

MOST IMMEDIATE


No.CCA/RD/Review Meeting/Ministries/2012-13
Government of India
Ministry of Rural Development

Krishi Bhawan, New Delhi,
Dated the 13th September, 2012.

Subject :- Minutes of the Financial Review meeting held on 3rd September, 2012 at 10.00 A.M. in respect of Ministry of Rural Development and Ministry of Drinking Water and Sanitation under the Chairmanship of Hon'ble Union Minister for Rural Development.

A copy of the Minutes of the Financial review meeting held under the Chairmanship of the Hon'ble Union Minister for Rural Development and Minister for Drinking Water and Sanitation on 3rd September, 2012 at 10.00 A.M. in Unnati, Krisni Bhawan, New Delhi, is sent herewith for information and necessary action.

A. circulate.
SO/fin.
13/9/12


(S.S. Bhandari)
Joint Director (B&A)

Distribution

1. Sh. P.K. Anand, J.S.(RC)
2. Sh. D.K. Jain, J.S.(RE-I).
3. Sh. Rajesh Bhushan, J.S. (RE-II& S.A.).
4. Sh. T. Vijay Kumar, J.S.(RL)
5. Smt. Vijaya Srivastava, J.S.(RH)
6. Sh. Niten Chandra, J.S.(Admn.& Training)
7. Dr. Savita Anand, J.S.(WM)
8. Sh. T.M. Vijay Bhasker, J.S.(DWS)
9. Sh.G.P. Gupta,CCA(RD)

Misc correspondence.doc

10. Sh. Y.S. Dwiwedi, Director(RC).
11. Sh. P. Manoj Kumar, Director (RC).
12. Smt. Neeta Kejriwal, Director(RL)
13. Smt. Madhuri Sharma, Tech. Dir.(NIC)
14. Smt. Manju Rajpal, D.S.(RC)
15. Sh. Dheeraj Kakodia,Dir.(IEC)
16. Sh. V.J. Menon, Consultant (Finance)
17. Sh. E.J.Jos. Consultant(Trng.)
18. Sh. D.K. Singh, D.S. (MGNREGA)
19. Sh. B.S. Behera, D.S.(Fin.RD)
20. Sh. S.S. Bhandari, Jt. Dir. (B&A)
21. Sh. B.B. Patel, D.S.(Fin.LR)
- ✓22. Sh. J. Bose, D.S.(Fin.-DWS)
23. Dr.C.P. Reddy, Dy.Commissioner(WM)
24. Sh. S.P. Arya, U.S.(IEC)
25. Sh. A. Majumdar, Dy.Dir.(IEC)

Copy to :-

1. P.S. to Minister(RD)
2. Sr. PSS to Secy.(RD)
3. Sr. PPS to Secy.(LR)
4. Sr. PPS to Secy.(DWS)
5. Sr. PSS to AS&FA
6. PPS to AS(RD)
7. PPS to AS(LR)
8. PPS to CEA(RD)

Minutes of the Financial Review Meeting held on 3rd September,2012 at 10.00 A.M. in respect of Ministry of Rural Development and Ministry of Drinking Water and Sanitation.

A Financial review meeting was held under the chairmanship of Hon'ble Union Minister for Rural Development and Minister for Drinking Water and Sanitation on 3rd September,2012 at 10.00 A.M. in Unnati', Krishi Bhawan, New Delhi. The list of participant is attached.

Ministry of Rural Development

Initiating the discussion, AS&FA stated that the overall progress of Expenditure of Department of Rural Development upto August,2012 was satisfactory (33.73% of B.E.) as compared to the actual expenditure of corresponding period of last year (30.56%). However, if the releases under MGNREGA are excluded, the progress of the expenditure would appear to be slow. The shortfall are mainly under NRLM and PMGSY.

