

**11 INTEGRATED RURAL DEVELOPMENT PROGRAMME
A PRACTICAL STEP BY STEP GUIDE TO IMPLEMENTATION**

Introduction

The Integrated Rural Development Programme (IRDP) is a major instrument of poverty alleviation in the rural areas and is implemented in all the Blocks of the country since 2nd October, 1980. It is a centrally sponsored scheme in which funding is shared between the Centre and the States on 50:50 basis.

The objective of IRDP is to enable selected families in rural areas to cross the poverty line. At present, a family with an annual income of Rs.11,000 or less is considered to be below the poverty line. The object of the programme is achieved by providing productive assets and inputs through financial assistance in the form of subsidy by the Government and term credit advanced by the financial institutions.

The subsidy pattern under IRDP is as follows

(i) Small farmers	25%
(ii) Marginal farmers / Agricultural Labourers/ Non-Agricultural labourers/Rural Artisans	33%

Subject to a ceiling of Rs.4000 per family in non-DPAP/DDP areas and Rs.5000 in DPAP/DDP areas.

Of these, SC/ST families and physically handicapped persons will get 50% subsidy subject to a ceiling of Rs.6000 per family in all rural areas.

Educated unemployed rural youth (studied upto 8th Standard (Pass or fail) will also get 50% subsidy subject to a ceiling of Rs.7500.

The following supplementary guidelines may be borne in mind while implementing IRDP:-

I. Preparation of IRDP Action Plan

The IRDP Annual Action Plan for a given financial year must be prepared as follows:

1. Arrive at the closing balance as on 31st March of the previous financial year as per the passbooks of all the Nodal bank branches in which the IRDP scheme funds are kept. Let this figure be "A".
2. Arrive at the amount of subsidy for which authorisation orders have been released by DRDA – based on loan sanctions – upto 31st March of the previous financial year but which is yet to be 'adjusted' towards assets creation (i.e. yet to be credited to the Subsidy Reserve Fund Accounts of the various participating field branches) as on that date. Let this figure be "B".
3. Let "C" be the annual scheme outlay for the district for the current financial year under IRDP, after providing for administrative expenditure and IRDP infrastructure. (Although upto 20% can be set apart for IRDP infrastructure, provision should be made only for what is actually possible to be spent during the year. Otherwise, this 20% will remain unutilized and add to the closing balance.) If the annual outlay is yet to be communicated assume last year's level of outlay.
4. Then the amount for which the IRDP Plan should be drawn up for the current financial year is "D" = (A – B + C). A mistake that is commonly committed is to prepare the IRDP Plan for just "C".

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Illustration: If the closing balance as on 31.03.1998 as per all the nodal bank branch passbooks is Rs.2.00 crores; and
if subsidy authorization orders have been released for Rs.2.50 crores out of which Rs.1.50 crores have been adjusted towards assets creation upto 31.03.1998 and Rs.1.00 crores is yet to be adjusted; and
if the annual outlay for IRDP for the district for 1998-1999 is Rs.3.50 crores:
then the amount for which the IRDP Plan should be drawn up for 1998-99 is Rs.2.00 – 1.00 + 3.50) crores i.e. Rs.4.50 crores.

5. The amount "D" should be apportioned among all the Blocks and even among all the Village Panchayats directly by the Collector. (Collectors should not stop with allocating the target among the Blocks only. This is important). This exercise must be completed before 15th April.

6. Although only a financial target is given and physical target has been dispensed with as far as Banks are concerned, *for our internal monitoring physical targets must continue to be given to Blocks and to Village Panchayats.* Otherwise, the Village Panchayats will err in selecting either too many or too few beneficiaries. Based on the average per capita subsidy for each beneficiary in the past years, the financial target can be converted into physical target for the Blocks as well as Village Panchayats and should be communicated as part of the same proceedings in which (4) above is done.

Illustration: If the financial target for a Village Panchayat works out to Rs.1 lakhs and if the average per capita subsidy is Rs.4,000, then the physical target for the Village panchayat will be (1,00,000 / 4,000) i.e., 25.

II. Selection of beneficiaries

1. The selection of IRDP beneficiaries should be done by a Task force Committee (TFC) comprising of the President and members of the Village Panchayat, the ABDO (Panchayats) or his nominee and the Bank manager or his nominee in the presence of the Grama Sabha (The term "Bank manager" includes the President/Secretary of the Primary Agricultural Co-operative Bank concerned). The VAO concerned may also take part in the meeting as a 'special invitee'.

2. The TFC should be *asked to select 130% of the physical targets communicated above, keeping the extra 30% as 'reserve' to substitute the applications rejected by banks. Commonly committed mistakes are selecting exactly 100% of the target without providing for 'reserve' or selecting 200% or ever 300% of the target which unnecessarily raises false hopes among the beneficiaries and also leads to corrupt practices.* Collectors and P.Os of DRDAs are requested to ensure that such mistakes are not repeated in any of their Blocks this year.

3. The format in which the financial and physical targets are to be communicated to all the Blocks and Village Panchayats is shown in Annexure I. This format is so designed as to indicate to the TFC the number of beneficiaries to be selected under various categories as per the guidelines. The format in which the list of selected IRDP beneficiaries should be furnished by the TFC is shown in Annexure II. This format is also so designed as to ensure that the guidelines have actually been followed.

4. The Village Panchayat President should inform the date of the meeting to all the members of the Task Force Committee, in writing, at least 7 clear days in advance and obtain their acknowledgement. A quorum of 5 members is necessary for conducting the meeting. It is not necessary for the Village Panchayat President to ascertain the convenience of the ABDO (Panchayats) while fixing the date of the Task Force Committee meeting; if the ABDO cannot attend a Task Force Committee meeting, he should depute any of his subordinates to attend the meeting on his behalf. Similarly the presence of the VAO is also not mandatory although he should also be invited. But it may be desirable for the Village Panchayat President to ascertain the convenience of the concerned banker as far as possible while fixing the date of the Task Force Committee meeting which should preferably be on a non-banking day.

