

District Rural Development Agency (DRDA)

The District Rural Development Agency (DRDA) has traditionally been the principal organ at the District level to oversee the implementation of different anti-poverty programmes. Since its inception, the administrative costs of the DRDAs were met by way of setting apart a share of the allocations for each programme. However, of late, the number of the programmes had increased and while some of the programmes provided for administrative costs of the DRDAs, others did not. There was no uniformity among the different programmes with reference to administrative costs. Keeping in view the need for an effective agency at the district level to coordinate the antipoverty effort, a new Centrally Sponsored Scheme for strengthening the DRDAs has been introduced with effect from 1st April 1999. Accordingly, the administrative costs are met by providing separate budget provisions. This scheme which is funded on a 75:25 basis between Centre and States, aims at strengthening and professionalising the DRDAs. The funding ratio in respect of NE States has been revised to 90:10 with effect from the financial year 2008-2009.

I - ROLE AND FUNCTIONS OF THE DISTRICT RURAL DEVELOPMENT AGENCY (DRDA)

1.1 If effective programme design is critical to successful implementation of rural development programmes, so is an effective delivery agency. None of the anti-poverty programmes can have impact unless they are implemented with a clarity of purpose and a commitment to the task. It is here that the DRDAs play a critical role. The DRDAs are not the implementing agencies, but can be very effective in enhancing the quality of implementation through overseeing the implementation of different programmes and ensuring that necessary linkages are provided. To this extent the DRDAs is a supporting and a facilitating organisation and needs to play a very effective role as a catalyst in development process.

1.2 The District Rural Development Agency is visualised as a specialised and a professional agency capable of managing the anti-poverty programmes of the Ministry of Rural Development on the one hand and to effectively relate these to the overall effort of poverty eradication in the District. In other words, while the DRDA will continue to watch over the implementation of RD Programme to ensure

effective utilisation of the funds intended for antipoverty programmes, it will need to develop a far greater understanding of the processes necessary for poverty alleviation/eradication. It will also need to develop the capacity to build synergies among different agencies involved for the most effective results. It will therefore need to develop distinctive capabilities rather than perform tasks that are legitimately in the domain of the PRIs or the line departments. The role of the DRDA will therefore be distinct from all the other agencies, including the Zilla Parishad.

1.3 DRDAs must themselves be more professional and should be able to interact effectively with various other agencies. They are expected to coordinate with the line departments, the Panchayati Raj Institutions, the banks and other financial institutions, the NGOs as well as the technical institutions, with a view to gathering the support and resources required for poverty reduction effort in the district. It shall be their endeavour and objective to secure inter-sectoral and inter-departmental coordination and cooperation for reducing poverty in the district. It is their ability to coordinate and bring about a convergence of approach among different agencies for poverty alleviation that would set them apart.

1.4 The DRDAs are expected to coordinate effectively with the Panchayati Raj Institutions. Under no circumstances will they perform the functions of PRIs.

1.5 The DRDAs will maintain their separate identity but will function under the chairmanship of the Chairman of the Zilla Parishad. They are expected to be a facilitating and supporting organisation to the Zilla Parishad, providing necessary executive and technical support in respect of poverty reduction efforts. Wherever the Zilla Parishads are not in existence or are not functional, the DRDAs would function under the Collector/District Magistrate/Deputy Commissioner, as the case may be.

1.6 The DRDAs are expected to oversee the implementation of different anti-poverty programmes of the Ministry of Rural Development in the district. This is not to be confused with actual implementation, which will be by the Panchayati Raj and other Institutions. The DRDAs will monitor closely the implementation through obtaining of periodic reports as well as frequent field visits. The purpose of the visit should be to facilitate the implementing agencies in improving

implementation process, besides ensuring that the quality of implementation of programmes is high. This would include over-seeing whether the intended beneficiaries are receiving the benefits under the different programmes.

1.7 The DRDAs shall keep the Zilla Parishad, the State and the Central Government duly informed of the progress of the implementation of the programmes through periodic reports in the prescribed formats. Special report, as and when called for, shall be provided.

