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**REPORT ON
THE RECOMMENDATIONS
MADE AT
THE CHIEF MINISTERS'
CONFERENCE
4TH-5TH JULY, 1996
AT NEW DELHI**



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**REPORT ON THE RECOMMENDATIONS MADE AT
THE CHIEF MINISTERS' CONFERENCE
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Background

A Conference of the Chief Ministers of States on Basic Minimum Services (BMS) was held on 4-5th July, 1996 under the chairmanship of the Prime Minister. The Conference adopted a number of resolutions on this subject, a copy of which is at Annexure I.

The Conference recommended the adoption of the following objectives with an all out effort for their attainment by 2000 AD.

- (i) 100% coverage of provision of safe drinking water in rural and urban areas;
- (ii) 100% coverage of primary health service facilities in rural and urban areas;
- (iii) Universalisation of primary education;
- (iv) Provision of public housing assistance to all shelterless poor families ;
- (v) Extension of mid-day meal programme in primary schools to all rural blocks and urban slums and disadvantaged sections;
- (vi) Provision of connectivity to all unconnected villages and habitations; and
- (vii) Streamline the public distribution system with focus-upon the poor;

There are Centrally Sponsored Schemes pertaining to six out of the seven areas of national concern listed above. The recommendations made by the Conference on Centre-State relations as well as the Centrally Sponsored Schemes have to be, therefore, taken cognizance of.

The Conference noted that the two issues of re-defining Centre-State relationships and review of the Centrally Sponsored Schemes would be taken up in the forthcoming meeting of the National Development Council, Inter-State Council, etc., and that decisions would be taken in consultation with Chief Ministers.

The following are other important recommendations made at the Conference relating to the Centrally Sponsored Schemes:

- (a) The transfer of the Centre's share of funds in respect of the schemes pertaining to the broad objectives indicated above, should be done with flexibility given to the States in implementation to suit their local conditions and emphasis on involvement of people through elected Panchayats and municipalities (para 6 of the Resolution).
- (b) There is considerable centralisation rigidity, delay and inequity in the administration of these schemes. The Conference suggested the streamlining of these Centrally Sponsored Schemes (para 7 of the Resolution).
- (c) All Centrally Sponsored Schemes relating to the seven basic minimum services should be continued. An all out effort should be made to secure 100% coverage in provision of safe drinking water in rural and urban areas, 100% coverage of primary health service facilities in the rural and urban areas and universalisation of primary education, within the next two-three years. States which have achieved satisfactory results in these areas can choose other components of these seven basic minimum services for planning and implementation (para 8 of the Resolution).
- (d) The Centrally Sponsored Schemes in areas of urban and rural poverty alleviation and employment, development of desert and drought prone areas and for the welfare of SCs/STs/minorities and disabled persons should be continued as such with greater flexibility and freedom for the States in their implementation (para 10 of the Resolution).
- (e) Centrally Sponsored Schemes other than those mentioned at (c) and (d) above should be pooled and basic State entitlement ratios be worked out on the basis of allocations made to the States in 1995-96. The States should be free to select for implementation schemes suiting their needs for using their annual entitlement from the list of these Centrally Sponsored Schemes (para 11 of the Resolution).
- (f) The special needs of the States below the national average may be taken into consideration while determining the allocations of these seven basic minimum services (para 9 of the Resolution).

The Department of Programme Implementation in the Ministry of Planning and Programme Implementation was directed to work out the revisions in guidelines and procedures in consultation with the relevant central Ministries and a Group of Chief Ministers, within a period of 1 month so that the revisions and changing would be available during this year (1996-97 itself).

As the Department of Programme Implementation (DPI) did not have the full data, the exercise was carried out jointly by the Special Secretary, Planning Commission and the Secretary, Department of Programme Implementation. A series of meetings were held with the concerned Central Ministries between 15th and 19th July, 1996, as per the details indicating in Annexure-II. During the course of the meetings, the purpose of the exercise was explained both by the Special Secretary, Planning Commission and the Secretary, Department of Programme Implementation to all concerned. This report is prepared in the light of the deliberations held as well as the material given by the administrative Ministries. The exhaustive note prepared by the Plan Coordination Division of the Planning Commission on Centrally Sponsored Schemes has also been taken into account while preparing the Report.

Follow-up of the Narasimha Rao Committee's Recommendations.

Since the State Governments have been agitating for long for greater flexibility and freedom in implementation of Centrally Sponsored Schemes, deliberations with regard to the transfer of Centrally Sponsored Schemes to the States have taken place earlier also. In fact, the National Development Council had appointed a Sub-Committee on Centrally Sponsored Schemes under the Chairmanship of Shri P.V. Narasimha Rao, known as the Narasimha Rao Committee. This Committee had approved a set of modified criteria for the retention of the then existing and the initiation of new Centrally Sponsored Schemes, as set out below:

- (a) The fulfillment of an important National objective such as poverty alleviation or achievement of minimum standard in education; or
- (b) The programme has a regional or Inter-State character; or
- (c) The programme or scheme should be in the nature of a pace setter or should relate to demonstration, survey or research.

The 43rd meeting of the National Development Council held in December, 1991 decided to endorse the main recommendations of the Narasimha Rao Committee to transfer 113 Centrally Sponsored Schemes to the States alongwith the corresponding share of funds for 1992-93 at 1991-92 level. It was also decided that the exact pattern of funding for each Centrally Sponsored Scheme transferred to the States would be maintained at the 1991-92 level and that the Central share of funds for the transferred schemes would be released to the States outside the formula of Central assistance. When an effort was made in 1992 to effect the transfer of 113 Centrally Sponsored Schemes, it was found that only 45 schemes were in operation in 1992-93, the balance 68 having been discontinued/defunct/phased out on account of the time-lag of about 4 years between the submission of the Report of the Narasimha Rao Committee on Centrally Sponsored Schemes in 1987 and the decision of the

National Development Council to implement the Report of the Committee in 1991. The position in respect of the 45 schemes, which were actually to be transferred to the States is as follows:

Total Number of Schemes	45
of which:	
(a) Number of Schemes transferred in 1992-93 and 1993-94	35 (34 in 1992-93 and 1 in 1993-94)
(b) Number of schemes approved by the Cabinet as Central Sector Scheme	4
(c) Number of schemes yet to be transferred	6 (3 pertaining to Ministry of Food Processing and 3 to Ministry of Textiles)

Funds for the 34 schemes transferred in 1992-93 were not transferred to the States from 1993-94 onwards by the concerned Ministries. As the time of the annual plan discussions for the year 1995-96 between the Deputy Chairman, Planning Commission and the Chief Ministers of States, the Planning Commission decided to provide a sum of Rs. 225 crores to States in 1995-96 for 37 out of the 45 schemes, i.e., 34 schemes transferred in 1992-93 and 3 schemes of the Ministry of Textiles out of the six which are yet to be transferred to the States. Out of the amount of Rs. 225 crores, Rs. 65.12 crores and Rs. 63.91 crores have been released in 1994-95 and 1995-96 respectively. The issue regarding the release of the balance amount continues to remain unresolved. The stalemate seems to be on account of the inability of the States to give implementation reports on individual schemes to enable them to get the funds.

It is obvious that the thrust of the recommendations of the Conference is in keeping with the previous approach to the problem. The concept of pooling a certain category of Centrally Sponsored Schemes is a new one and has to be worked out with clarity. In view of the past experience with regard to the transfer of funds pertaining to the Centrally Sponsored Schemes to the States, it is felt that a clear and simple methodology is worked out with regard to the same.

Present Status of Centrally Sponsored Schemes

Before proceeding further in the matter, it is necessary to have a bird's eye view of the present status of Centrally Sponsored Schemes. An exercise was carried out in the Planning Commission to compile all the Centrally Sponsored Schemes which were in operation as on 1.4.1996. The earlier compilation was done on 1.4.85. However, the schemes that

started after the commencement of the Eighth Plan have been specifically brought before the Planning Commission by the concerned Ministries for approval as per the directions of the NDC which met in 1991. It has been observed from the exercise undertaken presently that there are about 182 Centrally Sponsored Schemes in operation as on 1.4.1996. The proposed annual outlay for these schemes during 1996-97 accounts for Rs. 16038.19 crores. The tentative total expenditure for the first four years of the Eighth Plan stand at Rs. 42308.34 crores. The details of the 182 schemes are shown in Annexures III to V.

The Ministry-wise details of the number of Centrally Sponsored Schemes in operation and the proposed outlay for 1996-97 including the total expenditure for 1992-96 are given below:

**Ministry/Department-wise
Expenditure (1992-96) and Outlay (1996-97)**

(Rs. crore)

Sl. No.	Ministry/Deptt.	No. of Schemes	Anticipated Expenditure 1992-96	Outlay 1996-97
1.	Agriculture & Cooperation	44	2277.07	830.65
2.	Animal Husbandry & Dairying	16	174.57	75.19
3.	Women and Child Development	5	2022.58	682.40
4.	Education	17	2774.42	2219.97
5.	Industrial Development	2	297.77	98.99
6.	Youth Affairs and Sports	5	90.30	23.90
7.	Environment and Forests	21	701.50	263.22
8.	Rural Areas & Employment	10	19581.83	6437.00
9.	Rural Development	8	3749.65	2149.05
10.	Urban Affairs and Employment	9	998.30	405.00
11.	Surface Transport	2	18.83	12.75
12.	Welfare	16	955.52	330.80
13.	Power	1	35.99	5.50
14.	Planning	1	1.97	1.00
15.	Health & ISM	10	1225.78	509.00
16.	Family Welfare	1	6211.02	1535.00
17.	Civil Supplies	2	50.95	30.00
18.	Water Resources	3	551.95	171.92
19.	Labour	2	88.80	55.05
20.	Non-Conventional Energy Sources	6	426.28	171.80
21.	Commerce	1	73.26	30.00
Total		182	42308.34	16038.19

The pattern of funding of these Centrally Sponsored Schemes varies from scheme to scheme. While some of them are 100% Centrally funded, others are 75:25 or 50:50 sharing between Centre and States etc. The Ministry-wise details of Centrally Sponsored Schemes according to the funding pattern with the outlays for 1996-97 are given below:

Ministry/Department-wise funding pattern of CSS - 1996-97

Sl. No.	Ministry/Department	100% Centrally Funded		Others various sharing patterns	
		No. of Schemes	1996-97 Outlay (Rs. crore)	No. of Schemes	1996-97 Outlay (Rs. crore)
1.	Agriculture & Cooperation	25	470.29	19	360.36
2.	Animal Husbandry & Dairying	6	51.29	10	23.90
3.	Women & Child Development	3	682.24	2	0.16
4.	Education	16	2061.47	1	158.50
5.	Industrial Development	0	0.00	2	98.99
6.	Youth Affairs & Sports	0	0.00	5	23.90
7.	Environment and Forests	16	81.52	5	181.70
8.	Rural Areas & Employment	4	2165.25	14	6420.80
9.	Urban Affairs & Employment	0	0.00	9	405.00
10.	Surface Transport	0	12.00	2	0.75
11.	Welfare	2	149.20	14	181.60
12.	Power	1	5.50	0	0.00
13.	Planning	0	0.00	1	1.00
14.	Health & ISM	6	440.50	4	68.50
15.	Family Welfare	1	1535.00	0	0.00
16.	Civil Supplies	2	30.00	0	0.00
17.	Water Resources	3	171.92	0	0.00
18.	Labour	0	0.00	2	55.05
19.	Non-Conventional Energy Sources	1	15.85	5	155.95
20.	Commerce	0	0.00	1	30.00
TOTAL		86	7872.03	96	8166.16

Delineation of Centrally Sponsored Schemes

In keeping with the letter and spirit of the recommendations contained in paras five, eight and ten of the recommendations made at the Chief Ministers Conference, the Centrally Sponsored Schemes which deserve to be retained and the Centrally Sponsored Schemes which can be pooled have been delineated. Annexure-III gives the details of the schemes which deserve to be retained and continued because these fall under the seven areas of National Concern that have been emphasised. Annexure-IV contains the details of the Centrally Sponsored

Schemes which need to be continued on the ground that these relate to the areas of urban and rural poverty alleviation and employment, development of desert and drought prone areas, welfare of Scheduled Castes and Tribes, minorities and disabled persons. The Centrally Sponsored Schemes that can be pooled have been indicated in Annexure-V.

Important Issues in the context of classification of Centrally Sponsored Schemes

Certain important issues surfaced during the dialogue with the Central Ministries in the effort to classify the Centrally Sponsored Schemes into the three categories on the lines indicated above especially with regard to the pooling of schemes which are covered by neither para five nor para ten of the Resolution adopted at the Chief Ministers Conference. These are dealt with below:

1. Centrally Sponsored Scheme for Roads

While scanning the list of Centrally Sponsored Schemes pertaining to the seven thrust areas, it was noted that there was no Centrally Sponsored Scheme for connectivity of roads. Connectivity of roads is an important objective to be achieved under the Minimum Needs Programme, and the State Governments are funding the programme at present. While the performance of some States in this scheme has been exemplary in other States the progress has been slow. An important question that arises is whether there should be a new Centrally Sponsored Scheme for helping the States to achieve this objective. Formulation of a new scheme for the purpose, however, is fraught with administrative and procedural delays. It is proposed that a certain amount be earmarked for the purpose for the country as a whole which may be distributed among the States in proportion to the backlog of the respective States to the total national backlog. Concrete step in this matter is required in view of the emphasis being laid by the Government on connecting villages either with roads that connect them with the nearest markets or with roads that link the village with the main road leading to the nearest markets.

2. National Watershed Programme

The Centrally Sponsored Scheme on National Watershed Programme accounts for a large chunk of the Centre's share under the Centrally Sponsored Scheme pertaining to the Department of Agriculture and Cooperation; (Rs. 1090.00 crores out of the total Rs. 2267.66 crores for 1995-96). The scheme falls neither in the seven areas of National concern nor in the areas relating to poverty alleviation, employment, etc. At the same time, it cannot be denied that the scheme has a close bearing on the question of drinking water as its implementation would help in raising the water table. The scheme for drinking water i.e., digging wells etc., cannot be operated in isolation from the

larger scheme relating to watershed management in an identified geo-physical entity. This is all the more so at a time when the programme for energisation of pumpsets has resulted in an unsystematic and injudicious exploitation of ground water, resulting in depletion of the water table in several parts of the country. In fact, a new and integrated strategy for coordinating and implementation of the schemes pertaining to drinking water, energisation of pumpsets and national watershed programmes is called for. A new set up of guidelines need to be evolved. Many of the State Governments do not have the staff with the requisite expertise in implementing a watershed programme. The staffing component may have to be adequately taken care of while considering the revision of the guidelines.

In the light of the above, it is recommended that the National Watershed Programme should be retained in the list of Centrally Sponsored Schemes to be continued. It is apprehended that if the scheme is put into the pool, the scheme may lose its sharp focus. Further, the continuance of the scheme as an independent scheme outside the pool, would be in conformity with the priority given by para ten of the Resolution to the problems of drought prone areas. It would be appropriate to treat it as a scheme covered by para ten of the Resolution.

