 districts in 24 states and one district from amongst those selected for institutionalising community participation in rural water supply and sanitation programmes.

4.17 The innovative stream for Rural Housing and Habitat Development has been introduced from 1998-99 with a small portion of Rural Housing resources kept apart for implementation of special and innovative projects of rural housing and habitat development by education/ technical institutions, autonomous bodies, credible NGOs, autonomous societies, etc.

4.18 Rural Building Centres is another scheme launched in 1999-2000 for technology transfer, information dissemination, skill upgradation, production of cost effective and environment friendly maternal components. These can be set up by state govt, credible NGOs as well as other institutions with a maximum limit of central grant of Rs. 15 lakh for a center.

(v) National Social Assistance Programme

4.19 This programme came into effect from 15.8.1995. It is a Centrally sponsored programme with 100% Central funding to the States/UTs. It is a social assistance programme for poor households and represents a significant step towards the fulfillment of the directives principles in Article 41 and 42 of the constitution recognising the concurrent responsibility of the Central and State Govts. in the matter. The objective of the programme is to give financial assistance to old persons having little or no regular means of subsistence, to households below poverty line in case of death of the primary bread winner and to pregnant women of households below the poverty line. An outlay of Rs.635 crore has been set apart programme in the current year.

(vi) Annapoorna Scheme

4.20 The scheme aims at providing food security with supply of 10 kg. food grains per month, free of cost, to over 13 lakh senior citizens who are eligible for

old age pension but are not receiving it at present. An allocation of Rs.100 crore has been earmarked for the scheme in the current year.

(vii) Pradhan Mantri Gram Sadak Yojana

4.21 In 2000-01 a 100% funded scheme was announced with the objective of connecting all villages with more than 1000 population with good all weather road in three years and connecting villages with more than 500 population by the year 2007. A provision of Rs.2500 crore have been earmarked for this scheme in the current year. This is at present financed fully by a cess on High Speed Diesel. The programme is implemented through designated Executing Agencies in the districts and the funds are to be released to the concerned DRDAs by the state governments from the Additional Central Assistance indicated for the current year and by the central government directly from the next year.

(viii) Conclusions and Recommendations

4.22 The attempt, every few years, at giving a new thrust to the people oriented programmes has resulted in there being a large number of plan schemes. In a Paper prepared in the Planning Commission last year, the number of schemes being implemented in one district is placed at 150! At one level this leads to a fragmentation of the available funds to an extent where the benefits under the individual schemes are spread too thinly over a large population. As a result the benefits that accrue to the targeted sectors cannot be put on a sustainable basis in the medium or long term. At another, the implementation of these schemes through numerous agencies increases the administrative overheads considerably. Yet another point is that the increasing role of the Central Government, Ministries/ departments in the formulation as well as monitoring these programmes which results in undermining the responsibility as well as the interest of the State Governments in the formulation and implementation of these programmes. It will therefore be desirable to group these programmes in four or five broad categories, giving considerable freedom and flexibility to the

States in the formulation as well as implementation of the schemes taking into account the requirements of the different regions and sub regions of the State. This approach will be particularly necessary in areas like agriculture, rural development, etc. which figure in the State List.

4.23 As far as the Department of Rural Development is concerned, the three broad areas covered are, (a) wage employment (b) self/group enterprises (c) rural infrastructure. It will be desirable to utilise, to the extent possible the funds earmarked for wage employment programmes in conjunction with other programmes approved for implementation in the same local areas, like village infrastructure programmes, soil conservation/water conservation programmes, wasteland development/afforestation and eco development programmes, etc. Such an approach will, on the one hand secure a larger coverage under these various other land based productive programmes, while on the other hand maximising the number of beneficiaries under wage employment.

4.24 The programmes for promoting self/group enterprises contain a large subsidy element. But the process of routing the funds in combination with loans given by banks or cooperative credit institutions results in the beneficiaries not getting the benefit of the subsidy almost till the end. Some arrangements have recently been put in place to ensure that the benefit of the subsidy accrues to be beneficiary at a much earlier stage. These arrangements need to be closely monitored. A related issue is the rigidities in the lending procedures. While large borrowers can take up the issue at the higher levels of the banks, the small borrowers at the village level have no such access. It would help if the Ministry of Rural Development, and the Ministry of Agriculture are associated with the review/supervision mechanism set up at the State/Regional levels so that they are able to pursue the cause of these small borrowers more efficiently.

4.25 The Panchayati Raj Institutions – Zila Parishads, Panchayat Samities and Panchayats – set up in 1957 have seen major ups and downs over the last four decades. The 73rd Amendment of the Constitution has given these institutions statutory status and a greater role in the formulation and implementation of programmes in their areas. Even so the process of devolution of financial and

administrative functions has been rather uneven across the States. It is in recognition of this fact that the Eleventh Finance Commission had recommended, and the Government have accepted, that when a State Government is found to be in default in conducting Panchayati Raj elections or in devolving adequate powers to these bodies, then release of funds could be held back.

4.26 In the circumstances a better approach than Government of India directly releasing funds to the District Rural Development Agencies (DRDAs) would be to release the funds to the States (after all this is a State subject) requiring the State in turn to release the funds to the Panchayati Raj Institutions in accordance with the prescribed pattern. The Panchayati Raj Institutions should be set up and given greater responsibilities in the formulation of programmes as well as in implementation. The State Government's hierarchy of officials at the district and sub-district level could be utilised in the implementation process. Under such an arrangement there will be need for DRDAs to continue and the practice of Central Government setting apart substantial funds – Rs. 220 crore in the current year's budget - for meeting the DRDAs' overheads would also not arise. Instead the State Government could be authorised to utilise a part – say 5 to 10 per cent – of the funds allocated for rural development programmes for meeting the cost of the official hierarchy utilised for the implementation of these programmes. The adoption of this approach will lead to a considerable reduction in work load of the Department of Rural Development. In the circumstances, three posts of Joint Secretaries, out of the sanctioned strength of six, could be surrendered. However having regard to the additional monitoring requirements that the new scheme 'Sampoorna Gram Vikas Yojana' would call for, it is recommended that two posts of Joint Secretaries, with the complement of officers and support staff should be surrendered.