1.8 It shall be the duty of the DRDAs to oversee and ensure that the benefits specifically earmarked for certain target groups (SC/ST, women and disabled) reach them. They shall take all necessary steps to achieve the prescribed norms.

1.9 The DRDAs shall take necessary step to improve the awareness regarding rural development and poverty alleviation particularly among the rural poor. This would involve issues of poverty, the opportunities available to the rural poor and generally infusing a sense of confidence in their ability to overcome poverty. It would also involve sensitising the different functionaries in the district to the different aspects of poverty and poverty alleviation programmes.

1.10 The DRDAs will strive to promote transparency in the implementation of different antipoverty programmes. Towards this end, they shall publish periodically, the details of the different programmes and their implementation.

1.11 Keeping in view, the substantial investment that are being made in poverty alleviation programmes, the DRDAs shall ensure financial discipline in respect of the funds received by them, whether from Central or State Governments. They shall also ensure that the accounts are properly maintained including in respect of the funds allocated to banks or implementing agencies in accordance with the guidelines of different programmes.

1.12 Thus the role of the DRDA is in terms of planning for effective implementation of antipoverty programmes; coordinating with other agencies-Governmental, non-Governmental, technical and financial for successful programme implementation; enabling the community and the rural poor to participate in the decision making process, overseeing the implementation to ensure adherence to guidelines, quality, equity and efficiency; reporting to the

prescribed authorities on the implementation; and promoting transparency indecision making and implementation.

1.13 In addition the DRDAs shall coordinate and oversee the conduct of the BPL Census and such other surveys that are required from time to time.

1.14 The DRDAs shall also carry out / aid in carrying out action research/or evaluation studies that are initiated by the Central/State Governments.

1.15 The DRDAs should deal only with the anti-poverty programmes of the Ministry of Rural Development. If DRDAs are to be entrusted with programmes of other ministries or those of the State governments, it should be ensured that these have a definite anti-poverty focus. Entrusting of any programme to the DRDAs, other than anti-poverty programmes of the Ministry, be it of any other Ministry of Government of India or the respective State Government will have to be done with the approval of the Secretary, Rural Development of the respective State(s), who should examine such request in consultation with the Ministry of Rural Development, Government of India. In such cases, it must be ensured that adequate provision is made for requisite staffing needed for proper implementation of the programme.

II - ORGANISATIONAL STRUCTURE OF THE DRDAs

2.1 Each district will have its own District Rural Development Agency. Ordinarily it would be a society registered under a Societies Registration Act. In respect of such states where DRDA does not have a separate identity a separate cell should be created in Zilla Parishad which maintains a separate identity and separate accounts, so that the accounts are capable of being audited separately. This Cell should be directly under the charge of CEO or alternatively an officer who has the qualifications to be a Project Director. The accounts of DRDAs should under no circumstances be merged or amalgamated with those of the Zilla Parishads.

2.2 In order to be effective, the DRDA must have an appropriate staffing structure as well as suitable personnel policy. Keeping in view the role and functions of the DRDA listed in the previous chapter, the staffing structure of DRDA must include positions for Planning for poverty alleviation, Project formulation, Social organisation and Capacity building, Gender concerns, Engineering supervision and

Quality control, Project monitoring, Accountancy and Audit functions as well as Evaluation and Impact studies. An indicative staffing structure is given in Annexure and is also detailed below. The State Government may modify the structure suitably, but without altering the basic design, to take care of the needs of individual districts keeping in view their size as well as specificity. However, this will also be subject to the overall ceiling of administrative costs admissible to the DR DAs in the State. By and large the staff appointed should be dedicated to DRDA-related works and should not be frequently transferred. The Staffing structure will be as follows :