5. The Task Force Committee should complete the selection of beneficiaries in one sitting and the members present should sign underneath the list of selected beneficiaries then and there. A copy of the list of beneficiaries selected should be sent immediately to the ABDO and the PO, DRDA – who will scrutinize the same to see if the guidelines for beneficiary selection (50% SC/ST beneficiaries, 40% women, 3% physically handicapped etc.) have been duly followed.

6. There is no need to get the “approval” of the PO, DRDA for the list of beneficiaries selected. The list is to be sent only for information. In the event of complaints being received about the Task Force Committee members not being properly informed or of the meeting being held without the quorum or of the guidelines for beneficiary selection not being properly followed, the PO, DRDA may make a summary enquiry and order another meeting of the Task Force Committee for the particular Village Panchayat.

7. If the TFC meetings had been properly convened in all Village Panchayats, copies of the notices of convening the TFC meeting would have been received by the ABDO (Panchayats) in respect of all the Village Panchayats. For example, if a Block comprises of 40 village Panchayats, the ABDO (Panchayats) should have received 40 such notices. As such, the receipt of the notices in Block Office will be the proof that the meetings were duly convened. Hence, the ABDOS should identify those Village Panchayats which have not convened the TFC meeting properly and take necessary action to ensure that the TFC meetings are convened by those Village Panchayats properly by following the formalities envisaged above.

8. If there are any recalcitrant Village Panchayat Presidents who deliberately fail to convene the TFC meeting the Collectors themselves should take necessary action to convene TFC meeting in time for selection of beneficiaries. During the course of their field visits, the Collectors, Project Officers and Assistant Project Officers should review this aspect to ensure that the beneficiaries are selected through properly convened TFC meetings in the presence of Grama Sabha.

9. While selecting the beneficiaries, the scheme suitable for each beneficiary should also be decided by the TFC itself. The scheme should be selected carefully keeping in view the local resources of the area and the individual skills/aptitude and after ensuring the availability of linkages and technical support. An illustrative list of activities under IRDP is given in Annexure III. The presence of the bank manager or his nominee in the TFC meeting is important as it will ensure minimum rejections at a later date.

10. The selection of beneficiaries should be completed before the 15th May at the latest. The P.O. DRDA will be required to produce the consolidated set of the lists of IRDP beneficiaries for all the Village Panchayats in the district to the DRD for perusal on or before the 7th June.

III. Avoidance of unnecessary certificates

1. A specimen IRDP Application format is enclosed (Annexure IV). Those districts which are not following this format are requested to do so from 1998-99 onwards.

2. It is learnt that a number of unnecessary certificates from various officials are being insisted upon by ABDOS/Banks even after the beneficiaries have been selected by the Task Force Committee in the presence of the Grama Sabha with reference to the Below the Poverty Line (BPL) survey list. Apart from delays, this causes unnecessary hardship to the poor beneficiaries. Some of these certificates might have been necessary during the period when there were no elected Local Bodies. They are no longer necessary now. The minutes of the Task Force Committee meeting should be treated as *sufficient proof of the following*:- 1) that the selected beneficiaries are below the poverty line, 2) that they belong to SC/ST/Other communities, 3) that the beneficiaries are physically handicapped (where applicable), 4) that the beneficiaries are Small Farmers / Marginal Farmers / Landless Agricultural labourers / Non-Agricultural labourers / Rural artisans etc, 5) that they are residents of the Village Panchayats, etc.

3. From 1998-99 onwards, ABDOS are strictly instructed not to insist upon the following certificates:- 1) Community Certificate (from VAO); 2) Income certificate (from VAO); 3) Chitta extract (from VAO); 4) Adangal extracts (from VAO) 5) Nativity certificate (from VAO); 6) Land revenue

receipt (from VAO); 7) Patta Pass Book; and 8) House tax receipt (from Village Panchayat President). (It is alright to ask for a copy of the Ration card). Collectors are also requested to place this as a subject in the DCC meeting and, after its approval, to have a circular issues by the Lead Bank Officers to all the participating bank branches not to insist upon these unnecessary certificates.)

IV. Preparation of IRDP Banking Plan

1. An IRDP Banking Plan has to be prepared, through which financial target for each of the participating Bank branches in the district has to be decided, with the approval of District Consultative Committee (DCC). Since the financial target for each Village Panchayat is known, and as each Bank branches has one or more Village Panchayats coming under its Service area, the aggregate of the financial targets for all the villages in its Service Area, will normally be the financial target for the Bank branch. However, where the Village Panchayats fall in the Service areas of non-Nationalised Banks, it may be advisable to allocate a major portion of the target to the Co-operative Central Bank of the district leaving only a nominal target to the non-Nationalised Banks – as these are usually poor performers or non-performers. Similarly, if a Nationalised bank branch has a large Service area and is likely to get an unduly high target as per the above exercise, its burden maybe lightened somewhat by allocating a small part of its share to the Co-operative Central Bank. Thus this exercise has to be done carefully by the P.O., DRDA.

2. After obtaining the District Consultative Committee's approval of the IRDP Banking Plan, the financial target of each participating Bank branches must be communicated to all ABDOs and Bank branches by the P.O., DRDA. The Lead Bank Officer of the District must also be requested to communicate the same targets from his side to all the Bank branches in the district.

3. The IRDP Banking Plan should be prepared and got approved by the D.C.C. before the 31st May at the latest – i.e. before the applications are forwarded to various bank branches.

V. Forwarding of applications to Banks

1. The applications from the selected beneficiaries should be collected in one go and forwarded to Banks before the 30th June in complete shape. This will be the responsibility of the President of the Village Panchayat and the ABDO. (The practice of collecting and forwarding the applications throughout the year in a piecemeal fashion results in delay as well as corruption). The applications in respect of beneficiaries whose names are in the Waiting List should be collected simultaneously but retained in the Block Office and forwarded to Banks only when it becomes necessary to substitute rejected applications.

2. The ABDO should forward the applications to Banks with a covering letter (indicating the names of the beneficiaries) in triplicate. The acknowledgement of the Bank Manager in token of having received the applications should be obtained on 2 copies of the covering letter – out of which one should be retained in the Block office and the other copy should be sent to the DRDA. The P.O. DRDA should monitor the receipt of these acknowledgements as only this way can it be ensured that the applications have really reached the Banks. The figures of "Applications sent to Bank" furnished by ABDOs/ P.Os should tally with these acknowledgments.

