



# Achievements of the Rural Development & Panchayat Raj Department

(May 2006 - March 2009)

Rural Development & Panchayat Raj Department  
Tamil Nadu

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**DIRECTORATE OF RURAL DEVELOPMENT &  
PANCHAYAT RAJ**

## I. PANCHAYAT ADMINISTRATION

- Elections were held for 12,618 Village Panchayats, 385 Panchayat Unions and 29 District Panchayats during October 2006. There was high participation of voters in the rural areas with a record turnout of **76%**.

**Table -1**  
**Details of Reservation**

Sl. No.	Designation	Total No. of seats/ Offices	Women		Scheduled Castes		Scheduled Tribes	
			No.	Percentage	No.	Percentage	No.	Percentage
1.	District Pt. Chairman	29	10	34	7	24	0	0
2.	Pt. Union Chairman	385	140	36	87	23	4	1
3.	Village Panchayat Presidents	12,618	4,275	34	3,143	25	156	1
4.	District Panchayat Ward Members	656	226	34	154	23	8	1
5.	Pt. Union Ward Members	6,570	2,302	35	1,534	23	64	1
6.	Village.Pt. Ward Members	97,458	32,638	33	24,630	25	983	1

- Elections were held successfully in October 2006 for Pappapatti, Keeripatti, Nattarmangalam and Kottakatchiyendal Village Panchayats where it could not be held for a Prolonged period due to local opposition to reservation. The Hon'ble Chief Minister held a "**Samathuva Peruvizha**" in Chennai on 13.11.2006 and felicitated the newly elected Presidents, Vice-Presidents and community leaders of the Villages.

- **A High Level Committee** was formed under the Chairmanship of Hon'ble Minister for Rural Development and Local Administration to devolve more powers and functions to the Local bodies. The first meeting of the Committee was held on 7.3.2007. In continuation of this, a conference of Local body representatives was held in the presence of Hon'ble Chief Minister on 18.3.2007, following which Regional Conferences of local body representatives were held in Erode (24.7.2007), Trichy (25.7.2007), Tiruvannamalai (03.8.2007), and Virudhunagar (23.8.2007), under the Chairmanship of Hon'ble Minister for Rural Development & Local Administration. The second meeting of High Level Committee was conducted on 19.9.2007. Further, Hon'ble Minister for Rural Development and Local Administration conducted discussions on 11.10.2007 and 12.10.2007 with the Secretaries of other departments, in order to devolve more powers to the rural local bodies. The High Level Committee submitted its report to the Hon'ble Chief Minister of Tamil Nadu on 10.12.2007 under the Chairmanship of Hon'ble Minister for Rural Development and Local Administration. After considering **99** recommendations of the Committee on **39** subjects, the Government have issued orders on **52** recommendations so far. Action is being taken by the Government on the remaining recommendations and orders will be issued soon.
- **Delimitation** - In order to satisfy the Long Pending public demand for **upgradation, bifurcation and amalgamation of the local bodies**, the District Collectors were advised to hold public hearings, and after scrutiny, send necessary proposals to the concerned Head of Departments. The Head of Departments will send their final reports to the Government. The Government will take suitable decision on the proposals according to their eligibility.
- **Devolution of Funds to Rural Local Bodies** - The Government have **enhanced the devolution funds** to the local bodies from State's Own Tax Revenue during 2007-08 from **8% to 9%**. Further it will be enhanced during 2009-10 from **9% to 9.5%**.

The allotment to the rural local bodies has been increased from Rs. **1,225** crores during 2006-07 to Rs. **1,583.58** crores in 2007-08. In absolute term,

**Table-2**  
**Devolution of funds to Rural Local Bodies**

Year	Allocation	% Increase over previous year
2006-07	1,225.00	23%
2007-08	1,583.58	30%
2008-09	1,716.44	8%

it was an increase of Rs. **358 crores or 30%**. For the year 2008-09, **1,716.44** crores has been allocated i.e. an increase of Rs. **133** crores i.e. **8%** over 2007-08.

- Assigned Revenue** - Local Cess, Local Cess Surcharge, Stamp duty and Entertainment tax receipts that were previously adjusted to the rural local bodies concerned at district level by the District Collectors, are now pooled at the State level and apportioned to the rural local bodies from 2007-2008 onwards, in order to Strengthen the financial position of the local bodies. For the year **2007-08**, Rs.**270** crores had been allocated and out of this, 2/3<sup>rd</sup> portion was distributed to the rural local bodies, (i.e., Rs 180 crores) and in respect of the 1/3<sup>rd</sup> portion (Rs 90 crores), action was pursued on the basis of priority schemes for improving basic amenities. Sanction has been given for the construction of **53** new Panchayat Union Office buildings in the place of severely damaged buildings. Under Scheme component of Pooled Assigned Revenue, **385** Vehicles have been provided to Panchayat Union Chairpersons and **409** vehicles have been allocated to BDOs and AEEs of newly created sub divisions. During **2008-09**, an amount of **Rs.541.77** crores has been allocated under the Pooled Assigned Revenue, out of which, **Rs.180.59** crores is the Scheme Component.

7. The Government, vide G.O.Ms.No.206, Rural Development and Panchayat Raj (SGS.1) Department, dated 31.12.2007, have given a blanket '**No Objection Certificate**' to the other user departments for which the Rural Development & Panchayat Raj Department has built buildings through its various schemes, so as to enable them to apply to TNEB for electricity connections and pay the recurring consumption charges to TNEB, without any financial commitment on the part of the rural Local Bodies.

The above efforts have settled many long pending issues with Electricity Board and will pave way for the improvement of the Village Panchayat finances.

- The Government have instituted **Uthamar Gandhi Village Panchayat Award** which is given to 15 Village Panchayats annually which adopt innovative approaches and undertake special initiatives. For the year **2006-07**, 15 selected Village Panchayats was conferred with **Uthamar Gandhi Village Panchayat Award** by Hon'ble Chief Minister of Tamil Nadu on 10.10.07 along with a certificate, shield and a cash prize of Rs. 5 lakhs each to those holding Panchayat President Post at that time. **84** Proposals have been received from the Districts Collectors for the selection of **2007-08 Uthamar Gandhi Village Panchayat Award**. The proposals are being scrutinized by a Committee for selecting Awardee Panchayats.
- **Increase of the allowances to Rural Local Body Representatives** - Fixed Traveling Allowance (FTA) was initially sanctioned by the Government to the Presidents of Village Panchayats, 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 vide G.O.(D) No.569 Rural Development and Panchayat Raj (C1) Department, dated 28.09.2007, have enhanced the FTA for the rural Local Body representatives as under:

**Table-3**  
**Scheme Component of Pooled Assigned Revenue -2008-09**  
**(Rs in Crores)**

Sl.No.	Category	Allocation
1.	Upgradation of WBM to B.T.Roads	43.62
2.	Constn.of Village Pt.Office Buildings	21.78
3.	Constn. of Pt.Union Office Buildings	49.20 *
4.	Installation of Street Lights	27.68
5.	CC Roads / Bridges / Vehicles etc.	38.31

\* This includes the amount allocated for the year 2007-08 – Rs.47.70 crores.

- The Village Panchayats are responsible for provision and maintenance of basic amenities like Drinking Water Supply, Street Lights, Roads and Sanitation. But, many Village Panchayats were finding it difficult to provide basic amenities due to insufficient financial position.

Hence, the following action was taken to set right this position: -

1. From 2007-08 onwards the SFC devolution grant share of Village Panchayats has been raised from **47% to 60%**.
2. When funds are allotted based on the basis of population alone, bigger Village Panchayats get a major share and many smaller Village Panchayats do not get sufficient funds. To change this situation, it has been ordered to release evenly a **minimum grant of Rs. 3 lakhs** to all the Village Panchayats and to apportion the balance amount on population basis.
3. From the year 2008-09, a **minimum grant of Rs. 30 lakhs** has been ordered to be released to all the Panchayat Unions as a measure of equalization and the balance is released on the basis of population.
4. The **Government have ordered to allot the entire Twelfth Central Finance Commission grant to the Village Panchayats** and this is being implemented from the second half-year allocation of 2006-07.



