

# **RURAL DEVELOPMENT AND PANCHAYAT RAJ DEPARTMENT POLICY NOTE 2011-2012**

## **1. INTRODUCTION**

*"The best, quickest and most efficient way is to build up from the bottom. Every village has to become a self-sufficient republic. This does not require brave resolutions. It requires brave, corporate, intelligent work"*

*-Mahatma Gandhi*

Tamil Nadu being a welfare State, the purposeful endeavours of the Government are aimed at the Social, Economic and Political upliftment of the people in the rural areas. Rural Development aims at improving the rural lives with the participation of the rural masses. The concept of Rural Development targets the Social and Economic development of the rural areas. Rural Development in Tamil Nadu is concerned with the Economic Growth, Social Justice and Improvement in the living

standards of the rural people, by deploying an efficient delivery mechanism to provide adequate quality services and essential minimum needs.

The primary objective of the Government is the provision of basic infrastructure facilities and social services in the rural areas and assistance to the individual families and Self Help Groups, living below the poverty line. Elimination of poverty and delivery of high quality services are the basic premises upon which the planning of Rural Development is based and concerted efforts of this Government have improved the living standards and set the benchmark for the quality of rural lives.

So far, Rural Development planning to accomplish the above objectives, was done at the Panchayat level, which are the basic structural units of development process. But, rural people consider that the planning process should be done at the habitation level for fulfilling all their basic needs. To fulfill the people's expectation, this Government is committed to take up the Planning and

Implementation of the rural development schemes at the level of habitation. Out of 12,620 Village Panchayats in the State, 96 Village Panchayats are merged with the Municipalities / Corporations. As such there are 12,524 Village Panchayats in the State, with 79,394 habitations and only a micro level planning at habitation level shall pave the way for reducing the rural-urban divide. Further, the rate of increase in the percentage of urbanization of rural Tamil Nadu over the past decade indicates a blatant migration of people to the urban and semi - urban areas and this can be checked only if the amenities available in urban areas are provided in the rural areas. This Government proposes to introduce a new scheme where the planning will be taken to the habitation level and the requirements of the habitations shall be addressed on felt-need basis. This will be a paradigm shift in rural planning and implementation. The new scheme will be called as Tamil Nadu Village Habitation Improvement Scheme (THAI)

Affordable housing has been a critical issue of great challenge for the homeless, low-

income rural masses. For the first time in the country, this Government proposes to introduce a free housing scheme to provide houses of 300 sq.ft. each to the eligible rural masses and these free dwelling units shall improve the welfare and livelihoods of the people living in the rural areas. Cost effective, fast track technologies and Green technologies like Solar Home Lighting Systems will be used in the construction of the houses.

Reduction of Poverty has been of paramount concern in the independent India. Basic human needs such as water, food, clothing, shelter, health care and education have not been available at socially acceptable levels. Affordability of the rural poor was the prime question, which has to be supplemented by the Government to ensure the basic minimum needs. Though the Government, both Centre and State, introduced various schemes to reduce the poverty levels, Mahatma Gandhi National Rural Employment Guarantee Act was enacted as a law in the Parliament in 2005 to guarantee a minimum of 100 days manual

labour to the rural people which has played a pivotal role in addressing the rural poverty.

This Government enjoys the distinction of drafting and legislating the Tamil Nadu Panchayats Act, 1994 and setting 'local governance' in Tamil Nadu in motion. The Panchayats were devolved with greater powers and responsibilities to combine Social Justice with effective Local Governance. The Government paved the way for the political empowerment of the local bodies as self-administering viable democratic units and is committed to accelerate, widen and deepen the process of empowerment so that these 'institutions of self government' evolve into 'principal authorities' for planning and implementation. As the tenure of the elected local bodies will be over in October 24, 2011, this Government shall conduct the elections to the rural and urban local bodies and safeguard the principles of local self-governance. This Government shall also constitute a High Level Committee for devolution of increased powers and functions to the local bodies and empower

the Panchayats to play a dynamic role in the decision-making process.

Energy is the key input to drive and improve the life cycle. The consumption of energy is directly proportional to the progress of mankind. However, with ever-growing population, improvement in the living standards and industrialization, the global demand for the energy has raised manifold in the recent years which has driven us to seek for alternate energy sources and naturally, the only effective response is to go in for natural, clean and renewable energy which can be derived from a source that is replaced rapidly by natural process but is not subject to depletion. As a measure to reduce the power consumption and also the maintenance cost, this Government proposes to initiate and install solar powered street lights to replace the existing electricity-powered illumination and solar powered home lighting systems in the Green Houses.

Sanitation is the hygienic means of promoting health through prevention of human contact with hazards of waste. According to the World Health Organization, the term sanitation generally refers to the provision of facilities and services for the safe disposal of human urine and faeces. Inadequate sanitation is a major cause of disease and improving sanitation shall have significant beneficial impact on the health, both in household and across community. Sanitation also refers to maintenance of hygienic conditions through service mechanism for collection of garbage and disposal of wastewater. This Government is committed to provide adequate access to safe drinking water sources and sanitation services, individual and public sanitation facilities. All the integrated sanitary complexes for women, which have been driven to the state of disuse, will be repaired and put to use.

Education is the most fundamental building block for human development and poverty reduction and schools are the edifices where the children undergo the formative effect on their mind, character and physical ability.

Hence, it will be of utmost priority of this Government to provide the schools with adequate infrastructure to facilitate better academic environment for the bright future of the young children.

This Government realises and appreciates the significance of Information Technology in the modern world, the need for greater exposure to the wide variety of areas of Information Technology and the importance of computers for a speedy and qualitative transaction within the Government departments and with other agencies. Hence, this Government will confirm the availability of computers at all levels, both in rural local bodies and department offices, with connectivity through Internet.

Contrary to the claims made by different sectors, it was this Government, which formed the Tamil Nadu Corporation for Development of Women Ltd., (TNCDW) with the object of overall development of women including education, upgradation of skills etc., to improve the quality of life of women. This Government

strived hard to ensure the gender equality within the frame work of a democratic polity. The TNCDW has today evolved into a massive movement and has substantially empowered the women folk, especially in rural areas.

This Government launched 'Pudhu vazhvu' project in November 2005, which was designed as a community driven development project, with main focus on the most vulnerable layer of society i.e., poorest of poor. This Government is committed to expand the project to other areas as well and secured additional financing.

When an unprecedented Tsunami wave abruptly hit the coastal stretches of Tamil Nadu on 26<sup>th</sup> December 2004 and caused extensive havoc, wreaking heavy toll on the lives and incalculable damage to the properties, this Government rose up to the occasion, mobilized all the resources and swiftly rehabilitated and resettled the affected. The strenuous efforts taken by the Government of Tamil Nadu came in for recognition by all over the world. This Government also initiated dialogues with

international funding agencies such as Asian Development Bank, World Bank etc., to secure adequate financial resources for the permanent resettlement of not only the Tsunami victims but also the people living in the coastal areas. These schemes shall be successfully completed during 2011-2012.

The Department of Rural Development and Panchayat Raj is responsible for the implementation of various rural welfare schemes and also assists Panchayat Raj Institutions to discharge their duties and functions as effective Local Self Government entities. This Government is committed to provide all the basic amenities in the rural areas at the level of habitation, promote sanitation, reduce poverty, conserve the natural resources and reduce the urban-rural divide and ensure a prosperous rural Tamil Nadu.

## **2. PANCHAYAT RAJ**

The history of the local self-governance in Tamil Nadu can be traced back to the stone edicts and carvings in Sri Sundaravaradhar Temple of Uthiramerur in Kancheepuram district, which bear evidence to the well established local self-governance during the Chola imperial period. It is inscribed on the walls of the village assembly made of granite slabs that the village had a perfect electoral system and a written constitution prescribing the mode of election. This inscription can be dated around 920 AD in the reign of Parantaka Chola, which demonstrates the perfect electoral system that existed in ancient India. It was a system of democracy in monarchy where the members of the Village Council were elected through a process of secret ballot called 'Kuda Olai Murai' and these Councils functioned as self-contained economic and administrative entities. This system of secret ballot is the forerunner for today's electoral system. A huge mud pot (Kudam) was placed at an important location of the village, which served as a ballot box. The voters had to write the name of the

desired candidate on the palm leaf (Panai olai) and drop it in the pot. At the end of the process, the leaves were taken out of the pot and counted candidate-wise and whoever got the highest number of votes was selected as the member of the village council. It is also interesting to note that eligibility criteria and norms of disqualification had been prescribed for those who contested for the Village Council.

With the advent of the British rule, the system of local self-governance slowly disintegrated and the industrialization that followed resulted in massive unemployment. This eventually shattered the basic structure of the local self-governance. However, the British presented a modified concept of local self-governance to suit the British colonial rule.

The District Board Fund was conceptualized in 1854, and the Madras Local Fund Act 1871 was later enacted by Governor Mayo. Local Fund Boards were set up in their respective areas and were devolved with certain functions. Madras Local Board Act, 1884 was the outcome of the Lord Ripon's Local Self

Government Resolution of 1882, which ushered in the 3 tier system of Local Boards namely District Boards, Taluk Boards and Union of villages. In 1920, the Government enacted two legislations, 1) The Madras Local Boards Act (replacing 1884 Act) and 2) Village Panchayat Act. In 1930, Madras Village Panchayat Act was repealed and Village Panchayats came under the purview of Madras Local Boards Act 1920 by an amendment to the Act in 1930. Though local Self-Governance was accentuated in all the above proclamations, the Government continued to exercise absolute control over the Local bodies through Inspector of Municipalities and Local Boards.

In the post-independence era, the Government enacted Madras Village Panchayat Act 1950 for devolving greater powers to Panchayats. Article 40 in Part-IV of the Constitution provided for the organization and endowment of powers to the Panchayats. The District Boards looked after Health and Education and the Panchayats undertook various activities to fulfill the basic needs of the people. A model Panchayat Union comprising

some Village Panchayats was set up in Madurai in 1951. The Government of India launched Community Development and National Extension Service Scheme in 1952 for Area Development through "Development Blocks".

The Balwantrai Mehta Committee appointed by Government of India, submitted its report in January 1957 and recommended the establishment of the democratic decentralization, which finally came to be known as Panchayat Raj. Some of the main recommendations of the Committee were:

1. Establishment of 3 tier Panchayat Raj System which should be organically linked through a device of indirect elections.
2. Village Panchayats should be constituted by the directly elected representatives whereas the Panchayat Samiti and Zilla Parishad should be constituted with the indirectly elected members.
3. All the Planning and Development activities should be entrusted to the three tier Local Bodies.

4. Panchayat Samiti should be the executive body, whereas the Zilla Parishad should play advisory role, coordinating and supervising the functions.
5. District Collector should be the Chairman of Zilla Parishad.
6. There should be a genuine transfer of powers and responsibilities to these democratic bodies.
7. Sufficient resources should be devolved to these bodies to enable them to discharge their functions.
8. A system should be evolved to effect further devolution of powers and functions, in future.

The Government of Madras was not in total agreement with the recommendations of Balwantrai Committee and enacted Madras Panchayats Act, 1958 and Madras District Development Council Act, 1958. The major features of the enactments were:

- (i) Creation of Panchayat Unions co-terminus with Development Blocks
- (ii) Abolition of District Boards

- (iii) Creation of District Development Council to play an advisory role
- (iv) Entrustment of development and social welfare functions to Village Panchayats and Panchayat Unions. However, the enactments deleted certain powers of Village Panchayats like judicial powers.

Though Balwantrai Mehta Committee had recommended the setting up of 3 tier Panchayats with Zilla Parishad at District level, the Madras Government set up District Development Council at District level, which ultimately led to 2 tier system with Village Panchayat and Panchayat Union. The District Boards were abolished and the Panchayat Unions were the successor body to the District Boards. The District Collectors chaired the District Development Councils (DDC) with representatives from rural and urban local bodies, MLAs, MPs and others as members and thus, the Panchayat Unions started playing a pivotal role in the developmental process.

The 73<sup>rd</sup> Constitutional Amendment Act was passed and it came into effect from April

1993. Section 243G of the Constitution provided for the scope of devolution of powers and functions to the Panchayat Raj Institutions. 29 items were specifically listed out in the XI Schedule of the Constitution and 74<sup>th</sup> Amendment provided for formation of District Planning Committee. The State Governments were required to carry out amendments in their respective Panchayat Acts and enact new legislations.

The 73<sup>rd</sup> amendment added a new dimension to the existence of local self-governance and provided scope for Grama Sabha in villages, constitution of three tier system of Panchayats, direct elections of members to the Panchayats, reservation of seats to SCs/STs in proportion to their population, reservation of 1/3<sup>rd</sup> seats for women, reservation of seats to the Chairpersons (i.e. Chairman, President) on rotation basis, fixing of 5 year tenure for Panchayats, holding of elections within a period of six months in the event of supersession of any Panchayat, devolution of powers and responsibilities to the Panchayats by the State

Legislature, setting up of the State Finance Commission once in 5 years to review and recommend the fiscal status of Panchayats, establishment of State Election Commission, etc.,

The Government of Tamil Nadu legislated Tamil Nadu Panchayats Act, 1994, which came into force on 22.4.1994. The 1994 Act brought in a number of changes in the Tamil Nadu Panchayat Raj structure:

- Three Tier System came into existence in Tamil Nadu
- "Panchayat" was a generic term for all three tiers and the Town Panchayats were brought under Nagarpalika Act
- Members of three tiers of rural Local Bodies and Village Panchayat Presidents were directly elected whereas the Chairpersons of Panchayat Union Councils and District Panchayats were elected from among the elected ward members.

- All three tiers of Panchayats are independent of each other and the Village Panchayat Presidents are not members in the Panchayat Union Council.
- Reservation of seats and offices for SCs/STs in proportion to their population has been made and 1/3<sup>rd</sup> of the total number of seats and offices is reserved for women.
- The rotation of offices in all three tiers will be once in 10 years.
- Election shall be conducted within 6 months from the date of occurrence of any vacancy and the tenure is fixed as 5 years for all the members and Chairpersons.
- Tamil Nadu State Election Commission was constituted.
- State Finance Commission is being constituted quinquennially.
- District Planning Committee has been constituted to consolidate the Development Plans of Panchayats and Municipalities in the districts.

## **2.1 Grama Sabha**

All registered voters of a Village Panchayat constitute Grama Sabha, which is provided with specific powers and functions.

Grama Sabha shall statutorily be conducted in such a way that the intervening period between two Grama Sabhas shall not exceed a period of 6 months. However, the Government of Tamil Nadu has made it mandatory to convene Grama Sabha, a minimum number of 4 times i.e. on 26<sup>th</sup> January, 1<sup>st</sup> May, 15<sup>th</sup> August and 2<sup>nd</sup> October of every calendar year. Besides, the Grama Sabha can be convened as and when the necessity arises.

The Grama Sabha performs the following functions:

1. Approves the Village Development Plan.
2. Approves the Village Panchayat Budget.
3. Approves the Audit Report.
4. Reviews the progress of scheme implementation.

5. Approves the list of beneficiaries, intended to be benefitted under various schemes.
6. Promotes communal and social harmony among various groups of people.

## **2.2 State Election Commission**

Setting up of State Election Commission is mandated by 73<sup>rd</sup> Amendment to the Constitution of India and Section 239 of the Tamil Nadu Panchayats Act, 1994. The Tamil Nadu State Election Commission was set up as an independent and autonomous constitutional authority in 1994 in order to strengthen the process of decentralization and democracy. The Superintendence, Direction and Control of the preparation of electoral rolls and the Conduct of all elections to the Village Panchayats, Panchayat Union Councils and District Panchayats are vested with the Tamil Nadu State Election Commission, consisting of a Tamil Nadu State Election Commissioner.

The Tamil Nadu State Election Commissioner and other administrative staff are appointed as per the sub-section (3) of Section 239 of the Tamil Nadu Panchayats Act, 1994 and the State Election Commissioner shall hold office for a term of 2 years and shall be eligible for re-appointment for two successive terms provided no person shall hold the office of Tamil Nadu State Election Commissioner for more than 6 years in aggregate. While the conditions of service and the tenure of office of the State Election Commissioner shall be as Governor may by rules determine, the State Election Commissioner shall not be removed from his office except in like manner and on the like grounds as a Judge of High Court and the conditions of service shall not be varied to the disadvantage of his appointment.

## **2.3 Elections**

The tenure of the existing rural and urban local bodies is due to expire and the next ordinary elections will be conducted in October 2011.

The following table details the number of seats and offices in the three tier of Panchayats for which elections were held in October 2006.

1.	Village Panchayat Wards	40,879
2.	Village Panchayat Ward Members	97,458
3.	Panchayat Union Wards	6,570
4.	District Panchayat Wards	656
5.	Village Panchayat Presidents	12,618
6.	Panchayat Union Chairpersons	385
7.	District Panchayat Chairpersons	29

#### 2.4 Reservation of seats and offices and rotation

Seats shall be reserved for Scheduled Castes/Scheduled Tribes in every Panchayat and the number of seats reserved shall bear, as nearly as may be, the same proportion to the total number of seats to be filled by direct election in that Panchayat as the population of Scheduled Castes in that Panchayat area or of the Scheduled Tribes in that Panchayat area bears to the total population of that area and such seats may be allotted by rotation to different constituencies in a Panchayat according to Article 243D of the Constitution of India. It is also mandated that not less than 1/3<sup>rd</sup> of the total number of seats reserved as above, shall be reserved for women belonging

to SC/ST. Also, not less than 1/3<sup>rd</sup> (including the number of seats reserved for women of SC/ST) of the total number of seats shall be reserved for women. The State may legislate laws on the reservation of offices of Chairperson and these provisions have been covered in Tamil Nadu Panchayats Act, 1994 in Sections 11, 20, 32 and 57, further supplemented by Tamil Nadu Panchayats (Reservation of Seats and Rotation of Reserved Seats) Rules, 1995.

#### Reservation of Offices and Seats for Women, SCs and STs for Local Body Election 2011

S I. N o	Category of Reser vation	Total No.of offices /seats	Reserved for Women		Reserved for SCs		Reserved for STs	
1	District Panchayat Chair- Persons	31	11	35%	7	24%	0	0%
2	Panchayat Union Council Chair Persons	385	140	36%	87	23%	4	1%
3	Village Panchayat Presidents	12,524	4,289	34%	3,136	25%	156	1%
4	District Panchayat Ward Members	655	228	35%	154	24%	8	1%
5	Panchayat Union Ward Members	6,471	2,286	35%	1,526	24%	64	1%
6	Village Panchayat Ward Members	99,333	33,121	33%	25,360	26%	1039	1%

The Government has provided 903 temporary posts for the election purpose and also allowed Rs.9.38 crores for the successful conduct of forthcoming Local Body Elections. The staff sanctioned by the Government for the conduct of elections to the Local Bodies are detailed below:

Sl. No.	Name of the Post	No. of Posts
	(a) Directorate of Rural Development and Panchayat Raj	
1.	Assistant Director	1
2.	Block Development Officer	1
3.	Assistant	3
4.	Computer Operator	1
	Total	6
	<b>(b) Collectorate (Development wing)</b>	
1.	Personal Assistant (Elections)	31
2.	Block Development Officer	32
3.	Assistant	32
4.	Computer Operator	32
	Total	127
	<b>(c) Blocks</b>	
1.	Assistant	385
2.	Computer Operator	385
	Total	770
<b>Grand Total</b>		<b>903</b>

## 2.5 State Finance Commission

Constitution of the State Finance Commission is mandated by 73<sup>rd</sup> Amendment to the Constitution of India and section 198 of the Tamil Nadu Panchayats Act 1994. The first State Finance Commission was constituted in 1994 and the terms of reference were:

1. Distribution of the net proceeds of taxes, duties, tolls and fees leviable by the Government, between the State and the Panchayat.
2. Determination of taxes, duties, tolls and fees, which may be assigned to the Panchayats.
3. Grants to the Panchayats from the consolidated fund of the State.
4. Measures needed to improve the financial position of the Panchayat.

The Fourth State Finance Commission was set up in December 2009 vide G.O.(Ms).No.549, Finance Department, dated 1.12.2009 to study the financial position of the Village Panchayats, Panchayat Union Councils,

District Panchayats, Town Panchayats, Municipalities and Municipal Corporations. The Commission is expected to make its report available by September 2011, covering the period of 5 years commencing on 1<sup>st</sup> April 2012.

The 2011 Provisional census figures reveal that the ratio of the population in rural and urban areas in Tamil Nadu is 52:48 and hence, there is a claim that the existing sharing pattern of the State revenue between the rural and urban local bodies which is at 58:42, should be altered to the advantage of urban local bodies. However, the Department of Rural Development and Panchayat Raj has made out the case before the Fourth State Finance Commission on the need to continue the existing sharing pattern due to the vast differences in the living standards of the people between rural and urban areas; failure to improve the living standards of the rural people shall result in more migration to the urban areas that will indirectly cast a heavy financial burden on the urban Local Bodies.