3. The ABDO and other subordinate field staff should take suitable follow-up action to get the applications sanctioned expeditiously by the banks which should normally be within 15 days of the date of receipt of applications.

VI. Sanction of loans and claiming of subsidy

1. It is seen that in some districts ABDOs are preferring IRDP subsidy claims without waiting for the loans to be sanctioned by the Branch Managers. This is highly irregular as some of the applications for which subsidy has been released are likely to be rejected by the banks and it is difficult to keep track of such unutilized subsidy. Therefore P.Os are requested to strictly ensure that the subsidy claims are preferred by ABDOs only after the loan applications have been actually sanctioned by Banks. ('Conditional sanctions' should not be entertained). This will also

enable the P.O., DRDA to monitor the number of cases for which loans have been sanctioned. In other words, the figures of "Loans sanctioned by Banks" furnished by ABDOs/ P.Os should tally with the number of subsidy claim proposals received. It should be the endeavour of P.Os to get cent per cent loan sanctions before the 30th September.

2. A specimen IRDP subsidy claim form (Format III) is enclosed as Annexure V. It incorporates a certificate from the Branch Manager that all the cases for which subsidy is being claimed have been duly sanctioned loans and also has a column indicating the date of loan sanction. P.Os are requested to communicate this format to all ABDOs in the district and to ensure that subsidy claims are preferred only in this format. Before releasing subsidy, P.Os must verify whether the certificate has been furnished and whether the column indicating the dates of loan sanction has been duly filled in.

3. After ascertaining from the Branch Manager the cases for which loans have been sanctioned, the ABDO should prepare the subsidy claim proposal in Format III in quadruplicate, get the signature of the Branch Manager on all the 4 copies, countersign the same and submit it to the PO, DRDA. Release of subsidy should be completed before 30th November leaving sufficient time to the Bankers to disburse the loans and create assets.

VII IRDP subsidy administration – Nodal Branch system with inter branch debiting.

1. This system is in vogue since 1989-90. The District's IRDP subsidy component should be deposited in the Headquarters Branch of each Bank, in proportion to each Bank's quantum of lending (as per the Banking plan). These Headquarters branches are termed as Nodal Branches. (Where a particular Bank doesn't have a branch at the District Headquarters, the subsidy should be kept in the nearest branch of the Bank).

2. Accounts need not (in fact, should not) be maintained in the name of PO, DRDA in the participating field Branches. The entire subsidy should be kept only in the Nodal branches.

3. When a subsidy claim is received, the PO, DRDA should issue an order authorising the (field) Branch Manager to directly debit the PO, DRDA's account in the Nodal branch, through what is known as the "Inter-Branch system of debiting and crediting." A specimen "Subsidy Authorisation order" to be issued by the PO, DRDA maybe seen at Annexure VI and all P.Os are instructed to adopt this for purposes of standardization. Four copies of this order should be prepared and to each a copy of the subsidy claim statement in Format III should be attached. One set should be sent to the participating Bank Branch, authorizing the Branch Manager to directly debit the DRDA account in the Nodal Branch – as and when the loans are disbursed and assets created – in respect of the individuals and for the amounts indicated in Format III. One set should be retained in P.Os office; one set should be marked to the ABDO and one set should be sent to the Manager of the Nodal Branch concerned. The Manager of the Nodal Branch, before responding to the participating Bank Branch's debit advice, should cross-check entries with reference to the Subsidy Authorisation order- cum – Format III. The Manager of the Nodal Branch as well as the P.O. DRDA should ensure that the Nodal branch account is debited only after the loans are disbursed and assets created by the field Branches and not before.

4. Under this system, reconciliation becomes considerably simplified. All that is needed is to reconcile the Nodal Banks Ledger of DRDA with the pass books of the 20 or so Nodal branches at the District level, and the total unutilized subsidy at any given point of time can be quickly assessed by simply adding the ledger balances of 20 or so Nodal branches at the district level. Further, as all the subsidy intended for all the participating Bank branches is pooled together at the Nodal branches only, the problem of surplus in some participating branches and deficit in some others (which used to be a problem when accounts were maintained in each participating branch) will not occur, as the participating branches debit subsidy from the Nodal branch only when the loans are disbursed.

5. The Nodal branches should be requested to furnish the DRDA a subsidy utilization statement (giving details of individual beneficiaries) branch-wise and Block-wise once in 15 days. Thus the physical as well as financial achievement under IRDP – shown by each participating Bank branch in

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the district – can be monitored by DRDA from the Nodal branches itself. This is true for the Regional / Divisional Managers as well as they can assess the branch-wise performance, in terms of assets creation and subsidy 'adjustment', from the particulars available in the Nodal branch itself.

6. The field branches will also have to furnish copies of IRDP Monitoring Format-I (Statement of Loans disbursed in the month) and IRDP Monitoring Format-II (Statement of subsidy 'adjusted' in the month) to the concerned ABDOs in duplicate – one copy of which will be retained in the Block Office and the other sent to the DRDA every month without fail (before 10th). These will serve as additional tools for monitoring and for purposes of cross-check. In other words, the figures of "loans disbursed / Assets created" and Subsidy utilized" - furnished by the ABDOs/P.Os – should tally with the Formats-I and Formats-II collected and available in the Block office / DRDA. The models of Formats I & II may be sent at Annexure-VII.

VIII. Back-end subsidy

1. This system is in vogue since 1.1.1996 and was introduced to prevent instance of subversion of IRDP which were on the increase. While on paper, the full project cost (credit + subsidy) was shown as disbursed to the beneficiary, in actuality only the subsidy portion was disbursed; the credit component was kept in a suspense account for about a month and then transferred to the beneficiary's IRDP loan account for closing the same. This premature repayment enabled bankers to show 'cent per cent recovery' but it defeated the very purpose of the IRDP.

