

Manual 10: Schemes of State and Centre run at GP level

10.1 Types of Scheme:

The external sources of revenues of a Gram Panchayat include devotion grants from the State and grants on different schemes from both State and Central Government. Since 73rd Constitution Amendment (1992) and more specifically since the period of Tenth Finance Commission (1995-2000), the scheme-based State and Central grants are on the increase in terms of both magnitude and purpose. In budgetary parlance, the schemes can be divided into four categories, such as-

- (i). State Non-Plan Schemes
- (ii) State Plan Schemes
- (iii) Centrally Sponsored Schemes
- (iv) Central Plan Schemes

The devolution grants belong to the category of State Non-Plan Schemes, while any new scheme launched or continuation of an old scheme for a specific welfare purpose falls under the category of State Plan Schemes. In case of Centrally Sponsored Schemes, there is matching contribution from the State while in case of Central Plan Schemes, the Centre bears the whole of expenditure required for the scheme. In this manual we shall discuss an ongoing State Plan Scheme (Gopabandhu Gramin Yojana) and a few Centrally Sponsored Schemes (Schemes under Bharat Nirman, namely Rural Housing and Rural Water Supply and the Scheme under National Rural Employment Guarantee Act, 2005), which are being implemented in the State with direct involvement of Gram Panchayats.

10.2 Gopabandhu Gramin Yojana

The Government of Orissa have launched a scheme called "The Gopabandhu Gramin Yojana GGY", with a view to providing additional developmental assistance to the targeted Eleven districts which are not covered under the Backward Regions Grant Fund(BGRF). The scheme shall be implemented from the year 2006-2007 and will continue to be implemented during the 11th plan period from 2007-2008 to 2010-2012. The districts covered under GGY are Angul, Balasore, Bargarh, Bhadrak, Cuttack, Jajpur, Jagatsinghpur, Kendrapara, Khurda, Nayagarh and Puri.

10.2.1 Objective- The principal objective of the scheme is to provide additional development funds to the targeted districts under the umbrella of District Plans for the purpose of infrastructure development, which primarily aims at *Bijli*, *Sadak* and *Pani* (i.e., electrification, roads and water supply) to every revenue village in the identified 11 districts. Some of the specific projects, which could be taken under the Yojana would be in the nature of construction of concrete roads within the village, construction of black top/concrete roads to connect a village with a nearest PMGSY or ODR road, installation of street lights within the village, for which the maintenance is to be borne by the concerned Gram Panchayat, provision of drinking water supply and creation of irrigation sources. The additional development funds provided in this Yojana would be of un-tied nature and supplement the programmes, which are already available in the aforesaid sectors and would provide synergy and convergence to the different development

programmes such as the Swajaladhara, the Biju Krushak Vikash Yojana, the Rajiv Gandhi Gramin Vidyutkaran Yojana and PMGSY etc..

10.2.2 Norms of Allocation- Each targeted district will be provided an additional development assistance to the extent of Rs.10 crore (Rupees Ten Crore) per annum for a period of 6 years from 2006-07 to 2011-12. Each village may be allotted funds in the following manner (i) the villages having a population below 500 persons may be given funds to the extent of Rs. 2 Lakh each, (ii) the villages having population above 500 but less than or up to 1000 persons may be given Rs. 3.00 lakh each, and (iii) the villages having population more than 1000 persons may be given Rs. 5 lakh each. The objective is to cover all revenue villages in a phased manner by the end of the 11th Five Year Plan (31st March 2012). Villages having population more than 1000 persons may be given priority over those having less than 1000 population. Over-riding priority should be accorded to Scheduled Castes and Scheduled Tribes habitations irrespective of their population status, for which funds should be accessed inter alia from MADA, ST & SC Development Corporation, ITDA etc. wherever applicable. The census figure of 1991 shall be adopted for determining the population of village for the purpose of implementation of this Yojana.

10.2.3 Planning Process- The Gram Sabha of the identified village shall select the projects to be undertaken in the village within the ceiling prescribed above in addition to funds received from other sources such as SGRY, Finance Commission Award etc., which may be dovetailed for the purpose. Contributions from villages may also be encouraged. The proposals approved by the Gram Sabha shall be compiled by the Block and put up to the District Level Committee for approval of the project lists. There will be a District Level Committee headed by the Collector and will consist of all the M.P.s, MLAs and Chairperson of Zilla Parishad. While selecting the villages and the schemes, the District Level Committee shall ensure that the resources are not spread too thin and that durable assets are created.

After the projects are sanctioned, estimates will be prepared by the BDO for those projects, which can be accommodated within the financial allocations for the particular year. The process may be repeated every year. While preparing the estimates, the BDO may take assistance of Assistant Engineer of the Block/Engineers of the Electricity Utility/Water Resources Department etc. as the case may be. The limit of administrative and technical sanctions for these projects will be the same as available for similar ongoing schemes. The provisions of OGFR (Orissa Government Finance Rules) and OPWD (Orissa Public Works Department) code would apply to the projects to be taken up under the GGY.

10.2.4 Preparation of District Plan- District Plan will be prepared as per the Planning Commission's Guidelines for the District Plan in the 11th Five Year Plan. The main principles, which have to be taken into consideration for implementation of the GGY and the preparation of the District Plan are summarized as follows:

(i) The flow of funds from all sources namely State Plan, Centrally Sponsored Schemes, Central Schemes, externally aided projects and funds received from any other

source for development purpose are to be aggregated in arriving at the resource availability for District Plan.

(ii) Funds under the Yojana are to be used as additionality to other schemes that are selected,

(iii) The cost effectiveness of all schemes should be carefully considered so that returns from the funds invested under the scheme are maximized.