4.27 Audit reports reveal that substantial unspent balances are being maintained by these district agencies with banks – as much as Rs.3000 crore as on 1.4.2000. Strict monitoring of the utilisation of funds is therefore called for, particularly with the suggested arrangement for release of funds through the

State Governments. The release of funds for any quarter should take into account the utilisation of funds released upto two quarters earlier and the releases of State Government's contribution on the equal basis. If diversion of funds or non-use of funds is seen, or if there are short falls in the State Government's contribution then that should be taken into account in determining the funds to be released in the new quarter. At no point of time should the money in the pipeline exceed one quarter's requirements. The projects made by a State Government in conducting panchayati raj elections or in devolving adequate powers to these bodies, should also be taken into account when deciding on release of funds to the States.

4.28 It will lead to greater transparency if the programmes under implementation are given due publicity. Apart from increasing the awareness of the people in regard to the programmes being implemented for their benefit, this will also facilitate NGOs or other organisations, if they so wish to report to the State Governments and to the Centre on how these programmes are being implemented. The introduction of such a social audit would be more beneficial than any elaborate arrangements that could be put down for this purpose directly under the aegis of the government. If necessary a small percentage of the allocations for these schemes could be earmarked for providing such publicity.

4.29 The three schemes – National Old Age Pension Scheme, National Family Benefit Scheme and the National Maternity Benefit Scheme launched in 1995 cater to the targeted sections whether they live in rural or urban areas. Possibly the responsibility for the implementation of these three schemes was vested in the Department of Rural Development as a vast majority of the likely beneficiaries would be rural based. But the point remains that the administration of such schemes, which cater to both rural and urban areas, does tend to dilute the focus of attention of this department from the problems of the rural poor. Recently the National Maternity Benefit Scheme has been transferred to the Ministry of Health and Family Welfare. Following this, the other two schemes could appropriately be transferred and vested in the Ministry of Social Justice

and Empowerment. Likewise the implementation of the Annapoorna Scheme could also be vested in the Ministry of Social Justice and Empowerment.

5. Department of Land Resources

5.1 The functions allocated to this department are as under:

- (1) Land reforms, land tenures, land records, consolidation of holding and other related matters.
- (2) Administration of the Land Acquisition Act, 1894 (1 of 1894) and matters relating to acquisition of land for purposes of the Union.
- (3) Recovery of claims in a State in respect of taxes and other public demands, including arrears of land revenue and sums recoverable as such arrears, arising outside that State.
- (4) Land, that is to say, collection of rents, transfer and alienation of land, land improvement and agricultural loans excluding acquisition of non-agricultural land or buildings, town planning improvements.
- (5) Land revenue, including the assessment and collection of revenue, survey of revenue purposes, alienation of revenues.
- (6) Duties in respect of succession to agricultural land.
- (7) National Wastelands Development Board
- (8) National Land Use and Wasteland Development Council
- (9) Promotion of rural employment through Wastelands Development.
- (10) Promotion of production of fuelwood, fodder and timber on non-forest lands, including private wastelands.
- (11) Research and development of appropriate low cost technologies for increasing productivity of wastelands in sustainable ways.
- (12) Inter-departmental and inter-disciplinary coordination in programme planning of efforts of Panchayats and voluntary and non-Government agencies for Wastelands Development.
- (13) Drought prone area programmes
- (14) Desert Development Programmes

5.2 Presently, the Secretary, Rural Development also functions as a Secretary of this department. The Secretary is assisted by an Additional Secretary and two

Joint Secretaries. The total staff strength of this department is 127. The organisation chart of this department is at Annex-III. This department has a budget provision of Rs.900 crore in the current year, for plan as well as non-plan schemes. The details of some of the schemes are set out below.

(i) *Integrated Wastelands Development Programme*

5.3 IWDP is an on-going scheme under which major projects are under taken on a micro-watershed basis. The projects sanctioned are being funded on 100%. The outlay for the programme in the current year is Rs.430 crore.

(ii) *Drought Prone Areas Programme*

5.4 DPAP is an area development programme with a long- term perspective based on the strategy of optimum utilisation of land, water and human resources. This is a centrally sponsored scheme, funded on a matching basis by the Centre and States. However, from 1.4.1999, the expenditure is shared on a 75:25 basis between the Centre and the State Governments in respect of new projects sanctioned from 1999-2000. The outlay for the programme for the year 2001-2002 is Rs.210 crore.

(iii) *Desert Development Programme*

5.5 DDP aims at controlling desertification, developing and harnessing land, water and other natural resources for restoration of ecological balance in the long run and also at raising the level of production, income and employment through irrigation, afforestation, dry land farming, etc. The expenditure is shared on 75:25 basis between the Centre and the State in case of projects sanctioned after 1.4.1999. However, the projects sanctioned before 1.4.1999 will continue to be funded on 100% basis by the central government. The outlay for the programme in the current year 2000-2001 is Rs.160 crore.

(iv) Technology Development, Extension and Training

5.6 Under the TDE&T scheme 100% financial assistance is given for projects which are on Govt. land and on private lands. The cost of the projects is shared in the ratio of 60:40 between the central government and the Farmers/Corporate body. The outlay for the programme for the year 2000-2001 is Rs.10.80 crore.

5.7 Computerization of land records (CLR) Computerization of Land Records a 100 per cent grant-in-aid scheme executed by the State governments. The main objective is that landowners should get computerized copies of ownership and plot-wise details of their Records of Rights (RORs) at a reasonable price so that farmers can borrow money from financial institutions. The ultimate of the scheme is 'on-line management' of land Records in the country. So far 544 districts have been brought under the scheme. During 1998-99 a very important component has been added to the scheme i.e. Digitization of Cadastral Maps. This has been taken-up in the form of pilot projects in several States through competent and reputed technical organizations. This scheme has now been extended to cover 1557 Taluk/Tehsils/Blocks. Since inception of the scheme, a total financial assistance to the tune of Rs. 142crore has been provided to the States/UTs upto 31.03.2000.

5.8 Another important scheme implemented is Strengthening of Revenue Administration and Updation of Land Records, a Centrally Sponsored Scheme with 50:50 sharing of costs between the Centre and the States. The main objectives of the scheme are;

- (a) Strengthening of Survey and Settlement organization for early completion and preparation of land records in areas where this work still remains to be done.
- (b) Setting up of survey and settlement organizations especially in the North-Eastern Region, where no land records exist.
- (c) Pre-service and in-service training of revenue, survey and settlement staff and strengthening of training infrastructure for this purpose.

- (d) Facilities for modernization of survey and settlement operations, printing of survey maps, reports/documents and for storage, copying and updating of land and crop records using, among other things, science and technology inputs.
- (e) Strengthening of revenue machinery at village and immediate supervisory levels on a selective basis to make the workload of these functionaries manageable.