2. Whereas earlier, the subsidy was adjusted at the beginning i.e. at the time of disbursement of the loan, under the system of back-end subsidy, the subsidy will be deposited in the name of the beneficiary in the participating field branch, with the stipulation that the money so deposited will be adjusted towards the last few instalments of repayment. Premature repayment will not be permitted. (Minimum repayment period is now 5 years) and NABARD has prescribed a model "lock-in period" as shown below. Borrowers will not be entitled to subsidy if the loan is fully repaid before the lock-in period. In case of repayment after the lock-in period but before the currency of the loan, the borrower will be entitled to subsidy on a pro-rata basis only.

System of Back-end subsidy – Stipulation of Lock-in period (Model)

FULL PROJECT COST AS BANK LOAN Rs.10,000/- subsidy Rs.5,000/-

Loan Repayment Period (A)	Lock-in period (in years) (B)	With maintenance of asset in good condition and regular repayment of loan instalments		With regular repayment after (B) but before the expiry of (A)	Eligible amount of pro-rata subsidy for adjustment (Rs.)
(1)	(2)	(3)	(4)	(5)	(6)
1. 5 years	3 Years	First Year and Second Year	Nil	3 rd Year 4 th Year 5 th Year	3000 4000 5000
II. 7 Years	4 Years	First Year to Third Year	Nil	4 th Year 5 th Year 6 th Year 7 th Year	4/7x5000=2857 5/7x5000=3571 6/7x5000=4286 7/7x5000=5000
III. 10 Years	5 Years	First Year to Fourth Year	Nil	5 th Year 6 th Year 7 th Year 8 th Year 9 th Year 10 th Year	5/10x5000=2500 6/10x5000=3000 7/10x5000=3500 8/10x5000=4000 9/10x5000=4500 10/10x5000=5000

3. The benefit of the subsidy would be contingent upon the regular repayment of loan and good maintenance of assets. In case of any malpractice, the subsidy would be forfeited after giving due opportunity to the beneficiary.

4. The subsidy released by DRDA would be kept in what is called a SUBSIDY RESERVE FUND ACCOUNT (SRFA) – IRDP borrower wise. Whereas earlier, the field Branch Manager used to debit DRDA's Nodal branch account and credit the IRDP beneficiary's Loan accounts, under the new system, the field Branch Manager will debit DRDA's Nodal branch account and credit the Subsidy Reserve Fund Account in respect of the specified borrowers. No separate receipt will be issued to IRDP borrowers for the subsidy portion credited in SRFA.

5. The subsidy kept in SRFA would be transferred to the beneficiary's Loan account, at the time of closure of Loan account, or to meet the last few instalments of the Loan account.

6. For the purpose of charging interest on the loan, the subsidy amount would be excluded and interest would be charged only on the loan portion.

7. In the event of death of an IRDP borrower before the lock-in period, if the legal heirs repay the loan, the amount of subsidy may be adjusted towards the loan liability. In case the legal heirs opt to take over the loan liability and implement the scheme, the existing procedure should be continued.

8. In case the advance is required to be recalled before the lock-in period, Branches could adjust the subsidy amount to the Loan account, subject to the condition that excess amount, if any, received from the borrower would have to be repaid to the DRDA.

IX. Bank – wise review meeting with R.Ms / D.Ms.

Apart from the monthly DCC review, Collectors and Project Officers should necessarily hold a joint review, along with the Regional Manager / Divisional Manager of each of the main Banks in the district, of the ABDOs and the Branch Managers of the concerned Bank in the district. (Only the district level co-ordinators of each Bank attend the DCC review meetings and so a Branch-wise review is not possible). Holding such a joint meeting with RM / DM and the Branch Managers is the best way to sort out the various inter-agency problems and is guaranteed to show excellent results. This review should be done at least twice a year for each Bank, preferably in August – September (i.e. soon after the applications are sent to banks so as to expedite loan sanctions) and again in January – February (i.e., before the conclusion of the financial year so as to expedite loan disbursements and creation of assets).

X. Conducting Recovery Camps on a regular basis

1. Collectors / P.Os of DRDA should also ensure the ABDOs and their subordinate officers cooperate with bankers by attending **Recovery Camps** at least once a week, preferably on Wednesday (which is usually the non-banking day for most banks). This must be made compulsory. Participation of the ABDO and others in such Recovery Camps will improve their rapport with the Bankers and these visits can also be used to sort out the various inter-agency problems in the implementation of the Programme. The services of elected representatives like the Village Panchayat Presidents may also be availed in the Recovery Camps.

2. For this purpose, an advance programme for a quarter should be drawn up by each ABDO earmarking one Wednesday for each Bank branch in the Block. (This will cover about 12 Banks in a quarter). Project Officers should monitor whether all ABDOs have drawn up such an advance programme and whether they are adhering to it. This should be one of the items to be reviewed in the course of the monthly Development Staff Meetings. Collectors and others are requested not to call ABDOs and others for meeting on the days earmarked for the conduct of recovery camps.

XI. Claiming of 2nd instalment of IRDP funds from GOI by DRDAs

The funds under IRDP are released by GOI in two instalments. Normally the 1st instalment is released by GOI at the beginning of the financial year without any claim from the DRDAs if the 2nd instalment of the previous year had been released without any condition. If this instalment was not released at all or was released with some conditions, formal claim of the P.O. DRDA for getting the release of 1st instalment is required after fulfilling such of these conditions prescribed.

The 2nd instalment claims should be preferred by all DRDAs in respect of IRDP before 30th of September after utilizing 60% of the available funds (i.e. Opening Balance as on 1st April + Funds released by the Central and the State). Before this, the audit of IRDP of the previous financial year should have been done and Collectors should ensure that this item of work is completed during May – June itself. Not doing the audit in time is one of the common reasons for delays in preferring the 2nd instalment claim. Collectors are requested to go through the audit report carefully even at the draft stage and see if there are any adverse comments. Wherever possible, they should try to rectify the defects before the audit report is finalized.

The common defects that one should look out for are:

- (a) The opening balance as on 1st April and the closing balance as on 31st March as per the audit report for the previous financial year do not tally with the corresponding figures as per the periodicals sent to Government of India and with the figures furnished in the Utilisation Certificate.
- (b) There is diversion of funds to or from some other scheme. (In such cases, the diversions should be made good immediately and an explanatory note furnished.)

(c) Utilisation Certificate not furnished in the prescribed format.