A) PROJECT DIRECTOR

i) Each DRDA should be headed by a Project Director, who should be of the rank of an Additional District Magistrate. The Project Director should preferably be a senior scale officer of the All India Services or a senior officer of the State Service, eligible for appointment to the All India Services. He would be in overall charge of the activities of the DRDA and responsible for interaction with the District/State administration as well as with the Government of India. The PD should be exclusively for the DRDA work. ii) In some States, such as Maharashtra, the CEO of the Zilla Parishad is the Chairman of the Zilla Parishad. Government of India have suggested to all the State government that the chairman, Zilla Parishad should be the chairman of the governing body of the DRDA. In the light of this, in such states, the C EO of the Zilla parishad could also be designated as the Project Director of the DRDA. iii) Each DRDA should have the following wings : a) Self-employment Wing; b) Women's Wing; c) Wage employment Wing; d) Engineering Wing e) Accounts Wing; f) Monitoring and Evaluation Wing; and g) General Administration Wing

B) SELF-EMPLOYMENT WING i) The self-employment Wing, shall be headed by a Project Officer and should have APOs in the field of planning, social mobilisation, credit and Technology. The Project officer may be specifically responsible for any of these four functions. The APO (Planning) would look after the activity clusters, district/block/village group plans, guiding the BDOs and others in plan preparation, planning for infrastructure including marketing infrastructure. He would coordinate with the district officers, the banks as well as other institutions in the district. The APO (Social Mobilisation) would look after

group formation, capacity building, monitoring of groups, choice of activities for groups, release of revolving funds and coordination. The APO (Credit), who should be from the commercial banking sector, would coordinate with the banks in all matters relating to credit, including the interface between the bankers and the beneficiaries/beneficiary groups, loan disbursements as well as loan recovery. The APO (Technology) would look after issues concerning Technology upgradation as well as transfer of technology. ii) The DRDAs would be drawing up projects for specific activities under the Selfemployment programmes. It would be necessary to have suitable experts to oversee the successful implementation of such projects. As part of the overall programme management, the DRDAs may take outside experts on a consultancy basis. Secretary, Rural Development of each state should develop guidelines for selection of consultants so as to avoid any wrong use of such provisions and to see that only those who have a proven practical expertise are engaged. Such experts to be engaged on project specific basis will function under the overall control and supervision of the Project Officer, self-employment programmes.

C) WOMEN'S WING In order to ensure that women receive adequate attention in all the anti-poverty programmes, a Women's Cell should be set up in each DRDA. This Cell would establish necessary synergy with Departments such as Women & Child Development, Education and health Departments to ensure that women not only receive their due share in the antipoverty programmes but are also able to receive benefits of other programmes. The Women's wing will be headed by an Asst. Project officer, who will function under the overall co-ordination of the Project Officer of the self employment wing.

D) WAGE EMPLOYMENT WING The Central concern of the DRDA in the wage-employment programmes should relate to planning, monitoring and vigilance by a technical wing. The DRDA should not concern itself with the actual implementation and execution of works which can be done by the line department/engineers or the Panchayati Raj Institutions. At the same time, the magnitude of the wage employment wing, with a Project officer assisted by a small complement of staff.

E) WATERSHED WING A Watershed Wing will be set up in the DRDA in all such districts where IWDP/DPAP/DDP is in operation. This wing should consist of

a Project Officer, assisted by a small complement of staff. This staff would be independent of the programme support in the form of PIAs or Watershed committees.

F) ENGINEERING WING Each DRDA should have a technical wing, which should also be responsible for innovations in design or use of materials, as well as training of the engineering personnel of the line departments or the PRIs. This wing should be manned by an Executive Engineer assisted by one or two Assistant/Junior Engineers.

G) ACCOUNT WING i) Wherever it has not been done, the DRDAs should shift over to commercial accounting systems from the existing government account system. They should publish an annual report alongwith the balance sheet. The accounts wing of the DRDA should be headed by a Sr. Accounts Officer, either on deputation or by engaging the services of a chartered accountant. He should be supported by an Accounts Officer each for self-employment programmes and wage employment programmes duly assisted by accountants. Wherever the Watershed programmes (IWDP/DPAP/DDP) are under implementation, an additional post of Accounts Officer may be sanctioned. For Pradhan Mantri Awaas Yojana, one Accountant at the district level should be available to monitor the progress of the programme and the accounts. ii) One of the Accounts Officers should perform the role of internal audit.

