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REPORT OF THE GROUP

TO

REVIEW AND SIMPLIFY PROCEDURES FOR
PROCESSING PROPOSALS FOR GRANTS - IN - AID TO
VOLUNTARY AGENCIES

Ministry of Personnel, Public Grievances and Pensions

Government of India

August, 1988

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CHAPTER I

INTRODUCTION

There is a strong tradition of voluntary effort in India going back over several decades. In earlier years, voluntary agencies were primarily associated with charity and welfare work. However, more recently there has been a significant shift in the voluntary sector towards undertaking developmental work including generating awareness among and mobilising of disadvantaged and vulnerable groups particularly in rural areas. Whilst there has always been a recognition of these efforts and a continuing dialogue between government and voluntary agencies, a number of new initiatives were taken around the middle of the Sixth Five Year Plan which have been significantly intensified during the Seventh Five Year Plan. Recognizing the important role of voluntary agencies in accelerating the process of social and economic development, the Seventh Plan document states that "serious efforts will be made to involve voluntary agencies in various development programmes, particularly in the planning and implementation of programmes for rural development." More specifically, the role of voluntary agencies has been defined as providing a basis for innovation with new approaches towards integrated development, ensuring feedback regarding the impact of various programmes and securing the involvement of the local community particularly those living below the poverty line. The efforts of voluntary agencies are now viewed as an important supplement to governmental efforts, to be the 'eyes and ears' of people at the village level, to disseminate information and create awareness among the rural poor about their entitlements as also benefits from legal enactments and various developmental programmes of the government.

1.2 In pursuance of this new policy, a number of critical programmes have been identified in which the involvement of voluntary agencies has been sought and secured during the last three years. These include anti-poverty programmes such as, Integrated Rural Development Programme (IRDP), the Rural Landless Employment Guarantee Programme (RLEGP), Training of Rural Youth for Self Employment (TRYSEM), Supply of Safe

Drinking Water, Rural Housing, Promotion of Science and Technology for Rural Development, Wastelands Development, Health care and Family Welfare, Elementary, primary, and adult education and non-formal and informal education, Welfare of Scheduled Castes and Scheduled Tribes, Welfare of Women and Children, and Identification & Rehabilitation of Bonded Labour. In fact, in almost every sphere of activity in rural areas a significant role for voluntary agencies has been envisaged and provided for with the earmarking of substantial plan allocations under various governmental schemes and programmes.

1.3. At the same time, it has been recognised that in order to promote and strengthen voluntary effort it would be necessary to evolve new and flexible procedures for providing financial assistance to voluntary agencies as distinct from the normal governmental systems. This is important not only to provide the required encouragement but also to minimise delays and adapt procedures to the distinctive needs and structures of the voluntary sector. Consequently, alongwith providing substantially increased financial outlays, the Government of India also set up a Group to review and simplify procedures for processing grants-in-aid to voluntary agencies, particularly those working in rural areas for implementation of anti-poverty programmes. The composition of the Group was as follows. (The notification regarding the constitution of the Group is at Annexure A).

Shri P.B. Krishnaswamy	Chairman
Additional Secretary	
Deptt. of Administrative Reforms	
& Public Grievances	

- | | |
|-----------------------------|--------|
| 1. Shri Parameswara Rao | Member |
| Bhagatulla Charitable Trust | |
| Yellamanchili | |
| Andhra Pradesh | |
| 2. Shri Vinod Raina | Member |
| EKLAVYA | |
| E1/208, Arera Colony | |
| Bhopal | |
| Madhya Pradesh | |

3. Shri Kishore Saint Member
Ubeshwar Vikas Mandal
11-A, Fatehpura
Udaipur, Rajasthan
4. Shri Bhartendu Prakash Member
Vigyan Shiksha Kendra
Terahi-mufali Village
Tindwari, P.O.
Distt. Banda, U.P.
5. Ms. Indu Capoor Member
Centre for Health Education
Training and Nutrition
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2nd Floor, Thaltej Road
Ahmedabad, Gujarat
6. Mrs. Vasanthi A. Pai Member
Chairman
Karnataka State Social Welfare
Advisory Board
Chougule House, 6th Floor,
No.18, Crescent Road, High Grounds
Bangalore, Karnataka.
7. Shri K.R. Venugopal Member
Joint Secretary
Deptt. of Women & Child
Development, Shastri Bhavan,
New Delhi.
8. Shri Ashok Jaitly Member
Deputy Director General
Council for Advancement of
People's Action and Rural Technology
Guru Nanak Foundation Building
New Mehrauli Road
New Delhi

9. Ms. Parminder Hira Member
Executive Director
Central Social Welfare Board(CSWB)
Jeevan Deep
Parliament Street
New Delhi
10. Smt. Sarala Gopalan Member
Joint Secretary
Deptt. of Rural Development
Krishi Bhavan
New Delhi
11. Shri P. Mohandas Member
Joint Secretary
Ministry of Health and Family Welfare
Nirman Bhavan
New Delhi
12. Shri T. Munivenkatappa Member
Joint Secretary
Ministry of Welfare
Shastri Bhavan
New Delhi
13. Dr. B.N. Sahay Member
Joint Adviser (Rural Development)
Planning Commission
Yojana Bhavan
New Delhi
14. Shri P.V. Desai Member
Joint Controller General of
Accounts
Ministry of Finance
Lok Nayak Bhavan (7th Floor)
New Delhi

Special Invitees

1. Smt. Sasmeeta Srivastava
Chairman
Central Social Welfare Board
(Attended one meeting)

2. Shri Lakshmidhar Mishra
Joint Educational Adviser
Deptt. of Education
Shastri Bhavan
New Delhi
(He did not attend)

1.4 Shri M.L. Malhotra, Deputy Secretary, Department of Administrative Reforms & Public Grievances was nominated as Secretary to the Group. On promotion Shri Malhotra left the Department and Smt. V.K. Jena, Deputy Secretary, Department of Administrative Reforms & Public Grievances took over as Secretary.

1.5 The terms of reference of the Group were as follows:

(i) to examine the existing procedures (including documentation) for processing proposals for grants-in-aid for implementation of anti-poverty programmes by voluntary agencies working in rural areas.

(ii) to suggest and recommend measures for simplification of procedures and rationalisation of documentation for speedy disposal of such proposals,

(iii) to review and suggest improvements in arrangements for monitoring and evaluating the utilisation of grants by voluntary agencies to ensure their proper utilisation and to enforce accountability.

1.6 The Group had five meetings in New Delhi on the following dates :

- 21 March, 1988

- 18 April, 1988
- 10 May, 1988
- 13 June, 1988
- 21 July, 1988

1.7 Suggestions on the above issues were also received from voluntary organisations all over the country and these were also considered by the Group.

1.8 The present report is divided into the following chapters:

Chapter I	Introduction
Chapter II	Existing procedures for release of grants-in-aid to voluntary agencies.
Chapter III	Suggestions for simplification and modification of procedures.
Chapter IV	Suggestions to improve financial and accounting procedures.
Chapter V	Suggestions to improve Monitoring and Evaluation.
Chapter VI	Other Connected Issues.

1.9 The Group decided to view the term "anti-poverty" programmes in a broad perspective, to include programmes which may not fall strictly in the category of anti-poverty programmes, since they do not lay down any income criterion, but which were developmental in nature e.g., programmes on health and family welfare, nutrition, education etc., and which had a bearing directly or indirectly on the alleviation of poverty.

1.10 Whereas the terms of reference of the Group were restricted to a review of the procedural aspects of the release of grants-in-aid and the monitoring and evaluation of the projects, the Group also discussed several other related issues like capability building of voluntary agencies, cost effectiveness of voluntary agencies vis-a-vis the Government and the need for issuing a policy statement towards voluntary agencies etc.

1.11 The Group felt that since the Report would be of interest to a large number of voluntary agencies, it should be available for wide circulation.

CHAPTER II

EXISTING PROCEDURES FOR RELEASE OF GRANTS-IN-AID TO VOLUNTARY AGENCIES

Several Government Ministries and Departments provide grants-in-aid to voluntary agencies. Some of the programmes and areas in which voluntary agencies can assist in the implementation of anti-poverty and minimum needs programme have been identified in the Seventh Plan document (List at Annexure B). In certain cases, the programme could be implemented directly by the voluntary agencies in a particular area; in other cases, they could participate in the process of monitoring and evaluation assisted by suitable grants-in-aid. Some of the major departments in the Government of India providing grants-in-aid to voluntary agencies are the Department of Rural Development, the Ministry of Health and Family Welfare, the Ministry of Welfare, the Department of Education, the Deptt. of Women & Child Development and the Ministry of Environment and Forests. (A list of Government Departments giving grants-in-aid to voluntary agencies is at Annexure C).