While submitting 2nd instalment claims, the P.Os of DRDA must bear the following points in mind:-

1. The opening balance of the DRDA as on 1st April should not exceed 25% of the allocation of the year in which funds are being released. (In case, the opening balance exceeds this limit the Central share of the amount by which it exceeds this limit will be deducted at the time of release of 2nd instalment.)
2. Expenses on administration should be within the applicable ceiling of 10%, 12.5%, 15%, as the case may be, of the annual allocation under IRDP. (In case the expenditure on administration during the previous financial year exceeds the permissible limit, the Central share of the amount by which it exceeds the limit, will be deducted at the time of release of 2nd instalment. One-time capital investment on installation of computer and telex would not form a part of administrative cost for the purpose of such deductions.)
3. Annual Plan should have been approved by the Governing Body of the DRDA.
4. The half-yearly target of 40% of the annual allocation should have been achieved as on 30th September; otherwise the DRDA may suffer a 'cut' in the release of the 2nd instalment. (Note:- If 60% of the available funds i.e., (OB + funds released) is spent by 30th September – which is the prerequisite for submission of the 2nd instalment claim – then this condition will stand fulfilled automatically.)

While submitting the 2nd instalment proposals, the following certificates should be furnished:

1. Certified that the reconciliation of bank accounts has been made upto date.
2. Certified that the Assets Register has been maintained upto date.
3. Certified that no advance has been shown as expenditure.
4. Certified that all conditions laid down in guidelines are being fulfilled and all other conditions imposed from time to time are being complied with.
5. Certified that no major irregularities such as embezzlement, diversion of funds etc. have been noticed in the audit report for the year 1997-98 in respect of DRDA under IRDP.
6. Certified that necessary action has been initiated to rectify the defects pointed out in the audit report for the year 1996-97 and earlier years and compliance would be sent to the Ministry shortly.
7. Certified that all the funds under the scheme have been kept in thre savings bank account and that no funds have been withdrawn from savings bank account and deposited in the Treasury temporarily.

XII. Family Credit Plan

The aim of the Family Credit Plan is to ensure higher investment for a beneficiary family under IRDP to enable the family to cross the poverty line. The banks are required to provide simultaneous multiple assets to more than one member of the selected family so as to enable it to generate sufficient incremental income to cross the poverty line. An average level of investment for a family of the order of Rs.20,000/- to Rs.25,000/- would be appropriate. For the present, the loans would be treated as individual loans for each member of family.

The subsidy to be given to more than one member of the family is subject to the overall subsidy limits prescribed under the IRDP namely Rs.4000/-, Rs.5000/- and Rs.6000/- for various categories. The admissible subsidy may be adjusted amongst different beneficiaries of the same family in preparation of the loan.

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Necessary Action Plan has to be prepared under this scheme so as to cover a minimum of 500 families per year in each district.

The Family Credit Plan is being implemented in the following 20 districts in Tamil Nadu.

- | | |
|-------------------|--------------------|
| 1. Kancheepuram | 11. Tiruchirapalli |
| 2. Dharmapuri | 12. Tirunelveli |
| 3. Dindigul | 13. Madurai |
| 4. Kanniyakumari | 14. Nagapattinam |
| 5. Erode | 15. Villupuram |
| 6. Pudukottai | 16. Virudhunagar |
| 7. Ramanathapuram | 17. Sivagangai |
| 8. Salem | 18. Tuticorin |
| 9. Cuddalore | 19. Nillgiris |
| 10. Thanjanur | 20. Theni |

XIII. Group Loading under IRDP

The target group for group loans is Below Poverty Line (BPL) families. The number of borrowers in a group may vary from 5 to 15. The group will be formed voluntarily by the borrowers. Upto 25% of the total allocation under IRDP can be utilized for group loaning. Subsidy would be disbursed through the back-ending mechanism and should not exceed 50% of the project cost or Rs.1.25 lakhs whichever is less.

The group selected may form a Society under the Registration of Societies Act or a Co-operative Society of a Registered Company or a Partnership. However, it would be preferable to have partnerships formed by the borrowers to simplify the procedures. The Article of Association of the Society / Company / Partnership should specifically indicate that each and every member thereof belongs to a BPL family.

NGOs may also be allowed to help in the formation of groups.

XIV. Cash disbursement scheme

This scheme, which was tried out as an experimental measure in 50 Blocks, has been extended to all the Blocks in the country as per the GOI Lr.No.1.12011/16/96/IRD-Credit dated 19.2.97

If the asset is of a standard type, make or brand-name marketed by reputed suppliers, the beneficiary should have the freedom to select the product which he wishes to buy. The bank can either open a savings bank account in the name of the borrower or may give him the amount in cash. The borrower should subsequently furnish to the bank a receipt of the item purchased.

In the case of IRDP beneficiaries under ISB sector, when a number of sundry items are to be bought, disbursement upto Rs.5000/- should be made in cash. This can be done either in one lumpsum or in stages depending upon the items to be purchased. The beneficiary will get the requisite freedom to negotiate and settle the price for the assets and will also get the satisfaction that he has purchased goods of his own choice. The beneficiary need not produce cash memo, invoices, vouchers etc. to the bank. A utilization certificate given by him should suffice. However, a follow-up visit by the bank field staff within one month would be necessary.

Regarding the purchase of animals, the present Purchase Committees should be dispensed with and the beneficiary should be allowed on his own to select an animal of his choice and make payment to the supplier against cash receipt. However, the acquisition of animal by the beneficiary should be verified by the field staff of the bank within one month of disbursement.

XV. Programme Infrastructure under IRDP

Upto 20% of allocation under IRDP can be utilized for infrastructure development under IRDP. Proposals for investment upto Rs.10.00 lakhs in each case can be approved by the DRDA. Proposals for investment upto Rs.25 lakhs in each case will be approved by the Secretary to Government, Rural Development Department. Proposals exceeding Rs.25 lakhs have to be placed before the State Level Co-ordination Committee (SLCC) for its approval.

XVI. Governing Body of DRDA.

As per orders issued in Government Lr.No.121315/IRD-I/97-3, Rural Development Department, dt. 22.09.97, the constitution of Governing Body of DRDA will be as under:-

Chairman	:	District Collector
Member Secretary	:	Project Officer, District Rural Development Agency.