3. Bonded Labour and Child Labour

The scheme on bonded labourers of the Ministry of Labour, on the face of it, does not pass the criteria laid down in para ten and hence eligible to be clubbed with other Centrally Sponsored Scheme to be pooled. However, it was revealed during the deliberations that most of the bonded labourers belong to the Scheduled Castes and Tribes. Hence the same may be retained as one of those pertaining to para ten of the Resolution passed by the Chief Ministers. It is true that most of the States claim that they do not have any bonded labourers. Whether their claims are sustainable in the light of the recent judgement of the Supreme Court, which enlarges the scope of the definition "bonded labour" is also a matter to be examined.

4. Training Institutions - ITIs

Modernisation and strengthening of the ITIs is an important activity, as it is related to the creation of employment opportunities. These schemes, apart from being externally funded are directly related to the goal of employment.

5. Fishermen

The schemes relating to fishermen and development of fish market under Agriculture Sector have to be retained, because the document on "A Common Approach to Major Policy Matters" stipulates that special programmes will be devised for the welfare of artisans, craftpersons, tradespersons, weavers and fishermen, who have been described as the most neglected sections of society.

6. Transport Subsidy

Similarly, the scheme on transport subsidy under the Department of Industrial Development needs special consideration as it has a bearing on the development of all the hilly and inaccessible regions, especially the North-Eastern region. The policy document "A Common Approach Of The United Front" refers to Assam and the North-Eastern States and stipulates that the special programmes for the economic development of the North-Eastern region will be taken up.

7. Agricultural Statistics

The schemes relating to agricultural statistics need to be retained because of the vital role that agricultural statistics has to play in drawing any plan for the Indian Economy.

8. Control of Animal Diseases

Certain schemes concerning the control of animal diseases also need to be continued as the animal diseases have inter-State ramifications. The Narasimha Rao Committee had upheld the initiation of Centrally Sponsored Scheme, which had a regional or inter-State character.

9. Urdu Teachers

Appointment of Urdu teachers is one of the schemes under the Education Sector. The scheme is proposed to be included in the category of pooled schemes as the purpose of the scheme seems to enable students to learn Urdu.

10. Environment and Forests

Centrally Sponsored Schemes under the Ministry of Environment and Forest do not fall either under para 5 or para 10 of the Resolution passed at the Chief Ministers Conference. Most of them, however, would have to be continued as such as their inclusion in the pooled category will have some major implications which deserve to be taken cognizance of. This sector itself has a special background. Forest was an entirely State subject till the late seventies. Deforestation on a large scale took place on account of the pressing needs of development. The State Governments were unable to control the process of deforestation. Consequently, this subject was included in the concurrent list and the Forest Conservation Act, (1980) was passed. Therefore, the transfer of these schemes to the pooled category may not be desirable. This apart, there are the following considerations meriting their treatment on a separate footing:

- (a) Many of the schemes have a bearing on International Agreements to which India is a signatory. Schemes like the

Conservation and Management of wetlands/ mangroves have to be taken up under the Ramsar Convention on Wetlands.

- (b) Some of the schemes are externally funded schemes. The Industrial Pollution Control Project and Common Effluent Treatment Plants (CETP) are World Bank aided projects with the Central component being decided as per the terms and conditions of the donor organisations. Their transfer would require approval of the donor organisations. Ganga Action Plan II is also being aided by the OECF, Japan.
- (c) The judgements of the High Courts and of the Supreme Court on matters relating to environment have to be carried out. The transfer of such schemes to the pooled category may impede the pace of implementation of the Court's judgements. The Ganga Action Plan Phase II, is affected by the Supreme Court directives to complete the projects in a time-bound manner. There is also a Court directive regarding the installation of certain number of Common Effluent Treatment Plants (CETPs) in Delhi and Calcutta during the current year. The Court directives imply certain commitments on the part of the Ministry under the relevant ongoing scheme.
- (d) Some of the schemes are implemented in the tribal areas as a result of which tribals are benefited. In fact, many of these schemes fall within the ambit of the Tribal Sub-Plan. Project Tiger, Project Elephant, non-timber non forest produce including medicinal plants, eco-development around national parks and sanctuaries are cited as instances.
- (e) Afforestation is a labour intensive and hence employment generating activity.
- (f) Schemes concerning fuel wood also have a poverty alleviation angle as the scarcity of fuel wood on account of loss of common properties is a major problem for the rural poor. In fact, this scheme forms a part of the Minimum Needs Programme (MNP), in addition to being a part of the Tribal Sub-plan.
- (g) Some of the schemes in this sector are site specific and not State-specific. A national park or sanctuary or areas declared as ecologically fragile may cover more than one State.

There is a good case for retaining outside the pool, the schemes under this sector, which apart from aiming at a clean environment also stress on preservation of the country's bio-diversity as well as ecologically fragile areas.

11. Non-Conventional Sources of Energy

The following are the main schemes of the Ministry of Non-Conventional Energy Sources that fall under the category of

the Centrally Sponsored Schemes (CSS):

1. National Project on Bio-Gas Development
2. National Programme on Improved Chullas
3. Institutional/community Biogas Plant Programme
4. IREP
5. Solar Photovoltaic Lantern/Domestic Lighting Programme
6. Small Hydro Power Programme.

The seven programmes for the minimum basic services do not cover these items. However, the importance of these programmes cannot be denied. IREP seeks to link rural energy with all other rural development programmes and to work out the most cost-effective mix of all sources of energy, conventional as well as non-conventional at the micro level for meeting the needs of subsistence and development of the rural beneficiaries. The Ministry of Non-Conventional Energy Sources is of the view that if these schemes are transferred to the State Governments, the programmes will get neglected. The schemes referred to above aim at meeting the energy requirement of the remote rural areas for cooking, heating, lighting, etc. In view of the importance of developing non-conventional/renewable sources of energy in the energy sector, it is recommended that these may be continued as Centrally Sponsored Schemes (CSS). If the freedom is given to the States, they may not give the scheme the importance it deserves. In States, like Maharashtra, where the grid power is comparatively better, such schemes may not find ready acceptance, though in the long run, these may be desirable. In the hilly and inaccessible States such as the North-Eastern States, where these schemes are eminently relevant, the technical expertise may be lacking, which can be better provided if the schemes are not pooled.

12. Schemes with An Inter-State Character

Certain Centrally Sponsored Scheme have an out and out inter-State character. The schemes on Inter-State Roads/Bridges and Inter-State Transmission are schemes of this type. In some of these schemes, while one State has completed its share of the road/bridge or transmission line, the other State has yet to do the needful and the intervention of the Government of India is necessary. The Ganga Action Plan, which is in the Environment and Forests Sector, would also fall in this category. It is appropriate that a final decision in the matter is taken either in the Inter-State Council or the NDC on schemes of this type.

13. Externally Aided Projects

It is necessary to deal with the status of the externally aided projects in all sectors. Such projects would surely indicate commitments made both by the Central Government and the respective State Governments to the external international agencies. However, it is recommended that the externally aided projects, which are not covered either by para eight or para ten of the Resolution that was adopted at the Chief

Ministers Conference should generally come under the "pooled category". The State Governments seek external assistance of their own volition in view of their financial constraints and pose such projects for external assistance to the appropriate agencies with the help of the Government of India, with a full awareness of their consequences. In sectors like environment and forests, external assistance would be forthcoming much more easily on account of the growing international commitment to 'environment and sustainable development. It should, however, be clarified that the State Governments' contribution to an externally-aided project should be over and above the Centre's share in Centrally Sponsored Scheme (CSS) under the appropriate category. In some of the externally aided schemes, the Central component is decided as per the terms and conditions of the donor organisations and their transfer to the States may necessitate concurrence of the donor organisations. Each case will have to be considered and decided on merits.

14. Projects in which the Government of India is a Signatory to International Agreements - Conventions

A number of Centrally Sponsored Schemes in the labour health and environment and forest sectors relate to the international agreements/conventions to which the Government of India is a signatory. If such agreements pertain to one of the seven areas of national concern, or to the basic human rights, the State Governments will have to contribute their respective shares in cases where Centrally Sponsored Schemes are in existence or in cases where new Centrally Sponsored Schemes are initiated hereafter. Centrally Sponsored Schemes which involve international agreements that have been entered into by the Government of India and which fall in neither para eight nor para ten of the Resolution adopted at the Chief Ministers Conference, may have to be treated on a separate footing. In cases where the Government of India make international commitments to achieve certain national goals as a part of the larger international effort to realise a global objective; the related Centrally Sponsored Schemes (if any), may have to bear a comparatively larger Central share. The necessary details would have to be worked out. While this could be the policy for the future, it is recommended that all such schemes not covered by paras eight and ten of the Resolution could be included in the pooled category. The Government of India can always oversee the implementation of such schemes. These may be included in the pooled category with the specific condition that the quantum of Central assistance to the State for the pooled schemes would be cut suitably, if there is a default in their implementation. The attitude and approach would be governed by the consequences that would entail on the Government of India if there is a breach of the agreement as well as the nature and extent of commitment made by the Government of India on a case by case basis.

15. Court Cases

The question whether schemes involving court cases could be pooled needs careful consideration. There is no harm in bringing within the purview of the pooled category schemes not covered by paras eight and ten of the Resolution after examining the implications of the Court's directive. If the responsibility could be entrusted to the State Governments exclusively, there need be no objection. However, if the Union of India could be proceeded against on the ground of contempt of Court, there may be no need for their transfer to the pooled category. The general question needs to be examined in consultation with the Law Ministry. A case by case approach is perhaps called for. Subject to this, schemes in which there are Court's directives, can be brought within the pool.

16. Centrally Sponsored Schemes relating to Model Law recommended to the States

The Government of India sometimes recommends to the States legislation on the basis of certain Model Central Bills which it circulates among the States. The States are requested to adopt the Central Bills and pass similar enactments based on them. In order to enable the States to implement the laws framed by them at the instance of the Government of India, some Centrally Sponsored Schemes are initiated. There is a Centrally Sponsored Scheme, 100% to enable the States to enforce the provisions of the Marine Fishing Regulation Act (MFRA), which aim at regulating the relationship between the fishermen with traditional vessels and the fishermen with mechanised vessels. Its aim is to protect the weaker sections among the fishermen, who cannot afford to operate with mechanised vessels. The scheme is meant to enable the States to acquire vessels for patrolling with a view to monitoring the activities of the two groups of fishermen. Eight out of the nine coastal States have accepted the model bill and enacted legislation on its basis.

The various points listed above merit serious consideration. The mandate, no doubt, is to put under the pooled category all schemes, which are covered neither by para 8 nor by para 10 of the Resolution adopted at the Chief Ministers Conference. However, a mechanical enforcement of this mandate may have certain implications, which need to be taken cognizance of while finalising the list of Centrally Sponsored Schemes falling under the pooled category.

In the light of the above, the Centrally Sponsored Schemes, therefore, will have to be classified into five categories for the purpose of this exercise as follows:

- (a) Centrally Sponsored Schemes relating to the seven Basic Minimum Services (para 8 of the Resolution adopted at the Chief Ministers Conference). (Annexure-III)

- (b) Centrally Sponsored Schemes relating to Poverty Alleviation, Employment, Welfare of Scheduled Castes/Scheduled Tribes/Minorities, Disbalded Persons, etc., Nutrition, Development of Desert Prone Areas (para 10 of the Resolution adopted at the Chief Ministers Conference). (Annexure-IV)
- (c) Centrally Sponsored Schemes, which would fall in the pooled category as a result of strict enforcement of the Resolution adopted at the Chief Ministers Conference. (Annexure-V)
- (d) Centrally Sponsored Schemes which need careful consideration before their inclusion in the category of pooled schemes i.e. on account of the grounds listed at Serial Nos. 2-16 above. (Annexure-VI)
- (e) Centrally Sponsored Schemes in the pooled category (excluding those that need special consideration as indicated at (d) above). (Annexure-VII)

The total number of Centrally Sponsored Schemes schemes, which pertain to the seven basic minimum services comes to twenty with an outlay (1995-96) of Rs.6415.00 crores. Education, Health, Family Welfare and Rural Areas and Employment sectors account for most of the outlay (1995-96). The details may please be seen in Annexure-III.

The number of Centrally Sponsored Schemes, which are related to Poverty Alleviation, Employment, Welfare of Scheduled Castes/Scheduled Tribes/Minorities, etc. comes to fortyone with an outlay (1995-96) of Rs.7698.19 crores. The details may be seen in Annexure-IV.

The number of Centrally Sponsored Schemes under the pooled category as a result of strict enforcement of the mandate comes to one hundred and twenty one with an outlay of Rs. 1925.00 crores (Annexure-V).

The Centrally Sponsored Schemes, which need special consideration before their inclusion in the pooled category come to forty two with an outlay (1995-96) of Rs.624.54 crores as per the details given in Annexure-VI.

The number of Centrally Sponsored Schemes, which can be pooled (excluding those that deserve special consideration) comes to seventy nine with an outlay (1995-96) of Rs.1300.46 crores as per the details given in Annexure-VII.

Proposed Pooling of Schemes

At this stage, it would be appropriate to describe the nature of schemes that are proposed to be pooled. It would be seen from Annexure V that Agriculture & Cooperation (Rs.614.41 crores), Education (Rs.191.77 crores), Urban Affairs and Employment (Rs.168.00 crores), Environment and Forests (Rs.217.22 crores), account for the bulk of the outlay under the pooled

category. The pooling of some of the Centrally Sponsored Schemes would undoubtedly give a great deal of flexibility to the States. For instance, integrated seed development in non-accessible and hilly areas is a location specific scheme. Some of the States, especially those classified as "hill States", can spend more on the scheme under this dispensation by diverting the resources from the other schemes in the pooled category. The scheme relating to alkaline soils is a location specific one and the same principle would apply in this case as well. There are other schemes which are crop specific, those relating to rice, wheat, coarse cereals etc., where also the States should be able to enjoy a greater degree of flexibility in as much as they can spend higher amounts on the crop-specific schemes by diverting the resources from other schemes, depending on their relevance and importance for them. However, since the budgets of most of the State Governments for the year 1996-97 have been passed, it is doubtful whether they would be able to reap the benefits of the concept of pooled schemes in the current financial year itself. Further, in most of the States, administrative and technical staff would have been sanctioned on the basis of the earlier pattern of Central assistance, which may not permit the redeployment of staff, even if necessary, for giving momentum to the pooled schemes identified by the States as most suited to their needs.

An important point regarding the flexibility to be given to the States would be related to the question whether the States can be allowed to divert the funds from one sector to another in the pooled category. There need be no objection in permitting the States to divert the funds from one sector to another within the pooled category. It is, also recommended that the States may be permitted to divert the amount to which they are entitled under the pooled category either wholly or partially to the seven basic minimum services, considering the fact that they have been exhorted to achieve very ambitious goals in relation to drinking water, health and education within a time frame of three to five years.