Dissemination of Information

2.2 There is no uniform procedure followed for the release of grants-in-aid to voluntary agencies as the procedure varies from department to department and from scheme to scheme. The variations, however, are not very substantial and certain similarities can be identified. In order to disseminate information, departments bring out pamphlets giving details of the various schemes alongwith the application forms. These are made available to the voluntary agencies by the departments concerned and they give the details of the scheme, the eligibility conditions, etc. Several departments/agencies like Science and Technology, CAPART, National Wastelands Development Board, Ministry of Health and Family Welfare, National Institute of Public Cooperation and Child Development (Department of Women and Child Development) hold seminars/workshops/ conferences with voluntary agencies in order to disseminate information about various schemes and to facilitate feedback.

2.3 All departments are expected to follow the procedures prescribed under the General Financial Rules for the release of grants. The conditions for the release of grants-in-aid are contained in Chapter 11 of the General Financial Rules (Annexure D) which lays down the provisions regarding audit, utilisation of certificates, maintenance of registers, periodical reports to check variations or unauthorised diversion of funds, submission of annual performance-cum-achievement reports of grantees and the laying down of the auditor's Statement of Accounts on the Table of the House. The institutions to whom the grants-in-aid are given are required under the General Financial Rules to execute bonds and to abide by target dates. Sanction is only granted to those voluntary agencies which have the managerial ability to carry out the scheme assigned to them. Organisations which are given grants-in-aid are required to be free from corrupt practices, secular in nature, and should provide requisite reservation for Scheduled Castes and Scheduled Tribes.

Documents required

2.4 A number of documents are required to be attached to the application form. These are :

- (i) A certified copy of Certificate of registration of the Institution under the Societies Registration Act, 1860 or any other statute;
- (ii) A certified copy of the documents showing the constitution of the Governing Body and the Managing Committee responsible for maintenance of the Organisation/Institution and names and addresses of persons who are authorised to operate upon and bind the funds of the organisation/institution;
- (iii) Audited statement of Income and Expenditure and balance sheet for the last three years certified by a Chartered Accountant;
- (iv) A Certificate from the Chartered Accountant to the effect that all the grants received from

Central/State Governments during the past years have been fully utilised for the purposes for which those grants were sanctioned;

- (v) Certificate that the Organisation has not been sanctioned grant by any other Department of the Central Government for the same purpose during the period to which the grant pertains;
- (vi) The latest annual report of the Organisation; and
- (vii) Additional documents are required depending on the nature of work. In case of grants-in-aid for the construction of hospitals, for instance, in addition to the above mentioned certificates, certificate regarding legal title to the land, blue-print of the construction plan, permission for construction of building etc., are required.

Processing of Application

2.5 The procedure followed by the Departments in processing the applications for grants-in-aid is generally as follows :

- (i) The application is received either through the State Government or from the voluntary agencies directly in the prescribed form. Receipt of the application is normally not acknowledged.
- (ii) The Departments generally have check-lists and the application is examined with reference to the check-list to see that all information is available;
- (iii) The requisite information/documents which have not been received from the voluntary agencies are called for from the voluntary agency;
- (iv) The State Governments recommendations are called for in cases where original applications are not

routed through them. In the State, reference is made to the district in which the voluntary organisation operates, to confirm the bonafides of the organisation and to check whether the organisation has the requisite managerial and financial ability to carry out the scheme etc. In some departments, for instance in the Ministry of Health and Family Welfare, three months time is given to the State Governments to send their comments. In case no comments are received from the State Governments, the Department assumes that there is nothing adverse to take note of about the agency and processes the application without further awaiting the comments. In the Ministry of Welfare in the case of Scheduled Caste and Scheduled Tribe Divisions, the State Governments comments are obtained only at the time of the consideration of the original/ first proposal. The renewals of the grants are sanctioned on reports of satisfactory functioning of the institutions from the field/official agencies. The Divisions concerned with the other groups like physically handicapped in this Ministry, however, obtain reports from the States even on renewal applications. In many departments, State Government recommendations are awaited before sanction is granted. In the Central Social Welfare Board the applications for grant under various programmes of the Board are invited from voluntary organisations by the State Social Welfare Advisory Boards and scrutinized by them before recommending to the Central Social Welfare Board. All the applications received in the State Boards are considered at the meeting of the State Boards and recommended for sanction. The applications are then sent to the Central Social Welfare Board where they are examined before grants are sanctioned to the voluntary organisations.

- (v) The annual reports and the audited accounts of

voluntary organisations receiving recurring grants-in-aid of Rs. 5 lakhs and above are required to be laid on the table of the Parliament within nine months of the close of the financial year of the grantee institution;

- (vi) Projects involving foreign assistance are required to be cleared by the Ministry of Home Affairs under the Foreign Contribution Regulation Act;
- (vii) Once the application is complete, it is put up to the concerned authority. In many Departments, there are Committees to whom the applications are forwarded. Grants-in-aid Committee/Screening Committee/Advisory Committee etc., are in existence in Ministries/Departments like Health & Family Welfare, Labour, Culture, Youth Affairs & Sports, Science and Technology, Education, CAPART etc. These Committees scrutinise the application in detail and convey their approval or rejection. In CAPART, project proposals involving assistance upto Rs. 5 lakhs are approved at the level of Director General, while proposals for assistance of more than Rs. 5 lakhs are considered by one of the two Standing Committees. Proposals above Rs. 10 lakhs go to the Executive Committee for approval. The Committees in the various departments/Ministries meet on an average 4-5 times a year.
- (viii) Once the project proposal is approved the case goes to the Internal Finance Division, which accords sanction; and
- (ix) The voluntary agency is then asked to send a pre-receipt and the agreement bond duly signed. A cheque for the first instalment is issued on the receipt of agreement bond and the pre-receipt. However, a number of departments such as CAPART,

and Health and Family Welfare do not ask for a pre-receipt. The release of subsequent instalments is dependant upon the receipt of progress reports and expenditure statements. For the release of the final instalment, the audited accounts for the previous years, the utilisation certificates of the previous instalments etc., are called for.

CHAPTER III

SUGGESTIONS FOR SIMPLIFICATION AND MODIFICATION OF PROCEDURES

For successful implementation of schemes, the basic requirement is that the voluntary agencies, particularly those in rural areas must have adequate knowledge about various programmes and schemes. Consequently, the Group examined the question of dissemination of information about schemes to voluntary agencies and felt that though many ministries/departments were providing grants-in-aid to voluntary agencies under different schemes, at present there was a lack of awareness among the voluntary agencies on the various development schemes of the Government. The Group underlined the need for more vigorous and timely dissemination of information of various development schemes of the Government through widespread publicity in local languages.

Dissemination of Information

3.2 The Group went into the subject in some detail. It came to the conclusion that it would not be possible for any non-governmental organisation to undertake this task and that a more viable alternative would be the use of mass media for this purpose by the grant giving departments. Newspapers were unanimously accepted as the best choice for this task. The Group also felt that since most of the voluntary agencies work in the interior areas, the information about various schemes would have to be published in the local newspapers in the regional languages as well as in national dailies. Since lengthy advertisement in newspapers would prove to be a costly proposition, the Group felt that advertisements should be brief and should merely indicate the name of the scheme and the name and address of the source to be contacted for further details.

3.3 This information should also be announced over the radio and television.

3.4 Detailed information should be made available in the

Field Publicity Units which, being geographically closer to the voluntary agencies, are ideal as a source of information on the various schemes.

3.5 The Group also felt that a separate budgetary provision should be made for the publicity efforts at different levels in the relevant agencies.

3.6 There was general agreement that the details of all government programmes should be made available at one place. The Group felt that taking note of the initiative already taken by it in this direction, the National Institute of Public Cooperation and Child Development should be entrusted with the task of bringing out a publication containing the various welfare and development schemes of interest to voluntary agencies administered by all the Central Ministries. The publication should also provide information on the broad coverage of the scheme and the addresses of the source to be contacted for further details.

3.7 The Group examined the question of creation of a clearing house for information relating to rural development pertaining to various departments and recommends that CAPART be designated as the clearing house for the purpose.

3.8 It was also suggested that a coordinated approach be evolved in funding training programmes for women by different agencies with co-ordination being done by the Department of Women and Child Development.

