

RURAL DEVELOPMENT AND PANCHAYAT RAJ DEPARTMENT

POLICY NOTE

2008-2009

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1. INTRODUCTION

"My idea of Village Swaraj is that it is a complete republic, independent of its neighbours for its own wants and yet interdependent for many others in which dependence is necessary.....It should have a reserve for its cattle, recreation and playground for adults and children....The village will maintain a village theatre, school and public hall. It will have its own waterworks ensuring clean water supply. This can be done through controlled wells or tanks".

- Mahatma Gandhi

Mahatma Gandhi was a great votary of the principle of 'Gram Swaraj' or Village Self-Governance. It was largely under his influence that Article 40, which lays down that the State shall take steps to organise Village Panchayats and endow them with such powers and authority as may be necessary to enable them to function as units of self-Government, was included as one of the Directive Principles of State Policy of the Indian Constitution. Gandhiji's dream of a self-sufficient village is being translated into reality in Tamil Nadu under the dynamic leadership of Kalaignar M. Karunanidhi, the Honourable Chief Minister. Thanks to the Anaithu Grama Anna Marumalarchi Thittam (AGAMT), the flagship programme of the State Government, every Village Panchayat in Tamil Nadu will have its own library, playground, cement concrete streets, drinking water systems, streetlights, burial/cremation grounds and village ponds, among other amenities, by 2011. Even though Village Panchayats in Tamil Nadu have relatively better facilities and services than most other States, yet, improving these amenities further so as to bridge the urban-rural divide has been the main thrust of the Honourable Chief Minister.

The prosperity of Tamil Nadu, like that of India, depends on the development of rural areas. As per the 2001 Census, Tamil Nadu's rural population was 3.62 crores, amounting to 58% of the total population. Ariyalur (88.6%), Villupuram (85.5%), Dharmapuri (84.9%), Pudukottai (84.6%), Krishnagiri (84.3%), Perambalur (83.9%), Tiruvannamalai (82.1%), Tiruvarur (79.8%) and Nagapattinam (77.8%) districts are predominantly rural in character. At the same time, Kanniyakumari (34.6%), Coimbatore (38.3%), the Nilgiris (41.8%), Theni (45.9%) and Madurai (48.3%) districts are relatively urban in character with less than 50 % of their population living in rural areas.

The Rural Development and Panchayat Raj Department is responsible for the implementation of various Centrally sponsored, State-funded, and

Externally-aided schemes for poverty alleviation, employment generation, sanitation, capacity building, women's social and economic empowerment, Tsunami rehabilitation, apart from provision of basic amenities and services. The department is also entrusted with the responsibility of enabling the various Panchayat Raj Institutions (PRIs) to function as effective units of Local Self-Government. There are 12,618 Village Panchayats, 385 Panchayat Unions (co-terminous with Blocks) and 29 District Panchayats under the purview of the department. The Directorate of Rural Development and Panchayat Raj including the Training wing, the Tamil Nadu Corporation for Development of Women and the Tsunami Project Implementation Unit come under this Department. This Department also provides administrative support to the State Election Commission.

2. PANCHAYAT RAJ INSTITUTIONS

2.1 History Of Panchayat Raj Institutions

Tamil Nadu has a long history of local self-governance as is evident from the Uthiramerur stone inscriptions in Kancheepuram district. Tamil Nadu, in those days, was a land of village republics, with community groups undertaking many activities for their area development. This tradition reached its peak during the 10th and 11th centuries under the reign of Cholas when Village Councils used to levy taxes, improve community life and administer justice in their limited area. These Village Councils had effective links with the Chola rulers. "Kuda Olai Murai" was the name of the secret ballot method exercised to elect members to the Village Councils. With the downfall of Cholas, the State experienced a decline of the Village autonomy and rise of the centralized feudal administrative system. This continued till British rulers introduced local self-governance primarily as an administrative convenience for the imperial Government.

In the post independence era, the first enactment in democratic decentralization in the State was the Madras Village Panchayats Act, 1950. Pursuant to the White Paper on the "Reform of Local Administration" in 1957, the Madras Panchayats Act, 1958 and Madras District Development Council Act were enacted with the following salient features:

- a) A two-tier system of Village Panchayats and Panchayat Unions.
- b) Creation of Panchayat Unions co-terminus with the Community Development Blocks.
- c) Village Panchayat Presidents to become ex-officio members of the Panchayat Union Councils with the Chairperson of the Panchayat Union

Council directly/indirectly elected.

- d) Entrusting the Panchayat Unions and Village Panchayats with a large number of developmental and welfare functions.
- e) Abolition of District Boards.
- f) Creation of District Development Council as an advisory body.

This two-tier system operated very well till 1975 and elections were held regularly. Subsequently, the tenures of the Panchayat Unions and Village Panchayats were extended up to 1.2.1977 and 12.9.1979 respectively. Thereafter, Special Officers (Block Development Officer for all the Village Panchayats in a Block and Divisional Development Officer for all the Panchayat Unions in a Division) managed the rural Local Bodies till the next elections in 1986. The elected rural Local Bodies continued in office till March 1991. Again, no elections were held till October 1996 and the Special Officers managed the rural Local Bodies.

2.2 Constitution (73rd Amendment) Act, 1992.

Though the Panchayat Raj Institutions were in existence in various forms in various States, these institutions did not acquire the status and dignity of viable and responsive people's bodies due to a number of reasons including absence of regular elections, prolonged supersession, insufficient representation of weaker sections like Scheduled Castes, Scheduled Tribes and Women, inadequate devolution of powers and lack of financial resources. In the light of the experience gained and the short-comings that had been observed, the 73rd amendment of the Constitution was enacted in 1992, to enshrine in the Constitution certain basic and essential features of Panchayat Raj Institutions to impart certainty, continuity and strength to them. A number of fundamental changes were brought about in the Panchayat Raj System by virtue of this Act. Pursuant to this, the Tamil Nadu Panchayats Act 1994 was enacted and it came into force with effect from 22.04.1994.

Some of the important changes brought about by the 73rd Amendment to the Constitution and the Tamil Nadu Panchayats Act 1994 are listed below:

- a) Introduction of a three tier system – at the Village, Intermediate (Block) and District levels. [There are 12,618 Village Panchayats, 385 Panchayat Unions (coterminous with Blocks) and 29 District Panchayats in Tamil Nadu].
- b) Mandatory conduct of Local Body elections every five years and conduct of elections before the expiry of the duration of the Local Body or

before the expiry of a period of 6 months from the date of its dissolution.

- c) Introduction of reservation of seats (i.e. ward members) and offices (i.e. Chairpersons/Presidents) for Scheduled Castes/Scheduled Tribes in proportion to their population in every Local Body with provision for rotation of the reserved seats and offices.
- d) Introduction of reservation of one third of total number of seats and offices for women with provision for rotation.
- e) Constitution of a State Election Commission as an independent body to conduct elections to both rural and urban Local Bodies regularly.
- f) Establishment of a quinquennial State Finance Commission to recommend devolution of resources from the State Government to the rural and urban Local Bodies.
- g) Constitution of a District Planning Committee to consolidate the plans prepared by the rural and urban Local Bodies in the district with a view to prepare a comprehensive development plan for the district.
- h) Introduction of the concept of 'Grama Sabha' comprising all registered voters in a Village Panchayat.

2.2.1 Tamil Nadu's stand on the 73rd

Constitutional Amendment:

The Government of Tamil Nadu has had reservations regarding certain aspects of the 73rd Constitutional amendment and our experience of working under the new system for the past 12 years has only confirmed the same. The system prevailing under the old Tamil Nadu Panchayats Act of 1958 wherein the Presidents of Village Panchayats were ex-officio members of the Panchayat Union Council at the Block level ensured organic linkage between the two tiers. Hence, the name 'Panchayat Union' and it genuinely functioned as a 'union' of Village Panchayats. Since the Village Panchayat Presidents themselves 'doubled up' as ex-officio members of the Panchayat Union Council, there were no separate ward members for the Council. Having separate ward members for Panchayat Unions (6,570 for the State as a whole) and District Panchayats (656) has vastly increased the number of 'members' and has paved the way for inter-tier friction and disharmony. Although Article 243 C (3) of the Constitution states that a State may, by law, provide for the representation of Village Panchayat Presidents on the Panchayat Union Council and Panchayat Union Chairpersons on the District Panchayat, this arrangement is not satisfactory because it can render

the Panchayat Union Councils and District Panchayats too unwieldy with too many members and can create disharmony between the two distinct power blocs within each Council. Hence, Tamil Nadu has not invoked Article 243 C (3). The lack of organic linkages between the three tiers results in a scenario where each tier is unaware of what the other two tiers are doing. It often leads to duplication in the selection of works and avoidable paperwork and loss of time in reworking the choices. Tamil Nadu has been pressing for the reversion to the 1958 model where the Presidents of Village Panchayats were ex-officio members of the Panchayat Union Council at the Block level.

Under the 1958 Act, the Chairpersons of the Panchayat Union Council could be either directly or indirectly elected. Most of the time, Tamil Nadu had direct elections for the posts of Chairpersons of Panchayat Unions and this arrangement was found to be working well as the Chairperson commanded respect and there was no scope for vexatious no-confidence motions. But after the 73rd amendment, the Constitution itself stipulates that Chairpersons of Panchayat Unions and District Panchayats should be elected indirectly. Only in the case of elections of Village Panchayat Presidents, the States have the freedom to opt for either direct election or indirect election. The State Government has been pressing that the States should have similar freedom in respect of elections of Chairpersons of Panchayat Unions and District Panchayats.

The Government of Tamil Nadu have, for long held the view that there should have been a single consolidated Amendment to the Constitution covering both rural and urban Local Bodies instead of two Amendments – one covering rural Local Bodies (73rd) and the other urban Local Bodies (74th). This 'compartmentalization' has resulted in a scenario whereby the District Panchayat – instead of being a nodal body responsible for coordinating and monitoring all the rural and urban Local Bodies in the district – finds that its jurisdiction is confined only to the rural areas. In a State like Tamil Nadu with about 42% urban population, and with several highly urbanised districts such as Kanniyakumari (66%), Coimbatore (62%), The Nilgiris (58%), Theni (54%) and Madurai (52%), the argument that the District Panchayat should become a nodal body responsible for coordinating and monitoring the development activities *in the entire district* becomes weak. A system whereby all the Chairpersons of Panchayat Unions, Municipalities and Town Panchayats are ex-officio members of the District Panchayats, with the Chairman of the District Panchayat being either directly or indirectly elected would have been more meaningful and credible. This weakness has been sought to be overcome through the District Planning Committee which has members drawn from both rural and urban Local Bodies, but its composition is flawed because there is no representation for Panchayat Union and Village Panchayat members on it.

A mention was made in His Excellency the Governor's Address in the Tamil Nadu Legislative Assembly in 2006 that the Tamil Nadu would press for the amendment of the Constitution seeking a two tier system of Panchayats and the abolition of District Panchayats. Tamil Nadu did have powerful elected District Boards till they were abolished in 1961. In their place, the District Development Council, an advisory-cum-planning body, comprising all the MPs, MLAs, Chairpersons of Panchayat Unions, Town Panchayats, Municipalities and Corporations in the district with the District Collector as Chairman were set up. The Government of Tamil Nadu believes that Village Panchayats and Panchayat Unions are the two tiers closest to the people, qualifying for the appellation 'local' and represent the 'cutting edge' of Local Self-Government. These two tiers need to be strong and vibrant and strengthened further. This Government is of the opinion that the reasons which led to the abolition of the old District Boards are still valid and applicable to the third tier of District Panchayat, which at present has only an advisory-cum-planning role. At the same time, this Government is aware that other States may have different views on this topic based on their own past legacy. For example, some States want Village and District Panchayats but do not want the intermediate tier (Block or Taluk Panchayat). But there is a general consensus that there is one tier too many under the present system.

It may be noted that with regard to the States, the Legislative Assembly is mandatory while the Legislative Council is optional as per the Constitution. Similarly, in order to accommodate divergent needs, the Constitution may be so amended so as to make the Village Panchayats mandatory for all the States and leaving it to the discretion of the concerned State Legislatures whether to have the intermediate Panchayats only or District Panchayats only or both. The State Government would press for such amendment to the Constitution.

2.3 PANCHAYAT ELECTIONS

2.3.1 Conduct of 2006 Local Body Elections

Though the Tamil Nadu Panchayats Act was enacted in April 1994, only after the change of Government in May 1996, the first ordinary elections were held to all the rural and urban Local Bodies in October 1996. The second ordinary elections to the Local Bodies were conducted during October 2001. The third ordinary elections to the Local Bodies were conducted in October 2006.

Table 1 furnishes the number of seats and offices in the three tiers of Panchayats for which the elections in October 2006 were held.

Table-1

**Details of seats and offices in
Rural Local Bodies**

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

2.3.2 Reservation of Seats and Offices and Rotation

Article 243 D of the Constitution relates to reservation and rotation of seats for Scheduled Castes, Scheduled Tribes and Women in rural Local Bodies. The relevant provisions of Tamil Nadu Panchayats Act, 1994 are Sections 11, 20, 32 & 57. These are supplemented by the Tamil Nadu Panchayats (Reservation of Seats and Rotation of Reserved Seats) Rules, 1995. The Rules provide for the reservation of seats by adopting a list of wards or Panchayats arranged in the descending order of the percentage of SCs, STs and Women and applying a 'cut off' at the point where the number of reserved seats and offices is equal to the prescribed ratio. The periodicity of rotation is also fixed under the Rules. The Government amended Rule 7 of the Tamil Nadu Panchayats (Reservation of Seats and Rotation of Reserved Seats) Rules, 1995 vide G.O.Ms. No. 105, RD & PR (C4) Department, dated 1.9.2006 by virtue of which the posts of Presidents of Village Panchayats and Chairpersons of Panchayat Unions and District Panchayats reserved for SCs, STs and Women were rotated - after 10 years - for the October 2006 elections. While the posts of ward members of all the 3 tiers reserved for Women were rotated - after 10 years - those reserved for SCs and STs were not rotated; in other words, they would continue to be reserved as such until the Government direct otherwise.

However, the Government took a conscious decision not to rotate the posts of Presidents of Pappapatti, Keeripatti and Nattarmangalam Village Panchayats in Madurai district and Kottakachiyendal Village Panchayat in Virudhunagar district reserved for SCs where elections could not take place for a prolonged period due to local opposition to reservation. This Government solved, what appeared to be an intractable problem, by successfully conducting elections to the posts of Presidents and ward members in all the four Panchayats during the ordinary elections held in October 2006. It is gratifying to note that the various communities of these Panchayats have overcome their past differences

and have wholeheartedly accepted the newly elected Scheduled Caste Presidents.

Table 2 shows the details of reservation of seats and offices to Women, Scheduled Castes and Scheduled Tribes in rural Local Bodies:

Table- 2
Reservation of Offices and Seats for Women, SCs and STs

Sl. No	Category of Reservation	Total no. of offices/ seats	Reserved for Women		Reserved for SCs		Reserved for STs	
			No.	%	No.	%	No.	%
1	District Panchay at Chair persons	29	10	34%	7	24%	0	0%
2	Panchay at Union Council Chair persons	385	140	36%	87	23%	4	1%
3	Village Panchay at Presidents	12,618	4,275	34%	3,143	25%	156	1%
4	District Panchay at Ward Members	656	226	34%	154	23%	8	1%
5	Panchay at Union Ward Members	6,570	2,302	35%	1,534	23%	64	1%
6	Village Panchay at Ward Members	97,458	32,638	33%	24,630	25%	983	1%

2.4 DEVOLUTION OF POWERS

Local Government is a State subject figuring as item 5 in List II of the Seventh Schedule to the Constitution of India. Article 243 G of the Indian Constitution enshrines the basic principle for devolution of power to the rural Local Bodies. As per this article, subject to the provisions of this Constitution, the Legislature of a State may, by law, endow the Panchayats with such powers and authority as may be necessary to enable them to function as institutions of self-Government and such law may contain provisions for the devolution of powers and responsibilities upon Panchayats at the appropriate level, subject to such conditions as may be specified therein, with respect

to the preparation of plans for economic development and social justice; the implementation of schemes for economic development and social justice as may be entrusted to them including those in relation to the 29 matters listed in the Eleventh Schedule.