Members

Non-officials :

1. All M.P.s, M.L.A.s and M.L.C.s of the District
2. Chairman, District Panchayat.
3. 1/3 of Panchayat Union Chair persons to be nominated by the District Collector by rotation in alphabetical order for a tenure of one year (One of whom must belong to SC/ST and another a women)
4. 5 Village Panchayat Presidents to be nominated by District Collectors by rotation from Panchayats in the descending order of population for a tenure of one year (one of whom must belong to SC/ST and another a woman).
5. One Women worker / organizer with actual experience of organizing rural poor (to be nominated by the District Collector).
6. Two representatives of the Weaker sections, one of whom may be drawn from Schedule Castes and Scheduled Tribes preferably beneficiaries of the programmes (to be nominated by the District Collector).
7. One representative of rural women preferably a beneficiary of the programmes (to be nominated by the District Collector).
8. A member belonging to minority community (to be nominated by the District Collector).

Bankers:

9. District Lead Bank Officer.
10. District Co-ordinator of the Regional Rural Bank.
11. NABARD representative at District Level.
12. Two Regional Managers / Divisional Managers of major Commercial Banks in the district to be nominated by the District Collector by rotation for a tenure of one year.
13. Chairman / Special Officer of the District Co-Operative central Bank.

Officers:

14. Executive Engineer (PWD) of the District.
15. Divisional Engineer (Highways & Rural Works) of the District.
16. Executive Engineer (Agricultural Engineering) of the District.

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17. Executive Engineer (RWS-TWAD) of the District
18. General Manager, DIC of the District.
19. District Manager, TAHDCO
20. District Social Welfare Officer
21. Joint Director (IFAD)
22. Project Officer, ITDP in the District.
23. Deputy Registrar (Dairying) of the District.
24. One Principal of Local ITI or Polytechnic to be nominated by the District Collector.
25. One Head of a reputed Private TRYSEM Training Institution (or) one of renowned master Craftsman to be nominated by the District Collector.
26. One nominee of Ministry of Rural Areas and Employment.
27. One representative of Directorate of Rural Development to be nominated by Director of Rural Development.

The Governing Body of DRDA should meet once in a quarter. The Annual Action Plan of the district under IRDP and all other centrally sponsored schemes must be placed before the Governing Body for approval / ratification.

XVII. Calendar of Events

The summary of various time schedules for the implementation of IRDP is given below:

- | | | |
|--|--------|----------------------------|
| 1. Communication of physical and financial targets to Village Panchayats and Blocks. | before | 15 th April |
| 2. Selection of IRDP beneficiaries | -do- | 15 th May. |
| 3. Preparation of IRDP Banking Plan | -do- | 31 st May |
| 4. Completion of DRDA audit for IRDP for the previous financial year. | -do- | 30 th June |
| 5. Forwarding of applications to Banks. | -do- | 30 th June |
| 6. Sanction of loans and claiming of subsidy | -do- | 30 th September |
| 7. Submission of 2 nd instalment claims to DRD's office | -do- | 30 th September |
| 8. Completion of release of subsidy | -do- | 30 th November |
| 9. Completion of Assets creation | -do- | 31 st March |

References:

1. IRDP Manual of Government of India, 1991
2. G.O.Ms.No.75 RD (C.I) Dept. dt. 14.3.97.
3. DRD's Circular No.74549/96/JVVT dt.31.03.97
4. DRD's Circular Rc.27263/.97/IRDP-1 dt. 28.5.97
5. DRD's Circular No.20005/98/IRDP-1/dated 3.3.98.

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Sl. No.	Task Name	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
1	Preparation & approval of annual action plan & Banking plan		■												
2	Communication of physical & Financial targets to village panchayats & Banks		■												
3	Selection of beneficiaries		■	■											
4	Forwarding of application to Bank		■	■	■										
5	Preparation of audit report			■	■	■									
6	Sanction of loans & claiming of subsidy			■	■	■	■	■	■						
7	Submission of 2nd Instalment claims to DRD's office							■							
8.	Subsidy release			■	■	■	■	■	■	■	■				
9	Asset creation			■	■	■	■	■	■	■	■	■	■	■	■

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ANNEXURE - I
 PROFORMA FOR ALLOCATING I.R.D.P. FINANCIAL & PHYSICAL TARGETS AMONG VILLAGE PANCHAYATS (BLOCK-WISE)

NAME OF THE DISTRICT:
 NAME OF THE BLOCK:

Sl. No.	Name of the Village Panchayat	Financial target (Subsidy)	Physical target	Total number of beneficiaries to be selected (130% of Col.(4))	Number of beneficiaries to be selected category-wise						Remarks
					SC / ST		Others		Physically handicapped persons	TRYSEM trained persons	
1	2	3	4	5	6	7	8	9	10	11	12

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**PROJECT OFFICER
 DISTRICT RURAL DEVELOPMENT AGENCY**

ANNEXURE – II

PROFORMA FOR FURNISHING THE LIST OF BENEFICIARIES SELECTED UNDER I.R.D.P. BY THE TASK FORCE COMMITTEE.

DISTRICT: **BLOCK:** **VILLAGE PANCHAYAT:**

- | | | |
|----|--|----|
| 1 | Name of elected members in the Village Panchayat (including the President) | .. |
| 2 | a) Physical target under IRDP | .. |
| | b) 30% for reserve list | .. |
| | c) Total Number of beneficiaries to be selected. | .. |
| 3) | Number of beneficiaries to be selected category-wise. | .. |
| | (i) SC/STs | .. |
| | (a) Women | .. |
| | (b) Men | .. |
| | (ii) Others | .. |
| | (a) Women | .. |
| | (b) Men | .. |
| | (iii) Physically Handicapped persons | .. |
| | (iv) TRYSEM trained persons | .. |

4 Name of beneficiaries selected Specify category (SF/MF/LAL/NAL/RA)
 Whether the beneficiary is below the poverty line (BPL) (Rs.11,000 per annum) (Yes / No.)

(i) SC/ST

(a) Women

- 1.
- 2.
- 3.
- etc.

(b) Men

- 1.
- 2.
- 3.
- etc.