Directory of voluntary agencies

3.9 The Group expressed the need for bringing out a directory containing the categorisation of the voluntary agencies according to their specialised field of work, their capabilities and achievements. There was also need to have a data-base containing the name of the voluntary agencies and their field of work and the scheme of all the Ministries. The Group was informed that CAPART would bring out such a compilation and has about 5000 voluntary organisations on its mailing list (A sample of the type of information being

collected by CAPART is at Annexure E). The Department of Science & Technology have also created a data-base. The Group felt that CAPART may be assigned this task nodally. CAPART can obtain additional data wherever required from the various ministries and the voluntary agencies to make the directory a comprehensive and upto date source of information.

3.10 The Group also felt that proposals received from voluntary organisations should be acknowledged promptly by the recipients and an indication given as to the date by which a final decision may be expected.

Involvement of State Governments

3.11 The Group studied the question of the involvement of State Governments in releasing grants-in-aid to voluntary agencies. State Government recommendations were generally solicited since the State Government was considered to be in a better position to ascertain the capabilities of the voluntary agencies. Further, many of the subjects for which grants-in-aid are released were state subjects and therefore the involvement of State Government becomes necessary. In some of the schemes the State Governments also contribute their share in the project either in terms of grants, or land, buildings etc.

3.12 The Group while appreciating the necessity of such an involvement recognised that this led to delays. It was also felt that officials at the district and taluka levels had little idea of the procedural requirements and applications were shuttled from one office to another. The general experience seemed to be that State Governments recommendations were becoming a formality as after the expiry of the time fixed e.g., 3 months, if nothing is heard from the State Government, many of the Central Government departments take their own decisions on proposals received from voluntary agencies. The Group, therefore, recommends that :

- (1) It need not be obligatory for the voluntary agencies to route all their applications through State Governments, but a copy of the application should be sent to the concerned State Government. The remarks of State

Government may, however, be obtained where State Governments have financial or other stakes or where they are required to supervise and administer the schemes. This should be the case particularly where fresh applications are filed. The State Governments would, however, be free to comment on the functioning of the institutions, etc., which would be taken into consideration when considering the renewals;

- (ii) A time-limit of 8 weeks should be prescribed for the State Governments to send their comments. However, the processing of proposals should be initiated in the concerned department immediately on receipt in order to expedite scrutiny;
- (iii) If the comments of the State Governments are not received within the stipulated time, the approval of the State Government should be presumed;
- (iv) The scrutiny of application should start simultaneously at the Centre and the State. A time limit of 12 weeks is proposed for the Central Ministries/ Departments. Even if the State Governments recommendation is received after 8 weeks, it still allows the Centre 4 weeks to take a decision on the application.
- (v) For release of grants, further verification by the State Governments should not be required. The release of all additional grants can be on the basis of certification of expenditure by the implementing voluntary agencies. The State Governments may be kept informed of every release, leaving it to them to report violation of conditions where this occurs;
- (vi) Attitudinal changes are required to be inculcated in the field staff so that they handle applications from voluntary agencies in a positive manner. The training programmes for the field staff should be so designed that the need for bringing about attitudinal changes is also taken into account.

- (vii) Clear guidelines on the reports to be sent or information to be furnished by the voluntary agencies at various stages should be issued; and
- (viii) A nodal group should be set up at the State level comprising, among others, State Secretaries of the Departments of Rural Development, Social Welfare and Education, Chairmen, State Social Welfare Boards and representatives of voluntary agencies, etc., to serve as the central point to guide the voluntary agencies, facilitate exchange of information and sort out operational difficulties.

Need for Coordination:

3.13 After considering the procedures for examination of project proposals the Group was of the opinion that there is lack of coordination among the administrative, technical and financial wings within the department while interacting with voluntary agencies. This needs to be rectified. A Committee/Group with representatives of the concerned administrative, technical and financial wings of the particular department should jointly consider the proposal to ensure necessary coordination and speed in disposal.

Grounds for rejection:

3.14 It was felt that very often proposals were rejected on grounds that were not apparent and the reasons for rejection were not disclosed. It was the experience of some voluntary organisations, that at times their proposals were turned down because they had been critical about governmental policies on the pretext that their working was "not conducive to public good". The Group also expressed reservations about the level of collection and reliability of the information supplied by verifying agencies. It was felt that the Reports of the local Intelligence Bureau (IB) were in many cases based on "chai shop talk" which were nothing but vague uncorroborated rumours.

3.15 The Group felt that openness in Government decision-making needs to be promoted. However, the Group conceded that

it may not be possible for the Government to disclose reasons for rejection in every case. FERA security regulations were identified as possible reasons for rejection, it was obvious that exact reasons could not be spelt out in sensitive cases.

3.16 The Group, therefore, recommends that as a rule where an application is rejected the reasons for rejection should be intimated to the sponsoring organisation. In exceptional cases where it may not be possible to do so, the grounds needs to be clearly recorded so as to eliminate the possibility of arbitrary decisions on the part of any individual or department.

3.17 However it was suggested that in case a Ministry or a Department came across a case of financial irregularity by a voluntary agency, it should share this information with other Ministries and Departments.

3.18 In cases where security clearance is to be obtained according to prescribed procedures, local intelligence agencies should be given clear directives about the specific question or questions to be reported upon and should not base their assessment on vague and uncorroborated hearsay or third party information.

Involvement of Voluntary Agencies in Formulation of Schemes:

3.19 The Group was of the opinion that voluntary agencies should be actively involved in the formulation of various development schemes of the Government. Though the involvement of voluntary agencies in the formulation of various schemes was taking place in some cases, (e.g. CAPART) the Group felt that this was being done on a selective basis. Where voluntary agencies are involved in the formulation of schemes, (e.g. Department of Rural Development, where seminars were held and feedback obtained from voluntary agencies), implementation of schemes becomes easier since the difficulties were sorted out in the initial stages themselves. The Group, however, felt that this suggestion should not be rigidly binding on the Departments for every scheme, but may be adopted as a general guideline and this process adopted unless there are valid reasons to the contrary.

3.20 The assessment of the suitability of a voluntary agency was recognised to be a difficult task. The Group felt that experienced voluntary agencies may be consulted while assessing the potential suitability of other agencies seeking grants. It is important that voluntary agencies entrusted with the task of evaluating an application should adopt strict standard while recommending the scheme of a particular agency and if anything adverse comes to their notice, this fact should be clearly and unambiguously brought out in their report. The Group, however, felt that the voluntary agencies should while assisting the Government avoid giving the impression of being co-opted by the Government to the detriment of their independent status.

Face to Face Contact:

3.21 The Group considered the desirability and possibility of promoting face to face contact between the voluntary organisation and the grant giving Department/Agency. CAPART had followed such a system and found it to be of considerable advantage. However, it was felt that despite its apparent advantages, this would lead to considerable delays. Moreover, it would be a costly proposition in a situation where a large number of schemes are under implementation. The Group recommends that this system may be considered for adoption in suitable cases where substantial amount of money is being sanctioned by way of grant-in-aid to a limited number of agencies.

3.22 The Group also considered the suggestion that instead of calling members from the voluntary organisations to headquarters, one or two officers might go to the State where the voluntary organisations were situated and assess the proposal on the home ground itself. In such a case, there would not only be greater appreciation of the scheme by the grant-giving authority, but also a more positive involvement of the State Government officials. The Group felt that there was a need for a dialogue nearer the field than at the Centre.

Agreement Bond:

3.23 The Group also examined the agreement bond which was signed between the Department and the voluntary agencies. The Group learnt that the issuing authority did not sign the bond when it was sent to the voluntary agencies for signature. Further, since only one copy was sent the voluntary agency had no copy of the bond for record. The Group recommends that two signed copies of the bond be sent to the voluntary organisations, the voluntary organisation would retain a copy and return the other to the concerned Department after signing the same. The Group examined the possibility of having standardised bonds, but felt that the bond would vary according to the needs of the Department concerned and hence standardisation might not be feasible. The Group was informed that CAPART did not ask for bond, but only signature on a "terms and conditions" form. However, this appeared to be the exception rather than the rule.

CHAPTER IV

SUGGESTIONS TO IMPROVE FINANCIAL AND ACCOUNTING PROCEDURES

There was general agreement that many of the procedural problems faced by the voluntary agencies arose out of the restrictions imposed by the different rules and orders on the grant controlling authorities and the voluntary agencies. Many of these provisions were not known to the voluntary agencies functioning in various parts of the country. Given their organisational structure, which is geared towards the main objective of undertaking activities connected with rural development and other welfare programmes, the restrictions divert attention from the main purpose. The conditions often tended to restrict the freedom of operation required by the voluntary agencies. Often the grant controlling authorities themselves were not clear about the various provisions in regard to documentation, procedural and other commitments required to be fulfilled by the voluntary agencies. As a result proper and timely guidance was not always forthcoming.