(iv) There should be complete transparency in the choice of schemes and their locations. The prioritized list of schemes and the reasons for taking up the schemes and the criteria for choice of locations must be reflected in the District Plan and be made available on the web-site.

(v) It should be ensured that the schemes are sustainable and assets should be planned with care so that they are useful and maintained even after the scheme is over. Special attention is to be given to sustainability of each project. In the case of community assets, wherever possible future maintenance should be built into the programme, e.g. if a community hall is constructed, individuals who use the hall should be charged user fees so that corpus fund for maintenance can be set up.

(vi) It will be mandatory that funds are allocated for SC communities under the Scheduled Castes Sub-Plan (SCSP) and ST communities under Tribal Sub-Plan (TSP) modes in proportion to their populations in a village.

10.2.5 Management of Funds and Accounts - Funds will be released in not more than two installments by the Panchayati Raj Department directly to the concerned Collectors who will maintain a separate head of account for the Yojana with the District Rural Development Authority (DRDA). The concerned Project Director, DRDA will function as Drawing & Disbursing Officer for this Yojana. The District Collector will release the funds to the concerned implementing agencies within 15 days of the receipt of the funds from the Panchayati Raj Department. The District Collector and Project Director, DRDA will be directly responsible for effective and timely implementation of the Yojana. The Collector will furnish Monthly Progress Report (MPR) on financial and physical achievements of the Yojana to the Panchayati Raj Department.

10.2.6 Monitoring and Vigilance- Social Audit and vigilance shall be encouraged at grass-roots level. The District Collector shall also prepare schedules of inspection, which prescribe the minimum number of field visits for each supervisory level functionary and shall ensure that the inspection schedules are faithfully followed by supervisory level functionaries. There will be a 7-member State Level Steering Committee (SLSC) with Chief Secretary as Chairman and Secretary, Panchayati Raj Department as Member Secretary entrusted with the overall responsibility for effective implementation, monitoring and evaluation of the impact of the Yojana. *(Source: Resolution on Guidelines of Gopabandhu Gramina Yojana, No-13597/DPC 94-06 dated 28.09.06, Dept. of Planning and Coordination, Govt of Orissa)*

PHYSICAL & FINANCIAL ACHIEVEMENT UNDER GOPABANDHU GRAMINA YOJANA(GGY)

Up to end of September'07 during 2007-08

Sl No	DRDAs	FINANCIAL (Rs in lakh)										PHYSICAL (Nos.)					Mandays Generated (in lakh)	Village covered			
		O.B. as on 01.04.07	Received during year	Total fund available	EXPENDITURE						%	Balance funds available (Col. 5-11)	Works taken up / started						works completed	Works in progress (Col.18-19)	
					Bijli	Sadak	Pani	Others works	Admn Exp.	Total			Bijli	Sadak	Pani	Others					Total
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
1	Angul	88.00	1000.00	1088.00	-	19.00	9.00	-	-	28.00	3	1060.00	3	45	2	-	50	15	35	0.12	-
2	Balasore	150.00	1000.00	1150.00	-	35.80	34.55	-	-	70.35	6	1079.65	-	167	29	-	196	112	84	0.75	32
3	Bargarh	101.23	1000.00	1101.23	-	20.10	33.13	1.10	-	54.33	5	1046.90	6	43	56	2	107	63	44	0.53	-
4	Bhadrak	189.81	1000.00	1189.81	2.40	187.41	-	-	-	189.81	16	1000.00	5	114	-	-	119	119	0	2.71	108
5	Cuttack	387.13	1000.00	1387.13	-	342.33	-	-	-	342.33	25	1044.80	1	287	2	3	293	272	21	2.90	-
6	Jagatsinghpur	239.38	1000.00	1239.38	-	214.38	-	-	-	214.38	17	1025.00	-	249	-	-	249	209	40	2.26	-
7	Jajpur	177.32	1000.00	1177.32	29.40	47.75	7.91	-	0.27	85.33	7	1091.99	78	436	21	-	535	341	194	0.62	-
8	Kendrapara	174.88	1000.00	1174.88	-	58.00	-	-	-	58.00	5	1116.88	-	135	-	-	135	85	50	0.28	-
9	Khurda	32.40	1000.00	1032.40	13.50	14.90	2.50	1.50	-	32.40	3	1000.00	102	15	1	1	119	119	0	0.18	-
10	Nayagarh	776.00	1000.00	1776.00	-	554.00	178.00	-	-	732.00	41	1044.00	-	322	63	1	386	344	42	3.99	201
11	Puri	240.85	1000.00	1240.85	4.00	229.85	7.00	-	-	240.85	19	1000.00	20	188	15	-	223	223	0	3.44	-
12	Funds received under administrative cost	27.50	-	27.50	-	-	-	-	-	0.00	-	27.50	-	-	-	-	-	-	-	-	-
	TOTAL	2584.50	11000.00	13584.50	49.30	1723.52	272.09	2.60	0.27	2047.78	15	11536.72	215	2001	189	7	2412	1902	510	17.78	341

[Source: Website of Dept of Panchayati Raj, Orissa <http://www.orissapanchayat.gov.in>)

10.3 BHARAT NIRMAN (2005-06 to 2008-09)

With a view to build rural infrastructure, Bharat Nirman has been launched by the Government of India in 2005 to be implemented in a period of four years from 2005-06 to 2008-09. It has 6 components, such as –