The Government of Tamil Nadu is committed to ensuring that the Panchayat Raj Institutions function as effective institutions of Local Self-Government. In 1996, soon after the conclusion of the first ordinary elections to the three tiers of Panchayats, the Government constituted the First High Level Committee under the Chairmanship of Thiru L.C. Jain, the then full-time Member of the State Planning Commission to give recommendations on the entrustment of powers and functions to the three tiers of Panchayats. The Committee submitted its report to the Government in April, 1997.

Many of the recommendations of the L.C. Jain Committee have been crystallized into action towards empowering the Panchayats. Apart from the Rural Development Department, other departments such as Agriculture, Animal Husbandry, Forests, Social Welfare, Revenue, Khadi and Village Industries, Education, Health and Family Welfare, Adi-Dravidar Welfare, Co-operation, Food and Consumer Protection, have issued Government Orders for devolution of powers and functions in their respective spheres to the three tiers of Panchayats.

Again, the Government in G.O. Ms. No. 320, Rural Development (C1) Department, dated 11.11.1997 constituted the Second High Level Committee under the Chairmanship of Thiru.Ko.Si.Mani, the then Hon'ble Minister for Rural Development and Local Administration with experienced persons including sitting MLAs of various political parties as members of the Committee to recommend more devolution of powers and functions to the Panchayats. This High Level Committee submitted its report on 11.1.1999 with 1209 recommendations to the Government. The Government accepted 718 recommendations and issued orders for their implementation.

This Government, in continuance of its commitment to devolve greater powers and responsibilities to rural and urban Local Bodies, constituted the Third High Level Committee under the Chairmanship of the Hon'ble Minister for Rural Development and Local Administration, Thiru. M.K. Stalin vide G.O.Ms No.6 RD & PR (C1) Department, dated 22.1.2007 and with select District Panchayat Chairpersons, Panchayat Union Chairpersons and Village Panchayat Presidents besides certain subject experts as members. The Committee was required to study the duties, functions and powers already entrusted to the rural and urban Local Bodies and make recommendations for further devolution of the same in order to make them more effective.

2.4.1 High Level Committee under the M.K.Stalin

Chairmanship of Thiru

The Third High Level Committee decided to get the views of as many stakeholders as possible before formulating its recommendations. In this context, the following strategies were adopted:

(i) Conduct of State Level Conference: A State Level Conference of Chairpersons of District Panchayats and Panchayat Unions, besides the urban Local Bodies was held in the presence of the Hon'ble Chief Minister on 18.03.2007 at Chennai. A total of 27 District Panchayat Chairpersons and 363 Panchayat Union Chairpersons, besides the heads of urban Local Bodies participated in the Conference. Various issues pertaining to effective functioning of Local Bodies were deliberated upon and discussions held in this Conference.

(ii) Conduct of Regional Conferences of all Village Panchayat Presidents: Despite the very large number of Village Panchayats (12,618) in Tamil Nadu, recognising the fact that Village Panchayats represented the tier that performs some of the most important functions - the Hon'ble Minister for Rural Development and Local Administration, Thiru. M.K. Stalin, convened Regional Conferences of all Village Panchayat Presidents at Erode (24.07.2007), Tiruchirapalli (25.07.2007), Tiruvannamalai (03.08.2007) and Virudhunagar (23.08.2007) to ascertain their views on devolution and the difficulties, if any, in their functioning. 11,984 Village Panchayats Presidents out of a total of 12,618 Presidents in Tamil Nadu participated in these Regional Conferences and made 47,108 recommendations.

(iii) Internal meetings were held to deliberate on various issues brought forth to the Committee through various forums, including the State Level and Regional Conferences of Local Body representatives.

(iv) Meetings were also held by the Chairman of the High Level Committee with Secretaries and Heads of Departments of various departments to deliberate upon devolution of further powers of rural Local Bodies on 11.10.2007 and 12.10.2007.

The Committee presented its report to the Hon'ble Chief Minister on 10.12.2007 and submitted a total of 99 recommendations categorized under 39 subjects.

2.4.2 Recommendations of the M.K. Stalin Committee

The important recommendations of the third High Level Committee are highlighted below:

- Grama Sabha to act as a forum of Social Audit for all the schemes implemented by various Departments.
- Approval of the list of all individual beneficiary schemes to be done by Grama Sabha.
- Conversion of multi-member wards into single member wards in all the Village Panchayats as is there in the case of the Panchayat Unions and District Panchayats.
- Stability of tenure of rural and urban Local Body representatives by making the moving and passing of No Confidence Motions more stringent.
- Designating November 1st of every year as the "Local Bodies Day".
- Empowering weaker Village Panchayats by enhancing their State Finance Commission grants and allocating the entire Central Finance Commission grants to Village Panchayats so as to enable them to meet the expenditure relating to water supply, electricity charges and sanitation.
- Pooling of assigned revenues of Local Cess, Local Cess Surcharge, and Surcharge on Stamp Duty and Entertainment tax at State Level and apportioning it to the districts thereafter.
- Giving Panchayat Raj Institutions greater operational independence by enhancing administrative sanction powers of Village Panchayats, Panchayat Unions and District Panchayats for works taken out of their General Funds.
- Rationalisation of Village Panchayat Accounts.
- Issue of Identity Cards to the Heads of three tiers of Panchayat and for the Members of Panchayat Unions and District Panchayats.
- Making BDOs (Village Panchayats) as separate Pay Drawing Officers.
- Provision of Telephone facility to all Village Panchayats.
- Provision of Wireless to Panchayat Unions.
- Vehicles for Panchayat Raj Institutions and key functionaries of Rural Development Department.
- Revival of Namakku Naame Thittam.
- Formulation of Panchayat Union School Renovation Programme.
- Setting up of Libraries and Sports Centres in all Panchayats under AGAMT.
- Designating Village Panchayats as 'Village Level Committee' for selecting the beneficiaries and implementing the schemes of various other departments at

Village level.

It is important to note that most of the recommendations have already been accepted by the Government and necessary orders issued.

2.5 DELIMITATION OF LOCAL BODIES

A large number of requests for upgradation, downgradation, bifurcation and amalgamation of rural and urban Local Bodies have been received by Government. Government have issued orders vide G.O.Ms No. 131, RD & PR (C1) Department, dated 16.3.2007 prescribing the procedure for the conduct of public hearings by Collectors/Heads of Departments before making their final recommendations to Government in response to such requests. It has been clarified to all the rural and urban Local Bodies that the terms of office of the present office bearers will not, in anyway, be affected.

The District Collectors have already conducted public hearings pertaining to the requests from various rural and urban Local Bodies. The Government will pass orders based on the recommendations of the Collectors and merits of each case.

2.6 GRAMA SABHA

The Grama Sabha is the grass root level democratic institution in each Village Panchayat. A vibrant Grama Sabha is essential for the effective functioning of Village Panchayats by promoting transparency and accountability in administration, enhancing public participation in the planning and implementation of schemes and in the choice of beneficiaries, and paving the way for social audit. The Government have ordered the conduct of Grama Sabha meetings a minimum of four times a year i.e. on 26th January, 1st May, 15th August and 2nd October.

In order to streamline the procedure for the conduct of Grama Sabha, this Government brought out suitable amendments to the Tamil Nadu Grama Sabha (Quorum and Procedure for convening and conducting of meetings) Rules, 1998 vide G.O.Ms No. 130 RD & PR (C4) Department dated 25.9.2006 and specified that the Grama Sabha shall meet in each of the Village Panchayat wards by rotation. Since a quorum of 10% of the voters was unattainable and unwieldy for the bigger Village Panchayats, a reduced quorum based on the population of Village Panchayats has been prescribed as shown in **Table 3**.

Table-3
Revised Quorum for Grama Sabhas

Sl.No.	Population of a Village Panchayat	Quorum for the meeting
1	Upto 500	50
2	501-3,000	100
3	3,001-10,000	200
4	Above 10,000	300

It has also been specified that out of the quorum, at least 1/3rd shall be women and the number of SC/ST participants shall bear the same proportion to the quorum as the population of SCs / STs bears to the total population of the Village Panchayat. Recording of Grama Sabha attendance and proceedings through proper registers and keeping photographic record have been made mandatory for the conduct of Grama Sabhas.

It has been decided to make the Grama Sabha a forum for the conduct of Social Audit of all schemes for the welfare of the people.

2.7 VILLAGE PANCHAYATS

There are **12,618** Village Panchayats in the State spread across the 30 districts and the 385 Blocks. The average number of Village Panchayats per district is 421 and per Block is 32. The Nilgiris (35), Kanniyakumari (99), Theni (130) and Karur (158) are some of the districts with fewer Village Panchayats while Villupuram (1104), Tiruvannamalai (860), Vellore (753), Cuddalore (681) and Kancheepuram (648) are some of the districts with a large number of Village Panchayats. As can be seen from **Table 4**, the population of Village Panchayats in Tamil Nadu is widely varying with some Village Panchayats having populations even below 500 while others have populations exceeding 25,000.

Table- 4
Classification of Village Panchayats on the basis of Population
(2001 Census)

Sl.No.	Population	No. of Village Panchayats
1	Below 500	66
2	501-1,000	1,177
3	1,001-3,000	7,241
4	3,001-5,000	2,569
5	5001-10,000	1,379
6	Above 10,000	186
	Total	12,618

Among the three tiers, Village Panchayats assume a pre-eminent role in view of the wide variety of civic duties and other functions entrusted to them under Sections 110 and 111 of the Tamil Nadu Panchayats Act, 1994. This Government have always taken efforts to empower the Village Panchayats further in order to enable them to perform their functions in an effective manner. Various efforts have been taken by this Government to improve the finances of the Village Panchayats.

Since the Village Panchayats in Tamil Nadu vary widely in population from below 500 to above 25,000 and as the devolution of State Finance Commission grant is mostly linked to population, the smaller Village Panchayats got less grant and the bigger Village Panchayats got more. While the needs of the bigger Village Panchayats are also greater, it is a fact that there are certain fixed costs associated with the running of a Village Panchayat irrespective of the size and the SFC grant to a Village Panchayat should be sufficient to cover at least the fixed costs, if not the variable costs. There were cases where some Village Panchayats found it difficult to pay their electricity bills on time; a few couldn't pay the salaries and wages of their employees on time. The State Finance Commission recommended the earmarking of certain percentage of the SFC grant as 'Equalisation Fund' to assist such weaker Village Panchayats. But past experience showed that the allocation of the Equalisation Fund by Collectors was by discretion which introduced a certain element of arbitrariness.

The Government have thus passed G.O.Ms.No.199 Finance (Finance Commission - IV) Department dated 25.5.2007 wherein a floor amount of Rs.3

lakh has been earmarked for each Village Panchayat irrespective of the population and only after the apportionment of this amount, the remaining amount is distributed among the Village Panchayats in proportion to population. By virtue of this decision of the Government, the huge disparity in the income of the Village Panchayats has been reduced and at the same time weaker Village Panchayats have been empowered further towards self-sustainable.

The Government have also vide G.O.Ms.No.119 R.D. & P.R.(C2) Dept. dated 26.02.2007 decided to allocate the entire Twelfth Finance Commission grant to the Village Panchayats alone as can be seen in Table-5 given underneath:

Table- 5
Income-wise Classification of Village Panchayats

Sl. No	Income Range	No. of Village Panchayats based on the average income of 3 years from 2003-04 to 2005-06	No. of Village Panchayats based on the income in 2007-08
1.	Upto Rs.50,000	10	0
2.	Rs.50,000 to Rs.1 lakh	178	0
3.	Rs.1 lakh to Rs. 5 lakhs	7,422	1,059
4.	Rs. 5 lakhs to Rs 10 lakhs	3,181	7,283
5.	Rs. 10 lakhs to Rs. 25 lakhs	1,489	3,733
6.	Rs.25 lakhs to Rs.50 lakhs	252	442
7.	Rs.50 lakhs to Rs. 1 crore	60	78
8.	Rs.1 crore to Rs.3 crores	24	23
9.	Above Rs.3 crores	2	0
	Total	12,618	12,618

It is, hence, seen that the average income levels have not only increased for majority of the Village Panchayats but also the inequity of the income levels amongst various Village Panchayats has decreased due to the steps taken by the Government.

2.7.1 Functions

Sections 110 & 111 of the Tamil Nadu Panchayats Act, 1994 prescribe the duties and functions of Village Panchayats. Some of the important functions of a Village Panchayat are:

- a) Construction, repair and maintenance of all village roads.
- b) Extension of village sites and the regulation of buildings.
- c) Lighting of public roads and public places in built-up areas.
- d) Construction of drains.
- e) Cleaning of streets and improvement of the sanitary condition of the village.
- f) Construction and maintenance of public latrines.
- g) Sinking and repairing of wells, the excavation, repair and maintenance of ponds or tanks and the construction and maintenance of water-works for the supply of water.
- h) Maintenance of burial and burning grounds.
- i) Maintenance of parks and reading rooms,
- j) Implementation of schemes such as Indira Awaas Yojana (IAY) and National Rural Employment Guarantee Scheme (NREGS).
- k) Such other duties as the Government may, by notification, impose.

2.7.2 Resources

The important sources of revenue for the Village Panchayat are:

a) Tax revenue:

Among the three tiers, the Village Panchayat alone has the power to levy taxes. House tax, Profession tax and Advertisement tax are the commonly levied taxes.

b) Non Tax revenue:

Licensing fees for building plan and layout approval, fees and charges on Dangerous & Offensive trades, water charges, fees on cart-stands, fishery rentals, 2C patta fees, income from markets and fairs, ferries, fines and penalties and so on.

c) Assigned and shared revenues:

These revenues include the items pooled at the State level (Local Cess, Local Cess Surcharge, Surcharge on Stamp duty and Entertainment Tax) which are released by the Director of Rural Development and Panchayat Raj to all the three tiers of the Panchayats including the Village Panchayats. Other items of Assigned and shared revenues for the Village Panchayats include the seigniorage fees (100%) and lease amount (50% share) on minor minerals and social forestry auctions amount.

d) Grants:

Central Finance Commission Grant, State Finance Commission Grant, development grants under Centrally-sponsored and State schemes.

2.7.3 Administrative powers

The Village Panchayat President himself has been designated as the Executive Authority. Cheques for payment have to be signed jointly by the President and Vice-President. Where the relationship between the two is not cordial, the Collector, in his capacity as Inspector of Panchayats, can designate any other member of the Village Panchayat as joint cheque signing authority along with the President.

The Government have brought out Tamil Nadu Panchayats (Preparation of Plan and Estimates for works and Mode and Conditions of works) Rules, 2007 vide G.O.Ms.No.203 R.D. & P.R. (PR.1) Department, dated 20.12.2007, wherein the Village Panchayats have been empowered to give administrative sanction and execute individual works up to Rs.2 lakhs from their General Funds. Previously the Village Panchayats were empowered to give administrative sanction for works up to Rs.1 lakh only. For all works costing more than Rs.2 lakhs but not more than Rs.50 lakhs, the District Collector is the competent authority to give the administrative sanction and for works costing more than Rs.50 lakhs, the Director of Rural Development and Panchayat Raj will be competent to accord administrative sanction. However, the Collector's prior administrative sanction is necessary in respect of all Centrally sponsored and State funded schemes. Village Panchayats have also been given freedom to execute urgent works up to Rs. 2,000 at a time and up to Rs. 5,000 for a year without any technical approval. The President can draw self cheque up to Rs. 500 to meet contingent expenditures.