For the year 2011-12, the tentative allocation of State Finance Commission Grant will be Rs.3,053 crores.

## **2.6 District Planning Committee**

The District Planning Committee is constituted for every district under section 241 of the Tamil Nadu Panchayats Act, 1994. District Collector is the Chairman and District Panchayat Chairperson is the Vice Chairman of the committee. MPs, MLAs, representatives of local bodies are appointed as members subject to the norms and ceiling prescribed. The functions of the District Planning Committee are:

1. Collection, Compilation and Updation of information on the natural resources of the district to create a comprehensive database for decentralised planning.
2. Identification of priority needs
3. Determination of policies, programmes and priorities for development of the district.

4. Consolidating the plans of rural local bodies and urban local bodies for the preparation of district plan. This consolidated plan facilitates the State Planning Commission in the preparation of State Plan.
5. Monitoring and Evaluation of various developmental programmes in the district.
6. Encouraging the participation of Voluntary organizations in the development process.
7. Advising the State Government with regard to the implementation of State Schemes.
8. Any other function that may be entrusted by the State Government.

## **2.7 Central Finance Commission**

The Government of India have allotted a sum of Rs. 2016.30 crores under 13<sup>th</sup> Central Finance Commission Basic grant for the 5 year period from 2010-11 to 2014-15. The basic grant of Rs. 287.10 crores has been received for the year 2010-11. The grants are allotted to

the Village Panchayats to perform the following functions.

- Operation & maintenance of water supply, street lights and sanitation
- Payment of electricity charges for water supply and street lights.

A sum of Rs.333.00 crores has been allocated by Government of India for the year 2011-12 under 13<sup>th</sup> Central Finance Commission Basic Grant. The State Government has released Rs.166.50 crores as first installment vide G.O. Ms. No. 43, RD & PR Department, dated 20.7.2011 in anticipation of release of funds from Government of India. Performance Grant of Rs. 1067.50 crores has been allotted by the Government of India for the Panchayat Raj Institutions in Tamil Nadu for four years from 2011-12 onwards.

## **2.8 Village Panchayat**

The Village Panchayat is constituted for each Panchayat Village consisting of such number of elected members, with effect from

such date as may be specified in the notification of the Inspector of Panchayats. The Government may by notification, classify Village Panchayats into various grades for the purpose of effective administration. The total number of members of the Village Panchayats (exclusive of its President) shall be notified by the Inspector of Panchayats in accordance with such scale as may be prescribed with reference to the population of the Village Panchayat concerned as per the latest published census. Every Village Panchayats unless sooner dissolved shall continue for 5 years from the date appointed for its first meeting after each ordinary election. However, Special Officers may be appointed to exercise their powers and discharge the functions of the Village Panchayats in certain circumstances.

The number of Village Panchayats in each district is given in the Annexure.

The Village Panchayat President is the executive authority of the Village Panchayat.

The Village Panchayat shall constitute the following Committees:

1. Appointment Committee
2. Development Committee
3. Agriculture and Water supply Committee
4. Works Committee
5. Temporary Committee

According to Section 110 of Tamil Nadu Panchayats Act, 1994, it shall be the duty of the Village Panchayats for carrying out the requirements of the Village Panchayats in the following matters:

1. Construction, repair and maintenance of all village roads, (other than those classified by Highways and Panchayat Union roads), all bridges, culverts, road-dams and cause-ways.
2. Street lights in public places.
3. Construction of drains and disposal of drainage.
4. Cleaning of streets and improvement of sanitary conditions.

5. Provision of public latrine.
6. Burial and burning grounds.
7. Supply of drinking water.
8. Other duties that the Government, may by notification, impose.

Section 111 of Tamil Nadu Panchayats Act, 1994, provides for the Village Panchayats to make provisions for carrying out the requirements in respect of plantation, lighting, markets, fairs & festivals, cart stand & cattle sheds, slaughter houses, reading rooms, play grounds, etc., which are deemed to be the discretionary functions of the Village Panchayats subject to the limits of its resources.

### **2.8.1 Revenue**

The Village Panchayat is the only body, empowered to levy taxes including fees and charges. The Village Panchayat levies the following taxes:

#### **2.8.1.1 Tax Revenue**

1. House tax
2. Profession tax
3. Advertisement tax

#### **2.8.1.2 Non-Tax Revenue**

1. Licensing fee for building plan and layout approval
2. Fees and charges on D&O trades,
3. Market fee,
4. Water charges,
5. Fee on cart stand
6. Social Forestry auctions
7. Fishery rentals
8. 2-C patta fees
9. Income from market and fairs.
10. Fees from ferries
11. Fines and penalties

Avenues for mobilizing more revenue from items such as Mobile towers erected in Panchayat land, OFC laid along Panchayat roads, land categorization, etc., will be explored. A High Level Committee will be constituted by the Government to suggest ways and means to augment resources of the Panchayats.

### 2.8.2 Assigned and shared Revenue

The Village Panchayat is entitled to a portion of allocation from the pooled assigned revenues of Surcharge on stamp duty and Entertainment Tax.

### 2.8.3 Grant

1. Central Finance Commission Grant - As far as Tamil Nadu is concerned, the entire Central Finance Commission allocation is given to the Village Panchayats for maintenance of drinking water and sanitation.
2. State Finance Commission Grant – 60% of the 58% of the share given to the rural local bodies out of the earmarked 10% of the total State revenue, is due to the Village Panchayats, which is released on a monthly basis. A floor amount has been set apart to meet Current Consumption charges towards street lights and drinking water supply which is operated through a separate account. The remaining amount is distributed to

the Village Panchayats on the basis of population. 5% out of the above 60% is designated as infrastructure gap filling fund.

3. Development Grants under various Central and State Schemes.

### 2.9 Panchayat Union

The Panchayat Union is co-terminus with the development block and the Panchayat union area is divided into territorial wards for every five thousand population. The Panchayat Union ward members are directly elected from territorial blocks and the Panchayat Union chairman is elected indirectly by the ward members.

<b>Number of Village Panchayats in Panchayat Unions</b>	<b>Number of Panchayat Union</b>
10 and below	24
11-20	75
21-30	83
31-40	82
41-50	68
51 and above	53
<b>Total</b>	<b>385</b>

The number of Panchayat Unions in each district is given in the Annexure.

The Block Development Officer (Block Panchayat) is the executive authority of the Panchayat Union. He is assisted by technical and administrative wings. According to section 112 of the Tamil Nadu Panchayats Act, 1994, Panchayat Union Council performs the following important functions:

1. Implementation of various Centrally sponsored and State Schemes.
2. Construction, repair and maintenance of Classified Panchayat Union Roads and bridges, culverts, road-dams and causeways on such roads.
3. Construction and maintenance of Elementary and Middle Schools.
4. Preventive and remedial measures for any epidemic
5. Fairs and festivals, classified by the Panchayat Union Council.
6. Classified Panchayat Union Markets

As per section 114 of the Tamil Nadu Panchayats Act, 1994, the Government may

entrust schemes, programmes and activities for economic development, for execution and implementation.

### **2.9.1 Finance**

1. The Panchayat Union Council can not impose taxes.
2. The revenue of a Panchayat Union consists of non-tax revenues, assigned/shared revenues such as a portion of the pooled assigned revenue, fees & charges, rentals, fines & penalties and Government grants such as State Finance Commission Grant, Grant for Maternity Centre, Grant for Dispensaries, Social Education Grant, Women & Children Welfare Grant, Local Irrigation Grant and Development Grants from Centre and State Schemes.
3. State Finance Commission Grant – 32% of the 58% of the share given to the Rural Local Bodies out of the earmarked 10% of the total State revenue, is due to the Panchayat Unions, which is released on a monthly basis. A floor amount of

Rs.30 lakhs has been set apart for uniform and equitable distribution. The remaining amount is distributed to the Panchayat Unions on the basis of population.

## **2.10 District Panchayat**

Section 24 of the Tamil Nadu Panchayats Act, 1994, provides for the constitution of District Panchayat for each revenue district. Each District Panchayat is divided into territorial wards, each with 50,000 population approximately. The ward members are elected directly, whereas the Chairperson is indirectly elected from among the ward members.

A Secretary in the cadre of Assistant Director from the Department of RD&PR is appointed to each District Panchayat and is assisted by the supporting staff. The District Panchayat may constitute standing Committees:

1. Food and agriculture
2. Industries and Labour
3. Public Works

4. Education
5. Health and Welfare including prohibition

These Committees perform the functions assigned to them specifically by the District Panchayat. The District Panchayat may constitute additional standing committees for such purposes as it thinks fit. Each Standing Committee shall elect its own Chairman from among its members who are elected members of the District Panchayat. The Chairman of the District Panchayat shall be ex-officio member in all the Standing Committees.

The functions of the District Panchayats are:

- Preparation of development plan for the district
- Compilation of administration reports of Village Panchayat and Panchayat Union Councils in the district and preparation of Annual Report for the District.
- Planning and review of Agricultural and Land Development, Animal Husbandry, Dairy, Poultry, Fisheries scheme and Rural Industries

- Planning and review of rural housing programme particularly housing for SC/ST.
- Identification of major water supply schemes.

### **2.10.1 Finance**

The District Panchayat has no taxation powers. The State Finance Commission Grant and Development Grants and in certain cases, income from their own properties like lands and buildings, constitute the chief source of income.

State Finance Commission Grant – 8% of the 58% of the share given to the Rural Local Bodies out of the earmarked 10% of the total State revenue is due to the District Panchayats, which is released on a monthly basis.

### **2.11 Pooling of Assigned Revenue**

The Government of Tamil Nadu had ordered the pooling of assigned revenues due to the rural Local Bodies from the proceeds of surcharge on stamp duty and entertainment tax at the State Level and apportioning the same to the rural local bodies (except social forestry receipts and income from mines and

minerals). During 2010-11, 1/3<sup>rd</sup> of the total revenue was assigned to the rural local bodies and the balance 2/3<sup>rd</sup> was credited to the Fund for priority schemes in rural areas. This Government has promised to find out the possibilities for the increase of resources to the Village Panchayats. Accordingly, as a first step, the ratio for release of funds to the PRIs and the Scheme Component is reversed under Pooled Assigned Revenue. The Pooled Assigned Revenue for the year 2011-12 is arrived at Rs.532.42 crores. 2/3<sup>rd</sup> of the amount i.e. Rs.354.95 crores will be released to the Village Panchayats and Panchayat Unions in the ratio of 2:1. The balance 1/3<sup>rd</sup> amount will be used for important development works in rural areas.

### **2.12 Delimitation of Rural Local Bodies Conversion of Multi Member Wards into Single Member Wards**

The existence of Multi Member Wards in the Village Panchayats has posed difficulties in the reservation of seats to SC/ST and Women members for the Village Panchayat Wards. The

rural voters also felt that the ballot paper was confusing and difficulties were encountered by the staff members at the time of counting of votes. Besides, since there is no clear demarcation of territory in a multi member ward, there is no ownership among the members of a particular ward.

Originally as per 1991 Census, there were 40,879 multi member wards with 97,458 ward members in the Village Panchayats. Hence, in order to streamline the electoral process and demarcate the Village Panchayat Wards with clear boundaries, it was proposed to convert the multi member wards into single member wards. After the exercise for conversion of multi member wards into single member wards as per 2001 Census, the number of Village Panchayat wards has gone up to 99,333 and equal would be the number of ward members.

The local body elections in October 2011 will be held for the Ward Members of Village Panchayats with single member ward system only.

### **2.13 Merger of Village Panchayats with the nearby Municipalities/Corporations**

The Government have issued orders merging 96 Village Panchayats with the nearby Municipalities and Corporations as under:

<b>Sl. No</b>	<b>Name of the District</b>	<b>No. of Blocks covered</b>	<b>No. of Panchayats to be merged with Corporation</b>	<b>No. of Panchayats to be merged with Municipality</b>	<b>Total (4) + (5)</b>
(1)	(2)	(3)	(4)	(5)	(6)
1.	Kancheepuram	3	12	3	15
2.	Tiruvallur	3	13	0	13
3.	Villupuram	1	0	5	5
4.	Vellore	3	9	1	10
5.	Erode	1	5	0	5
6.	Tiruppur	1	8	0	8
7.	Coimbatore	1	1	0	1
8.	Tiruchirapalli	1	4	0	4
9.	Karur	1	0	1	1
10.	Madurai	3	11	0	11
11.	Thoothukudi	1	5	0	5
12.	Kanniyakumari	2	0	4	4
13.	Pudukkottai	1	0	1	1
14.	Namakkal	1	0	9	9
15.	Krishnagiri	1	0	4	4
	<b>Total</b>	<b>24</b>	<b>68</b>	<b>28</b>	<b>96</b>

**List of Village Panchayats merged with  
Municipalities / Corporations**

S. No	District	Name of the Block	Name of the Panchayat	Name of the Municipality/Corporation in which the Panchayat merged		
1.	Kancheepuram	1.	Kundrathur	Mugalivakkam	Chennai Corporation	
		2.		Manapakkam		
		3.	St.Thomas Mount	Kottivakkam		
		4.		Palavakkam		
		5.		Neelankarai		
		6.		Injambakkam		
		7.		Karapakkam		
		8.		Okkiam		
		9.		thuraipakkam		
		10.		Madipakkam		
		11.	Jalladampettai			
		12.	Semmancheri			
		13.	Kanchipuram	Orikkai		Kancheepuram Municipality
		14.		Thenambakkam		
		15.		Nathapettai		

2.	Tiruvallur	1.	Minjur	Idayanchavadi	Chennai Corporation
		2.	Puzhal	Sadayankuppam	
		3.		Kadapakkam	
		4.		Theyyampakkam	
		5.		Mathoor	
		6.		Vadaperumpakkam	
		7.		Soorappattu	
		8.		Kathirvedu	
		9.		Puthakaram	
		10.		Villivakkam	
		11.	Karampakkam		
		12.	Nerkundram		
		13.	Ramapuram		
3.	Villupuram	1.	Koliyanoor	Valadhareddy	Villupuram Municipality
		2.		Salamedu	
		3.		Kakuppam	
		4.		Erumanamthangal	
		5.		Pappapattu	
4.	Vellore	1.	Vellore	Ariyoor	Vellore Corporation
		2.		Chitheri	
		3.		Konavattam	
		4.		Alamelumangapuram	
		5.	Kaniampadi	Virupatchipuram	
		6.		Palavanchathu	
		7.		Idayanchathu	
		8.	Katpadi	Viruthampattu	
		9.		Kankeyanallur	
		10.	Tirupathur	Tirupathur	

5.	Erode	1.	Erode	Gangapuram	Erode Corporation
		2.		Ellaipalayam	
		3.		Villiarasampatti	
		4.		Thindal	
		5.		Muthampalayam	
6.	Tiruppur	1.	Tiruppur	Chittipalayam	Tiruppur Corporation
		2.		Mannarai	
		3.		Thottipalayam	
		4.		Andipalayam	
		5.		Veerapandi	
		6.		Murugampalayam	
		7.		Neruperichal	
		8.		Muthunampalayam	
7.	Coimbatore	1.	Sarcar-samakulam	Vilankuruchi	Coimbatore Corporation
8.	Tiruchirapalli	1.	Tiruverumbur	Papakurichi	Tiruchirapalli Corporation
		2.		Ellakudi	
		3.		Keelkalkandarkottai	
		4.		Alathur	
9.	Karur	1.	Thanthonimalai	Sanapiratti	Karur Municipality

10.	Madurai	1.	Madurai East	Melamadai	Madurai Corporation
		2.		Uthankudi	
		3.		Vandiyoor	
		4.	Madurai West	Kannanenthal	
		5.		Naganakulam	
		6.	Thirupalai		
		7.	Tiruparankundram	Chinna Anuppanadi	
		8.		Chinthamani	
		9.		Iravathinallur	
		10.		Pudukulam Bit 2	
		11.		Thiyagarajar colony	
11.	Thoothukudi	1.	Thoothukudi	Sankaraperi	Thoothukudi Corporation
		2.		Thoothukudi Rural	
		3.		Meelavittan	
		4.		Muthiapuram	
		5.		Athimarapatti	
12.	Kanniyakumari	1.	Rajakkamangalam	Peruvilai	Nagarcoil Municipality
		2.		Vadaku soorankudi	
		3.	Gandhipuram		
		4.	Agastheeswaram	Kariyamanickapuram	
13.	Pudukkottai	1.	Pudukkottai	Pudukkottai	Pudukkottai Municipality

14.	Namakkal	1.	Namakkal	Chinnamudalai Patti	Nama kkal Munic ipality
		2.		Mudalaipatti	
		3.		Kosavampatti	
		4.		Kondichettipatti	
		5.		Periyapatti	
		6.		Kavetipatti	
		7.		Nallipalayam	
		8.		Ayyampalayam	
		9.		Thummankurichi	
15.	Krishnagiri	1.	Hosur	Zuzuvadi	Hosur Municipal ity
		2.		Chennathur	
		3.		Mookandapalli	
		4.		Avalapalli	

The above Village Panchayats shall become part of the urban Local Bodies after completion of ordinary elections in October 2011.

#### **2.14 Formation of two new Village Panchayats**

Two new Village Panchayats namely Perumathur and Indira Nagar have been notified by the District Collector, Cuddalore in Kurinjipadi Panchayat Union, which will become

functional after the Local Body Elections in October 2011.

#### **2.15 Delimitation of Panchayat Union Wards**

Consequent to the conversion of multi member wards into single member wards and merger of 96 Village Panchayats with the urban local bodies, the ward boundaries of certain Panchayat Unions required re-organisation, which has been completed. Elections will be held to these Panchayat Union Wards as per the revised delimitation.

#### **2.16 Delimitation of District Panchayat Wards**

The formation of two new Districts namely Tiruppur and Ariyalur Districts necessitated the re-organisation of District Panchayat Wards in Coimbatore, Erode, Tiruppur, Perambalur and Ariyalur and the merger of 96 Village Panchayats with the urban Local Bodies warranted the re-organisation of some of the District Panchayat Wards in the

State. This delimitation exercise has now been completed and ordinary elections in October 2011 shall be held as per the revised delimitation.

### **2.17 Formation of two District Panchayats**

Consequent to the formation of two new districts namely Tiruppur and Ariyalur, two new District Panchayats have to be formed. The two new District Panchayats will become functional after completion of the Local Body Elections in October 2011.

### **2.18 Honorarium and Allowances**

The Village Panchayat Presidents are the executive authority for the Village Panchayats and the Village Panchayats are saddled with more responsibilities than the other two tiers of Panchayats. Village Panchayat is primarily responsible for the basic amenities and the day-to-day needs of the rural people. Hence, as in the case of Kerala, Andhra Pradesh and Karnataka, this Government proposes to disburse an amount of Rs.1,000 per month to

each Village Panchayat President as Honorarium, in recognition of their services.

The Government also proposes to increase the sitting fee from Rs.50/- to Rs.100/- for the Village Panchayat Presidents and from Rs.25/- to Rs.50/- for the Village Panchayat Ward Members.

The total cost towards the above items is proposed to be met from the State Finance Commission Grant.

## **3. STATE SCHEMES**

### **3.1 Tamil Nadu Village Habitations Improvement (THAI) Scheme**

The Government's endeavour to improve the Quality of Life in rural areas, by providing necessary inputs like protected drinking water, sanitation, health facilities, quality education, all weather roads, etc., is continuous, sustained and persistent. Hence, in order to ensure an effective delivery mechanism, the strategy of Rural Development has mainly focused on poverty alleviation, better livelihood

opportunities, provision of basic amenities and infrastructure facilities, through various innovative programmes. But all these strategies were evolved with "Village Panchayat" as the basic structural and functional unit of planning.

This Government is committed to take up the planning and implementation of the rural development schemes a step further i.e., to the level of habitation in the Village Panchayat. Though, there are 12,524 Village Panchayats in the State, there are 79,394 habitations and only a micro level planning at habitation level shall pave the way for reducing the rural-urban divide. Further, the rate of increase in the percentage of urbanization of rural Tamil Nadu over the past decade indicates a heavy migration of people to the urban and semi-urban areas and this can be checked only when the amenities available in rural areas are on par with urban and semi-urban areas.

With the number of 79,394 habitations in 12,524 Village Panchayats, there are about 7 habitations on an average for each Village Panchayat. However, the number of

habitations also varies from district to district; average number of habitations in a Village Panchayat in the Nilgiris district is 37 whereas it is only 3 in Villupuram. Therefore, allocation of equal amount to all the Village Panchayats, which have varied number of habitations will only lead to disparity in development, disproportionate distribution of assets and uneven progress.