5.9 Since inception of the scheme and upto 31.3.2000 Rs. 172.98 crore has been released to the States/ UTs by way of central share.

(v) Conclusions and Recommendations

5.10 The need for separate Department of Land Resources can be justified only if it could

- (a) focus on the problem of degradation of land resources and the remedial measures that are urgently called for; and
- (b) implement various programmes already approved for restoring degraded lands to the earlier status – this will also include soil conservation; catchment area treatment and water conservation programmes.

5.11 The two objectives are closely interlinked and in fact function in an interactive manner. It is the identification of the major problem areas that leads to formulation of necessary remedial measures, in the form of various schemes for implementation. In turn it is the implementation of these schemes that helps to test the initial diagnosis of the problem as well as prescription of remedial measures and make necessary changes in the approach to the problem. For achieving both objectives it is necessary that the Department of Land Resources should be supported by high level policy making bodies, which have jurisdiction cutting across the individual Ministries/departments. The department should also have direct control over implementation of as many of the programmes as possible in this area.

5.12 In actual practice in both areas very little has happened. The National level Councils/Boards set up so far are :

- a. The National Land Board and the National Land Resource Conservation and Development Commission set up in 1983;
- b. The National Land Use and Wasteland Development Council set up in May 1985
- c. The National Land Use and Conservation Board set up in 1985
- d. The National Wastelands Development Board set up in 1985 (this has since been formally wound up);
- e. The National Afforestation and Eco development Board set up in 1992;
- f. The National Standing Committee for Watershed Development set up in 1999.

5.13 NLWC has not met after the first meeting in February 1986; NLCB has not met after August 1986; while the last meeting of the NWDB and NAEB was held in May 1997 and December 1998 respectively! The NSCWDB is yet to have its first meeting. Thus, while the newly created department has prepared some reports on the problems of land degradation, these are yet to be considered at any of the National level Councils/Boards.

5.14 As regards vesting in this department the responsibilities for implementing various schemes relevant to this area a decision has been taken in February 2000 and in fact announced in the President's Address to the Joint Session of the House of Parliament that government would bring all the programmes and schemes as well as institutional infrastructure relating to land in rural areas under the control of the Department of Land Resources. However in practice not one programme implemented by any of the other Ministries has been transferred to the Department of Land Resources, which continues to be responsible only for the Drought Prone Area Programme, Desert Development Programme and the Wasteland Development Programme entrusted to do even at the time of formation.

5.15 Thus, with neither requirement having been met, it could be argued that the department as it stands today, could as well be abolished; the DPAP and DDP programmes retransferred to the Department of Rural Development; the Wastelands Development programme to the Ministry of Environment and

Forests; and the subject Land Reforms etc. to the Ministry of Agriculture & Cooperation.

5.16 However, the fact remains that degradation of land resources and depletion of water resources are taking place at an alarming rate. While it is necessary that remedial action put in place without delay, what is equally urgent is highlighting the scale and urgency of the problems and creating the necessary awareness at the national and state capitals. This becomes very important as, unfortunately with the preoccupation with 'fire fighting' and implementing of the programmes already on the ground, very little attention is given to measures for treating land degradation and depletion of water levels, as these programmes need to be conceptualized on a larger time frame. It is therefore necessary to energise the high-level policy making and direction giving councils and boards and also bring the various programmes for addressing the problems of degraded lands and promoting soil and water conservation under the umbrella of one ministry/department.

5.17 The Expenditure Reforms Commission would therefore recommend the following:

- (i) To effectively handle all aspects of the problems of degraded lands, this department should also deal with catchment area treatment, soil and water conservation programmes etc., all of which help in restoring degraded land to the original status. The designation of this department therefore needs to be suitably changed to reflect this arrangement.
- (ii) Following programmes that are now implemented by the Department of Agriculture and Cooperation should be transferred to the new department:
 - (1) National Watershed Development Project for rainfed areas.
 - (2) Centrally Sponsored Scheme of Soil Conservation in Catchment of River Valley Projects.
 - (3) Centrally Sponsored Scheme of Soil Conservation in the catchment of flood prone rivers.

- (4) Centrally Sponsored Scheme of Reclamation of Soil.
- (5) Scheme of Watershed Development Project in shifting cultivation areas.
- (iii) The Western Ghat Development Project now being directly administered by the Planning Commission should also be transferred to this department. It is indeed anomalous that the Planning Commission should be vested with responsibility for direct implementation of any project.
- (iv) The officers and support staff sanctioned for administering these schemes in the Department of Agriculture and Cooperation and in the Planning Commission should be surrendered.
- (v) This department could be required to bring up for the consideration of the Committee of Secretaries and the Cabinet proposals from time to time for transfer of allied schemes now being implemented by other Ministries/departments to this department.
- (vi) Of the various high level bodies earlier set up it will be necessary to revive the National Land Use and Wasteland Development Council set up in 1985 under the Chairmanship of the Prime Minister and either the National Land Board or the National Land Resource Conservation and Development Commission set up under the Chairmanship of the Ministry of Agriculture and Rural Development. The focus as well as membership on both bodies would need to be suitably redefined. The Board to be presided over by the Minister for Agriculture/Rural Development could include as Members, the Secretaries of various department like Agriculture, Rural Development, Drinking Water Supply, Water Resources, Urban Development, Environment and Forests etc. and could meet once a quarter to bring about greater convergence in the implementation of all programmes which seek to address

somewhat similar issues. The National Council headed by the Prime Minister could oversee the functioning of not only this Board but also the National Afforestation and Eco Development Board (NAEB) located in the Ministry of Environment and Forests. The National Council could meet at least once in six months. The Department of Land Resources could service both the Council to be presided by the Prime Minister and the Board to be presided by the Minister for Agriculture/Rural Development.

- (vii) The wasteland development programmes would get enlarged substantially, if as suggested earlier, the funds set apart for this programme are utilized mostly for the material component and the Wage Employment Programme of the Department of Rural Development is accessed for the wage component part. It would therefore be desirable to revive the National Wasteland Development Board to oversee the implementation of this programme.
- (viii) Viewed from the angle of providing the much needed livelihood security for the people living in backward areas and dependent upon 'degraded' lands, it will be appropriate for this department to continue to function in the Ministry of Rural Development. At the same time land and water management are an integral part of agricultural operations and have a direct role to play in the enhanced productivity of land. Viewed this way it might be appropriate to make this department a part of Ministry of Agriculture. On the other hand, if the overriding priority has to be 'conservation', this department could either be made a separate ministry or made part of the Ministry of Environment and Forests. It will be necessary for government to take an early decision on the appropriate placement of this department within the overall structure.