- **Rural Roads-** To provide road connections to +38,484 villages above 1000 population and all 20,867 habitations above 500 population in hilly and tribal areas;
- **Telephone Connection in Rural Areas -** To provide telephone connection to 66,822 number of villages without a telephone and replace presently dysfunctional systems;
- **Creation of Irrigation Potential-** To create 1 crore hectare of irrigation potential. 6 million hectare from major and medium projects, 3 million hectare for ground water development and 1 million hectare for minor irrigation projects;
- **Provision of Drinking Water in Rural Areas-** To cover 55,067 uncovered habitations, provide additional coverage to 2.8 lakh habitations that have slipped back from full coverage, and provide potable water in 2,16,968 villages affected by poor water quality,

- **Rural Housing-** To provide 60 lakh houses at the rate of 15 lakh houses each year to be built by funds allocated to the homeless through Panchayats; and
- **Rural Electrification-** To provide electricity to 1,25,000 villages by grid based supply or in remote and inaccessible areas through alternative technologies

Though all the 6 components shall impact the life of rural population in a significant way, the Grama Panchayats are required to play a direct role in two of them, namely, Provision of Drinking Water in Rural Areas and Rural Housing, which are discussed below in further detail, with special reference to Orissa.

10.4 Rural Housing (Indira Awaas Yojana) under Bharat Nirman -

10.4.1 Urgency for Rural Housing- Housing constitutes a very basic requirement for human survival. It assumes great significance for the rural poor in that it lays the foundation for a life of dignity for them by dispelling the gloom of shelterlessness and conferring a distinct, secure identity. Addressing housing shortage is thus an important strategy of poverty alleviation in India. The 2001 Census places the rural housing shortage figure in India at 148 lakhs . The Bharat Nirman Programme has recognised and accorded due priority to the need to end shelterlessness and it is envisaged to construct 60 lakh houses over the next four years across the country, starting from 2005-06.

10.4.2 Institutional Arrangement- The rural housing programme is implemented by the Ministry of Rural Development through the Indira Awaas Yojana scheme, which is a centrally sponsored scheme where the cost is shared between the Centre and the States on a 75:25 basis. The criteria adopted for allocation of financial resources between the States/UTs gives greater emphasis to the states with higher incidence of shelterlessness. 75% weightage is given to housing shortage and 25% weightage to the poverty ratios prescribed by the Planning Commission for State-level allocations. For district-level allocations, 75 % weightage is given again to housing shortage and 25 % to SC/ST component of the population. Grant assistance is provided to the extent of Rs. 25,000 per house for normal areas and Rs.27,500 for hilly areas. Funds are released to the DRDAs in two installments.

10.4.3 Beneficiaries- The implementation guidelines of the scheme specifically target the rural below poverty line (BPL) households. The selection of beneficiaries is done by the respective Gram Sabha from the BPL list and no higher approval is required. The guidelines also clearly specify that the house allotment should be in the name of the female member of the family as a first priority. While seeking to empower the rural women, the scheme also provides a quota for physically & mentally challenged persons, ex-servicemen, widows and freed bonded labourers. An important requirement in the implementation is that at least 60% of the beneficiaries should belong to the SC/ST communities. The objective of alleviating the lot of the underprivileged members of society is built into the scheme guidelines. The IAY scheme also lays emphasis on individual sanitation and health by incorporating the cost of a sanitary latrine and smokeless chulha into the grant.

10.4.4 Role of State Government- Various state governments have responded to the housing programme by placing it at the top end of their development priorities, thereby imparting great vigour to the implementation process. While the implementation lies with the DRDAs, the houses are constructed by the individual beneficiaries themselves, with absolute freedom of choice over the design. The scheme is closely monitored by an extensive network at the district, state and national level to ensure right selection and effectiveness in the implementation mechanism

10.4.5 Physical and Financial Progress in Rural Housing (IAY) Programme-

Physical Progress of Programme IAY During 2007-2008 in ORISSA upto end of May 2007

Programme Name	*Month CodeUnit.....	Total Target	Total Achievement	Ach. as % of Target	Share of Weaker Section in Total Achievement (% to Tot Ach.)					
						SC	ST	SC-ST	Women	Landless	Disabled
Rural Development											
IAY	5	Dwelling Units (Nos.)	111431	3192	2.86	1204 (37.72%)	932 (29.2%)	0(0%)	21 (0.66%)		

(Source: Data provided by Ministry of Rural Development, Software developed by NIC)

Financial Progress of Programme IAY During 2007-2008 (upto end of May 2007) in ORISSA (Rs.In Lakhs)

Programme Name	*Month Upto	Opening Balance	Allocation		Releases			Total Fund	Total Expend.	% util to Av.	%Rel to Alloc.	% Expn. Centrl Rel.	Balance Fund
			Central	State	Central	State	Total						
Rural Development													
IAY	5	1834.24	20893.26	6964.4	10128.9	1149.5	11278.4	13112.64	649.72	4.95	40.49	6.41	12462.92
Sub Total		1834.24	20893.26	6964.4	10128.9	1149.5	11278.4	13112.64	649.72	4.95	40.49	6.41	12462.92
Grand Total		1834.24	20893.26	6964.4	10128.9	1149.5	11278.4	13112.64	649.72	4.95	40.49	6.41	12462.92

10.5 Rural Water Supply Programme under Bharat Nirman-

10.5.1 Drinking water scenario- To build rural infrastructure, Bharat Nirman has been launched by the Government of India in 2005 to be implemented in a period of four years from 2005-06 to 2008-09. Rural drinking water is one of the six components of Bharat Nirman. During Bharat Nirman period, 55,067 un-covered and about 3.31 lakh slipped-back habitations are to be covered with provisions of drinking water facilities and 2.17 lakh quality-affected habitations are to be addressed for water quality problem. While prioritizing the addressal of the water quality problem, Arsenic and Fluoride affected habitations have been accorded priority followed by Iron, Salinity, Nitrate and other contaminants. To ensure that habitations once provided with drinking water supply infrastructure do not slip back and face drinking water problem, sustainability of drinking water sources and systems has been accorded high priority. To achieve drinking water security at village/ habitation level, conjunctive use of water i.e. judicious use of rainwater, surface water and ground water is promoted.