(ii) Others

(a) Women

- 1.
- 2.
- 3.
- etc.

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(b) Men

- 1.
- 2.
- 3.
- etc.

(iii) Physically handicapped persons

- 1.
- 2.
- etc.

(iv) TRYSEM trained persons

- 1.
- 2.
- etc

1. Certified that the beneficiaries have been selected conforming to the norms and in the presence of the Grama Sabha.
2. Certified that the beneficiaries selected are below the poverty line.
3. Certified that the beneficiaries selected are the residents of this Panchayat.

Signature of Village
Panchayat President

Signature of Branch
Manager or his nominee

Signature of the
Village Panchayat
Members present

Signature of ABDO
or his nominee.

ANNEXURE III
ILLUSTRATIVE LIST OF ACTIVITIES UNDER IRDP

I. Primary Sector

1. Seed production and marketing
2. Fruit nursery production
3. Training and pruning of fruit trees
4. Gardening and floriculture
5. Production of mushrooms
6. Fish culture in fresh water ponds and lakes
7. Fish seed production and rearing
8. Fish and prawn culture in brackish water areas
9. Fish and prawn seed collection
10. Honey processing
11. Cultivation of herbs and plants for medicinal purposes
12. Poultry
13. Piggery
14. Sheep and goat rearing
15. Agriculture
16. Minor irrigation scheme
17. Land purchase (subject to following conditions :-
 - a) *Land purchase under IRDP should be allowed only for landless families*
 - b) *Land should not be purchased from marginal farmers and SC/ST land holders.*
 - c) *The land to be purchased by beneficiary should be of his choice and negotiations with the landholders from whom the land is to be purchased will be done by him. The land should preferably have potential for irrigation.*
 - d) *The District Collector or officer authorised by him will verify the quality and reasonability of price of land being offered for sale.*
 - e) *The Tahsildar should certify that the land in question is not involved in land ceiling proceedings and land acquisition.)*

II. Secondary sector

1. Cottage Match
2. Manufacture of Fireworks
3. Manufacture of Agarbattis
4. Non edible oils and soap industry
5. Leather products industry
6. Village pottery industry
7. Ghani oil industry
8. Handmade paper
9. Manufacture of canegur and Khandasari
10. Palm gur making and other palm-based products
11. Manufacture of katha, gum resin and other products from forest productions.
12. Processing of cereals and pulses
13. Post-harvest handling of primary produce
14. Processing, preservation and canning of fruits and vegetables
15. Bakery and confectionery.
16. Processing of honey.
17. Handlooms
18. Handicrafts
19. Khadi (Cotton, Woolen and Silk)
20. Coir products

21. Flaying, curing and tanning of hides and skins
22. Silk spinning & Weaving
23. Lime stone, lime shell and other Lime products industry
24. Manufacture of household utensils and Aluminium
25. Manufacture of household articles made of wood and iron
26. Manufacture of shell
27. Manufacture of Lokvastra Cloth
28. Manufacture of Polyvastra
29. Bamboo and cane industry
30. Sericulture.

III. Tertiary Activities – supportive of

(a) Agriculture

1. Supply of inputs like seeds, fertilizers, pesticides etc.
2. Supply, repair and maintenance of agriculture and irrigation equipments
3. Digging of wells and boring of tube wells.
4. Integrated pest control managements on custom service basis.
5. Laying and lining of irrigation channels and laying of irrigation pipes
6. Water management.
7. Collection, storage and marketing of agricultural and horticultural produce.

(If a farmer engages himself in an activity for his own sake, it will not be termed as a tertiary activity. It would be a primary sector activity)

(b) Animal Husbandry

1. Artificial insemination and veterinary services on customs basis.
2. Supply of fodder and feed
3. Supply of animals of improved breeds
4. Sale of milk and milk products
5. Collection, storage and marketing of eggs, meat, hides, skins and bones.

(c) Sericulture

1. Supply of silk worm eggs.
2. Collection, storage and marketing of forest products

(d) Forests

1. Supply of seeds, seedlings, plants and saplings.
2. Collection, storage and marketing of forest products

(e) Tertiary Activities: Fisheries

1. Supply of fingerling, feed etc.
2. Collection, storage marketing of fishes and fish products etc.
3. Supply and repairing of fishing nets.

(f) Village Industries

1. Supply of inputs for village industries
2. Collection, storage marketing of finished products.
3. Repair and maintenance of services relating to carpentry, blacksmiths etc.

4. Assembly line production, repair and maintenance of household machinery and gadgets, like T.V., radio, watches, electric appliances, cycle, motorized vehicles, stoves, sewing machines etc.
5. Installation, repair and maintenance of bio-gas plants.
6. Collection of cow-dungs and other raw materials for bio-gas plants.

(g) Construction

1. Construction, repair and maintenance of building.
2. Mason, plumbers, carpenters, blacksmiths, electrician etc.

(h) Transport

1. Animal –driven carts
2. Cycle – rickshaws
3. Hand – carts
4. Auto - rickshaws
5. Matador vans and tempos (on cooperative basis only)
6. Boats
7. Mechanised boats (on cooperative basis only)
8. Divers, conductors, cleaners and auto-mechanics

(i) Retail Trade

1. Any retail trade which involves annual sale turn-over not exceeding Rs.50,000/-
2. Small business with investment not more than Rs.10,000/-
3. Fair-price shops
4. Marketing entrepreneurs who take up agency work on behalf of products and artisans.

(j) Banking & insurance

1. Collection agents for banks
2. Rural career agents for life and general insurance.

(k) Entertainments and Miscellaneous.

1. Band Players.
2. Circulating libraries
3. Hiring of loud speakers
4. Gas bati wallahs

Note: The list is only illustrative, not exhaustive.

ANNEXURE – IV

APPLICATION-CUM-APPRAISAL FOR IRDP LOAN

IRDP Identification No.
(If given)

To
The Manager,
.....Bank,
..... (Place)

Dear Sir,

I /We the members of the same family, hereby apply for a loan of Rs.....
(Rs.....) for the following purposes and furnish below the necessary particulars:

Term Loan (indicate the purposes)	Amount Rs.
a.	
b.	
c.	
d.	