- (ix) If it is decided that the placement of this department should be outside the Ministry of Rural Development then it will be necessary that the first six items in the list of functions now allocated to this department and which rely on land reforms continue to remain with the Ministry of Rural Development. These functions have necessarily to be viewed from the angle of addressing the problems of rural people particularly the poor and the disadvantaged sections.

6. Department of Drinking Water Supply

6.1 The Department of Drinking Water Supply created in 1999 has been entrusted with the following functions:

- (a) Water supply (subject to overall national perspective of water planning and coordination assigned to the Ministry of Water Resources), sewage, drainage and sanitation relating to rural areas; International cooperation and technical assistance in this field.
- (b) Public cooperation, including all matters relating to voluntary agencies for rural development and National Fund for Rural Development.
- (c) Cooperatives relatable to items in this list.
- (d) Coordination with respect to the matters relating to drinking water supply in urban and rural areas.

6.2 This department is headed by a Secretary and is supported by two Joint Secretaries. It has a total staff strength of 76. The Organisational Chart for this department is given in Annex IV.

6.3 The department is presently implementing the following 5 projects:

- (1) Accelerated Rural Water supply programme
- (2) Central Rural Sanitation Programme
- (3) Rajiv Gandhi National Drinking Water Mission
- (4) Public Cooperation (Rural Water Supply and Sanitation)
- (5) Central Project Management Cell of UNICEF stores Boundary

6.4 Its total IX Plan outlay for the programmes of this department is Rs.8650 crore. In the current year it has a total budget allocation of Rs.2160 crore. The details of some of the schemes administered by this department are set out in the succeeding paragraphs:

(i) Rajiv Gandhi National Drinking Water Mission

6.5 States have the responsibility for providing safe drinking water supply in the rural areas. National Drinking Water Mission, later renamed as Rajiv Gandhi National Drinking Water Mission was launched in 1986 to ensure maximum in flow of scientific and technical input in arriving at cost affective methods of supply and in dealing with quality problems.

6.6 On the basis of a comprehensive survey undertaken between 1991 and 1994 areas such as 'not covered habitations', 'partially covered habitations', all habitations having water quality problems or having supply of less than the norm were identified and given priority for coverage under the programme.

6.7 Of the total provision available for this scheme 80% is allocated on a matching basis, to the States adopting the following criteria:

	Components	Weightage
1	Rural population	40%
2	States/UTs covered under DPAP, DDP, HADP etc.	35%
3	Not covered, partially covered habitation (NCPC)	10%
4	Overall water source availability seen in unirrigated versus irrigated area	10%
5	Quality of water affected habitations	5%

6.8 About Rs.100 crore out of the total allocation is available at the Central level for IEC and HRD support. The balance amount is utilised for Sub Missions on special problems but within the states allocations.

6.9 A comprehensive survey is still on to identify the habitations with the problem of quality in drinking water. In the mean time sub-missions already initiated for addressing the quality problems of flurosis excess iron, brackishness are being continued but are built into allocations made to states.

6.10 Following the 'Swajal' experiment of addressing the need of drinking water with community participation, a programme of sector reforms has been started in the last three years where projects are developed for the district for taking up drinking water supply needs in which the concern for sustainability and Ground Water recharge are stressed.

6.11 Fifty eight districts were selected in the year 2000 (now extended to 63 districts) for sector Reform projects. About 20% of the funds under drinking water supply are now allocated for these projects.

(ii) Restructured Centrally sponsored Rural sanitation programme

6.12 The Centrally sponsored Rural sanitation programme started in 1986 has been restructured in 1999 to shift from a high subsidy to low subsidy regime, greater household involvement, choice of technology, stress on information, education and communication and development of backup services. The subsidy for household latrine is limited to Rs. 500 for BPL families only. Despite the fact that even in the colonial times sanitation committees were the precursors of any local self-government initiative, rural sanitation continues to be the weakest and has received low priority in the development initiatives. The coverage is estimated to be 16-20 % of rural households. A total sanitation campaign (TSC) has been introduced in selected pilot districts. The programme proposes move from statewise allocations to a "demand driven" approach and to the TSC.

(iii) Conclusions and Recommendations

6.13 Coordination of matters relating to drinking water supply in urban and rural areas is one of the functions entrusted to this department. In practice, however, there seems to have been very little coordination in the efforts of this department and that of the Department of urban development. For instance one of the major

programmes administered by the Department of Urban Development is Urban Water Supply Scheme. This is a centrally sponsored scheme, with the cost being equally shared between Centre and the States was launched in 1994 with a view to providing drinking water in small towns with a population of less than 20,000. The provision in the current year's budget is Rs.95 crore. Upto the end of February 2001 will the Centre has released as it is shared Rs.262 crore the total expenditure on ground is reported to be only Rs.283 crore.

6.14 Two points merit attention:

- (1) With a ceiling on 20,000 population prescribed under the scheme, many of the smaller towns covered will be of a size no bigger than a large village.
- (2) The benefits of the people could be optimized if the water supply programmes for such small towns are drawn up in an integrated manner with those of the adjoining villages as well.

6.15 It is therefore recommended that this scheme for the provision of drinking water in small towns of less than 20,000 be transferred to the Department of drinking water supply so as to bring about better coordination. The officers and support staff sanctioned exclusively for administering these schemes in the Department of Urban Development should be surrendered.

6.16 It is seen that the large number of villages/habitations remain uncovered or partially covered at the end of each plan period, even though it is initially stated that complete coverage would be achieved within the five year period. This is due to three reasons. First is the increase in population leading to creation of new settlements which need to be covered in the subsequent plan period. Second is the change in definition – in the beginning the attempt was to cover the panchayats (possibly 2 lakh in number); later it became coverage of villages (over 5.5 lakh) while presently the coverage is of habitations, which number 14.23 lakh. The third is that a good part of allocation is set apart for renewal of the facilities set up earlier and which have since into disuse and for upgradation of the facilities already created.

6.17 As a result of all these factors the focus on ensuring complete coverage gets diluted. While the demands for replacement, improvement of the facilities already created and coverage of new habitations do require to be addressed, it will be necessary to sharpen the focus on non-covered habitations (26121) and partially covered habitations (213331) so that this coverage could be achieved in a time bound manner. It is therefore recommended that in the allocation of funds to the States the weightage for non-covered habitations and partially covered habitations should be increased. The details of the status of habitations (non-covered, partial covered and fully covered, are in Annex V. while the allocation of funds state wise in the years 1999-2000 and 2000-2001 are in Annex-VI. The figures speak for themselves.

