3. Rural Development

The primary objective of Rural Development is the provision of basic infrastructure facilities and social services in the rural areas and assistance to the individual families and Self Help Groups, living below the poverty line through wage employment and self employment for poverty alleviation. Elimination of poverty and delivery of high quality services are the basic premises for Rural Development. During the Twelfth Plan it has been planned to provide shelter to rural poor at an affordable cost, ensure basic infrastructure facilities in all habitations, improve sanitation facilities, make wage employment more vibrant and inclusive, sustainable livelihood through family based planning. These will be implemented through the empowered rural local bodies.

Performance in Rural Development Sector

Addressing rural poverty has been made more inclusive by permitting more number of works to be taken up under MGNREGS in villages having many habitations, taking up land based activities in SC/ST, other poor private land and suitably modifying the guidelines to be differently-abled friendly. The major components of Rural Development are assistance to construction of solar powered green houses for the rural poor, provision of basic infrastructure like water supply, roads, street lights, anganwadi centres to all habitations of village, improving sanitation facilities to schools and anganwadis, addressing environmental concerns by using plastic waste in road laying and energising street lights with solar power. Towards empowering rural local bodies for better service delivery the Village Panchayats are being assigned two-third of the total Pooled Assigned Revenue in addition to the Central and State Finance Commission Grants. All the rural development schemes had been implemented at an expenditure of Rs.4220.56 crore during 2012-13, against the sanctioned outlay of Rs.4156.00 crore.

Strengthening Grassroots Democracy

With the increase of untied funds and additional resources to all Village Panchayats the financial position of village panchayats has been strengthened. A
special committee has been formed to improve the financial position and explore the possible new avenues for tapping resources in village panchayats. A minimum of Rs.3.00 lakh has been provided to each Village Panchayat, irrespective of its size and population to ensure that even the weaker Village Panchayats have sufficient income to enable them to discharge their functions effectively. All these measures including additional devolution have reduced the disparity in the income of the Village Panchayat and empowered the weaker Village Panchayats towards self-sustenance.

**Chief Minister's Solar Powered Green Housing Scheme (Pasumai Veedugal)**

In response to the increasing cost of construction the assistance for constructing house for the rural poor has been enhanced to Rs.1.80 lakh. The State has come out with an environmentally friendly housing which taps solar power for energy needs and rain water harvesting which addresses the housing needs of the rural poor. Each house will measure about 300 sq.ft. at an unit cost of Rs.1.80 lakh with solar panels and rain water harvesting system. The cost is inclusive of an amount of Rs.30,000/- for installation of Solar Powered Home Lighting System. The selection of beneficiaries for Pasumai Veedugal Thittam is in the ratio of 29:1:70 for SC, ST and others respectively.

During 2012-13, 60,000 houses had been constructed incurring an expenditure of Rs.992.70 crore. An amount of 1080.20 crore has been proposed for the year 2013-14.

**Tamil Nadu Village Habitations Improvement Scheme**

Tamil Nadu Village Habitations Improvement (THAI) Scheme aims to improve quality of living in rural areas by ensuring minimum basic infrastructure facilities to all the habitations.

This scheme would fill the resource gap in the provision of basic amenities. Under this scheme, basic requirements such as water supply, street lights, inner roads, burial grounds, pathway to burial grounds would be taken up. The additional requirement will include Public Distribution Shops, Anganwadi Centres, SHG buildings, threshing floor and play ground. The existing infrastructure facilities and resources are
being mapped and requirement will be planned at the habitation level. The village panchayats will play a key role in improving these facilities.

During 2012-13, an amount of Rs.424.26 crore has been spent for improving infrastructure facilities. An amount of Rs.592.50 crore has been proposed for the year 2013-14.

**Energising the Street lights with Solar Power**

Towards the efforts to energize street lights with solar energy, the existing street lights are replaced with solar powered street lights in a phased manner. This scheme is implemented in coordination with the Tamil Nadu Energy Development Agency.

During 2012-13, 20,000 street lights in 1000 villages were taken up for replacement at a cost of Rs.49.60 crore, of which Rs.11.28 crore as subsidy from the Government of India and Rs.38.32 crore as State share.