10.5.2 Sustainability in water management- To enable the rural community shoulder the responsibility in management, operation and maintenance of water supply systems at village level, decentralized, community-managed, demand-driven approach in the form of Swajaldhara have been adopted. To further strengthen community participation in the drinking water sector for sustainability, National Rural Drinking Water Quality Monitoring & Surveillance programme has been launched in February, 2006 under which 5 persons in each Gram Panchayat are to be trained to carry out regular surveillance of drinking water sources for which 100% financial assistance including water testing kits, are provided.

10.5.3 Target- Every habitation to have a safe source of drinking water: 55,067 uncovered habitations to be covered by 2009. In addition, all habitations, which have slipped back from full coverage to partial coverage due to failure of source and habitations, which have water quality problems are to be addressed. The Ministry of Rural Development, Department of Drinking Water Supply is responsible for meeting this goal in partnership with State Governments. The programme instrument of the Government of India is a Centrally Sponsored Scheme of Accelerated Rural Water Supply Programme under implementation since 1972-73, which is funded on a 50% matching share basis between the Government of India and the State Government. Since 1972, over 37 lakh hand pumps and 1.5 lakh pipe water supply systems have been set up to provide safe water to over 15 lakh habitations in the country at a cost of over Rs 50,000 crore.

10.5.4 Norms for coverage-

- 40 litres per capita per day (lpcd) of safe drinking water for human beings
- 30 lpcd additional for cattle in the Desert Development Programme Areas
- One hand pump or stand post for every 250 persons
- The water source should exist within 1.6 km in the plains and within 100 metres elevation in the hilly areas

10.5.5 Current Backlog

The backlog for coverage is under estimation based on a habitation survey for the categories of uncovered villages, slipped- back villages and villages affected with a problem of water quality. 55,067 villages remain uncovered and are targeted for coverage as first priority. The category of slipped-back villages estimated by the Planning Commission at the beginning of the Tenth Plan as 2.8 lakh habitations. These are so on account of a number of factors like-

- Sources going dry or lowering of the ground water table
- Sources becoming quality affected
- Systems outliving their lives
- Systems working below rated capacity due to poor operation and maintenance
- Increase in population resulting in lower per capita availability
- Emergence of new habitations

According to the data received from State Governments based on a survey undertaken in 2000, habitations numbering 2,16,968 are affected due to a variety of water quality problems with the following break-up:

- excess fluoride: 31,306;
- excess arsenic: 5029;
- excess salinity:23,495;
- excess iron:1,18,088;
- excess nitrate: 13,958 and
- multiple quality problems: 25,092.

10.5.6 Role of State Government- The Government of India has decided that under Bharat Nirman the list of names of habitations would have to be provided by State Governments for availing funds from Government of India. This would give maximum transparency to the programme. State Governments would be required to place the habitations proposed for coverage and covered on this site in course of time.

10.5.7 Finances

The scheme is funded on a 50% basis by the GoI. The actual requirement will be worked out based on the names of habitations supplied by the states.

10.5.8 Number of habitations planned to be covered and addressed for water quality problems as on 1.4.2005

S. No.	State/UT	Number of habitations			
		Un-covered	Slipped-back	Quality-affected	Total
1.	Andhra Pradesh	0	29,744	4,050	33,794
2.	Arunachal Pradesh	668	2,752	0	3,420
3.	Assam	7,375	10,636	8,119	26,130
4.	Bihar	0	47,597	776	48,373
5.	Chhattisgarh	0	19,007	5,021	24,028
6.	Goa	6	0	0	6
7.	Gujarat	36	4,389	8,717	13,142
8.	Haryana	0	2,506	361	2,867
9.	Himachal Pradesh	6,891	9,308	0	16,199
10.	Jammu & Kashmir	3,211	3,138	49	6,398
11.	Jharkhand	0	17,225	168	17,393
12.	Karnataka	5,618	809	21,008	27,435
13.	Kerala	7,573	421	867	8,861
14.	Madhya Pradesh	0	37,269	5,381	42,650
15.	Maharashtra	17,738	11,579	3,787	33,104
16.	Manipur	0	80	37	117
17.	Meghalaya	251	4,341	160	4,752
18.	Mizoram	112	271	26	409
19.	Nagaland	731	202	157	1,090
20.	Orissa	0	14,900	32,254	47,154
21.	Punjab	1,931	5,247	2,093	9,271
22.	Rajasthan	2,300	33,680	41,072	77,052
23.	Sikkim	74	783	0	857
24.	Tamil Nadu	0	44,080	5,574	49,654
25.	Tripura	0	651	7,031	7,682
26.	Uttar Pradesh	0	19,886	5,062	24,948
27.	Uttarakhand	272	7,567	0	7,839
28.	West Bengal	0	3,536	65,156	68,692
29.	A & N Islands	102	0	26	128
30.	Dadra Nagar Haveli	60	0	0	60
31.	Lakshadweep	10	0	0	10
32.	Puducherry	108	0	16	124
	TOTAL	55,067	3,31,604	2,16,968	6,03,639

(Source : Website of Ministry of Rural Development, GOI)

Bharat Nirman– Rural drinking water State-wise cumulative achievements

(Number of habitations)