To overcome the bottlenecks of the unequal distribution of resources and to provide minimum basic infrastructure facilities to all the habitations, this Government proposes to introduce a flagship programme called Tamil Nadu Village Habitations Improvement (THAI) Scheme. No other State in the Country is implementing such a massive Scheme and Tamil Nadu is the only State focusing on "Habitation" as the unit of development .

Equitable distribution of resources to all the habitations in a proportionate manner alone shall mark 'just & impartial development' of the habitations and allay the disparities in development. The introduction of THAI Scheme

shall be a paradigm shift in the approach towards the development process of rural areas.

There are 12,524 Village Panchayats in the State spread across the 31 districts (except Chennai). As can be seen from the following Table, the population of Village Panchayats in Tamil Nadu widely varies with some Village Panchayats having population even below 500 while some others have population exceeding 10,000.

#### Classification of Village Panchayats on the basis of Population (2001 census)

Sl.No.	Population	No.of Village Panchayats
1	500 and Below	66
2	501-1,000	1,175
3	1,001-3,000	7,228
4	3,001-5,000	2,554
5	5,001-10,000	1,354
6	Above 10,000	147
<b>Total</b>		<b>12,524</b>

Considering the number of habitations, the Village Panchayats are classified as below:

#### Classification of Village Panchayats on the basis of Number of habitations

Sl.No.	Habitation range	No.of Village Panchayats
1	Below 5	6,241
2	5-15	5,434
3	16-25	637
4	Above 25	212
<b>Total</b>		<b>12,524</b>

#### Fund allocation

There is a positive correlation between the population of a Village Panchayat and the number of habitations within it. The following table also exhibits the same facts.

#### Fund requirement for THAI Scheme

Sl. No	Habitation Range	No. of Village Panchayats	Total Population	Average Population per Panchayat	Allocation per Panchayat (Rs. In lakhs)			Total Requirement (Rs. In crores)
					Minimum basic grant	Additional Funds	Total Funds	
1	Below 5	6241	12534047	2008	20	0	20	1248.20
2	5-15	5434	17392688	3201	20	10	30	1630.20
3	16-25	637	3553429	5578	20	20	40	254.80
4	Above 25	212	1864689	8796	20	30	50	106.00
	Total	12524	35344853	19583	-	-	-	3239.20
<b>Fund for survey, IEC, Preparatory activities and awards</b>								160.80
<b>Grand Total</b>								<b>3400.00</b>

The requirement of a panchayat will be more if it has more number of habitations.

Taking this concept into consideration, the panchayats have been grouped into 4 categories based on the number of habitations for the purpose of allocation of funds. Thus, village panchayats with more number of habitations and having a larger population shall receive more funds. The above table clearly depicts the fund requirement for the 12,524 panchayats which is Rs.3,400 crores. This scheme is scheduled to be implemented over a period of 5 years and every village panchayat would be taken up for implementation proportionately every year and funds to the tune of Rs.680 crores would be allocated to them annually. Out of this, an estimated sum of Rs.200 crores would be utilized for improving link roads and for conversion of earthen and gravel roads into all weather roads. All the habitations in the Village Panchayats would be covered at a total cost of Rs.3,400 crores under the THAI scheme.

The Government have proposed to conduct a detailed survey to ascertain the availability of basic needs and assess the further requirement of basic infrastructure for

the habitations. The minimum requirement shall include water supply, street lights, roads, burial grounds, pathway to burial grounds, etc. The additional requirement will include public distribution shops, Anganwadi Centres, SHG buildings, threshing floor and play ground.

### **3.1.1 Water supply**

Drinking water supply works like provision of power pump, extension of pipeline, augmentation of existing source shall be taken up, depending upon the requirement.

### **3.1.2 Street lights**

New streetlights will be provided in the new habitations, extension areas, Adi-draavidar & Tribal habitations and IAY housing colonies, based on the actual needs. Additional street lights, including Solar powered lights, will be provided in the areas where the existing coverage is felt inadequate.

### **3.1.3 Roads**

#### **3.1.3.1 Cement Concrete Roads**

Pavements with residential units on sides, streets or lanes prone to water logging, part of the uncovered portion where a portion of the street has already been covered with cement concrete, will be taken up on priority.

#### **3.1.3.2 Link Roads**

Link roads will cover bus-plying roads, upgradation of WBM roads to BT roads connecting two or more habitations in the same Panchayat and upgradation of earthen/gravel roads.

#### **3.1.4. Cremation / Burial grounds**

Each burial ground / cremation ground will be provided with approach road, compound wall, cremation shed, water facility and lights.

#### **3.1.5 Pathway to burial ground**

Wherever the pathway is already available, improvement of the existing pathway will be taken up and wherever pathway is not

available, top priority will be given to provide approach road or pathway.

The scheme shall also provide for dovetailing of funds from other schemes of RD & PR Department and other departments.

### **3.2 Pasumai Veedugal Thittam**

“India Lives in Villages” is the famous quote of the Father of our Nation, Mahatma Gandhi. The statement is as true today as it was 64 years ago. Nearly, 68.84% of India’s population lives in the villages and 51.55% of the population of the state of Tamil Nadu is rural based.

Housing is considered to be the basic requirement for human survival. The ownership of a house provides considerable economic security and dignity in the society. For a homeless person, the ownership of a house brings a fundamental and significant change in his social existence.

The requirement for rural housing is increasing day by day. Hence, Rural Housing

has attracted sizeable attention in recent years and recognition of housing deficiencies and its rectification has been the core of the Rural Development programmes of the State.

As announced on the floor of the Tamil Nadu Legislative Assembly earlier, "Rural Housing scheme implemented by the previous Government is fraught with many shortcomings. The unit cost of Rs.75,000/- provided per house is grossly inadequate, as the cost of construction has gone up by two to three times recently. This has forced many of these poor families into debt trap. Construction of large number of houses is yet to be commenced for the same reason. Therefore, this Government have decided to discontinue this scheme. Alternatively, this Government will launch a "Solar Powered Green House Scheme" for the benefit of the poor in the rural areas and construct houses measuring 300 square feet with an unit cost of Rs.1.80 lakh". This Government can assert with great pride that the Pasumai Veedugal Thittam is a unique scheme in the history of the country in addressing the rural housing issue and nowhere

in the country has any State Government implemented a free housing scheme with 300 sq.ft. area.

The scheme aims at providing solar powered green house for the poor people living below poverty line in rural areas. It is proposed to construct 60,000 Pasumai Veedugal during 2011-12.

Each house will measure about 300 sq.ft. at an unit cost of Rs.1.80 lakhs inclusive of an amount of Rs.30,000/- made available for installation of Solar Powered Home Lighting System. The Government has provided an overall budgetary support of Rs.1080 Crores during 2011-12 for the construction of 60,000 Pasumai Veedugal.

### **3.2.1 Features**

1. The Pasumai Veedugal Thittam will be fully funded by the State Government.

2. All the people below poverty line in rural areas will be eligible for Pasumai Veedugal Thittam.
3. Each house will be about 300 sq.ft.
4. The unit cost of each house will be Rs.1.80 lakhs.
5. Each house will have a rainwater harvesting structure.
6. Each house will be provided with solar powered compact fluorescent lamps. (CFL)
7. Tamil Nadu Energy Development Agency will implement the Solar Powered Home Lighting System component.

### **3.3 Energising the street lights with solar power**

As already announced on the floor of the Assembly that "This Government will initiate steps to energise street lights with solar energy on an experimental basis". There are 17,42,804 streetlights in all the Village Panchayats.

This Government proposes to replace the existing streetlights with solar powered streetlights with the objective of reducing the current consumption and maintenance charges and promote renewable energy in rural areas.

Since the programme is to be implemented in Village Panchayats on an experimental basis, 1,00,000 street lights in 1000 Village Panchayats will be taken up for replacement with solar power over next five years upto 2016. For the year 2011-12, 20,000 streetlights will be taken up for replacement with solar power. The total cost of the scheme would be Rs.49.60 crores out of which the Government of India will provide Rs.11.28 crores as subsidy and the balance Rs.38.32 crores will be provided by the State Government. The Department of Rural Development and Panchayat Raj shall co-ordinate with the Tamil Nadu Energy Development Agency for its guidance and implementation of the energization with solar power.

### **3.4 Comprehensive School Infrastructure Development Scheme**

This Government proposes to launch a new scheme called Comprehensive School Infrastructure Development Scheme (CSIDS) during the current year. The objective of the scheme is to provide basic infrastructure facilities like new buildings, kitchen sheds, water supply, toilets, etc., in the Panchayat Union Primary and Middle Schools in rural areas. Repairs and renovation of the existing facilities will also be taken up wherever necessary.

The new school buildings will be constructed with RCC roof with weathering course on the basis of the strength of the students. The space available in the school premises will be used for the new construction and if adequate space is not available, then a new floor will be added to the existing RCC building after assessing the structural stability of the building.

New kitchen sheds will be taken up in those schools where kitchen sheds are not available and the existing damaged kitchen sheds will be taken up for repair and renovation. Additional rooms/store rooms may also be constructed for stocking the commodities.

Existing water supply system in the schools which are in damaged condition will be taken up for repairs. Extension of pipeline will be provided wherever necessary and if the school toilets are not equipped with water facility, water supply will be provided to the toilets. New water supply connection from the Panchayat or a new borewell will also be provided wherever it is necessary.

This Government shall ensure that all the Panchayat Union schools have adequate toilet facilities for girls and boys. Incinerators will be provided for the benefit of girl students. If it is felt that funds under Total Sanitation Campaign are insufficient to meet the requirement of new toilets, then, the toilets can be taken up under the Comprehensive School Infra-structure

Development Scheme also. This scheme will also be implemented in the Panchayat Union schools located in Town Panchayats and third grade Municipalities.

Committees will be constituted at the district level to take up a detailed survey for ascertaining the infrastructural needs of the schools.

A sum of Rs.100 Crores will be earmarked during the year 2011-12.

### **3.5 Member of Legislative Assembly Constituency Development Scheme (MLACDS)**

The main objective of Member of Legislative Assembly Constituency Development Scheme (MLACDS) is to identify and implement the essential works to bridge the critical infrastructure gaps in the Assembly Constituencies. The MLACDS is fully funded by the State Government and each MLA identifies and proposes the works desired to be executed in his Constituency. The Scheme is implemented both in rural and urban areas.

The current allocation of Rs.1.75 Crores per MLA per annum will be enhanced to Rs.2 Crores per Constituency from 2011-12 onwards.

The District Collector is the authority to accord administrative sanction for the chosen work and he will also identify the implementing agency. An amount of Rs.1.125 crores shall be earmarked for priority works, exclusively fixed by the Government and out of the remaining Rs.87.5 lakhs, the MLAs can choose works of their choice in tune with the guidelines of the scheme.

#### **3.5.1 MLACDS – Works to be taken up under Tied Component**

As stated above, Rs.1.125 crores shall be spent on works prescribed under “Tied Component”. In 2011-12, in order to provide infrastructure facilities to Schools, a sum of Rs.25 lakhs per MLA shall be earmarked under the tied component for provision of infrastructure facilities like toilet facilities,

water supply etc to Schools. Moreover, it has been established that a large number of Anganwadi Buildings, Noon Meal Centres, Noon Meal Kitchen Sheds, to a large extent in urban areas and to lesser extent in rural areas are functioning in dilapidated buildings, a programme for construction of new buildings is proposed to be taken up by this Government and this will be done in a phased manner. Each MLA shall allot Rs.20 lakh for construction of Anganwadi Buildings, Noon Meal Centres and Noon Meal Kitchen Sheds in rural as well as urban areas from MLACDS funds. The MLAs shall also set apart Rs.5 lakhs each for aids & appliances for differently abled persons.

For the remaining amount of Rs.62.50 lakhs under Tied Component, the MLA may choose one or more works of the following types.

#### **3.5.1.1 In rural areas**

1. Installation of solar street lights.
2. Upgradation of gravel/WBM Roads to BT standard.

3. Renewal of badly worn out BT roads (laying of BT layer only with filling up of potholes, if necessary)
4. Laying of cement concrete roads.
5. Provision of buildings and/or compounds walls for Government and Local body Hospitals, Primary Health Centres, Government Veterinary Hospitals and also for Government Schools, Panchayat Union Schools, Adi Dravida Schools, Kallar Reclamation Schools, Government Colleges and Government Hostels.
6. Provision of Infrastructural facilities to Government Special Schools for the disabled and Government Orphanages.
7. Construction of bridges.
8. Provision of additional burial grounds, cremation grounds to the Village Panchayats not having such facilities.
9. Construction of new houses as per IAY norms.

#### **3.5.1.2 In urban areas**

1. Installation of solar street lights.
2. Upgradation of gravel/WBM Roads to BT standard.

3. Renewal of badly worn out BT roads (laying of BT layer only with filling up of potholes, if necessary).
4. Laying of cement concrete roads.
5. Provision of buildings and/or compound walls for Government and Local body Hospitals, Primary Health Centres, Government Veterinary Hospitals and also for Government Schools, Panchayat Union Schools, Adi Dravida Schools, Kallar Reclamation Schools, Government Colleges and Government Hostels.
6. Provision of Infrastructural facilities to Government Special Schools for the disabled and Government Orphanages.
7. Construction of bridges.
8. Provision of infrastructure facilities to burial grounds/cremation grounds.
9. Provision of concrete pavements, with storm water drains if so required.
10. Formation of new public parks.
11. Construction of public toilets.
12. Purchase of Jet rodding machines and hydraulically operated sewerage machines.

### **3.5.2 MLACDS – Works to be taken up under Untied Component**

As in the case of Member of Parliament Local Area Development Scheme, certain types of works are banned under MLACDS including desilting of ponds, rivers, ooranies and channels. An illustrative negative list is furnished which summarizes the list of works that are prohibited under the scheme. Barring the above works, the MLA is free to choose and recommend any work including those prescribed in the tied component out of the untied component of Rs.87.50 lakhs.

### **3.5.3 List of works prohibited under MLACDS**

1. Office and residential buildings belonging to Central and State Governments, their departments, Government Agencies/Organizations and Public Sector Undertakings.
2. Office and residential buildings and other works belonging to private, cooperative and commercial organizations.
3. All works involving commercial

establishments/units.

4. All maintenance works of any type.
5. All renovation and repair works.
6. Grants and loans, contribution to any Central and State/UT Relief Funds.
7. Purchase of all movable items.
8. Acquisition of land or any compensation for land acquired.
9. Reimbursement of any type of completed or partly completed works or items.
10. Assets for individual/family benefits.
11. All revenue and recurring expenditure.
12. Works within the places of religious worship and on land belonging to or owned by religious faith/group.
13. Desilting of ponds, ooranies, rivers, tanks, canals, channels and the like.
14. Gravel / WBM roads (roads upto BT standard only should be taken up).
15. Installation of High Mast Lights.

The MLAs shall spend 19% of the allocation to the works for the areas predominantly inhabited by SC/ST in rural areas or benefiting people living in slums in urban areas.

The total allocation for MLACDS for 2011-12 will be Rs.470 crores.

### **3.6 Self Sufficiency Scheme**

This Government introduced the Village Self Sufficiency Scheme in 2001 later renamed as Self Sufficiency Scheme with Rural Integrated Sanitary Complex for women, streetlights and VAO office buildings as priority areas with the active participation of the community. This Government recognized the community participation in collaborative decision-making, mediation, community building and consensus building to ensure an open and accountable process through which the individuals and groups could exchange views and promote useful community assets.

The Village Self Sufficiency Scheme was a participatory demand driven scheme to promote and strengthen self-help and self-reliant attitude of the village community. The scheme involved the village community directly in the developmental process in planning,

resource mobilization, execution and maintenance. The Government supplemented the efforts of the community with financial assistance and provided technical support. The felt-needs of the public could be easily articulated and covered under the scheme.

This Government proposes to encourage the self-reliant attitude of the rural community and encourage public participation by re-introducing the Self Sufficiency Scheme in 2011-12. This scheme will be implemented both in rural and urban areas. The public shall contribute not less than one third of the estimated cost of the identified work.

### **3.6.1 Selection of works**

1. The felt-need for taking up a work may originate from individuals, groups, institutions, public or private companies or from the community.
2. The District Collector shall receive the application from the public on the work identified and also the acceptance letter for contributing not less than one third of the estimated cost.

3. Estimates will be prepared only after ascertaining the need and the feasibility of the work.
4. In case the requirement exceeds the allocation, the District Collector shall arrange the works in the order of priority and accord administrative sanction.

### **3.6.2 List of works**

It is proposed to admit the following works under Self Sufficiency Scheme:

1. Construction of buildings, laboratories, toilets and compound walls/fencing to Government, Adi Dravidar, Tribal, Panchayat Union and Kallar Reclamation Schools, Government Colleges and Government Hostels.
2. Construction of buildings, Compound walls and fencing to Government Hospitals, Primary Health Centres, Sub-centres, Veterinary Dispensaries, Livestock Centres and libraries.

3. Construction of libraries in urban areas, Noon Meal Centres, Kitchen sheds, Anganwadis and Public Distribution shops in rural and urban areas.
4. Creation of community assets like drinking water sources, Cement concrete roads and Threshing floors in rural and urban areas.
5. Maintenance of all community assets. Priority may be given for maintenance of Integrated Sanitary Complex for Women.
6. Construction of bridges, culverts, upgradation of gravel/WBM roads to BT standard, renewal of worn out BT roads, improvement of streets and lanes with brick or metal stones or cement slabs or cement concrete.
7. Formation, improvement and maintenance of Parks, Play grounds, Traffic Islands, Fountains, Street lights (including solar lights).
8. Purchase of Furniture, Computers and accessories for Government and Panchayat Union Schools, Libraries and buildings for the use of the public. Old

computers and accessories should not be purchased.

9. Construction of classrooms, laboratories and toilets in 100% Government-aided and 100% Tamil medium schools.

### **3.6.3 List of Prohibited Works**

The following works under the SSS cannot be taken up unless specifically included in the exceptions:

- 1) Construction of office and residential buildings belonging to Central and State Governments, including Public Sector Undertakings and Co-operative Societies.

**Exception:** Construction, Repair and Renovation of residential units of Primary Health Centres / Government Hospitals, Construction of buildings, compound walls for all types of Government hospitals, Primary Health Centres and Government Veterinary Hospitals, Construction of Public Distribution Shops, Direct Procurement Centres, Milk Producers' Co-operative Societies and Bulk Chilling Centres can however, be taken up.

2) Purchase of all movable items, equipments and furniture.

**Exception:** Purchase of furniture and equipments for Government Schools, Panchayat Union Schools, Adi Dravida and Tribal Welfare Schools, Kallar Reclamation Schools, Noon Meal Centres, Anganwadis, Government Colleges, Government Students Hostels, Government Hospitals, Primary Health Centres and Government Veterinary Hospitals are permitted.

3) Any work in Government-aided and Self-financing Schools and Colleges.

**Exception:** Construction of class rooms, laboratories and toilets in 100% Government aided schools can be taken up if they have only Tamil as medium of instruction. The assistance by way of Government grant under this scheme to an eligible aided school should not exceed Rs.10 lakhs in a particular year. Once a Government aided school as above has been assisted, it is not eligible for further assistance under this scheme for a period of next 3 years.

For such cases, apart from Collector making his own enquiries, the following certificates should be obtained from the District Elementary Educational Officer or Chief Educational Officer of the district concerned before undertaking the works.

(i) The school has 100% Tamil medium Classes/Sections. There are no English Medium Sections.

(ii) The School must be 100% Government aided. No self-financing course / classes are run in the above school in the same campus or different campuses under the same management.

- 4) All works involving commercial establishments/units.
- 5) Grants and loans, contribution to any Central and State/UT Relief Funds.
- 6) Acquisition of land or any compensation for land acquired.
- 7) Reimbursement of any type of completed or partly completed works or items.
- 8) Assets for individual/family benefits.
- 9) All revenue and recurring expenditure.

- 10) Works within the places of religious worship and on land belonging to or owned by religious faiths /groups.
- 11) Desilting of ponds, Ooranies, rivers, tanks, canals, channels and the like.

**Exception:** Desiltation, consolidation of bunds & constructions / renovation of sluices/ surplus weirs etc., of PWD tanks only, if found essential in the opinion of the District Collectors. The public contribution should not be less than 50% of the estimate prepared by PWD. The upstream / downstream supply channels may be taken up under MGNREGS / IAMWARM wherever applicable.

- 12) Gravel / WBM roads (roads upto BT standard only should be taken up).
- 13) Installation of Sodium Vapour lamp / High Mast Lights

#### **3.6.4 Execution of works**

Execution of works will be done by the Local Bodies or the Department concerned through tender as per the Tamil Nadu Transparency in Tenders Act, 1998.