General Financial Rules

4.2 The Group was informed that the main provisions governing the financial rules and procedures relating to grants-in-aid were incorporated in the General Financial Rules. The Group were also informed that a high powered Committee under the chairmanship of Shri K.P. Geethakrishnan, the then Additional Secretary in the Ministry of Finance, had, inter alia, reviewed the relevant provisions of the General Financial Rules a few years back and that certain proposals for amendment to the General Financial Rules consequent to this Committee's recommendations were at an advanced stage of consideration by Government. The Group considered the existing provisions of the General Financial Rules and the recommendations of the Geethakrishnan Committee. The Group also considered the amended provisions of the General Financial Rules as now proposed to be notified by the Government. The Group felt that as soon as the amendments to the General Financial Rules were notified, adequate publicity should be given through newspapers etc. so that the voluntary agencies are appraised in broad terms the

changes effected.

Codification

4.3 The Group agreed with the approach of the Geethakrishnan Committee that the procedures for scrutiny and certification need not be incorporated as a part of the main rules and that the discretion of the grant controlling authorities in prescribing terms and conditions need to be enlarged. This would substantially help in providing flexibilities required by the grant controlling authorities to consider various project proposals submitted by voluntary agencies. Except in cases where general conditions are required to be imposed in the sanction for grants, as a matter of public policy, the conditions should be such as to ensure fulfilment of the objectives for which grants-in-aid are provided. The Group also agreed with the recommendation of the Geethakrishnan Committee that there should be no need to impose any special procedural conditions to be observed by the grantees in the conduct of their day-to-day business. It was, however, felt that the rules and procedures should be codified in respect of different schemes under which grants-in-aid were given and made known to the voluntary agencies.

4.4 In the context of the above need for codification of the rules and procedures, the Group noted that the existing provisions required preparation of a Grants-in-aid code and manual for the guidance of the voluntary organisations concerned. This has never been done either on a consolidated basis for the entire Government of India or by the different Ministries. In actual practice, the voluntary agencies are not even able to obtain details of schemes and other procedural requirements. Measures for giving publicity to the various development schemes have been considered in Chapter III of this report. The Group further recommends that each Ministry/Organisation should bring out a grants-in-aid code and manual listing out various schemes under which the grants would be admissible to the various agencies, along with the details of the scheme, purposes for which assistance would be provided, etc. These must also contain details with regard to the form of application, supporting data/documentation to accompany appli-

cations etc. Further in the context of the requirements for monitoring and evaluation (which is discussed in Chapter V of this report) and for release of subsequent instalments, the manner in which periodic progress reports are to be submitted should be detailed. It is also recommended that these codes could lay down the conditions which the agencies are to observe, the registers/records to be maintained, etc. so that there was no ambiguity. There should be detailed instructions with regard to filling of forms, which should be appended to the forms for the guidance of voluntary agencies.

Application forms

4.5 The Group strongly felt that the application form in respect of each scheme should be properly drawn up so that it is easy to follow. While it should not ask for extensive and unnecessary data, it should be comprehensive enough to provide all information necessary to enable a decision on the application. A model form suggested is at Annexure 'F' as a guide. This will need to be modified/ amplified with reference to the requirements of each grant giving agency/scheme.

4.6 The Group was also informed that while filling applications before the grant controlling authorities they were required to file repetitive information such as articles of association, list of office bearers/trustees, audited annual accounts etc. each year. The Group recommends that once an agency has furnished this information, it need not be necessary for them to file the same information repeatedly year after year. It would be the responsibility of the funding agency to see that the information is properly maintained and available for reference when required. At the same time, the voluntary agency would be required to keep the grant giving authority informed about changes in its organisation and structure etc.

All-India Character

4.7 The Group noted that in the model rules for grants-in-aid suggested by the Geethakrishnan Committee it has been indicated that the entitlement for grant-in-aid could be restricted to voluntary organisations having an 'all-India

character'. The Group was not clear about the interpretation of the term "all-India character," because by definition a majority of voluntary organisations might fall outside this criterion. The Group felt that the most important aspect of voluntary organisations is their innovative spirit and their close inter-action with the local people, which is associated with a small and flexible structure. It is their innovative work which needs to be replicated throughout the country by other institutions, i.e. their ideas and not necessarily the individual organisation need to be of an "all-India character". The Group felt that over the years, Government had been providing large amounts of assistance to large organisations of an "all-India character" which in turn provide grants-in-aid to other voluntary agencies. This approach needed to be re-examined as the approach of many smaller voluntary agencies were not adequately appreciated and in the proper perspective by these monolithic organisations. In any case, since grants-in-aid are also required by many agencies which do not have an all-India character this recommendation needs to be reexamined. The Group recommended that the existing position in the GFR, where there is no restriction regarding provision of 'Grants-in-aid' to voluntary agencies not having an all-India character, be allowed to continue.

4.8 The Group noted that in the draft rules proposed to be notified it has been suggested that grants-in-aid could also be given to a "person". The Group welcome the substantial change as presently many individuals or an association/group of persons who wish to undertake voluntary work in a field of development were not granted any assistance since they were not registered under the Societies Act, etc. The Group endorses the proposed amendment.

Periodicity of Release of Funds

4.9 The Group deliberated on the question of the periodicity of release of funds. At present there was no uniformity and the number of instalments varied from scheme to scheme. It was stated that the instalments were often not released on time and that at times large amounts were released in the last few weeks or even days of the financial year making

it difficult for the voluntary agencies to properly utilise the funds in time.

4.10 The Group noted that it was not possible to recommend the specific number of instalments in which the funds should be released, as this would depend on the nature of the scheme and the amounts involved. In respect of schemes of relatively small value, the release could be on an annual basis, but for schemes involving large amounts it may be on six monthly basis or even more frequently as per the schedule agreed upon between the voluntary agency and the sanctioning authority. At the time of approval of the project itself the budget for discrete periods relevant to the instalments could be approved which could form the basis for releases of grants. The sanctioning authority will need to take into account the reports with regard to the progress of the project expenditure while sanctioning further instalments.

4.11 The Group also noted that there were certain projects, the life span of which extended beyond a financial year. It is recommended that while approving such projects for assistance, the phasing of the budget should be agreed upon and incorporated in the letter of approval. The release in the subsequent financial year should be made promptly after the commencement of the year, in accordance with the sanctioned budget and after taking into account the progress reports, without requiring the institutions to submit fresh applications covering the entire scheme. Uncertainties and delays will be avoided under such an arrangement.

4.12 While considering the proposed draft rules of the GFR, the Group noted that the last instalment of the annual grant was to be made conditional upon the grantee institution providing reasonable evidence of proper utilisation released earlier during the year. However, in respect of schemes of relatively small value, where it has been recommended that the release could be on an annual basis (para 4.11 above), the release could be decided taking into account the utilisation of the grants given in the previous year. The Group has also made recommendations with regard to grants-in-aid to projects which extend beyond a financial year (para 4.13 below). A suitable provision

regard to submission of three sets of accounts. There were many beneficiaries particularly of the Central/State Social Welfare Boards who were finding it difficult to submit these accounts. It was recommended that a simple statement of expenditure with regard to each budget head in respect of which assistance was provided, duly certified by a Chartered Accountant should be adequate. Alternatively, only a receipt and payment account along with a statement of expenditure of the project/scheme for which assistance was provided duly certified should suffice. The Group felt that many of the voluntary agencies were registered under the Societies Act or were incorporated as a trust. These agencies have to comply with the legal requirements of the Acts under which they were incorporated and prepare accounts accordingly. The voluntary agencies should have no difficulty in submitting such accounts which they are in any case legally required to prepare. They may also submit a separate audited statement of expenditure duly certified by their auditors with regard to the project/scheme for which assistance is sanctioned. The auditors may also certify the fulfilment of the conditions, if any, governing the grant.

Common Auditor

4.16 The Group went into the requirement of General Financial Rules for the auditing of accounts by private recognised auditors. The Group felt that the idea of a common auditor (not necessarily a Government auditor) for small voluntary agencies would be of help in far off places. However, this was not binding and voluntary agencies who wished to have their own auditors should have the freedom to do so.