While the concept of pooled schemes is thus welcome in more than one respect, it is possible that the exercise of the discretion by the States may create problems in certain sectors. The States may have to be fore-warned about it. At the national level also, certain problems are likely to arise. It has been noticed, for instance, that out of the 43 schemes pertaining to the Agriculture and Cooperation Sector, 39 would be coming under the pooled category. This may retard the progress of certain schemes, which may be of vital importance to the economic growth of the country though not falling within the priorities laid down by the Resolution adopted at the Chief Ministers Conference. The scheme relating to command area development of the Ministry of Water Resources benefits the farmers individually. The consequences of including the scheme under the pooled category will have to be borne in mind. The representatives of the Ministries of Agriculture, Water Resources and Environment and Forests strongly pleaded for the exclusion of their schemes from

the pooled category. However, it is noticed from the list of pooled schemes in these sectors that most of the important schemes are 100% Centrally Sponsored Schemes or have 75:25 Centre-State ratio and, therefore, the States may be tempted to opt for them.

Another question that assumes importance relates to the relative shares of the Centre and the States in Centrally Sponsored Schemes under the pooled category. The States are likely to opt for those schemes, in which the Centre-State ratio is much more favourable to them. It is suggested that the Centre-State ratios in respect of all schemes, which will be brought into the pooled category be viewed rationally in accordance with the national goals or objectives, which the Central Government may like to achieve through the medium of Centrally Sponsored Schemes. This could be done as a part of the exercise relating to the Ninth Plan. It is recommended that all the 121 schemes, which are included in Annexure V may be pooled. However, in order to ensure that there is no violation of the Court Order or an International Agreement, which may embarrass the Government of India, some of the schemes included in Annexure V may be deleted. Prima facie, the number of schemes, which merit such deletion has been worked out at 42 as per the details given in Annexure VI. Annexure VII gives the picture that would emerge if all the 42 schemes are excluded from the list of pooled schemes. The number of Centrally Sponsored Schemes (CSS) after the exclusion of forty two schemes referred to above, comes to seventy nine as per the details given in Annexure VII. It is recommended that the schemes included in Annexure VII with an outlay of Rs. 1300.46 crore be pooled.

The details regarding the State-wise allocations for the schemes proposed to be included in the pooled category were received very late. These are being separately worked out and will be finalised after another round of discussions with the administrative Ministries, if need be.

Additional Allocation of Funds for Basic Minimum Services

Para 12 of the Resolution passed at the Chief Ministers Conference stipulates that the State's annual entitlement under all Centrally Sponsored Schemes should be increased by 15-20% every year. In keeping with this Resolution, the Minister of Finance, Government of India declared in his Budget Speech on 22.7.1996 that an additional amount of Rs. 2466 crores would be provided as Central assistance for the State and U.T. Plans to significantly increase the availability of funds for the schemes connected with the the seven areas of National concern. He, however, added that Rs. 250 crores out of the sum of Rs. 2466 crores would be allotted to provide shelter and other basic amenities to slum dwellers. Thus, an amount of Rs. 2466 crores, minus Rs. 250 crores i.e. Rs. 2216 crores would be available as an additionality for the seven areas of national concern. It is however, recommended that since Public Distribution System (PDS) is a Non-Plan item and, therefore, it could be legitimately

excluded for the purpose of distribution of the amount of Rs.2216 crores. In other words, the amount of Rs. 2216 crores would be divided among the Centrally Sponsored Schemes relating to Safe Drinking Water, Primary Health Service, Primary Education, Public Housing, Mid-day Meals Programme for Primary Schools and Connectivity to Un-connected Villages.

Distribution of Additional Allocation Among States

The manner in which the amount of Rs. 2216 crores should be distributed needs to be worked out. The Chief Ministers Conference has specifically directed that while determining the allocations for the basic minimum services, the special needs of the States below the national average may be taken into account (para 9 of the Resolution adopted at the Chief Ministers Conference). Under the existing mechanism, 30% of the total amount of Central assistance for States is earmarked for the special category States. It is felt that the existing mechanism for distribution of 30% of the allocation to the special category States should continue. The remaining 70% of the amount available under Central assistance is distributed among the non-special category States on the basis of the Gadgil Formula, which gives 60% weightage to population, 25% weightage to per capita income and 7.5% weightage to efficiency and 7.5% weightage for special problems.

It is felt that the present system does take into account the problems of the backward States, as the backward States account for a sizeable percentage of the country's population. In addition, the weightage of 25% is given to the factor of per capita incomes. It is, however, proposed that the distribution among the non-special category States may be based on 60% weightage to population and 40% weightage to per capita income. In brief, an additional amount of Rs. 2216 crores would be divided between the special category States and the non-special category States in the ratio of 30:70 in accordance with the present system. However, the formula for distribution of the share of the non-special category States would be changed by giving 60% weightage to population and 40% weightage to per capita income.

The additional amount of Rs. 2216 crores will be given to the States subject to the condition that the amounts earmarked for them are utilised for enhancing the outlay under the basic minimum services. The States would also have to show concrete results in these areas. It is not possible to make substantive changes in matters such as refining the methods for targetting the beneficiaries immediately. However, the States will have to indicate at the end of the financial year concrete progress made by them in these seven important areas. The parameters for evaluation and monitoring would be as follows:

Drinking Water: The States should indicate the number of habitats not covered and the number of habitats partially covered, which

have benefited as a result of this incremental effort together with the necessary details.

Primary Health Service: The States should indicate the number of primary health sub-centres which they have been able to operationalise together with the necessary details. They could in addition, indicate the number of buildings of the primary health sub-centres that they are able to complete. Completion of buildings of primary health centres and community health centres could also be indicated. The impact of the additional measures taken on the birth and death rates in the State should be spelt out. The areas in which the improvements have been achieved should be specified so as to facilitate verification.

Universalisation of Primary Education: The progress achieved under the Operation Blackboard Non-Formal Education and the enrolment and retention ratios should be reported.

Public Housing: The progress in terms of the number of houses constructed should also be reported.

Extension of Mid-Day Meal Scheme: The impact of the scheme on ensuring consistency in attendance should be reported. The increase in the number of children/schools under the scheme should also be specifically indicated.

Connectivity of villages: The progress achieved in terms of the targets and the policies laid down under the minimum needs programme should be spelt out.

The additional amounts which the State Governments may get, could be utilised as follows:

- (a) It could be utilised to supplement the central assistance that is received for some of the hundred per cent Centrally Sponsored Schemes pertaining to the six items of National concern.
- (b) It could be used to contribute the State Government's share in Centrally Sponsored Schemes that are not hundred per cent centrally sponsored. However, the augmentation of a State's share in this manner will not enable the State Government to claim a larger quantum of central assistance on the ground that it has contributed a larger amount as its share.
- (c) It could be used to finance some of the State Governments' Schemes relating to the six areas of National concern.

According to para 8 of the Resolution adopted at the Chief Ministers Conference, within the seven basic minimum services an all out effort should be made to secure 100% coverage for provision of safe drinking water in rural and urban areas, 100% coverage of primary health service facilities in rural and urban areas and universalisation of primary education within the next 2-3 years. The State Governments are, therefore,

expected to utilise their respective shares of the additional amount of Rs.2216 crores by giving special emphasis to the three out of the seven basic minimum services that have been identified. The State Governments, however, have the necessary flexibility in as much as States which have achieved satisfactory results in these areas can choose for their priority attention other components of these seven basic minimum services suited to their requirement for full coverage in the next two to three years. For instance, if the Government of Kerala decide to concentrate on an item other than universalisation of primary education, there need be no objection. However, in such cases, the concerned State Governments must indicate to the Government of India, within a specified time period, the other activities, which they would like to concentrate upon.

The details regarding the inter-State allocation of additional Central assistance for basic minimum services in respect of the special category States and non-special category States as per this formula is indicated in Annexures VIII & IX respectively.

Proposed Changes in Guidelines

Many suggestions were made with regard to the change of guidelines for the Centrally Sponsored Schemes and also for streamlining the same. Some of the important recommendations made in this regard are dealt with in this part of the Report.

Secretary, Ministry of Welfare very strongly favoured streamlining the Centrally Sponsored Schemes pertaining to his Ministry.

Secretary, Ministry for Rural Areas and Employment suggested that the unit cost for a house under the Indira Awas Yojana should be raised from Rs. 14,000 per house to Rs. 20,000. A proposal to this effect has also been initiated. A great deal of flexibility be given to the State Governments, who could spend less than Rs. 14,000 per house though the allocations for them would be on the basis of Rs. 20,000 per house. The Centrally Sponsored Scheme under the Department of Urban Employment and Poverty Alleviation relating to National Network of Building Centres could be fruitfully combined and integrated with the Indira Awas Yojana. The funds allocated under the Indira Awas Yojana could be used for establishing the Building Centres. The assistance of the State Housing Boards should also be sought.

The possibility of giving greater flexibility to the States under the Jawahar Rozgar Yojana and EAS could also be explored. It has, however, to be borne in mind that the schemes under the Jawahar Rozgar Yojana have to be executed on the basis of the plans sanctioned by the respective Panchayats.

There have been no complaints with regard to the rigidity of the guidelines under the IRDP scheme. The release of funds under the scheme is made on the basis of incidence of

poverty in the respective States. It was stressed that the State Governments must be advised to give preference to TRYSEM trainees in the selection of beneficiaries under the IRDP in accordance with the existing guidelines. There, however, appears to be a need to reorient the IRDP, as it does not seem to take care of the various strata of society living below the poverty line. The income limit of Rs. 11,000 per annum could become arbitrary in as much as the programme is likely to benefit mostly those families whose incomes are marginally below Rs. 11,000. The same yardsticks are applied under the scheme to everyone below the poverty line irrespective of his or her income. Those who are at the lower rung of the ladder may require a different package as compared to those whose incomes are nearer the limit of Rs. 11,000. Those who are at the lower rung of the ladder may require a second dose of assistance. The structure of the scheme may have to be modified suitably.

As most of the poverty alleviation programmes would be effective only if they result in gainful employment, the crucial role played by the rural polytechnics (ITIs) for making available the skilled manpower was stressed. It is recommended that greater allocations be made for rural polytechnics within the overall amount allocated to the rural sector. The Centre-State ratio for the Centrally Sponsored Schemes (CSS) relating to drinking water need to be revised in view of the decision to increase the availability of water from 40 litres per capita per day to 55 litres per capita per day. The Centrally Sponsored Schemes (CSS) relating to rural water supply are governed by the Rajiv Gandhi National Drinking Water Mission, which consists of two parts - the Accelerated Rural Water Supply Scheme, under which the Centre-State ratio is fixed at 50:50, and the Sub-Mission, which caters to the areas that have quality problems as well as problems arising out of the receding water table, under which the Centre-State ratio is 75:25. All the State Governments are not able to find their matching contribution to the extent of 50% under the Minimum Needs Programme (MNP) under the Accelerated Rural Water Supply Scheme. Further, since the untouched areas have to be covered with a time span of three years, it is recommended that the question of enhancing the Centre's share under the Accelerated Rural Water Supply Scheme to 75% be favourably considered. It is also suggested that since the habitat-wise data regarding the availability of water are available, the allocation of funds among the States be made on the basis of the habitat-wise details rather than the old formula, which has now become out-dated.

The representatives of the Ministry of Health suggested that the guidelines should provide a greater flexibility keeping in view the vast differences in the geo-physical conditions prevailing in different parts of the country. A special reference was made to the difficulties in implementing the health schemes in States like Assam, where the application of the same norms with regard to the staffing pattern as well as the jurisdiction of the sub-centres etc. resulted in in-adequacy of the staff that is necessary for the effort.

A policy thrust that is clearly discernible in the recommendations made at the Chief Ministers Conference is on the provision of basic minimum services both in the rural and urban areas. Programmes such as poverty alleviation, employment, etc., would, therefore, have also to be taken up in the urban areas as with speed and vigour. Keeping this in view, the suggestions made by the Department of Urban Affairs and Poverty Alleviation have been highlighted. Though the representatives of the Department of Urban Employment and Poverty Alleviation were of the view that the guidelines were on the whole quite flexible, they made some concrete suggestions, which are indicated below.

They recognised the need for a change in the approach towards implementation of the scheme relating to shelter and sanitation facilities for the foot-path dwellers in urban areas. The response from the States was not satisfactory in as much as the pavement dwellers were considered a generic group, which did not take cognizance of their status and needs within the same city and different cities. It is now realised that a uniform policy of constituting night-shelters and sanitation facilities cannot yield the desired results. The States and local agencies have not used the opportunity provided by the scheme to undertake a comprehensive survey of pavement dwellers and their rehabilitation. The State Governments may be requested to take note of this matter.

Regarding Nehru Rozgar Yojana, it was recommended that the following changes be made in the guidelines:

- (a) The income limit criteria for those below the poverty line has been fixed at Rs.11,850 (on 1991-92 prices) as annual household income by the Planning Commission w.e.f. 1.4.92 for the implementation of the Yojana. In view of the increase in the cost of living in big cities like Bombay and Delhi, it has become difficult to identify the beneficiaries. The income limit needs to be revised upwards and the proposal initiated by the Ministry of Urban Development in the matter needs to be expedited. An upward revision of the income limit for all poverty alleviation schemes for the urban poor in metropolitan cities seems to be called for in view of this important consideration.
- (b) It has been proposed that the definition of the "family" for the purpose of the Yojana be changed as the present definition provides that household income will be taken into account for determining a beneficiary. In urban areas, many persons are forced to live in the same house on account of acute housing shortage. The present guidelines have resulted in deprivation of adult/major member of the family if his name happens to be included in the family's ration card for the reasons indicated above. As against this, the Prime Minister's Integrated Poverty Eradication Programme and Prime Minister's Rozgar Yojana stipulate that the family

may be taken as a unit. The "family" is treated as consisting the husband, the wife and the dependent children only under the Prime Minister's Rozgar Yojana. It is necessary to have a clarity of approach regarding as to whether the "household" or "family" is to be held eligible for the benefit of the scheme.

- (c) An important modification in the scheme of urban micro enterprises (SUME), which is an important component of the Nehru Rozgar Yojana is called for as the subsidy admissible for SUME is 25% of the project cost subject to a ceiling of Rs.4,000 for general category beneficiaries and Rs.5,000 for SC/ST beneficiaries. This scheme needs to be brought on par with the employment generation component of Prime Minister's Integrated Urban Poverty Eradication Programme and the Prime Minister's Rozgar Yojana by revising the ceiling on the unit cost to Rs. One lakh with the allowable subsidy of 15% on project cost subject to a maximum of Rs.7,500 per beneficiary for all categories. The beneficiaries have to contribute five percent of the project cost as their margin money.
- (d) The scheme for setting up micro enterprises and providing training and infrastructure support for urban poor beneficiaries under the Nehru Rozgar Yojana is applicable to all urban settlements. However, the scheme for wage employment for creation of socially and economically useful public assets in the jurisdictions of urban local bodies is applicable to all settlements/ towns with a population below one lakh. The third component of the Nehru Rozgar Yojana, i.e., employment through Housing and Urban Shelter Upgradation is applicable to all urban settlements having population upto twenty lakh. The Prime Minister's integrated Urban Poverty Eradication Programme is applicable to all urban agglomerations with a population of fifty thousand to one lakh, subject to elections to local bodies to be held. The Prime Minister's Rozgar Yojana covers any unemployed educated person living in any part of the country, whether rural or urban. It is necessary to take an integrated view of all the schemes with regard to their coverage of the urban settlements.
- (e) The scheme of housing and shelter upgradation (SHASU) also needs to be re-structured. Under the scheme, Government subsidy is equal to 25% of the unit cost with a ceiling of Rs.1,000 and 75% of the cost with a ceiling of Rs.3,000 is provided as HUDCO loan. The limit of the loan was subsequently raised to Rs.9,950, but with subsidy at 1000/-. Under the shelter up-gradation component of Prime Minister's Integrated Urban Poverty Eradication Programme, a subsidy of 25% of the project cost subject to a ceiling of Rs.2,500 per beneficiary is given together with a loan amount equal to 75% of the unit cost subject to a ceiling of Rs.10,000 from HUDCO/any other financial institution, including commercial banks subject to the condition that the

beneficiary holds title to the land. In order to bring the two schemes on parity, it is recommended that the ceiling on subsidy and loan in the scheme of housing and shelter upgradation under NRY be raised to Rs. 2500 and Rs. 10000 respectively, other conditions remaining the same.