The Village Panchayats have been given necessary delegation of powers to enable them to attend to repairs and maintenance of hand pumps, power pumps

and street lights promptly. They can spend Rs.600 per hand pump per year and up to Rs.7,500 per power pump per year without reference to engineers for preparation of estimates or passing of bills. They can buy street light materials meeting the prescribed quality norms on their own.

2.7.4 Uthamar Gandhi Village Panchayat

Award

Uthamar Gandhi Village Panchayat Award was instituted vide G.O.Ms No. 111 RD & PR (C2) Department dated 5.9.2006. This award is being given each year from 2006-07 onwards for those Village Panchayats which have undertaken outstanding works, special initiatives and innovative efforts during the preceding 5 years. The chosen Panchayats are given a certificate, shield and a cash prize of Rs.5 lakhs each while their Presidents are given a certificate and a medal. Awards can also be given posthumously. For 2006-07, 124 proposals were received from Collectors out of which 45 proposals were short-listed for field verification by a team headed by an IAS Officer. Amongst these, 15 Village Panchayats were conferred with Uthamar Gandhi Village Panchayat Award by the Hon'ble Chief Minister of Tamil Nadu on 10.10.2007. For 2007-08, proposals are being received from the District Collectors. An amount of Rs.75 lakhs is earmarked for giving this award.

2.7.5 Rationalisation of Village Panchayat Accounts

The Government had vide G.O.Ms.No.92 Rural Development Department dated 26.3.1997 issued orders for rationalization of Village Panchayat Accounts and the procedure for operation of the Accounts. This was a great step forward in empowering Village Panchayats since it gave freedom to the President and Vice President to operate the various Accounts of a Village Panchayat free from pre-scrutiny by Block officials as was the earlier practice in which the Village Panchayat Consolidated Fund was maintained and operated in the Block office. However, certain weaknesses were noticed in this new system of maintenance of Village Panchayat Accounts. Several instances of the State Finance Commission Grant and Central Finance Commission Grant released to the Village Panchayats' Earmarked Grants Accounts being used for less important purposes and not for payment of dues relating to electricity and water charges came to the notice of the Government. Due to this practice, in order to avoid diversion of funds meant for current consumption charges and water supply maintenance, the District Collectors were directed to deduct the charges payable to TNEB and TWAD Board at the district level before releasing money to the Village Panchayats. However this resulted in the following two anomalies:

- a. TNEB issued wrong/duplicate bills in some instances which did not get deducted since payment was made at district level without proper check

by the Village Panchayat Presidents concerned.

- b. The Panchayat Presidents did not evince interest in ways and means of reducing power consumption as they never paid the electricity/water bills of their own.

Several instances also came to notice, wherein Village Panchayat Presidents and Vice-Presidents issued cheques for Scheme funds works/National Rural Employment Guarantee Scheme works without the works same being measured and check-measured and bills being passed by the Block Development Officer (Village Panchayats) concerned. The number of instances of unauthorized drawals was greater on the eve of Local Body elections. Therefore, the Government issued G.O. Ms.No.146 Rural Development and Panchayat Raj Department dt.17.8.2007 for further rationalizing the Village Panchayat Accounts and streamlining the procedures for operation of the Accounts so as to

- a. Empower the Village Panchayat Presidents to pay the TNEB and TWAD Board dues from the funds at their disposal and at the same time prevent them from diverting these funds for less important purposes.
- b. Prevent unauthorized drawals of money from scheme fund/NREGS fund Accounts without authorization of Block Development Officer(VP) concerned.

2.7.6 Telephones for Village Panchayats

Given the need for Block officials as well as Presidents to communicate with each other frequently, lack of land-line telephone in most of the Village Panchayats was a major hurdle in the implementation of schemes and in the administration of Panchayats. Hence, the Government have, vide G.O.Ms.No.118 R.D. & P.R. Department, dt.02.07.2007 issued orders permitting each Village Panchayat to have a telephone connection and prescribing a monthly ceiling of Rs.750/- towards telephones charges. So far, a total of 12,572 Village Panchayats out of 12,618 Village Panchayats of Tamil Nadu have been provided with Telephone connections. Once a telephone connection is made available, the Village Panchayat can also have access to the Internet through a dial-up connection.

2.7.7 TNEB Issues

Maintenance of street lights and water supply are the two major functions of the Village Panchayats. Approximately, 70% of the income of the Village Panchayats used to be spent on payment of electricity charges. It was brought to the notice of the Government that in many cases, TNEB raised the bills on

Village Panchayats on commercial rates without proper meter reading and levied 12% interest on the dues pending for more than 45 days. Undue delays were also noticed in obtaining estimation for installation of new street lights from TNEB authorities. The Government implemented a series of measures to settle some of these long term problems persisting between TNEB and the Village Panchayats.

The Government have, vide G.O.Ms.No.95 Energy (D2) Department, dated 12.10.2007 reduced the tariff of the EB service connection utilized for public lighting and water supply connection by Village Panchayats from Rs.3.40 per unit to Rs.3 per unit. The Government have also vide G.O.Ms.No.111 R.D. & P.R. Dept. dt.26.6.2007 announced a uniform rate per pole of Rs.9,500/- for installation of new street lights by Village Panchayats. The period of payment for EB charges has been raised from 20 days to 60 days for the Village Panchayats, and the interest rate payable by the Village Panchayats for payments beyond 60 days has been reduced from 12% to 6%. The surcharge of Rs.18.46 crores prior to 13.3.2007 has been written off.

Based on the Government's direction, TNEB has taken steps to provide electricity meters to all those service connections of Village Panchayats which didn't have meters, besides replacing defective meters. Meter cards have been provided to all service connections in rural areas and TNEB has been asked to raise bills based only on the initial and final readings of the meters. Steps have also been taken to pay up all the arrears due from Village Panchayats to TNEB. Where the arrears have been cleared, an entry that "No arrears are due pertaining to this service connection as on" has been directed to be made on the meter cards in order to enable the Village Panchayats to start with a clean slate in future.

2.8 PANCHAYAT UNION COUNCIL

At the intermediate level, there are 385 Panchayat Unions (Blocks) in the State. The average number of Panchayat Unions per district is 13. The Nilgiris (4) has the lowest number of Panchayat Unions while Villupuram (22) has the highest.

2.8.1 Functions and Powers

Section 112 of the Tamil Nadu Panchayats Act, 1994 prescribes various powers and functions of Panchayat Union Councils. Some of the important functions of a Panchayat Union Council are:

- a) Construction, repair and maintenance of all Panchayat union

roads.

- b) Construction of water works for the supply of water for drinking, washing and bathing purposes.
- c) Construction and maintenance of elementary and middle schools.
- d) Control of fairs and festivals under the control of the Panchayat Union.
- e) Opening and maintenance of Panchayat Union public markets.
- f) Implementing various Centrally sponsored and State schemes.
- g) Preventive and remedial measures connected with any epidemic or with malaria.

2.8.2 Resources

Panchayat Unions cannot levy any tax. The revenues of a Panchayat Union consist of the following:

a) Non tax revenues:

License fees, market fees, receipt from rentals and properties, fines and penalties.

b) Assigned and shared revenues:

The Pooled Assigned Revenue component of Local Cess, Local Cess Surcharge, Surcharge on Stamp Duty and Entertainment Tax is proportionately distributed to the Panchayat Unions based on the State Finance Commission Grants formula. Lease amount of mines and minerals (50% share) comes individually to the Panchayat Unions concerned and is adjusted at the district level itself.

c) Grants:

State Finance Commission Grants, development grants under Centrally sponsored schemes and State schemes, grants for maternity centres, rural dispensaries.

By virtue of enactment of the Tamil Nadu Panchayats (Preparation of Plan and Estimates for works and Mode and Conditions of works) Rules, 2007 vide G.O.Ms.No.203 R.D. & P.R. Dept. dt. 20.12.2007, the Panchayat Union Councils have been empowered to give administrative sanction and execute individual works up to Rs.10 lakhs from their General Funds without any external approval. Earlier the Panchayat Unions were empowered to sanction funds up to Rs.5 lakhs only. For all works costing more than Rs.10 lakhs but not more than Rs.50 lakhs, the District Collector is the competent authority to give the administrative sanction and for works costing more than Rs.50 lakhs, the Director of Rural Development and Panchayat Raj will be competent to accord

administrative sanction. However for Centrally sponsored and State funded schemes, prior administrative sanction of the District Collector is necessary.

2.8.3 Wireless to Panchayat Unions

The Government have, vide G.O.Ms.No.134 R.D. & P.R. (SGS.4) Department, dated 02.08.2007, issued orders for provision of wireless communication equipment to vehicles and Block offices in 24 districts of Tamil Nadu during 2007-08 and earmarked an amount of Rs.3.76 crores for this purpose. The wireless communication facility will also be extended to the remaining districts in due course.

2.9 DISTRICT PANCHAYATS

There are 29 District Panchayats in the State.

2.9.1 Functions

The functions of the District Panchayats are mainly advisory in nature such as:

- a) Preparation of development plan for the district.
- b) Compilation of administration reports of Village Panchayats and Panchayat Union Councils of the district and preparation of Annual Report for the District.
- c) Planning and review of Agriculture, Land Development, Animal Husbandry, Dairy, Poultry, Fisheries and Rural Industries etc.
- d) Planning and review of rural housing programmes particularly housing for SC/STs.
- e) Identification of major water supply schemes.

2.9.2 Resources

The District Panchayat has no taxation powers. Its only source of revenue is from statutory grants like State Finance Commission Grant and development grants under Centrally sponsored schemes.

By virtue of enactment of the Tamil Nadu Panchayats (Preparation of Plan and Estimates for works and Mode and Conditions of works) Rules, 2007 vide G.O.Ms.No.203 R.D. & P.R. Dept. dated 20.12.2007, the District Panchayats have been empowered to give administrative sanction and execute individual works up to Rs.20 lakhs from their General Funds without any external approval.

Earlier the District Panchayats were empowered to sanction funds up to Rs.10 lakhs only. For all works costing more than Rs.20 lakhs but not more than Rs.50 lakhs, the District Collector is the competent authority to give the administrative sanction and for works costing more than Rs.50 lakhs, the Director of Rural Development and Panchayat Raj will be competent to accord administrative sanction. However for Centrally sponsored and State funded schemes, prior administrative sanction of the District Collector is necessary.

2.10 Pooling of Assigned Revenues

The major sources of assigned/shared revenues to the rural Local Bodies are Local Cess, Local Cess Surcharge, Surcharge on Stamp duty, Entertainment tax, seigniorage fee and lease amount of mines and minerals, and sale proceeds of Social Forestry plantations. The total receipts to rural Local Bodies under these heads in a year is about Rs.250-300 crores. The Local Cess is equal to the land revenue collected and till 2006-07, was credited to the Village Panchayats. The Local cess surcharge is between five and ten times the land revenue collected and till 2006-07, was credited to the Panchayat Unions. The surcharge on stamp duty is pooled at the Block level and apportioned among the Village Panchayats in the Block in proportion to their land revenue collection. The entertainment tax is shared between the Village Panchayats and Panchayat Union in the ratio 70:30, after deducting 10% towards collection expenses. The seigniorage fee on minor minerals is credited to the Village Panchayats concerned while in the case of the lease amount, 50% is credited to the Panchayat Union and 50% to the Village Panchayats concerned. In the case of social forestry auction amounts, 60% of the gross proceeds will go to the Village Panchayats concerned and 40% will be retained by Forest department.

It was observed that there is considerable delay in adjusting the various assigned/shared revenues to the Village Panchayats and Panchayat Unions and the paper work involved is disproportionate to the amounts involved. There was considerable inequity in the distribution of what are essentially Government revenues.

In order to overcome the delays in adjusting the various assigned/shared revenues to the Village Panchayats and Panchayat Unions and reduce the disproportionate paper work involved and inequities in the distribution, the Government have vide G.O.Ms.No.168 R.D. & P.R. Dept. dt.4.10.2007 ordered for the pooling of the Assigned Revenues due to the rural Local Bodies from the proceedings of the Local Cess, Local Cess Surcharge, Surcharge on Stamp Duty, and Entertainment Tax at the State level and apportionment of the above revenues to the rural Local Bodies thereafter. The above Pooling of Assigned Revenue has facilitated quick and easy disbursement of these revenues and is

also equitable.

2.11 State Finance Commission Grant

To augment the resources of the Local Bodies, financial devolution to the Local Bodies is made on the basis of recommendations of the State Finance Commission (SFC).

Based on the recommendations of Third State Finance Commission, a higher share of State's own tax revenues for the rural and urban Local Bodies beginning with 9% (it being 8% till 2006-07) has been allocated for the year 2007-08. In 2007-08, Government had allocated Rs.1,583.59 crores as the State Finance Commission grant for the rural Local Bodies. The percentage of devolution will be progressively increased to 10% within the award period of the Third State Finance Commission (2007-08 to 2011-12). The ratio of the shares of rural and urban Local Bodies will be 58:42 as before. Since Village Panchayats are entrusted with most of the basic functions such as maintenance of village roads and streets, drinking water supply, street lights, sanitation and solid waste management and they are also the largest in number (12,618), the allocation for the rural Local Bodies is shared in the ratio 60:32:8 among Village Panchayats, Panchayat Union Councils and the District Panchayats from the year 2007-08 onwards. These policy changes are expected to greatly improve the delivery of services at the grass roots level.

2.12 Central Finance Commission Grant

On the basis of the recommendations of the Twelfth Finance Commission (TFC), the Government of India have allotted a sum of Rs. 870 crores for the 5-year period from 2005-06 to 2009-10.

For 2007-08, this Government decided that the entire Twelfth Finance Commission Grant should be allocated only to Village Panchayats on the basis of population. The grants should be utilised by the Village Panchayats entirely for the operation and maintenance cost of water supply, street lighting and sanitation. This system of allocating entire State Finance Commission grant to Village Panchayats will be continued in the year 2008-09 also.

A sum of Rs. 174 crores will be provided for the year 2008-09 under the Twelfth Finance Commission Grants.

2.13 Increase in the Allowances of Rural Local Body Representatives

Fixed Travelling Allowance (FTA) was initially sanctioned by the

Government to the Presidents of Village Panchayats and Chairpersons and Members of the Panchayat Unions and District Panchayats vide G.O.Ms.No.262 Rural Development Department dated 20.12.1997. This amount was enhanced by 10% in the year 1999 and was not revised thereafter. The Government have, vide G.O. (D) No.569 Rural Development and Panchayat Raj (C1) Department, dated 28.09.2007, enhanced the FTA of the rural Local Body representatives and the Table-6 below indicates the FTA rates prevalent previously and enhanced now.

Table 6
Monthly FTA for rural Local Body representatives

Sl. No.	Name of the office/seat	Previously Monthly FTA (Rs.)	Revised Monthly FTA (Rs.)
1	President, Village Panchayat	330	500
2	Chairperson, Panchayat Union	550	750
3	Member, Panchayat Union	220	400
4	Chairperson, District Panchayat	1,100	1,500
5	Member, District Panchayat	330	500

2.14 Issue of Identity Cards to heads of Panchayat Raj Institutions:

Based on the representations given by the Village Panchayat Presidents during the Regional Conferences of Village Panchayat Presidents at Erode and Tiruchirapalli, the Hon'ble Minister for Rural Development and Local Administration announced to give Identity Cards to all the 12,618 Village Panchayat Presidents which were immediately issued thereafter. Identity Cards were also given to the Chairpersons and members of the Panchayat Unions and District Panchayats.