**Comprehensive School Infrastructure Development Scheme**

The 'Comprehensive School Infrastructure Development Scheme' ensures basic infrastructure facilities like new buildings, kitchen sheds, water supply, toilet facilities, girls toilets with incinerators in Panchayat Union Schools including those located in Town Panchayats and Grade III Municipalities. In addition to the above works, Compound Wall and Cycle Sheds are being provided based on the need.

During 2012-13 a sum of Rs.100 crore has been spent for this scheme. For the year 2013-14, an amount of Rs.100 crore is proposed for the scheme.

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

As a focused area development scheme, the Member of Legislative Assembly Constituency Development Scheme is fully funded by the State Government. Under this scheme, each MLA proposes the list of works that should be executed in his constituency from among the list of priority works (50 percent) specified by the Government and non-priority items of work (50 percent) of the MLAs choice with the
administrative sanction of the District Collector. The allocation per constituency is Rs.2.00 crore.

Under this scheme, 21 percent of the total allocation is provided for the areas inhabited by SC/ST people in rural areas and persons living in slums in urban areas. Each MLA proposes the list of works that should be executed in his constituency from among the list of priority and non-priority items of work with the administrative sanction of the District Collector.

During the year 2012-13 an amount of Rs.235.00 crore has been spent for various schemes on area development.

**Rural Building Maintenance and Renovation Scheme**

Rural Buildings Maintenance and Renovation scheme is implemented with an objective to maintain all those assets which were created in the earlier years under various programme for the benefit of rural people. The assets such as Anganwadi centres, Panchayat office buildings, Overhead tanks, Integrated Sanitary Complexs for Women etc. are renovated under the programme.

**Centrally Sponsored schemes**

**Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS)**

The Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) was conceptualized and enacted as an Act in the Parliament in September 2005 to make it mandatory for the Government to provide assured wage employment to all intended households who volunteers to work by registering themselves in the local Village Panchayat. This enables unskilled rural poor to get employment at least for 100 days in a year so as to meet his consumption needs. While the augmentation of wage employment is the primary objective of the scheme, it also ensures creation of common assets for sustained livelihoods.

The State has conducted special studies so as to include differently abled persons in the labour force for giving specific type of works and fixing wages etc. Based
on that differently abled persons are now employed under MGNREGS. The list of activities includes providing water at worksite, caretaker of children, assisting the worksite facilitator and also doing minor works in desilting activities. The guidelines for disabled friendly activities were arrived at after considering the physical and mental limitations of these people. This initiative has been appreciated by the Ministry of Rural Development, Government of India and called upon other States to follow Tamil Nadu.

In order to improve tree cover in the State, plantation works on the tank bunds and other common lands are undertaken. Works for improving sanitation facilities in rural areas and Solid and Liquid Waste Management are being undertaken by converging with MGNREGS. For improving the efficiency, real time monitoring has been introduced. Satellite maps to assess the current status of water bodies in order to rejuvenate them to their original status, Water recharge structures for rain water harvesting are the key components under this programme. Social audit unit has been established at the State, District, Block levels. A Eleven member Ombudsman for redressal of grievances has been appointed.

In order to provide more employment opportunities to MGNREGS workers, the State has proposed to take up more number of works in a Village Panchayat based on habitations and number of workers regularly attending MGNREGS works. In addition additional list of works were added in the permissible list of works under MGNGREGS to improve the scope of the work.

During the year 2012-13, 17,720 works had been completed providing Rural Connectivity, 13,252 works for water conservation and water harvesting, 8,628 works for Micro irrigation. This has resulted in generating 32.38 crore persondays, of which 75 percent are women and 30 per cent are from SC/ST Communities. Totally 42,854 differently-abled persons had benefitted during 2012-13 under this programme. So far, 5.11 lakh households had availed 100 days employment.

Expenditure under the scheme upto the month of Feb 2013 to Rs.3200 crore and it is expected that expenditure would be around Rs.3700 crore for the year 2012-13. The gap between number of works taken up and completed is wide due to the fact that each work taken up under MGNREGS is more than Rs.3 lakh as it can be seen from the
average unit cost of work. However it is ensured that all assets are created and put to beneficial use.

During 2012-13 a sum of Rs.178.65 crore has been spent for this scheme. For the year 2013-14, an amount of Rs.225 crore is proposed for the scheme.