The Department of Urban Employment and Poverty Alleviation has also recommended provision of tool-kit like that under TRYSEM which provides kits at the rate of Rs. 800/- per kit to the trainees under the Nehru Rozgar Yojana (both SUME and SHASU). Many States/Union Territories feel that the tool-kits may be provided to the trainees. It has been recommended that a tool-kit upto a maximum amount of Rs. 1000/- per tool-kit may be provided to the trainees under the scheme of Urban Micro Enterprises and the scheme Housing Shelter Upgradation.

The Prime Minister's Rozgar Yojana being a 100% Centrally funded scheme, has found much better acceptance amongst the State/Union Territories, which in turn has adversely affected implementation of scheme on Urban Micro Enterprises and the scheme on Housing and Shelter Upgradation under the NRY as there is a uniform 60:40 sharing pattern between the Centre and the States for all the components of Nehru Rozgar Yojana. The Ministry of Urban Employment and Poverty Alleviation recommended that the scheme of Urban Micro Enterprises may also be 100% Centrally Sponsored Scheme. Since the Department of Urban Employment and Poverty Alleviation implements the schemes of Nehru Rozgar Yojana, Prime Minister's integrated Urban Poverty Eradication Programme as well as the Prime Minister's Rozgar Yojana, which are inter-related, an integrated approach towards them in all aspects is considered necessary. The question of integrating/streamlining the three schemes could be considered while considering the revision in the guidelines suggested by the Department of Urban Employment and Poverty Alleviation.

If there has to be greater thrust on alleviation of urban poverty, outlay on poverty alleviation schemes in urban areas has to be stepped up. As against the projection of Rs. 1500 crores for the Eighth Plan, a sum of Rs. 227 crores was allocated. Funds to the tune of Rs. 287 crores have already been released for the first four years of the Plan Period. An amount of Rs. 71 crores has been allocated tentatively for the year 1996-97. According to the projections made by the Ministry of Urban Employment and Poverty Alleviation, a sum of Rs. 3360 crores will be required to eradicate the urban poverty by the turn of the century, on the assumption that the population comprising the urban poor are of the order of 42 million. The Ministry of Urban Employment and Poverty Alleviation claims that allocations among States/Union Territories are made on the basis of percentage of incidence of urban poverty as per the 43rd round of National Sample Survey Organisation (NSSO), and that minimum floor levels are applied to avoid sub-critical amounts to small and hill States/Union Territories.

It would be necessary to take cognizance of the financial implications on account of the increase in the per capita availability of water from 40 litres per capita per day to 55 litres per capita per day. The increase in the ceiling on the cost per house from Rs. 14,000 to Rs. 20,000 and such relaxations in the norms regarding the staffing pattern and the jurisdiction of the health centres in the case of health services as may be necessary in order to do justice to the people residing in the **hilly and inaccessible parts of the country.** Since all the important goals that are spelt out in para five of the Resolution adopted at the Chief Ministers Conference have to be achieved within a period of three to five years, the financial outlays for the basic minimum services would need a considerable set up and the details regarding the same will have to be worked out keeping this time-frame in view. In fact, this exercise would be valuable input for the exercise relating to the formulation of the Ninth Five Year Plan. The suggestions for revising the guidelines could also be considered as an input for the Ninth Five Year Plan.

In view of the short time that was available, an in-depth consideration of the various suggestions made with regard to the revision of the guidelines was not possible. It would, however, be clear that all the suggestions referred to above merit serious consideration and could be treated as an input for the Ninth Plan.

Monitoring and Procedures

During the course of formulating this Report, it was found that the procedure and methodologies adopted by a number of Ministries/Departments in framing the budgets and in disbursement of funds under Centrally Sponsored Schemes (CSS) administered by them left much to be desired. It needs to be re-emphasised that the Centrally Sponsored Schemes (CSS) are meant to be schemes which are either of national importance or have an inter-State dimension to them. In either case, the objectives of such schemes cannot be divorced from the target populations and/or the States which are involved. Moreover, the implementation of these schemes is predominantly the responsibility of the concerned States.

It appears obvious that for all such schemes the regional dimension has to be of the utmost important and, therefore, the budgetary requirements should be built up from initial State-level allocations. It appears, however, that such is not the case in practice. A number of Ministries/Departments have indicated that they do not have any State-level estimates of either requirements or allocations, no matter how tentative, of the Centrally Sponsored Schemes (CSS) administered by them and that the budgetary proposals are being made only on a consolidated basis. The disbursements for the schemes are consequently determined by the concerned Ministry/Department on grounds which are neither transparent nor necessarily in conformity with the real needs. As a result, the State-wise

disbursement of funds under the Centrally Sponsored Schemes (CSS) funds do not necessarily rest on any objective criteria and therefore may not be in consonance with the attainment of the objective for which the scheme was developed. It may also lead to severe regional imbalances, which would militate against the very purpose of such schemes. This clearly appears to be prima facie wrong.

It is recommended therefore that the budgetary allocations for all Centrally Sponsored Schemes (CSS) should be built up on a State-wise basis, although approval may be formally taken only for the consolidated amount. In case any State is unable to utilise its a-priori share, diversion of the available funds to other States should be made only in accordance with a special procedure to be adopted in consultation with the Planning Commission. Such a process will provide valuable insights into the utility of the schemes and the constraints faced by the State, and will enable the Government to re-design the scheme appropriately, if necessary.

While the important suggestions referred to earlier merit serious consideration, certain other aspects also need to be looked into. In so far as the Centrally Sponsored Schemes are concerned, the State Governments do not release their respective shares till the shares of the Government of India are released. Sometimes, there are delays in the release of the shares of the Centrally Sponsored Schemes by the Government of India. This does come in the way of smooth implementation of the Centrally Sponsored Schemes. While the State Governments also need to be told that they should gear up their procedures and mechanisms to ensure that the funds reached the implementing authorities, including the field officers on time, the Government of India would also have to ensure that the concerned administrative Ministries release their respective shares in a time bound manner. A procedure in this regard may also have to be evolved in consultation with the Ministry of Finance.

The introduction of the category of pooled schemes is bound to have its impact on the budgetary drill that is undertaken in the Government of India. The budget of the Government of India is finalised on a Ministry-wise basis. As a result of the introduction of pooled schemes, the amount allocated by a Ministry to a State Government under a particular scheme in the pooled category may not be availed of by the State Government. In such a case, the budget provision made by the concerned administrative Ministry would lapse. On the other hand, the budget provision made by a particular Ministry may have to be enhanced, if a State Government decides to divert resources from certain schemes in the pooled category to a scheme or schemes in the pooled category which it considers to be important.

If the present budgetary drill continues, there may be a great deal of confusion. If this confusion is to be avoided, a lump-sum provision may have to be made to each State Government,

which could be utilised by the State Government concerned in the manner it likes. The total sum available for the scheme in the pooled category for all States, may, therefore, have to be placed at the disposal of a nodal agency in the Government of India, which will have to keep a watch on the withdrawal of the amount by the State Governments concerned and present a total picture with regard to the pooled schemes at the end of the financial year. The exact methodology will have to be worked out in consultation with the Ministry of Finance both on a short term and long term basis.

The parameters for monitoring the performance of the States in respect of the basic minimum services have already been outlined earlier.

The Annual Plan exercise would have to undergo a qualitative change if the concept of pooled schemes becomes a reality. There will have to be considerable discussion with regard to the schemes falling within the pooled category, which the State Government desire to opt for. While this may be possible from the financial 1997-98 onwards while preparing the Annual Plan for the year 1998-99, for the present, an ad hoc method will have to be found in consultation with the Ministry of Finance, as already stated. The exact change in the procedure with regard to the mode of the Annual Plan discussions will also have to be worked out separately.

Grants-in-aid are distributed on a large scale to NGOs, especially by the Ministry of Welfare, Ministry of Education, etc. There is no check on the utilisation of grants-in-aid by these NGOs as the Government of India's network does not extend to every nook and corner of the country. These escape the supervision of the State Governments as well because the funds are released direct to the NGOs. Some of the administrative Ministries apprehend that many of the NGOs misuse the grants in-aid. The question whether such schemes should be continued or not needs to be considered seriously. In any case, it is recommended that the monitoring mechanisms for such schemes be streamlined by associating the State Governments, if need be. The involvement of the State Governments may act as a useful check on alleged malpractices.

Conclusions

It has not been possible to carry out fully the mandate given by the Resolution for the reasons indicated earlier in the report. However, certain important conclusions do emerge from the report, which are summed up below.

To sum up, the following decisions be taken for implementing the Resolution passed at the Chief Ministers Conference.

1. The classification of the Centrally Sponsored Schemes pertaining to the seven areas of basic minimum services and

poverty alleviation, welfare of S.Cs/S.Ts/minorities given at Annexures III and IV be approved.

2. A decision be taken on the schemes to be included in the pooled category. The list of pooled schemes indicated in Annexure VII be approved. This may be modified after discussion with administrative Ministries/States, if need be. The Recommendations made with regard to the inclusion of Centrally Sponsored Schemes (CSS), which are affected by **Court judgements, international agreements or conventions** and/or externally-aided, on pages 20 to 23 be accepted.
3. A decision be taken on the question whether a new Centrally Sponsored Scheme for roads should be introduced in view of the Government's emphasis on provision of connectivity of all unconnected villages.
4. The distribution of the additional Central assistance among the States on the basis of the formula spelt out at page 31-32 of the report and as per the details indicated in Annexures VIII & IX be approved. The proposal to distribute the additional Central assistance among the six basic minimum services instead of seven be approved in view of the fact that P.D.S. is a Non-Plan item. The mode of utilisation of the additional Central assistance spelt out at pages 33 to 34 of the Report may also be approved.
5. The State-wise allocation for the pooled schemes will be worked out separately on an urgent basis for the reasons indicated on page twenty nine of the Report.
6. The suggestion to sort out the budgetary problems arising out of the new concept of pooled schemes be accepted. The Ministry of Finance and the Planning Commission be directed to work out the details.
7. The proposal that all major refinements (except the one relating to additional allocation of Rs.2216 crores for basic services) arising out of the recommendations of the Chief Minister's conference be carried out in the financial year 1996-97 is not feasible in view of the paucity of time. This would also be appropriate in as much as some of the issues concerning the Centrally Sponsored Schemes concern the larger gamut of Centre-State relations as well as the recommendations of the Sarkaria Commission and the first instalments of many of the schemes in 1996-97 have already been released and the State Governments have made their financial arrangements on the basis of the position prevailing prior to the Chief Minister's Conference.
8. The administrative Ministries be directed to work out the financial implications of the accelerated pace of implementation of the programmes relating to the seven basic minimum services and give the necessary details regarding the next three to five years.

9. The method of releasing the instalments of the Centrally Sponsored Schemes by the administrative Ministries be reviewed so as to ensure that the needs of the backward States are not neglected. The procedure be streamlined so that the figures regarding the State-wise allocations are readily available with the administrative Ministries. A separate dialogue should start with the administrative Ministries on this important issue.
10. The proposal to allow the State Governments to divert the resources from one sector to another in the pooled category be approved. Similarly, the proposal to permit the State Governments to divert the amount earmarked to the schemes falling within the pooled category either partly or wholly to the basic minimum services schemes be approved.
11. Some of the schemes which fall within the pooled category such as the Inter-State bridge or the Inter-State Transmission line and the River Valley Projects will have to be appropriately discussed in the Inter-State Council and/or the N.D.C.
12. The entire question with regard to the schemes involving grants-in-aid to various voluntary bodies may be examined in depth. This would be particularly so with regard to the Ministry of Welfare and the Department of Women And Child Development.
13. The question of revising the guidelines and streamlining the Centrally Sponsored Schemes be considered in consultation with the States. The suggestions made by the Ministry of Rural Areas and Employment and Ministry Of Urban Affairs and Poverty Alleviation be considered. The changes that are contemplated in the guidelines are as follows:

Ministry of Rural Areas & Employment:

- (i) Increase the unit cost for a house under Indira Awas Yojana from Rs.14,000 per house to Rs. 20,000 per house.
- (ii) Explore desirability of the Centrally Sponsored Scheme relating to national network of building centres being integrated with the Indira Awas Yojana.
- (iii) Greater flexibility to the States in implementation of JRY and EAS. The details be worked out in a time bound manner.
- (iv) Allocation of funds for drinking water be made habitat-wise and not on the basis of old formula.
- (v) Consider allocation of higher amounts for the schemes connected with the ITIs, which are employment oriented.

- (vi) The Centre-State ratio for the Accelerated Rural Water Supply Scheme be brought on par with that for the Sub-Mission, which is 75:25.
- (vii) The IRDP's structure be re-examined on the lines indicated on page thirty four of the report.

Ministry of Health:

- (i) Flexibility in staff norms and norms with regard to the jurisdiction of the Primary Health Sub-centres in particular, is necessary. This is especially true with regard to the hilly States such as Assam.
- (ii) Flexibility with regard to the utilisation of Plan and Non-Plan funds be given to facilitate operationalisation of the health centres.

Ministry of Urban Affairs & Employment

Nehru Rozgar Yojana

- (i) The income limit criteria for those below poverty line, which is at Rs.11,850 be revised upwards.
- (ii) The definition of the 'family' be altered and be brought in line with that under the Prime Ministers Integrated Poverty Eradication Programme and Prime Ministers Rozgar Yojana.

Scheme for Urban Micro Enterprises - Component of

Nehru Rozgar Yojana:

- (i) The scheme needs to be brought on par with the Prime Minister's Integrated Urban Poverty Eradication Programme and Prime Ministers Rozgar Yojana.
- (ii) Consider giving a tool-kit to a maximum of Rs.1,000 per tool-kit to the trainees under this scheme and the scheme on Housing Shelter Upgradation.

Scheme of Housing and Shelter Upgradation

- (i) Enhance the ceiling of subsidy and loan to Rs.2,500 and Rs.10,000 from Rs.1,000 and Rs. 9,950 respectively.

Higher Allocation in the Ninth Plan

- (i) The present allocation of Rs.1,500 crores for the Eighth Plan is inadequate. The outlay will have to be enhanced in the Ninth Plan in view of the Government's resolve to tackle the problem of basic minimum services in urban areas as well.

As these issues have financial implications, these cannot be resolved quickly. However, as the Ninth Plan is on the anvil, the recommendations can be taken as inputs for the Ninth Plan.