2.15 Local Bodies' Day

The rural and urban Local Bodies are perhaps the agencies with the maximum public interface. There is need to further strengthen this interface and bring about greater transparency and openness in the functioning of Local Bodies. At the same time, it is also necessary to highlight their achievements and carry out the various information, education and communication campaigns relating to civic administration or implementation of schemes. One method of doing this is to designate a particular day in a calendar year as "Local Bodies' Day". The Government have issued G.O.No.632,RD & PR(C1) Department, dated 26.10.2007 earmarking November 1 as 'Local Bodies' Day' to be celebrated by all rural and urban Local Bodies in Tamil Nadu every year. Tamil Nadu is the first State in the country to do this.

2.16 Electrification of buildings used by other Departments

The Rural Development and Panchayat Raj (RD & PR) Department constructs various categories of buildings not only for the usage of rural Local Bodies but also for the usage of a number of other departments. Based on the 'user pays' principle, it is for the occupying departments to pay the electricity consumption charges. Since the buildings were owned by RD&PR Department, the user departments were unable to apply for electricity connections in their name. In order to overcome this problem, the Government have, vide G.O.Ms.No.206, Rural Development and Panchayat Raj (SGS.1) Department, dated 31.12.2007 given a blanket 'No Objection Certificate' to the other user departments for which the RD & PR Department has built buildings through its schemes, to enable them to apply to TNEB for electricity connections and pay the recurring current consumption charges to TNEB, without any financial commitment to the rural Local Bodies.

2.17 Stability in Tenure of Local Body Representatives:

The Government felt that frequent moving of no-confidence motions on trivial and unjustifiable grounds affected the continuity in planning and implementation of works in rural Local Bodies and are detrimental to public interest. In order to make the provisions for moving and passing the no-confidence motion more stringent, the Government have amended relevant provisions of the Tamil Nadu Panchayats Act, 1994, wherein the minimum strength required for issuance of motion of no confidence against the Vice-President of the Village Panchayat or the Chairperson or the Vice-Chairperson of the Panchayat Union or the District Panchayat concerned has been increased from the existing half of the sanctioned strength to three-fifth and the minimum strength required for carrying the motion has been increased from the

existing two-third to four-fifth of the strength of the local body concerned. Also it has been stipulated that no motion of any confidence can be brought within one year of the assumption of the office or during the last year of the term of office of the Vice-President of the Village Panchayat or the Chairperson, Vice-Chairperson of the Panchayat Union or the District Panchayat concerned.

3. ESTABLISHMENT

3.1 Staffing under NREGS

National Rural Employment Guarantee Scheme (NREGS) was introduced in Phase-I in six districts of Tamil Nadu viz. Cuddalore, Villupuram, Tiruvannamalai, Nagapattinam, Dindigul and Sivaganga with effect from 02.02.2006. The scheme was extended to four more districts of Thanjavur, Tiruvarur, Karur and Tirunelveli in Phase-II with effect from 01.04.2007 and is being extended to the remaining 20 districts of the State with effect from 01.04.2008. In order to facilitate proper implementation of the scheme, the Government have sanctioned posts at the rate of one Superintendent in the level of Block Development Officer, one Assistant and one Computer Assistant in each DRDA office and one Deputy Block Development Officer, one Assistant and two Computer Assistants in each Block office. The Government have also appointed Technical Assistants at the rate of two Technical Assistants at the Block office and one Technical Assistant for every 8 Village Panchayats in the field in each of the 10 Phase-I and II NREGS districts. Barring the Technical Assistants, the Government have ordered similar staffing pattern as is prevalent in Phase-I & II NREGS districts to the Phase-III districts also. In order to strengthen the Technical wing of the Rural Development and Panchayat Raj Department and enable timely payment of wages to the labourers and better supervision of Rural Development works, the Government have proposed to create another 32 posts of Assistant Executive Engineers (RD), 212 posts of Assistant Engineers and 673 posts of Overseers. The Assistant Executive Engineer (RD) posts newly created will also be complemented by the posts of one Junior Draughting Officer, one Assistant, one Driver and one Office Assistant. Thus, the following posts, shown in **Table-7**, will be in position in the 30 NREGS districts of Tamil Nadu with effect from 01.04.2008.

Table-7
Posts sanctioned to supervise NREGS works

Sl. No.	Category of Post	No. of posts
A. Administration wing:		
1	Superintendents in the level of Block Development Officer	30
2	Deputy Block Development Officers	385
3	Assistants	415
4	Computer Assistants	800
5	Drivers	32
6	Office Assistants	32
B. Technical wing:		
1.	Assistant Executive Engineers(RD)	32
2.	Assistant Engineers (RD)	212
3.	Overseers	673
4.	Junior Draughting Officers	32
5.	Technical Assistants	961
	Total	3604

3.2 Field Experience for Directorate staff

The Government have made it mandatory vide G.O.Ms.No.11 R.D. & P.R. (E4) Department dated 11.1.2008, for the staff of the Directorate of Rural Development and Panchayat Raj, to be posted for field experience in the districts as Extension Officer (Panchayats) for a period of one year before being eligible for being promoted as Deputy Block Development Officer and to work as Block Development Officer (Village Panchayats) and Block Development Officer (Block Panchayat) for one year each in the cadre of BDO in the district before becoming eligible for promotion as Assistant Directors of Rural Development and Panchayat Raj.

The Government also propose to make it mandatory for all Block Development Officers in the districts to be eligible for promotion as Assistant Directors of Rural Development and Panchayat Raj only after they have worked for a minimum period of one year as Block Development Officer (Village Panchayats) and one year as Block Development Officer (Block Panchayat) in any of the Blocks of the districts.

3.3 Block Development Officer (Village Panchayats) as independent Pay drawing officers

The Government have vide G.O.Ms.No.141 R.D. & P.R. Dept. dated 09.08.2007 taken a major policy decision to make the BDO (Village Panchayats) as independent Pay drawing officers, as is the case of BDO (Block Panchayats), to enable them draw salary for the staff working under them and incur contingency expenses as required by their office. Thus, financial autonomy has been conferred upon Block Development Officer (Village Panchayats) to enable them to act independently as head of office for their staff in the Block Development Offices.

3.4 Recruitment of Assistant Engineers (RD)

In order to strengthen the technical wing of the Department, the Government requested to Tamil Nadu Public Service Commission (TNPSC) to recruit 223 posts of Assistant Engineers (RD). Consequently, the TNPSC conducted recruitment examination for Assistant Engineers(RD) and the first list of 214 Engineers was sent, out of which 171 Assistant Engineers (RD) have joined the districts so far and the others are expected to join soon.

3.5 Recruitment of Road Inspectors Grade-II

The Government have also ordered to recruit 255 persons who worked as Technical Assistants on daily wage basis in various Blocks throughout the State prior to 1997, as Road Inspectors Grade II by making a special consideration for all such persons who were qualified by means of their educational qualification.

3.6 Filling up of posts of various categories in the Rural Development Department

This Government had to face a large number of vacancies in all categories of staff when it assumed office in May, 2006, which affected the implementation of schemes adversely. The Government had ordered filling up of the vacancies in all categories from the level of Assistant Director downwards. Out of a total of 17,819 vacant posts, so far 16,347 posts in 13 categories, including those of Assistant Directors, Assistant Engineers, Junior Draughting Officers, Overseers, Road Inspectors, Junior Assistants, Typists, Steno-typists, Drivers, Office Assistants and Night Watchmen have been filled up through various methods of recruitment and the remaining posts will be filled up shortly.

4. CENTRALLY SPONSORED SCHEMES

4.1 Indira Awaas Yojana (IAY)

Indira Awaas Yojana, which used to be a component of Jawahar

Rozgar Yojana, became an independent scheme from 1997-98 onwards. 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 the poverty line. Beneficiaries are selected from the Below-the-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/upgradation of dwelling units for SC/ST BPL households. A maximum 40% of allocation is for non-SC/ST BPL rural households. 3% of the above categories should be allocated for physically and mentally challenged persons. Government of India has also asked the States to earmark 15% of the beneficiaries from amongst the minorities. New houses as well as upgradation of kutcha houses are being taken up under the scheme. It is funded by the Centre and the State in the ratio of 75:25.

4.1.1 New houses

From 01.04.2005 onwards, the unit cost of a new house has been fixed at Rs. 25,000 for ordinary soil and Rs.27,500 for difficult soil. Based on the budget announcement of the Union Finance Minister in February, 2008, this amount is likely to be increased by Rs.10, 000/- and the unit cost raised to Rs.35, 000/- for ordinary soil and Rs.37, 500/- for difficult soil. Moreover, the State Government provides an additional amount for RCC roofing cost in addition to its matching share. With effect from 2006-07, the above RCC roofing cost has been raised from Rs.9,000 to Rs.12,000 per house. The minimum plinth area of a house should be 20 square metres. All new houses are provided with the toilets and smokeless chulhas. Beneficiaries undertake the construction with locally available materials employing low cost technologies. As the cost of construction of new houses has increased substantially, it has been decided to raise the RCC roofing cost from the existing Rs.12, 000 to Rs.20, 000 per house. This, along with the increase in unit cost as announced by the Central Government will raise the total cost of an IAY house from existing Rs.37,000 and Rs.39,500 to Rs.55,000 and Rs.57,500 for ordinary soil and difficult soil respectively. A further subsidy of Rs.1,200 out of Total Sanitation Funds is dovetailed to enable each beneficiary to construct a toilet in the IAY house.

4.1.2 Upgradation of kutcha houses

This can be taken up to a maximum of 20% of IAY allocation. The unit cost is Rs.12,500.

During 2008-09, 69,239 new houses are likely to be constructed and 15,386 kutcha houses upgraded at a financial outlay of Rs.400.00 crores, inclusive of the State Government's additionality of Rs.138.48 crores towards

the RCC roofing cost.

4.2 Sampoorna Grameen Rozgar Yojana (SGRY)

The primary objective of the scheme has been to give supplementary wage employment to rural labour, thereby providing food security and improving the nutritional levels in rural areas. The secondary objective of the scheme is the creation of durable community assets and development of rural infrastructure. The district allocation is apportioned in the ratio 20:30:50 among the District Panchayat, Panchayat Unions and Village Panchayats.

During 2007-08, this scheme has been implemented in 19 Districts only since SGRY had already been merged with the National Rural Employment Guarantee Scheme (NREGS). This scheme comes to an end on 31.03.2008 and the scheme is replaced by National Rural Employment Guarantee Scheme with effect from 01.04.2008.

4.3 National Rural Employment Guarantee Scheme - Tamil Nadu

The National Rural Employment Guarantee Act was enacted in September 2005. The National Rural Employment Guarantee Scheme was launched on 02.02.2006 and is being implemented in ten districts, viz., Cuddalore, Dindigul, Nagapattinam, Sivagangai, Tiruvannamalai and Villupuram from 02.02.2006 onwards and in four more districts viz. Thanjavur, Tiruvarur, Tirunelveli and Karur from 01.04.2007 onwards. From 01.04.2008 onwards, the scheme is being extended to the remaining twenty districts of the State which are;

1. Ariyalur,
2. Dharmapuri,
3. Perambalur,
4. Pudukottai,
5. Ramanathapuram,
6. Namakkal,
7. Vellore,
8. Thoothu kudi,
9. Virudhunar
10. Salem,
11. Erode,
12. Tiruchirapalli,
13. Kancheepuram
14. Theni,
15. Tiruvallur,
16. Madurai,
17. Nilgiris,
18. Kanniyakumari,
19. Coimbatore
- and 20. Krishnagiri.

4.3.1 Objectives of the Scheme

The National Rural Employment Guarantee Act, 2005 (NREGA) guarantees 100 days of employment in a financial year to any rural household whose adult members are willing to do unskilled manual work. This Act is an important step towards the realization of the right to work. It is also expected to enhance people's livelihoods on a sustained basis, by developing the economic and social

infrastructure in rural areas.

The Village Panchayat will issue job cards to every registered individual. Payment of the statutory minimum wage and equal wages for men and women are the notable features of the scheme.

4.3.2 Funding Pattern

The cost of the scheme is shared between the Centre and the State in the ratio of 90:10. The Central Government will bear the following costs:

- a) The entire cost of wages for unskilled manual workers.
- b) 75 percent of the cost of material and wages for skilled and semi-skilled workers.
- c) Administrative expenses, which will include, inter alia, the salary and allowances of Programme Officers and their support staff and work site facilities.
- d) Administrative expenses of the Central Employment Guarantee Council.

The State Government will bear the following costs:

- a) 25 percent of the cost of material and wages for skilled and semi-skilled workers.
- b) Unemployment allowance payable in case the State Government cannot provide wage employment within 15 days of application.
- c) Administrative expenses of the State Employment Guarantee Council.

4.3.3 Priority of works

Taking into account the field conditions in Tamil Nadu, the works are being taken up in Tamil Nadu in the following priority:

- a) Formation of new ponds.
- b) Renovation of existing Ponds, Kuttais, Kulams, Ooranies, Temple tanks etc.
- c) Desilting of channels.
- d) Desilting and strengthening of bunds of irrigation tanks.

- e) Formation of new roads.
- f) Other water conservation/soil conservation measures/flood protection measures.

4.3.4 Special steps taken to ensure successful implementation of NREGS

On assumption of office in the month of May 2006, this Government noticed that the scheme had not taken off properly. This was evident from the fact that the expenditure made was only Rs. 3 crores and that works had been taken up only in 924 Village Panchayats out of a total of 3,830 Village Panchayats in the six districts.

This Government was quick to identify the issues and bottlenecks that were responsible for the poor progress in the implementation of the programme and came out with a series of initiatives to address those issues and to remove the implementation bottlenecks.

The following special steps were initiated to streamline and expedite the implementation of the scheme:

1. A separate Rural Schedule of Rates was approved exclusively for this scheme in the G.O.Ms. No. 77, RD & PR (CGS-1) Department dated 14.07.2006, thereby removing a major hurdle in getting the statutory minimum wage of Rs.80 per day for seven hours of prescribed work. Rates for working on laterite rock, which is common in Sivaganga district, were added to the Schedule vide G.O M.S No 35 RD & PR Department dated 12.3.2007. The Rural Schedule of Rates under National Rural Employment Guarantee Scheme for the year 2007-08 was ordered in G.O.No.101 RD & PR (CGS-I) Department dated 13.06.2007.
2. A minimum of 30% registrations has been insisted upon in each Village Panchayat. The average percentage of registration in the Phase-I districts is over 65%. In the Phase-II districts, the average registration has crossed 50%, which indicates that there is widespread awareness about the scheme.
3. The existing formats of Job Cards and Nominal Muster Rolls have been revised to make these documents more transparent informative and difficult to manipulate in the process of scheme implementation.
4. Since the scheme requires intensive touring, the Government have sanctioned additional fuel of 50 litres per month for each of the vehicles in the Panchayat Unions. The Government have also sanctioned

additional fuel of 75 litres for the vehicles of the Assistant Executive Engineers (RD) vide G.O.Ms.No.27 RD&PR (CGS-I) Department dated 20.02.2008.