In the case of NRLM, it was explained by JS(RL) that the programme is in a transition phase and due to lack of preparedness of some of the States to comply with the NRLM requirements, the budget provisions in B.E. 2012-13 may not be fully utilized. The expected surrender under NRLM will be about Rs. 600.00 crores. In the case of PMGSY, it was clarified by JS (RC) that the slow pace of expenditure is mainly due to large opening balances and lack of capacity of State Governments to implement the sanctioned projects. Going by the current pace of expenditure, likely surrender under PMSGY could be around 7700.00 crores.

As regard IAY, it was observed that the pace of expenditure so far under the programme is quite satisfactory. However, Minister (RD) enquired about the progress made in uploading the data by States on Software, "Awaas" and mentioned that District Rohtas in Bihar has done good work in uploading data. They have also uploaded pictures of the constructed houses and beneficiaries as well. The officers concerned were directed to bring to the notice of all other States about the progress achieved by District Rohtas so that they can also follow this example.

...2/-

:2:

Ministry of Drinking Water & Sanitation

AS&FA stated that overall utilization was 95.36% (actual expenditure was Rs.4171.92 crore as against the projected expenditure of Rs.4375 crore upto August 2012). The programme-wise position was – for NRDWP, the actual expenditure upto August, 2012 was Rs.3333.86 crore as against projected expenditure of Rs.3500 crore and for NBA, the actual expenditure upto August, 2012 was Rs.838.06 crore as against projected expenditure of Rs.875 crore. The shortfall upto August, 2012 was to the tune of Rs.203.08 crore (NRDWP – Rs.166.14 crore and NBA Rs.36.94 crore).

It was pointed out by AS&FA that the amount of Rs.1428.08 crore needs to be released by the end of September, 2012 as per the Quarterly Projections upto September, 2012. AS&FA also pointed out that out of balance amount of Rs.1428.08 crore, IFD has already concurred in proposals to the tune of Rs.525.97 crore (NBA – Rs.333.44 crore plus NRDWP Rs.192.53 crore) for which releases would be made in September, 2012. The balance amount to be released by 30th September, 2012 was therefore Rs.902.11 crore.

The issue of recoveries towards excess / fictitious expenditure reported by the States in the UCs which did not match with the corresponding Audited Statement of Accounts and diversion of funds also came up in the meeting. Hon'ble Minister agreed that whatever recoveries on this account have been pointed out by IFD such as Rs.135 crore in the case of West Bengal under NRDWP and Rs.27.66 crore towards diversion of fund under NRDWP in the case of Himachal Pradesh, the same should be recovered from release proposals of the respective States.

...3/-

Department of Land Resources :

The overall release position of DoLR is found to be satisfactory. To attain the overall achievement to 67% to the budget estimates of the Department of Land Resources by the end of December' 2012, the Department needs to release Rs. 135.06 Crs. However, out of three schemes, Rs.55.64 Crs. Under NLRMP and Rs.33.50 lakh will have to be released under National Rehabilitation Policy (NRP) by the end of December' 2012.

Common Points :

A point was raised that in projecting the unspent balances, the minimum gestation period required for utilization is not taken into account and even the releases made at the fag end of the financial year gets included in the unspent balances . Minister (RD) desired that balances available with the States should be treated as total available funds and only that portion which remains unutilized after the minimum required time for unutilization be reflected as unspent balances. Minister (RD) stated that the present norms adopted by the Ministry of Finance for assessing the unspent balances need a review. Therefore, the matter may be taken up with the Ministry of Finance for necessary modification in the present norms of assessing unspent balances.

(Action: IFD/ Monitoring Division)

While expressing the need for containing the unspent balances to the extent possible., AS&FA mentioned that the year-wise/ age-wise analysis of unspent balances linking with physical progress is necessary. Minister (RD) desired that all Joint Secretaries concerned would provide the required details within a week's time on the basis of proforma circulated by IFD.