**Tamil Nadu State Rural Livelihoods Mission- Aajeevika**

Tamil Nadu State Rural Livelihoods Mission (TNSRLM) is designed based on the broad guidelines and framework provided under National Rural Livelihood Mission (NRLM). The vision and objectives of TNSRLM will reflect state specific issues and the unaddressed needs of the poor in the State.

The mission of TNSRLM is to bring the poorest of poor and unreached families into the SHG network, establishing and strengthening the self managed institutions of the poor by enhancing their capacity and thereby promote livelihoods with incremental income at the household level through sustainable Community Based Organizations. Poverty reduction is aimed through family based planning, Mapping and matching of existing skills with job market, Upgradation of skills to enhance employability, Building institutions for the poor, Strengthening networks and Federation of SHGs.

<table>
<thead>
<tr>
<th>Phasing of Plan</th>
<th>Blocks</th>
</tr>
</thead>
<tbody>
<tr>
<td>NRLM Phase i I</td>
<td>44</td>
</tr>
<tr>
<td>NRLP</td>
<td>16</td>
</tr>
<tr>
<td>NRLM Phase ii II</td>
<td>100</td>
</tr>
<tr>
<td>NRLM Phase iii III</td>
<td>105</td>
</tr>
<tr>
<td>Pudhu Vazhv Project</td>
<td>120</td>
</tr>
<tr>
<td>Total</td>
<td>385</td>
</tr>
</tbody>
</table>

National Rural Livelihood Mission would become the major poverty reduction project through self employment approach in the Twelfth Five Year Plan period. This would be implemented as NRLP in part of Tamil Nadu where already World bank assisted Pudhu Vazhv Project is in operation and also proposed to be extended and as NRM in other areas and the entire area will be covered in 3 phases.

For the year 2013-14, an amount of Rs.100 crore is proposed for the scheme.
**Nirmal Bharat Abhiyan**

The State has resolved to attain open defecation free status by improving sanitation facilities. More emphasis is being laid on awareness building and meeting the demand with alternate delivery mechanisms. Assistance to build individual household Toilets, community complexes, School and Anaganwadi toilets are provided. The funding is shared between the Centre and State in the ratio of 80:20 for information, education and communication (IEC) activities, 60:20:20 for individual household latrines and community complexes and 70:30 for school and anganwadi toilets. The State has enhanced assistance for construction of IHHL to Rs.11,000 by converging MGNREGS with NBA and the access to sanitation facilities at household level would be improved.

In addition the State has constructed Integrated Women Sanitary Complex in each Village Panchayat, and construction of similar complexes for Men has been initiated with the State Funds.

With an emphasis on (i) Eliminating the practice of open defecation (ii) Water conservation and waste water re-use (iii) Solid waste management (iv) Night soil based Biogas plant the State has initiated Clean Village Campaign. The strategies of this programme are mobilising the community, intensifying IEC activities, involving Village Panchayats and other Departments.

The Village Panchayats with 100% sanitation coverage in individual households, schools that were free from open defecation with clean environment through solid waste management and water conservation with the provision of rain water harvesting in all houses, were eligible to be nominated for a cash award of Rs.5.00 lakh by the State. The Government awards every year to one such Village Panchayat in every district to promote clean and green villages in rural areas.

**Pradhan Mantri Gram Sadak Yojana**

Pardhan Mantri Gram Sadak Yojana (PMGSY) basically a scheme for improvement of roads has been included under Bharat Nirman Programme. The scheme provides all weather roads to rural habitations with population of more than
1000 and between 500-1000 population. 732 habitations have not been covered so far, majority of them being habitations with population less than 250.

**Indira Awaaz Yojana**

With an objective of providing financial support for the construction of houses to houseless SC/ST members, freed bonded labourers and non SC/ST rural poor living below poverty line Indira awaaz Yojana is being implemented. Under this scheme, assistance for construction of new houses is provided. The unit cost of new house with the minimum plinth area of 20 sq. metres has been fixed at Rs.45,000 by GOI, which is shared in the ratio of 75:25 by the Centre and State. The State provides additional funds to the tune of Rs.55,000 for RCC roofing and construction of toilet thereby increasing the unit cost to Rs.1.00 lakh per house.