5. Makkal Nala Paniyalars (MNPs) have also been made responsible for the implementation of the scheme at the field level.
6. Additional ministerial, technical and computer staff have been sanctioned at District, Division, Block and Village levels in order to ensure proper implementation and close supervision of the scheme.
7. Only 100% labour intensive works have been taken up in order to prevent the entry of contractors who are strictly banned as per the NREG Act.
8. Only bigger works not less than Rs. 3 lakhs in value have been taken up in order to ensure that i) adequate numbers of workers get sustained employment at a work site for at least 30 days, ii) the assets created are visible, durable and genuinely beneficial to the community, iii) resources are not wasted by being spread too thinly, iv) the works are monitored closely and leakages are minimised.
9. In order to ensure greater transparency and fair play, it has been ordered to disburse the wages to the workers in the presence of at least four members of the following committee:
 - a) President of the Village Panchayat.
 - b) Vice-President of the Village Panchayat
 - c) Ward Member of the area where the work is executed
 - d) An SC/ST Ward Member, if none of the persons in Sl.Nos. 1, 2 and 3 belongs to SC/ST Community.
 - e) Two animators of graded Self Help Groups.
 - f) A representative of the Panchayat Level federation.
10. A 25-member Tamil Nadu State Employment Guarantee council has been constituted vide the G.O Ms No. 117, RD & PR (CGS-I) Department, dated 14.09.2006 to monitor and review the implementation of the scheme. The first, second and third meetings of this council were held on 25.11.2006, 11.06.2007 and 03.03.2008 respectively.
11. In order to ensure efficient monitoring of the scheme through Management Information System (MIS), three computers and a printer have been sanctioned to each of the 141 block offices of Phase-I and II NREGS districts. In 2008-09, computers, printers and computer room facilities will also be provided for the block offices of Phase-III NREGS

districts.

12. In order to ensure a total transparency in the implementation of the Scheme, the Government ordered for the conduct of Social Audit of the Scheme in all Village Panchayats of NREGS districts along with the conduct of Grama Sabha meeting on 15th August, 2nd October and 26th January in 2007-08. Likewise, the conduct of Social Audit of the scheme will be conducted along with Grama Sabha meetings in the year 2008-09 also.

As a result of the concerted efforts taken by this Government, a sum of Rs.619 crores has been utilized and over 800 lakh mandays of employment have been generated up to 31.03.2008. About 82% of the work force comprises women and 56% are Scheduled Castes. A notable feature of the scheme is that it has had a buoyant effect on rural wages.

4.4 Swarna Jayanti Gram Swarozgar Yojana (SGSY)

SGSY is being implemented since April 1999 as a major anti-poverty scheme for the rural poor, by organizing them into Self Help Groups (SHGs), providing them with skill development training and helping them to get credit linkage with financial institutions and providing infrastructure and marketing support for the products produced by them. Government of India and the State Government are sharing the costs in the ratio of 75:25.

The SGSY fund is used to provide subsidy for the Revolving fund and Economic assistance to Self Help Groups. Part of the Scheme component is also utilised for formation of groups and conduct of training for their basic orientation and skill upgradation. Upto 20% of the total allocation can also be spent on putting up of Infrastructure required for promotion of activities of SHGs. The SHGs, after the first grading, are provided with a revolving fund of Rs.25,000 (bank loan of Rs.15,000 and Rs.10,000 as subsidy). After the second grading, the successful groups are provided with economic assistance, the maximum eligible subsidy being 50% of the project cost with a ceiling of Rs.1.25 lakhs.

In 2008-09 a sum of Rs.105.87 crores is likely to be allocated for the implementation of this scheme with a credit target of Rs.174.69 crores.

In order to implement the scheme in a more purposeful manner, the following initiatives will be taken in 2008-09:

- i) A major portion of the Scheme component will be utilised for the disbursement of the subsidy component of Revolving fund to the

eligible SHGs formed under Mahalir Thittam.

- ii) To encourage the marketing of products produced by SHGs, Calendar of Exhibitions of SHG products for the districts are being prepared and the exhibitions will be accordingly conducted as per the schedule charted out in the Calendar.
- iii) Presently, the implementation of SGSY scheme is monitored by Director of Rural Development and Panchayat Raj, whereas, the Mahalir Thittam and Vazhundhu Kattuvom Project that also focus on the empowerment of women, are monitored by the Managing Director of Tamil Nadu Corporation for Development of Women. In order to ensure that there is a convergence of activities taken up under SGSY scheme, Mahalir Thittam and the Vazhundhu Kattuvom Project, the monitoring of SGSY scheme has been transferred to the Managing Director, Tamil Nadu Corporation for Development of Women.

4.5 Total Sanitation Campaign (TSC)

The Government of India have restructured the Comprehensive Rural Sanitation Programme with effect from 1.4.1999 and launched the Total Sanitation Campaign (TSC). The project envisages a demand-driven approach with increased stress on awareness building and meeting the demand with alternate delivery mechanisms. With effect from 1.4.2006, the sharing pattern between the Centre and the State is as follows:

- a) 80:20 for Information, Education and Communication (IEC) activities, administrative costs, and rural sanitary marts.
- b) 60:20:20 for individual household toilets and solid and liquid waste management and community sanitary complexes, with 20% contribution from beneficiaries/ Panchayats.
- c) 70:30 for School and Anganwadi toilets.

The maintenance of sanitation and hygiene in the villages are the mandatory duties of Village Panchayats as envisaged under Sec.110 (d) of the Tamil Nadu Panchayats Act, 1994. The disposal of solid waste and sewage water is becoming a major problem for many Village Panchayats especially those situated in the vicinity of the Corporation and bigger Municipalities and individual Village Panchayats may not be a viable unit for contracting out solid waste management and sewage disposal. Hence it is proposed to group several suburban Village Panchayats into clusters so as to form a viable unit for contracting out or allow Village Panchayats to enter into partnership with the neighbouring Corporations or Municipalities in this regard.

It is proposed to launch a State level Multi-Media campaign this year in order to change the mind-set of the rural public regarding sanitation practices and generate demand for individual household toilets.

4.5.1 Nirmal Gram Puraskar

To give a fillip to the Total Sanitation Campaign, the Government of India launched an incentive scheme from June 2003 in the form of an award for total sanitation coverage, maintenance of clean environment and open defecation-free Village Panchayats, Blocks and Districts called 'Nirmal Gram Puraskar' as may be seen in **Table 8**.

Table 8
Cash Incentive Criteria for
Nirmal Gram Puraskar

Particulars	Population	Incentive (Rs in lakhs)
Village Panchayat	Less than 1,000	0.5
	1,000 to 1,999	1
	2,000 to 4,999	2
	5,000 to 9,999	4
	10,000 and above	5
Block	Upto 50,000	10
	50,001 and above	20
District	Upto 10 lakhs	30
	Above 10 lakhs	50

For the year 2006-2007, 296 Village Panchayats have been awarded Nirmal Gram Puraskar. For the year 2007-08, proposals have been received from 1960 Village Panchayats and 11 Block Panchayats and have been sent to Government of India.

4.6 Member of Parliament Local Area Development Scheme (MPLADS)

The objective of this Scheme is to fill the gaps existing in the provision of infrastructure through various Central and State schemes thereby enabling wholesome development. A sum of Rs.2 crore is allotted per Member of Parliament (Lok Sabha and Rajya Sabha) per year for taking up developmental works identified by the concerned M.P. In the case of Lok Sabha, the scheme is

implemented in the districts falling within the constituency of the concerned MP. 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 far as the nominated MPs are concerned, they can suggest works anywhere in India. The District Collector gives administrative sanction for the works. The guidelines contain a 'negative list' of works not permitted under this scheme and also an illustrative list of works that may be taken up. Under the scheme, all maintenance works of any type are prohibited. Desilting of ponds, rivers, tanks, canals etc. are also treated as maintenance activities and cannot be taken up under MPLADS.

For 2008-09, an amount of Rs.114 crores is likely to be allotted for works under MPLADS.

4.7 Pradhan Mantri Gram Sadak Yojana (PMGSY)

The Government of India launched PMGSY on 25th December 2000 to provide all weather roads to all rural habitations with population more than 1000 by the year 2003 and to all habitations with population between 500 and 1000 by the year 2007. This is a 100% Centrally assisted scheme. In the first three Phases, Rural Development and Panchayat Raj Department has taken up 3364.62 Kms at an estimated cost of Rs. 434.10 Crores. So far 3274.60 Km road works have been completed with an expenditure of Rs. 385.12 Crores. Under Phase IV, 820.48 Km road works at an estimated cost of Rs. 117.27 crores were entrusted to Highways Department for implementation. Rural Development and Panchayat Raj Department is implementing the Scheme under Phase V and road works to a length of 849.13 Km at an estimated cost of Rs. 182.05 Crores have been taken up. 296.48 Km road works have been completed so far with an expenditure of Rs. 67.81 crores.

Now, Government of India have conceived a time bound plan to upgrade rural infrastructure under the Bharat Nirman plan using the PMGSY funds. As part of the Programme, Government of India intends to connect every habitation of over 1000 population or over 500 in hilly and tribal areas with an all weather road by the end of 2008 – 2009.

Under Bharat Nirman, 6,669 Km roads are proposed for upgradation before the end of 2008-2009 to ensure full farm-to-market connectivity. It is proposed to upgrade rural roads in two phases under Bharat Nirman, namely Phase-I and Phase-II. Under Phase- I, Detailed Project Reports (DPRs) are prepared to a length of 801 Km to be executed by Rural Development and Panchayat Raj Department at an estimated cost of Rs. 196 Crores. After due clearance of Ministry of Rural Development, Government of India, this project will be taken up in 2008-09.

Under Bharat Nirman Phase-II, it is proposed to upgrade 2,500 Km. road works and give connectivity to all habitations having population of 1,000 or more. The proposals have been received from the Districts and will be placed before the State Level Standing Committee for clearance and forwarding to Ministry of Rural Development, Government of India thereafter.

4.8 National Project on Biogas Development

This is a 100% Centrally sponsored scheme envisaging a subsidy of Rs.2,100 for general category and Rs. 2,800 for SC/ST and small farmers and Rs.3, 500 for hilly areas. The tentative allocation for 2008-09 is Rs.62 lakhs.

5. STATE SCHEMES

5.1 Anaithu Grama Anna Marumalarchi Thittam

This Government launched a landmark scheme called the 'Anaithu Grama Anna Marumalarchi Thittam' vide its G.O.Ms.no.115, Rural Development and Panchayat Raj (SGS-2) Department, dated 11.09.2006 and G.O.Ms.no.189, Rural Development and Panchayat Raj (SGS-2) Department, dated 27.12.2006 which aims at substantial injection of resources into the Village Panchayats in the State in five years. In terms of allocation, this is by far the biggest among all the Centrally sponsored and State funded schemes currently under implementation. The scheme was formally inaugurated by the Hon'ble Chief Minister on 21.01.2007 at Tirumathalampakkam Village of Vellore District.

Since many Village Panchayats have very low incomes and are finding it difficult to provide the statutory services or improve infrastructure, this scheme accords priority to the poorest Village Panchayats in terms of *per capita* income. One fifth of the Village Panchayats in each Block are taken up in each year in the ascending order of per capita income so as to cover all the Village Panchayats in the State over a period of five years. The villages covered under the old Anna Marumalarchi Thittam, which was in vogue during 1997-2002, will be taken up in the fifth year (2010-11).

Under the scheme, the Government had allocated Rs. 508 crores for 2,540 Village Panchayats during 2006-07 and Rs.511.86 crores for 2,534 Village Panchayats during 2007-08 at the rate of Rs. 20 lakhs per Village Panchayat. For 2008-09, the scheme is being taken up in 2,521 villages at an outlay of Rs. 509.64 crores.

The Centrally sponsored schemes usually have tight guidelines and do not offer the flexibility to take up works that may be locally desirable nor do they

provide funds enabling Village Panchayats to carry out their statutory functions under the Tamil Nadu Panchayats Act, 1994. The Anaithu Grama Anna Marumalarchi Thittam endeavours to plug both these gaps in the Centrally sponsored schemes by providing untied funds of Rs.5 lakhs (out of Rs.20 lakhs allocation per Village Panchayat), with the remaining funds to be spent on stipulated items. Further, funds from other schemes of Rural Development and Panchayat Raj department and other departments such as Highways, Public Works, Social Welfare, Health, Education, Agriculture Engineering, and TWAD Board among others will also be dovetailed as far as possible into the Village Panchayats taken up under Anaithu Grama Anna Marumalarchi Thittam. The Government's intention is to ensure the convergence of at least Rs. 1 crore of funds under various Governmental schemes to each AGAMT Village Panchayat.

The following are some of the key guidelines of the scheme:

1. Selection of works to be taken up under AGAMT will be done by a committee consisting of the Block Development Officer (Village Panchayats), Assistant Engineer (RD)/ Block Engineer the Panchayat President concerned and Village Administrative Officer.
2. The works should be got approved by the Grama Sabha.
3. Cement Concrete roads can be taken up for an amount not exceeding Rs.3 lakhs in tied component per village.
4. At least one Pond/Oorani is to be constructed at a cost of Rs.3-5 lakhs in each AGAMT village and it should have Bathing ghat, Baby pond, Retaining wall etc. In case of a Pond or Oorani being unavailable in the village, Temple tank or Minor Irrigation tank can be taken up for desilting in the village. Desilting the pond for a minimum depth of 2 metres from the existing level and the baby pond for further depth of 1 metre has been stipulated.
5. Fish ponds are to be taken up wherever feasible and preference given to the Self Help Groups for getting fishery rights.
6. Burial ground in each AGAMT village will be improved with approach road, Compound wall, Cremation shed, Water facility and Lighting.
7. A School Sports Centre at an outlay of up to Rs.1.5 lakhs or Community Sports Centre at an outlay of up to Rs.1 lakh is to be put up in each AGAMT village.
8. A library will be opened in each AGAMT village. A new building may be constructed or an existing building may be modified suitably and books worth at least Rs.50,000 are to be bought and furniture worth Rs.50,000 procured for the library. An Honorary Librarian is to be

appointed for each AGAMT library.

9. Village shandies are to be improved wherever available.
10. An amount of 1% of the total allocation is to be used for IEC activities.

B.D.O. (Village Panchayats) is designated as the tender inviting authority for all works other than the purchase of sports materials, library books and library furniture. The Government, has vide G.O. (Ms) No. 186, RD & PR (SGS.2) Department, dated 16.11.07, stipulated that the works for which tenders are not received for three consecutive calls or where the quoted rates are exorbitant or where the works are left midway by the contractor, can be entrusted to the Village Panchayats for execution departmentally in case the value of the works is below Rs. 5 lakh, and through tendering in case the value of the work is above Rs. 5 lakh each.

The Village Panchayats have been permitted to incur an expenditure of up to Rs. 10,000 per year for replacement of sports consumables in AGAMT Sports Centres.

5.2 Member of Legislative Assembly Constituency Development Scheme (MLACDS)

Member of Legislative Assembly Constituency Development Scheme is fully funded by the State Government. The main objective of the scheme is to take up works to bridge the critical infrastructural gaps in the Assembly constituencies. Under this scheme, each MLA proposes the works that should be executed in his constituency. The District Collector gives administrative sanction for the works. The allocation per constituency was increased from Rs.1 crore to Rs.1.20 crore vide G.O.Ms.No.134, RD & PR (SGS.II) Department, dated 29.9.2006. 50% of the allocation (Rs.60 lakhs) is earmarked for priority works specified by Government. Out of the remaining 50%, MLAs can choose works of their choice not falling within the negative list.

During 2007-08, the following items of works were held as priority under the earmarked component of Rs.60 lakhs: 1.Upgradation to/renewal of B.T. roads 2. Provision of Cement concrete roads for rural areas and in urban areas along with above works 3. Provision of Cement concrete pavements along with the provision of storm water drain.

The Government have permitted the MLAs to allocate their funds under MLACDS for the construction of individual / Group houses and upgradation of Kutchra Houses (like IAY scheme in rural areas) in Village Panchayats and Town Panchayats for SC/ST/MBC/BC beneficiaries who are below the

poverty line. The Government have also permitted the MLAs to allot funds under MLACDS to repair the group houses that have been constructed up to 1997 under Government Schemes in Village Panchayats and Town Panchayats.