(Action: PD/IFD)

AS&FA stated that as of now the focus of review on file is on financial parameters alone. While seeking concurrence on releases, she stated that equal emphasis is required on programme outcomes/ physical progress parameters, so that both physical/financial parameters/ conditionalities are conveyed to the states when releases are concurred upon. In this connection she pointed out that files reveal a large amount of backlog/

...4/-

incomplete/ not initiated/abandoned /dropped schemes. She requested that PD's may incorporate formats facilitating programme review at the time of release.

(Action : PDs)

AS&FA also impressed upon the need for categorizing the States in to three categories 'A','B' and 'C' based on the performance with reference to critical parameters i.e. (i) Proper expenditure monitoring system (ii) The achievement of physical and financial progress and (iii) Matching of unspent balances reported to MIS with the balances available with their respective services. Minister (RD) desired that the concerned Joint Secretaries would submit 'A','B','C' categories for their programmes at the earliest. A dashboard system will be devised for fortnightly reporting. The format will be developed by PDs in consultation with IFD/NIC.

AS&FA also suggested that the available information on MIS should be scanned and analysed based on actual critical parameters to be indicated by the PDs, based on which NIC will formulate the software to identify problem areas for closer monitoring.

(Action : PD/NIC-IFD)

AS&FA also suggested that Bharat Nirman volunteers could be appropriately selected to participate in social audit processes and eventually be part of finance audit teams . She informed that at the forthcoming retreat of BNV organised by Training Division., Training for carrying out social audits for BNVs through mock audits and other methodologies will be adopted. The next retreat is scheduled to be held at Hyderabad in the third week of September,2012.

(Action : IC Divison/CCA)

Further AS&FA suggested the need for sending officers posted in the IFD along with National Level Monitoring for field exposure.

(Action: Monitoring Division)

LIST OF PARTICIPANTS

01. Sh. Jai Ram Ramesh, Hon'ble Minister(MoRD& DWS)- In the Chair
02. Sh. S. Vijay Kumar ,Secretary(RD)
03. Smt. Anita Chaudhary, Secretary(LR)
04. Smt. Vilasini Ramchandran, Secretary(DWS)
05. Smt. B. Bhamati, AS&FA
06. Sh. S.M. Vijyanand, Addl. Secretary(RD)
07. Sh. P.D. Meena, Addl. Secretary (LR)
08. Sh. P.P. Mitra, Chief Economic Adviser.
09. Sh. P.K. Anand, J.S.(RC)
10. Sh. D.K. Jain, J.S.(RE-I).
11. Sh. Rajesh Bhushan, J.S. (RE-II& S.A.).
12. Sh. T. Vijay Kumar, J.S.(RL)
13. Smt. Vijaya Srivastava, J.S.(RH)
14. Sh. Niten Chandra, J.S.(Admn.& Training)
15. Dr. Savita Anand, J.S.(WM)
16. Sh. T.M. Vijay Bhasker, J.S.(DWS)
17. Sh.G.P. Gupta,CCA(RD)
18. Sh. Y.S. Dwiwedi, Director(RC).
19. Sh. P. Manoj Kumar, Director (RC).
20. Smt. Neeta Kejriwal, Director(RL)
21. Smt. Madhuri Sharma, Tech. Dir.(NIC)
22. Smt. Manju Rajpal, D.S.(RC)
23. Sh. Dheeraj Kakodia,Dir.(IEC)
24. Sh. V.J. Menon, Consultant (Finance)
25. Sh. E.J.Jos. Consultant(Trng.)
26. Sh. D.K. Singh, D.S. (MGNREGA)
27. Sh. B.S. Behera, D.S.(Fin.RD)
28. Sh. S.S. Bhandari, Jt. Dir. (B&A)
29. Sh. B.B. Patel, D.S.(Fin.LR)
30. Sh. J. Bose, D.S.(Fin.-DWS)
31. Dr.C.P. Reddy, Dy.Commissioner(WM)
32. Sh. S.P. Arya, U.S.(IEC)
33. Sh. A. Majumdar, Dy.Dir.(IEC)