RECOMMENDATIONS ADOPTED BY THE
CONFERENCE OF CHIEF MINISTERS ON
BASIC MINIMUM SERVICES,
JULY 4-5, 1996, NEW DELHI

.....

The Conference congratulated the Prime Minister on taking the initiative to organise this discussion on Basic Minimum Services, which is a subject of national importance and high priority.

2. The Conference endorsed the seven Basic Minimum Services enumerated in the Agenda as of paramount importance in securing a better quality of life for our people, especially those residing in rural areas. It would be in the best interests of the country, if time bound action plans are formulated to secure full coverage of the country with these seven Basic Services by 2000 A.D.

3. Such a time-bound and result oriented achievement was essential for the rapid growth of the economy and for social justice. These Basic Services should constitute the core of our social sector and Minimum Needs Programmes. The priorities in these sectors and programmes should be revised to reflect the imperative need to concentrate our efforts and resources on these services.

4. The Conference noted that the two issues of (a) redefining Centre State relationships and (b) review of the Centrally Sponsored Scheme, both of which find prominent mention in the Common Minimum

Programme would be taken up in the forthcoming meetings of National Development Council, Inter-State Council etc. and decisions would be taken in consultation with the Chief Ministers.

5. The Conference recommended the adoption of the following objectives with an all out effort for their attainment by 2000 A.D. -

- (i) 100% coverage of provision of safe drinking water in rural and urban areas.
- (ii) 100% coverage of primary health service facilities in rural and urban areas.
- (iii) Universalisation of primary education.
- (iv) Provision of Public Housing Assistance to all shelterless poor families.
- (v) Extension of Mid-day-Meal programme in primary schools, to all rural blocks and urban slums and disadvantaged sections.
- (vi) Provision of connectivity to all unconnected villages and habitations.
- (vii) Streamline the Public Distribution System with focus upon the poor.

6. Within these broad objectives agreed upon between the Centre and the State, the transfer of the Central share of funds be done with flexibilities given to the states in implementation, suiting local conditions and emphasis on involvement of people through elected Panchayats and municipalities.

7. Centrally Sponsored Schemes have proliferated in various Ministries. These schemes reflect the initiatives these Ministries have taken to focus on certain areas of national concern. Some are big while some schemes have small provision. There is considerable centralisation, rigidity, delay and inequity in the administration of these schemes. In order to reflect appropriately the national priorities and to concentrate our efforts and resources on these priorities, the Conference suggested the streamlining of these Centrally Sponsored Schemes.

8. All Centrally Sponsored Schemes relating to the seven Basic Minimum Services mentioned in Para 5 above, should be continued. Within these Basic Minimum Services, an all out effort should be made to secure (a) 100% coverage in provision of safe drinking water in rural and urban areas, (b) 100% coverage of primary health service facilities in rural and urban areas and (c) universalisation of primary education, within the next 2-3 years. However, States which have achieved satisfactory results in these areas can choose for their priority attention other components of these seven Basic Minimum Services suited to their requirements for full coverage in the next 2-3 years.

9. In the determination of allocations for these Basic Minimum Services by the States and the Centre, the special needs of the States below national average may be taken into consideration.

10. In addition, the Centrally Sponsored Schemes in the area of urban and rural poverty alleviation and employment, development of desert & drought-prone areas, nutrition, and for the welfare of SCs/STs/minorities and disabled persons of our society, should be continued as such and

States be given greater involvement, freedom and flexibility in the implementation of these programmes.

11. Provisions available under Centrally Sponsored Schemes other than those mentioned in Para 8 and Para 10 above, should be pooled and basic **State entitlement ratios should be worked out on the basis of allocations** made to the States in 1995-96. The States should be free to select for implementation, from the list of these Centrally Sponsored Schemes circulated by the Centre, suiting their needs for using their annual entitlement.

12. The States annual entitlement under all Centrally Sponsored Schemes should be increased by 15-20% every year.

13. The Department of Programme Implementation in the Union Ministry of Planning and Programme Implementation would work out the details of these revisions in the guidelines and procedures in consultation with the relevant Central Ministries and a group of Chief Ministers. This exercise may be completed within one month, so that the revisions and changes would be available during this year itself.

14. The Conference recommended regular Central and State joint monitoring and reviews of these programmes.

15. The Conference endorsed that the funds allocated for these Basic Minimum Needs in the State and the Central plan should not be diverted and these funds should be made available in two instalments to the implementing agencies in consultation with State Governments. The first

instalment would automatically be released to the implementing agencies in the first week of April and the second instalment will be conditional to at least 50% expenditure of available funds and upon furnishing utilisation details/certificates.

16. The Conference made the following detailed recommendations on each of the Seven Basic Minimum Services identified for discussion.

I : Provision of Safe Drinking Water in Every Habitation

1. The Conference urged that the entire population should be provided with safe drinking water by 2000 A.D. To achieve this, the totally uncovered or very poorly covered (up to 10 lpcd) habitations should be taken up on priority and the States and Centre should provide adequate funds to cover all of them by 1997-98.
2. The efforts now made to tackle the quality problem like fluoride, arsenic, brackishness and iron should be accelerated and a combination of cost effective technological options may be utilised to make available safe water in these affected habitations.
3. To tackle the drying of sources consequent to depletion of ground water. Location specific, recharged structures will be constructed with the specific objective of recharging and reactivating dried up sources; and the States would consider enacting the Ground Water Regulation Act on the pattern done by Maharashtra or the model Bill circulated by the Ministry of Water Resources.

4. The local beneficiaries in both rural and urban areas should be involved through the local governments (Panchayats and Municipalities) in planning and implementing water supply facilities through ground water and surface water sources.
5. The coordination between the irrigation schemes and the drinking water schemes should be improved to ensure cheaper safe drinking water through such conjunctive use.
6. In scarcity areas, especially where handpumps have dried up, a scheme will be evolved to rejuvenate, construct and improve the well-tried, successful traditional structures like dug-wells, tankas, oornies, etc. with appropriate innovations to improve the supply of quality water. In this connection, it was felt that desilting of defunct and silted wells and tanks will be cheaper options.
7. The various watershed development programmes implemented by the Ministries of Rural Areas & Employment, Agriculture, and Environment and Forests should be carefully planned to rejuvenate the dried-up drinking water sources and these programmes should be preferably taken up in such areas where this problem is most acute.
8. The Conference took a serious note of a large number of defunct sources and delay in timely repair of drinking water system and sources. The Conference identified lack of funds, lack of adequate trained personnel and inadequate involvement of Panchayats and local bodies as the reasons for the present state of affairs. The Conference, therefore, urged that a realistic assessment of requirement of funds should be made

and such funds should be made available by mobilising Centre, State, Panchayat and Community resources.

9. Preparation of the people to take over the responsibility should be given the highest priority by imparting well structured need-based training to the beneficiaries, local technicians, local artisans, field level departmental functionaries and local Panchayat functionaries.

10. The Conference recognised the effective role of the village level institutions like Water and Sanitation Committees, grass-root levels Voluntary Organizations, etc. in effective operation and maintenance and, therefore, recommended that these institutions should be strengthened.

11. The Conference recognised the inadequacy of the present norm of 40 lpcd and recommended that this be revised to 55 lpcd and the schemes be designed with a planning horizon of 30 years. Similarly, the distance norm be reduced from 1.6 kilometers to 500 meters in plain areas and 100 meters vertical distance in hill areas.

12. The Conference felt that the present norm of allocation of funds from Centre to State is neither scientific nor realistic in terms of the various problems now faced by the States and therefore should be revised early to tackle specific problems in various difficult areas.

13. The Conference resolved that the scope of the Centrally Sponsored Scheme of Accelerated Urban Water Supply Programme (AUWSP), which is presently restricted to towns having a population up to 20,000 should be enlarged to cover all other cities and towns up to 1 lakh population.

1. There should be effective convergence of sanitation, hygiene and public health with drinking water sources and facilities.

II : Provision of Efficient Primary Health Care

1. Recognizing the need to stabilize the population and ensure access to Primary Health Care both in Rural and Urban areas, the Conference recommended that:-

- (a) The family welfare programme be accorded highest priority through provision of high quality Primary Health Care Service.
- (b) The Panchayati Raj system should be activated in association with interested Voluntary Organizations and community-at-large in extending Family Planning and Primary Health Care services. Training mid-wives and Community Health volunteers at the village level should be promoted.
- (c) There is an urgent need to consolidate and fill-up the gaps in the existing infrastructure for the delivery of Primary Health Care by providing for buildings, equipments, medicines, trained manpower, vehicles, etc. The Central assistance for this purpose requires to be stepped up.
- (d) In order to overcome the shortages of qualified doctors to man the Primary Health Care System, 2-3 years service in the rural areas should be made obligatory for Medical Graduates/Postgraduates before they are given permanent registration.

- (e) Indigenous systems of medicine such as Ayurveda, Unani, Sidda etc., and Homeopathy require to be given adequate coverage in delivery of Primary Health Care Services.
- (f) Norms for Primary Health Care infrastructure may be relaxed further in the areas inhabited by SCs/STs Primitive Tribal Groups and hill and desert areas.

III : Provision of Public Housing Assistance to the Shelterless Poor

1. The Conference recommended that the outlays on programmes for Public Housing to the poor, be enhanced substantially so that all the shelterless persons and other poorest of the poor are provided with a house by 2000 A.D.
2. Use of modern technologies should be location specific and region specific and innovative building layouts and systems should be encouraged.
3. Priority should be given for the use of locally available material and involvement of local artisans in the supply of bricks, wood work, stones etc. The houses should be got constructed by the beneficiaries themselves with technical support from the development machinery.
4. The Conference recommended that the flow of funds from the Central Banking, Financial and other institutions to the state sponsored housing programmes for weaker sections be enhanced and procedures simplified.

5. There is need for revision of unit cost of Indira Awas Yojana (IAY) from Rs.14,000/- to at least Rs.20,000/-.
6. Under Jawahar Rozgar Yojana (JRY), up to 50% of the funds available may be permitted to be spent upon beneficiary oriented schemes like housing, development of land, individual/group irrigation including borewells, horticulture, farm forestry etc. for eligible categories.
7. The Ministry of Rural Areas and Employment should avoid fixing rigid targets and norms of unit costs for the allocations under IAY.
8. The Central Government should provide plan assistance to the States to take up the construction of EWS and LIG houses in urban areas on a larger scale on the pattern of the Rural Housing Programme with higher cost ceilings.
9. The Conference resolved that the ceilings on the costs of HUDCO assisted EWS and LIG housing for the urban areas should be revised upwards, since the existing cost ceilings.
10. The subsidy available for shelter upgradation under the Urban Poverty Alleviation programmes should be increased. There should also be uniformity in all respects between the shelter upgradation schemes under various urban poverty alleviation programmes.
11. The Conference stressed the importance of schemes for the rehabilitation of slum and hutment dwellers in cities. As the resources at the disposal of the States for undertaking such schemes are inadequate,

the quantum of Plan assistance for such schemes by the Centre should be significantly stepped up.

IV : Connecting Villages and Habitations with Link Roads

1. The Conference endorsed the necessity of linking villages with all weather roads and stressed the need to strengthen JRY, Employment Assurance Scheme (EAS) and the Minimum Needs Programme (MNP) of the States under which construction of rural roads is undertaken.
2. Special mention was made of the inadequacy of roads and relatively high cost of their construction in hilly areas such as in Himachal Pradesh, North Eastern States and tribal belts. There is need for prompt clearance under Forest Conservation Act and clearance from the Defence Department in border areas for facilitating construction of link roads.
3. The guidelines under JRY and EAS should be suitably amended to encourage the connectivity. States should be given flexibility to allocate funds under JRY to intermediate Panchayats up to at least 15% for inter-village road construction.
4. The guidelines of JRY and EAS should be revised to remove sectoral restrictions. States, especially those having hill and remote areas may be given flexibility to provide more funds under these schemes to achieve targets of rural connectivity.

5. Keeping in view the inadequate provision for rural roads in the state plans, Central assistance for accelerating construction of rural link roads through Panchayats may be specially provided for.

6. The Conference recognised the need for permitting upgradation and special repairs for existing roads under the JRY and EAS.

**V : Nutrition Support to Children belonging to Poor Families
in Pre-school and Elementary Education stages**

1. The Conference highlighted the significance of ICDS Programme in providing essential organisational support and nutritional content to poor families during the pre-school stage. It called upon strengthening its linkages with the universalisation of elementary education and the mid-day-meal programme.

2. The Conference recommended that the current organisational support provided for the ICDS may be continued and suitably strengthened especially keeping in view the problems of remote and hill areas, high cost of transportation of food and non availability of buildings etc.

3. The Conference endorsed that Central Government may provide support for the supplementary nutritional component in ICDS up to at least 50 per cent of the requirement. This was essential because of the

difficulties experienced by states in providing adequate nutrition and the withdrawal of International Agencies.

4. The Conference recognised the need for having mini Aanganwadis for covering small clusters of population particularly in tribal areas and in primitive tribal groups.

5. The Conference recommended that the Mid-day-Meal Scheme may be continued and provide for additional components to cover extra transportation costs as well as conversion for hot meals especially in hill and inaccessible areas.

VI : Streamlining the Public Distribution System

1. The Conference of Chief Ministers welcomed the proposal to streamline the Public Distribution System (PDS) with focus on the population Below Poverty Line (BPL) and issue food-grains to them, at specially subsidised prices.

2. The Conference however, felt that as a large section of the population, who may be above the poverty line are also at present getting the benefit of the Public Distribution System, suitable measures should be taken to ensure availability of essential commodities at reasonable prices to this section.

3. The Conference suggested that before finalising the Below Poverty Line Population, the States should be consulted.

4. The Conference suggested increase in the allocation of sugar to all States and kerosene to those States which are now getting relatively lower allocation.

5. On the question of entrusting the management of Fair Price Shops to the elected Panchayats and Nagar Palikas, the Conference felt that the actual running of the Fair Price Shops by the elected Panchayats and Nagar Palikas need not be insisted upon but supervision and monitoring of the Fair Price Shop can be entrusted to the Panchayats.

VII : Universal and Compulsory Primary Education

1. The Conference strongly endorsed the Basic Minimum Needs identified in the fields of primary education and literacy and agreed that:-

- (i) The allocation for education should be raised to the level of 6% of G.D.P., and a beginning be made in the State and Central Budget towards this goal from this year annually.
- (ii) Priorities and strategies for achieving total literacy and universalisation of primary education should take into account the special requirements and the needed flexibilities of the various states and union territories.
- (iii) While the family, the society, the community and the non-governmental sector must be motivated and encouraged to work in the field of primary education and literacy, every effort should be taken to ensure that there is no duplication and consequent wastage of resources.

- (iv) The quality and content of teaching in primary education must be kept under constant monitoring through training and evaluation.
- (v) In order to operationalise the scheme to universalize primary education it would be necessary to allocate substantially higher resources for Operation Black Board and for appointment and training of teachers and the scheme with enhanced allocations must continue in the Ninth Plan.
- (vi) For special category states, additional allocation would be required for repair, maintenance and reconstruction of damaged or destroyed school buildings.
- (vii) The Central share of fund may be channelised to implementing agencies in the States, as suggested and recommended by the individual States. Central guidelines for implementation of the Centrally Sponsored Schemes should leave enough scope for regional and local level variations without compromising the objectives of the Schemes.