To facilitate larger participation of the people in this scheme, if the public or contributors opt to execute the work themselves or through their agency, willingness should be given by them in writing while applying for the work under Self Sufficiency Scheme. The District Collector will examine the request and permit the contributors or the agency to execute the work if the public contribution is 50% or more of the estimate of the work. But in case of Desiltation of PWD tanks even if the public contribution is 50% or more the work should be executed only through tender.

The assets created under the scheme shall be maintained, preferably by the user group with self- generated resources.

An amount of Rs.100 crores will be allocated during 2011-12 for Self Sufficiency Scheme.

### **3.7 Rural Infrastructure Scheme (RIS)**

Since the objective of the Rural Infrastructure Scheme was to stabilize the assets created under MGNREGS and to create basic infrastructure facilities and durable assets in the villages, this Government shall continue the implementation of Rural Infrastructure Scheme and during 2011-12, an amount of Rs. 380 Crores will be provided for this purpose under the State Finance Commission Grant. Priority will be given for:

- the upgradation of existing Earthen and Gravel roads into WBM roads;
- upgradation of existing WBM roads into BT Roads;
- repairs to the sluices, surplus weirs, construction of retaining wall in the water bodies desilted under MGNREGS; and
- construction of culverts and retaining walls in the newly formed roads under MGNREGS.

### **3.8. Renovation of Integrated Sanitary Complex for Women**

Improved sanitation for women was the maxim of the Rural Development Department when this Government assumed power in 2001. Sanitation was a hidden gender problem and the rural women's lives were severely affected due to the absence of proper sanitary facilities. The women without toilets in their households had to go out to relieve themselves in the dark. The limited or no access to the toilet facilities and compulsion to wait till the dark, resulted in constipation and adapted diet and drinking habits which led to severe health problems. Absence of sanitary facilities was due to both poverty and cultural inhibitions, which had to be overcome. Therefore, it was of paramount importance to ensure privacy and safety to the women besides improving general hygiene and health to the rural people.

The Government in 2001 decided to build Integrated Sanitary Complexes for Women in all the 12,618 Village Panchayats in the State, at an approximate area of 750 sq.ft. each. The

selected sites were easily accessible to the rural women and nearer to the habitations, facilitating easy approach to the users. Each complex had 14 water closets, 2 bathrooms, 1 water tub and stone-paved washing facilities. Adequate water supply for washing and bathing requirements was also ensured. The total users were identified and grouped for the purpose of allocation of individual toilets within the complex. The Village Panchayats provided electricity connection for water supply & lighting and the allottee families maintained the upkeep of the complex. The complexes were provided with incinerators for disposal of the sanitary napkins of the user women.

Initially, 385 Integrated Sanitary Complexes for Women were constructed @ 1 per Panchayat Union at a cost of Rs.2.00 lakhs each. Between 2001 and 2004, all the Village Panchayats in the state were covered under the scheme with the enhanced unit cost of Rs.2.25 lakhs.

Low water using toilets were promoted and the bath waste water was utilized for raising vegetables which was also a source of income for the Self Help groups which looked after the maintenance of the complexes. The design incorporated better ventilation and the Government also encouraged biogas-generating units for generation of power for lighting and water pumping needs of the complexes in order to reduce the recurring expenditure on power consumption. In toto, the endeavour of the Government was to sensitize the rural masses that development would be incomplete if environmental sanitation was not addressed adequately.

Most of the Integrated Sanitary Complexes for Women are rendered unusable since the previous Government did not give adequate attention for its maintenance. The Hon'ble Chief Minister has directed to revive all the sanitary complexes immediately.

### **3.9 Rural Buildings Maintenance and Renovation Scheme (RBMRS)**

Rural Buildings Maintenance and Renovation Scheme (RBMRS) was introduced with an objective of maintaining the assets of rural Local Bodies. Continuous and proper maintenance of the buildings should be done so as to have the full utilization of the assets created. Hence, this Government has decided to implement the programme of RBMRS with an annual outlay of Rs.100 crores under the State Finance Commission Grant for the year 2011-12. During 2011-12, priority will be given to renovate the Integrated Sanitary Complexes for Women under this scheme.

### **3.10 Clean Village Campaign**

This Government launched "Clean Village Campaign" in 2003 to create a momentum to bring about a sanitary revolution in the State. The Clean Village Campaign encompassed all activities taken up in the village for environmental sanitation.

The objectives of the Clean Village Campaign were:

- i. To create more awareness to the community on the adverse consequences of open defecation practices
- ii. To recognize the special needs of different categories of people and promote sanitation needs of specific groups like children, women, adolescents, aged people, disabled etc.,
- iii. To promote environmental sanitation in all institutions like Anganwadis, Schools, public places, etc.,
- iv. To develop and promote technology options for different geographic locations and conditions of water availability, depth of water table etc.,
- v. To promote hygienic behaviour through change in knowledge-attitude practices and skills for improving environmental sanitation.
- vi. To empower the community and local governments in planning and implementation, strengthening their managerial capacity and responsibility on all aspects of environmental sanitation.

- vii. To enable net-working, coordination and better convergence of various agencies and groups working in this sector with a view to optimise efficiency in implementation and ensuring sustainability of systems.

The strategy is focused on mobilising the community through intensive IEC activities with the involvement of Village Panchayats and various other Departments. The components of Clean Village Campaign:

1. Eliminating the practice of open defecation
2. Water conservation and waste water re-use
3. Solid waste management
4. Night soil based Biogas plant

The Village Panchayats with 100% sanitation coverage in individual households, schools and were free from open defecation with clean environment through solid waste management and water conservation and also the provision of rain water harvesting in all the

houses, were eligible to be nominated for a cash award of Rs.5.00 lakhs by the State. The Government disbursed awards every year to 15 such Village Panchayats as a "Cash and Recognition Incentive". However, the scheme was shelved by the previous Government and the Clean Village Campaign will be re-introduced by this Government for improving and maintaining the sanitation in rural areas.

### **3.11 Programme for Comprehensive Development of Dharmapuri and Krishnagiri Districts**

It is a Socio-economic development programme which was launched in the year 2003-04, exclusively for Dharmapuri and Krishnagiri Districts to contain the Naxal activities and curb the rise of Naxal movement in the area. An yearly allotment of Rs.7.50 crores is made for the construction of new houses, repairs of group houses, distribution of tool kits & implements to the rural youth, assistance to differently abled, widows and destitutes.

An allotment of Rs.7.50 crores will be made under the scheme for 2011-12.

### 3.12 Part II Schemes

The Government proposes to sanction Rs.2.00 crores for the following 6 items as under:

Sl.No.	Details	Amount (Rs.lakhs)
1.	Provision of amenities and Computers with accessories in the Rural Development and Panchayat Raj Department, Secretariat.	14.20
2.	Modernisation of Directorate of Rural Development & Panchayat Raj.	56.40
3	Provision of amenities and vehicle to the Tamil Nadu State Election Commission.	19.40
4.	Construction of Residential Quarters for Project Director, DRDA, Perambalur District.	35.00
5.	Construction of Residential Quarters for Project Director, DRDA, Ariyalur District.	35.00
6.	Providing Jeeps to 7 Assistant Directors (Panchayat)/Personal Assistant (Development).	40.00
<b>Total</b>		<b>200.00</b>

## 4. CENTRAL SCHEMES

### 4.1 Mahatma Gandhi National Rural Employment Guarantee Scheme

The Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) was conceptualized and enacted as an Act in the Parliament in September 2005 to give a statutory backing to the scheme.

The objective of the Act is to enhance the livelihood security in Rural areas by providing atleast 100 days of guaranteed wage employment in a financial year to every household whose adult members volunteer to do unskilled manual work. The primary objective of the scheme is to augment the wage employment and the auxiliary objective is to strengthen natural resource management through works that address causes of chronic poverty like drought, deforestation, soil erosion, etc., and thus encourage sustainable development.

In Tamil Nadu, the scheme was first notified on 2.2.2006 in 6 districts of the State, which was subsequently extended to other districts in a phased manner.

#### Coverage of Districts in Phases under MGNREGS

Phase – I (2.2.2006 onwards)	Phase –II (1.4.2007 onwards)	Phase – III (1.4.2008 onwards)	
1. Cuddalore 2. Villupuram 3. Tiruvannamalai 4. Nagapattinam 5. Dindigul 6. Sivagangai	1. Thanjavur 2. Tiruvarur 3. Karur 4. Tirunelveli	1. Kanchipuram 2. Tiruvallur 3. Vellore 4. Salem 5. Namakkal 6. Dharmapuri 7. Krishnagiri 8. Erode 9. Coimbatore 10. Nilgiris	11. Trichy 12. Perambalur 13. Ariyalur 14. Pudukkottai 15. Madurai 16. Theni 17. Ramanathapuram 18. Virudhunagar 19. Thoothukudi 20. Kanniyakumari 21. Tiruppur

#### 4.1.1 Salient features of the scheme

1. Adult members of rural households willing to do unskilled manual work may register in writing or orally, with the Village Panchayat.
2. The Village Panchayat will issue a job card, bearing the photo and the register number, free of cost.

3. Job card is issued within 15 days of application / oral request.
4. Job card holders may apply for employment in writing. In such cases, the Village Panchayat will issue a dated receipt, which will stand as a guarantee to provide employment within 15 days.
5. The worksite is ordinarily within a radius of 5 kms. of the Village and if the distance exceeds 5 kms, extra wages of 10% are payable to meet the additional transportation and living expenses.
6. The wages are paid according to the Minimum Wages Act 1948, for agricultural labourers in the State.
7. The wages per day has been fixed at Rs.119/- for the State of Tamil Nadu by Government of India.
8. Wages are equal to men and women.
9. Disbursement of wages is normally done on weekly basis and should be paid within 15 days.
10. One third of the beneficiaries should be women.
11. Work site facilities such as drinking water, shade etc., are provided.

12. As per the guidelines, the shelf of projects for a Village is recommended by the Grama Sabha and 50% of the works should be allotted to Village Panchayats for execution. In case of Tamil Nadu, only the Village Panchayats execute the works.
13. The wage and material component ratio has to be maintained at 60:40. In Tamil Nadu 100% labour intensive works alone are taken up under MGNREGS.
14. No contractors or machinery are allowed.
15. The Central Government bears 100% wage cost of unskilled manual labour and 75% of the material cost including wages of skilled and semi-skilled workers.
16. Grama Sabha conducts the social audit in respect of MGNREGS through Social Audit Committees.
17. Grievance redressal mechanism is in place to ensure quick response and a Toll free Help line (1299) has also been provided.
18. All accounts and records of the scheme are available for public scrutiny.

19. Under Section 12 of the MGNREG Act, Government of Tamil Nadu has constituted State Employment Guarantee Council to advise, evaluate and monitor the implementation of the scheme.

#### **4.1.2 Permissible works**

1. Water conservation and water harvesting.
2. Drought proofing including afforestation and tree plantation.
3. Irrigation canals, including micro and minor irrigation works.
4. Provision of irrigation facility, plantation, horticulture and land development in the lands owned by households belonging to the SC/ST, or in the lands of the beneficiaries of land reforms, or in the lands of the beneficiaries under the Indira Awas Yojana / BPL families.
5. Renovation of traditional water bodies including desilting of tanks.
6. Land development.

7. Flood control works including drainage in water logged areas.
8. Rural connectivity for all weather access including culverts and drains wherever necessary.
9. Any other work that may be notified by the Central Government in consultation with the State Government.

This Government proposes to take the following steps for the effective implementation of MGNREGS.

- The minimum wage prescribed for 8 hours of work under MGNREGS is Rs.119/-. As the wages are disbursed on out turn basis, on many occasions, the beneficiaries get wages in the range of Rs.80/- to Rs.90/-. Hence, the Government proposes to conduct mass awareness campaigns and give wide publicity to enable all the beneficiaries to get their full wage of Rs.119/-.

- The guidelines provide for development of lands owned by households belonging to the SC/ST, small and marginal farmers or the land of the beneficiaries of land reforms or the land of the beneficiaries under IAY/BPL families. Such land development activities are being practised in some States and the Government proposes to explore the possibility of extending land development activities including irrigation facilities, horticulture etc., to the eligible landholders.
- The practice of disbursing the payments to the workers by cash is proposed to be dispensed with and make the payments to the beneficiaries through the banks in a phased manner, as a measure of separating the payment agency from the implementing agency, to curtail any scope for malpractices.
- At present, only one work site is permitted for each Village Panchayat at any given time. This has led to huge assemblage at the work sites leading to difficulties in the supervision of works.

Hence it is proposed to permit more than one work and also appoint one Worksite Assistant for each worksite to supervise the works.

- Agriculture sector has been repeatedly voicing their concern over the non-availability of sufficient labour to be engaged in the agriculture operations, as a substantial work force takes up MGNREGS works. Hence, it is proposed to take up the issue with Government of India for announcing a 'Scheme recess' for MGNREGS during the agriculture season.
- This Government proposes to resort to efficient fund transfer management system. The funds from Centralised MGNREGS account maintained at the nodal banks will be electronically transferred to the respective branches within an hour.
- This Government proposes to generate satellite-based maps indicating the current status of water bodies in order to identify & select the water structures in

the right order of priority. This will also avoid random selection of ponds, tanks, ooranies etc., in a piecemeal manner.

- MGNREGS being one of the largest schemes implemented by the Government, it has become imperative to introduce Real Time Monitoring. As the works are implemented in all the Village Panchayats simultaneously, the Government proposes to introduce SMS based monitoring, to consolidate the details and communicate hierarchically.

The approved Labour Budget for the year 2011-12 is Rs.3,472 crores.

#### **4.2. Indira Awaas Yojana (IAY)**

Indira Awaas Yojana, which used to be a component of Jawahar Rozgar Yojana became an independent scheme from January, 1996. Its objective is construction of free houses to members of the Scheduled Castes/Scheduled Tribes, freed bonded labourers in rural areas and also to non-SC/ST rural poor people, living below poverty line. Beneficiaries are selected

from the Below Poverty Line (BPL) list approved by the Grama Sabha. At least 60% of the total IAY allocation during a financial year should be utilized for construction of SC/ST BPL households. A maximum of 40% of allocation is for non-SC/ST BPL rural households. 3% should be allocated for differently abled persons within the above categories. Government of India have also asked the States to earmark 15% of the houses to beneficiaries from amongst minorities.

The Unit cost of each house as fixed by Government of India is Rs.45,000/- which is shared between the Centre and State at the ratio of 75:25 i.e. the Centre gives Rs.33,750/- and the State contributes Rs.11,250/- Besides, the Government of Tamil Nadu gives an additional amount of Rs.30,000/- towards the cement concrete roofing of the house thus making the unit cost as Rs.75,000/- in our State till 2010-11. The State Government have increased the RCC roofing cost from Rs.30,000/- to Rs.55,000/- from this year. Thus, the unit cost of the house constructed

under this scheme has been increased from Rs.75,000/- to Rs.1 lakh in Tamil Nadu.

The Grama Sabha is empowered to select the beneficiaries under the scheme. The allotment of the dwelling units should be in the name of the female member of the beneficiary household or alternatively, in the name of both husband and wife. Toilets will be constructed in all the houses dovetailing funds from Total Sanitation Campaign. The construction of the house is the responsibility of the beneficiary.

During 2011-12, it is proposed to construct 1,00,553 IAY houses at an estimated cost of Rs.1005.53 crores, out of which the State Government's contribution alone comes to Rs.666.16 crores (66.25 %)

#### **4.3 Member of Parliament Local Area Development Scheme (MPLADS)**

The MPLAD scheme was launched in December 1993, to provide a mechanism for the Members of Parliament to recommend works of developmental nature for creation of

durable community assets and for provision of basic facilities including community infrastructure, based on locally felt needs.

A sum of Rs.2 crores was allotted for each Member of Parliament per year, both Lok Sabha and Rajya sabha, for taking up of developmental works identified by the concerned Member of Parliament. The Government of India have increased the allocation from Rs.2 crores to Rs.5 crores per annum per Member of Parliament from 2011-12 onwards. In the case of Lok Sabha, the scheme is implemented within the constituency of the members concerned and in the case of Rajya sabha, the MP can suggest works in one or more districts within the State from which he is elected. As regards the nominated MPs, they can suggest works in any part of the country.

The choice of nodal district shall be preferred by the Member of Parliament and intimated to the Ministry of Statistics and Programme Implementation and in cases where the Lok Sabha Constituency covers more than

one district, the member can choose any one of the districts as the Nodal district.

The Members of Parliament may recommend works for the creation of durable assets with particular stress on drinking water, education, public health, sanitation and roads. 15% of the MPLADS funds should be utilized for areas inhabited by Scheduled Castes and 7.5% for areas inhabited by Scheduled Tribes. In case a constituency does not have Scheduled Tribe inhabited area, the earmarked fund may be utilized in Scheduled Caste inhabited area and vice versa.

MPLADS works may be recommended for the areas affected by natural calamities such as Floods, Cyclone, Tsunami, Earthquake and Drought. Lok Sabha MPs from the non-affected areas of the State can also recommend possible works up to a maximum of Rs.10 lakhs per annum in the affected area. In case of a calamity of severe nature, the work recommended can be to a maximum of Rs.50 lakhs per annum for the affected district.

The fund is released in 2 equal instalments by the Government of India and the first instalment is released in the beginning of the financial year subject to the condition that the second instalment of the previous year was released for the MP concerned. The second instalment is released subject to the conditions with respect to the expenditure incurred and utilisation certificates produced.

Funds released by the Government of India are not lapsable and the funds left unutilized in a financial year can be carried forward for the utilization in the subsequent years. The balances of the MPLADS funds, which are not committed for recommended works by the predecessor MP in a Lok Sabha constituency, would be passed on to the successor MP in that constituency.

The districts can utilize up to 0.5% of the amount spent on completed projects in a year, as contingency expenses on stationery, office equipment, telephone charges, etc.

#### **4.3.1 List of works prohibited under MPLADS**

1. Office and residential buildings belonging to Central, and State Governments, their Departments, Government Agencies/ Organizations and Public Sector Undertakings.
2. Office and residential buildings, and other works belonging to private, cooperative and commercial organizations.
3. All works involving commercial establishments/units.
4. All types of maintenance works.
5. All renovation, and repair works.
6. Grants and loans, contribution to any Central and State/UT Relief Funds.
7. Assets to be named after any person.
8. Purchase of all movable items.
9. Acquisition of land or any compensation for land acquired.
10. Reimbursement of any type of completed or partly completed works or items.
11. Assets for individual/family benefits.

12. All revenue and recurring expenditure.
13. Works within the places of religious worship and on land belonging to or owned by religious faith/group.

As per Government of India (Ministry of Statistics and Programme Implementation) website, Tamil Nadu stands third at All India level in cumulative utilization of funds under MPLADS with 97.29% fund utilization since 1993.

For 2011-12, an amount of Rs.285 crores is likely to be allotted for works under MPLADS.

#### **4.4 Total Sanitation Campaign**

The Total Sanitation Campaign commenced in Cuddalore and Coimbatore Districts initially and was later extended to the remaining districts in a phased manner till 2004. The project period is from 1999 to 2012.

In order to ensure sanitation facilities in rural areas with the broader goal to eradicate the practice of open defecation, a comprehensive programme called 'Total

Sanitation Campaign' was launched by Rajiv Gandhi National Drinking Water Mission, Government of India to cover all households with water & sanitation facilities and promote hygiene behaviour for overall improvement of rural health. The programme is demand-driven and people-centered on the principle of "Low to No subsidy"; a nominal subsidy in the form of incentive is given to the rural poor households for construction of toilets. The TSC gives strong emphasis on Information, Education and Communication (IEC), capacity building and hygiene education for effective behaviour change, with the involvement of PRIs, Community Based Organisations (CBOs), NGOs, etc.

The key intervention areas have been identified as Individual House Hold Latrines (IHHL), School Sanitation & Hygiene Education, Community Sanitary Complex and Anganwadi Toilets.

The sharing of cost among the Centre, State and Beneficiary contribution is as follows:

(in Rupees)

Sl. No	Component	GOI	GoTN	Beneficiary contribution	Total Unit Cost
1.	IHHL	2,200 (63%)	1,000 (28%)	300 (9%)	3,500
2.	School Toilet	24,500 (70%)	10,500 (30%)	0	35,000
3.	Anganwadi Toilet	5,600 (70%)	2,400 (30%)	0	8,000
4.	Sanitary Complex	1,20,000 (60%)	40,000 (20%)	40,000 (20%)	2,00,000

The total project outlay is Rs.1064.25 crores, out of which an amount of Rs.725.73 crores has been released and Rs.609.47 crores incurred as expenditure so far.