H) MONITORING WING There should be a separate Monitoring and Evaluation wing headed by a Project Economist and functioning directly under the supervision of the Project Director. Apart from monitoring the progress of all the programmes, this wing should also carry out evaluation/impact studies regularly by independent institutions/experts including NGOs. The cost of such studies will be met from the respective programme funds. This wing should also monitor issues relevant to poverty in the district.

3 - ADMINISTRATION OF DRDAs

5.1 As indicated, the role of the DRDA is to perform tasks which are distinctly different from other institutions/departments. However, the DRDAs are very much a part of the district. They shall function accordingly.

5.2 The DRDA shall be a registered society registered under a Societies Registration Act or a distinct cell in the Zilla Parishad having a separate identity. The chairman of the Zilla Parishad shall be the chairman of governing body of the DRDA. The Executive and financial functions shall however lie with CEO, Zilla Parishad/District Collector who shall be designated as the Chief Executive Officer or Executive Director. It shall be his responsibility to ensure that the administration of DRDA and the programmes are conducted in accordance with the guidelines. Wherever the Zilla Parishads are not in existence or are not functional, the DRDAs would function under the Collector/District Magistrate/Deputy Commissioner of the District, as the case may be.

5.3 The administration of the DRDA shall be carried out by a governing body. The Governing Body of the DRDA will provide policy directions, approve the annual plan and also review and monitor the implementation of the plan, including the different programmes. They shall give such directions to the DRDA as may be necessary from time to time. The Governing Body of the DRDA will meet once in a quarter.

5.4 The composition of the governing body shall be as follows : 1. Chairman of Zilla Parishad - Chairman; 2. All MPs and MLAs and MLCs of the District; 3. 1/3rd of Panchayat Samiti Chairpersons to be nominated by rotation in alphabetical order for a tenure of one year, one of whom must belong to SC/ST and another a woman; 4. CEO of Zilla Parishad/District Collector - Chief Executive Officer/ Executive Director; 5. Head of the Central Cooperative Bank of the District; 6. Chairman, Regional Rural Bank; 7. District Lead Bank Officer; 8. Representative of the Reserve Bank of India at district level. 9. NABARD representative at district level. 10. General Manager, DIC; 11. Representative of KVIB; 12. District Officer, in charge of Scheduled Castes/Scheduled Tribes Welfare; 13. District Women & Child Welfare officer; 14. District officer dealing with welfare of the disabled; 15. One representative from technical institutions; 16. Two representatives of NGOs; 17. Two representatives of the weaker sections, one of whom may be drawn from SCs and STs; 18. One representative of rural women; 19. Project Director, DRDA - Member Secretary Wherever the Zilla Parishads are not in existence, the State Governments may nominate elected members of the State Legislature from the concerned districts to act as Chairman of the Governing Bodies of the DRDAs.

EXECUTIVE COMMITTEE (EC)

5.5 All executive and financial powers of the DRDA shall be exercised by the executive committee as per a scheme of delegation of financial and executive powers to be determined by each State/UT Government and this Committee will be fully accountable in all matters of DRDA to the governing body as well as to the Government. The Executive Committee of DRDA shall be headed by the Chief Executive Officer/Executive Director and shall consist of all the District level officers and any other officer deemed necessary for planning and implementation of the anti-poverty programmes. The Project Director DRDA will be the Member-Secretary of the E C. The Executive Committee will meet at least once in a month.

VI - FINANCIAL PROCEDURES

6.1 The scheme of 'DRDA Administration' shall be a centrally sponsored scheme. The funds required under this programme shall be shared between the Centre and the States in the ratio of 75:25 Funds will be released directly to the DRDAs, in accordance with the guidelines under this programme. The funding ratio in respect of NE States has been revised to 90:10 with effect from the financial year 2008-2009.

6.2 The Centre will release funds in two instalments.

A) RELEASE OF FIRST INSTALMENT

i) The release of first instalment can be made without any formal request if the second instalment in the previous year had been released without any condition. If latter instalment was not released at all or was released with some conditions, formal requests for release of first instalment are required from the DRDAs after the conditions have been fulfilled/reasons for non-release of the second instalment have been met. For the first year i.e./1999-2000 all the DRDAs will be released first instalment on an adhoc basis. ii) The release of the first instalment should ordinarily be completed by the end of the second month of the financial year.