S. No	State/UT	Number of habitations as on 1.4.2005				Coverage during 2005-06 to 2008-09*			
		Un-covered	Slipped - back	Quality - affected	Total	Un-covered	Slipped - back	Quality - affected	Total
1	Andhra Pradesh	0	29,744	4,050	33,794	0	15,435	3,735	19,170
2	Arunachal Pradesh	668	2,752	0	3,420	603	427	589	1,619
3	Assam	7,375	10,636	8,119	26,130	7,111	2,053	14,234	23,398
4	Bihar	0	47,597	776	48,373	0	23,000	9,361	32,361
5	Chhattisgarh	0	19,007	5,021	24,028	0	22,400	624	23,024
6	Goa	6	0	0	6	3	0	0	3
7	Gujarat	36	4,389	8,717	13,142	36	4,316	5,791	10,143
8	Haryana	0	2,506	361	2,867	0	1,954	328	2,282
9	Himachal Pradesh	6,891	9,308	0	16,199	6,030	4,124	0	10,154
10	Jammu & Kashmir	3,211	3,138	49	6,398	1,426	333	0	1,759
11	Jharkhand	0	17,225	168	17,393	0	10,501	951	11,452
12	Karnataka	5,618	809	21,008	27,435	5,244	5,382	8,623	19,249
13	Kerala	7,573	421	867	8,861	3,467	978	409	4,854
14	Madhya Pradesh	0	37,269	5,381	42,650	0	33,551	4,098	37,649
15	Maharashtra	17,738	11,579	3,787	33,104	9,047	6,463	5,445	20,955
16	Manipur	0	80	37	117	0	402	74	476
17	Meghalaya	251	4,341	160	4,752	236	2,491	166	2,893
18	Mizoram	112	271	26	409	86	311	78	475
19	Nagaland	731	202	157	1,090	201	93	173	467
20	Orissa	0	14,900	32,254	47,154	0	27,407	12,062	39,469
21	Punjab	1,931	5,247	2,093	9,271	1,625	1,379	1,452	4,456
22	Rajasthan	2,300	33,680	41,072	77,052	1,431	22,832	18,157	42,420
23	Sikkim	74	783	0	857	74	483	76	633
24	Tamil Nadu	0	44,080	5,574	49,654	0	24,610	2,514	27,124
25	Tripura	0	651	7,031	7,682	0	570	2,878	3,448
26	Uttar Pradesh	0	19,886	5,062	24,948	0	24,594	5,202	29,796
27	Uttarakhand	272	7,567		7,839	127	4,414	0	4,541
28	West Bengal	0	3,536	65,156	68,692	0	6,766	7,952	14,718
29	A & N Islands	102	0	26	128	94	0	0	94
30	Dadra Nagar Haveli	60	0	0	60	66	0	0	66
31	Lakshadweep	10	0	0	10	0	0	0	0
32	Puducherry	108	0	16	124	120	33	88	241
	Total	55,067	331,604	216,968	603,639	37,027	247,302	105,060	389,389

* Upto May, 2008

(Source : Website of Ministry of Rural Development, GOI)

10.5.9 Release of Funds to Orissa under ARWSP upto 30th June 2008

2005-06 -Rs. 16734.55 lakh

2006-07- Rs. 11916.72 lakh

2007-08- Rs. 9528.61 lakh

2008-09 Rs. 4328.00 lakh out of 8656.00 lakh allocated

Total - Rs. 42507.88 lakh received

(Source : Website of Ministry of Rural Development, GOI)

10.5.10 Rural water Target for 2008-09 under Bharat Nirman (Provisional)

S. No	State/ UTs	Balance habitations yet to be covered/ addressed					
		Un-covered habitations			Slipped-back	Quality-affected	Total
		NC	PC	Total			
1.	Andhra Pradesh	0	0	0	15,889	0	15,889
2.	Arunachal Pradesh	23	42	65	2,325	0	2,390
3.	Assam	0	273	273	8,872	13,954	23,099
4.	Bihar	0	0	0	24,597	15,359	39,956
5.	Chhattisgarh	0	0	0	0	4,408	4,408
6.	Goa	0	3	3	0	0	3
7.	Gujarat	0	0	0	73	0	73
8.	Haryana	0	0	0	577	58	635
9.	Himachal Pradesh	0	0	0	5,184	0	5,184
10.	Jammu & Kashmir	448	1,337	1,785	2,805	114	4,704
11.	Jharkhand	0	0	0	6,724	446	7,170
12.	Karnataka	0	453	453	0	12,497	12,950
13.	Kerala	0	4,112	4,112	0	484	4,596
14.	Madhya Pradesh	0	0	0	3,718	0	3,718
15.	Maharashtra	86	8,605	8,691	5,116	5,897	19,704
16.	Manipur	0	0	0	0	0	0
17.	Meghalaya	0	14	14	1,867	0	1,881
18.	Mizoram	0	26	26	0	0	26
19.	Nagaland	0	400	400	109	0	509
20.	Orissa	0	0	0	0	16,492	16,492
21.	Punjab	0	342	342	3,938	653	4,933
22.	Rajasthan	869	0	869	10,888	13,897	25,654
23.	Sikkim	0	0	0	300	0	300
24.	Tamil Nadu	0	0	0	4,602	0	4,602
25.	Tripura	0	0	0	81	57	138
26.	Uttar Pradesh	0	0	0	0	1,639	1,639
27.	Uttarakhand	10	127	137	3,197	0	3,334
28.	West Bengal	0	0	0	0	11,460	11,460
29.	A&N Islands	0	8	8	0	26	34
30.	Lakshadweep	0	10	10	0	0	10
31.	Puducherry	0	0	0	0	27	27
	Total	1,436	15,752	17,188	1,00,862	97,468	2,15,518

(Source : Website of Ministry of Rural Development, GOI)