Utilisation certificate

4.17 The Group deliberated upon the furnishing of utilisation certificate to the sanctioning authorities. It was felt that no clear-cut guidelines were available to the voluntary agencies in this regard. The furnishing of accounts in the manner recommended in the previous paragraph should be sufficient to meet the requirements of government with regard to the satisfactory utilisation of the grant. In any case the sanctioning authorities should clearly indicate the documen-

tation to be submitted to show proper utilisation of the grant. With regard to the achievement of the physical aspects of the project/scheme, the Group has separately made recommendations in Chapter V on 'Monitoring and Evaluation' and various approaches that could be adopted for this purpose. The adoption of the monitoring procedure specified for the scheme should be sufficient for an evaluation of the achievement of the objectives and enable the departments to furnish necessary certificates to audit.

Project Completion Certificate

4.18 The Group noted that while the departments furnish utilisation certificates to audit, no intimation was given to the voluntary agencies themselves about the information furnished by them being considered satisfactory and having been accepted by the Government as proof of utilisation. The absence of such communication lead to difficulties, later. However, it was also noted that a few departments like the Department of Science & Technology, issue a certificate of project completion. It was felt that the voluntary agencies should also be informed in all cases of the acceptance by the Government of the documents submitted as satisfactory evidence towards utilisation of the grants. If necessary the communication could be qualified as to it being open to Government to enquire with regard to the proper utilisation of the grant at a subsequent stage for scrutiny by the Comptroller and Auditor General or for such specified purpose.

Acceptance of photocopies

4.19 The Group noted that some of the organisations do not accept photocopies of statements. It was felt that photocopies duly attested by a responsible officer of the voluntary agency itself should be accepted by the concerned authorities.

Use of services of retired Accounts Officers

4.20 The Group noted that CAFART had prepared a panel of retired Accounts Officers belonging to the Indian Audit & Accounts Department for monitoring the project accounts of

various voluntary agencies as and when necessary. They were mainly utilised for inspection of accounts and furnishing reports to CAPART and were paid honorarium apart from other travelling allowances. Since the grant controlling authorities were not always able to conduct a detailed inspection periodically, the Group recommends that this practice with suitable modifications could be adopted by other grant controlling authorities also. The officers could be drawn from all established accounts organisations. However, it is also necessary to formulate general guidelines as to the focus and purpose of these inspections. They should be meant to ensure accountability by the voluntary agencies towards proper utilisation of the grants without restricting them in the conduct of their day-to-day business.

Budget heads

4.21 The Group felt that the budget under compartmentalised heads should not be rigid and the heads of expenditure should be broad enough to provide for flexibility. For example, voluntary agencies face a problem in mobilising manpower, since there is less insistence on academic qualifications and degrees and more on motivation. Insistence on a budget head of manpower, indicating the number of posts in each category results in rigidity. Instead, the voluntary groups should be asked to indicate the various scales and the total manpower budget. The voluntary agency should have flexibility regarding the number of persons appointed. It was noted that the existing provisions provided for reappropriation of funds within the overall sanctioned budget/grants-in-aid from one constituent element of a programme to another as long as they were not re-appropriated for meeting administrative or construction expenditure. The reappropriation is also not to augment the budget provision for the constituent element by more than 10 per cent. It was felt that many of the grant controlling authorities were not applying this provision liberally. There is need for grant controlling authorities to provide for greater flexibilities in the expenditure pattern during the different periods in respect of which periodical reports were furnished. The reasons for diversion could be explained in the periodical report furnished. The Group, however, noted that the flexibility provided should

not distort the objective/purpose for which the grant-in-aid is made available. Detailed guidelines may be drawn up in respect of appropriate schemes for providing necessary flexibility.

Overheads

4.22 Voluntary agencies also require assistance for administrative purposes. The Group has made separate recommendations in Chapter VI for suitable assistance for various purposes such as training in accounts, project formulation etc. Since these are essentially meant to strengthen the administrative capabilities within the organisation, there is need to provide additional allocation to cover 'other over heads' and administrative expenses.

Retention of Assets

4.23 The Group was informed that the grant controlling authorities require that an account of the assets acquired from out of government grants be maintained. These are normally not to be disposed of by the voluntary agencies without government permission. There were no guidelines as to the period for which these assets were to be retained by the voluntary agencies and the periods for which reports on these assets is to be furnished to the grant controlling authorities. The Group noted that no specific period could be indicated for retention of the assets by the voluntary agencies, as it would depend upon the nature of the assets and other factors. The Group recommends that the grant controlling authorities should specify these details while agreeing to finance creation of the relevant assets.

4.24 The value of individual assets for entry in the register of assets is proposed to be raised to Rs.10,000/-. Taking into account the current cost it is recommended that this amount could be raised to Rs. 20,000/-.

4.25 The proposed rules of the GFR provide for formulating the terms and conditions of service of the employees in the grantee institutions which receive more than 50% of their recurring expenditure in the form of grants-in-aid in a manner that they are broadly comparable to that applicable to similar

category of employees in Central Government. It was felt that this would create a great deal of problems to voluntary agencies. Since the agencies are governed by different local laws such as 'Minimum Wages Act' etc. which vary from place to place, it is recommended that this condition be not made applicable to voluntary agencies.

4.26 The existing rules as also the proposed rules provide for the annual reports of private and voluntary organisations receiving recurring grants-in-aid to the tune of Rs.5 lakhs and above to be laid on the table of both Houses of Parliament within nine months of the close of the financial year. In the case of organisations receiving grants-in-aid above Rs. 1 lakh and below Rs. 5 lakhs, a report with regard to the recipient organisation, the funds provided as also the achievements vis-a-vis the amounts spent are to be included in the annual administrative report of the Ministry. It was felt that the stipulation with regard to placing of annual reports of voluntary agencies receiving grant-in-aid above Rs. 5 lakhs before Parliament put considerable difficulty on the voluntary organisations as a large number of copies in Hindi/English are required to be presented. While this stipulation may not cause considerable difficulty to autonomous/statutory organisations sponsored by Government or working under the Government, many of the voluntary agencies would face difficulties on this procedural point. The Group accordingly recommends that a policy change, viz., existing report being furnished in respect of institutions receiving grants-in-aid above Rs. 1 lakh but below Rs. 5 lakhs being extended to voluntary organisations receiving grants-in-aid above Rs. 5 lakhs be considered in consultation with concerned institutions.

CHAPTER V

SUGGESTIONS TO IMPROVE MONITORING AND EVALUATION

The importance of effective monitoring in the successful implementation and execution of a scheme or project cannot be minimised. Monitoring must cover not only the physical progress but the qualitative achievement with reference to the objectives sought to be achieved.

Procedures adopted for monitoring at present

5.2 In cases where grants-in-aid are released to voluntary agencies, most ministries/departments like Rural Development, Youth Affairs and Sports, Culture, Science and Technology, Health and Family Welfare, Women and Child Development, Welfare, etc., rely on the following information :

1. A statement of accounts audited by a Chartered Accountant;
2. Utilisation Certificate;
3. Periodical progress reports from the voluntary agencies, indicating physical and financial achievement; and
4. A copy of the Register of the permanent and semi-permanent assets mentioned under the prescribed form (Form G.F.R. 19).

In many cases, officers from the departments/ministries carry out inspections. Certain departments have a well laid down system of monitoring. For instance, in the Department of Science and Technology, half-yearly progress reports are called for in the case of time-bound projects. After a year, the organisation is required to present its achievement before a Committee of Experts. In certain cases the department also deputed auditors to audit the accounts of the organisation. In some cases, the Registrar of Cooperative Societies is also

requested to look into the affairs of the organisation and take appropriate remedial action if defaults are noticed.

5.3 CAPART follows the system of obtaining expenditure statements from each voluntary agency. At the end of the year, CAPART gives a utilisation certificate to the Department of Rural Development for the grants received under different schemes. An audited statement of accounts is obtained from the voluntary agency at the completion of a project along with a final report of the achievements.

Evaluation

5.4 In the Ministry of Health & Family Welfare, under the Private Voluntary Organisation for Health (PVOH) programmes in collaboration with USAID for instance, there is a system of mid-term evaluation of projects and an end-project evaluation. Under Family Welfare Schemes, outside agencies are asked to carry out evaluations of certain schemes.

Recommendations

5.5 The Group discussed this question of monitoring and evaluation. The importance of monitoring in the successful implementation of a scheme, was reiterated.