#### **4.4.1 Individual House Hold Latrines (IHHL)**

The main objectives are as under:

- Bring about an improvement in the general quality of life in the rural areas.
- Accelerate sanitation coverage in rural areas.

- Generate felt-demand for sanitation facilities through awareness creation and health education.
- Cover schools/Anganwadis in rural areas with sanitation facilities and promote hygiene education & sanitary habits among students.
- Encourage cost effective and appropriate technologies in sanitation.
- Eliminate open defecation to minimize risk of contamination of drinking water sources and food.
- Convert dry latrines to pour flush latrines and eliminate manual scavenging practice, wherever in existence in rural areas.

This programme aims at covering all the rural families. Incentive provided under the scheme is extended to BPL families as the same is considered necessary for full involvement of the community. The APL families are to be motivated to construct the household toilets on their own. The construction of the IHHL is undertaken by the BPL household itself. Under the IHHL component, the target is 44,22,133 in Tamil

Nadu, out of which 37,06,650 toilets have been constructed as on 31.7.2011. Out of the remaining 7,15,483 toilets to be constructed, it is proposed to construct 5,22,214 IHHLs during 2011-12.

As per the existing norms, the unit cost for IHHL is fixed at Rs.3,500 out of which, the Government of India gives Rs.2,200/- and the State Government contributes Rs.1,000/- towards the subsidy and the beneficiary contribution is Rs.300/-.

#### **4.4.2 School Sanitation and Hygiene education**

Children are more receptive to new ideas and the schools/anganwadis are the most appropriate institutions for changing the behaviour, mind set and habits of the children from open defecation to the use of lavatory through motivation and education. The experience gained by children through use of toilets in school and sanitation education imparted by teachers would also reach home and influence their parents to adopt good sanitary habits. School Sanitation therefore

forms an integral part of the TSC project. Toilets in all types of schools i.e. primary, secondary, higher secondary and anganwadis are constructed under the scheme. Emphasis is given for toilets in girl schools.

All activities with regard to the provision of sanitation and hygiene education in Schools and Anganwadis will be done in tandem with school education department. This Government shall ensure that all Schools and Anganwadis in the State are provided with toilets.

Funding for School Sanitation in a TSC project is shared between the Central Government and State Government in the ratio of 70:30. Out of the target of 53,678 school toilets at a cost of Rs.118.09 crores, 40,201 toilets have been constructed so far at an expenditure of Rs.88.44 crores. The remaining 13,477 School toilets will be constructed during 2011-12 at an estimated cost of Rs.47.170 crores.

#### **4.4.3 Anganwadi toilets**

In order to change the behaviour of the children from very early stage in life, it is essential to use Anganwadis as a platform for behavioural change of the children as well as the mothers attending the Anganwadis. Each anganwadi is provided with a baby friendly toilet.

In Tamil Nadu, 24,212 Anganwadi toilets have been constructed. It is proposed to construct 3,758 toilets during 2011-12, at an estimated cost of Rs.3.00 crores. The requirement of school and anganwadi toilets in the districts will be re-worked and the required additional number will be constructed during the next financial year.

#### **4.4.4 Community Sanitary Complex**

The Community Sanitary Complex is an important component of the TSC and the complexes are set up in any place in the Village, which is acceptable to the stakeholders and accessible to them. The Village Panchayat is expected to own the ultimate

responsibility or make alternative arrangements at the village level for the maintenance of the complex.

The sharing pattern amongst the Government of India, State Government and the community is in the ratio of 60:20:20. The Village Panchayat can make the community contribution also. As against the target of 1,438, so far, 1,548 complexes have been constructed at a cost of Rs.23.22 crores.

#### **4.4.5 Rural Sanitary Marts (RSM)**

Rural Sanitary Mart is a commercial venture with a social objective. Rural Sanitary Mart is an outlet for dealing with the materials required for the construction of the sanitary latrines and also the sanitary facilities required for individuals, families and the environment in the rural areas. The main aim of having RSM is to provide materials, services and guidance needed for constructing different types of latrines and other sanitary facilities, which are technologically and financially suitable to the area. The RSM may be opened and operated by

NGOs, SHGs, Women Organisations, Panchayats, etc. An amount of Rs.2.93 crores has been incurred as expenditure for establishing 195 RSMs in 31 districts of the State.

#### **4.4.6 Production Centres**

Production Centres are the means to improve the production of cost effective, affordable sanitary materials under the TSC project. A maximum amount of Rs.3.5 lakhs per production centre can be provided for construction of shed, training of masons and also for sanction of revolving fund. So far, 65 production centres have been established in the State at a cost of Rs.65 lakhs.

#### **4.4.7 Nirmal Gram Puraskar**

Hon'ble Chief Minister of Tamil Nadu announced the 'Clean Village Campaign' Award in July 2003 for the best performing Village Panchayats in the field of Sanitation, there by giving prime focus on the importance of Sanitation for the first time in the entire

Country. Taking cue from this, Government of India had started giving Nirmal Gram Puraskar (NGP) from 2005 to give a fillip to the Total Sanitation Campaign. The NGP recognized the efforts of PRIs and other institutions towards full sanitation in their respective areas.

#### **NGP strives:**

1. To bring sanitation to the forefront of social and political discourse for development in rural India.
2. To develop open defecation free and clean villages
3. To give incentive to PRIs to sustain the initiatives taken by them for full sanitation coverage
4. To increase social mobilization by recognizing the role played by organizations in universal sanitation coverage.

So far, 5 Block Panchayats and 2,334 Village Panchayats of Tamil Nadu have received NGP awards for achieving 100% sanitation and over-all cleanliness. The NGP award incentive

amount varies from Rs.50,000 to Rs.5 lakhs in case of Village Panchayats and Rs.10 lakhs to Rs.20 lakhs for Block Panchayats, based on the population.

This Government will add vigour to the sanitation initiatives and ensure a fully sanitized and open defecation free Rural Tamil Nadu through sustained multi media campaign.

#### **4.5 Backward Regions Grant Fund (BRGF)**

The erstwhile Rashtriya Sam Vikas Yojana (RSVY) implemented in the 5 backward districts of Tamil Nadu through the funding of Union Planning Commission was transferred to Ministry of Panchayat Raj and modified as Backward Regions Grant Fund. The scheme is now implemented in 6 districts viz. Nagapattinam, Sivagangai, Villupuram, Tiruvannamalai, Dindigul and Cuddalore Districts.

The BRGF is designed to redress regional imbalances in development so as to bridge the

critical gaps in local infrastructure and other development requirements that are not being met adequately by the existing inflows. The scheme focuses on strengthening the local governance through capacity building, providing professional support to local bodies for planning, implementation & monitoring their plans and improve the performance and delivery of critical functions.

BRGF consists of two funding windows:

1. Capacity Building Fund meant to build capacity of the elected representatives and the officials associated with Panchayat Raj Institutions in planning, implementation, monitoring, accounting and improving the accountability & transparency.
2. An untied grant meant to be used by Panchayats and urban Local Bodies to address critical gaps in integrated development, identified through the participative planning process.

**The details of funds released are as under:**

- a. A sum of Rs.21.55 crores has been released to the State Institute of Rural Development, Maraimalainagar under capacity building component.
  
- b. As regards the untied amount, the BRGF districts have received the following amount:

<b>Sl. No.</b>	<b>Name of the District</b>	<b>Total amount received (Rs. in crores)</b>
1.	Nagapattinam	36.94
2.	Sivagangai	38.19
3.	Villupuram	55.66
4.	Tiruvannamalai	47.26
5.	Dindigul	45.85
6.	Cuddalore	43.44
Total		267.34

An annual plan for Rs.117.74 crores has been sent to Government of India for sanction and release for the year 2011-12.

**4.6 National Project on Biogas Development**

Biogas can easily be produced from current waste streams such as, paper production, sugar production, animal waste and so forth. The various waste streams are slurried together and allowed to naturally ferment, producing inflammable methane gas. Biogas production has the capacity to meet enormous amount of energy needs. Biogas aims at promoting eco-friendly non-conventional energy source with multiple benefits. The objectives of the biogas scheme are to provide clean, bio-gaseous fuel mainly for cooking purpose and thereby reduce use of conventional fuels including LPG. Biogas provides bio-fertilizer/organic manure to reduce the use of chemical fertilizers, mitigates the drudgery of rural women, reduce the pressure on forests, improve sanitation in villages by linking sanitary toilets with biogas plants and

mitigate climate change by preventing lethal emissions.

During 2011-12, the physical target of biogas plants for Tamil Nadu is 1,000 and the components of the financial outlay will be as under:

<b>Sl. No.</b>	<b>Component</b>	<b>Proposed No. of units</b>	<b>Rate (in Rs.)</b>	<b>Total (in Rs.)</b>
1.	Subsidy	1000	8,000	80,00,000
2.	Turnkey	500	1,500	7,50,000
3.	Toilet link	200	1,000	2,00,000
4.	Users Training	50	2,000	1,00,000
5.	Masons Training	2	37,500	75,000
<b>Total</b>				<b>91,25,000</b>

## **5. ROADS**

Rapid and sustainable development as well as socio-economic transformation in rural areas is possible and alleviation of poverty can be addressed only if all weather connectivity is in place. There is a close link between rural connectivity and growth of employment, education and health care and the state of

connectivity is bound to reflect on the socio-economic status.

Connectivity to the habitations is expected to bring-in significant improvement in various aspects of rural life, especially in agriculture sector in the areas of availability of raw material, changes in the cropping pattern, access to market centres, changes in prices of agricultural produce and increase in dairy production.

This Government has already announced that "Every village with the population of more than 500 will have a black topped road and other habitations will have an all-weather road"

The earnestness of this Government to provide good roads for the socio-economic development of the State is undisputable. This Government ensures access to the remotest regions by providing good roads. Building of new roads and improvement of the existing roads will facilitate transportation of people and commodities and generate productive employment opportunities.

## **5.1 Pradhan Mantri Gram Sadak Yojana (PMGSY)**

Pradhan Mantri Gram Sadak Yojana was launched in 2000 to provide all weather access to unconnected habitations. PMGSY is a 100% centrally sponsored scheme.

The programme objective is to provide round-the-year connectivity by all weather roads with necessary culverts and cross drainage structures.

Between PMGSY Phase I (2000-01) and PMGSY Phase VII (2007-08 - Bharat Nirman Phase II), 4,949 roads have been taken up for a length of 9,984.32 kms at a cost of Rs.2,024 crores. Out of this, 4801 works have been completed so far. The remaining works will be completed shortly. Now, Detailed Project Reports (DPRs) for upgradation of 1,176 roads for a total length of 2,031 kms. at an estimated cost of Rs.577.90 crores have been prepared and are ready to be transmitted to National Rural Roads Development Agency (NRRDA) under Bharat Nirman Phase III (PMGSY Phase VIII). However, Government of India have

stipulated that only the following categories of road works would be considered for approval under PMGSY.

- i. Residual new connectivity coverage envisaged under Phase I of Bharat Nirman.
- ii. Projects to be taken up with the assistance of World Bank and Asian Development Bank.
- iii. New habitation connectivity in the 33 identified Left Wing Extremism (LWE) affected districts.
- iv. Special road connectivity packages announced for the border areas.

While such are the priorities of NRRDA, Tamil Nadu, as it has been consistently performing well in all the previous phases of PMGSY, leading to all weather road connectivity to all the habitations with the population of 500 and above, does not have the categories of roads to satisfy the conditions prescribed by NRRDA. When the situation so warrants that the implementation has to be carried to the next logical phase i.e., to the habitations with the population of 250 to 500, the State is

denied Centre's allocation under PMGSY as there are no habitations with the population of 500 and above, which are not connected by all weather roads. It is felt that the State should not be left out of the National PMGSY Agenda for the better performance of the State in the implementation of PMGSY scheme since its inception. Therefore, the Honourable Chief Minister of Tamil Nadu took up the issue with the Deputy Chairman of Planning Commission on 6.7.2011 at New Delhi at the time of finalisation of Annual Plan 2011-12 for Tamil Nadu. During the meeting, it was also stressed by the Honourable Chief Minister that more funds should be allocated to Tamil Nadu for upgradation and improvement of the existing rural roads.

## **5.2 NABARD – RIDF Roads**

Following the direction from Government of India, NABARD set up Rural Infrastructure Development Fund (RIDF) in 1995-96, to extend financial assistance to the State Governments, Government owned Corporations, Village Panchayats, Self Help

Groups and Non-Government Organisations for taking up of infrastructure projects in rural areas. The NABARD has been releasing money under different tranches. Major investments covered under the Fund include rural roads, bridges, minor irrigation structures, schools, health centres and power projects.

Loans under RIDF have been sanctioned to Government of Tamil Nadu by NABARD. The financing of rural roads and bridges commenced during RIDF II and the funds received from RIDF were used to construct new roads, upgrade existing roads to black topped roads, strengthen existing black topped roads, etc. Under RIDF, so far, 4,307 roads have been taken up at an estimated cost of Rs.1322.37 crores for a length of 10,580.46 kms. Out of this, 3,888 works have been completed and the remaining works will be completed shortly.

During 2011-12, a proposal under RIDF XVII for strengthening of Panchayat and Panchayat Union roads, for a length of 2,837.06 kms. at an estimated cost of Rs.452.12 crores has been forwarded by the Government of Tamil Nadu to NABARD. In the

first phase, based on NABARD's clearance, Government of Tamil Nadu has to sanction 333 road works for a length of 902.07 kms. at an estimated cost of Rs.143.67 crores.

### **5. 3 New initiatives for improvement of quality**

- Quality Control measures will be strengthened by providing critical test equipments to the quality control laboratories, situated in the districts and standardise the equipments available in each laboratory.
- Authorised independent laboratories run by Government Agencies and reputed engineering institutions shall conduct various quality control tests to ensure that the works conform to the prescribed standards.
- All the procuring entities shall provide for e-submission of bids for all tenders exceeding Rs.10.00 lakhs in value.
- The volume of work with regard to the number of estimates to be prepared in each district, administrative sanctions

and work orders to be issued to the contractors/beneficiaries and other administrative procedures are enormous and the quantity alone exerts excessive strain on the administrative & engineering personnel at block/district level. It is proposed to introduce software for online preparation of estimates; online generation of administrative sanctions and work orders to avoid the delay caused by extensive administrative procedure and ensure an efficient, transparent and accurate system.

- This Government proposes to bring in desired changes in the type designs of the various buildings constructed by this Department in consultation with the end users and bring uniformity in design.
- It is proposed to use smart phones with Global Positioning System (GPS) facility to upload the photographs of the works during the field inspection to enable expeditious feed back.

It is also proposed to adopt uniform quality standards in the construction of roads under all the schemes as the standards adopted at present vary from scheme to scheme.

## 6. ESTABLISHMENT

### 6.1 Upgradation of the post of Panchayat Assistants

The Panchayat Assistants are at present drawing in the scale of pay of Rs.2500-5000 with a Grade Pay of Rs.500/-. Considering the importance of the work involved, this Government proposes to re-designate the "Panchayat Assistant" as "Panchayat Secretary" and also provide a Special Allowance of Rs.500/- each, per month.

### 6.2 Filling up of vacancies

This Government proposes to fill up the vacancies existing in various categories of staff like Joint Directors of Rural Development, Assistant Directors of Rural Development, Block Development Officers, Deputy Block Development Officers, Assistants, Junior

Assistants, Assistant Executive Engineers, Assistant Engineers, Junior Engineers, Overseers/Junior Draughting Officers, Road Inspectors in the Rural Development and Panchayat Raj Department as follows:

Sl. No.	Category of Post	No. of vacancies
1.	Joint Directors of Rural Development	8
2.	Assistant Directors of Rural Development	41
3.	Block Development Officers	7
4.	Deputy Block Development Officers	130
5.	Assistants	3,757
6.	Junior Assistants	870
7.	Assistant Executive Engineers	5
8.	Assistant Engineers	451
9.	Junior Engineers	15
10.	Overseers/Junior Draughting Officers	304
11.	Road Inspectors	536
<b>Total</b>		<b>6,124</b>

As the vacancies in the various posts will affect the implementation of Schemes, this Government will take necessary steps to fill up these vacancies.

## **7. CAPACITY BUILDING**

Capacity Building is a conceptual approach to development that focuses on understanding the obstacles involved in enhancing the ability of the target group to identify and meet the challenges. Capacity building is a continuous process, which refers to strengthening of skills/competencies and abilities of people and communities in developing societies. The Capacity Building takes place at individual level, institutional level and the societal level. The term 'training' refers to the acquisition of knowledge, skills and competencies so as to achieve specific goals such as improving the capability, capacity and performance.

### **7.1 Regional Institutes of Rural Development**

The Rural Development and Panchayat Raj Department of Government of Tamil Nadu imparts training continuously to the elected representatives of all three tiers of Panchayats and also the officials of RD & PR Department and other department officials who work in

tandem with this Department. The training programmes are designed to sensitise their duties and responsibilities, enhance their capability and improve their performance. There are 5 Regional Institutes of Rural Development (RIRD) and one State Institute of Rural Development at apex level in the State. The RIRD impart training to officials like Village Panchayat Assistants, Rural Welfare Officers, Assistants, Junior Assistants, Deputy Block Development Officers, Overseers, Road Inspectors, Self Help Groups and Officials from other sectoral departments. These Institutes are located at S.V.Nagaram in Tiruvannamalai District, Krishnagiri Dam in Krishnagiri District, Pattukkottai in Thanjavur District, Bhavanisagar in Erode District and T.Kallupatti in Madurai District. Each RIRD has its own jurisdictional districts attached to it for the purpose of training.

In RIRD, faculty members in the Grade of Assistant Directors are posted from RD & PR Department and other sectoral departments. Farm Supervisors, Workshop Supervisors/ Mechanics, Ministerial Staff form the

establishment wing of these Institutes. The Training Programmes are conducted throughout the year.

Ten types of Regular Training Programmes and five types of Computer Training are conducted regularly in RIRD. Whenever new schemes are announced by Government of India and Government of Tamil Nadu, special training programmes are conducted in RIRD. The RIRD also functions as outsourcing centre for sectoral departments for conducting training programmes.

The State Government allocates necessary funds for the salary and non-salary expenditure to the RIRD. Besides, each RIRD receives a sum of Rs.10.00 lakhs annually as Grants-in-aid from the Ministry of Rural Development, Government of India, which also extends financial assistance for the creation of necessary infrastructure.

## **7.2 State Institute of Rural Development**

The elected representatives of the rural Local Bodies and the Officials of the RD & PR Department play a pivotal role for the socio-economic development of the rural masses through implementation of the programmes and schemes of the Government. Capacity Building of elected representatives of Panchayat Raj Institutions and Officials and functionaries of RD & PR Department is an essential tool available for updating their knowledge, upgrading their skills and enriching their attitudes for delivery of quality services. The responsibility to facilitate the Capacity Building is vested with State Institute of Rural Development at the State level.

The State Institute of Rural Development (SIRD), Tamil Nadu, is the State apex institution for organising various training programmes for elected representatives of PRIs and functionaries of Rural Development and Panchayat Raj Department.

SIRD was established in 1961 at Bhavani Sagar. It was registered as an autonomous body under the Tamil Nadu Societies Registration Act, 1975 and started functioning in its own campus at Maraimalai Nagar from 1991.

The Government of Tamil Nadu have ordered for constitution of 1) Governing Body 2) Executive Committee, for managing the affairs of the Institute. The Principal Secretary to Government, Rural Development and Panchayat Raj Department is the Chairperson. The Executive Committee meets once in six months and the Governing Body meets once in a year. The Director, SIRD, in the cadre of Additional Director of the Department is the Member Secretary looking after administration of the Institute.

### **7.2.1 Faculty**

The Government of Tamil Nadu have sanctioned 13 posts of Faculty Members for SIRD. These 13 posts have been filled up on deputation from the Rural Development & PR

Department, LF Audit, Agriculture and on direct recruitment. In addition, Government of Tamil Nadu have sanctioned 24 posts of Administrative Staff to SIRD. Further, Ministry of Rural Development, Government of India have permitted SIRD to engage 5 Core Faculty on contract basis as resource persons.

### **7.2.2 Funding Pattern**

SIRD organizes training programmes of Ministry of Rural Development, Ministry of Panchayat Raj of GoI and NIRD. The SIRD receives funds as follows;

- Ministry of Rural Development, Government of India provides 100% financial assistance to SIRD for organising programmes on effective implementation of MGNREGS, IAY, SGSY/NRLM, Lab to Land Initiatives, etc.
- Ministry of Panchayat Raj, Government of India, supports SIRD to improve the performance and delivery of critical functions assigned to PRI representatives, Officials and functionaries. The Ministry of Panchayat Raj provides 100% financial

assistance for organising training programmes by SIRD under BRGF Capacity Building components, being implemented in six Districts in Tamil Nadu, namely Villupuram, Tiruvannamalai, Cuddalore, Dindigul, Nagapattinam and Sivagangai. In respect of the balance 25 Districts, the Ministry of Panchayat Raj provides 75% of the training cost and the balance 25% is being provided by Government of Tamil Nadu for organising the training programmes under RGSY.