5. This Government, for the first time, have created a **Training Corpus Fund** of Rs.3 crores per year to train the elected representatives of PRIs on various aspects of Rural Development & Panchayat Raj. In order to acquire first-hand knowledge of the best practices & innovative measures of other Panchayats, exposure visits are organized for the PRI representatives. The districts were grouped into 4 different regions and departures were scheduled from Chennai, Trichy, Madurai and Salem. The itinerary included Odanthurai Village Panchayat (Uthamar Gandhi Award winning Panchayat) and Tamil Nadu Agricultural University in Coimbatore district and the Tamilnadu Horticultural Research Station in Nilgiris districts. A total of **8** trips have been arranged in 2007-08, covering **450** Village Panchayat Presidents. The Village Panchayat Presidents who participated in the exposure visits met the Hon'ble Minister for Rural Development and Local Administration on **24.01.08** and explained that they had immensely benefited from the visit. For the year **2008-09** also, an exposure visit was arranged for **439** men Village Panchayat Presidents and **199** women Village Panchayat Presidents to Odanthurai Village Panchayat in Coimbatore district, Tamil Nadu Agricultural University, Siruthuli Waste Management at Coimbatore and Tamil Nadu Horticulture Research Station in Nilgiris District. Further, two exposure visits were arranged for rural local body representatives to National Institute of Rural Development, Hyderabad. Further, a total of **12** trips (exclusively **4** trips for women Panchayat Presidents) were arranged for rural local body representatives covering **700** Village Panchayat Presidents (including **191** women Panchayat Presidents) to Madurai, Kodaikanal and Ramnathapuram districts to enable them to acquire knowledge on the new and special initiatives carried out in the village and gain exposure to Tamil Nadu Agricultural University, Tamil Nadu Horticultural College, Periyakulam, Central Government Sheep and Rabbit Research Centre & Fish Farm in Mannavanoor Panchayat, Projects implemented by Dhan Foundation, Mandapam

Central Marine Fisheries Institute in Naripaiyur and Michaelpattinam Village Panchayat. Training was also arranged for rural local body representatives covering **900** Village Panchayat Presidents and Vice Presidents at **Anna University, Chennai** regarding **Building Technology** and **Good Quality Construction**. An amount of **Rs.3.05** crores was spent so far from Training Corpus Fund.

6. Under **Rastriya Gram Swaraj Yojana** (RGSY), there is a need for the capacity building of these Panchayat Raj functionaries and individuals who manage the affairs in these institutions. The five RIRDs and State Institute of Rural Development have conducted **1,567** programmes covering **50,504** Panchayat Raj functionaries like Panchayat Presidents / Panchayat Union Councilors and Panchayat Ward Members. Accordingly, the Government issued orders vide G.O. (M.S.) No 29, RD & PR (PR.III) Department, Dated, 31.03.2009 and an amount of Rs 2.44 Crores was released for 2008-09 for the capacity building activities for the Panchayat Raj functionaries.
  7. **BRGF Capability Building Fund** – An allocation of Rs. 16.32 crores has been made in 2008-09 under Backward Regions Grant Fund – Capability Building Component for Tamil Nadu. The Capability Building Fund is to be utilised for training of rural and urban Local Body functionaries and officials of other Sectoral Departments, Exposure Visits, Grama Sabha Campaigns, T.V.Channel and Radio Programmes, Panchayat news letters, Block Resource Centres and Infrastructure Development of State Institute for Rural Development.
- Since 70% of the annual expenditure of the Village Panchayat is on electricity charges, the following long pending issues relating to Electricity Board have been successfully resolved:
    1. The Unit Cost of electricity in rural areas has been reduced from Rs. 3.40 to Rs. 3.00 per unit.

2. The surcharge payable by the local bodies to the Electricity Board for arrear payments has been reduced from 12% to 6%.
3. The surcharge of Rs.18.46 Crores due to TNEB from rural Local Bodies prior to 13.3.07 had been written off.
4. The period of payment for electricity charges, has been raised from 20 days to 60 days.
5. To avoid raising bills without meter reading, the Government have ordered to fix meters to all the EB service connections and to raise the demand, based on the meter readings only.
6. To avoid delay in installation of new poles, the Government have standardized the installation cost and fixed it at **Rs. 9,500/-** per pole.
7. The Government, vide G.O.Ms.No.206, Rural Development and Panchayat Raj (SGS.1) Department, dated 31.12.2007, have given a blanket '**No Objection Certificate**' to the other user departments for which the Rural Development & Panchayat Raj Department has built buildings through its various schemes, so as to enable them to apply to TNEB for electricity connections and pay the recurring consumption charges to TNEB, without any financial commitment on the part of the rural Local Bodies.

The above efforts have settled many long pending issues with Electricity Board and will pave way for the improvement of the Village Panchayat finances.

- The Government have instituted **Uthamar Gandhi Panchayat Award** which is given to 15 Village Panchayats annually which adopt innovative approaches and undertake special initiatives. For the year **2006-07**, **15** selected Village Panchayats was conferred with **Uthamar Gandhi Panchayat Award** by Hon'ble Chief Minister of Tamil Nadu on **10.10.07** along with a certificate, shield and a cash prize of Rs. 5 lakhs each to those holding Panchayat President Post at that time. For the year **2007-08** also,

15 selected Village Panchayats were conferred with **Uthamar Gandhi Panchayat Award** by Hon'ble Chief Minister of Tamil Nadu on **19.12.08** along with a certificate, and shield to the Panchayat Presidents as well as the previous Panchayats Presidents. A cash prize of Rs 5.00 lakhs has also been given to each of the 15 Panchayats.

**Table-4**  
**Uthamar Gandhi Panchayat Award –Winning Panchayats**

2006-07		2007-08	
District	Panchayats	District	Panchayats
Coimbatore	Odanthurai	Tirunelveli	Keelavellakkal
Erode	Thindal	Virudhunagar	Pethureddiyapatti
Ramnad	Michael Pattinam	Ramnad	Thamaraikulam
Sivagangai	Nalukottai	Nagapattinam	Vizhunthamavadi
Vellore	Kattuputhur	Tiruvarur	Pallivarthi
Salem	Chinnanur	Tirunelveli	Idaiyankudi
Tiruvarur	Keelathirupalakudi	Thanjavur	Seenivasanallur
Kanniyakumari	Thikkanankodu	Ramnad	Thiruvarangam
Trichy	Valadi	Karur	Esanatham
Theni	Lakshmipuram	The Nilgiris	Thummanatti
Namakkal	Kaadachanallur	Theni	Ramasamy naickenpatti
Kancheepuram	Pappanallur	Namakkal	Mudalaipatti
Cuddalore	Ma.Kolakudi	Dindigul	M.M.Kovilur
Villupuram	Jaggampettai	Erode	Mylambadi
Dindigul	K.Keeranur	Sivagangai	Kattenthal Sukkanoorani

- **Increase of the allowances to Rural Local Body Representatives -** Fixed Traveling Allowance (FTA) was initially sanctioned by the Government to the Presidents of Village Panchayats, 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 vide G.O.(D) No.569 Rural Development and Panchayat Raj (C1) Department, dated 28.09.07, have enhanced the FTA for the rural Local Body representatives as under:

**Table-5**  
**Monthly FTA for rural Local Body representatives**

Sl. No.	Name of the office / seat	Previous 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

- Issue of Identity Cards to Heads of Panchayat Raj Institutions:**  
Based on the representations of 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 the decision of the Government 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.
- Local Bodies' Day** - The rural and urban Local Bodies are perhaps, the agencies with maximum public interface. There is need to further strengthen this interface and bring about greater transparency and openness in the functioning of the Local Bodies. At the same time, it is also necessary to highlight their achievements and carry out various Information, Education and Communication campaigns relating to civil administration and 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 every year, by all rural and urban Local Bodies in Tamil Nadu.

- **Rationalization of Village Panchayat Accounts-** Several instances came to notice, that Village Panchayat Presidents and Vice Presidents issued cheques for Scheme funds works / National Rural Employment Guarantee Scheme works without measurement and check-measurement of works and without the bills being passed by the Block Development Officers (Village Panchayats) concerned. The number of instances of unauthorized drawals was greater on the eve of Local Body elections. Therefore, the Government have issued orders in G.O. Ms.No.146 Rural Development and Panchayat Raj Department dated: 17.8.2007 for further rationalizing of the Village Panchayat Accounts and streamlining the procedure in operation of the Accounts. The Government have further streamlined the above accounting procedure through G.O. Ms.No.178, Rural Development and Panchayat Raj Department dated: 25.11.2008 and G.O. Ms.No.180 Rural Development and Panchayat Raj Department dated: 01.12.2008.
- **Administrative Powers** - Government have issued orders raising the administrative sanction limit for the works undertaken in the Local Bodies from the General fund, wherein Village Panchayats have been empowered to give administration sanction and execute individual works upto Rs.2 lakhs. Previously, the limit was Rs.1 lakh only. The power of the Panchayat Union Council to give administration sanction for an individual work has been revised from Rs.5 lakhs to Rs.10 lakhs. District Panchayat council can now give administrative sanction for individual works upto to Rs.20 lakhs (Previously, it was Rs.10 lakhs). The Government have issued orders in G.O.Ms.No.203 RD & PR Department dated 20.12.07 raising the technical sanction powers and for rationalizing the powers of Engineers for works taken under National Rural Employment Guarantee Programme.