1. The Group strongly felt that one uniform system of monitoring was neither possible nor desirable for different kinds of schemes and that the system of monitoring should suit the kind of scheme which was being implemented. In an area as wide and all-embracing as Health & Family Welfare different systems of monitoring would be required for different schemes like Primary Health Care, Family Welfare, etc. This is the position even for a given grant giving agency supporting different types of schemes.
2. The Committee or authority empowered to sanction a particular scheme should, to the extent possible, also be associated with its monitoring. In any case, monitoring arrangements should be clearly

indicated to the voluntary agencies at the time of sanction so that both the implementing and monitoring agencies establish a continuing dialogue which would facilitate both the quantitative and qualitative aspects that are necessary in any meaningful evaluation. A conscious effort should be made to avoid changing monitoring agencies during the duration of a project.

3. The Group felt that the yardstick used for monitoring at present required revision. In the case of nutritional programmes, it was the experience of the voluntary agencies that instead of concentrating on qualitative aspects of the programme, the monitoring system emphasised the quantitative aspects. The emphasis was on targets, etc., camps held, Balwadis opened, etc. The Group felt that in the case of innovative projects which were in the nature of experiments, an approach which was basically statistics or data oriented, needs to be modified. The equation "money spent = work done" would not work. The Group recommends that detailed guidelines should be issued explaining the nature and scope of monitoring. New and more meaningful yardsticks for monitoring need to be evolved with reference to the objectives sought to be achieved.

4. The Group also considered self-monitoring, group monitoring and monitoring by the beneficiaries themselves.

- (a) In regard to self-monitoring, the Group felt that the project proposal should lay down clear details and the voluntary agency itself should monitor progress periodically. The aim of monitoring, the Group reiterated, was not inspection, but to provide an opportunity for the organisation to improve and strengthen its work;

- (b) In group monitoring, it is proposed that voluntary agencies should meet and organise

workshops, make presentations and hold discussions. This type of monitoring would serve the dual purpose of monitoring and evaluation though it might be time-consuming and more expensive.

(c) The Group also favours monitoring by the beneficiaries of the project. For implementation of this kind of monitoring, the beneficiaries would have to be involved in the day-to-day working of the scheme. At the initiation of the scheme itself a detailed format for monitoring needs to be formulated. The Group suggests that the participants should be encouraged to express their views on the implementation of the scheme and to state whether and to what extent they were deriving benefits from it. In this context, the Group discussed the system of monitoring in the National Wastelands Development Board, where the Wasteland Units maintained a log-book and recorded each unit of activity. The Group felt that this system could be followed by other agencies also. The Group pointed out that the interaction between the voluntary agency and the target group often generates an open and critical atmosphere. Untrained and uninitiated evaluators might easily misconstrue such an atmosphere as indicative of poor performance and the fear of such misunderstanding could force the voluntary agency to abandon the spirit of self-criticism. Evaluators should approach their task with due care and understanding.

5. The Group felt that monitoring should not be carried out merely at the level of and by the project administrator. There are merits in others being involved in the process.

6. The Group was also in favour of field visits being undertaken by the officers of the Central and State Government. However, the Group felt that if the

funding agency was not able to carry out the visit in time, the voluntary agency should not be penalised and the release of grant should not be delayed.

7. Regarding Evaluation, the Group felt that assessment of work of voluntary agencies should be done by those who have a knowledge of working of these organisations and with the active involvement of beneficiaries.

8. The Group felt that at times there was a long gap between the Evaluation of the project and the acceptance of the recommendations and this could nullify the entire exercise. Therefore, the process between the Evaluation of the project and the action on the recommendations should be expedited.

CHAPTER VI

OTHER CONNECTED ISSUES

The Group, while discussing possible simplification of procedures for the release of grants-in-aid to voluntary agencies, also dwelt on certain other matters which went beyond the issues under examination but were nevertheless considered to be relevant and important to merit discussion.

Need for attitudinal change on the part of official agencies

6.2 The first issue related to the question of trust. It was represented that there was a "bias" against the voluntary agencies particularly at the lower levels of the bureaucracy and that there was an element of suspicion and lack of trust in voluntary agencies. There was also a feeling that voluntary agencies are being treated as subordinate offices. The Group felt that while this "bias" might exist both at the central and at the field level, political pressures were felt more acutely at the district level. On the other hand, there was also a feeling among a segment of the Group, that it is the voluntary agencies who are sometimes guilty of ignoring the village level functionaries and seeking direct access to higher officials and political leaders to show their clout.

6.3 The Group felt that at various levels Government's role in regard to voluntary agencies needs to be given a more positive and promotional orientation. Government departments, for instance, when they formulate new schemes, particularly anti-poverty schemes, could usefully inter-act with and invite voluntary agencies to assist in finalising and implementing the schemes.

6.4 The Group noted with satisfaction that the Government's attitude towards voluntary agencies has undergone a change in recent years. Today voluntary agencies have far greater access to both the Central and State levels, they meet in different fora and express their views freely. However, there was always scope for improvement. The Group recommends that Government staff dealing with voluntary agencies should be

given orientation courses to bring about desired attitudinal changes.

Need for Policy Statement

6.5 The Group noted that the Government had enunciated its views on the role of the voluntary agencies in the Seventh Plan document. But a view was expressed that a more detailed policy statement in the form of a historical review and the Constitutional basis for voluntary work might be appropriate and timely so that their role and method of work of voluntary agencies are clarified.

Comparison between schemes run by Government and schemes run by Voluntary Agencies

6.6 It was suggested that a study of the comparative cost-effectiveness, responsiveness and result orientation of similar schemes run by the Government agencies and by voluntary agencies in key areas might be profitably undertaken on a sample basis. It was argued that schemes run by Government tend to be more expensive since the Government had to work on rigid rules (e.g. PWD rates) while the voluntary agency was unfettered by such restrictions. The other advantage the voluntary agencies had vis-a-vis the government was that whereas in a voluntary agency one person could perform multiple functions, i.e., he could drive a vehicle, supervise work, manage the office, etc., in government, different officials would perform different tasks. Many voluntary agencies had committed people working in the organisation but a similar commitment was not always prominent among all Government servants.

6.7 It was recognised that in formulating massive schemes for government, distortions creep in. In IRDP, for instance, buffalo rearing and sheep rearing are costly schemes, often not desired by certain communities in certain areas, whereas setting up of tea stalls costing Rs.400-500, or giving loans for rickshaws would enable the beneficiary to cross the poverty line more quickly. It was important for Government to introduce greater flexibility as also to reduce cost comparable to what

is incurred by better-run voluntary agencies to the extent feasible.

Multiplicity of Schemes

6.8 The Group also pointed out that when similar schemes are run for the same target group by different departments, some people manage to get the benefit for the same purpose from more than one organisation. Multiplicity of schemes was also common, as in areas like Nutritional Programmes, housing for the landless etc. Even within nutritional programmes, there were different rates per child ranging from 50 paise per day to 65 paise per day among schemes run by different Departments even though the objectives were common. In the case of housing for the landless, there are 16 different schemes with different rates of interest. Multiplicity of schemes can be attributed to different reasons - departmental overlapping, bureaucratic rigidities and multiplicity of sponsors. At times multiplicity of schemes might be the result of attempted image building by a particular organisation.

6.9 In some cases, e.g. nutritional programmes, sometimes different agencies continue to run the schemes in the same area. For example even when an Anganwadi is established in a village under the ICDS, the CSWB does not necessarily close down or relocate the Creche from that area. Similarly, in the case of Balwadis under the Balwadi Nutrition Programme and Anganwadies under the ICDS, over-lapping is not uncommon.

6.10 Each department appears keen on implementing schemes related to anti-poverty programmes, resulting in duplication of schemes. The RLEGP and NREP were cited as programmes which were almost identical in nature. There are also problems in imparting "skills training". Often the same individual is trained again and again in different skills. This in itself has become a source of livelihood for the trainees.

Different rates of stipend

6.11 Multiplicity in the rates of stipend for different training schemes also created problems. Under TRYSEM, DWCRA and

CSWB the rates of stipend vary. Whereas a different range of stipends is justified for different levels of training, it is not justified for a given level of training. This can also pose a problem for the voluntary agency itself. The Group was informed of the carpet training programme run by a voluntary agency in Gujarat where the State Government provided a stipend of Rs.100 per month, but the stipend offered by CAPART was Rs.200 per month. The voluntary agency, however, chose to accept Rs.100/- from CAPART too, since it would face difficulties if two different rates of stipend were offered for the same kind of work. The Group recommends that to obviate such difficulties, a central body like the Planning Commission should coordinate the broad parameters and policies of the Ministries and departments towards voluntary agencies and that the coordination should permeate all levels.