With regard to the demand for raising the unit cost for the construction of new houses under IAY, the Government of India recently increased the unit cost of new houses from Rs.45,000/- to Rs.70,000/- per house for plain areas and to Rs.75,000/- for hilly/difficult areas. Further an IAY beneficiary can avail top up loan upto Rs.20,000 under the differential rate of interest (DRI Scheme) from any Nationalised bank at an interest of 4% per annum.

During 2012-13, 1,00,553 house were completed incurring an expenditure of Rs.1085.94 crore. In addition, in the THANE affected districts of Viluppuram and Cuddalore, 1 lakh houses had been taken up for construction at a cost of Rs.1000 crore. Anticipating central assistance, the State has taken up this construction with its own funds.

**Backward Region Growth Fund**

The centrally sponsored BRGF scheme is designed to redress regional imbalances in development so as to bridge the critical gaps in local infrastructure and other development requirements that are not being met adequately by the existing inflows. The scheme focuses on strengthening the local governance through capacity building, providing professional support to local bodies for planning, implementation,
and monitoring their plans and improve the performance and delivery of critical functions.

The scheme is now implemented in 6 backward districts of the state viz. Nagapattinam, Sivagangai, Viluppuram, Tiruvannamalai, Dindigul and Cuddalore Districts. BRGF consists of two funding windows: Capacity Building Fund meant to build capacity of the elected representatives and officials associated with Panchayat Raj Institutions in planning, implementation, monitoring, accounting and also in improving the accountability and transparency and untied grants to Panchayats and urban Local Bodies to address critical gaps in integrated development, identified through the participative planning process. Efforts would be made to identify the backward blocks within the backward district keeping block as a unit and to address intra district imbalances.

Decentralised Planning

Reorganization of all the three tiers of Panchayat wards

There are 99,333 Village Panchayat wards, 6,471 panchayat wards and 655 District Panchayat wards in the State. These will be reorganized as per the 2011 census population without affecting the tenure of the existing ward members.

State Finance Commission

State finance Commissions have been formed in Tamil Nadu once in five years as mandated by the 73rd Amendment of the Constitution of India. The grants to local bodies as per the recommendations of SFC are as below

<table>
<thead>
<tr>
<th>Year</th>
<th>SFC Grant</th>
<th>Amount</th>
<th>Increase over the previous year (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009-10</td>
<td>1926.57</td>
<td>210.13</td>
<td>12%</td>
</tr>
<tr>
<td>2010-11</td>
<td>2814.88</td>
<td>888.31</td>
<td>46%</td>
</tr>
<tr>
<td>2011-12</td>
<td>3332.47</td>
<td>517.59</td>
<td>18%</td>
</tr>
</tbody>
</table>
The fourth State Finance Commission constituted by the State Government has given its report with the recommendations in the month of September, 2011 for the award period from 2012-17. The rural local bodies would be allocated a sum of Rs. 4887.69 crore in 2013-14.

Central Finance Commission

The Central Government has ordered to allocate two types of Grants to the Rural Local Bodies in the State based on the recommendations of the 13th Finance Commission. The General Basic Grant is distributed to the Village Panchayats to perform the basic functions. The conditionality laid for the General Performance Grant has been satisfied and the funds are expected from the Government of India.

Constitution of a Special Committee for increasing financial support to Village Panchayats

A Special Committee has been formed to study the possible new avenues for increasing financial support to the village panchayats. In consultation with the elected representatives and NGOs, the Committee would review the existing financial position of the village panchayats, and explore the possible sources of augmenting finances.

District Planning Committee

The District Planning Committee is constituted in every District under section 241 of the Tamil Nadu Panchayats Act, 1994. District Panchayat Chairperson is the Chairperson and District Collector is the Vice Chairperson of the Committee, MPs, MLAs, representatives of Local Bodies are appointed as members subject to the norms and ceiling prescribed.

Consequent to the formation of 2 new Districts namely Ariyalur and Tiruppur and due to the merger of 96 Village Panchayats with the adjoining Municipalities and Corporation, the strength of the members of the District Planning
Committee has been revised and re-fixed strength of the members of the District Planning Committee in each district.

**Panchayat Raj Institutions Accounting Software (PRIA – Soft) – Model Accounting System (MAS)**

The PRIA Soft-model Accounting System has been implemented in all the three tiers, namely Village Panchayats, Panchayat Unions and District Panchayats. Necessary infrastructure has been provided through the competent agencies. The basic computer training programme to the Panchayat Secretaries at the District level has been provided. On-line accounting using the PRIA soft has been started at all the districts.