Under the untied funds, following works can also be taken up:

- i) Construction of buildings, compound walls and purchase of furniture and equipments for all types of Government Hospitals, PHCs and Government Veterinary Hospitals.
- ii) Construction of Buildings, Compound walls and purchase of furniture and equipments for Panchayat Union/ Government Schools and Government colleges.
- iii) Construction of buildings for Public Distribution Shops, Direct Purchase Centres, Milk Producers' Co-operative Societies and Bulk Chilling Centres.
- iv) In Urban areas, repairs to houses constructed (up to 1997) by Tamil Nadu Slum Clearance Board / Tamil Nadu Housing Board/ TAHDCO with the recommendation of concerned MLA subject to a ceiling of Rs.10,000/- per house.

For the year 2008-09, out of the tied component of Rs.60 lakhs, Rs.10 lakhs is proposed to be earmarked for taking up Anganwadi Buildings and the Kitchen sheds in rural/urban areas and Rs.50 lakhs will be earmarked for B.T. roads, CC roads and Burial/Cremation grounds in rural and urban areas and CC pavements with storm water drainage as per the need in urban areas. Considering the requests of MLAs, permission will be accorded to take up amenities in Government aided Schools and Colleges also under this scheme during 2008-09.

As in the case of Member of Parliament Local Area Development Scheme, works involving desilting of ponds, rivers, ooranies and channels have been banned under MLACDS.

The total allocation for MLACDS for 2008-09 is likely to be Rs.282 crores.

5.3 Panchayat Union School Renovation Programme

The programme of Panchayat Union School Renovation introduced in 2007-08 envisages repair and improvement of all Panchayat Union Elementary Schools and Middle Schools in the State in a phased manner. There are around 22,000 Panchayat Union Primary Schools and 4,500 Panchayat Union Middle

Schools which are being maintained by Block Panchayats. Due to lack of proper maintenance, most of these School buildings have become dilapidated. Hence, the repair and renovation of such long neglected 10,248 School buildings in AGAMT Village Panchayats of both AGAMT 2006-07 and 2007-08 Villages was initially taken up during 2007-08 at a cost of Rs.135 crores.

During the year 2008-09 around 5500 Elementary and Middle School buildings in AGAMT 2008-09 villages will be taken up for repairs and improvement and Rs. 60 crores will be allocated to carry out works under this scheme.

5.4 Namakku Naame Thittam

Namakku Naame Thittam is being implemented as State Sponsored Scheme with a minimum of one-third amount as public contribution and two-third contribution from Government as grants in both Rural and Urban areas. Under this Scheme, the public themselves can select works as they need and execute it as per the provisions in the guidelines of the Scheme.

Construction of Government and Local Body School Buildings (including Compound Walls), Libraries, Hospitals, Primary Health Centres, Veterinary Dispensaries, Noon Meal Centres, Hostels, Creation of Water Supply Sources, Public Distribution Shop Buildings, Bridges and Culverts, Upgradation of Roads and Streets, CC Pavements, Parks, Play Grounds, Traffic Islands, Fountains, Street lights, Purchase of Furniture, Computers and equipments for Government and Local Body Schools and Libraries and construction of class rooms, laboratories and toilets in Government aided schools and colleges can be undertaken under Namakku Naame Thittam.

For 2007-08, a sum of Rs.50.00 crores has been allotted by Government of Tamil Nadu for the implementation of this Scheme.

A sum of Rs.50.00 crores is likely to be allotted by Government of Tamil Nadu for the implementation of this scheme in 2008-09.

5.5 Periyar Ninaivu Samathuvapuram

To promote social justice and spread Thanthai Periyar's message of social equality, Government of Tamil Nadu established Samathuvapurams since 1997-98 in the districts where all communities live with unity and brotherhood. Accordingly, 145 Samathuvapurams were established in the State.

In the Governor's Address, 2008 made in the Assembly on 23.1.2008, among others, it has been announced that "considering the fact that an even better way of spreading Thanthai Periyar's message of social equality would be to establish another 95 Samathuvapurams in his name".

Government have accordingly decided to revive the scheme and construct another 95 Samathuvapurams. In the first phase, 29 Samathuvapurams will be established at the rate of one Samathuvapuram in each district except Nilgiris District during the year 2008-09. Each Samathuvapuram will have 100 houses at an approximate cost of Rs.1.20 lakhs per house. Roads, street lights, drinking water supply and Public Distribution Shop will also be provided in each of the Samathuvapurams.

The entire cost of the Samathuvapurams will be met by the Government of Tamil Nadu. A sum of Rs.75 crores will be provided in 2008-09 to take up 29 Samathuvapurams in the State.

5.6 NABARD RIDF XIII –2007–2008

For the 2007–08, an amount of Rs.410 crores have been sanctioned by NABARD based on the proposal of the State Government to upgrade the rural roads to the length of 3,989 Kms connecting and passing through AGAMT 2006-07 Village Panchayats. Tenders have been finalized and works are in progress. A sum of Rs. 120 crores received from the Government have also been disbursed to all districts. The remaining amount is expected to be released soon and all the roads sanctioned will be completed in 2008-09.

5.7 Twelfth Finance Commission Road works - 2007–08

Government in G.O. Ms. No. 222 (HV2) Highways Department dated 01.11.2006 have issued orders to maintain and improve the existing black topped Panchayat and Panchayat union roads connecting and passing through the AGAMT 2006-2007 Village Panchayats to a length of 1897.05 km at an estimated cost of Rs. 103.60 Crores. All the works have been completed. For the year 2007 – 2008, 1821.25 Km road works at an estimated cost of Rs. 103.60 Crores have been taken up. So far 1554.96 Km road works have been completed with an expenditure of Rs. 66.71 Crores.

During 2008-09, a further allocation of Rs.103.60 crores will be given for the upgradation of roads under this component.

5.8 Programme for Comprehensive Dharmapuri and

Development of Krishnagiri districts

To curb the rise of Naxalite elements in the backward districts of Dharmapuri and Krishnagiri, a Socio-economic Development Programme was launched in the year 2003-04. For 2007-08, a provision of Rs. 7.50 crores has been made. In the year 2007-08, construction of new houses, various infrastructure development works and training programmes for rural youth have been taken up. For the year 2008-09 also, a provision of Rs.7.50 crores will be made.

6. PART-II SCHEMES

The following Schemes have been sanctioned under Part-II for the year 2008-09:

6.1 Provision of Fax machines to Assistant Director (Panchayats) Offices

The Government have decided to provide separate fax machines to all 29 offices of Assistant Directors (Panchayats) at a cost of Rs. 4.64 lakhs

6.2 Computers and accessories to Development wing of Collectorates and Directorate of Rural Development and Panchayat Raj

The Government have sanctioned additional desktop computers and accessories to the Development wing of Collectorates at the rate of 3 computers per Collectorate. The net cost for this is likely to be Rs.43.50 lakhs.

The Government have also decided to provide printers to 9 officers in the office of Directorate of Rural Development and Panchayat Raj at a cost of Rs.1.98 lakhs.

6.3 Provision of Vehicles

Provision for an amount of Rs.112.50 lakhs has been made for the replacement of 25 condemned vehicles in the Directorate and Blocks.

6.4 Training Institutions

An amount of Rs.25 lakhs has been provided for the replacement of hostel accessories and training accessories in Regional Institutes of Rural Development (RIRDs).

6.5 State Election Commission

The Government have sanctioned computer accessories, LCD projector and other amenities to the State Election Commission at a cost of Rs.8.20 lakhs.

7. TAMIL NADU CORPORATION FOR DEVELOPMENT OF WOMEN

Tamil Nadu Corporation for Development of Women Ltd (TNCDW) was established in 1983 with the prime objective of bringing about socio-economic development and empowerment of women. The Department implements its flagship programme Mahalir Thittam, besides implementing the IFAD Assisted Post Tsunami Sustainable Livelihoods Programme.

The Self Help Group (SHG) approach was started in a small way in Dharmapuri district in the year 1989 and has seen steady growth particularly with the introduction of Mahalir Thittam from 1997-98. It has now become a very vibrant movement spread across all districts of the State encompassing in its fold the poor, underprivileged women living on the fringes of society.

This programme has evolved from promoting traditional thrift and credit practices to supporting economic activities, building capacity of women at every stage. TNCDW has progressively introduced a wide range of definitive interventions, which have created a positive impact in the lives of women.

7.1 Vision for TNCDW

The SHG movement with nearly 59 lakh women as members has grown from strength to strength over the years bringing about substantial social change. It would be the endeavour of the Corporation to extend the benefits of the SHG approach to the uncovered areas of the state and uncovered sections of society. The immediate goal of TNCDW is to ensure that all poor women particularly widows, destitutes and marginalised are included in SHGs in the next three years.

TNCDW has been very successful in bringing about social empowerment of women which has not fully translated into economic empowerment. The

Corporation will strive to promote more economic activities among SHG women by converging Mahalir Thittam and SGSY implementation.

Strengthening the Federations of Self help groups is the key to achieving sustainability in the long run. TNCDW's vision is to build strong and self reliant SHG federations at the Village Panchayat, Block and district levels throughout the State.

7.2 Restructuring and Strengthening of TNCDW

TNCDW did not have a monitoring mechanism below the district level which was affecting the effectiveness of its interventions. In order to strengthen the monitoring arrangement, Government have issued orders vide G.O.(Ms.) No.106, Rural Development and Panchayat Raj Department, dt.20.6.2007 to involve Block staff like Block Development Officer (Village Panchayat), Deputy BDOs, Extension Officer (Adi-Dravidar Welfare) and Rural Welfare Officers for monitoring and supervising Mahalir Thittam programmes. This new arrangement is operational from 1.10.2007.

Additionally 30 Assistant Project Officer posts were sanctioned vide G.O.(Ms.) No.177, Rural Development and Panchayat Raj (CGS-II) Department, dated 05.12.2006 supplementing the existing strength of the Project implementing units.

Recruitment of Assistant Project Officers from open market on contract basis was done to further strengthen the district implementation units for effective implementation of the schemes. As per G.O.(Ms.) No.30, Rural Development and Panchayat Raj (CGS-II) Department, dated 08.03.2007, 60 Assistant Project Officers were taken from the open market on contract basis and have been deployed after induction training. In addition, 3 posts of Additional Directors have been created in the State office to facilitate better monitoring as per G.O.(Ms.) No. 108, Rural Development and Panchayat Raj (CGS-I) Department, dated 21.06.2007.

7.3 Mahalir Thittam

The programme is implemented in partnership with NGOs and community based organizations which are affiliated with TNCDW after due process. Under Mahalir Thittam 3,65,709 SHGs have been formed as of March 2008 with 58,80,875 women members and with total savings of Rs.1,737.81 crores. This includes 25,484 new SHGs formed in 2007-08 of which 9,999 SHGs have been formed in Anaithu Grama Anna Marumalarchi Thittam villages.

The hallmark of the SHGs promoted by Mahalir Thittam is the systematic training provided to the SHG members and the office bearers. This capacity building brings about qualitative changes in the attitude of the women and promotes cohesion and effective functioning of the group.

All the SHG members are imparted training in 4 modules for 4 days to orient them to the SHG concept. The office bearers of the SHGs (Animator and Representative) are given training in 3 modules for 6 days. This training enhances the leadership quality, team building spirit and capacity to maintain books of accounts. In addition, SHG members who are interested in starting economic activities or develop skills to get self employment are provided skill training. The skill training includes a 5 day capsule on entrepreneurial development.

7.3.1 Credit rating and Linkage

Credit rating is a benchmarking exercise to assess the group and ascertain its credit worthiness. SHGs are rated on various parameters to test their financial discipline and effective functioning. It is done by a committee consisting of representatives from Mahalir Thittam, DRDA, PLF, NGO and a Bank. The first credit rating which is done six months after group formation enables the group to access Revolving Fund or direct credit from Banks. The second credit rating is done after a lapse of another 6 months to ascertain the readiness and suitability of the group to undertake economic activity. Out of 3,31,782 SHGs which have passed credit rating, 3,11,798 SHGs have been linked to Banks as of March 2008. The total amount of Bank loans disbursed to SHGs is Rs.2,673.40 crores.

7.3.2 Revolving Fund to Urban SHGs

After the groups in rural areas pass the first credit rating, Revolving Fund (RF) subsidy of Rs.10,000/- is provided under Swarnajayanti Gram Swarozgar Yojana (SGSY) to facilitate credit linkage with the Banks. In addition to the subsidy given by the Government, the Banks provide cash credit upto Rs.30,000/- per group. The RF subsidy was not available to SHGs in urban areas which restricted their access to credit from Banks. Therefore the Government announced a scheme to provide RF subsidy to urban groups from the year 2006-07. Rs.30 crores have already been provided to give RF subsidy to 30,000 urban SHGs. In 2008-09, the Government have decided to provide RF subsidy to all the eligible 1.50 lakh SHGs. The Government have earmarked Rs.150 Crores for this purpose.

7.3.3 Affiliation of Non-Governmental

Organisations

Mahalir Thittam is implemented in partnership with Non-Governmental Organizations (NGOs) who help in formation of SHGs, provide training and monitor them. The NGOs are provided funds for providing the above services. Interested NGOs are affiliated as partners to Mahalir Thittam if they satisfy the norms for affiliation. The affiliation norms for NGOs and the NGO agreement have been revised vide G.O.(Ms.) No. 155, Rural Development & Panchayat Raj (CGS-I) Department, dated 5.9.2007. The salient features of the new agreement are:

- Emphasis on quality of NGOs and not numbers
- Incentive to NGOs for facilitating credit linkage and economic activities.
- Performance based and linked to outputs.
- Adequate space for growth of community based organisations like Panchayat Level Federations and Village Poverty Reduction Committees.

The affiliation process is in progress and the new agreement will come into force from the year 2008-09.

7.3.4 Manimegalai Awards

To encourage well-functioning SHGs and PLFs, the Government had announced Manimegalai awards at State and district levels. Awards are presented to 5 best PLFs and 10 best SHGs at the State level. One PLF selected as best at the district level and 3 SHGs found to be the best at the district level are given Manimegalai awards and the best SHG at the Block level is given a certificate. The awards were presented for the year 2006-07 in September 2007 and have been instrumental in motivating the SHGs and PLFs to strive for better performance.

7.3.5 Issue of Identity Cards to SHGs

Hon'ble Minister for Rural Development and Local Administration had announced that Identity (ID) cards will be issued to Mahalir Thittam SHGs. The ID cards 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. Issue of ID cards has been taken up in 4 Blocks on a pilot basis and will be extended to the entire State in 2008-09.

7.3.6 Panchayat Level Federation

Under Mahalir Thittam, it is envisaged that Federations of SHGs will be formed at the Village Panchayat level called the Panchayat Level Federations (PLF). The PLFs, by pooling in talent and resources and exploiting economies of scale in production and marketing, can benefit member SHGs immensely. Strong federations are a sure way to ensure sustainability and self reliance of SHGs.

From 2006 – 07, the Government of Tamil Nadu have been taking various initiatives to strengthen the PLFs.

- 6,367 well-functioning PLFs have been provided seed money of Rs.10,000/- each.
- To strengthen the unity and team spirit, cultural competitions were organized among PLFs at Block and district levels. Rs. 1.60 crores were sanctioned for the year 2007 – 08 for conduct of these competitions which drew overwhelming response from SHG members.
- Manimegalai awards are presented to the best PLFs at State and district levels in order to motivate them.
- PLF representative has been included as a member of credit rating team.
- Two representatives from PLF have been included in the payment committee for NREGA Scheme.
- One PLF representative has been proposed for inclusion in the committee for selection of Samathuvapuram beneficiaries.
- PLF certification has been made mandatory for processing NGO claims for new group formation, monitoring and training.
- Well-functioning PLFs are affiliated under Mahalir Thittam on par with NGOs for formation of new SHGs, monitoring etc.
- Registration of all SHGs, formed by the NGOs with the PLF has been included as a covenant in the new NGO agreement.