VIII : Strengthening the Organisation Delivery System and Maintenance of Basic Services

1. The Conference strongly endorsed strengthening the Panchayati Raj Set up as an ideal framework for formulation, planning and execution of the programmes of economic development and social justice. These are ideal institutions for convergence, integration, prioritisation and coordination of the programmes at the grass-root level for ensuring

prompt and efficient delivery of the services to the beneficiaries. The active participation of the people through the institution of Gram Sabha in the set up would ensure transparency and accountability of the system and, therefore, the Gram Sabhas should be strengthened.

2. The District Planning Committees (DPCs) should be set up at the district level to strengthen the decentralized planning process through Rural and Urban Local Bodies, for the purpose of providing basic social services in a planned and time-bound manner.
3. The Conference recommended adequate devolution of powers, authority and funds to the three-tiers of Panchayati Raj Institutions (PRIs). It was urged that States which had not done so, should identify the specific powers, functions, authority and resources to be devolved on the Panchayat Raj Institutions expeditiously.
4. The Conference recommended that the schemes for assistance to Voluntary Organizations should be operated within the democratic framework. There should be transparency and accountability in their functioning. For this purpose, State Level Committees (SLCs) should be constituted which could be consulted before sanctioning projects to them. Intimation of disbursement made to them should also be given to these Committees. These Committees could also monitor their performance. Specific linkages with PRIs should be forged in the working of the Voluntary Organizations.
5. The JRY allocations are now being apportioned between Zilla Parishads and Gram Panchayats in the ratio 20:80. The intermediate

Panchayat may also be given a share in it. The allocation could be in the ratio 20:15:65 among Zilla Parishad, intermediate Panchayat and Gram Panchayats. A concerted effort should be made to plan for an effective Employment Guarantee Scheme for at least 100 days in a year for one member in each household, by coordinating all employment-oriented schemes.

6. In view of the vacuum existing on the status of Panchayati Raj Institutions in Scheduled Areas, the Conference recommended that Law by Parliament under Article 243M (4)(b) should be enacted expeditiously.

7. The Conference suggested that in programmes implemented by Central institutions such as KVIC, HUDCO, SIDBI etc., the State Governments are not properly involved although, their guarantees are used in these programmes. These institutions should always undertake their activities in close consultation and involvement of State Governments.

ANNEXURE-II

SCHEDULE OF MEETINGS

Committee Room No. 137,
Yojana Bhavan, Sansad Marg,
New Delhi

15th July 1996

1. Agriculture & Cooperation	2.30 PM	-	4.00 PM
2. Non-conventional Energy Sources	4.00 PM	-	4.30 PM
3. Surface Transport	4.30 PM	-	5.00 PM
4. Labour	5.00 PM	-	5.30 PM

16 July 1996

1. Health	2.30 PM	-	3.00 PM
2. Family Welfare	3.00 PM	-	3.30 PM
3. Industrial Development	4.30 PM	-	5.00 PM
4. Power	5.00 PM	-	5.30 PM

17 July 1996

1. Urban Development	2.30 PM	-	3.00 PM
2. Water Resources	3.30 PM	-	4.00 PM
3. Environment	4.30 PM	-	5.00 PM
4. Planning	5.00 PM	-	5.30 PM

18 July 1996

1. Rural Employment & Poverty Alleviation	2.30 PM	-	3.30 PM
2. Rural Development	3.30 PM	-	4.30 PM
3. Women & Child Development	4.30 PM	-	5.00 PM
4. Food	5.00 PM	-	5.30 PM
5. Welfare	5.30 PM	-	6.00 PM

19 July 1996

- | | | | |
|--|---------|---|---------|
| 1. Urban Employment & Poverty
Alleviation | 2.30 PM | - | 3.00 PM |
| 2. Textiles | 3.00 PM | - | 3.30 PM |
| 3. Education | 3.30 PM | - | 4.30 PM |
| 4. Civil Supplies | 4.30 PM | - | 5.30 PM |

CENTRALLY SPONSORED SCHEMES RELATING TO THE SEVEN BASIC MINIMUM SERVICES

Sl. No.	Name of the Ministry/Department	Names of Schemes	Pattern of - Central-State ratio	Grant/loan component -	outlay 1996-97 (Rs. crores)
1.	Ministry of Human Resource Development (Department of Education) (6)	Operation Black Board Teacher Education Non-Formal Education (Elem.) Co-edn. Centres (i) Girls Centres (ii) Vol. Agencies (iii) Nutritional Support to Primary Education (mid-day meal) RFLP (Rural Functional Literacy Project)	100% CSS 100% CSS 60% CSS 90% CSS 100% CSS CSS 100% Fin. Assistance is released to States/UTs 100% Fin. Assistance is released to	Grant Grant Grant Grant Grant Grant Grant	275.00 118.00 158.50 1400.00 6.00 66.00
3.	Ministry of Health and Family Welfare (Department of Family Welfare) (1)	National Family Welfare Programme	100% NR	Grant	1535.00
3.	Ministry of Health and Family Welfare (Health & Indian System of Medicine & Homeopathy) (6)	National Malaria Eradication Programme National Leprosy Eradication Programme National T.B. Control Programme National Programme - Prevention of Blindness National Guinea worm Eradication Programme National AIDS Control Programme (including STD)	50:50 (100% in NE State) 100% 50:50 100% 50:50 100%	Grant Grant Grant Grant Grant Grant	145.00 74.00 65.00 75.00 0.50 141.00

Sl. No.	Name of the Ministry/Department	Names of Schemes	Pattern of Central-State ratio	Grant/loan component -	outlay 1996-97 (Rs. Crores)
4.	Ministry of Rural Areas and Employment (5)	Rural Water Supply Programme	100% by Centre subject to matching provision by States under MNP	Grant	1110.00
		Roads in Special Problem Area	50:50 sharing basis between Centre & States	Grant	2.00
		Rural Housing - Merged with Indira Awas Yojana	80:20	Grant	0.00 1194.00
5.	Ministry of Urban Affairs and Employment (1)	Centrally Sponsored Urban Water Supply Programme for small towns with population less than 20,000	Centre - 50% State - 50% (1/c - 5% Benf.Cen)	Grant	20.00
6.	Ministry of Civil Supplies (2)	Purchase of mobile vans/trucks Construction of godowns			14.00 16.00
Total Number of Schemes - 20					
Total Outlay 6415.00					

Annexure IV

CENTRALLY SPONSORED SCHEMES RELATING TO URBAN AND RURAL POVERTY ALLEVIATION AND EMPLOYMENT, DEVELOPMENT OF DESERT AND DROUGHT PRONE AREAS, WELFARE OF SC/ST/MINORITIES AND DISABLED PERSONS

Sl. No.	Name of the Ministry/Department	Names of Schemes	Pattern of Central-State ratio	Grant/loan component -	Outlay 1996-97 (Rs. Crores)
1.	Ministry of Agriculture (Deptt. of Agriculture and Cooperation) (2)	Special Scheme for SCs/STs	100%	65% Grant 25% Loan	0.73
		NWDPRA	100%	75% Grant	188.51
2.	Ministry of Human Resource Development (Deptt. of Women & Child Development) (5)	Integrated Child Development Services (ICDS) (Only Nutrition Component)	100% Central to States	Grant-in-aid	515.94
		World Bank Assisted ICDS - I	- do -	- do -	154.30
		Indira Mahila Yojana (IMY)	- do -	- do -	12.00
		Production of Nutritious Food	Grant-in-aid of Rs. 8.5 lakhs is provided to State Govt. Corporations for purchas & installation of equipment/machinery		0.15
		Setting up of community food & Nutrition ext. units through State Governments	Grant is provided for purchase of equipment & Salary on tapering basis for 2 years. Rs.2.52 lakhs are provided for purchase of and installation of equipment and Rs. 3.15 lakhs for salary		0.01
	Department of Education (1)	Integrated Education for disabled children (IEDC)	CSS	Grant	4.70
	Ministry of Labour (2)	World Bank aided schemes	Grant	50% funded	54.25
		Rehabilitation of Bonded Labour	Grant	50 : 50	0.80
	Ministry of Urban Affairs and Employment (4)	Nehru Rozgar Yojana	Central : State 60 : 40	Central share is a Grant	71.00
		PM's IUPEP	- do -	- do -	100.00
		UBSP	Central : State 60 : 40	- do -	18.00

Name of the Ministry/Department	Names of Schemes	Pattern of - Central-State ratio	Grant/loan component -	Outlay 1996-97 (Rs. Crores)
Ministry of Welfare (15)	Centrally Sponsored Urban Low Cost Sanitation Scheme for Liberation of Scavengers	Centre - EWS LIG Subsidy - 45% 25% HUDCO - 50% 60% Benf. Contri. 5% 15%	Grant	28.00
	SCDC	GOI's contri 49% Res. State Govt. contri. 51%	Grant	30.00
	National Scheme of Liberation & Reh. of Scavengers	49:51 (one for margin money loan)	Grant	90.00
	Boys Hostels	50: 50	Grant	10.00
	Girls Hostels	- do -	- do -	7.00
	Book Banks for SCs/STs Students	- do -	- do -	3.60
	Coaching & Allied Scheme	50: 50 for States, 100% Universities & Private Instt.	- do -	3.00
	Post-Matric Scholarship to SC/ST	100% Central assistance to States/UTs over and above their respective committed liabilities	- do -	149.00
	Pre-Matric Scholarship for children of those engaged in unclean occupations	50:50 basis to State Govt. (100% in case of UT Admn. respective committed liabilities)	- do -	7.50
	Implementation of Projection of Civil Rights Act, 1965 and SC/ST (Prevention of Atrocities) Act, 1989	Central assistance on matching basis to State Govts. (100% to UTs)	- do -	15.50
	Girls Hostels for STs	On 50:50 basis for States. 100% for UTs	- do -	3.50
	Boys Hostels for STs	- do -	- do -	...

Sl. No.	Name of the Ministry/Department	Names of Schemes	Pattern of - Central-State ratio	Grant/loan component -	Outlay 1996-97 (Rs. Crores)
		Ashram School for STs	On 50:50 basis for States 100% for UTs	Grant	3.00
		Grants to TRI and Award to Research Fellowship	Grants to TRIs 50:50 by Centre & State - Fellowships 100%		1.50
		Employment of Handicapped	100% for Spl. Cells in normal Employment Exchanges & 80% for Spl. Employment Exchanges for handicapped to State Govt/ UT Admn.	- do -	0.20
		National Programme for Rehabilitation of the Disabled	50:50	- do -	1.50
	Ministry of Environment and Forests (3)	Association of Scheduled Tribes and Rural Poor in regeneration of degraded forests	100%	- do -	2.00
		Integrated Afforestation and Eco-development Project	100% NR	- do -	43.00
		Beneficiary Oriented Scheme for Tribal Development	100%	- do -	1.00
	Ministry of Rural Areas and Employment (9)	NSAP	100% by Centre	- do -	932.00
		Jawahar Rozgar Yojana	80:20 sharing basis between Centre & States	- do -	1865.00
		Employment Assurance Scheme	- do -	- do -	1970.00
		Millions Wells Scheme	- do -	- do -	448.00
		Integrated Rural Dev. Programme	50:50 sharing basis between Centre & States	- do -	656.00
		Training of Rural Youth for Self-Employment	- do -	- do -	14.00

Sl. No.	Name of the Ministry/Department	Names of Schemes	Pattern of - Central-State ratio	Grant/loan component -	Outlay 1996-97 (Rs. Crores)
		Development of Women and Children in Rural Areas (DWCRA)	50:50 sharing basis between Centre & State	Grant	65.00
		Drought Prone Areas Prog. (DPAP)	- do -	- do -	125.00
		Desert Development Programme (DDP)	100% by Centre in Hot Arid and Cold Arid Areas between Centre and States in Hot Arid areas	- do -	100.00
				<u>Total Outlay</u>	<u>7698.19</u>

Total Number of Schemes - 41

CENTRALLY SPONSORED SCHEMES TO BE INCLUDED IN THE POOL AS PER THE RESOLUTION

Sl. No.	Name of the Ministry/ Department	Name of Scheme	Pattern of Funding	Grant Loan Component (Rs. Crores)	1996-97 Outlay (Rs. Crores)	Ministrywise/ Departmentwise Total outlay (Rs. Crores)
1. Ministry of Agriculture (Department of Agriculture & Cooperation)						
1		Assistance to Cooperative weaker sections	100%	Grant	2.00	
2		Assistance to women cooperatives	100%		2.12	
3		Assistance to Cooperative in under Developed states	100%	Grant	10.00	
4		Agriculture Credit Stabilisation Fund	100%	75% Grant 25% Loan	7.72	
5		ICDP Rice	75:25	Grant	45.00	
6		ICDP Wheat	75:25	Grant	28.00	
7		ICDP Course Cereals	75:25	Grant	18.00	
8		Special Jute Development	100%	Grant	0.00	
9		Incentive Cotton Dev. Programme	75:25	Grant	15.00	
10		Sustainable Dev. of Sugarcane	75:25	Grant	30.40	
11		Development of Fertilizers use in low consumption Areas	100%	Grant	2.50	
12		Balanced of Integrated use of Fertilizers	100%	Grant	5.00	
13		Promotion of Agril. Mechanisation	100%	Grant	13.50	

Sl. No.	Name of the Ministry/ Department	Name of Scheme	Pattern of Funding	Grant Loan Component	1996-97 Outlay (Rs. Crores)	Ministrywise/ Departmentwise Total outlay (Rs. Crores)
14		Freshwater Aquaculture	50%	Grant	10.05	
15		Fish Harbour Facilities at Minor Ports	50%	Grant	11.50	
16		Integrated Brackishwater Dev.	50%	Grant	4.80	
17		Dev. of Coastal Marine Fisheries	50%	Grant	13.00	
18		Enforcement of MFRA	100%	Grant	9.00	
19		Integrated Dev. of Tropical Area and Temperate Zone Fruits	100%	Grant	21.59	
20		Medical Plants				
21		Areca nut Development	100%	Grant	1.00	
22		Cocoa Development	100%	Grant	0.50	
23		Integrated Spices Dev.	100%	Grant	32.50	
24		Cashewnut Dev.	100%	Grant	15.00	
25		Mushroom Dev.	100%	Grant	2.00	
26		Use of Plastics in Agri.	100%	Grant	50.00	
27		Roots & Tubers	100%	Grant	0.40	
28		Bee Keeping	100%	Grant	6.50	
29		Betelvine Dev.	100%	Grant	0.40	
30		Improvement of Crop Statistics	50:30	Grant	2.00	
31		Timely Reporting of Estimates of Area Production of crops	50:50	Grant	2.20	