Further, the Government have issued order in G.O.Ms.No.204 RD and PR dt.24.12.2007 specifying various authorities to scrutinize the tender proposals.

- The Government have given sanction for **provision of Computers along with Printers** for the use of all the Chairpersons of District Panchayats & Panchayat Unions.
- The Government have ordered for **provision of Telephone** to all the Village Panchayat offices to improve their communication facility.
- In order to identify and **honour the Industrial, Service or Business** sectors involved in **Corporate Social Responsibility**. The Government have ordered a cash award of Rs.5 lakhs and a certificate for five Industrial, Service or Commercial organizations annually from the year 2007-08. For the year **2007-08 & 2008-09, 9 (Nine) organisations** have been selected for the **Corporate Social Responsibility Award**. They are listed in Table 6.

**Table-6**  
**Corporate Social Responsibility Award - Winning Corporate**

Sl. No.	2007-08	Sl. No.	2007-08
1.	TamilNadu Newsprint Papers Ltd. Kakithapuram, Karur District.	1.	Chennai Petroleum Corporation Ltd, Manali, Chennai.
2.	Oil and Natural Gas Commission, Karaikal, Pondicherry.	2.	Steel Authority of India Ltd., Salem Steel Plant, Salem District.
3.	Srinivasan Services Endowment, T.V.S Motors Group. Chennai.	3.	Orchid Chemicals and Pharmaceuticals Ltd, Nungambakkam, Chennai.
4.	Saint Gobain Glass India Ltd, Sriperumbudur,Kancheepuram District.	4.	Shree Ramalinga Mills Ltd, Aruppukottai, Virudhunagar District.
5.	Sakthi Masala Pvt.Ltd, Mamarathupalayam, Erode District.		

- **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 is detrimental to public interest. In order to make the provisions for moving and passing the no-confidence motion more stringent, the Government have amended the 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.
- **Appointment of Special Officers for Village Panchayats by District Collectors** The power of appointment of Special Officers for Village Panchayats in certain circumstances is vested with the Government. In order to avoid delay and to ensure uninterrupted administration of village panchayats, a new section 9-C has been inserted in Tamil Nadu Panchayat Act, 1994. So that the District Collectors concerned can appoint Special Officers for Village Panchayats which could not be constituted even after resorting to election process.
- **Duty of the President to implement schemes entrusted to the Village Panchayat** - Village Panchayats implement various Centrally Sponsored schemes and State funded schemes besides undertaking works out of general funds. However, there was no specific provision in the Tamil Nadu Panchayats Act, 1994, to require the President of the Village Panchayat to



execute or implement the schemes entrusted to the Village Panchayats. Hence, necessary amendment to Section 46 of the Act has been issued making it mandatory for the President of Village Panchayat to execute or implement the schemes entrusted to the Village Panchayat.

- **Annual report of the functioning of Panchayats** - At present, District Panchayat performs advisory-cum-planning role. The implementation of developmental programmes is done by the Panchayat Unions and Village Panchayats. Since the Act provided only for laying the Annual Report of the individual District Panchayats on the floor of the Legislative Assembly, a new Section 166-A was inserted to the Tamil Nadu Panchayats Act, 1994, so that an overall view of the functioning of the three tiers of the Panchayat Raj Institutions can be presented in the form of "Annual report of the functioning of Panchayats" before the Tamil Nadu Legislative Assembly. Annual reports of the functioning of Panchayats for the years 2006-07 & 2007-08 have been placed on the floor of Tamil Nadu Legislative Assembly during February, 2009.
- **Enhancement of Penalties** - Tamil Nadu Panchayats Act 1994, contemplates imposition of penalties on the persons who contravene any of the provisions of the Act specified in Schedule-II or who fail to comply with any directions lawfully given to them or requisition lawfully made upon them. Schedule-III of the Act prescribes penalties for the continuing breaches. Since the penalty amount provided in the above Schedules were prescribed 50 years back and have lost the deterrent effect, amendments were issued to Schedule II and Schedule III enhancing the penalty amount leviable under the Act. This will empower the rural Local Bodies in strict enforcement and also to impose and collect higher penalties in case of violation.
- **Disqualification of Members of Panchayats** -The Government has now been empowered to decide the question of disqualification for being chosen as, and for being a member of a Panchayat in consultation with the Tamil Nadu State Election Commission by an amendment to Sections 34,

35,37,38,39 and 41. This is in consonance with the disqualification provisions in respect of Members of Legislative Assembly contained in the Representation of People Act, 1951. Necessary provisions have also been made in the Tamil Nadu Panchayats Act, 1994 by inserting new sections 41-A, 41-B,41-C and 41-D, empowering the Tamil Nadu State Election Commission in the matter of conduct of enquiries as to disqualification of members of the Panchayats.

- **Enhancement of Local Cess and Local Cess Surcharge** - Based on the recommendations of the Second State Finance Commission, the Government have enhanced the Local Cess from Re.1 to Rs.2 and Local Surcharge from Rs.5 to Rs.7 by issuing necessary amendments to Section 167 (1) and Section 168 of the Tamil Nadu Panchayats Act, 1994.

## II. RURAL DEVELOPMENT SCHEMES

- Out of **1.540 Lakh** works pending as on 13.5.06, **1.538 lakh** works have been completed.
- **Anaithu Grama Anna Marumalarchi Thittam** - inaugurated by Hon'ble Chief Minister of Tamil Nadu in January, 07 is the largest Rural Development scheme among all the Central / State sponsored schemes. Under this scheme, formation of pond, library, Sports Centre, burial ground and provision of water supply are compulsory item of works taken up in each Village Panchayat. Street lights, Inland fisheries, CC Roads, Shandies etc. are taken up based on the local needs.

**Table-7**  
**Allocation & Expenditure under AGAMT**

(Rs. in crores)

Year	Number of Village Panchayats	Allocation	Expenditure
2006-07	2,540	513.08	484.15
2007-08	2,534	511.87	474.24
2008-09	2,521	509.24	373.89
2009-10	2,511	507.27	

**Table-8****Anaithu Grama Anna Marumalarchi Thittam - Year Wise Progress**

Sl. No.	Name of the Works	2006-07		2007-08		2008-09 as on 31.3.2009.	
		Taken up	Completed	Taken up	Completed	Taken up	Completed
1.	Ponds	2,599	2,598	2,546	2,546	2,520	1,590
2.	Burial Ground/ Cremation Shed	4,482	4,482	3,850	3,850	3,531	3,385
3.	Sports Centres	2,539	2,539	2,536	2,536	2,607	787
4.	Libraries	2,500	2,500	2,516	2,516	2,520	2,186
5.	Drinking Water supply	8,576	8,576	7,265	7,265	5,693	5,679
6.	Cement Roads No./Km	9,972/ 1339.39	9,972/ 1339.39	8,158/ 842.30	8,158/ 842.30	5,512/ 718.82	5,499 713.75
7.	Inland Fishery	1,031	1,031	1,097	1,097	908	908
8.	Village Shandies	122	122	46	46	32	32
9.	Street Lights	2,526	2,526	2,524	2,524	2,222	2,222
10.	Other works	7,691	7,691	6,712	6,712	4,734	4,348
<b>Total</b>		<b>42,038</b>	<b>42,037</b>	<b>37,250</b>	<b>37,250</b>	<b>30,279</b>	<b>26,636</b>

Further, funds from other schemes of Rural Development and Panchayat Raj department and other departments such as Agriculture, Education, TWAD, Highways etc, are also dovetailed as far as possible into the Village Panchayats taken up under AGAMT.

**Table-9****AGAMT - Dovetailing and convergence of funds****(Rs. in lakhs)**

Year	No.of works	Value of works	Average per AGAMT Village
2006-07	7,80,805	2,13,725.38	84.14
2007-08	7,43,087	2,22,891.34	87.96
2008-09	5,11,630	2,55,451.98	101.37

- **National Rural Employment Guarantee Scheme - Tamil Nadu** was initially implemented in six notified (Phase I) districts viz. Cuddalore, Villupuram, Tiruvannamalai, Nagapattinam, Dindigul and Sivagangai districts

from 2.2.06. In the second phase, it was extended to Thanjavur, Tiruvarur, Karur and Tirunelveli districts with effect from 1.4.2007. From 1.4.08 onwards, the Scheme has been extended to all the remaining 20 districts (Phase III) of Tamilnadu viz. Kancheepuram, Tiruvallur, Vellore, Salem, Namakkal, Dharmapuri, Krishnagiri, Erode, Coimbatore, Nilgiris, Trichy, Perambalur, Ariyalur, Pudukottai, Madurai, Theni, Ramanathapuram, Virudhunagar, Tuticorin and Kanniyakumari.