In the year 2008 – 09, it is proposed to restructure the PLFs to make them inclusive and more democratic and participatory in functioning. It is also proposed to register the PLFs under The Tamil Nadu Societies Registration Act, 1975 which will give them legal status and access to institutional credit.

7.3.7 Skill Training for Youth

Given the popularity of the State as an industrial investment

destination, there is huge demand for skilled manpower in manufacturing and services sector. By providing relevant skill training, unemployed youth can be productively engaged benefiting the society as well as the individual. With this objective in mind, TNCDW has imparted skill training to 11,485 youth through reputed industrial houses and institutions like MRF, NOKIA, Saint Gobain among others.

The Government announced the Youth SHG scheme in 2006-07 to channelise the energies of youth constructively and productively. As on March 2008, 19,698 youth groups have been formed and 2,640 youth SHGs have been provided RF subsidy of Rs.10,000/- each.

7.3.8 Action Plan for 2008-09

The focus areas of TNCDW for 2008-09 will be:

- 25,000 new SHGs will be formed under Mahalir Thittam and Vazhndhu Kaattuvom Project with emphasis on the ultra poor especially National Rural Employment Guarantee Scheme workers.
- New SHG formation will be taken up mostly in areas which have poor coverage of SHGs.
- PLFs will be restructured to make their functioning participatory and inclusive.
- Steps will be taken to register PLFs under The Tamil Nadu Societies Registration Act, 1975 to make them legal entities.
- Skill training programme for youth will be scaled up, to cover at least 25,000 youth.
- Efforts will be taken to provide credit linkage to all eligible SHGs by providing RF subsidy.
- ID cards will be given to all Mahalir Thittam SHGs in a phased manner.
- 2,500 community resource persons will be developed from among SHG members to look after the training requirements of SHGs.

7.4 International Fund for Agricultural Development Assisted Post Tsunami Sustainable Livelihoods Programme

TNCDW is the nodal agency for implementing the International Fund for Agricultural Development (IFAD) Assisted Post Tsunami Sustainable Livelihoods Programme (PTSLLP).

The objective of PTSLP is to build self reliant, coastal communities which are able to manage their livelihood in a sustainable manner. This would be achieved by developing viable enterprises and resource management systems.

The project will be implemented at a total outlay of Rs. 298.57 crores over a period of 8 years.

The project area for implementation is the coastal Panchayats of six districts of Kancheepuram, Tiruvallur, Villupuram, Cuddalore, Nagapattinam and Kanyakumari benefiting nearly 6 lakh population.

In G.O. (Ms.) No.163, RD & PR (CGS -2) Department, dated 24.09.07 orders have been issued to create a Project Management Unit (PMU) at Chennai and six District Implementation Offices (DIOs) in the programme districts. Accordingly PMU and six DIOs have been established with adequate staff for proper implementation of the project.

The Cluster Resource Centre (CRC) is the basic implementation unit covering a group of Panchayats and the project area has been divided into 30 clusters. The CRC personnel will give facilitation support to the traditional community institutions in preparing and implementing project activities.

The programme is to be operationalized in collaboration with Non-Government Organizations and involving traditional community institutions and local bodies. The process for recruiting NGOs and other specialists is under way.

The programme envisages the development of community infrastructure, formation of fish marketing societies, support for Self help groups through capacity building, skill training for youth and assistance through micro credit for SHGs.

The project would promote responsible fishing practices to ensure sustainable livelihood to fishermen. The expertise of relevant institutions will be utilized to identify the coastal and fisheries management issues that affect the community and accordingly remedial measures will be taken up on pilot basis.

The Government have released Rs.10 crores for the first year and the initial project activities have commenced. For the year 2008-09, Rs.54.37 Crores have been provided in the budget for this project.

8. WORLD BANK AIDED VAZHNDHU KAATTUVOM PROJECT

One of the prime developmental objectives of Government of Tamil Nadu

is alleviating poverty and ensuring inclusive growth. An important intervention in this direction is the World Bank funded Vazhndhu Kaattuvom Project which was designed based on a concept note 'Tamil Nadu Poverty Reduction Initiative' developed in 2000-01. The Vazhndhu Kaattuvom Project was launched in November 2005 and will be implemented over a 6 year period with World Bank assistance. The total outlay of this project is Rs. 717 crores.

The target population of this project will be poor households, the most vulnerable sections including the physically challenged and the marginalized communities. The project adopts community driven development approach involving Village communities at every stage of project implementation. The target population is identified by Village communities using participatory methodologies.

8.1 Project Area

The project will be implemented in 2,480 Village Panchayats in 70 backward Blocks spread over 15 districts.

Table-9
Details of Project Area

Sl. No.	District	Number of Blocks	Number of Village Panchayats
1	Coimbatore	5	80
2	Cuddalore	4	236
3	Kancheepuram	4	231
4	Nagapattinam	4	182
5	Namakkal	6	121
6	Ramanathapuram	4	164
7	Salem	6	146
8	Theni	4	81
9	Tiruvallur	5	203
10	Tiruvarur	4	159
11	Tirunelveli	6	156
12	Thiruvannamalai	4	160
13	Thoothukudi	4	154
14	Vellore	5	211
15	Villupuram	5	196
	Total	70	2,480

8.2 Institutional Arrangements

The responsibility for implementation of the project vests with the Vazhndhu Kaattuvom State Society at State level and District Vazhndhu Kaattuvom societies in the project districts.

At the cutting edge level, a 5 member project facilitation team covers 10 – 15 Village Panchayats constituted into a cluster. At the Village Panchayat level the implementation agency is an inclusive community organization by name Village Poverty Reduction Committee (VPRC). In addition, a Social Audit Committee (SAC) is constituted by Grama Sabha which plays the role of guardian of the project principles.

8.2.1 Village Poverty Reduction Committee

The Village Poverty Reduction Committee is a community organization formed under the project predominantly with representatives of the target population. Each hamlet of the Panchayat is represented by a woman SHG member from the target population in the VPRC. The PLF Secretary, a representative of the disabled, 2 members representing other Village level committees are also nominated to the VPRC by the Grama Sabha. The Village Panchayat President is the Ex-officio Chairperson of the VPRC.

8.2.2 Social Audit Committee

A 5 member Social Audit Committee nominated by the Grama Sabha monitors project activities and ensures adherence of the project principles during implementation. The Committee is accountable to the Grama Sabha and reports to the Grama Sabha on a regular basis.

8.2.3 Project Implementation Cycle

The project activities to start with are aimed at social mobilization of the poor and marginalized. After formation and building capacity of the community organizations, the project focuses on livelihood promotion of the target population. The implementation stages of the project are:

a. Initiation stage:

- Communication campaign to create awareness about the project.
- Release of Panchayat initiation fund to participating Village Panchayats.
- Identification of the target poor by participatory methodology.
- Formation of VPRC and SAC.

b. Capacity Building stage:

- Mobilizing the left out poor, disabled into new SHGs.
- Building the capacity of VPRC, SAC and SHG members.
- Employment oriented skill training for youth.
- Promoting credit linkage to SHGs.

c. Livelihood stage:

- Livelihood resource mapping to identify potential economic activities at Village level.
- Assistance for individual livelihood activities as well as group activities.

d. Consolidation stage:

- Formation and strengthening economic activity federations and SHG federations.
- Establishing partnerships and linkages with corporate sector and other resource institutions.

8.3 Differences between Vazhndhu Kaattuvom Project and Mahalir Thittam

- Mahalir Thittam is implemented in partnership with NGOs whereas Vazhndhu Kaattuvom Project is implemented through community organizations like VPRCs with facilitation of project staff.
- The target population of Vazhndhu Kaattuvom Project includes the disabled and other vulnerable sections like tribals in addition to poor women.
- There is no formal involvement of Village Panchayats in Mahalir Thittam whereas Village Panchayats have a crucial role to play in Vazhndhu Kaattuvom Project activities.
- Vazhndhu Kaattuvom Project accords very high priority for livelihood promotion and bulk of the project funds are earmarked for the same.

8.4 Progress in project implementation

The project implementation was taken up in 15 Blocks in the first phase from October 2006 and another 15 Blocks in the second phase from April 2007. The project activities are in progress in 1,177 Village Panchayats in the first two phases. The following activities have been accomplished:

- The project staff, both at district and cluster levels are in position in all districts after induction training.
- Village Panchayat initiation fund of Rs.35,000/- per Village Panchayat has been released to all 1,177 Village Panchayats.
- Participatory identification of the poor has been completed in 1,162 Village Panchayats and the list approved by Grama Sabha.
- VPRC and SAC have been formed in 1,147 Village Panchayats. In addition, 42 special VPRCs have been formed exclusively in tribal areas.
- The first instalment of VPRC fund of Rs.20.15 crores has been released to 696 VPRCs.
- 2,629 new women SHGs have been formed from among the left out poor. Similarly 1,619 new SHGs have been formed among the disabled.
- 14,294 disabled persons have been given national ID cards through the intervention of the project.
- 2,694 unemployed youth have been imparted job oriented skill training in collaboration with Mahalir Thittam.

The third phase of project implementation has commenced in February 2008 in 19 Blocks covering 591 Village Panchayats. The fourth and final phase of the project implementation is proposed to start from July 2008.

The expenditure incurred under Vazhndhu Kaattuvom Project from inception till 31.03.2008 is Rs.51.13 crores. A sum of Rs. 114.22 crores has been provided in the Budget Estimate for implementation of the project in the year 2008-09.

8.5 Convergence of Mahalir Thittam and Vazhndhu Kaattuvom Project

Mahalir Thittam is being implemented in Vazhndhu Kaattuvom project

Blocks through Vazhdhu Kaattuvom project staff and Village Poverty Reduction Committees. This has helped in converging the efforts of Mahalir Thittam and Vazhdhu Kaattuvom and has avoided duplication of efforts. VPRCs have entered into an agreement with Mahalir Thittam for forming, training and monitoring SHGs and have been treated on par with NGOs for these activities.

9. TSUNAMI REHABILITATION SCHEMES

9.1 Introduction

The Tsunami which struck the Tamil Nadu Coast on 26th December, 2004 was unprecedented in its suddenness and ferocity, causing huge damages to lives, livelihood and properties in Tamil Nadu. It was widespread in scale affecting villages and towns all along the coastline. It inundated areas ranging from 200 metres to 3000 metres from the High Tide Line (HTL) in the coastal districts.

The Government of Tamil Nadu mobilized its resources to take up rescue and relief works. The Government have further undertaken, in collaboration with Non-Governmental Organisations (NGOs), Multilateral Institutions and the Government of India, various reconstruction programmes to restore livelihood, recreate habitats and rehabilitate damaged public properties and infrastructure. Among these are:-

- i) Tsunami Emergency Assistance Project (TEAP) of the Asian Development Bank (ADB) at a cost of about Rs.307 crores with loan and grant components.
- ii) Rajiv Gandhi Rehabilitation Package (RGRP) of the Government of India for Tsunami affected areas at a cost of about Rs.740 crores, as grant.
- iii) Emergency Tsunami Reconstruction Project (ETRP), part-funded by the World Bank at a projected cost of about Rs.672 crores as loan.

Several departments of the Government including Rural Development and Panchayat Raj Department are implementing the Tsunami Reconstruction Projects. The Project Management Unit (PMU) established in the Revenue Department is coordinating these projects. In view of the large financial allocation and physical spread of activities undertaken by the Rural Development and Panchayat Raj Department, a separate Project Implementation Unit (PIU) has been set up since 1.8.2005 for overseeing the implementation of the projects implemented by this department.

9.2 Tsunami Rehabilitation Programme Allocation and Expenditure

Upto 13-05-2006 only Rs.4.95 crores had been spent under TEAP and no expenditure was incurred under ETRP. In 2006-07, this Government have initiated a number of measures to accelerate the pace of implementation and provide the much needed thrust for livelihood promotion and infrastructure restoration. This thrust has yielded good results and the total expenditure as on 31.3.2008 under these two projects is Rs.263.41 crores.

For the Tsunami Project Implementation Unit and District Implementation Units created in Rural Development and Panchayat Raj Department for putting the projects on fast track, a total of 237 number of posts in different cadres were sanctioned. However, only 61 posts had been filled up till 13.5.2006. After 13-05-2006, additional 442 posts have been sanctioned under TEAP and ETRP. As on date, 436 posts are suitably manned for implementing the project activities.

9.3 Tsunami Emergency Assistance Project (TEAP) funded by the Asian Development Bank (ADB)

The main objective of the Project is to support the efforts of the Government of Tamil Nadu to accelerate economic growth and poverty alleviation in the Tsunami affected areas of the State by assisting in the restoration of livelihoods, especially of the poor and disabled and complementary rehabilitation and reconstruction of damaged public infrastructure.

This project is being implemented at a cost of about Rs.307 crores over a period of three years starting from 06.04.2005. The coastal stretch in the 12 tsunami affected districts of Thiruvallur, Kancheepuram, Villupuram, Cuddalore, Nagapattinam, Thiruvarur, Thanjavur, Pudukottai, Ramanathapuram, Thoothukudi, Tirunelveli and Kanniyakumari are benefited through the project. The Asian Development Bank provides 100% grant towards livelihood, sanitation and incremental operating cost components, and a soft loan towards projects for creation of infrastructure like roads and drains, public buildings, etc.

From a meagre Rs.4.95 crores as on 13.5.2006, the expenditure under this project has increased to Rs.251.54 crores, in the last 22 months of this Government, owing to significant acceleration of the pace of rehabilitation works in Tsunami affected areas. It may be noted that the Rural Development & Panchayat Raj Department alone has contributed to 62% of the total expenditure for all departments under TEAP. The components of this project and

the financial progress as on 31.3.2008 are as under:

Table-10
Components of TEAP

(Rs. in Crores)

Sl. No	Component	Funds allocated	Expenditure from 6.4.05 to 13.5.06	Expenditure from 14.5.06 to 31.3.07	Expenditure from 1.4.07 to 31.3.08	Total Expenditure Upto 31.3.08
1.	Livelihood	190.10	2.88	112.07	53.09	168.04
2.	Sanitation	5.86	0.92	0.01	0.00	0.93
3.	Incremental operating cost	12.08	0.00	3.99	6.16	10.15
4.	Rural Infrastructure					
	a) Roads and Drainages	93.63	1.15	26.26	43.81	71.22
	b) Public Buildings	5.62	0.00	0.02	1.18	1.20
	Total	307.29	4.95	142.35	104.24	251.54

9.3.1 Livelihood Component

A sum of Rs.190.10 crores has been allocated for the restoration of livelihood of Tsunami affected people in the coastal areas. Under this component the vulnerable sections of the society are provided with Revolving Fund assistance, Economic Assistance, grant for disabled persons for capacity building, and special assistance etc. Cent percent targets have been achieved in respect of these activities.

a) Revolving Fund

33,547 Self Help Groups (SHGs) have been assisted with Revolving Fund at a cost of Rs.88.82 crores. Every SHG has been assisted with Rs.30,000/- as Revolving Fund. Many of these groups have also availed of credit linkages with Banks.

This has transformed the lives of poor women by providing them with cheap, reliable and accessible credit for meeting their consumption and working capital needs. Many of them have used this money to improve their livelihood by creating new or improving their existing income generating assets.

b) Economic Assistance

Groups which are stabilized and have the aptitude for taking up micro

enterprises have been provided with economic assistance with 50% subsidy, the balance 50% being the credit linkage from the Banks. 2472 SHGs have availed this economic assistance at a cost of Rs.31.55 crores for undertaking a variety of activities including animal husbandry, palm leaf products, fish pickle, brick making, small business enterprises etc. The members of these groups are enabled to earn increased income as a result of this assistance.