10.6 National Rural Employment Guarantee Act, 2005

10.6.1 Basic Facts about NREGA- An important legislation concerning the entire rural India, which proclaims the Gram Panchayat as the principal executing authority in respect of schemes made under it is the the National Rural Employment Guarantee Act, 2005 or briefly NREGA. The Act was notified on September 7, 2005. The objective of the Act as mentioned in the Preamble of the Act is to enhance livelihood security in rural areas by providing at least 100 days of guaranteed wage employment in a financial year to every household whose adult members volunteer to do unskilled manual work. From the list of work-types that can be taken up under the Act, it is expected to act a growth engine for sustainable development of an agricultural economy. Through the process of providing employment on works that address causes of chronic poverty such as drought, deforestation and soil erosion, the Act seeks to strengthen the natural resource base of rural livelihood and create durable assets in rural areas. As **‘Operational Guidelines’** brought out by the national level nodal agency, Ministry of Rural Development says, ‘Effectively implemented, NREGA has the potential to transform the geography of poverty’. The Act was notified in 200 districts in the first phase with effect from February 2nd 2006 and then extended to additional 130 districts in the financial year 2007-2008 (113 districts were notified with effect from April 1st 2007, and 17 districts in UP were notified with effect from May 15th 2007). The remaining districts have been notified under the NREGA with effect from April 1, 2008. Thus NREGA covers the entire country with the exception of districts that have a hundred percent urban population.

10.6.2 SALIENT FEATURES OF NREGA- The following are its salient features-

- i) Adult members of a rural household, willing to do unskilled manual work, may apply for registration in writing or orally to the local Gram Panchayat;
- ii) The Gram Panchayat after due verification will issue a Job Card. The Job Card will bear the photograph of all adult members of the household and shall be provided free of cost;
- iii) The Job Card should be issued within 15 days of application;
- iv) A Job Card holder may submit a written application for employment to the Gram Panchayat, stating the time and duration for which work is sought. The minimum days of employment have to be at least fourteen;
- v) The Gram Panchayat will issue a dated receipt of the written application for employment, against which the guarantee of providing employment within 15 days operates;
- vi) Employment will be given within 15 days of application for work, failing which daily unemployment allowance as per the Act, has to be paid liability of payment of unemployment allowance is of the States;
- vii) Work should ordinarily be provided within 5 km radius of the village. In case work is provided beyond 5 km, extra wages of 10% are payable to meet additional transportation and living expenses;
- viii) Wages are to be paid according to the Minimum Wages Act 1948 for agricultural labourers in the State, Equal wages will be provided to both men and women;
- ix) Wages are to be paid according to piece rate or daily rate. Disbursement of wages has to be done at least on a weekly basis and not beyond a fortnight in any case;
- x) At least one-third beneficiaries shall be women who have registered and requested work under the scheme;

- xi) Work site facilities such as crèche, drinking water, shade have to be provided
- xii) The shelf of projects for a village will be recommended by the Gram Sabha and approved by the Zilla Panshad;
- xiii) At least 50% of works will be allotted to Gram Panchayats for execution;
- xiv) A 60:40 wage and material ratio has to be maintained. No contractors and machinery are to be allowed;
- xvi) The Central Government bears the 100 percent wage cost of unskilled manual labour and 75 percent of the material cost including the wages of skilled and semi skilled workers;
- xvii) Social Audit has to be done by the Gram Sabha;
- xviii) Grievance redressal mechanisms have to be put in place for ensuring a responsive implementation process; and
- xix) All accounts and records relating to the Scheme should be available for public scrutiny.
- xx) The detail information on day-to-day progress in implementation of the Scheme along with the names of wage-workers and wages paid shall be made available on-line through internet.

10.6.3 NREGS for every State- Under Section 4 of the Act every State Government shall formulate a Scheme in conformity to the legally non-negotiable parameters laid down in Schedules I and II of the Act. In addition, the Schemes will conform to the operational parameters delineated in the Guidelines. The Scheme so formulated will be called the National Rural Employment Guarantee Scheme (NREGS), followed by the name of the State. The Scheme will be implemented as a Centrally Sponsored Scheme on a cost-sharing basis between the Centre and the States as determined by the Act.

10.6.4 State Employment Guarantee Council (SEGC)- As a counterpart to the Central Employment Guarantee Council, a State Employment Guarantee Council (or 'State Council') is to be set up by every State Government under Section 12 of NREGA. The SEGC shall advise the State Government on the implementation of the Scheme, and evaluate and monitor it. Other roles of the State Council include deciding on the 'preferred works' to be implemented under NREGS, recommending the proposals of works to be submitted to the Central Government and streamlining the grievance redress machinery put in place at different levels. Besides the State Council will prepare an Annual Report on the implementation of the NREGS in the State to be presented to the State Legislature.

10.6.5 Responsibility of the State Government-

- a) Wide communication of the Scheme,
- b) Setting up the SEGC,
- c) Establishing a State Employment Guarantee Fund
- d) Ensuring that full time dedicated personnel are in place for implementing NREGA, specially the Gram Panchayat assistant (Gram Rozgar Sahayak) and the Programme Officer, and the technical staff
- e) Ensuring that the State share of the NREGS budget is released on time
- f) Delegation of financial and administrative powers to the District Programme

- Coordinator and the Programme Officer, as is deemed necessary for the effective implementation of the Scheme
- g) Training
 - h) Establishing a network of professional agencies for technical support and for quality-control measures
 - i) Regular review, monitoring and evaluation of NREGS processes and outcomes.
 - j) Ensuring accountability and transparency in the Scheme at all levels

10.6.6 State Employment Guarantee Commissioner- Besides the State Government will designate an officer, not below the rank of a Commissioner, as the State Rural Employment Guarantee Commissioner responsible for ensuring that all activities required to fulfill the objectives of the Act are carried out. The Commissioner may also function as the Member Secretary of the SEGC, and be authorized to hear appeals against the decisions or actions of the DPC. He may also be directed to ensure that the system of grievance redressal, social audit, applications for right to information, and other measures of public accountability and transparency are effective as well as responsive to the demands of NREGS workers and the community.