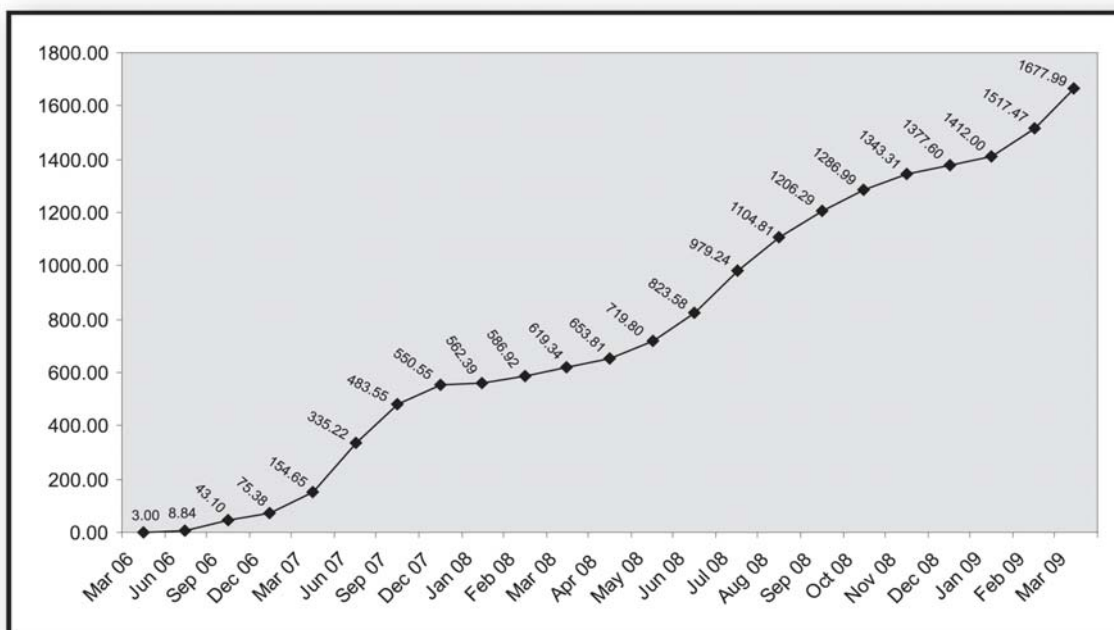
**Table-10**  
**Funds Released & Expenditure under NREGS**

(Rs. in crores)

Year	Central Govt.	State Govt.	Total	Expenditure
2005-06	65.72	7.31	73.03	3.00
2006-07	170.89	18.08	188.97	151.65
2007-08	516.29	57.29	573.58	517.84
2008-09	1,401.26	191.98	1,593.24	1,005.50
<b>Total</b>	<b>2,154.16</b>	<b>274.66</b>	<b>2,428.82</b>	<b>1,677.99</b>

**Total expenditure incurred under**  
**National Rural Employment Guarantee Scheme in Tamil Nadu**  
**(Feb 2006 to March 2009)**

(Rs. in crores)



- The expenditure which was Rs.3 crores as on 13.05.06 under this Scheme (that commenced in February, 2006), rose to Rs.111 crore in Jan. 07 and has now crossed Rs.**1,677.99 crores**. **21,332** works have been completed under the Scheme by generating **19.94** crores mandays. In Tamilnadu, **82%** of the beneficiaries under National Rural Employment Guarantee Scheme are women and over **59%** of the beneficiaries belong to SC/ST families. In rural areas, the wages of women workers have considerably increased. Cuddalore, Sivagangai and Dindigul find place among 22 Districts at National level which have received Annual Award for Excellence in NREGA Administration for promoting effective implementation of NREGA ACT on 2.2.2009 in New Delhi. For implementing this Scheme, new posts have also been created as follows: -

**Table-11**  
**NREGS - Posts sanctioned to expedite Progress**

Sl. No.	Name of the Designation	No of posts
<b>District Rural Development Agencies</b>		
1	Superintendent (in the cadre of BDO)	30
2	Assistant	30
3	Computer Operator	30
<b>Block Development Offices</b>		
4	Dy BDO	385
5	Assistant	385
6	Computer Operator	770
<b>Technical Posts</b>		
7.	Assistant Executive Engineer	32
8	Assistant Engineers	212
9	Overseers	673
10	Junior Draughting Officers	32

**The following special steps were initiated to streamline and expedite the implementation of NREGS 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 and for the year 2008-09, it was ordered in G.O. No. 110 RD & PR (CGS-1) dated 27.6.2008.
2. A minimum of 30% registration has been insisted upon in each Village Panchayat. The average percentage of registration in the Phase-I & Phase II districts is more than 65%. In the Phase-III districts, the average registration has crossed 40%, 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. Due to the extension of this scheme to the remaining 20 districts of Tamil Nadu with effect from 1.4.2008, the Government have sanctioned additional administrative staff, additional fuel for block vehicles for 20 Phase - III National Rural Employment Guarantee Scheme districts vide G.O. Ms. No. 27, RD & PR (CGS-1) Department, dated 20.2.2008.

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 number 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 minimized.
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. a,b and c belongs to SC/ST Community.
  - e) Two animators of graded Self Help Groups and f) a representative of the Panchayat Level federation.
10. 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 during the conduct of Grama Sabha meetings on 26<sup>th</sup> January, 1<sup>st</sup> May, 15<sup>th</sup> August and 2<sup>nd</sup> October of

every year. Simultaneously, the conduct of Social Audit of the scheme is taken up during the Grama Sabha meetings in the year 2008-09 also.

- **Periyar Ninaivu Samathuvapuram** - To promote social justice and Thanthai Periyar's message of social equality, Government of Tamil Nadu established Samathuvapurams since 1997-98 where all communities can live with the spirit of unity and brotherhood. Accordingly, 145 Samathuvapuram were established in the State. Government have now again decided to revive the Scheme in order to propagate the message of living with unity and brotherhood. The statue of Thanthai Periyar will be installed at the entrance of all 95 new Samathuvapurams as well as the 145 samathuvapurams already constructed. In the first phase, 29 Samathuvapuram will be established during 2008-09 at the rate of one Samthuvapuram in each district (except Nilgiris and Chennai). Each Samathuvapuram will have 100 houses, Roads, Street lights, Drinking water supply and Public Distribution System shop. The entire cost of the Samathuvapuram will be met by the Government of Tamil Nadu. The lands for each of the Samathuvapurams have been procured, estimates finalised and tendering done for Samathuvapuram houses.
- **Indira Awaas Yojana (IAY)** - Due to rise in the building materials, the cost of construction of new houses under Indira Awaas Yojana Scheme (IAY) has increased substantially. The Central Government have in its Budget Report for 2008-09, raised the unit cost for each house from Rs.25,000/- to Rs. 35,000/- Likewise, considering rise in the RCC roofing cost, the State Government have also ordered to raise the RCC Roofing cost from Rs.12,000/- to Rs. 20,000/- per house from 2008-09 onwards. The allocation for RCC roofing is an additionality to the State share of the Scheme.



**Table-12**  
**IAY - New Houses**

(Rs in crores)

Year	Allocation (Including RCC Roofing cost)	Expen- diture	% of expen- diture	Taken up	Compl- eted	% of physical completion
2006-07	189.79	189.21	99.99	50,380	50,380	100
2007-08	255.38	250.30	98	68,523	68,523	100
2008-09	379.33 Natural Calamities 6.63	376.06 0.93	99 14	68,509 1,205	58,669	86
	* 335.06 Additional allocation	66.93	21	60,919	25	1

\* Amount got in Feb.09 & to be credited to 2009-10 allocation.

**Table-13**  
**IAY - Kutcha Houses**

(Rs in crores)

Year	Allocation	Expen- diture	% of expen- diture	Taken up	Compl- eted	% of physical completion
2006-07	14.47	14.47	100	11,077	11,077	100
2007-08	19.23	19.23	100	15,384	15,384	100
2008-09	26.92 * 23.69 Additional allocation	12.72 6.75	99 29	17,951 15,794	17,888 204	99 2

\* Amount got in Feb.09 & to be credited to 2009-10 allocation.