7. Other Organisations

(i) Council for Advancement of People's Action and Rural Technology

7.1 CAPART was set up in 1986 as a national apex autonomous body merging two organisations in existence at that time namely the People's Action for Development of India (PADI) and the Council for Advancement of Rural Technology (CART). PADI was supporting non-governmental initiatives in the field mainly using foreign funds and without resorting to government support. CAPART's mandate was however much broader and the thrust was on encouraging, promoting and assisting voluntary action for implementing projects for rural prosperity and promoting and strengthening voluntary efforts for injecting new technology inputs in rural development. When in the late 80s it was decided that a part of the allocations for schemes in Ministries like Rural Development should be routed through NGOs, it was decided to channelise monies set apart for this purpose in the Ministry of Rural Development through CAPART, so that in the process, the procedures and practices that CAPART had followed in energising NGOs and implementing programmes in the field could be brought into play. This has now become a major activity of CAPART taking up most of its time and effort.

7.2 CAPART has nine regional offices at Ahmedabad, Jaipur, Bhubaneswar, Guwahati, Chandigarh, Darwar, Patna and Lucknow. It has a General Body (100 members) and a Executive Committee. It also has Regional Committees and a set of National Standing Committees for overseeing the selection of NGOs, feasibility studies as well as implementation of projects through NGOs. The total expenditure of CAPART in the year 2000-2001 was Rs.52 crore of which the outgo on projects was Rs.37 crore. On the receipt side, the major items are the funds received from the Ministry of Rural Development (nearly Rs.30 crore) and from UNDP (Rs.1.83 crore). The interest on bank deposits was quite large – over Rs.21.41 crore. CAPART's total staff strength spread over head office and regional offices is 160.

(ii) Conclusions and Recommendations

7.3 The balance sheet reveals a total bank balance of Rs.55 crore as on 31.3.2001. Of this the funds received from the Ministry of Rural Development account for Rs.30.24 crore while the interest accruals on the various balances is over Rs.21 crore! Clearly there has not been adequate monitoring of the expenditure stream while releasing funds to CAPART. The arrangements should be such as to allow for no more than 3 months funds requirement to remain in the pipeline. It is recommended that these surplus cash balances should be closely scrutinized and amounts in excess of the three months requirements be taken back into the public account.

7.4 The administrative expenditure as a proportion of the total project expenditure has sharply increased from 13% in 1995-96 to 26% in 1998-99. There has been some reduction (to 23.18%) in 1999-2000. By any standards this is too high a proportion. The Ministry of Rural Development should look into this aspect and in consultation with CAPART evolve procedures that will reduce it considerably. In this exercise due allowance has to be made for the fact that CAPART also spends money by way of pre-investment studies in several cases and undertakes a monitoring process, that is not merely in the nature of a financial audit but more as a guidance in the implementation of the programmes.

7.5 As CAPART operates mostly with funds obtained from government it could be argued that bulk of the expenditure on the administrative overheads (nearly Rs.7 crore per annum is directly borne by government. Apart from seeking to effect economies in the expenditure in the staff and on the procedures, one other way of reducing this burden on Government would be for CAPART to undertake similar work on behalf of the private sector as well. Private sector is entitled to certain tax concessions if it contributes funds to the National Fund for Rural Development. Perhaps a mechanism could be devised whereby private sector undertakings could make funds available directly to CAPART for development rural projects to be implemented through suitable NGOs, adopting the same screening and implementation procedures as in the case of the government funded programmes. The certification by CAPART of the moneys so spent could form the basis for tax concessions to be given by the government.

7.6 While CAPART undoubtedly benefits through the nomination in the General Body and Executive Committee of distinguished persons actively associated with NGOs in the country, it would be desirable if representatives of 'beneficiary' NGOs are not appointed on the Regional/Standing Committees. This approach will help to obviate possible conflict of interest/situations.

7.7 Once the volume of programmes implemented by CAPART with non-governmental funding exceeds 50%, it could be assumed that the administrative overheads (or the non recurring or revenue expenditure) funded by government is less than 50%. At that stage CAPART could formally be advised to devise its own administrative and financial procedures and also adopt its own pay scales instead of following closely what is prescribed in government. The ministry's representation on CAPART could be done away with, except for a token presence. This will enable CAPART to function as a truly professional body, trimming its expenditure and staff strength and other items with reference to the resources insight and adopting procedures more suited to its requirements.

(iii) National Institute of Rural Development

7.8 In 1958 the Central Institute of Study and Research in Community Development was set up at Mussoorie for offering orientation courses to officers of executive hierarchy in the development programmes. The Trainers' Training Institute (subsequently renamed as the Institute for Instruction in Community Development), established in December 1958 at Rajpur, Dehradun for training of trainers was entrusted with the task of training of District Panchayat Officers and sub-divisional officers. In April 1962, both the institutes were merged into one named as the National Institute of Community Development. (NICD). The Institute was shifted to Rajendranagar, Hyderabad, which is its present location, in 1964-65.

7.9 With the emphasis on Rural Development and alleviation of rural poverty, the role of Institute and its objectives assumed new significance and proportions. The name of the Institute was changed to National Institute of Rural Development in 1977 suitably redrafting its objects aimed at providing and promoting a study of relevant factors contributing to economic development and social well being in the rural areas.

7.10 The Institute is situated in an area of 110 acres with faculty buildings, administrative blocks, a large library, an auditorium, a health centre, community hall, guest houses and 220 staff quarters. The institute also has a Regional Centre at Guwahati. The institute has a total staff strength of 462 of whom 100 are academics. The institute received a non plan grant of Rs.715 lakh and plan grant of Rs.500 lakh in 1999-2000. It also had an internal cash generation of Rs.116 lakh but most of this (Rs.93 lakh) was spent on related projects.

7.11 At present, about 170 programmes are being organised with focus on (1) Planning and Management including decentralized planning; (2) Sustainable Development, Environment, Watershed Development and Forestry; (3) Training methods including PRA, Monitoring and Evaluation and Quantitative techniques; (4) Behavioural Skills Development and (5) Women's Development including

Gender Issues. The Institute also organises seminars and workshops mainly to address the issues relating to the policy formulation and policy implementation.

7.12 The institute has also taken up research studies on various issues of rural development. The institute is also providing consultancy services to various national and international organizations, government departments etc. It has a full-fledged publications wing and brings out various publications – four periodicals, three annual publications, besides study reports, monographs, occasional papers. It brought the India Rural Development Report in 1999.