Need for Flexibility in the Formulation of Schemes

6.12 The Group also went into the question of the nature and broad features of schemes formulated by Departments/ Ministries. A common defect is rigidity. The Group felt that the schemes should be flexible so as to provide for diversity keeping in view the diversity of the areas in which the scheme has to be implemented and the diversity of the agencies implementing them. The Group felt that priority should be given to innovative schemes, but the focus should not be on hastily enlarging the area of work and coverage, but on the introduction and stabilisation of innovative methods keeping in view the local needs and environment and making use of appropriate technique and methodologies. The tendency to develop a laboratory technology and attempting to transfer it wholesale to different areas without encouraging alterations and innovations was not desirable. It was also pointed out that keeping in view the different cost patterns prevailing in different States, donor institutions should not provide identical amounts for each scheme to agencies in different areas. Though it might cause inconvenience to certain agencies to adopt differential rates tailored to each local situation, the Group felt that the needs of the beneficiary should be allowed to outweigh the inconvenience to the institutions granting aid.

Development of Capabilities

6.13 The Group also felt that at present there was no programme or scheme to enable the voluntary agencies to develop their capabilities, formulate pilot schemes and meet pre-project expenses. There is no provision for instance, for sending an engineer for a year on a sabbatical. The voluntary agencies face this problem since they need to conduct surveys and hold camps to assess the response of the people before taking up schemes as is the case of the scheme under DWORA, but there appeared to be no provision for funding such efforts under the present set-up. The Group felt that in the Project Report itself, a number of activities should be identified including "capability building" and longer term capability building and "pilot schemes" under the broad category of "preparatory" and "pre-project assistance." (A list of activities identified under capability building is at Annexure G).

Professionalising Resource Groups

6.14 The Group also recommends that appropriate grants be made to professionalise resource groups to assist in training in accounts, project formulation etc., and education at the grass root level to help in the development of voluntary agencies from a long-term point of view.

Fund Generation of voluntary agencies

6.15 The Group also discussed the sources of fund generation for voluntary agencies. The Group noted that the voluntary agencies have the following sources of fund generation outside the Government.

- (i) donations
- (ii) self-generation (Marketing its own produce or publications) etc.
- (iii) community support.

It was pointed out that whereas in the past voluntary

agencies depended largely on donations from private institutions and individuals, they have now become heavily dependent on government funds. The main reason for such dependence, many members argued, was the changing tax-policy which has minimised tax benefits to donors and made it difficult for voluntary agencies to approach prospective donors. Similarly, due to the withdrawal of benefits on self-generated funds, these activities are also affected. The voluntary agencies, as a result, depend more and more on government and foreign funds. As a result, they are becoming implementers of government schemes, i.e., an extension of the Government delivery system, rather than the creators of new and innovative ideas. The Group felt that while government funds should be made available for activities of the voluntary agencies, the agencies must have their own fund generation capacity, particularly to meet core requirements like land and building, vehicles and other equipment, normally not covered by government grant. For this, consideration is needed so that the tax laws are appropriately modified. The Group noted that the voluntary sector had a greater role to play in the development process than that of an "exterior arm of government".

6.16 It was pointed out that the voluntary agencies needed buildings and transport for which funds were not available. There was no consensus amongst the Group as to whether government should provide infrastructure as contrasted with project support to voluntary organisations. It was represented that at times the government appeared to be even hindering the working of the voluntary agencies. In one case when the Panchayat was willing to donate land to a voluntary agency the government, instead of granting permission, reportedly acquired the land for its own use instead.

Emergency Relief

6.17 The Group also raised the issue of emergency relief undertaken by voluntary organisations. The Group recommends that for release of government aid for disaster or emergency relief activities by voluntary agencies, special assessment and clearance procedures should be adopted to ensure quick and timely support.

Change in administrative set up

6.18 It was the experience of voluntary agencies that when there was a change in administrative set up in the ministries it also affected the programmes adversely. The Group recommends that in order to maintain continuity and consistency in long-term programmes there should not be any major mid-term changes in procedures because of changes in personnel in the ministry or department concerned.

CHAPTER VII

SUMMARY OF RECOMMENDATIONS

1. The information about various schemes should be published in the local newspapers in the regional languages as well as in national dailies. Advertisements should be brief and should merely indicate the name of the scheme and the name and address of the source to be contacted for further details.

[Para 3.2]

2. This information should also be announced over the radio and television.

[Para 3.3]

3. Detailed information should be made available in the Field Publicity Units which are geographically closer to the voluntary agencies and are ideal as a source of information on the various schemes.

[Para 3.4]

4. A separate budgetary provision should be made for the publicity efforts at the different levels in the relevant agencies.

[Para 3.5]

5. The details of all government programmes should be made available at one place. The National Institute of Public Cooperation and Child Development should be entrusted with the task of bringing out a publication containing the various welfare schemes of interest to voluntary agencies on the broad coverage of the scheme and the addresses of the source to be contacted for further details, etc.

[Para 3.6]

6. CAPART should be designated the clearing house for all information relating to rural development pertaining to various departments.

[Para 3.7]

7. The Department of Women and Child Development should co-ordinate the funding of training programmes for women.

[Para 3.8]

8. There should be a centralised source of information regarding the various voluntary agencies themselves. A directory containing the categorisation of the voluntary agencies according to their specialised field of work should be brought out.

[Para 3.9]

9. There is need to have a data-base containing the names of the voluntary agencies and their field of work and the scheme of all the Ministries. CAPART may be assigned this task nodally.

[Para 3.9]

10. Proposals received from voluntary organisations should be acknowledged promptly and an indication given as to the date by which a final decision may be expected.

[Para 3.10]

11. It need not be obligatory for the voluntary agencies to necessarily route all their applications through the State Governments.

[Para 3.12.(i)]

12. A time limit of 8 weeks should be prescribed for the State Governments to send their comments.

[Para 3.12.(ii)]

13. If the comments are not received within the stipulated time, the approval of the State Government should be presumed.

[Para 3.12.(iii)]

14. Scrutiny of applications should start simultaneously

at the Centre and the State. A time limit of 12 weeks should be fixed for a Central Ministry/Department for deciding on an application.

[Para 3.12.(iv)]

15. The release of all additional grants can be on the basis of certificates given by the voluntary agencies, with the State Governments being kept informed of every release of funds, leaving it to them to report violation of conditions where this occurs.

[Para 3.12.(v)]

16. Training programmes for the field staff should be so designed that the need for bringing about attitudinal changes is also taken into account.

[Para 3.12.(vi)]

17. Clear guidelines on the reports to be sent or the information to be furnished by the voluntary agencies at various stages should be issued.

[Para 3.12.(vii)]

18. A nodal group should be set up at the State level to serve as the central point to guide the voluntary agencies, facilitate exchange of information and sort out operational difficulties.

[Para 3.12.(viii)]

19. A Committee/Group with the concerned representatives of administrative, technical and financial wings of the Government should be constituted to consider the application together to ensure necessary coordination and speed in disposal.

[Para 3.13]

20. As a rule reasons for rejection should be intimated. In exceptional cases, where it may not be possible to do so, the grounds need to be clearly recorded so as to eliminate the possibility of arbitrary decisions on the part of any individual or department.

[Para 3.16]



21. In case a Ministry or Department came across a case of financial irregularity by a voluntary agency, it should share this information with other Ministries/Departments.

[Para 3.17]

22. Where security clearance is to be obtained according to prescribed procedures, local intelligence agencies should be given clear directives about the specific question or questions to be reported upon and should not base their assessment on vague and uncorroborated hearsay or third party information.

[Para 3.18]

23. Voluntary agencies should be actively involved in the formulation of the various development schemes of the Government. However, this should not be binding on the departments for every scheme, but may be adopted as a general guidelines and this process adopted unless there are valid reasons to the contrary.

[Para 3.19]

24. Experienced voluntary agencies may be consulted while assessing the suitability of other agencies seeking grants. They should adopt strict standards while recommending the scheme of a particular agency and if anything adverse comes to their notice, this fact should be clearly and unambiguously brought out in their report.

[Para 3.20]

25. The system of face to face contact between the voluntary organisation and government may be considered for adoption in cases where a substantial amount of money is being sanctioned by way of grant-in-aid to a limited number of agencies.