- Panchayat Union School Renovation Scheme** - Under this Scheme which was started in 2007-08 by the State Government, 22,000 Panchayat Union elementary schools and 4,500 Panchayat Union middle schools that have been remained without maintenance for so many years, were taken up for renovation. During 2007-08, **9,547** Schools were taken up for repairs/renovation at an estimated cost of Rs. **104.25** crores. Further, during 2008-09, **4,432** Schools have been taken up for renovation at an estimated cost of Rs. **69.30** crores. Also, **495** Panchayat Union Elementary and Middle Schools located in Town Panchayats and Third Grade Municipalities have also been taken up for renovation along with construction of **248** toilets under this Scheme at an estimated cost of Rs. **14.34** crores.

**Table-14**  
**Panchayat Union School Renovation Programme**  
(Rs in crores)

Year	Allocation	Expenditure	% of expenditure	Taken up	Completed	% of physical completion
2006-07 & 2007-08	104.25	95.88	92	9,547	9,547	100
2008-09	69.30	52.70	76	4,432	3,935	89

- Namakku Naame Thittam** - The Government have ordered the revival of the Namakku Naame Thittam from 2007-08 onwards. The main aim of the scheme is to involve the Community in Development programmes from the planning stage, the implementation powers and maintenance of assets. The Government have allocated Rs.50 crores during 2008-09. The Scheme is being implemented both in rural and urban areas.

**Table-15**  
**Namkku Naame Thittam**  
(Rs in crores)

Year	Allocation	Public contribution	Expenditure	% of expenditure	Taken up	Completed	% of physical completion
2007-08	50.00	24.01	56	100	1,894	1,859	98
2008-09	50.00	30.86	36	72	2,662	1,499	57

- Rural Infrastructure Scheme** - Since the National Rural Employment Guarantee Scheme has been extended to all the districts from 01.04.2008 onwards, the Central Government has discontinued the Sampoorna Grameen Rozgar Yojana (SGRY). Consequent to this, there is no proper scheme at present to create basic infrastructure facilities like Cement concrete Roads and Buildings. Further, it has become essential to stabilize and consolidate the assets created under NREGS. Hence, a new Scheme called Rural Infrastructure Scheme has been introduced during 2008-09 with an allocation of Rs. 350 crores. This amount has been earmarked from SFC grant to Village Panchayats, Panchayat Unions and District Panchayats in the ratio 4:2:1. Out of total allocation of Rs.350 crores, the entire allocation of Rs 350 crores have been released to Districts to take up **33,705** works and so far **29,145** works have been completed under the Scheme.

**Table-16**  
**Rural Infrastructure Scheme-Workwise Progress-2008-09**

Name of the works	Taken up	Completed
Cement Roads No / Km	20,479 / 1,604.41	18,872 / 1,446.33
B.T.Roads No / Km	1,854 / 529.95	1,445 / 382.60
Cremation Shed	312	214
Street Lights	2,533	2,496
Buildings works	962	404
Other works	7,565	5,714
<b>Total</b>	<b>33,705</b>	<b>29,145</b>

- **Roads-** After 13.5.2006, road works with a total length of **19,527.77 km** have been taken up at the cost of **Rs. 2,796.91 crores** under Prime Minister's Gram Sadak Yojana, NABARD Rural Infrastructural Development Funds XII, XIII, XIV, and Twelfth Finance Commission Grants. This includes an amount of Rs.859 crores for a length of 3,032 kms sanctioned under Prime Minister's Gram Sadak Yojana Phase-VII during 2008-09.

**Table-17**  
**Road Works - Schemewise Progress**

Sl. No.	Name of the scheme	Cost (In crores)	No of Roads taken Up		Completed	
			No	K.M.	No	K.M.
1.	PMGSY-Phase-V	182.05	364	792.41	348	736.56
2.	PMGSY-Phase-VI	466.00	818	2,082.54	35	104.66
3.	PMGSY-Phase-VII	859.00	1,591	3,032.00		
4.	NABARD- XII	124.81	854	1,486.30	854	1,486.30
5.	NABARD- XIII	439.67	1,407	3,720.50	1,173	3,056.02
6.	NABARD- XIV	414.58	1,244	3,204.80	26	55.58
7.	XII Finance Commission (2006-07)	103.60	1,462	1,897.35	1462	1,897.35
8.	XII Finance Commission (2007-08)	103.60	1,460	1,801.16	1460	1,801.16
9.	XII Finance Commission (2008-09)	103.60	1,125	1,510.71	846	1,095.22

- **Cement-** Cement is an important item in the implementation of Rural Development schemes. Due to the scarcity of cement, the implementation of Rural Development Schemes was adversely affected and during 2007-08, it was decided to procure cement from private firms through TANCEM. The cement which was selling at Rs.250 to Rs.260 per bag in the open market was agreed to be supplied at the rate of Rs.220 per bag for the Rural Development works by the private firms. The cement is being received for Rural Development works accordingly at this price during 2008-09 also.
- The allotment under **MLACDS** has been enhanced from **Rs.1.20** crores to **Rs.1.50** crores from 2008-09 onwards.

**Table-18**

**Member of Legislative Assembly Constituency Development Scheme**  
(Rs in crores)

Year	Alloca- tion	Expen- diture	% of expen- diture	No of Works Taken up	Compl- eted	% of physical completion
2006-07	282	269	95	59,753	59,746	99.99
2007-08	282	281	99	25,917	25,831	99
2008-09	325.50	222	68	28,710	23,365	81

- 296 Village Panchayats only got Nirmal Gram Puraskar Award in 2006-07. Due to successful implementation of **Total Sanitation Campaign** during 2007-08, **1,474** Village Panchayats and **5** block Panchayats (Thiruvattar, Munchirai, Killiyur, and Thuckalay blocks in Kanniyakumari District and Thathiengarpet block in Trichy District) have got Nirmal Gram Puraskar Award. Tamil Nadu stands second among all the States in winning highest number of Nirmal Gram Puraskar Awards.
- As per Government of India (Ministry of Statistics and Programme Implementation) website, Tamil Nadu stands first at All India level, in cumulative utilization of funds under **MPLADS** with 98.95 % funds utilization since 1993.

**Table-19**  
**Member of Parliament Local Area Development Scheme**  
**(Rs in crores)**

Year	Alloca- tion	Expen- diture	% of expen- diture	No of Works Taken up	Compl- eted	% of physical completion
2006-07	114	110	96	4,208	4,206	99.80
2007-08	114	113	98	3,880	3,840	99
2008-09	114	64	54	4,325	3,096	72

- Backward Regions Grant Fund-** The erstwhile RSVY Scheme which was implemented in 5 backward Districts of Tamil Nadu funding through funding by Union Planning Commission was transferred to the Ministry of Panchayat Raj at Government of India level with effect from 2006-07. Subsequently the Ministry of Panchayat Raj, GOI have modified the Scheme of RSVY as Backward Regions Grant Fund (BRGF) and the Scheme has been designed to redress the regional imbalances in development. The Main focus of the Scheme is to strengthen and provide professional support to local bodies and to improve their performance and delivery of critical functions assigned to them besides redressing regional imbalances in development.

Accordingly, the District Plans for the 6 BRGF Districts (erstwhile 5 RSVY Districts of Cuddalore, Nagapattinam, Tiruvannamalai, Dindigul and Sivaganga & in addition, Villupuram District) were prepared and approved by the respective District Planning Committees. The Plans were placed before the High powered Committee at the State level and recommended to Government of India for sanction. The Government of India have sanctioned and released funds for the 6 District Plans of 2007-08 in the financial year 2008-09 as below:

**Table-20**  
**BRGF- Fund Released details**

Sl.No	District	Amount (Rs.in crores)
1	Nagapattinam	13.55
2	Sivagangai	13.96
3	Villupuram	19.55
4	Tiruvannamalai	17.34
5	Dindigul	16.83
6	Cuddalore	15.98
<b>Total</b>		<b>97.21</b>

### **III. Welfare of the Staff:**

- Rural Development Department was the first department to identify and issue orders to fill up all the vacancies in the department from the cadre of Assistant Director to Makal Nala Paniyalarkal. **Orders have been issued to fill up 17,819** vacancies. Out of these **16,457 vacancies have been filled up** so far. Action is being taken to fill up the balance **1,362** vacancies through Tamil Public Service Commission / Employment exchange.
- **In order to strengthen the Technical wing of the Rural Development and Panchayat Raj Department** - The Government requested Tamil Nadu Public Service Commission (TNPSC) to recruit 223 Assistant Engineers (RD) for the year 2006-07. So far, TNPSC has sent the list covering 218 Engineers for postings. Out of these, 184 Assistant Engineers (RD) have joined in the districts so far. Further Government have requested the TNPSC to recruit 264 Assistant Engineers (RD) for the year 2007-08.