Sl. No. of the Ministry/ Department	Name of Scheme	Pattern of Funding	Grant Loan Component (Rs. Crores)	1996-97 Outlay (Rs. Crores)	Ministrywise/ Departmentwise Total outlay (Rs. Crores)
	32 Establishment of Agency for collection of data in Kerale, Orissa and West Bengal	50:50	Grant	5.44	
	33 Assistance to states in conduct of live stock census	50:50	Grant	0.20	
	34 Soil conservation-In catchment of River valley project	100%	50% Grant 50% Loan	65.00	
	35 Integrated Watershed Dev. in Flood Proke River	100%	50% Grant 50% Loan	30.00	
	36 Reclamation of Alkali Soils	50:50	Grant	8.00	
	37 OPP (Oilseeds Prod. Programme)	75:25	Grant	94.39	
	38 NPDP (Nat. Pulses Dev. Prog.)	75:25	Grant	34.38	
	39 Oil Palm Dev. Prog.	75:25	Grant	25.00	
	40 Integrated Seed Dev. in not-accessible and hilly areas	100%	Grant	2.32	
	41 Welfare of Fishermen	50%	Grant	8.00	
	42 Strengthening of Fish Marketing	100%	Grant	7.00	641.41
	2. Deptt. of Animal Husbandry & Dairying				
	Extension Frozen Semen Technology & Progeny Testing Prog.:-				
	1 Extension of Frozen Technology	100%	Grant-in-aid	4.30	
	2 Progeny Testing Prog.	100%	Grant-in-aid	1.20	

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Sl. No. of the Ministry/ Department	Name of Scheme	Pattern of Funding	Grant Loan Component	1996-97 Outlay (Rs. Crores)	Ministrywise/ Departmentwise Total outlay (Rs. Crores)
3	Assistance to States for Feed & Fodder Development	25:75 to 100%	Grant-in-aid	4.15	
4	Professional Efficiency Dev.	50:50 (States) 100% (UTs)	Grant-in-aid	1.30	
	Assistance to states for improvement/establishment of abattoirs/carcass :-				
5	Improvement of slaughter Houses	50:50	Grant-in-aid	4.00	
6	Establishment of carcass utilisation centres/flaying units	100%	Grant-in-aid	3.00	
7	Integrated sample surveys for estimation of major live-stock products	50:50 (States) 100% (UTs)	Grant-in-aid	2.10	
8	National Bull Production Prog.	100%	Grant-in-aid	5.00	
9	National Ram/Buck Production Prog.	50:50	Grant-in-aid	2.75	
10	Development & Preservation of Pack Animals	50:50	Grant-in-aid	0.50	
11	Assistance to states for Integrated piggery Development	100%	Grant-in-aid	2.00	
12	North Kerala Dairy Project	External Aid 100%	Grant-in-aid	1.00	
13	National Project on Rinderpest Eradication	100%	Grant-in-aid	35.79	
	Assistance to state for control of Animal Diseases :-				
14	Systematic control of Animal Diseases	50:50 (States) 100% (UTs)	Grant-in-aid	4.00	

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Sl. No. of the Ministry/ Department	Name of Scheme	Pattern of Funding	Grant Loan Component (Rs. Crores)	1996-97 Outlay (Rs. Crores)	Ministrywise/ Departmentwise Total outlay (Rs. Crores)
	15 Foot and Mouth Diseases	50:50 (States) 100% (UTs)	Grant-in-aid	2.70	
	16 Animal Disease Surveillance	50:50 (States) 100% (UTs)	Grant-in-aid	1.40	75.19
3. Department of Education					
	1 Computer education in school (Class)	CSS	Grant	40.00	
	2 Vocationalisation of Education	CSS	Grant	82.00	
	3 Environment Orientation to school children	CSS	Grant	1.95	
	4 Improvement for Science Education in schools	CSS	Grant	24.79	
	5 Promotion of Yoga	CSS	Grant	0.60	
	6 Educational Technology	CSS	Grant	22.88	
	7 Assistance to NGOs for strengthening of Hostel facilities for girls	CSS	Grant	0.55	
	8 Strengthening of Administrative Structure	100% Fin. Assistance is released to States/UTs.	Grant	14.00	
	9 Appoint Hindi Teachers	CSS		4.00	
	10 Appointment of Urdu Teachers	CSS	Grant	1.00	191.77

Sl. No.	Name of the Ministry/ Department	Name of Scheme	Pattern of Funding	Grant Loan Component	1996-97 Outlay (Rs. Crores)	Ministrywise/ Departmentwise Total outlay (Rs. Crores)
4. Ministry of Health						
1		Assistance for Augmentation of Drug Testing Facilities in the States	100%	Grant	2.00	
2		Drug Inspectorate Staff in various States/UTs	50:50	Grant	0.50	
3		Financial Assistance to the States for strengthening Food testing Laboratories	100%	Grant	1.00	
4		Assistance for upgradation of post-graduate- Deptt. of ISM	100%	Grant	5.00	8.50
5. Ministry of Industrial Development						
1		Growth Centres		10 Cr.	50.00	
				5 Cr.		
				5 Cr.		
				10 Cr.		
2		Transport subsidy		Grant-in-aid	48.99	98.99
6. Department of Youth Affairs						
1		National Service Scheme	7:5 (Central: State)	Grant	12.60	
2		Establishment and Development of Mountaineering Institutes	50:50 Central:State	Grant	0.30	
			2:1 Central Grant			
			Defence:Days			

Sl. No. of the Ministry/ Department	Name of Scheme	Pattern of Funding	Grant Loan Component	1996-97 Outlay (Rs. Crores)	Ministrywise/ Departmentwise Total outlay (Rs. Crores)
3 State Sports Councils					
		Central:State 75:25(hill areas)	Grant	8.00	
		50:50(Other areas)	Grant	3.00	
	4 Games & sports in college & university		Grant	0.00	23.9
	5 Voluntary Sports Club	One time grant of Rs. 10,000/- Matching grant from State/UT	Grant		
7. Ministry of Water Resources					
	1 Command Area Development Prog.			138.92	
	2 Rationalisation of Minor Irrigation Scheme	Central Grants		8.00	
	3 Central Loan Assistance to Govt. of Assam	Loan to the State Govt.	100% Loan	25.00	171.92
		Grant during 1996-97			
8. Ministry of Commerce					
	1 Export Promotion Industrial Park	Central Govt. would bear 75% of the capital cost subject to upper limit of Rs. 10 Cr. per park		30.00	30.00

Sl. No.	Name of the Ministry/ Department	Name of Scheme	Pattern of Funding	Grant Loan Component (Rs. Crores)	1996-97 Outlay (Rs. Crores)	Ministrywise/ Departmentwise Total outlay (Rs. Crores)
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9. Ministry of Urban Affairs & Employment

1	IDSMT				35.00	
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Funding Pattern depends on Population (Town)

Both the Central and State will flow as grants to a spl. Revolving Fund at the Municipal level. However depending on the nature of projects, only 25% of the amounts given by tie Central and state Govts. could be accounted per as oversight grant from the fund in the case of non-remunerate projects. The remaining 75% amount would be

Sl. No. of the Ministry/ Department Name of Scheme Pattern of Funding Grant Component (Rs. Crores) 1996-97 Outlay (Rs. Crores) Ministrywise/ Departmentwise Total outlay (Rs. Crores)

			treated as a corpus to be returned to the revolving fund for self sustaining development.			
	2	Mega City Scheme	Central and State Govts. would contribute in the ratio of 25:25 as grant and balance 50% is to be met from institutional finance.		84.00	
	3	Contribution to MORPB			40.00	
	4	Contribution to Urban Transport conostoum fund.	Urban Transport Projects will be funded by way of equity participation of Central and state Govts. loan both internal and external dedicated levies and taxes etc.	Equity will be way of grant	9.00	
10.		Ministry of Welfare				168.00
	1	Scheme of Prevention & Control of juvenile Social Maladjustment (CSS)	50:50 shareable between state and Central Govt. when implemented through voluntary agency it is on 45:45 10 basis. In trival areas, it is on 47:47 5 basis	i)Construction of observation Homes Juvenile Homes and Spl. Homes. ii)Upgradation of existing Homes iii)Maintenance	2.00	

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Sl. No. of the Ministry/ Department	Name of Scheme	Pattern of Funding	Grant Loan Component	1996-97 Outlay (Rs. Crores)	Ministrywise/ Departmentwise Total Outlay (Rs. Crores)
			of innated		
			iv) Vocational Trg. facilities for the inmates		
			v) Staff Salaries for the staff of the Homes.		
			vi) To provide vocational Trg. facilities for the Handicapped Juveniles.	2.00	
11. Planning Commission					
	1 Strengthening of Planning Machinery at State and District level	2/3 rd Centre 1/3 rd State	State: Grant Level:	1.00	
		50% Centre 50% State	Distt.: Grant Level:		1.00
12. Ministry of Environment and Forests					
	1 Paryavaran Sudhar Pariyojana Env. improvement and dissemination scheme	100%	Grant	1.00	
	2 Aerial Seeding	100%	Grant	0.50	
	3 Seed Development Agencies	100%	Grant	2.50	
	4 Non-Timber Forests Produce including medicinal plants	100%	Grant	12.75	
	5 Promotion of construction of common Effluent Treatment Plants (CETP) for clusters of small scale industrial units	25%	Grant	3.00	
	6 Industrial Pollution control Projects	100%	Grant	15.00	

Sl. No.	Name of the Ministry/ Department	Name of Scheme	Pattern of Funding	Grant Loan Component	1996-97 Outlay (Rs. Crores)	Ministrywise/ Departmentwise Total outlay (Rs. Crores)
7		Bio-sphere Reserves	100%	Grant	2.50	
8		Conservation and Management of Mangroves	100%	Grant	1.50	
9		Conservation and Management of Wasteland	100%	Grant	1.50	
10		Ganga Action Plan-Phase-I	100%	Grant	26.00	
11		Ganga Action Plan-Phase-II	50%	Grant	25.00	
12		National River Action Plan	50:50	Grant	19.00	
13		Introduction of Modern Forests Fire control methods	100%	Grant	2.00	
14		Development of National Parks and Sanctuaries	100%	Grant	11.50	
15		Project Tiger	100% NR 50% R	Grant	7.70	
16		Eco-Development around Sanctuaries and National Parks including	100% NR	Grant	40.77	
17		Project Elephant	100% NR	Grant	5.00	
18		Fuelwood/Fodder Projects	50%	Grant	40.00	217.22
13.	Ministry of Rural Areas & Employment	1 Strengthening of State Irng. Centre	100% by Centre for Non-recurring Expenditure, and on 50:50 sharing basis between Centre and States for recurring expenditure.	Grant	3.25	

No. Department	Name of Scheme	Pattern of Funding	Grant Loan Component	1996-97 Outlay (Rs. Crores)	Ministry/Departmentwise Total outlay (Rs. Crores)
	2 Rural Sanitation	40% by Centre 40% by States 20% contribution by user	Grant	60.00	
	3 Strengthening of Ext. Trng. Centre	50:50 sharing basis	Grant	3.00	
	4 Computerisation of Land Records	100% by centre	Grant	20.00	
	5 Strengthening of Revenue Machinery & updating of Land Records	50:50 sharing basis between Centre & States	Grant	18.80	105.05
14. Ministry of Non-Conventional Energy Sources	1 National Project on Bio-gas development	Subsidy	Grant	61.70	
	2 National programme on Improved Chulhas	Subsidy	Grant	16.75	
	3 Institutional/Community Bio-gas Plant Prog.	Subsidy	Grant		
	4 IREP	100%	Grant	15.85	
	5 Solar Photovoltaic of lantern/ domestic lighting programme	Subsidy	Grant	54.16	
	6 Small Hydro Power Programme	50%	Grant	23.34	171.80
15. Ministry of Surface Transport	1 a) Inter-State Roads/Bridges	Loan	100%	12.00	
	b) Roads/Bridges of Economic Importance	Loan	50% State 50% Govt. Share		
	2 Inland Water Transportation Schemes implemented by states	Loan	50:50	0.75	12.75

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Functioning	Component	(Rs. Crores)	Total outlay (Rs. Crores)
16. Ministry of Power			
	1 Inter-State Transmission	Loan	5.50
		100% Loan assistance to State Govt./SEBs	5.50
	Total of all Schemes		1925.00
			1925.00

CENTRALLY SPONSORED SCHEMES WHICH DESERVE CLOSE LOOK BEFORE INCLUSION IN THE POOL

Sl. No. of the Ministry/ Department	Name of Scheme	Pattern of Funding	Grant Loan Component (Rs. Crores)	1996-97 Outlay (Rs. Crores)	Ministrywise/ Departmentwise Total outlay (Rs. Crores)
1. Ministry of Agriculture (Department of Agriculture & Cooperation)					
1	Enforcement of MFRA	100%	Grant	9.00	
2	Improvement of Crop Statistics	50:30	Grant	2.00	
3	Timely Reporting of Estimates of Area Production of crops	50:50	Grant	2.20	
4	Establishment of Agency for collection of data in Kerala, Orissa and West Bengal	50:50	Grant	5.44	
5	Assistance to states in conduct of live stock census	50:50	Grant	0.20	
6	Welfare of Fishermen	50%	Grant	8.00	
7	Dtrengthening of Fish Marketing	100%	Grant	7.00	33.84
2. Deptt. of Animal Husbandry & Dairying					
1	National Project on Rinderpest Eradication	100%	Grant- in-aid	35.79	
Assistance to state for control of Animal Diseases :-					
2	Systematic control of Animal Diseases	50:50 (States) 100% (UTs)	Grant- in-aid	4.00	
3	Foot and Mouth Diseases	50:50 (States) 100% (UTs)	Grant- in-aid	2.70	
4	Animal Disease Surveillance	50:50 (States) 100% (UTs)	Grant- in-aid	1.40	43.89

Sl. No. of the Ministry/ Department	Name of Scheme	Pattern of Funding	Grant Loan Component (Rs. Crores)	1996-97 Outlay (Rs. Crores)	Ministrywise/ Departmentwise Total outlay (Rs. Crores)
3. Ministry of Health					
	1 Assistance for Augmentation of Drug Testing Facilities in the States	100%	Grant	2.00	
	2 Drug Inspectorate Staff in various States/UTs	50:50	Grant	0.50	
	3 Financial Assistance to the States for strengthening Food testing Laboratories	100%	Grant	1.00	
	4 Assistance for upgradation of post-graduate- Deptt. of ISM	100%	Grant	5.00	8.50
4. Ministry of Industrial Development					
	1 Transport subsidy	Subsidy ranging from 50% to 10% is admissible on the	Grant-in-aid	48.99	48.99
5. Ministry of Environment and Forests					
	1 Promotion of construction of common Effluent Treatment Plants (CETP) for clusters of small scale industrial units	25%	Grant	3.00	
	2 Industrial Pollution control Projects	100%	Grant	15.00	
	3 Bio-sphere Reserves	100%	Grant	2.50	
	4 Conservation and Mangement of Mangroves	100%	Grant	1.50	
	5 Conservation and Mangement of Wasteland	100%	Grant	1.50	
	6 Ganga Action Plan-Phase-I	100%	Grant	26.00	