- NIRD - The National Institute of Rural Development at Hyderabad is the National level apex training institution for Rural Development which provides 100% financial assistance for conducting training programmes at SIRD on topics like Integrated watershed Development Programmes, Managerial Skills and GIS application on implementation of RD & PR programmes. It also supports SIRD in carrying out Research and Action Research Projects.

- Ministry of Statistics and Programme Implementation, Government of India also provides funds for conducting training programmes under MPLADs.
- Department of Personnel and Training, Government of India provides financial assistance to SIRD for organizing field attachment programmes for the Under Secretaries of the Central Government Departments.

### **7.2.3 Administrative expenses**

SIRD receives grants-in-aid for administrative expenses as follows.

### **7.2.4 Salary Grant**

- To meet the salary and other allowances of the faculty members and administrative staff of the SIRD, Government of India and the State Government are sharing the expenditure in the ratio of 50:50.
- To meet the salary and allowances of five core faculty members engaged by SIRD,

100% financial assistance is being provided by Ministry of Rural Development, Government of India.

#### **7.2.5 Non-Salary Grant**

- To meet the office expenses, Government of Tamil Nadu provides non-salary grant to SIRD every year.

#### **7.2.6 Non-Recurring Grant**

- To strengthen the Infrastructure facilities of SIRD, the Ministry of Rural Development, Government of India provides financial assistance for construction of buildings for hostels, training halls, teaching equipments etc.,

#### **7.2.7 Clientele**

The State Institute of Rural Development is organizing training programmes for elected representatives of District Panchayat Chairpersons, District Panchayat Ward Members, Panchayat Union Chairpersons, Panchayat Union Ward Members and Village

Panchayat Presidents. SIRD also provides training to Officials from the cadre of Block Development Officers to Additional Directors, Assistant Engineers to Executive Engineers of Rural Development. Further, this Institute provides training to Members of SHGs, PLFs, NGOs and Bankers.

#### **7.2.8 Implementation of Training Programmes**

The State Institute of Rural Development conducts residential training programmes in its campus and Off-campus programmes at District, Block and Village Panchayat levels and through RIRD in the case of RGSY.

#### **7.2.9 Resource persons**

In order to ensure coverage of large number of participants and conduct quality training programmes, SIRD engages Resource Persons as follows from the eminent organizations.

- National Informatics Centre, Chennai
- National Institute of Rural Development, Hyderabad

- Institute of Remote Sensing, Anna University, Chennai
- Anna Institute of Management, Chennai
- SRM University, Chennai
- Krishi Vigyan Kendra, Kattupakkam, Chennai
- Live stock Research Center, Potheri, Chennai
- Madras University, Chennai
- Institute of Public Health, Poonamalee, Chennai
- Department of Agricultural Engineering, Chennai
- Dr.M.S.Swaminathan Research Foundation, Chennai
- C.P Ramasamy Research Foundation, Chennai
- Officers from the Sectoral Departments
- Officers from the Rural Development and Panchayat Raj
- National and State Quality monitors.

SIRD also utilises the services of Best Village Panchayat Presidents, NGOs, and retired officials for training programmes as resource persons.

### Details of training programmes conducted

Year	PRIs		Officials & Others		Grand Total	
	No. of programmes	No. of Participants	No. of programmes	No. of Participants	No. of programmes	No. of Participants
2003-04	19	593	52	1,670	71	2,263
2004-05	55	2,399	31	1,119	86	3,518
2005-06	38	1,374	83	3,077	121	4,451
2006-07	150	13,091	46	1,393	196	14,484
2007-08	71	5,559	95	4,643	166	10,202
2008-09	887	45,151	490	19,341	1,377	64,492
2009-10	1,495	71,582	372	17,826	1,867	89,408
2010-11	2,528	81,011	221	31,339	2,749	1,12,350
2011-12 (Up to June 11)	14	1,197	32	1,985	46	3,182

### 7.2.10 Infrastructure

SIRD has all the required infrastructure for conducting training programmes effectively such as air conditioned conference halls, Library with reading room, Computer Lab with 25 computers of latest configuration with Internet facility, fully renovated hostel for 130

participants with boarding facility, newly constructed hostel for 40 participants, Auto genset (125 kva) and all the audio visual equipments for conducting training programmes.

### **7.2.11 Programmes for 2011-2012**

SIRD has proposed to conduct training programmes on various subjects for the Panchayat Raj representatives and officers/functionaries on the following areas.

- Panchayat Raj administration
- Accounts and Audit
- Establishment matters
- Application of Computers
- Implementation of Centrally Sponsored Schemes
- State funded schemes
- Disaster management programmes;
- Technical matters
- Social Audit
- Right to Information Act
- Decentralized Planning.

During the current year, thrust will be given in the following areas:

- Total Sanitation campaign
- Rain Water Harvesting
- Solar Energy
- Tamil Nadu Village Habitation Improvement Scheme (THAI)
- Comprehensive School Infrastructure Development Scheme
- BRGF and RGSY training programmes for elected representatives and Officials
- Training programmes for Bharat Nirman Volunteers in new blocks under Lab to Land Initiatives
- Conduct of field training for the Under Secretaries of the Central and State Government Departments
- Decentralized Planning.

### **7.2.12. Projects on hand**

- The construction of the RTRC (Rural Technology Resource Centre) Building in SIRD campus is under progress.

- Proposal has been sent to the Ministry of Panchayat Raj seeking financial assistance for conduct of programmes for the PRIs and others under RGSY.
- Proposal has also been sent to the Ministry of Panchayat Raj seeking financial assistance for conduct of programmes for the PRIs and others under Decentralised Planning.

During 2011-12, it is proposed to conduct 2,879 training programmes, covering 2,41,746 participants at a cost of Rs.19.12 crores, including 2,714 Off-campus programmes to impart training to 2,31,890 participants at a cost of Rs.15.45 crores.

## **8. TAMIL NADU CORPORATION FOR DEVELOPMENT OF WOMEN**

Tamil Nadu Corporation for Development of Women started in 1983, implements "Mahalir Thittam", a scheme for empowerment of women fully funded by the State Government in partnership with NGOs and Banks. The activities under the project include formation of Self Help Groups (SHGs),

providing Revolving Fund and Credit linkage to SHGs, Capacity Building, Youth Skill Training, promotion of Economic Activities, Marketing Support and formation of Panchayat Level Federations(PLF) of SHGs. TNCDW also implements the Swarnajayanthi Gram Swarozgar Yojana (SGSY), the Centrally sponsored rural anti – poverty programme.

### **8.1 Tamil Nadu Women's Development Project (Mahalir Thittam)**

Tamil Nadu Women's Development Project funded by International Fund for Agricultural Development (IFAD), initially started on an experimental basis during 1991-92 in Dharmapuri District was later extended to Salem, South Arcot, Madurai and Ramanathapuram Districts during the period from 1992-1994. During 1995-96, the project started gaining wide acceptance among women and was taken up as a model for future growth and extended to all other districts in a phased manner, targeting poor families and marginalised sections of the society as a State funded programme. TNCDW became the focal point for women empowerment activities due to

its key role as the prime organisation spearheading the SHG movement in the State.

A small homogeneous group of poor women consisting of 12 to 20 members, for their development voluntarily formed to promote savings and mutually agreeing to contribute a common fund to be lent to its members as per the group's decision is called as "Self Help Group" (SHG). The members have to be in the age group of 18-60 years. The members and office bearers of the SHGs promoted by Mahalir Thittam are provided systematic training to bring about qualitative changes in their attitude and to promote cohesion and effective functioning of the group.

### **8.1.1 Role of NGOs**

"Mahalir Thittam" is implemented in partnership with NGOs and community-based organisations such as PLFs which are affiliated to TNCDW, and extend support in the formation of SHGs, organising training, guide and monitor their activities. The future plans include, enhancing the sustainability of SHG movement through intensifying the federation activities

and grooming them into full fledged community based organizations and further expanding the SHG coverage to habitations and ward/slums in urban areas hitherto uncovered.

So far, 452 NGOs have been affiliated with TNCDW. The salient features of the NGO agreement include performance based incentive with greater emphasis on quality, apart from providing an enabling environment for the growth of PLFs into Community Based Organisations (CBOs). NGOs are paid formation cost, monitoring cost and also incentive for enabling SHGs to access bank credit by TNCDW and are subjected to performance evaluation every year.

### **8.1.2 Activities of Mahalir Thittam**

1. Group Formation
2. Capacity Building
3. Revolving Fund to SHGs
4. Credit Linkage to SHGs
5. Youth Skill Training
6. Enterprise Development Training
7. Restructuring of Panchayat Level Federation

8. Formation of Slum Level Federation
9. Marketing support and sales exhibition

### 8.1.3 Formation of New SHGs

The prime objective of this Government is to extend its benefit to all the unreached population of the society and uncovered areas of the state with special focus on widows, destitutes, transgenders and other vulnerable and marginalised sections.

During 2011-12, formation of 65,000 new Self Help Groups will be taken up with a special focus on women MGNREGS workers, urban slum dwellers and in rural areas where poor women are still outside the ambit of SHG coverage. Special groups will be formed to specifically cover Transgenders, Differently abled, HIV positive individuals etc. All possible efforts to revive the defunct groups and include all women SHGs currently outside the purview of the Mahalir Thittam into its fold will be taken up, so that the intended benefits reach all poor and needy women.

The Table below gives the details of SHGs formed so far.

### Details of SHGs

No. of SHGs	4,91,311
No. of SHG Members	76.60 lakhs
No. of Rural SHGs	3,32,092
No. of Members in Rural SHGs	51,77,028
No. of Urban SHGs	1,59,219
No. of Members in Urban SHGs	24,82,654
Total Savings	Rs.2,973 crores
No. of SHGs credit linked	4,51,248
Total credit	Rs.11,603.83 crores

### 8.1.4 Community Resource Persons (CRP)

As a measure of strengthening the Self Help Group movement and to make it community oriented, CRPs were developed from among the SHG members. CRPs impart capacity building training to SHGs including

training of Social Audit Committee members of the MGNREGS and provide continuous hand holding support to the PLFs. They also act as messengers for creating awareness among SHGs on various Government schemes.

#### **8.1.5 Training for SHG members and Animator & Representatives**

SHGs promoted by Mahlir Thittam and Office bearers of the SHGs are provided with systematic training in order to function as a cohesive group. All the SHG members are imparted training in 4 modules for 4 days. The office bearers of the SHGs (Animator and Representatives) are given training in 3 modules for 6 days. The main objective of SHG members and Animator & Representatives Training is to enhance the leadership qualities, team building spirit and to build their capacity to maintain books of account. A sum of Rs.45/- is paid to each member as compensatory wage during the days of training.

#### **8.1.6 Release of Revolving Fund to Self Help Groups**

Revolving Fund (RF) is provided to SHGs who are in existence for at least six months and have passed the first credit rating. Revolving fund will augment the group corpus and is used by the SHGs for internal lending for small income generation activities or as personal loans for health or education needs of SHG members. SHGs have to make themselves credit worthy in the next six months to one year to get loan for economic activity. So far, 4, 47,081 SHGs have been provided with Revolving fund. During this financial year, this Government will provide revolving fund to 42,214 SHGs with a subsidy of Rs.15,000/- each along with a bank loan of Rs.50,000/-.

#### **8.1.7 Formation of Transgender Self Help Groups**

This Government will concentrate on the welfare of the transgenders who were hitherto neglected in the society. For the first time, the transgenders Self Help Groups numbering 100

will be formed by this Government. The transgender SHGs will be provided with training, revolving fund and economic assistance so as to improve their standard of living.

#### **8.1.8 Loan with subsidy to Transgender SHGs**

As per the orders of the Hon'ble Chief Minister of Tamil Nadu, this Government will provide loan upto Rs.15 Lakhs with 25% subsidy to eligible transgender SHGs to start viable economic activity and thereby enhance their income and lead a respectable life in the society.

#### **8.1.9 Loans for Economic Activity through banks**

SHGs fall into the clutches of money lenders and become indebted over a period of time. Providing credit to SHGs through banks at nominal interest rates for income generation activities has led to economic empowerment of SHGs. Banks extend loan to SHGs, a minimum of Rs.50,000 is given as first linkage which is

increased to Rs.1 lakh to Rs.1.50 lakhs during the subsequent linkages. Repeat loans in the form of second and subsequent doses of credit linkages from the banks are essential for expansion and sustainability of the economic activity taken up by SHGs.

Cumulative credit linkage to SHGs since inception accounts for Rs.11,603.83 crores. An ambitious target of Rs.4,000 crores has been fixed as credit linkage for the year 2011-12.

#### **8.1.10 Enhanced Economic Assistance for SHGs**

In the past, the SHGs were provided with economic assistance under various schemes to a maximum of 5 lakhs with subsidy upto 50% of the project cost or a maximum of Rs.1.25 lakhs. This year, the Hon'ble Chief Minister of Tamilnadu has ordered to enhance the quantum of loan under economic assistance to the maximum of upto Rs.10 lakhs with subsidy of 25%.

### **8.1.11 Job oriented Youth Skill Training with assured placement (YST)**

Today, there is huge demand for skilled manpower in the industrial sector particularly in manufacturing and service sectors, due to the industrial boom in the state. To exploit the opportunities offered by the growing economy and to make the unskilled and semi skilled youth employable, Youth Skill Training programme has been envisaged to impart specific job oriented skills to improve their employability and make them competitive in the job market to get gainful employment. So far 93,762 youth have been trained in various vocations and 60,408 youth have been placed in various firms, excluding those who are self employed.

During 2011-12, greater impetus will be given by this Government to Youth Skill Training programme by imparting training to 25,000 youth at a cost of Rs.20 crores.

### **8.1.12 Enterprise Development Training Programme (EDT)**

SHG members who are interested in taking up economic activities particularly in urban areas are trained through reputed institutions and so far 12,329 members have been trained in various activities.

During 2011-12, 4,000 women will be given specific skill oriented training under EDT by this Government.

- Women in the age group of 18-60 years belonging to Self Help Groups in Urban Areas are eligible, but preference will be given to those above the age of 35years and below 50 years.
- Stipend including conveyance charges is fixed at Rs.25/- per day per trainee
- Selection of trade and institution are decided by the District Level Committee based on the choice of courses by women.
- EDT training is given through reputed / recognized institutions specialized in giving self employment training with sufficient faculty support – like procurement of raw

materials, machinery, value addition, packaging, labeling, pricing, standards, certification etc.,

- The trained women are provided with assistance to get loan from nationalized banks to establish production units.
- State and District level exhibitions are organized to popularise SHG products and enhance their market share.

### **8.1.13 Panchayat Level Federation of SHGs (PLFs)**

In order to strengthen the SHG movement and make it sustainable federations of SHGs at Village Panchayat, Block and District level are formed.

PLF is a participatory platform for the SHGs to share their experiences, voice their problems and find collective solutions. What individual SHGs could not achieve, PLF can achieve by pooling their collective skills and resources and exploiting economies of scale both in production and marketing. PLF can also guide and monitor the functioning of SHGs and

also form and train new SHGs in rural areas. Strong and cohesive PLFs representing the common aspirations of its member SHGs is the key for achieving sustainability in the long run.

- Capacity building of office bearers, providing seed money and giving awards to best PLFs pave the way for strengthening PLFs. Restructuring of PLFs with the objective of making them more inclusive, transparent and participatory and also to improve their governance and sustainability is very important.
- In the State, till now 7,646 PLFs have been restructured out of 12,618 PLFs. During 2011-12 a total of 4,972 PLFs will be restructured and further strengthened by this Government by providing capacity building to the office bearers and members of both Panchayat Level Federations and Habitation Level Forums (HLF) on Governance and Finance Management modules. TNCDW will provide greater thrust towards capacity building of the PLF members and office bearers in areas like

Social Audit, Identification of business opportunities, Value addition etc.

- PLFs are graded after the completion of six months against predetermined fixed indicators covering participation, inclusion, governance, transparency, credit discipline and community development initiatives.

#### **8.1.14 Incentive to Restructured PLFs**

An incentive of Rs.1 lakh is provided for each successfully graded PLF to encourage the functioning of the PLFs. So far 2,825 successfully graded PLFs have been sanctioned an incentive of Rs.1 lakh each. The interest accrued from the incentive fund is used by PLFs for administrative expenses.

During 2011-12, 3,000 eligible PLFs will be sanctioned with an incentive of Rs.1 lakh each at an allocation of Rs.30 crores.

#### **8.1.15 Bulk Loan to Panchayat Level Federations**

One of the primary roles of PLF is financial intermediation. Over a period of time, PLFs will evolve into community level financial institutions. PLFs who emerge successful after grading become eligible for financial linkage and can access bulk loan from the Banks and on-lend it to its members. On a pilot basis, in few districts bulk loans were sanctioned to the restructured PLFs. The experience of these PLFs show, that PLFs could avail bulk loan from the banks, on lend the amount to member SHGs and repay the loan with interest to the Banks without any default. So far 300 PLFs have been provided with a bulk loan of Rs.73.48 crores by various Banks. During 2011-12 focus of this Government will concentrate on linking 400 PLFs with bulk loan.

#### **8.1.16 Awards to best PLFs and SHGs**

In order to motivate and encourage the SHGs and PLFs, the Government will give awards at State and District level. Awards are

presented to 5 best PLFs and 10 best SHGs at the State Level. One best PLF and 3 best SHGs at the District level are given awards and one best SHG at the Block level is given a certificate. The awards have occupied a place of pride among the SHGs and have been instrumental in motivating the SHGs and PLFs to aim for better performance.

#### **8.1.17 Awards to Bankers**

Banks are the most important partner of TNCDW for the economic empowerment of women, who are extending credit to the SHG members for debt swapping, consumption needs and for productive purposes. A state level and district level award will be given to honour best performing banks and individual bank branches, which have shown outstanding performance in extending credit linkage to SHGs. These awards will motivate the outstanding performers and also create a healthy competition among the Bankers.

At State level, 3 best performing banks and 5 bank branches are given award. At

District level, one bank and 3 bank branches will get the award.

#### **8.1.18 Issuing Identity Cards to SHGs**

SHGs face a lot of problems and hardship during their interface with banks, government offices and other institutions. An ID card will help SHGs to gain recognition in society and also have easy access to Government offices and Banks. The ID card will contain group details such as savings, credit rating status, loans as well as member details. The ID cards also prevent duplication of members in more than one group. Action will be taken by this government to issue ID cards to all functional and eligible Self Help Groups in this financial year.

#### **8.2 Swarnajayanti Gram Swarozgar Yojana (SGSY)**

Swarnajayanti Gram Swarozgar Yojana (SGSY), introduced in April 1999 by the Government of India and implemented by the State is a major anti-poverty programme with the main objective of bringing the poor families above the poverty line by ensuring

reasonable and sustained level of income over a period of time. SHG approach is adopted to reach poor women and aims to graduate them from micro credit stage to micro enterprises stage. This is planned to be achieved through skill development training, bank credit, infrastructure facilities including marketing support to the products produced by them. Government of India and the State Government are sharing the cost in the ratio of 75:25.

### **8.2.1 Components of SGSY**

1. Providing Revolving Fund to SHGs.
2. Providing Economic Assistance to SHGs
3. Qualitative Skill Development Training through reputed institutions
4. Infrastructure Development
5. Training

To ensure greater convergence of activities taken up for the benefit of SHGs in the State, supervision and monitoring of SGSY scheme has been entrusted to TNCDW.

In 2011-12, a sum of Rs.135.25 crores is to be allocated for the implementation of the scheme with a credit target of Rs.284.10 crores. In order to implement the scheme in a more purposeful manner, the following initiatives will be undertaken in 2011-12.

- A sum of Rs.33.32 crores will be provided for the subsidy component of Revolving fund to 22,214 eligible SHGs in rural areas.
- 7,464 SHGs will be provided with economic assistance.
- Greater emphasis will be laid to encourage SHGs to opt for key activities that are suitable for cluster formation at Block/District levels.
- Qualitative skill development training through reputed institutions will be imparted to 22,214 SHG members at a cost of Rs.7.77 Crores
- 4,860 Individual swarozgaris are to be economically assisted at a cost of Rs.5.832 crores

### **8.2.2 Marketing of SHG Products**

SHGs do not have adequate capacity in understanding marketing issues and do not possess negotiation skills to promote their products. Therefore, this Government will take various initiatives to enhance the capacity of SHGs and PLFs and ensure better convergence and greater co-ordination between different agencies in promotion of SHG products.