**Table-21**  
**Posts filled up after 31.5.2006**

Sl.No.	Name of the Post	Nos
1	Overseers	1,109
2	Junior Drafting Officers	95
3	Road Inspectors	575
4	Assistant Engineers	184
5	Junior Engineers (a) Tsunami Implementation Unit (b) National Rural Employment Guarantee Scheme	62 53
6	Assistant Executive Engineers (a) Tsunami Implementation Unit (b) Rural Development & Pt Raj sub Division (c) National Rural Employment Guarantee Scheme	34 91 32
<b>Total</b>		<b>2,235</b>

- **Block Development Officer (Village Panchayats) as independent pay drawing Officer** -The Government vide G.O.Ms.No.141 RD and PR Department, dated 9.8.2007 have taken a major policy decision to make the BDO (VP) as 'independent pay drawing officer', as in the case of BDO (BP), to enable them to draw salary for the staff working under his control and incur contingency expenses as required. Thus, financial autonomy has been conferred upon the Block Development Officers (Village Panchayat) to enable them to act independently as Head of Office with their staff in the Block Development Offices.
- **Deputy BDO upgradation** - In tune with the announcement of the Hon'ble Minister for Rural Development and Local Administration, all the 2,544 posts of Extension Officer in the department have been upgraded to the level of Dy. BDO as per G.O. (MS) No.138 RD&PR Department, dated 28.8.2008.
- **Absorption of Makkal Nala Paniyalargal in the vacancies arises in the posts of Office Assistant, Night Watchman and equivalent posts** – Hon'ble Minister for Rural Development and Local Administration has

announced in the Budget session held on 16.04.2008 that the eligible **Makkal Nala Paniyalargal** will be absorbed in 50% of vacancies arising in the posts of Office Assistant, Night Watchman and equivalent posts. Accordingly, orders have been issued in G.O.Ms. No. 179 RD & PR Dept. dt. 27.11.2008. In this regard action is being taken by the District Collectors. So far, 157 Office Assistants and 16 Night Watchman posts have been filled up from MNP.

- **Creation of new Driver posts for the vehicles of PU Chairpersons** – The Government have sanctioned 385 posts of Jeep Drivers for the vehicles of Panchayat Union Chairpersons. (in G.O. No. 67 RD & PR (E5) Dept. dt.12.05.2008) Out of 385 posts of Drivers, so far 382 Driver Posts are filled up through Employment Exchange and promotion by transfer from the category of RC/ OA / Night watchman.
- **Enhancement of Adhoc Bonus** – Government have issued orders to enhance adhoc bonus for 2007-08 from Rs 300/- to Rs 1,000/- to OHT / Power Pump operators, Sanitary workers and MNPs working in the Village Panchayats as per G.O.No. 2(2D) RD&PR Department dated 12.01.2009.

#### IV. GENERAL:

- **New Vehicles** - During 2007-08, under Part II scheme, 121 new jeeps were given to Block Development Officers, Assistant Executive Engineers, and Assistant Directors (Panchayats) and Assistant Directors (Audit). Now, under Scheme component of Pooled Assigned Revenue, **385** Vehicles have been provided to Panchayat Union Chairpersons and also, **409** vehicles have been allocated to BDOs and AEEs of newly created sub divisions in Districts. Further, under Part II Scheme, funds of Rs 112.50 lakhs have been utilised for the purchase of 24 vehicles.
- **During 2007-08, under Part II – Scheme**, 416 copiers and 385 Fax machines were procured for the Panchayat Union Offices and the Offices of the Assistant Directors (Audit).



- **During 2008-09, under Part II – Scheme** - Government have sanctioned a sum of Rs.43.50 lakhs under Part II Scheme of 2008-09 for purchase of Additional Desktop Computers and accessories to Development wings of Collectorates at 3 computers per office in 29 Districts and 15 Computers and accessories to Directorate. Government has sanctioned a sum of Rs. 4.64 lakhs under Part II Scheme 2008-09 for purchase of 29 Fax machines to the offices of the Assistant Directors (Panchayats) in Districts. All the above Computers and Fax machines have been procured and supplied to the concerned districts.
- **Modernization of Training Institutions** – If the Regional Institute of Rural Developments to impart quality training, their infrastructure have to be improved. Therefore the Government sanctioned a sum of Rs.1 crore under part II scheme 2007-08 to the five RIRDs for improvement to the class room, kitchen and hostel. The Government also sanctioned Rs.1.25 lakhs for purchase of Fax machines for the RIRDs. As the hostel facility is inadequate in the RIRDs, the Government sanctioned Rs.50 lakhs for each RIRD under part II scheme 2007-08 for construction of a new hostel with modern kitchen. The Government also sanctioned a sum of Rs.1 crore under part II scheme 2008-09 to the five RIRDs for replacement of training / hostel accessories (Furniture, beds and utensils etc).

**TAMILNADU CORPORATION FOR  
DEVELOPMENT OF WOMEN**

## **1. Restructuring and Strengthening of TNCDW:**

In order to bring about synergy in implementing schemes meant for SHGs, Tamil Nadu Corporation for Development of Women Ltd. was brought under the administrative control of Rural development and Panchayat Raj department from July 2006. The Board of TNCDW was reconstituted and broad based to include experts from different fields. Three posts of Additional Directors have been created in the State office to facilitate better monitoring. In order to strengthen the monitoring mechanism at the district level, 60 Assistant Project Officers were recruited from the open market. The Government have issued orders vide G.O. (Ms) No.106, Rural development and Panchayat Raj department, dated 20.06.2007 to involve Block staff like Block Development officer (Village Panchayat), Deputy BDOs, Extension officer (Adi-draavidar welfare) and Rural welfare officers for monitoring and supervising Mahalir Thittam programmes.

- During 2008-09 the Government also issued orders vide G.O. (Ms) No.188, Rural development and Panchayat Raj department, dated 22.12.2008 to entrust the work relating to Mahalir Thittam and SGSY to the Deputy Block Development officer (Small Savings & Public Relations) from Deputy Block Development Officer (Audit) to give more focus on implementation of SHG programme at Block level.

## **2. Mahalir Thittam:**

Under Mahalir Thittam 3, 91,927 SHGs have been formed as on 30.04.2009 with 63 lakh women members and total savings of Rs.2211.12 crores. This includes 75,493 new SHGs formed since July 2006 with membership of 12, 07,888 women.

- During 2008-09 the focus was on the poorest of the poor and poor women left out of the SHG movement. Hence, groups have been formed in rural areas only in "Top Priority Panchayats" and "Priority Panchayats" i.e. Panchayats with less than 25% and 50% coverage of women in SHGs.

- Formation of new SHGs was taken up only among the NREGS women workers who are not covered in the SHGs at present in NREGS phase I & II districts.
- The formation of new SHGs in Urban areas was taken up in Urban Slums only.
- During 2008-09 25,000 new SHGs have been formed following the above mentioned norms.

### 3. Credit Linkage:

As on 30.04.2009, the total amount of Bank loans disbursed to SHGs since 1989 is Rs.5332.84 crores, out of which Rs.3572.72 crores has been disbursed since June 2006.

During 2008-09 the Government gave special focus on adequate credit flow to the SHGs so as to reduce rural indebtedness

- The Hon'ble Minister for Rural Development and Local Administration held a meeting on 12.04.08 with the heads of all the Banks and it was decided to provide Rs. 1600 Crores credit to SHGs during the year 2008-09. It was also decided to provide substantially enhanced credit while linking individual SHGs.
- At the initiative of the Government, the State Level Bankers Committee in its meeting on 25.03.2008 advised Banks to adopt the following quantum excluding the subsidy portion while sanctioning credit linkage to SHGs.

First linkage	: Rs. 50,000/- per SHG
Second linkage	: Rs.1, 00,000/- per SHG
Third linkage	: Rs.1, 50,000/- per SHG
Fourth and Subsequent linkages	: Higher amounts as per requirement of SHGs

- This is the first time in the history of the State that credit linkage target for financing SHGs was approved at the State level and systematically followed up.
- During 2008-09, Rs.2174.57 crores has been given as credit to SHGs by Banks as against the cumulative figure of Rs.3158.27 crores from inception of the SHG movement till 2007-08.

#### **4. Revolving Fund to SHGs:**

Revolving Fund subsidy was being provided only to SHGs in rural areas which restricted the access of urban SHGs to Bank credit. The government announced a scheme to provide RF subsidy to urban groups in 2006-07. Rs.30 crores has been provided as RF subsidy to 30,000 urban groups in 2 years.