B) RELEASE OF SECOND INSTALMENT

i) The quantum of the second instalment shall be subject to actual requirement within the overall ceiling. The second instalment of Central funds shall be released

on the request of the DRDAs in the prescribed proforma on fulfilment of the following conditions : 1) Budget provision for the current year may be indicated by the State Government. The Central release will not exceed it proportionately. 2) The State Government should have released its contribution during the previous year. Deficiency in release of its share will be deducted from the second instalment. Also the contribution of the State Government for the first current year should have been released. 3) Available funds including carry forward funds should have been utilised at least to 60% 4) The opening balance of the DRDAs should not exceed 10% of the allocation of the year in which funds are being released. In case, the opening balance exceeds this limit, the Central Share of the amount by which it exceeds this limit will be deducted at the time of release of second instalment. 5) Audit reports, utilisation certificates for the previous year should be furnished. This will not be required in the first year i.e., 1999-2000. 6) Any other terms and conditions imposed at the time of the last release should have been met. ii) The DRDA shall maintain the fund under the head. 'DRDA administration', in a separate bank account in any of the nationalised bank. Interest earned on the funds will necessarily be used only for admissible items of expenditure under DRDA administration. They shall not be used for any programme funding or non-admissible items of expenditure, such as consutruction of building and purchase of vechicles.

C) MAINTENANCE OF ACCOUNTS

i) Principles Separate account shall be maintained of this scheme and each other scheme under which the DRDA receives funds. Such maintenance of accounts is governed by the principles that the expenditure incurred is not repugnant to the objective of the scheme and is made, in accordance with the prescribed procedures. DRDA accounts are to be maintained on double entry system. The accounting procedure for DRDAs has been described in detail in the Government of India, Ministry of Rural Development Publication entitled "Revised Accounting Procedure for District Rural Development Agencies/ Societies", 1984 and subsequent instructions issued/to be issued from time to time. Internal Audit Cells should be specifically charged with the responsibility of overseeing and the observance of these principles. One of the Accounts Officers should perform the role of internal audit.

D) AUDIT OF THE ACCOUNTS

i) The Project Director should cause the annual accounts of the DRDA to be prepared by a date not later than 30th June comprising Receipt and Payment Account, Income and Expenditure Account and Balance Sheet. After approval by the Governing Body, he shall have the accounts audited by the Chartered Accountant or any other auditor appointed for the purpose. A copy of such audit report (duly signed by auditor) alongwith the annual statement of accounts certified by the auditor and the Chairman of the DRDA thereon should be furnished simultaneously to Government of India and the State Government not later than 30th September. ii) The Comptroller and Auditor General (CAG) has the right to conduct the audit of the accounts of the society and for this purpose shall have the right of access to the books of accounts and other relevant records of the DRDA. For this purpose a copy of the annual accounts along with the audit report and the comments of the DRDA thereon shall be sent to the audit office nominated by CAG. iii) The account of the DRDA shall also be open to inspection by such individual or parties as are nominated to carry out such inspections by the Ministry of Rural Development at the State level or at the level of the Government of India. All Officers of and above the level of Under Secretary in the Ministry of Rural Development, Government of India and such officer as may be authorised by the State Government may also inspect the accounts. iv) A Statement showing the schedule of Fixed Assets held by the DRDA/ Agency at the end of the financial year should be sent to the State Government and Government of India with the form prescribed alongwith the annual statement of accounts. No depreciation should be charged and value of assets to be shown at the original cost in the accounts. v) All the Agencies should send a utilisation certificate to the Government of India (Department of Rural Development) in the prescribed proforma alongwith annual statement of accounts. The utilization certificate must be prepared strictly on the basis of the Receipts and Payment Accounts and opening/closing balance in both Receipts and Payment Accounts Utilisation Certificate must also tally. vi) The above provisions are in addition to the statutory requirements under relevant law under which the DRDAs are registered.