A State level permanent marketing complex for SHG products is functioning in Annai Theresa Women Complex, Nungambakkam, Chennai for conducting exhibition cum sale of products produced by SHGs. Similarly, to create better marketing facilities in rural areas, 86 Village Haats are under construction at the cost of Rs.12.90 crores in 30 districts and will be completed during this year.

To expand the market of SHG products in urban and semi-urban areas, a calendar of exhibitions has been prepared to conduct exhibitions at State, District and Block levels.

During 2011-12, 2 State level, 64 District level and 130 Block level exhibitions are planned.

### **8.2.3 Branding and Packaging of SHG products**

SHG products, though of good quality and priced reasonably are not able to capture a considerable market share due to not having a common brand and less attractive packing. During the year 2011-12, TNCDW will rope in training institutions who will enhance the capacity of Marketing skills of SHGs, NGOs and officials at District level and also identify a state level nodal agency to develop a brand with attractive design for packaging of SHG products. A five year plan for state and district level business development for SHG products will be prepared.

### **8.3 Tamil Nadu State Rural Livelihood Mission (TNSRLM)**

Government of India have announced a new scheme called National Rural Livelihood Mission by restructuring the existing SGSY scheme. This scheme will be implemented by

this Government in the name of Tamil Nadu State Rural Livelihood Mission during 2011-12.

TNSRLM aims at universal mobilization of BPL households into SHGs, promotion of SHG federations at Village, Block and District level, untied fund flow to federations of SHGs for on-lending to member SHGs as well as employment linked skill development training for rural youth.

The programme, a major improvement upon SGSY lays greater emphasis on the livelihood and marketing aspects of the rural people. The programme follows a demand driven strategy based on participatory processes. TNSRLM seeks to mobilize the rural poor to build institutional platforms that are self managed. These institutional platforms in the form of groups, federations and producer collectives access a variety of financial and technical services including TNSRLM and also resources from the Government programmes and Banks.

#### **8.4 Major activities proposed for 2011-12**

1. To improve the economic status of women, credit assistance for economic activity up to Rs.10.00 lakhs will be provided to eligible SHG with subsidy upto 25%.
2. Special focus will be given to the formation of Transgender Self Help Groups and credit assistance for economic activity upto Rs.15 Lakhs will be given to eligible groups to improve their livelihoods.
3. 65,000 vibrant SHGs will be formed in rural and urban areas. Importance will be given to left out /uncovered areas and habitations where poor women are not enrolled in SHGs. Special SHGs will also be formed with marginalized communities, differently abled and vulnerable population.
4. Revolving fund subsidy of Rs.15,000/- each will be provided to 42,214 SHGs (Rural 22,214 and Urban 20,000) with an allocation of Rs.63.32 Crores. The credit amount will be mobilized through the Banks.

5. An amount of Rs.4,000 Crores will be arranged as credit to the SHGs through all SHG – Bank linkage activities to facilitate economic empowerment of the SHG members. Emphasis will be given to needy SHGs after identifying credit needs and gaps.
6. To further strengthen the restructured Panchayat Level Federations, 3000 successfully graded PLFs will be provided an incentive of Rs.1.00 lakh each.
7. 300 new Slum Level Federations will be formed and 150 successfully graded SLFs will be provided with an incentive of Rs.1.00 lakh each to strengthen them.
8. Youth Skill Training will be imparted to 25,000 Youth in various vocations through reputed training institutions who provide immediate placement for the trained youth.
9. Under Swarnajayanti Gram Swarozgar Yojana (SGSY) 7,464 rural SHGs will be provided economic assistance with maximum eligible subsidy being 50% of

the project cost with a ceiling of Rs.1.25 lakhs.

10. Tamil Nadu State Rural Livelihoods Mission (TNSRLM) will be launched this year and highly intensive efforts at 60 blocks in 15 Districts will be taken up with the assistance of National Rural Livelihood Mission (NRLM) / National Rural livelihood Project (NRLP) (75% Government of India and 25% Government of Tamil Nadu)

## **9.WORLD BANK AIDED PUDHU VAAZHVU PROJECT**

### **9.1 About the Project**

This Project was launched in the State in November 2005 as “Pudhu Vaazhvu” by the present Hon’ble Chief Minister of Tamil Nadu. The Pudhu Vaazhvu Project (PVP) was subsequently named as “Vazhndhu Kaattuvom” in 2006, has now been restored back to its original name of “Pudhu Vaazhvu”. The project is being implemented in 16 districts with a total outlay of Rs.717 crores, benefitting 5.8 lakh households for a period

up to September 2014. Now with additional financing, the Project has expanded its operations to 10 more additional districts for a period of 3 years till September 2014 with an outlay of Rs.950 crores benefitting 3.8 lakh target poor households.

The Project is designed on Community Driven Development (CDD) approach to empower the poorest of poor through promotion of strong Community-Based Organizations (CBOs), thereby creating a strong voice for rural poor, especially women in community decision making and in shaping developmental endeavours, adopting the following key elements:

- Transferring the control over decision making and resources to the community based organizations.
- Focusing on the poorest of poor, the most vulnerable and differently abled.
- Establishing strong linkages with Panchayat Raj Institutions
- Providing employment generation opportunities and livelihood enhancement.

- Building downward responsiveness, accountability and transparency at all levels.

## **9.2 Additional Financing for Project Expansion**

The Project implementation was taken up in a limited number of Blocks in the State to demonstrate the Pudhu Vaazhvu Project (PVP) model and the efficacy of the CDD approach. At present the Project is being implemented in 2,509 Village Panchayats spread over 70 Blocks in 16 Districts. This covers only 20% of the Village Panchayats and 18% of the Blocks in the State. The success of the Pudhu Vaazhvu Project has encouraged the expansion of this model to few most backward districts.

The Project has identified 10 additional Districts and the number of Blocks in these Districts that deserve intervention is 46. Four more additional Blocks in the existing Project districts have also been included for coverage which makes the total number of new Blocks to 50 apart from the existing 70 Blocks which are in operation to benefit 3.8 lakh households.

### 9.3 Project Coverage

With the inclusion of new project areas, the Project will now be implemented in 120 Blocks out of the total 385 Blocks, which is approximately one third of the Blocks in the State. The project period is now being extended from September 2011 to September 2014.

The total number of Districts covered, existing and new Blocks for Project intervention and the details of Panchayats proposed to be covered are given below :

#### 9.3.1 Existing Project

Project	No. of Blocks	No. of VPs	No. of Total households (HHs) (lakhs)	No. of Target HHs covered(lakhs)
<b>On going</b>	70	2,509	16.97	5.8
<b>New Project</b>	50	1,661	11.24	3.8
<b>Total</b>	<b>120</b>	<b>4,170</b>	<b>28.21</b>	<b>9.6</b>

### Project Funding – Ongoing Project Areas

Source	Rs. in crores	Percentage
<b>World Bank (IDA)</b>	541	75
<b>Govt. of TN</b>	122	17
<b>Community</b>	54	8
<b>Total</b>	<b>717</b>	<b>100</b>

### Project Funding – New Project areas

Source	Rs. in crores	Percentage
<b>World Bank (IDA)</b>	760	80
<b>Govt. of TN</b>	132	14
<b>Community</b>	58	6
<b>Total</b>	<b>950*</b>	<b>100</b>

*\*includes Rs.222.85 crores for existing areas and Rs.727.15 crores for new project areas.*

## 9.4 Institutional Structure

There is a State level Institutional set up that includes the State Society and the State Unit headed by Project Director and a multi-disciplinary team of experts and support staff to supervise the implementation of the Project. To cope up with the expanded mandate and to cover new project areas under the PVP, additional posts are being created.

The responsibility for guiding and facilitating the Project implementation will be that of the District level Society with a multi-functional team as operational unit.

At the cutting edge a 5 member Project Facilitation Team is constituted at the cluster level to cover 10-15 Village Panchayats to provide close handholding support to the village institutions.

At the Village Panchayat level, the Village Poverty Reduction Committee (VPRC), an inclusive and autonomous body of the target poor is vested with the responsibility of Project implementation.

## 9.5 Project Cycle

The various activities in the project are summarized in the project cycle as follows.

### Activities in New Areas

1. Start up and promotional activities
2. Institutional development
3. Livelihood development

### Activities in Existing Areas

4. Consolidation of intra - village activities
5. Inter-village institutional development
6. Inter-village livelihood development
7. Self reliance

*[Additional details given in Annexure]*

### 9.5.1 Start up and Promotional Activities

1. Intensive Communication Campaign is taken up initially in all project villages in a systematic manner to propagate information about the vision, objectives and strategies including role and responsibilities of each stakeholder during the various stages of Project implementation.

2. The community themselves are engaged in identifying the poorest of the poor, marginalized and differently abled who form the target beneficiaries using the Participatory Identification of Poor (PIP) methodology along with other tools like social mapping and wealth ranking. This method has ensured not only transparency in the process of identification of target beneficiaries, but also wide acceptance and ownership of the project processes and outcomes.

### **9.5.2 Institutional Development Activities**

1. Community based organizations like Village Poverty Reduction Committees (VPRCs), Social Audit Committees (SACs), Self Help Groups (SHGs), Common Livelihood Groups (CLGs) and Panchayat Level Federations (PLFs) are developed, strengthened and capacitated.

2. Self Help Groups are basic institutions of the poor at village. The SHGs formed under the Project are from among the left out target poor. Tribal SHGs and special groups for differently abled are also promoted.
3. Panchayat Level Federations are specialized financial Institutions that render both financial and non financial services with good customer services, minimal administrative costs and effectively reach poorest of the poor households.
4. Common Livelihood Groups are formed predominantly at village level around small livelihood activities aggregating similar individual activities and providing them support services, common procurement, marketing facilities etc.

### **9.5.3 Livelihood Development Activities**

The overall goal of the livelihood approach is increased household income, assets and well being of the target poor in such a way so as to get sustained income flow through livelihood

protection and livelihood promotion strategies. To achieve this, the following approaches are followed:

1. Providing an enabling environment involving increased accessibility to credit addressing issues of timely and inadequate financing.
2. Job oriented skill training for enhancing employability, along with creation of employment opportunities in Corporates and MNCs through placement.
3. Support to Individual livelihood activities by identifying local livelihood opportunities and intervention strategies and exploring market feasibilities including demand and risk mitigation measures. These individual livelihoods are promoted through small loans from VPRCs, PLFs and any other credit assistance that the individual would get either through external or internal sources.
4. Graduating individual livelihoods to Common Livelihood Group activities and Economic Activity Federations, providing

common infrastructure facilities, market support, technology, value chain analysis and risk coverage.

#### **9.5.4 Consolidation of Intra – Village Activities**

All the activities hitherto carried out are confined to the village Panchayat level. The stage has now come to intensify the activities that the primary Community Based Organizations at village level are engaged in. To sustain the achievements made so far, specific enrichment measures will be undertaken in the form of deepening project activities with concrete additional interventions in order to facilitate the CBOs to manage by themselves and take over the reins from the project after its exit.

The project would also through convergence mobilize resources, inputs, expertise, knowledge etc., from other Government departments/agencies/institutions. For this, there will be Block level/ District level and State level convergence

teams working in close liaison with the Community Based Organizations promoted by the project to forge strategic partnerships with line departments and other organizations.

The project would extensively use the social capital in the form of Community Professionals. Their proficiency would be capitalized at length, utilizing their knowledge, expertise and skills gained from their field experience for wider use by the community themselves, various departments and agencies. All districts have institutionalized Community Professionals in the form of Community Professional Learning and Training Centers (CPLTC-MAGAMAI).

#### **9.5.5 Inter-Village Institutional Development**

Developing and Promoting Second Level Institutional Federations, Community Professional Learning and Training Centers and Economic Activity Federations to provide support and guide the first Generation institutions like SHGs, PLFs, etc. These second

generation institutions would provide facilitation, handholding and sustainability even after the project withdraws, to provide continuity and meet emerging demands of the community even after the project exit.

These institutions would be either at inter-village level, cluster level, Block level or district level and are formed with the following key objectives:

1. To strengthen the primary community institution of the villages and ensure that these institutions give quality service to the target people.
2. Sustainability of the success achieved by Primary institutions for their inclusive growth beyond the project life.
3. To identify and promote collective efforts in livelihood and provide necessary infrastructure, equipments, technical assistance and linkages for adding value to livelihoods adopted by the target community.
4. To find appropriate solutions to emerging inter village issues including conflicts.

5. For ensuring regular interaction with financial institutions, dissemination of livelihood information, easy access to continuous credit and insurance support.

### **9.5.6 Inter-Village Livelihood Development**

Efforts will be taken up to complement and maximize the livelihood activities promoted so far including scaling up. This would help achieve economies of scale through aggregation and federations looking beyond village level to inter-Village livelihood activities. The project also demands more focused interventions to promote sustainable livelihoods through higher level federations aggregating the group activities.

The livelihood federations would look after higher level activities of Common Livelihood Groups. The livelihood federations thus promoted would provide support services like sharing information, linkage provision, technical assistance, common procurement and marketing including opportunities for moving

up in the value chain and harness the benefits of sustainable markets.

### **9.5.7 Village Self- Reliance**

Village self reliance aims at intensifying project activities at village level by strengthening and sustaining the inter- village level activities. The exit strategy will be built for maximizing the impact of poverty reduction initiatives as well as equipping the community at every level of project intervention to carry forward the project principles and strategy both at intra-village and inter-village level.

The higher level community based organizations would support sustainable and cost effective service provision, capacity support and handholding support beyond the project period. Strengthening and sustaining these higher level institutions and ensuring smooth transition by handing over the project facilitation part to the community would be one of the key features underpinning this phase of project cycle.

The efforts taken up by the project to improve the standard of living of the target

beneficiaries, focuses exclusively in making the community self reliant, self managed, self monitored and self propagative in all aspects setting a trail blazer.

## 9.6 Project progress

The important accomplishments of the Project are as follows:

Sl.No.	Activities	As on 31.3.2011	As on 31.07 2011
<b>Project Fund Achievements</b>			
1.	Participatory identification of poor and list approved by Grama Sabha.	Fully completed	Fully completed
2.	Village Poverty Reduction Committees formed	Fully completed	Fully completed
3.	SHGs formed among women and youth.	14,688	14,846
4.	SHGs among the differently abled	7,877	7,962
5.	Differently abled and vulnerable given financial assistance to start livelihood activities	1,50,039	1,58,826
6.	Youth given job oriented skill training	1,44,733	1,57,661
7.	Youth gainfully employed	1,02,979	1,21,553
8.	Panchayat Level Federations restructured	2,335	2,367

9.	Livelihood corpus fund released.	Rs.127.92 crores	Rs.133.67 crores
10.	Common Livelihood Groups formed	1,849	2,344
<b>Non- Project Fund Achievements</b>			
11.	Newly formed & differently abled SHGs received Revolving Fund	17,394	18,022
12.	Amount of first dose of credit	Rs.101.54 crores	Rs.108.67 crores
13.	SHGs given second dose of credit	5,254	5,666
14.	Amount of second dose of credit	Rs.68.68 crores	Rs.74.72 Crores
15.	Differently abled received maintenance grant through project intervention	6,459	8,075
16.	Differently abled persons received aids and appliances	14,081	15,014
17.	Aged persons received old age pension through project intervention.	52,914	56,765

## 9.7 Financial Performance

Till 31.3.2011 the expenditure incurred under the Project from inception is Rs.589.19 crores under the existing project.

From 1.4.2011 to 31.7.2011 the expenditure incurred under the Project is Rs.51.83 crores under the existing project and new project areas.

A sum of Rs.315.11 crores has been provided in the Budget Estimate for the year 2011-2012 for both existing and new Project areas.

## **10. TSUNAMI REHABILITATION PROGRAMMES**

An unprecedented natural disaster called Tsunami suddenly and severely hit the coastal stretch of Tamil Nadu on 26<sup>th</sup> Dec.2004 and caused heavy damages to the lives, livelihoods and infrastructure of the coastal communities. However, the Government of Tamil Nadu by mobilizing all its energies, took strenuous efforts to provide immediate relief and rehabilitate the Tsunami affected people and brought them back to normal life within a short period. Because of the effective initiatives of the Government, confidence was instilled in the

minds of the coastal communities and they became resilient from the effects of Tsunami.

Tsunami Project Implementation Unit (TPIU), a wing of Rural Development and Panchayat Raj Department was established on 01.08.2005 to monitor and implement the Tsunami Rehabilitation Projects entrusted to this Department in 12 coastal districts. The following projects were/are implemented by the TPIU.

### **10.1 Tsunami Emergency Assistance Project (TEAP)**

The Tsunami Emergency Assistance Project with financial assistance of Asian Development Bank (ADB) was taken up on 06.04.2005. The objective of this programme was to revive the Livelihoods of the Tsunami affected people and to restore their damaged infrastructure in 12 coastal districts namely Tiruvallur, Kancheepuram, Villupuram, Cuddalore, Nagapattinam, Thanjavur, Tiruvarur, Pudukottai, Ramanathapuram,

Thoothukudi, Tirunelveli and Kanniyakumari. Total expenditure of this project was Rs.292.50 crores. Two important components had been taken up and completed as given below:

- In the Livelihoods component, 2,70,308 beneficiaries were assisted with an expenditure of Rs.183.23 crores in 12 coastal districts. This included economic and revolving fund assistance to the Self Help Groups, grant to the disabled persons, assistance to the fishermen societies, training to the youth, coastal communities and women, creation of awareness on sanitation and construction of various community infrastructure etc. This component was implemented with grants from ADB.
- In the Rural infrastructure component, 821 works such as BT roads, Public buildings and Direct paddy procurement centres were taken up and completed with a loan assistance of Rs.96.27 crores from ADB.

## **10.2 Rajiv Gandhi Rehabilitation Package (RGRP)**

Rajiv Gandhi Rehabilitation Package (RGRP), funded by the Government of India as grant was started in 2006 and implemented by the Tsunami Project Implementation Unit at an estimated cost of Rs.716 crores.

The project consists of the following components namely:

### **10.2.1 Construction of houses in the NGO backed out sites and provision of basic amenities**

2,687 houses that were backed out by the NGOs in 5 districts namely Nagapattinam, Thoothukudi, Villupuram, Kancheepuram and Tiruvallur were taken up under RGRP at an expenditure of Rs.63.75 Crores and all the houses were completed. In these housing sites, 3,009 works relating to the basic amenities such as cement concrete roads, water supply, street lights, house service connection, land filling, public buildings etc., were taken up and completed at an expenditure of Rs.8.04 crores.

### **10.2.2 Basic amenities in the NGO constructed housing sites**

Similarly, in the sites where NGOs constructed houses with their funds, 32,301 works pertaining to basic amenities such as cement concrete roads, sanitation, land filling, street lights and house service connection etc. were taken up and completed at an expenditure of Rs.54.27 crores.

### **10.2.3 Reconstruction of vulnerable houses and provision of basic amenities**

The vulnerable houses lying between 0–200 mtrs from the High Tide Line (HTL) and 10 year old houses that were constructed under Indira Awas Yojana and Singaravelar Fisherman Housing Scheme as on 01.01.2006 and located within 1000 mtrs from HTL were taken up for reconstruction.

In 11 coastal districts, 18,299 houses were taken up at a cost of Rs.499 crores and so far 17,219 houses have been completed at

an expenditure of Rs.454 crores and occupied by the beneficiaries. The project is pending in Pudukottai District only where 1,080 houses are in progress and will be completed early.

In these housing sites, basic amenities such as cement concrete roads, street lights, water supply, black topped roads, cremation sheds, public buildings, sanitation and drainages etc. have been provided. 3,246 works of basic amenities were taken up and completed at an expenditure of Rs.56.67 crores.

From the savings amount under RGRP, 138 additional works related to basic amenities have been taken up in July, 2010 at an estimated cost of Rs.7.86 crores and so far 70 works have been completed at a cost of Rs.3.00 crores. The remaining works are in progress and are planned to be completed by December, 2011.

### **10.3 Emergency Tsunami Reconstruction Project – Vulnerability Reduction of Coastal Communities Project (ETRP-VRCCP)**

This project was originally started in 2005 with the loan assistance of the World Bank (G.O.(Ms.) No.384, Revenue NC.4(1) Department, dated 01.07.2005). This project is a component of the programme of recovery and reconstruction implemented by the State Government to mitigate the impact of the Tsunami. The project was expected to be completed by October, 2007.

But, due to prolonged procedures in the subsequent period, this project commenced in Dec.2009 only with a project outlay of about Rs.670 crores and the project period has been fixed upto 31.12.2011. The ETRP-VRCCP has two important components, namely reconstruction of vulnerable houses and provision of evacuation routes with signage.