- Normally Revolving Fund was sanctioned to 25000 to 30000 SHGs in a year. But in 2008-09, the government decided to provide RF subsidy to all the eligible 1.50 lakh SHGs in the State while have not availed RF subsidy.
- The Government sanctioned Rs.150 crores to provide RF to all eligible SHGs and 1, 31,413 SHGs have been given RF subsidy along with Bank credit as on 31.3.2009.

#### **5. Swarna Jayanti Gram Swarozgar Yojana:**

The SGSY programme has been transferred to TNCDW from 01.04.2008 to bring about convergence and avoid duplication in Schemes meant for SHGs.

Under SGSY programme, during 2006-07 and 2007-08, Rs.37.55 crore was provided as Revolving fund subsidy to 37,587 SHGs and for promoting economic activities, Rs.89.11 crore subsidy was provided to 9,217 SHGs.

- During the year 2008-09 Rs.125 crores was sanctioned under this scheme, of which Rs.56 crore has been disbursed as R.F. subsidy to 56,000 SHGs and Rs.50.38 crore has been disbursed for economic assistance subsidy to 4772 SHGs.

#### **6. Training Cost:**

- In the year 2006-07, the per diem payable to SHG members attending the training was increased to Rs.45/- per day from Rs.7.50/- per day.
- Similarly the per diem payable to the trainees attending Animator and Representative Training was also increased to Rs.45 per day from Rs.20.00

#### **7. NGO affiliation:**

The affiliation norms and the agreement conditions for Non-governmental organizations who are the implementing partners under Mahalir Thittam have been revised and made performance based and linked to outputs.

- NGOs have been evaluated as per the new norms and agreement has been entered with 438 NGOs from the year 2008-09.

#### **8. Strengthening Panchayat Level Federations:**

From 2006-07, the government has taken various initiatives to strengthen the PLFs.

- 6912 well functioning PLFs have been provided seed money of Rs.10,000/- each.
- 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.

During 2008-09, the government decided to restructure all PLFs and took the following steps.

- Vide G.O. Ms. No. 125 R.D.P.R., Dated: 21.07.2008 the Government ordered the restructuring of the PLFs with the objective of making them more inclusive, transparent and participatory and to improve Governance and Sustainability.
- In order to accord legal status to the PLFs and to facilitate them to access bank credit the Government has ordered to register all PLFs under Tamil Nadu Societies Registration Act, 1975.
- The Government have also vide G.O. Ms. No.111 dated 17.11.2008 exempted the PLFs from the purview of Section 25 and 42 of Tamil Nadu Societies Registration Act 1975. This exemption has provided an institutional framework for PLFs to take up income generation activities and benefit from them.
- An action Plan to restructure all the PLFs in the State in the next three years has been drawn up. So far 946 PLFs have been restructured and registered in the State.

#### **9. Manimegalai Awards:**

To encourage well-functioning SHGs and PLFs, the Government have 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 for the year 2007-08 in November 2008.

## **10. Cultural Competitions:**

To strengthen unity and team spirit, cultural competitions are organized among SHG members at Block and District levels. Rs.1.60 crores is sanctioned annually from the year 2007-08 onwards. These competitions have drawn overwhelming response from SHG members.

## **11. ID Cards:**

To help SHGs gain recognition and also easy access to government offices and Banks, ID cards are proposed to be issued to all Mahalir Thittam SHGs in a phased manner.

- SHG ID cards have been distributed in 4 pilot Blocks.
- Printing of SHG ID cards work is under progress in 15 districts.

## **12. Youth Skill Training:**

By providing relevant skill training, unemployed youth can be productively engaged in the industrial sector which is seeing an unprecedented boom in the State. With this objective in mind, the Government sanctioned Youth Skill Training programme in the year 2006-07.

- During 2008-09 the allocation for the programme was enhanced to 20 crores to train 25000 youth.
- TNCDW has imparted skill training to 26,408 youth through reputed industrial houses and institutions like NOKIA, TVS, IL&FS etc, .



**TAMIL NADU  
VAZHNDHU KAATTUVOM PROJECT**

## VAZHNDHU KAATTUVOM PROJECT

Vazhndhu Kaattuvom Project is an empowerment and poverty alleviation Programme, being implemented with World Bank assistance with an outlay of Rs.717 crores for a period of 6 years. The Project covers 2480 Village Panchayats in 70 backward Blocks in 15 districts. Though the project was launched in November 2005, effective implementation has commenced only from July 2006.

The project is being implemented in 4 phases. In the first phase the project is under implementation in 578 Village Panchayats in 15 Blocks from October 2006. In the second phase the project is being implemented in 585 Village Panchayats in 15 Blocks from April 2007 and in the third phase the project is under implementation in 633 Village Panchayats from February 2008. The fourth phase has commenced from November 2008 and initial activities are under progress.

### 1. Staffing:

- Adequate project staff at State, district and cluster levels are in place after necessary induction training. 14 State Specialists, 18 District Project Managers, 103 Assistant Project Managers and 881 Project Facilitation Team members are in position.
- In order to motivate the staff, an innovative performance appraisal and performance based incentive system has been introduced for the project staff. This has helped in drastically bringing down the attrition among project staff and has motivated them to improve their performance.

### 2. Participatory Identification of Poor:

- In Vazhndhu Kaattuvom Project, the target population is identified by the community themselves through the process of Participatory Identification of Poor (PIP). This exercise has been completed in 1786 Village Panchayats. So far **3.50 lakh** families have been identified as target families through PIP.

### **3. Formation of Village Poverty Reduction Committees & Social Audit Committees:**

After identifying the target poor, Community Organisations like Village Poverty Reduction Committees (VPRCs) and Social Audit Committees (SACs) are formed. The project funds are directly transferred to the VPRCs which implement the project activities at the village level.

- VPRCs and SACs have been constituted in 1695 Village Panchayats.
- In addition 97 Tribal VPRCs have also been constituted.
- An amount of **Rs.150 crores** has been released to the VPRCs so far.

### **4. Formation of new SHGs:**

Under this project, SHGs are formed out of the left out poor and are linked to Banks after adequate capacity building.

- 6540 SHGs have been formed among women and youth. 3499 SHGs have been formed among the disabled. In total, **10039** new SHGs have been formed in the project area.
- Of the new SHGs formed, 5311 SHGs (75 % of the eligible new SHGs) have been provided Revolving fund and Bank Linkage.
- An amount of **Rs.27.62 crores** has been disbursed as Bank loan to these SHGs.
- The SHGs formed under the project are closely monitored by SHG trainers developed from the community. 3,184 such community SHG trainers have been developed by the Project and are providing close handholding support to the SHGs.

### **5. Special interventions for the Disabled and Vulnerable:**

The project provides rehabilitation and livelihood assistance for the Disabled and Vulnerable, apart from helping them to get their entitlements.

- **48543** disabled (94% of the total identified) have been assisted to get National ID cards through project intervention.
- **30922** disabled and vulnerable persons have been given financial assistance to start livelihood activities.
- **3184** SHGs of the disabled have been linked to Banks and have received Bank loans to the tune of Rs.7.84 crores. This is the first time that SHGs of the disabled have received substantial loans from Banks.
- The project has assisted 1485 severely disabled persons to receive maintenance grant and 8325 aged persons to get old age pensions.
- 5927 disabled persons have received aids and appliances costing Rs.1.18 crores.

## 6. Youth Development:

The Project is making special efforts to involve youth constructively in developmental activities and also to improve their employability by imparting skill training.

- **23,631** Youth have been imparted skill training through reputed institutions and Corporates and **20,232** Youth are gainfully employed after training. In addition 10978 youth are undergoing skill training. The project has tie ups with reputed Corporates like Nokia, Foxconn, MRF, Ashok Leyland, Intimate Fashions for providing skill training and employment for youth.
- Youth sub-committees have been formed in 1695 Village Panchayats and 20 % of the funds released to VPRCs is earmarked for youth development. VPRCs have started many useful activities involving youth using this fund. The activities include tuition centres, career counseling centres, village information centres, Gymnasium, etc.

## **7. Restructuring of Panchayat Level Federations:**

In Vazhndhu Kaattuvom Project, Panchayat Level Federations of SHGs (PLF) are being restructured as per the government policy to make them inclusive, participatory and democratic. After restructuring, the PLFs are registered under Tamilnadu Societies Registration Act, 1975 and a revolving fund which will be used as a corpus for livelihood promotion is released to the PLFs. PLF restructuring has been completed in **780** Village Panchayats. An amount of Rs.26.84 crores has been released as livelihood corpus to 609 Village Panchayats.