(iv) Conclusions and Recommendations

7.13 Issues of poverty alleviation and rural development are likely to engage the attention of the government for a long time to come. Thus, NIRD, as a premier institute in this area, will have an important role to play in the years to come as well. It should seek to become a centre of excellence, focusing more on policy advise and training of trainers and giving support to State/Regional training centres, rather than itself take up too many training programmes. A time bound programme, say a three year plan, needs to be drawn up to reduce the non academic and support staff strength and for improving the academic to non academic ratio. Further the institute needs to become autonomous in the real sense of the word. It needs to move away from government pay scales, government financial rules and all other government procedures and be able to formulate its own set of rules and procedures as would enable to function as a truly professional body and as a centre of excellence. For this a prime requirement would be for it to seek as non plan grant, no more than 50% of its recurring/revenue expenditure. A memorandum of understanding should be entered into by NIRD with the government incorporating this decision and detailing the manner in which this transition will be made over a five year period. In particular the manner in which internal cash generation would be stepped up – through consultancy charges and fees – would need to be spelt out. It will also be open to the institute to approach government plant support for its capital requirements.

Ministry of Rural Development
B.E., R.E., during 9th Plan

(Rs. i

Sl. No.	Name of the Scheme	1998-99		1999-2000		2000-2001		2001
		B.E.	R.E.	B.E.	R.E.	B.E.	R.E.	
1	2	3	4	5	6	7	8	
1	Rural Development	7858.50	7478.44	7517.00	7220.00	9260.00	8870.00	
2	Land Resources	325.20	268.20	324.00	324.00	900.00	800.00	
3	Drinking Water Supply	1727.00	1679.00	1910.00	1807.00	2100.00	2100.00	
	Total	9910.70	9425.64	9751.00	9351.00	12260.00	11770.00	1

**Ministry of Rural Development
Department of Rural Development**

Sl. No.	Name of the Scheme	1998-99		1999-2000		2000-2001		2001-2002	
		B.E.	R.E.	B.E.	R.E.	B.E.	R.E.	B.E.*	Modified Allocation**
1	2	3	4	5	6	7	8	9	10
1	Jawahar Gram Samridhhi Yojana	2095.00	2060.00	2095.00	1689.00	1650.00	1510.00	1650.00	1650.00
2	Employment Assurance Scheme	1990.00	1990.00	1700.00	2040.00	1300.00	1600.00	1100.00	1300.00
3	Food for Work Programme	-	-	-	-	-	-	500.00	300.00
4	Swarnajayanti Gram Sworozgar Yojana	1410.00	1195.94	1215.00	950.00	1000.00	470.00	500.00	700.00
5	Indira Awas Yojana	1600.00	1532.00	1710.00	1659.00	1710.00	1710.00	1527.00	1725.00
6	Panchayat Development and Training	3.00	2.00	3.00	3.00	3.00	3.00	5.00	5.00
7	Roads in Special Problem Areas	1.50	0.00	0.50	0.50	0.50	0.50	0.00	0.00
8	N.S.A.P.	700.00	640.00	725.00	710.00	715.00	715.00	835.00	635.00
9	Annapoorna	0.00	0.00	0.00	0.00	100.00	100.00	300.00	100.00
10	DRDA Administration	0.00	0.00	0.00	110.00	220.00	200.00	220.00	220.00
11	Grants to National Institute of Rural Dev.	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
12	Strengthening of State Training Centre	3.25	3.25	4.25	6.25	7.25	9.25	8.75	8.75
13	Org. of Training Courses, Seminars	0.50	0.50	1.25	1.25	1.25	1.25	1.25	1.25
14	Strengthening of Ext. Training Centre	3.00	3.00	3.00	4.00	3.00	3.00	3.00	3.00
15	Communication Cell	4.00	4.00	10.00	10.00	10.00	10.00	10.00	10.00
16	Assistance to C.A.P.A.R.T.	12.00	12.00	13.00	13.00	13.00	13.00	30.00	30.00
17	Promotion of Voluntary Scheme	20.00	20.00	26.00	13.00	13.00	13.00	0.00	0.00
18	Organisation of Beneficiaries	3.50	3.00	4.00	4.00	4.00	2.00	0.00	0.00
19	Agricultural Marketing	7.25	7.25	0.00	0.00	0.00	0.00	0.00	0.00
20	Monitoring Mechanism	0.50	0.50	2.00	2.00	5.00	5.00	10.00	10.00
21	Information Technology	-	-	-	-	-	-	0.00	1.00
22	International Cooperation	-	-	-	-	-	-	0.00	1.00
23	Pradhan Mantri Gram Sadak Yojana					2500.00	2500.00	2500.00	2500.00
	Total	7858.50	7478.44	7517.00	7220.00	9260.00	8870.00	9205.00	9205.00

* B.E. 2001-2002 is as per the allocations finalised by the Planning Commission and sent to the Ministry of Finance for reflection in the Budget 2001-2002

** Modified allocations as approved by the Minister (RD) based on the priorities and actual requirement of funds

(Rs. in crore)

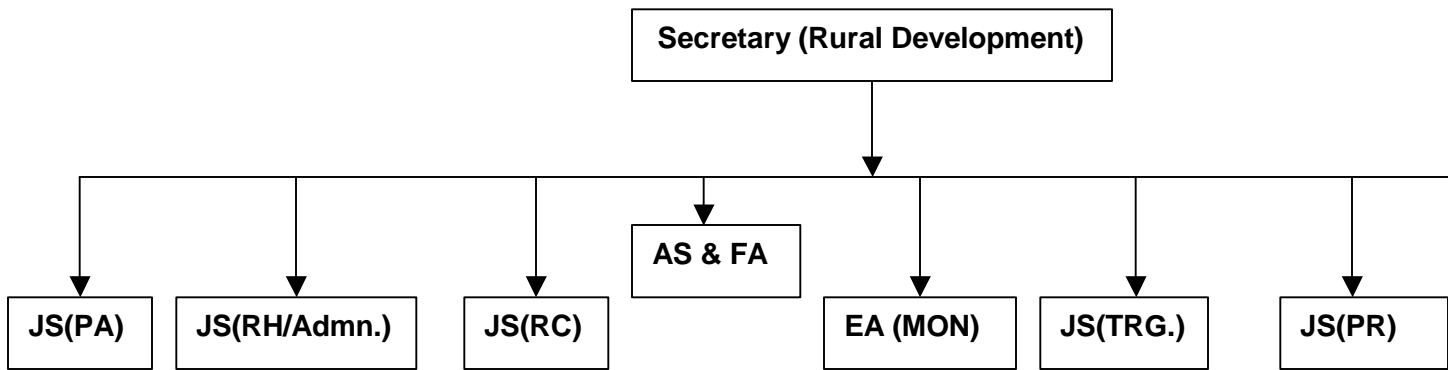
**Ministry of Rural Development
Department of Land Resources**