10.6.7 Role of Gram Sabha and Gram Panchayat:

The Gram Sabha shall recommend works to be taken up under NREGS. It will conduct social audits on implementation of the Scheme. In addition, Gram Sabha shall be used extensively as a forum for sharing information about the Scheme.

Gram Panchayat is the pivotal body for implementation at the village level. It shall remain responsible for the following activities:

- i) Planning of works
- ii) Receiving applications for registration
- iii) Verifying registration applications
- iv) Registering households
- v) Issuing Job Cards
- vi) Receiving applications for employment
- vii) Issuing dated receipts,
- viii) Allotting employment within fifteen days of application
- ix) Executing works
- x) Maintaining records
- xi) Convening the Gram Sabha for social audit, and
- x) Monitoring the implementation of the Scheme at the village level.

10.6.8 Role of Block level authorities-

The Intermediate Panchayat will be responsible for the consolidation of the GP plans at the Block level into a Block Plan and for monitoring and supervision. A crucial role has to be played by a whole-time Programme Officer (PO), who shall be appointed exclusively for the purposes of this Act. He is to act as a coordinator for NREGS at the Block level. He is to ensure that anyone who applies for work gets employment within 15 days. Other important functions of a Programme Officer are:

- i) Scrutinizing the annual development plan proposed by the GPs,
- ii) Including the proposals of the Intermediate Panchayat,

- iii) Consolidating all proposals into the block plan and submitting it to the Intermediate Panchayat,
- iv) Matching employment opportunities with the demand for work at the Block level;
- v) Monitoring and supervising implementation;
- vi) Disposal of complaints;
- vii) Ensuring that social audits are conducted by the Gram Sabhas and follow-up action is taken; and
- viii) Prompt payment of unemployment allowance to those applicants who couldn't be given work within the stipulated time.

10.6.9 Role of District level authorities- The District Panchayats will be responsible for finalizing the District Plans and the Labour Budget and for monitoring and supervising the Employment Guarantee Scheme in the District. The State Government will designate a District Programme Coordinator, who can be either the Chief Executive Officer of the District Panchayat, or the District Collector, or any other District-level officer of appropriate rank. The overall responsibility for ensuring that the Scheme is implemented according to the Act belongs to the District Programme Coordinator (DPC) at the District level. He will be responsible for -

- i) Information dissemination;
- ii) Training;
- iii) Consolidating block plans into a district plan;
- iv) Ensuring administrative and technical approvals to the shelf of projects on time;
- iii) Release and utilization of funds;
- iv) Disposal of grievances against the Programme Officer;
- iv) Ensuring hundred percent monitoring of works, Muster Roll Verifications; and
- v) Submission of Monthly Progress Reports.

10.6.10 NREGS, Orissa- Though the Government of Orissa made the formal inauguration of the implementation of NREGA in the State with effect from 2nd February 2006 like many other States, the State Scheme under the Act couldn't be notified forthwith. As per Section-4(1) of NREG Act, a State shall start implementing the Act in the manner of pre-existing SGRY or NFFWP until the State Scheme proper is notified. Orissa therefore started implementing the Act in different places relying upon the guidelines of SGRY or of NFFWP as the case may be. The State Scheme called **OREGS (Orissa Employment Guarantee Scheme)** was notified in Orissa Gazette on 16 December 2006 after a lapse of more than 10 months from the due date. The Scheme prescribed a total of 16 Forms as mentioned below, out of which all except the last two (Form No. C-1 for Application for work, and Form No.C-2 for Notice intimating work allotment) were adopted from the Central Operational Guidelines.

FORMS ATTACHED TO THE OREGS, 2006

1. Form B-1 Application for registration
2. Form B-2
 - i) Job Card as per proforma attached
 - ii) At the last part of the form, details of unemployment allowance to be added as prescribed in Centra Operational Guidelines
3. Form B-3 Muster Roll

10.6.12 Rate of Minimum Wages- While the implementation of NREGA started in Orissa on 2nd February 2006, the minimum daily wage for the unskilled worker was Rs.55/- only. It continued until a revision notification was made by the Dept. of Labour and Employment, Orissa (**vide Notification No.712 dated 28th April 2007**) enhancing the wage rate to Rs.70/- per day per head. In addition to this time-rate wage, the **Dept. of Panchayati Raj, Orissa in a circular dated 25th Nov. 2006** announced the enhanced wage rates for piece-rate earth works applicable to NREGA as follows:

- For 1 Chouka (10' X 10' X 10') on plain soil Rs.100/-
- For 1 Chouka (10' X 10' X 10') on hard soil Rs.135/-
- For 1 Chouka (10' X 10' X 10') on rocky soil Rs.210/-

At **Para 6.7.2 the Operational Guidelines (Third Edition, 2008)** says, “..... the State Governments may undertake comprehensive work, time and motion studies. These studies will observe out-turn and fix rates after detailed location specific observations. This implies that productivity norms must follow possible out-turn under different geomorphological and climatic conditions, across and within Districts. This is of particular significance in areas with a high degree of location specificity and variability in the soil, slope and geological conditions and seasonal variation. *Therefore, a matrix of rates for the same task needs to be drawn up that follows ecological rather than administrative boundaries.* The Schedules of Rates (SOR) may be prepared on the basis of these studies”.