## **8. Livelihood Promotion:**

To promote the livelihoods of the poor, apart from individual and small group activities undertaken through bank linkages, the project supports formation of economic activity federations around major livelihood activities.

- 30 Economic activity federations with a cumulative membership of 1200 persons have been formed. Dairy, Garment units, Floriculture, Brick making, Piggery are some of the activities taken up by the federations.
- **Rs.1.03 crores** have been released to these federations from Project funds till March, 2009.

## **9. Community Professional Learning and Training Centres (CPLTC):**

CPLTCs provide a platform for community members to share their learning and experience and is meant to facilitate community to community learning. The project provides initial seed money to set up CPLTCs. Three CPLTCs have been formed on pilot basis in Namakkal, Tiruvannamalai and Tirunelveli districts. The members of these CPLTCs who are called Community Professionals are providing useful services for the III<sup>rd</sup> and IV<sup>th</sup> phase Blocks as well as weak VPRCs.

#### **10. Community Managed Health Insurance Scheme:**

A community managed health insurance scheme has been launched by Hon'ble Minister for Rural Development and Local Administration on 25.11.2008 and has been taken up on pilot basis in Kandamangalam Block of Villupuram district. 6500 poor families are covered under this health insurance scheme. A federation of the VPRCs performs the role of third party administrator in the scheme. Following the success of this pilot venture, the insurance scheme has been expanded to Ellapuram Block in Thiruvallur and Chengam Block in Thiruvannamalai district.

#### **11. Financial Progress:**

The expenditure incurred under Vazhndhu Kaatuvom Project upto March 2009 is **Rs. 199.73 crores.**

# TSUNAMI REHABILITATION SCHEMES

## TSUNAMI REHABILITATION PROGRAMME

### I. Tsunami Emergency Assistance Project with the financial assistance of Asian Development Bank (TEAP) :-

This Project was started on 06.04.2005. The expenditure till 13.05.2006 was only Rs.4.95 crores. At present an amount of Rs.285.72 crores has been spent under this project, against an allocation of Rs.309.66 crores. The project has been implemented in all the 12 rural coastal districts in the State, covering 257 coastal Village Panchayats and 1602 coastal habitations.

An amount of Rs.575.71 crores has been spent by all the departments through out Tamil Nadu and out of this, Rs.285.72 crores have been spent by the Rural Development and Panchayat Raj Department alone, which is about 50% of the total expenditure.

#### A) Livelihood Component:

Under livelihood component, 100% targets have been achieved in respect of disbursement of Revolving Fund and Economic Assistance to Self Help Groups and grant to disabled persons. The detail is given below :-

Component	Physical		Financial (Rs.in lakhs)	
	Target	Achievement	Target	Achievement
Revolving Fund	33,549	33,549	8,880.10	8,880.10
Economic Assistance	2,472	2,472	3,155.99	3,155.99
Grant for disabled	34,634	34,634	3,463.40	3,463.40

It is difficult for physically challenged persons to get bank loans. So, an amount of Rs.10,000/- has been sanctioned as subsidy to each of the physically challenged persons in the coastal districts to take up some income generating activities to supplement the income and to enable them to lead an honorable life. So far an amount of Rs. 34.63 crores has been given to 34,634 physically challenged persons as grant.



(B) Skill Development and infrastructure facilities

**For providing skill development training and infrastructure facilities to different categories of people in Coastal Districts such as members of SHGs, fishermen, artisans and weavers, 8 community infrastructure schemes are being implemented at an estimated cost of about Rs.23.58 crores as follows :-**

**Sea Safety Training to Fishermen and their family members and distribution of working capital to the Fishermen Societies at a cost of Rs.4.08 crores .**

Under Sea Safety Training Programme, training has been given to 36890 fishermen and 31,959 women and children of their families, so as to create awareness on sea safety requirements and sea safety methods at an estimated cost of Rs.112.87 lakhs.

In seven coastal districts, an amount of Rs.2.96 crores has been released to 93 Fishermen Societies towards working capital assistance and a matching loan has been arranged by the South Indian Federation of Fishermen Societies (SIFFS) through bank loans. This has helped these societies to manage their working capital needs without going to private money lenders. Through this, about 5000 members of Fishermen Societies are benefited directly and about 20,000 Fishermen are benefited indirectly.

**Construction of Direct Paddy Procurement Centre at a cost of Rs. 1.62 crores in Thanjavur (4) and Nagapattinam (11) Districts :-**

All the 11 works have been completed in Nagapattinam District and 4 works have also been completed in Thanjavur district.

**Installation of 9 Bulk Milk Coolers and 37 Milk Parlours**, training the SHG members to manage the Parlours in 11 Coastal Districts and formation and renewal of 160 Dairy Co-operative Societies at an expenditure of Rs.4.06 crore, have been done. 3,645 members were given training on clean milk production and milch animal management. 400 persons are given training on

marketing milk and milk products. 37 Milk parlours have been operationalised. Installation works of 9 Bulk Milk Coolers have been completed for their commissioning.

**Under Handloom Export Promotion scheme**, at a cost of Rs.61.09 lakhs, in Kanniyakumari district, upgradation of 250 Handlooms has been completed and 250 handloom weavers have been trained on upgraded looms. Upgradation of 8 work sheds has also been completed.

Works for establishment of a **Craft Village**, for the benefit of 500 rural artisans at a cost of Rs.51 lakhs in Villupuram District have been completed.

For the construction of **SHG Complex near Valluvarkottam** in Chennai city, the Detailed Project Report at an estimated cost of Rs.12.38 crores has been finalized and contract awarded and works commenced. The construction of SHG Complex is in progress.

#### **C) Roads and Drainage:**

610 road works, to a length of about 698.46 km, have been undertaken in the Coastal Panchayats at an estimated cost of about Rs. 94.00 crores and all the works have been completed.

#### **D) Renovation of Village Panchayat Buildings:**

Action had been taken to renovate the village panchayat buildings, with provision of meeting halls and furniture at an estimated cost of Rs.5.62 crores. 196 works have been undertaken and all the works have been completed.

## **II. Rajiv Gandhi Rehabilitation Package (RGRP)**

### **a) Construction of NGO backed out houses and provision of basic amenities**

- Under Rajiv Gandhi Rehabilitation package 2,687 houses that were backed out by the NGOs were taken up in Kancheepuram, Tiruvallur, Villupuram, Nagapattinam, and Thoothukudi Districts at a cost of Rs 64.92 crores. 1,539 houses have been so far completed and the

remaining houses are under progress and in various stages of construction.

- The basic amenities such as Cement Concrete roads, Street lights, public buildings, House service connections etc., are being provided to these sites at a cost of Rs 10.00 crores.

**b) Provision of basic amenities in the NGO constructed housing sites**

- The basic amenities for the NGO constructed housing sites at a cost of Rs 53.52 crores are provided under Rajiv Gandhi Rehabilitation Package. Under this component 132 CC roads at a cost of Rs 40.49 crores, 4,732 toilets with septic tank at a cost of Rs 4.80 crores. Land filling work at Rs 2.76 crores, street lights and house service connections at a cost of Rs 5.47 crores were provided. All the above works were completed.

**c) Reconstruction of vulnerable houses and provision of basic amenities as per AGAMT norms**

- Reconstruction of 18,057 vulnerable houses were taken up in the 11 coastal districts within 0- 200 M from HTL. Houses taken up under IAY and other Government funded schemes which are 10 years old as on 1.1.2006 and lying within 1000M from HTL were also taken up under Rajiv Gandhi Rehabilitation Package. The expenditure for these works have been estimated as Rs 486.69 crores . So far, 510 houses have been completed and the remaining houses are under progress and in various stages of construction.
- In the vulnerable housing sites provision of basic amenities under AGAMT norms such as C.C road, BT road, supply of drinking water, street lights, public buildings, renovation of ponds, formation of burial grounds and construction of cremation shed, anganwadi centres and kitchen shed works were taken up. Totally 2846 works were taken up at the estimated cost of Rs.69.42 crores. The tenders for these

works have been finalized and works have been commenced. So far 1802 works have been completed and the remaining works are under progress and in various stages.

### **III. Emergency Tsunami Reconstruction Project – Vulnerability Reduction of Coastal Communities (ETRP-VRCC Programme) 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 ETRP – VRCC (Vulnerability reduction of coastal communities) project, the following construction activities will be carried out by this department :-

Reconstruction of about 17,000 houses identified as vulnerable in the coastal areas lying between 200 metres to 1,000 metres from HTL.

Construction of evacuation routes 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.