Sl. No.	Name of the Scheme	1998-99		1999-2000		2000-2001	
		B.E.	R.E.	B.E.	R.E.	B.E.	R.E.
1	Integrated Wastelands Development Programme (IWDP)	82.10	62.10	82.00	82.00	480.00	387
2	Drought Prone Areas Programme	95.00	73.00	95.00	95.00	190.00	190
3	Desert Development Programme (DDP)	90.00	80.00	85.00	85.00	135.00	135
4	Land Reforms	39.50	34.50	43.00	43.00	76.00	73
5	Others	18.60	18.60	19.00	19.00	19.00	15
	Total - Land Resources	325.20	268.20	324.00	324.00	900.00	800

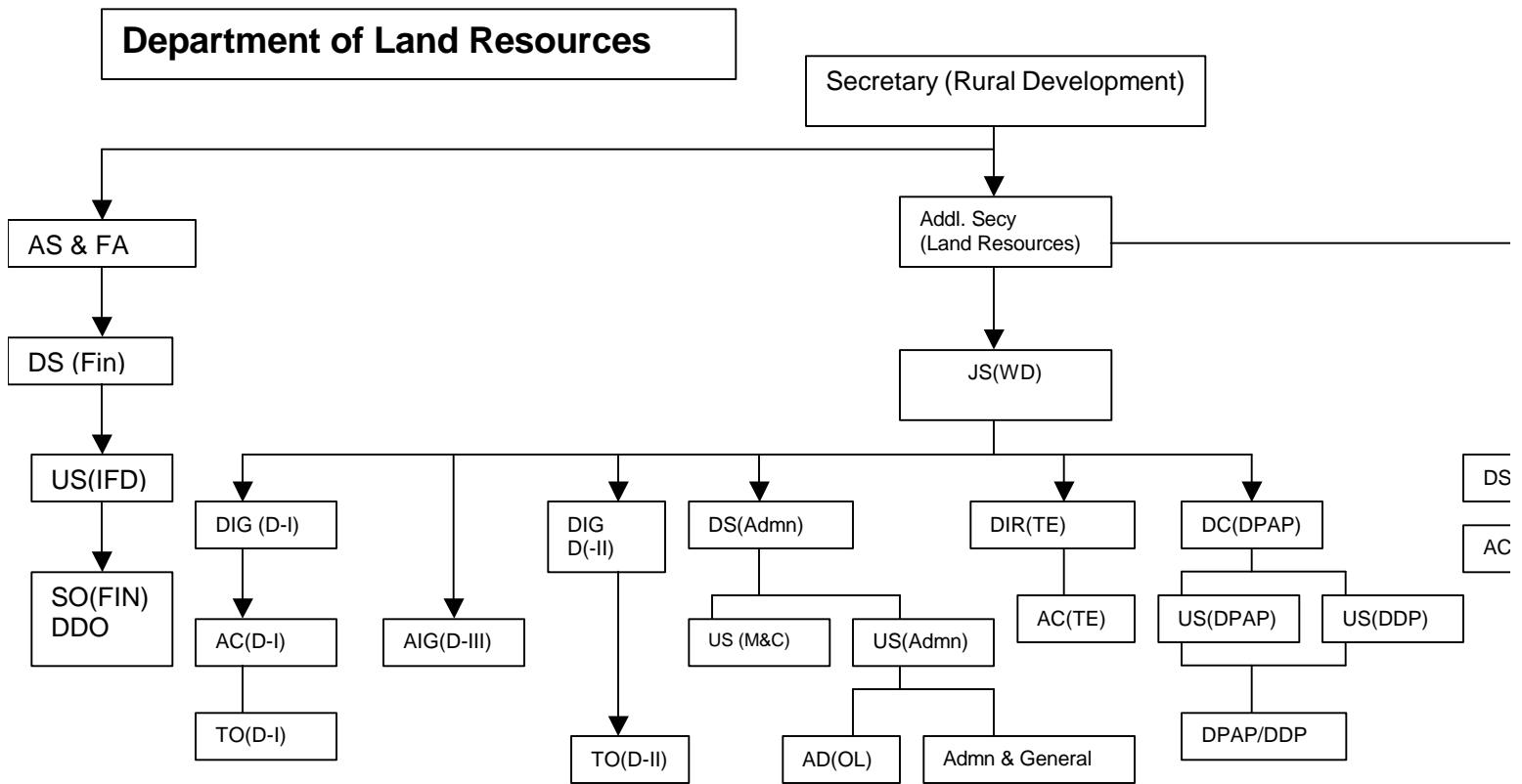
**Ministry of Rural Development
Department of Drinking Water Supply**

Sl. No.	Name of the Scheme	1998-99		1999-2000		2000-2001	
		B.E.	R.E.	B.E.	R.E.	B.E.	R.E.
1	Rural Water Supply Programme	1627.00	1612.00	1800.00	1715.00	1960.00	1960
2	Rural Sanitation	100.00	67.00	110.00	92.00	140.00	140
	Total - Drinking Water Supply	1727.00	1679.00	1910.00	1807.00	2100.00	2100