Sl. No. of the Ministry/ Department	Name of Scheme	Pattern of Funding	Grant Loan Component	1996-97 Outlay (Rs. Crores)	Ministrywise/ Departmentwise Total outlay (Rs. Crores)
	7 Ganga Action Plan-Phase-II	50%	Grant	25.00	
	8 National River Action Plan	50:50	Grant	19.00	
	9 Introduction of Modern Forests Fire control methods	100%	Grant	2.00	
	10 Development of National Parks and Sanctuaries	100%	Grant	11.50	
	11 Project Tiger	100% NR 50% R	Grant	7.70	
	12 Eco-Development around Sanctuaries and National Parks including	100% NR	Grant	40.77	
	13 Project Elephant	100% NR	Grant	5.00	
	14 Fuelwood/Fodder Projects	50%	Grant	40.00	200.47
6. Ministry of Non-Conventional Energy Sources	1 National Project on Bio-gas development	Subsidy	Grant	61.70	
	2 National programme on Improved Chulhas	Subsidy	Grant	16.75	
	3 Institutional/Community Bio-gas Plant Prog.	Subsidy	Grant	-	
	4 IREP	100%	Grant	15.85	
	5 Solar Photovoltaic of lantern/ domestic lighting programme	Subsidy	Grant	54.16	
	6 Small Hydro Power Programme	50%	Grant	23.34	171.80

Sl. No. of the Ministry/ Department	Name of Scheme	Pattern of Funding	Grant Loan Component	1996-97 Outlay (Rs. Crores)	Ministrywise/ Departmentwise Total outlay (Rs. Crores)
7. Ministry of Surface Transport					
	1 a) Inter-State Roads/Bridges	Loan	100%	12.00	
	b) Roads/Bridges of Economic Importance	Loan	50% State Govt. Share 50:50		
	2 Inland Water Transportation Schemes implemented by states	Loan		0.75	12.75
8. Ministry of Power					
	1 Inter-State Transmission	100% Loan assistance to	Loan	5.50	5.50
9. Ministry of Rural Areas & Employment					
	1 Rural Sanitation	40% by Centre 40% by States 20% contribution by user	Grant	-60.00	
	2 Computerisation of Land Records	100% by centre	Grant	20.00	
	3 Strengthening of Revenue Machinery & updating of Land Records	50:50 sharing basis between Centre & States	Grant	18.80	98.8
Total of all Schemes				624.54	624.54

CENTRALLY SPONSORED SCHEMES EXCLUDING THOSE THAT NEED SPECIAL CONSIDERATION

Sl. No. of the Ministry/ Department	Name of Scheme	Pattern of Funding	Grant Loan Component	1996-07 Outlay (Rs. Crores)	Ministrywise/ Departmentwise Total outlay (Rs. Crores)
1. Ministry of Agriculture (Department of Agriculture & Cooperation)					
1	Assistance to Cooperative weaker sections	100%	Grant	2.00	
2	Assistance to women Cooperatives	100%		2.12	
3	Assistance to Cooperative in under Developed states	100%	Grant	10.00	
4	Agriculture Credit Stabilisation Fund	100%	75% Grant 25% Loan	7.72	
5	ICDP Rice	75:25	Grant	45.00	
6	ICDP Wheat	75:25	Grant	28.00	
7	ICDP Course Cereals	75:25	Grant	18.00	
8	Special Jute Development	100%	Grant	0.00	
9	Incentive Cotton Dev. Programme	75:25	Grant	15.00	
10	Sustainable Dev. of Sugarcane	75:25	Grant	30.40	
11	Development of Fertilizers use in low consumption Areas	100%	Grant	2.50	
12	Balanced of Integrated use of Fertilizers	100%	Grant	5.00	
13	Promotion of Agril. Mechanisation	100%	Grant	13.50	

Sl. No.	Name of the Ministry/ Department	Name of Scheme	Pattern of Funding	Grant Loan Component	1996-97 Outlay (Rs. Crores)	Ministrywise/ Departmentwise Total outlay (Rs. Crores)
14		Freshwater Aquaculture	50%	Grant	10.05	
15		Fish Harbour Facilities at Minor Ports	50%	Grant	11.50	
16		Integrated Brackishwater Dev.	50%	Grant	4.80	
17		Dev. of Coastal Marine Fisheries	50%	Grant	13.00	
18		Integrated Dev. of Tropical Area and Temperate Zone Fruits	100%	Grant	21.59	
19		Medical Plants				
20		Areca nut Development	100%	Grant	1.00	
21		Cocoa Development	100%	Grant	0.50	
22		Integrated Spices Dev.	100%	Grant	32.50	
23		Cashewnut Dev.	100%	Grant	15.00	
24		Mushroom Dev.	100%	Grant	2.00	
25		Use of Plastics in Agri.	100%	Grant	50.00	
26		Roots & Tubers	100%	Grant	0.40	
27		Bee Keeping	100%	Grant	6.50	
28		Betelvine Dev.	100%	Grant	0.40	
29		Soil conservation-in catchment of River valley project	100%	50% Grant 50% Loan	65.00	
30		Integrated Watershed Dev. in Flood prone River	100%	50% Grant 50% Loan	30.00	
31		Reclamation of Alkali Soils	50:50	Grant	8.00	

Sl. No.	Name of the Ministry/ Department	Name of Scheme	Pattern of Funding	Grant Loan Component	1996-97 Outlay (Rs. Crores)	Ministrywise/ Departmentwise Total outlay (Rs. Crores)
32		OPP (Oilseeds Prod. Programme)	75:25	Grant	94.39	
33		MPDP (Mat. Pulses Dev. Prog.)	75:25	Grant	34.38	
34		Oil Palm Dev. Prog.	75:25	Grant	25.00	
35		Integrated Seed Dev. in not-accessible and hilly areas	100%	Grant	2.32	607.57
2. Deptt. of Animal Husbandry & Dairying						
		Extension Froxen Seven Technology & Progeny Testing Prog. :-				
1		Extension of Frozen Technology	100%	Grant-in-aid	4.30	
2		Progeny Testing Prog.	100%	Grant-in-aid	1.20	
3		Assistance to States for Feed & Fodder Development	25:75 to 100%	Grant-in-aid	4.15	
4		Professional Efficiency Dev.	50:50 (States) 100% (UTs)	Grant-in-aid	1.30	
		Assistance to states for improvement/establishment of abattoirs/carcass :-				
5		Improvement of slaughter Houses	50:50	Grant-in-aid	4.00	
6		Establishment of carcass utilisation centres/flaying units	100%	Grant-in-aid	3.00	
7		Integrated sample surveys for estimation of major live-stock products	50:50 (States) 100% (UTs)	Grant-in-aid	2.10	

Sl. No. of the Ministry/ Department	Name of Scheme	Pattern of Funding	Grant Loan Component (Rs. Crores)	1995-97 Outlay (Rs. Crores)	Ministrywise/ Departmentwise Total outlay (Rs. Crores)
	8 National Bull Production Prog.	100%	Grant-in-aid	5.00	
	9 National Ram/Buck Production Prog.	50:50	Grant-in-aid	2.75	
	10 Development & Preservation of Pack Animals	50:50	Grant-in-aid	0.50	
	11 Assistance to states for Integrated piggery Development	100%	Grant-in-aid	2.00	
	12 North Kerala Dairy Project	External Aid 100%	Grant-in-aid	1.00	31.3
3. Department of Education					
	1 Computer education in school (Class)	CSS	Grant	40.00	
	2 Vocationalisation of Education	CSS	Grant	82.00	
	3 Environment Orientation to school children	CSS	Grant	1.95	
	4 Improvement for Science Education in schools	CSS	Grant	24.79	
	5 Promotion of Yoga	CSS	Grant	0.60	
	6 Educational Technology	CSS	Grant	22.88	
	7 Assistance to NGO's for strengthening of Hostel facilities for girls	CSS	Grant	0.55	
	8 Strengthening of Administrative Structure	100% Fin. Assistance is released to States/ UTs.	Grant	14.00	

Sl. No.	Name of the Ministry/ Department	Name of Scheme	Pattern of Funding	grant Loan Component	1996-97 Outlay (Rs. Crores)	Ministrywise/ Departmentwise Total outlay (Rs. Crores)

		9 Appoint Hindi Teachers	CSS	-	4.00	
		10 Appointment of Urdu teachers	CSS	-	1.00	191.77
4.	Ministry of Industrial Development	1 Growth Centres	Central Govt. Equity State Govt. Equity All India Fin. Instt. Market Borrowings admissible on the transport cost	10 Cr. 5 Cr. 5 Cr. 10 Cr.	50.00	50.00
5.	Department of Youth Affairs	1 National Service Scheme	7:5 (Central: State)	Grant	12.60	
		2 Establishment and Development of Mountaineering Institutes	50:50 Central:State Central Grant 2:1 Defence:Days Central:State 75:25(hill areas) 50:50(Other areas)	Grant	0.30	
		3 State Sports Councils		Grant	8.00	
		4 Games & sports in college & university		Grant	3.00	
		5 Voluntary Sports Club	One time grant of Rs. 10,000/- Matching grant from State/UT	Grant	0.00	23.9

Sl. No.	Name of the Ministry/ Department	Name of Scheme	Pattern of Funding	grant Component (Rs. Crores)	1996-97 Outlay (Rs. Crores)	Ministrywise/ Departmentwise Total outlay (Rs. Crores)
6. Ministry of Water Resources						
		1 Command Area Development Prog.	1. Grant 2. Loan 3. Institutional Finance Cent Percent Grant		138.92	
		2 Rationalisation of Minor Irrigation Scheme	Central Grants		8.00	
		3 Central Loan Assistance to Govt. of Assam	Loan to the State Govt.	100% Loan	25.00	171.92
			Grant during 1996-97			
7. Ministry of Commerce						
		1 Export Promotion Industrial Park	Central Govt. would bear 75% of the capital cost subject to upper limit of Rs. 10 Cr. per park		30.00	30.00
8. Ministry of Urban Affairs & Employment						
		1 IDSMT	Funding Pattern depends on Population (Town)		35.00	
			Both the Central and State will flow as grants to a spl. Revolving Fund at the Municipal level. However depending			

Sl. No.	Name of the Ministry/ Department	Name of Scheme	Pattern of Funding	Grant Loan Component (Rs. Crores)	1996-97 Outlay (Rs. Crores)	Ministrywise/ Departmentwise Total outlay (Rs. Crores)
			on the nature of projects, only 25% of the amounts given by the Central and state Govts. could be accounted per as oversight grant from the fund in the case of non-remunerate projects. The remaining 75% amount would be treated as a corpus to be returned to the revolving fund for self sustaining development. The funds from Central and state Govts. will flow as grant to the nodal agency.			
		2 Mega City Scheme	Central and State Govts. would contribute in the ratio of 25:25 as grant and balance 50% is to be met		84.00	

Sl. No. Name of the Ministry/ Department
 Name of Scheme
 Pattern of Funding
 Grant Loan Component
 1996-97 Outlay (Rs. Crores)
 Ministrywise/ Departmentwise Total outlay (Rs. Crores)

Sl. No.	Name of the Ministry/ Department	Name of Scheme	Pattern of Funding	Grant Loan Component	1996-97 Outlay (Rs. Crores)	Ministrywise/ Departmentwise Total outlay (Rs. Crores)
			from institutional finance.		40.00	
3		Contribution to MORPS				
4		Contribution to Urban Transport constoium fund.	Urban Transport Projects will be funded by way of equity participation of Central and state Govts. loan both internal and external dedicated levies and taxes etc.	Equity will be way of grant	9.00	
9.	Ministry of Welfare	1 Scheme of Prevention & Control of juvenile Social Maladjustment (CSS)	50:50 shareable between state and Central Govt. when implemented through voluntary agency it is on 45:45 10 basis. In trival areas, it is on 47:47 5 basis	i)Construction of observation Homes Juvenile Homes and Spl. Homes. ii)Upgradation of existing Homes iii)Maintenance of inmates iv)Vocational Trg. facilities for the inmates v)Staff Salaries for the staff of the Homes. vi)To provide vocational Trg. facilities for the Handicapped Juveniles.	2.00	168.00
						2.00

Sl. No.	Name of the Ministry/ Department	Name of Scheme	Pattern of Funding	Grant Loan Component (Rs. Crores)	1996-97 Outlay (Rs. Crores)	Ministrywise/ Departmentwise Total outlay (Rs. Crores)
10. Planning Commission						
		1 Strengthening of Planning Machinery at State and District level	2/3 rd Centre 1/3 rd State 50% Centre 50% State	State: Grant Level: Distt.: Grant Level:	1.00	1.00
11. Ministry of Environment and Forests						
		1 Paryavaran Sudhar Pariyojana Env. improvement and dissemination scheme	100%	Grant	1.00	
		2 Aerial Seeding	100%	Grant	0.50	
		3 Seed Development Agencies	100%	Grant	2.50	
		4 Non-Timber Forests Produce including medicinal plants	100%	Grant	12.75	16.75
12. Ministry of Rural Areas & Employment						
		1 Strengthening of State Trng. Centre	100% by Centre for Non-recurring Expenditure, and on 50:50 sharing basis between Centre and States for recurring expenditure.	Grant	3.25	
		2 Strengthening of Ext. Trng. Centre	50:50 sharing basis	Grant	3.00	6.25
Total of all Schemes					1300.46	1300.46

Annexure-VIII

Inter-State Allocation of Additional Central Assistance
for Basic Minimum Services among Special Category
States in proportion to Normal Central Assistance in 1995-96

	Normal Central Assistance		Share in Rs.665 cr.
	Amount (Rs.crore)	%-age share	
Arunachal Pradesh	413.80	9.22	61.31
Assam	984.24	21.90	145.64
Himachal Pradesh	501.50	11.18	74.35
Jammu & Kashmir	1042.25	23.20	154.28
Manipur	293.33	6.52	43.36
Meghalaya	244.20	5.43	36.11
Mizoram	258.48	5.74	38.17
Nagaland	285.90	6.37	42.36
Sikkim	173.51	3.87	25.74
Tripura	295.22	6.57	43.69
Total	4492.43	100.00	665.01

**INTERSTATE ALLOCATION OF ADDITIONAL CENTRAL ASSISTANCE
FOR BASIC MINIMUM SERVICES**

Share of Non-Special Category States from Rs.1000 crores

States	Population	Per capita income		Total Allocation	Allocation as per cent of total.	Share in Rs.1551 crore
		(3)	(4)			
	60%	Deviation -cum- distance method 32.0%	Distance method 8.0%	(5)	(6)	(7)
Andhra Pradesh	50.66	33.35	6.54	90.56	9.06	140.52
Bihar	65.63	66.73	13.10	145.45	14.55	225.67
Goa	0.92	0.00	0.04	0.97	0.10	1.55
Gujarat	31.09	0.00	2.85	33.94	3.39	52.58
Haryana	11.69	0.00	0.56	12.25	1.23	19.08
Karnataka	34.12	0.00	4.19	38.31	3.83	59.40
Kerala	24.86	16.72	3.28	44.86	4.49	69.64
			7.28	92.87	9.29	144.09
			3.66	62.36	6.24	96.78
			4.19	51.09	5.11	79.26
			0.76	16.54	1.65	25.59
			4.34	56.46	5.65	87.63
			5.13	53.11	5.31	82.36
			16.68	204.55	20.46	317.33
			7.39	96.66	9.67	150.00
			80.00	1000.00	100.00	1551.00

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