#### **10.3.1 Reconstruction of vulnerable houses**

15,056 vulnerable houses lying between 200 Mtrs to 1000 Mtrs from the High Tide Line (HTL) were identified by the Revenue Department and revalidated by the NGOs (Third Party facilitators appointed for this purpose) for reconstruction in 11 coastal districts (except Tiruvarur). These houses were grouped into 157 packages. After finalizing the tenders in the Phase-I (May-July,2010) 61 packages containing 5,619 houses and in Phase-II (Aug-Oct,2010) 96 packages containing 9,437 houses were taken up for reconstruction. Out of these 15,056 houses identified, 14,385 houses were found eligible and construction is in progress.

#### **10.3.2 Provision of Shifting Allowance and monthly Rent Allowance**

The period of construction for these houses has been fixed as 15 months. Till the completion of these houses, the beneficiaries are provided an one time shifting allowance of

Rs.1,000/- and a rental allowance of Rs.500/- per month for 15 months.

Provision up to Rs.1,000 has been given for insurance coverage of these new houses against the natural calamities.

11 NGOs, based on their performance have been selected as third party facilitators to create awareness among the beneficiaries, to train them in the quality aspects of houses and to nurture a sense of ownership of their new houses.

A grievance redressal mechanism has also been established at the district and village levels. The District Level Monitoring Committee is headed by the District Collector with the members including Project Co-ordinator, District Implementation Unit, DRO(R&R), Tahsildar, EE, NGO, BDO, etc. The Village level Grievance Redressal Committee is headed by the Village Panchayat President which includes the Vice President, VAO, Project Engineer, One women member and SC/ST member of the Panchayat and a NGO representative.

### **10.3.3 Construction of Evacuation routes with Signage**

During the emergency times such as cyclones, storms, Tsunami etc., to provide easy and quick access to the coastal communities to reach safe shelters, the construction of evacuation routes with signage boards along the coastal areas has been taken up under this project, at an estimated cost of Rs.65 crores. This component is to be implemented in 12 coastal districts. Estimates and designs are being finalized by a private consultant engaged for this purpose by the World Bank. So far, estimate proposals for evacuation routes for a length of 64 km at a cost of Rs.35.53 crores have been submitted by the consultant. Works will be commenced soon.

**11.INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT (IFAD) ASSISTED POST-TSUNAMI SUSTAINABLE LIVELIHOODS PROGRAMME (PTSLP) IN TAMIL NADU**

**11.1 Goal and Objective of PTSLP**

The goal envisages building self-reliant coastal communities, which are able to manage their livelihoods in a sustainable manner. This would be achieved with the objective of developing viable enterprises and resource management systems, owned and operated by women in the region affected by the Tsunami and supported by the community and other appropriate institutions.

**11.1.1 Project details**

Period	8 years (2007-2015)
Cost	Rs.283.69 crores
Programme Districts	Thiruvallur, Kancheepuram, Villupuram, Cuddalore, Nagapattinam & Kanniyakumari
Project area	109 Panchayats in 25 Blocks
Coverage	1.55 lakhs Households About 6 lakhs population

**11.1.2 Target Group**

Coastal dwellers (in villages directly or indirectly affected by the tsunami) including:

- i. coastal fishers using beach launched craft;
- ii. wage labour employed in the fisheries and agriculture sectors;
- iii. small-scale women fish vendors and processors;
- iv. small and marginal farmers;
- v. other marginalized occupation groups (e.g. seashell workers); and
- vi. very poor and poor, identified through Participatory Rural Appraisal exercise.

**11.1.3 Programme Components**

**(i) Coastal Area Resource Management**

**(a) Community Support**

Community Support is provided through Cluster Resource Centre (CRCs) which is a group of coastal Panchayats. In the Project area 30 Cluster Resource Centres have been established by Facilitating NGOs (FNGOs). Three staff for each Cluster Resource Centre

viz., a Cluster Coordinator, Facilitator & Business Promoter have been recruited. The Cluster Resource Centre provides support to the local community in implementing the project activities.

### **(b) Community Resource Planning**

The Cluster Resource Centre personnel aid the community in a Participatory Resource Mapping exercise, which identifies and prioritize the infrastructure needs of the community. Infrastructure Micro Plans for implementation are developed based on the Participatory Rural Appraisal (PRA) which also reflects environmental and gender concerns and also Livelihood options.

The Programme makes available funds to the community for implementing the Micro Plans, 10% of which are contributed by the community by way of cash.

### **(c) Fisheries Resource Management**

The expertise of specialist Organizations in the fisheries sector are utilized in Fisheries

Resource Management. The project promotes responsible safe fishing practices. Creating awareness through workshops on environmental impact, diversifying fishing operations etc are other important activities that are being undertaken.

### **11.1.4 Rural Finance and Risk Transfer Instruments**

#### **(a) Micro credit for SHGs**

Training to SHG members are given to identify Income Generating Activities and bank linkages are facilitated by the Cluster Resource Centres.

The District Implementation Office (DIO) in coordination with Cluster Resource Centres conduct sensitization workshops to the bank staff and financial institutions. Exposure visits are arranged for the bankers, to understand the importance of timely credit assistance.

### **(b) Risk management and Insurance**

The District Implementation Offices (DIOs) arrange workshops to discuss the risk management needs of the fishing community. For this Vulnerability Reduction Fund is set up which extends soft loans at the time of disasters. This fund is administered by PLFs of which the project contribute 4/5 the share and the balance 1/5 share by the community. Workshops on insurance help the community to decide on suitable insurance products. Self Help Groups and the members of fish marketing societies are given training on insurance.

### **(c) Establishment of Venture Capital Fund**

This Fund would supplement the loans from banks to Self Help Groups and fishermen societies. The fund will be managed by a professional Financial or Business establishment that has necessary skills to provide support for the enterprises to become successful. The establishment would be selected through procurement procedures laid down by IFAD.

## **11.1.5 Employment Generation and Skill Training**

### **(a) Support to SHGs**

A Structured Survey to assess the status of Self Help Groups, NGOs and Federations was undertaken, which indicated areas of weakness and has suggested measures to strengthen them. The Facilitating NGO, through the Cluster Resource Centre personnel undertake Capacity building training of weak Self Help Groups, promote credit linkages and formation of Federations.

### **(b) Formation of Fish Marketing Societies**

The Programme Management Unit (PMU) has entered into an agreement with South Indian Federation of Fishermen Societies (SIFFS) through a Memorandum of Understanding (MoU) for setting up of Fish Marketing Societies, limiting membership to owners of small crafts, Kattumarams and Vallams. South Indian Federation of Fishermen Society is also given grants to finance loan redemption of fisher folk. The Programme

Management Unit examines proposals submitted by South Indian Federation of Fishermen Societies for Out Board Motor (OBM) repair centres and give clearances.

### **(c) Vocational Training**

The Resource NGO (RNGO) identifies viable trades which can be taken up for Vocational training by the youth and identify suitable institutes and organizations for training. The RNGO specify the courses offered, duration, cost in terms of scholarship, stipend etc. The Cluster Resource Centres coordinate the receipt of applications, 25% of those trained should be women.

### **(d) Micro Enterprise Development**

Technical specialists / reputed organizations / institutes are engaged in conducting district wise sub sector studies and analysis. The Programme Management Unit in partnership with Non-Government Organizations (NGOs) / organizations that have experience in development of micro enterprises work to develop a cluster of enterprises in the identified sub sector.

## **11.1.6 Community based Sea Safety and Disaster Management**

Training sessions have been organized for fishermen on sea safety measures. Workshops were conducted utilizing subject experts to create awareness on the various measures available for ensuring Sea Safety (Communication aids, life saving techniques etc).

Technical experts are engaged in ascertaining the need to educate school children on disaster management. Workshops are also conducted to evolve resource material and curriculum on environmental education in Primary Schools. Teachers have been trained on these materials and they were involved in conducting workshops for school children. Developing, Printing and dissemination of resource material, its periodical review and presenting awards to model schools are part of this component.

## 11.2 Organizational Arrangements for Implementation

Level	Unit	Guided by
State	Programme Management Unit with Tamil Nadu Corporation for Development of Women Ltd as Nodal Agency.	Programme Steering Committee (PSC) headed by Principal Secretary, Rural Development and Panchayat Raj Department.
District	District Implementation Office	District level Implementation advisory committee (DLIAC) headed by Collector.
Village	Cluster Resource Centre	Cluster Advisory Committee (CAC) consisting of representatives of Panchayat Raj Institutions, Non-Government Organizations, Traditional Institutions etc.

### Project financing:

#### Agency wise:

(Rs. in crores)

Sl. No.	Agency	Amount	Percentage
1.	IFAD	132.32	47
2.	Govt. of Tamil Nadu	12.00	4
3.	Bank / Micro Finance Institution	100.61	35
4.	Beneficiary Contribution	38.76	14
	<b>Total</b>	<b>283.69</b>	<b>100</b>

## Component wise:

(Rs. crores)

Sl. No.	Component	Amount	Percentage
1.	Coastal area Resource Management	41.16	14.51
2.	Rural Finance and Risk Transfer instruments	159.50	56.23
3.	Employment generation and skills training	66.31	23.37
4.	Community based sea safety and disaster management	1.80	0.63
5.	Programme Management	14.92	5.26
	<b>Total</b>	<b>283.69</b>	<b>100.0</b>

### ACTIVITY-WISE PROGRAMME COST

(Rs. in thousands)

S. No.	Component	Amount	% to total Base Cost
<b>A. Coastal Area Resource Management</b>			
1.	Community Resource Planning (Capacity Building)	11,800	
2.	Community Support (Establishment of CRCs)	1,07,802	4
3.	Fisheries Resource Management (Workshops, studies & pilot initiative Fund for improve fisheries management)	27,500	1
4.	Community Infrastructure Fund	2,64,500	9
	<b>Sub Total</b>	<b>4,11,602</b>	<b>14</b>

<b>B. Rural Finance &amp; Risk Transfer Instruments</b>			
1.	Venture Capital Fund	36,000	1
2.	Support for banks & MFIs (Establishment of district offices of MFIs, training & workshops for bank & MFI staff)	12,120	
3.	Risk Mitigation (Insurance investigations & pilots, contribution to disaster management fund by Project & SHGs, insurance training for SHG members)	39,170	1
4.	Product development & innovations (Product development for ME financing – support to MFIs, studies & exposure)	11,000	
5.	Incremental credit Fund (Banks & MFI credit to SHGs, ME and Fish marketing societies)	14,96,765	52
	<b>Sub Total</b>	<b>15,95,055</b>	<b>56</b>
<b>C. Employment Generation &amp; Skill Training</b>			
1.	Support for SHGs (support to SHGs – mapping, training, kits, federation development & NGO staff training)	17,388	1
2.	Support for IGAs (IGA training, facilitation for business upscaling, best business practices, training in new technology, market linkage workshops)	36,970	1
3.	Fish marketing Societies (Debt redemption fund, support for marketing infrastructure facilities, repair centers, beach landing centers, organization expenses)	3,16,800	11

4.	Micro Enterprise Development (sub-sector survey, studies, BDS support, Technology pilots, technical Assistance – Overseas Trainers, trainings & workshops)	2,06,855	7
5.	Vocational Trainings (Review, support for vocational trainings, fishing skill development – training & workshops)	85,075	3
	<b>Sub Total</b>	<b>6,63,088</b>	<b>24</b>
<b>D. Community Based Sea safety &amp; Disaster management</b>			
1.	Promotion of sea Safety (Feasibility study in a district, cell phone subsidy, training & publicity)	3,000	
2.	Support for coastal school (Need Assessment, workshops, development of training educational material, printing & dissemination)	15,000	1
	<b>Sub Total</b>	<b>18,000</b>	<b>1</b>
<b>E. Programme Management</b>			
1.	Programme Management Unit (Vehicles, equipments, salaries, office expenses, trainings)	25,739	1
2.	District Offices (Vehicles, equipments, salaries, office expenses, trainings)	1,05,156	4
3.	Project M&E (Vehicles, equipments, salaries, technical assistance)	18,277	1
	<b>Sub Total</b>	<b>1,49,172</b>	<b>5</b>
	<b>Total Base Cost</b>	<b>28,36,917</b>	<b>100</b>

**Component wise expenditure as on 31.07.2011 is as under:**

(Rs. in lakhs)

Name of the Component	Project outlay	From 2007 - 08 to 2010 - 11		01.04.2011 - 31.07.2011		Total exp. incurred	% of Total Exp. to project outlay
		Budget	Exp. incurred	Budget	Exp. incurred		
Coastal Areas Resource Management	4,116	3,341	2,645	1,379	310	2,955	72
Rural finance and Risk Transfer Instruments	9,83	446	62	487	17	79	8
Employment Generation and Skill training	6,631	1,648	350	1,964	217	567	9
Community based sea safety and disaster management	180	205	140	5	0	140	78
Programme Management	1,492	778	770	383	118	888	60
<b>Total</b>	<b>13,402</b>	<b>6,418</b>	<b>3,967</b>	<b>4,218</b>	<b>662</b>	<b>4,629</b>	<b>35</b>

Upto 2010-11, 22 Fish Marketing Societies (FMS) have been formed (6 in Nagapattinam, 5 in Thiruvallur, 6 in Kanyakumari, 4 in Cuddalore and 1 in Villupuram districts) and debt relief of Rs.69.32 lakhs has been provided to 442 fishermen of 9 FMS. Under Rural Finance and Risk Transfer

component, Vulnerability Reduction Fund of Rs.62.00 lakhs has been given to 1,297 beneficiaries with community participation. One Fishermen Federation has been formed at Nagapattinam. Under coastal school programme, IEC materials on Disaster Management and Environmental awareness were printed and distributed to 30,215 coastal school students at a cost of Rs.20.25 lakhs.

From 01.04.2011 to 31.07.2011, 128 Community Infrastructure works have been completed at a cost of Rs.479.46 lakhs. 14,470 villagers have been trained on insurance and its importance. 28 Livelihood Pilot Initiatives and 28 Sub sector based Micro Enterprise Development have been initiated at a cost of Rs.129 lakhs. One Fish Marketing Society has been formed at Kancheepuram District. 238 fishermen have been redeemed from debt involving a debt redemption amount of Rs.59.03 lakhs.

**11.3 This Government proposes to implement the following activities during 2011 – 12.**

- 414 Community Infrastructure works and six artificial reefs at a cost of Rs.120.00 lakhs would be taken up under Coastal Area Resource Management
- Venture Capital Fund will be transferred to PLFs for promotion of Micro Enterprises through bank linkage.
- Insurance activities and Vulnerability Reduction Fund activities at a cost of Rs.127.00 lakhs will be undertaken.
- 27 FMS with necessary marketing infrastructure will be formed and debt redemption assistance will be extended to the fishermen of these societies, besides formation of one Fishermen Federation in Thiruvallur District at an estimate cost of Rs.15.00 lakhs.
- One Out Board Motor repair centre and one Boat Yard at a cost of Rs.10.00 lakhs and Rs.25.00 lakhs respectively will be established in Kanniyakumari district.

- Vocational training to 2500 youth at a cost of Rs.250.00 lakhs will be provided.
- The Programme also looks into the aspects like Gender Focus, Poverty Focus, Knowledge Management besides Financial Management.
- For the year 2011-12, a sum of Rs.42.17 crores has been provided in the Budget Estimates.

**12. BUDGET FOR 2011-12**

A sum of Rs.9,150.31 crores has been provided in the Budget for 2011-12. Out of which, projected revenue expenditure is Rs.7,200.30 crores and capital expenditure is Rs.1,950.01 crores.

**13. CONCLUSION**

This Government is committed to the cause of the people living in rural areas, especially the rural poor. Strengthening of Local Self Government is one of the prime agenda of this Government. It was this Government which legislated the Tamil Nadu

Panchayats Act, in 1994. Many new schemes were implemented by this Government during the previous period (2001-2006) for providing basic infrastructure facilities in rural areas and to strengthen the Self Help Group movement. The thrust given for Rain Water Harvesting has resulted in improved ground water availability. Sanitation, which was one of the important agenda of this Government, was completely neglected in the past. Both "Rain water Harvesting" and "Sanitation" will be revived with renewed vigour.

After 64 years of independence and plethora of rural development programme, even today many remote Habitations are yet to get all basic infrastructural facilities. Government is committed to improve the Quality of Life in rural areas, by making available all basic amenities within each habitation. But until the basic requirements of all the habitations are met, this ambitious objective of the Government will not be fulfilled. Realising the importance of providing the basic facilities to all the habitations, this Government for the first time in the country

has proposed to introduce a new innovative scheme – THAI - which is going to change the very face of rural development.

After food and clothing, housing is the most important human need. As already mentioned, the unit cost provided for the Housing Scheme implemented by the previous Government was grossly inadequate. Hence, this Government has proposed to launch a unique "Solar powered Green House Scheme" to address rural housing need in a realistic manner.

Keeping in view the high cost of construction materials and wages to labourers, this Government has enhanced the state contribution under IAY scheme. Under the IAY scheme, GOI share is Rs.33,750 and state share is 11,250 per unit. This Government have now increased the allocation per house by Rs.55,000 raising the unit cost to Rs.1.00 lakh.

Under MGNREGS, though the notified wage per person per day is Rs.119/-, the prevalent average wage rate in Tamil Nadu is only about Rs.90/-. This Government will take

all possible efforts to enable the workers to get their full wage of Rs.119/-. The "One Panchayat - One Work" norm will also be relaxed so as to enable the workers from different habitations to take part in MGNREGS works.

Any progressive society should focus on it's children and youth to ensure a comprehensive and balanced growth. Keeping this in view, this Government proposes to introduce a new scheme for the benefit and betterment of the students - The Comprehensive School Infrastructure Development Scheme.

Participative development of basic infrastructural facilities paves the way for better ownership and maintenance of rural assets. It was this Government which introduced Self Sufficiency Scheme to encourage community participation in the development process. To encourage more participation, this Government has doubled the allocation under Self Sufficiency Scheme.

This Government is to come out with a separate Solar Energy Policy keeping in view the growing energy needs. In tune with this Policy, it is proposed to replace street lights in rural areas with Solar Powered LED lamps which will lessen the financial burden of the rural local bodies.

Mahalir Thittam has played a pivotal role in bringing together poor and marginalized women into the fold of Self Help Group movement and transformed their lives significantly through various measures contributing towards their socio economic empowerment. On the orders of the Hon'ble Chief Minister of Tamilnadu, transgenders who were hitherto left out from the development stream would also be brought under the fold of Mahalir Thittam by this Government from this financial year. Self Help Groups today have moved from the status of being receivers to implementers of Government Schemes. This journey has been possible due to the continuous efforts and concrete steps taken by TNCDW in the form of capacity building, providing revolving fund, enterprise

development training, skill training, economic assistance, marketing support etc. Federating the Self Help Groups at the panchayat, block and district level is the key to sustainability of the SHG movement. Keeping this in mind, this Government will give greater thrust to the Panchayat Level Federations, strengthen and build their capacity to provide necessary handholding support to the member SHGs. Greater emphasis will be given by this Government to the promotion of products produced by SHGs through creation of a unique brand, appropriate packaging and adequate facilities for marketing. The new TNSRLM programme to be implemented shortly by this Government will further strengthen and sustain all the initiatives taken up in the past for the inclusive development and empowerment of the rural poor.

Tamil Nadu Government in 2005, in its endeavour to alleviate poverty and improve the standards of living of the rural poor has initiated a concerted effort through "Pudhu Vaazhvu" Project adopting the CDD approach. The targeted households are addressed from all

dimensions of poverty through empowerment, job oriented employment opportunities, self employment, establishing credit linkages, market linkages, bridging information gap, developing social capital, securing entitlements through project intervention including special focus for the differently abled. The project has made a mark in addressing poverty holistically and has transformed the lives of the poorest of the poor, the unreached and the voiceless. The relentless efforts have yielded sustainable results which have encouraged this Government to embark on the expansion of this project. The focus of the Government from this year would be on strengthening the platforms for convergence at intra and inter village levels with the aim of sustaining the gains made in livelihood interventions and socio-economic empowerment.

This Government has embarked on an ambitious agenda to fulfill the basic infrastructural requirements of all the habitations in Tamil Nadu including Housing for the rural poor and empowerment of women by further strengthening the SHG movement. The

agenda may seem ambitious, but under the dynamic leadership and insightful guidance of our Hon'ble Chief Minister, this Government will take all efforts and emerge successful in fulfilling its objective of improving the quality of life of the rural people of Tamil Nadu.

**K.P.MUNUSAMY,**  
**Minister for Municipal**  
**Administration & Rural**  
**Development**