**Decentralised Planning through Habitation Improvement**

The objective of the democratic planning is ensuring better quality of life for all. Realising the importance of providing basic infrastructure facilities to all, the Village Panchayats now plan and provide facilities at the habitation level. Habitation based planning is a paradigm shift in the development process of rural areas. Under the Tamil Nadu Village Habitation Improvement Scheme (THAI), the Village Panchayats are provided with funds according to the number of habitations. All existing assets in each habitation are being mapped and are computerized, and hosted in the public domain. The database created on the basic infrastructure for the habitations provide better inputs for planning process. Provision of facilities is taken up based on the assessed needs of the habitations.

**Decentralised Planning throught MGNREGS**

The Challenges/problems in rural areas such as improving agricultural productivity, sustaining drinking water sources, tackling drought, flood, salinity, alkalinity, improving sanitation, etc. calls for massive planning of works at the local not only under MGNREGS but also under other schemes. The features of MGNREGS offer a unique opportunity to strengthen and enable PRIs, particularly the Village Panchayats and Gramma Sabhas. The rejuvenated and enabled PRIs, in turn, can become powerful instruments in making MGNREGS a much better success. The Village Panchayats plan
for the improvement of tree cover, improvement of sanitation facilities by converging with existing schemes, land development activities etc.

**Decentralised Planning in Agriculture**

The Decentralised Planning in Agriculture is aimed at improvement of agriculture, thus making it a viable livelihood opportunity for the population depending on it. The PRIs will participate in the preparation of village agriculture plans at grass root level and implement the same. The agriculture plan of the village is prepared through participatory approach. The Block level plans are prepared by consolidation of Village plans and the District Plan by consolidating block plans. The State Agricultural plan would be prepared by consolidating district agriculture plan. The Technical Support Institutions help the planning units in the preparation of agricultural plans.

**State Balanced Growth Fund**

Recognising the regional disparities in terms of Income, Employment, Health, Education and Gender attainments, a new scheme “State Balanced Growth Fund” is being implemented to address the inter-district and intra-district disparities. The scheme will target the 100 most backward blocks and non-fourth of Town Panchayats, Municipalities and wards of all Corporations of the State. Perspective Plan for the holistic development of the area are being prepared with participation of stakeholders which would be implemented over a period five years.

**Improving Human Development**

The specific human development challenges, highlighting the regional, social and gender disparities in attainments are being analysed at the grass root level through the preparation of District Human Development Reports. The State has taken up the preparation of District Human Development Reports for all Districts and monitoring of Human Development Status thereon. A database on human development parameters has been developed and data are being collected for further analysis.

**Decentralization Process in Co-operative Sector**

Tamil Nadu is the pioneer in the cooperative movement in India. The first agricultural cooperative credit society was started at Thirur in Thiruvallur District and a consumer cooperative society was started in Triplicane in 1904. The other States had
started the Cooperative Societies following the Tamil Nadu as a model. In Tamil Nadu, 10368 Cooperative Societies with a membership of 1.63 crore are functioning under the administrative control of the Registrar of Cooperative Societies.

As per the constitution (97th Amendment) Act, 2011 relating to Cooperative Societies, came into force with effective from 15.02.2012, the Board of Cooperative Societies shall not be kept under supersession or suspension for a period exceeding 6 months and the management shall be handed over to the elected Board within the said period of 6 months. Further, as per the new section 33 A inserted in the Tamil Nadu Cooperative Societies Act 1983 in consonance with the constitution (97th Amendment) Act, 2011, elections to Cooperative Societies in Tamil Nadu will have to be conducted by the Tamil Nadu State Cooperative Societies Election Commission. Hence, Tamil Nadu State Cooperative Societies Election Commission has been constituted for the first time in Tamil Nadu for conducting the Elections to Cooperative Societies in Tamil Nadu. The Commission has since announced the Election Schedule for conducting Elections to Cooperative Societies in a free and fair manner and the Election process is on. The process of conducting Elections to the Cooperative Societies will greatly facilitate decentralization process in the Cooperative Sector.

**Plan Outlay for 2013-14**

An amount of Rs.4587.07 crore has been proposed for the Rural Development Sector during the year 2013-14.