Total	-----

GENERAL INFORMATION

(a) Name of the applicant (s) (1)	Age (2)	Father's/Husband's Name (3)
--------------------------------------	------------	--------------------------------

- i)
- ii)
- iii)

(b) Residential Address
(Village/PO/Taluk/District)

(c) i. Name of the Head of the family:
ii. No.of members of the family
1. Adults
2. Minors

(iii) Present Annual Income of the family: Rs.

(d) Whether the applicant belongs to SC/ST:
(Please specify)

(e) Whether the applicant is a small farmer:
/Marginal farmer/Agri. Labourer/
Rural Artisans/others (Please specify)

(f) Whether the applicant or any of his family members has availed of any loan under IRDP earlier, if so furnish details.

Name of the Beneficiary borrower	Type of Investment	Amount of subsidy ReceivedRs.	Loan Amount Disbursed Rs.	Amount OutstandingRs
(1)	(2)	(3)	(4)	(5)
1.				
2.				

(g) Details of land holding, if any

Location	Survey No.	Area	Wet or dry	Owned / Leased
----------	------------	------	------------	----------------

(h) Particulars of equipment owned (as on date of application)

- Equipment
(Particulars / Description)
- a. Plough cattle
 - b. Dairy cattle
 - c. Oil Engines / Pumpsets / Elec. Motor etc.
 - d. Other (Please specify)

(i) Particulars of the existing liabilities if any, of the household (as on the date of the application)

Name of the Borrower	agency (Please specify)*	Amount Outstanding Rs.	Of which overdue(Rs.)	Purpose of Loan
(1)	(2)	(3)	(4)	(5)

*Primary Agricultural Credit Society / LDB / Government Loan (Taccavi)/ Commercial Bank/RRB/ Urban Bank/Other (Please specify)

I/We hereby declare that the particulars given above are true and correct to the best of my / our knowledge and belief. I/We also agree to the summary procedure for recovery prescribed under the State Recovery Act.

I nominate....., relationship, age..... years, as my nominee to receive the claim amount under the Group Life Insurance Scheme for IRDP beneficiaries, if the event of my death.

SIGNATURE(S) OF THE APPLICANT(S)

DATE:

IRDP

1. Certified that the name of this applicant is included in the list of beneficiaries selected by Task Force Committee at its meeting held on and his serial number in the list is.....
2. Certified that the household / applicant is identified as SF/MF/AL/Non-AL/RL (tick whichever is applicable)

I recommend that the applicant be sanctioned loan-cum-subsidy under IRDP

SIGNATURE OF THE PRESIDENT
..... VILLAGE PANCHAYAT

DATE:

COUNTERSIGNED:

SIGNATURE OF THE ABDO (Pts.)
..... PANCHAYAT UNION

DATE:

APPRAISAL

- (a) Date of receipt of application from DRDA/BDO :
- (b) Whether the proposed activity/activities is/are Technically feasible :
- (c) Whether backward and forward linkages are available :
- (d) Financial viability :

Type of Investment	Total Cost of the Scheme*	Expected income from the new investment		
		Gross	Expr. on Income maintenance etc. of the asset	Net Income
		Rs.	Rs.	Rs.
(1)	(2)	(3)	(4)	(5)

*Working capital component where applicable to be mentioned separately.

- (e) Expected Annual Expenses of the family : Rs.
- (f) Subsidy amount available for the investment :
 - i.
 - ii.
- (g) Loan amount (including working capital, whenever necessary) recommended :

Type of investment	Amount Rs.
--------------------	------------

- (h) Repayment schedule recommended :

To be paid in monthly/quarterly/half-yearly/yearly instalments commencing from and Rs..... per instalment with balance payment of Rs..... as the last instalment.

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i. Rate of interest

(i) Security :

- i. Primary :
- ii. Additional if any:

(k) Other terms and conditions :

i. Insurance (ii)

(l) Whether RBI/NABARD norms relating to :
rate of interest, unit cost, gestation period
repayment period etc., have been fully
complied with

SIGNATURE OF PROCESSING OFFICIAL

(m) Sanctioned as per the above terms :

SIGNATURE OF BRANCH MANAGER

DATE:-

**ANNEXURE VI
MODEL FORM FOR SUBSIDY AUTHORISATION ORDER TO BE ISSUED BY THE P.O., D.R.D.A.,**

Proceedings of the Project Officer, DRDA..... District
Present:

C.NO.

Date:

Sub: IRDP – 199 - 9 - District – Disbursement of Loans – Authorisation for release of subsidy – Order issued.

ORDER:

1.The Additional Block Development Officer, has submitted a proposal in Format III, in quadruplicate, for the release of IRDP subsidy in respect of the beneficiaries for whom loans have been sanctioned.

Sl. No.	Name of the participating Bank Branch	Number of Loans sanctioned	Amount of subsidy claimed	Nodal Bank	
				Name of the Branch	DRDA Account Number
(1)	(2)	(3)	(4)	(5)	(6)

2. The proposals of the Additional Block Development Officer have been duly scrutinized. The Branch Manager of the bank indicated in Col.(2) is hereby authorised to debit DRDA’s Nodal Branch Account (indicated in Cols. (5) & (6)) through the system of inter-branch debiting and crediting in respect of the beneficiaries and for the amounts indicated in Format III (a copy of which is enclosed). The debit advice should be raised on the Nodal branch only after the loans have been actually disbursed. The subsidy should be “back-ended” i.e. it should be credited to the Subsidy Reserve Fund Account in respect of the specified borrowers with the stipulation that the money so deposited will be adjusted towards the last few instalments of repayment.

3. A copy of this order (together with a copy of Format III) is being marked to the Manager of the Nodal branch. He is requested to ensure that the Nodal Branch account is debited (i) only after the loans are disbursed and (ii) only in respect of the beneficiaries and for the amounts indicated in Format III.

PROJECT OFFICER,
D.R.D.A.

To
The Branch Manager, (Participating Bank Branch) (along with a copy of Format III)
Copy to: The ABDO, (along with a copy of Format III)
Copy to: The Branch Manager, (Nodal Bank) (along with a copy of Format III)
Copy to: The Accounts Branch, DRDA.