But in the context of Orissa, no further location-specific schedule of rates has been prepared beyond the above mentioned uniform State level rates, applicable to all locations.

10.6.13 Achievements under NREGA at national and State level- The following are some basic figures on achievements of NREGA since inception at national level and in Orissa as highlighted on the GOI's website on NREGA –

NREGA at National level – July 2008

Employment provided to households:	2.13 Crore
Persondays [in Crore]:	
Total:	67.67
SCs:	19.06 [28.17%]
STs:	16.8 [24.83%]
Women:	33.5 [49.51%]
Others:	31.81 [47.01%]
Total works taken up:	14.65 Lakhs.
Works completed:	2.98 Lakhs.
Works in progress:	11.67 Lakhs.

NREGA in Orissa ORISSA, July 2008

Employment provided to households:	2.31411 Lakhs
Persondays [in Lakh]:	
Total:	118.51
SCs:	26.8 [22.61%]
STs:	21.77 [18.37%]
Women:	36.68 [30.95%]
Others:	69.95 [59.02%]
Total fund:	527.74 Crore.
Expenditure:	80.34 Crore.
Total works taken up:	60331
Works completed:	1288
Works in progress:	59043

(Source: Govt of India's Website <http://nrega.nic.in>)

10.6.14 C&AG on functioning of NREGA in some States including Orissa-

Since the major chunk of NREGA fund comes from Centre, the Comptroller & Auditor General of India is responsible for auditing of its accounts annually. Besides, after a few months of implementation of NREGA, there surfaced in the media and legislatures serious charges of corruption and mismanagement of NREGA funds in various States of the country including Orissa. The C&AG therefore undertook a performance audit of NREGA funds in selected States at the instance of Central Government. The scope of this audit was restricted to the 200 districts identified for implementation of NREGA in the 1st Phase with effect from February 2006. The period of audit coverage was from February 2006 to March 2007.

10.6.15 First of all, the C&AG audit team noticed the following policy deviations on the part of the State Governments-

- Non-appointment of full-time dedicated Programme Officers (POs)
- Non- appointment of Administrative Assistants & Technical Assistants
- Non-appointment of Employment Guarantee Assistants / Gram Rozgar Sevaks
- Non-constitution of panels of Accredited Engineers and
- Non-setting up of Technical Resource Support Group

Commenting on the impact of such deviations the C&AG team observed, “non-appointment of a full-time dedicated Programme Officer (PO), who is pivotal to the successful implementation of NREGA, and giving the additional charge of PO to BDOs, who were responsible for other developmental schemes at the Block level, strikes at the root of effective implementation of NREGA .The State Governments should be directed to appoint full-time POs at each Block, with adequate supporting staff. Necessary administrative and financial powers should be delegated to such POs, even if they are appointed on contract basis so that proposals are not routed through the already overburdened BDOs” (Para 6.1.3)

10.6.16 Some deviations of administrative nature noticed by C&AG were as follows: -

- Planning process didn't involve the members of Gram Sabha and Gram Panchayats as envisaged in the Act. Lack of participation, or inadequate participation by Gram Sabhas, and Gram Panchayats in the planning process would vitiate the process of people's participation, transparency and accountability, and also adversely affect the creation of productive assets benefiting the local community.

- The introductory Gram Sabha meeting at the time of commencement of the Act and the Door-to-door survey to identify persons willing to register were not conducted. Job cards were not issued to all registered households. Photographs were not attached to job cards. In one GP, 13 job cards were found to be lying with GP officials. In another GP, 21 cards were lying with the GP authorities. Besides, administrative approval and technical sanction of works was not taken and worksite facilities were not in place.

10.6.17 Orissa-specific findings –

- Works were executed through contractors in the guise of Village Labour Leaders (VLLs) and through the Junior Engineers in the name of departmental execution. The VLLs and JEs procured road metal and other materials out of their own resources and also in many cases indicated payment of wages without receiving any advance/ sufficient advance. Site account registers in respect of receipt and issue of materials and Temporary advance register in respect of advance for payment of wages had not been maintained. Materials were not purchased on tender/ quotation basis and purchase bills/ payment receipts were not treated as expenditure document. Instead, work bills were paid to the VLLs/ JEs based on item and volume of works executed in the same manner as allowed in the case of work done by the contractors. Measurement for these works was also made by the same JE, but the work was shown as a departmentally executed work.
- NREGA Guidelines permit execution of road projects providing all weather connectivity in rural areas. However, joint physical inspection in September 2007 of three road works executed disclosed that the roads remained kutcha even after improvement, and were not able to provide all weather access. Further, recording of inflated measurement in the measurement books and Level Section Graph Sheets in all the three cases, and excess payment were also noticed.
- Out of 1835 works approved in the Annual Action Plans of 48 GPs test checked, only 444 works (24per cent) were taken up.
- In one GP, three works executed at an estimated cost of Rs.20 lakh were not approved by the Gram Sabha.
- Due to delay in execution of 46 works by an executing agency, there was cost overrun by Rs 35.03 lakh.
- Excess payment of Rs.7.98 lakh in 13 cases due to non-deduction of voids and volume of sand and moorum utilized, was noticed. One road work was executed at Rs 5 lakh during 2006-07 without technical sanction.
- Two executing agencies utilized Rs 47.80 lakh to complete seven numbers of incomplete works taken up under NFFWP, without following the provisions of NREGA Guidelines.
- One Assistant Soil Conservation Officer utilized Rs 29.85 lakh during 2006-07 without following the NREGA Guidelines. In these works registered labourers were not engaged and un-authorized (kutcha) muster rolls available in the market were used without the knowledge of the appropriate authority.

(Vide: Draft Audit Report of C&AG on NREGA Works in States during Feb. 2006 – March 2007)