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

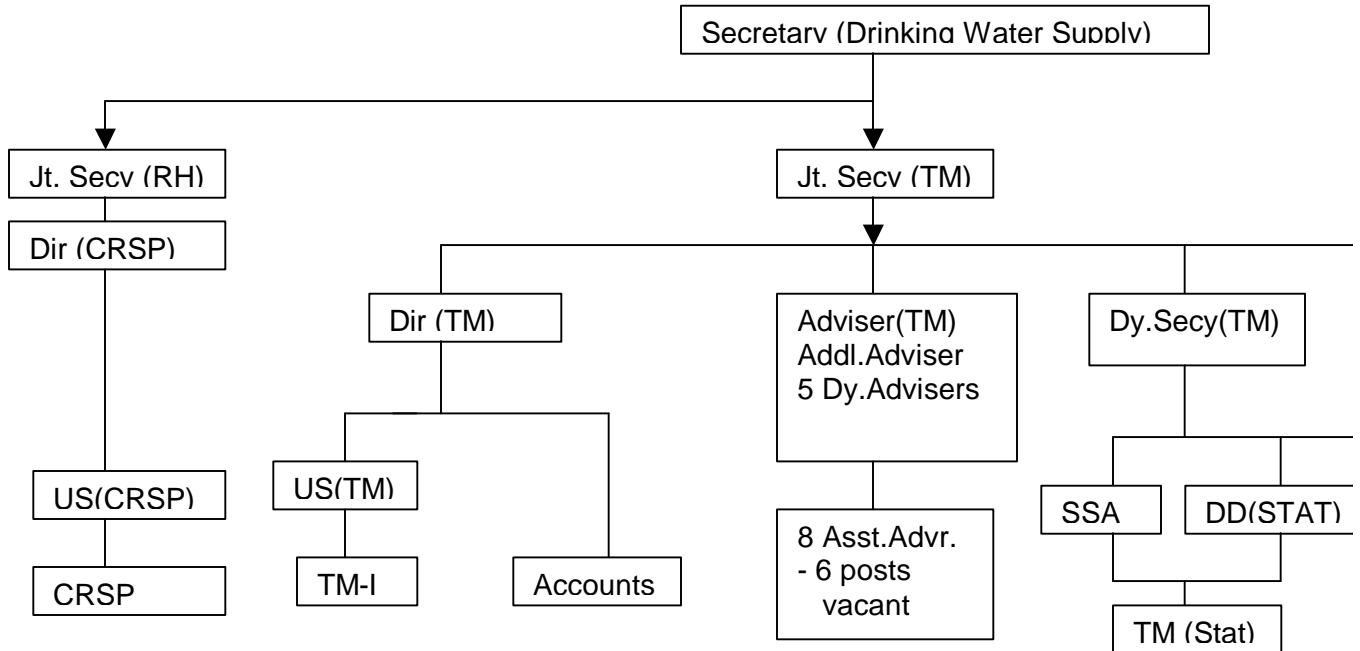


ADM.	- Administration	MON	- Monitoring
AS & FA	- Additional Secretary & Financial Adviser	PA	- Poverty Alleviation
EA	- Economic Adviser	PR	- Panchayatiraj
JS	- Joint Secretary	RC	- Rural connectivity
		RH	- Rural Housing
		TRG	- Training



AC	Assistant Commissioner	DS	Deputy Secretary	M&C	Monitoring & Coordination
AD	Assistant Director	DIG	Deputy Inspector General	LR	Land Reforms
AIG	Assistant Inspector General	DIR	Director	OL	Official Language
AS&FA	Add. Secretary & Financial Advisor	DC	Deputy Commissioner	SO	Section Officer
DDO	Drawing & Disbursing Officer	IFD	Integrated Finance Division	TO	Technical Officer
DDP	Desert Development Programme	JS	Joint Secretary	US	Under Secretary
DPAP	Drought Prone Area Programme				

Department of Drinking Water Supply



RH	Rural Housing	CRSP	Central Rural Sanitation Programme	US	Under Secretary
STAT	Statistics	DWS	Drinking Water Supply	DD	Deputy Director
TM	Technology Mission	SSA	Senior System Analyst		

Annex-V**STATUS OF HABITATIONS AS ON 1.4.2000 (Provisional)**

Sl. No.	States/UTs	Not covered (NC)	Partially covered (PC)	Fully covered (FC)	Total
1	Andhra Pradesh	0	21583	48149	69732
2	Arunachal Pradesh	440	1084	2774	4298
3	Assam	1623	24318	44728	70669
4	Bihar	625	144	204667	205436
5	Goa	16	44	336	396
6	Gujarat	293	3127	26849	30269
7	Haryana	12	276	6457	6745
8	Himachal Pradesh	2738	12961	29668	45367
9	Jammu & Kashmir	2348	3726	5110	11184
10	Karnataka	65	23129	33488	56682
11	Kerala	842	6927	1994	9763
12	Madhya Pradesh	1967	8726	149175	159868
13	Maharashtra	2597	28740	54593	85930
14	Manipur	74	469	2248	2791
15	Meghalaya	633	1127	6879	8639
16	Mizoram	0	569	342	911
17	Nagaland	417	670	438	1525
18	Orissa	448	1469	112182	114099
19	Punjab	2050	3123	8276	13449
20	Rajasthan	7864	28843	57239	93946
21	Sikkim	0	624	1055	1679
22	Tamil Nadu	0	11207	55424	66631
23	Tripura	541	1198	5673	7412
24	Uttar Pradesh	432	4999	269210	274641
25	West Bengal	0	23732	55304	79036
26	A & N Islands	0	161	343	504
27	D & N Haveli	56	259	201	516
28	Daman & Diu	0	1	31	32
29	Delhi	0	0	219	219
30	Lakshadweep	0	10	0	10
31	Pondicherry	40	85	142	267
32	Chandigarh	0	0	18	18
	TOTAL	26121	213331	1183212	1422664

Annex-VI

(Rs. in lakh)

S.No.	States/UTs	1999-2000	2000-2001
1	Andhra Pradesh	9143.26	11600.00
2	Bihar	1407.00	9380.00
3	Goa	352.92	1404.00
4	Gujarat	6028.52	7085.00
5	Haryana	1883.91	1943.00
6	Himachal Pradesh	2275.77	5091.00
7	Jammu & Kashmir	6381.44	8788.00
8	Karnataka	8402.25	10350.00
9	Kerala	4307.88	5746.00
10	Madhya Pradesh	9444.68	11109.00
11	Maharashtra	13614.41	16934.00
12	Orissa	4847.93	6213.00
13	Punjab	1720.64	2383.00
14	Rajasthan	12676.22	16361.00
15	Tamil Nadu	6534.66	7308.00
16	Uttar Pradesh	14775.00	14775.00
17	West Bengal	7008.15	7895.00
18	A & N Islands	12.50	13.00
19	Chandigarh	0.00	0.00
20	D & N Haveli	12.50	7.00
21	Daman & Diu	12.50	0.00
22	Delhi	0.00	5.00
23	Lakshadweep	12.50	0.00
24	Pondicherry	5.00	5.00
	Sub Total	110859.65	144395.00
25	Arunachal Pradesh	2476.00	3492.00
26	Assam	4180.00	5898.00
27	Manipur	907.00	1282.00
28	Meghalaya	974.00	1373.00
29	Mizoram	696.00	981.00
30	Nagaland	724.00	1020.00
31	Sikkim	460.83	650.00
32	Tripura	862.00	1216.00
	Sub Total	11279.83	15912.00
	Grant Total	122139.48	160307.00