An additional 4% interest subsidy will also be given to these groups upto the end of the project period, or for the repayment period, whichever is earlier.

c) Special Assistance for the Disabled

It is well known that the disabled, widows and deserted women are the most vulnerable sections in society, more so in the disaster-affected areas. Their social capital is often meagre and they find it difficult to access schemes meant for the general population. Bank credit is also hard to come by. This Government launched a massive campaign to improve the livelihood of the disabled. Under this, 34,632 persons with disabilities have been assisted with a grant of Rs.10,000/- each, at a cost of Rs.34.63 crores. Many of them have also availed of a loan of Rs.5,000/- each from the Banks. Interest subsidy at 4% will also be extended to these persons upto the end of the project period, or for the repayment period, whichever is earlier.

This assistance has been provided to the eligible disabled persons in the entire coastal districts, instead of restricting it to the coastal Blocks / Panchayats. The quality of life of these individuals has substantially improved after availing of this assistance. This is one of the single largest initiatives ever undertaken by the Government for the welfare of the disabled.

d) Community Infrastructure–Special Projects

Special projects are being implemented for capacity building and creation of Livelihood related community infrastructure. Some of the major proposals on hand are:-

- In 2005-2006, establishment of a state level SHGs Complex at an estimated cost of Rs.5.00 crores near Valluvar Kottam in Chennai was announced. Now the design for the complex has been approved and the Detailed Project Report has been finalised. Revised administrative sanction of the Government for Rs.10.72 crores has been obtained and tenders have been called for to implement the project.
- Construction of 15 Direct Paddy Purchase Centres has been taken up at a

cost of Rs.1.62 crores in Nagapattinam and Thanjavur districts, out of which 2 centres have been completed and the balance will be completed by May, 2008.

- The handloom weavers' cluster in Nagercoil has been upgraded at a cost of Rs.61.09 lakhs in consultation with the Handlooms Export Promotion Council of Government of India, the State Handlooms Department and the apparel export industry. Under this, 250 looms have been upgraded and the weavers have been trained. 5 work sheds have been improved for the benefit of the weavers.
- For improving the livelihood of Tsunami affected people through dairying activities, installation of 9 Bulk Milk Coolers, establishment of 37 milk parlours and formation of 160 Dairy Co-operative Societies have been taken up at total cost of Rs.4.06 crores. These parlours are being handed over to the SHGs for running them. The members of the SHGs have been trained in clean milk production and dairy animal management and marketing of milk and milk products.
- Establishment of a Crafts village in Villupuram district has been taken up at an estimated cost of Rs.51.00 lakhs to promote crafts, which are part of our cultural heritage and the works have commenced. About 1000 rural artisans in the coastal areas who are engaged in different types of non-traditional craft activities like making scented candles, terracotta, lamp shades, crocheted lace, imitation stone jewellery, hammocks, agarbathis, etc., will be benefited.
- Establishment of Sculptors' Park at an estimated cost of Rs.10.58 crores at Poonjeri in Mammallapuram, Kancheepuram district has been taken up. This park will benefit 125 Tsunami-affected master sculptors and over 1000 artisans and provide them infrastructure to enhance their efficiency and thereby their income. Detailed Project Report has been finalised and tenders have been called for to implement the project.
- 93 Fishermen Societies functioning in 7 coastal districts of Kanniyakumari, Tirunelveli, Thoothkudi, Ramanathapuram, Nagapattinam, Cuddalore and Villupuram have been provided with Rs.2.96 crores as working capital assistance. These societies have also received an equal amount as loan from Banks. About 5,100 fishermen directly and around 20,000 members of fishermen families indirectly have been benefited

under this scheme.

- Under Sea Safety Training Programme, training is being given to about 25,000 fishermen and their family members in sea safety measures, at a cost of Rs.112.87 lakhs, so as to create awareness on sea safety requirements and methods among women and children also.

e) Capacity Building

SHG members are being given Basic Orientation Training and Animator & Representative training to enable them to function as viable groups. Entrepreneurial Development Programme and Skills Upgradation Training are being given to groups which are taking up economic activities. A sum of Rs.4.39 crores has been spent for providing these training. Reputed institutions with good placement records have been selected for imparting vocation skills as follows:-

Table – 11
Capacity Building through Institutions

Sl. No.	Institute	Skills	Number trained	Cost of training Rs.in lakhs
1.	TNOU & TALLY	Accounting	684	37.62
2.	NIIT	Computer	830	49.80

These organisations are assisting the trained persons to get suitable employment.

9.3.2 Roads and Drainages

Under the rural infrastructure component, 611 road works to a length of about 700 Kms have been undertaken in the coastal village panchayats at a tendered cost of Rs.94.31 crores, out of which 500 road works have been completed at an expenditure of Rs.71.22 crores. The remaining works will be completed before May, 2008.

9.3.3 Public Buildings

Under renovation and upgradation of Panchayat Buildings in coastal village panchayats, 208 works have been taken up at a cost of Rs.6.43 crores and 15 works have been completed. The remaining works are under progress and are scheduled to be completed by the end of May, 2008. Each of these panchayat office buildings will now have a separate meeting hall with required furniture to conduct panchayat meetings.

9.3.4 Sanitation

Under Sanitation component, a sum of Rs.5.86 crores has been provided for taking up a sustained sanitation campaign through visual, audio and print media to promote safe sanitation practices among the people living in coastal areas.

Table – 12
Tsunami Emergency Assistance Project (TEAP)

(Rs. in lakhs)

Sl. No	Component	Financial		Physical		Achievement %
		Allocation	Expenditure	Target	Achievement	
I.	GRANT LIVELIHOOD					
	1.Revolving Fund – SHGs	8882.00	8882.00	33547	33547	100
	2.Economic Assistance - SHGs	3154.84	3154.84	2472	2472	100
	3.Disabled Grant - Persons	3463.20	3463.20	34632	34632	100
	4.Individual Subsidy, Group Formation Cost & Retroactive Expenditure – Persons	395.36	395.36	8844	8844	100
	5.Training- Individuals	439.69	439.69	About 110000	About 110000	100

	6.Community Infrastructure	2674.91	468.80	Works are in progress		
	Sub-Total	19010.00	16803.89			
II.	Incremental Operating Cost and other expenditure	1794.00	1108.00	In progress		
	Total Grant	20804.00	17911.89			
I.	LOAN ROAD WORKS	9363.00	7122.00	700 Kms.	545 Kms.	78
II.	PUBLIC BUILDINGS	562.00	120.30	223	15	7
	Sub-Total	9925.00	7242.30			
	GRAND TOTAL	30729.00	25154.19			

9.4 Rajiv Gandhi Rehabilitation Package (RGRP) funded by Government of India

The Rajiv Gandhi Rehabilitation Package (Reconstruction component) forms part of Tsunami Rehabilitation Programme (TRP) drawn by the Government of India for reconstruction of damaged physical and social infrastructure and for revival of impaired livelihoods due to the Tsunami on 26.12.2004. The programme emphasizes on improving quality of life using replacement and upgradation of assets as means to achieve it.

9.4.1 Schemes which are implemented

- a) In sites where NGOs constructed houses, certain basic facilities like cement concrete roads, provision of street lights, sanitation arrangements, land filling, etc. have not been provided by these NGOs and these facilities are being provided under the Project.
- b) Houses which have originally been agreed to be constructed by NGOs but subsequently backed out by them are being constructed with necessary basic amenities.
- c) Vulnerable houses within 200 meters from High Tide Line (HTL) and also

government built houses which are 10 years old as on 01.01.2006, within 1000 meters from the HTL are being reconstructed and required basic amenities in these housing sites are also being provided.

9.4.2 Provision of basic amenities in NGOs built sites

- i) Cement Concrete roads to a length of 138 Kms. at a cost of Rs.40.62 crores have been taken up in 128 sites. About 90 Kms. long roads have already been completed at an expenditure of Rs.22.18 crores and rest of the roads are programmed to be completed by April, 2008.
- ii) Out of 3019 street lights to be provided at a cost of Rs.266.31 lakhs, 2696 street lights have already been erected, incurring an expenditure of Rs.251.10 lakhs.
- iii) Sanitation arrangement by way of septic tanks and soak pits are being provided to 4262 houses built by NGOs without these facilities and 495 stand alone toilets are also being constructed, at a total cost of Rs.4.54 crores. Out of this, 2725 houses have already been provided with sanitation facilities at a cost of Rs.1.48 crores.
- iv) In 9 sites in Nagapattinam district where NGOs have constructed houses in low lying areas, land filling has been taken up in order to prevent flooding of the houses during rainy seasons at a cost of Rs.2.76 crores, in order to prevent inundation during rains. About 92% of filling has been completed at an expenditure of Rs.1.92 crores.

9.4.3 Construction of houses and provision of basic amenities in NGOs backed out sites

Some of the NGOs initially agreed to take up the construction of tsunami damaged houses, but subsequently backed out after two years of tsunami occurrence. This department was requested to take up the construction of these houses and also the provision of basic amenities in these sites. Under this,

- Every house to be built will be of 325 sq.ft. plinth area,
- Every house will be built with disaster resistance features,
- Basic Amenities like cement concrete roads, street lights, and necessary Public Buildings etc. will be provided to these sites.

Accordingly, 2630 houses in Nagapatinam, Thoothukudi, Villupuram, Kancheepuram and Tiruvallur districts are being constructed in 20 N.G.Os backed out sites. The construction is in various stages and bulk of these houses are programmed to be completed by July, 2008.

Works to provide basic amenities in the form of CC Roads, Community Halls, Child Welfare Centres and Storm Water Drain etc. are also taken up at a cost of Rs.10.52 Crores. Most of these works are in progress and will be completed by June, 2008.

9.4.4 Reconstruction of vulnerable houses

With the object of relocating the people who are living in vulnerable houses within 1000 metres from the HTL, a decision was taken up by the State Government to reconstruct these vulnerable houses as multi hazard resistant structures. As a first step, vulnerable houses located within 200 metres from the HTL and the houses built by the Government under different schemes like Indira Awaaz Yojana and Singaravelar Fishermen Housing Scheme, within 1000 metres from HTL, but 10 years old as on 01.01.2006 have been taken up for reconstruction under the project. About 20,000 such houses have been taken up for reconstruction in coastal districts.

All these constructions are programmed to be completed within the financial year 2008-09.

Basic amenities such as Cement Concrete Roads, Street Lights, Burial Ground / Cremation Sheds, Village Ponds, necessary Public Buildings etc. are also proposed for the entire coastal stretch of 1000 metres from the HTL in these coastal Panchayat Villages by utilising funds allocated at the rate of Rs.40,000 per house. The tender process for this purpose is under progress to carry out works at an estimated cost of Rs.80 crores.

9.5 Emergency Tsunami Reconstruction Project (ETRP) funded by World Bank

Government of Tamil Nadu formulated the Emergency Tsunami Reconstruction Project (ETRP) with the financial and technical assistance from the World Bank to revive the livelihood and to reconstruct the damaged houses in the tsunami affected areas of the State. The NGOs came forward to take up the reconstruction of houses directly damaged by the tsunami. As a result there have been substantial savings in the credit facilities availed from the World Bank.

The Government are discussing a project for reconstruction of houses along the coastal stretch of 200 metres to 1000 metres from HTL, which are identified as vulnerable to the future disasters like tsunami, and thus establish resilient coastal communities.

Under this project, the following construction activities will be carried out by this department :-

- i. Reconstruction of about 22,000 houses identified as vulnerable in the coastal areas lying between 200 metres to 1,000 metres from HTL.
- ii. Construction of evacuation routes to a length of about 150 Km to provide easy escape routes in times of emergencies. Signages to access the safer shelters will also be incorporated along these evacuation routes.

Negotiations by Revenue Department with the World Bank are in an advanced stage and the implementation modalities of this project are being finalised.

10. BUDGET FOR 2008-09

A sum of Rs. 4,598.81 crores has been provided in the Budget for 2008-09, out of which the projected revenue expenditure is Rs. 3551.63 crores and capital expenditure is Rs.1047.18 crores.

11. CONCLUSION

During the past one year, several path-breaking initiatives and system improvements have been brought about in the Rural Development and Panchayat Raj Department with regard to Panchayat Raj, Schemes as well as Establishment matters. The Third High Level Committee submitted its report to the Government making a number of key recommendations regarding devolution of powers and functions to rural as well as urban Local Bodies, and many of these recommendations have already been implemented. Based on the recommendations of the Third State Finance Commission, the Government significantly increased the devolution of funds to rural Local Bodies in general and Village Panchayats in particular. Assigned Revenues by way of LC, LCS, surcharge on Stamp Duty and Entertainment tax are now being pooled at the State level and released by the Director of Rural Development & Panchayat Raj through an alternative sharing formula that facilitates quick and easy disbursement and is also equitable. A number of long pending issues between Village Panchayats and TNEB have been sorted out and Village Panchayats have resumed the payment of electricity charges directly to TNEB based on service

connection-wise metered readings. The Village Panchayat Accounts have been rationalised to minimise leakages and diversions of funds. The rules relating to administrative sanction, technical sanction, measurements and check-measurements, tender inviting and accepting authorities and their powers etc have been completely recast, removing anomalies and facilitating quicker decision-making at all levels.

Apart from the two flagship Schemes namely the NREGS and AGAMT - in the implementation of which Tamil Nadu has come in for high praise from various quarters - this State has also launched a major Scheme for the renovation of the buildings of all Elementary and Middle schools over a 4-year period from 2007-08 to 2010-11 at a total cost of nearly Rs.300 crores. The Government has planned to tap NABARD funds to the tune of Rs.2,000 crores over a 5-year period for upgrading about 20,000 kilometres length of rural roads. The first tranche of Rs.410 crores has been sanctioned by NABARD during 2007-08 and similar tranches are expected to be sanctioned in the remaining years. The Namakku Naame Thittam was revived during 2007-08 and the Periyar Ninaivu Samathuvapuram Thittam is being revived in 2008-09.

Various innovative and focused initiatives taken by the Government to strengthen and streamline the SHG movement including Revolving Fund to urban SHGs, seed money to PLFs, Manimegalai awards to best SHGs and PLFs, cultural competitions among SHG members have yielded very good results and have been instrumental in revitalizing the SHGs and PLFs. The scheme to provide skill training to unemployed youth has received excellent response from the Youth and the Corporate sector. The implementation of the World Bank funded Vazhndhu Kaattuvom Thittam is progressing very well and has been commended by the World Bank.

The implementation of ADB-funded Tsunami Emergency Assistance Project (TEAP) has been almost completed except for the major community infrastructure projects. In the coastal Blocks, 32,547 SHGs received Revolving Fund; 2,467 SHGs received Economic Assistance; as many as 34,640 disabled persons received the Rs.10,000 livelihood grant; and about 5,000 fishermen received working capital assistance and training in sea-safety methods under TEAP's Livelihood component. About 22,500 pucca houses at a cost of about Rs.562 crores and basic amenities at a cost of about Rs.140 crores are being provided all along the coastal areas of the State. The face of the entire seafront in Tamil Nadu is being transformed.

Among the several new initiatives in Establishment matters, special mention must be made of the major reorganisation of the Technical Wing of the Directorate of Rural Development and Panchayat Raj by creating a large number

of posts of Assistant Executive Engineers, Assistant Engineers and Overseers in order to expedite the implementation of various Schemes.

Administering the Rural Development and Panchayat Raj Department - with its 1,20,000 PRI representatives, over 70,000 members of staff and an annual Scheme budget of nearly Rs.6,000 crores (inclusive of Centrally sponsored Schemes and Externally funded Schemes) and its intimate nexus with over 3.60 crores of rural public - is one of the most challenging and yet fulfilling tasks. While much has been done in the past two years, we are conscious of the fact that rural transformation and poverty alleviation are a continuous endeavour. Under the inspiring leadership of our Honourable Chief Minister, we shall continue our efforts to provide urban amenities in rural areas and light up the lives of the rural poor.

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and Local Administration