[Para 3.21]

26. A system of sending one or two officers from the Centre to the State where the voluntary organisations were located to assess the proposal on the home ground, might be considered in appropriate cases.

[Para 3.22]

27. Two signed copies of the bond should be sent to the concerned voluntary organisation, which should retain a copy and return the other to the Department concerned after signing the same.

[Para 3.23]

28. The procedure for scrutiny and certification need not be incorporated as part of the main rules and the discretion of the grant controlling authorities in prescribing terms and conditions need to be enlarged.

[Para 4.3]

29. There should be no need to impose any special procedural conditions to be observed by the grantees in the conduct of their day-to-day business.

[Para 4.3]

30. The rules and procedures should be codified in respect of different schemes under which grants-in-aid are given and made known to the voluntary agencies.

[Para 4.3]

31. Each Ministry/organisation should bring out a grants-in-aid code and manual listing out various agencies along with the details of the scheme, purposes for which assistance would be provided, etc. These codes could lay down the conditions which the agencies are to observe, the registers/records to be maintained, etc. so that there is no ambiguity.

[Para 4.4]

32. The application form in respect of each scheme should be properly drawn up so that it is easy to follow.

[Para 4.5]

33. Once an agency has furnished information, such as articles of association, lists of office bearers/trustees, audited annual accounts etc., it need not be necessary for them to file the same information repeatedly year after year.

[Para 4.6]

34. The approach of providing grants-in-aid to large

organisations of an All India character needs to be re-examined. The existing position in the GFR where there is no restriction regarding provision of "Grants-in-aid" to voluntary agencies not having an All India character, be allowed to continue.

[Para 4.7]

35. The specific number of instalments in which the funds should be released, should depend on the nature of the scheme and the amounts involved.

[Para 4.10]

36. At the time of approval of the project itself the budget for discrete periods relevant to the instalments could be approved which could form the basis for releases of grants.

[Para 4.10]

37. In case of projects the life span of which extended beyond a financial year, while approving such projects for assistance the phasing of the budget should be agreed upon and incorporated in the letter of approval.

[Para 4.11]

38. The existing provisions of the Rules provide for calling of applications and consideration of the cases should start from October of the previous financial year so that the voluntary agencies are informed of the status of their application in the month of April itself and the monies are sanctioned immediately thereafter. This procedure should be followed by the grant controlling authorities as many of the agencies are receiving recurring grants-in-aid.

[Para 4.13]

39. The requirement of pre-receipt should be done away with, where payments are made by cheque or bank draft as the organisation cannot deny the receipt of payments.

[Para 4.14]

40. Voluntary agencies should submit such accounts which they are required to prepare to comply with the legal requirements of the Act under which they were incorporated. They

may also submit a separate audited statement of expenditure duly certified by their auditors with regard to the project/scheme for which assistance was sanctioned.

[Para 4.15]

41. Appointment of a common auditor (not necessarily a government auditor) for small voluntary agencies would be of help in far off places.

[Para 4.16]

42. The sanctioning authorities should clearly indicate the documentation to be submitted to show proper utilisation of the grant.

[Para 4.17]

43. Adoption of the monitoring procedure specified for the scheme should be sufficient for an evaluation of the achievement of the objectives and enable the departments to furnish necessary certificates to audit.

[Para 4.17]

44. The voluntary agencies should also be informed of the acceptance by the Government of the documents submitted as satisfactory evidence towards utilisation of the grants. The communication could be qualified as to it being open to Government to enquire with regard to the proper utilisation of the grant at a subsequent stage or for scrutiny by the Comptroller and Auditor General or for such specified purpose.

[Para 4.18]

45. Photocopies duly attested by a responsible officer of the voluntary agency itself should be accepted by the concerned authorities.

[Para 4.19]

46. A panel of retired Accounts Officers drawn from all established accounts organisations may be utilised for monitoring the project accounts of various voluntary agencies.

[Para 4.20]

47. The budget under compartmentalised heads should not be

rigid and the heads of expenditure should be broad enough to provide for flexibility. The flexibility provided should not distort the objective/purpose for which the grant-in-aid is made available. Detailed guidelines may be drawn up in respect of appropriate schemes for providing the extent of flexibility.

[Para 4.21]

48. To strengthen the administrative capabilities within the organisation, there is need to provide additional allocation to cover 'other over heads' and administrative expenses.

[Para 4.22]

49. The grant controlling authorities should specify the details regarding the retention of assets while agreeing to finance creation of the relevant assets.

[Para 4.23]

50. The value of individual assets for entry in the register of assets proposed to be raised to Rs. 10,000 may be further enhanced to Rs. 20,000.

[Para 4.24]

51. The proposed rules of the G.F.R. which provide for formulating terms and conditions of service of the employees in the grantee institutions which received more than 50% of the recurring expenditure in the form of grant-in-aid in a manner that they are broadly comparable to those applicable to similar category of employees in Central Government, should not be made applicable to voluntary agencies.

[Para 4.25]

52. A policy change viz., the existing report being furnished in respect of institutions above Rs. 1 lakh but below Rs. 5 lakhs being extended to voluntary organisations receiving grants-in-aid above Rs. 5 lakhs be considered in consultation with concerned institutions.

[Para 4.26]

53. One uniform system of monitoring was neither possible nor desirable for different kinds of schemes. The system of monitoring should suit the kind of scheme which is being

implemented.

[Para 5.5.1]

54. The Committee empowered to sanction a particular scheme should to the extent possible also be associated with its monitoring. In any case, monitoring arrangements should be clearly indicated to the voluntary agencies at the time of sanction. Change in the monitoring agencies during the duration of a project should be avoided.

[Para 5.5.2]

55. The yardstick used for monitoring at present required revision. In case of innovative projects which were in the nature of experiments, an approach which was basically statistics or data oriented, needs to be modified.

[Para 5.5.3]

56. Detailed guidelines should be issued explaining the nature and scope of monitoring.

[Para 5.5.3]

57. In case of self-monitoring project proposal itself should lay down clear details and the voluntary agency itself should monitor progress periodically.

[Para 5.5.4]

58. In case of group monitoring the voluntary agencies should meet and organise workshops, make presentations and hold discussions.

[Para 5.5.4]

59. In case of monitoring by the beneficiaries of the project, the beneficiaries should be involved in the day to day working of the scheme. At the initiation of the scheme itself a detailed format for monitoring needs to be formulated.

[Para 5.5.4]

60. Participants should be encouraged to express their views on the implementation of the scheme.

[Para 5.5.4]

61. Monitoring should not be carried out merely at the level of the project administrator.

[Para 5.5.5]

62. Field visits should be undertaken by the officers of the Central and State Governments.

[Para 5.5.6]

63. In case field visits are not carried in time by the funding agencies the release of grant should not be delayed on this account.

[Para 5.5.6]

64. The assessment of work of voluntary agencies should be done by those who have a knowledge of working of these organisations and with the active involvement of beneficiaries.

[Para 5.5.7]

65. The process between the Evaluation of the project and the action on the recommendations should be expedited.

[Para 5.5.8]

66. Government staff dealing with voluntary agencies should be given orientation courses to bring about desired attitudinal changes.

[Para 6.4]

67. A detailed policy statement in the form of a historical review and the Constitutional basis for voluntary work was necessary so that the role and method of work of voluntary agencies are clarified.

[Para 6.5]

68. Government should introduce greater flexibility as also reduce cost comparable to what is incurred by the better-run voluntary agencies to the extent feasible.

[Para 6.7]

69. A central body like the Planning Commission should coordinate the broad parameters and policies of the Ministries and Departments towards voluntary agencies and the coordination

should permeate all levels.

[Para 6.11]

70. Schemes should be flexible so as to provide for diversity keeping in view the diversity of the areas in which the scheme has to be implemented and the diversity of the agencies implementing them.

[Para 6.12]

71. Priority should be give to innovative schemes but the focus should be on the introduction and stabilisation of innovative methods keeping in view the local needs and environment and making use of appropriate technique and methodologies.

[Para 6.12]

72. Keeping in view the different cost patterns prevailing in different states, donor institutions should adopt differential rates tailored to each local situation.

[Para 6.12]

73. In the Project Report itself, a number of activities should be identified including "capability building" and "longer term capability building" and "pilot schemes" under the broad category of "preparatory" and "pre-project assistance".

[Para 6.13]

74. Appropriate grants should be made to professionalise resource groups to assist in training in accounts, project formulation, etc., and education at the grass root level to help in the development of voluntary agencies from a long-term point of view.

[Para 6.14]

75. While government funds should be available for the activities of the voluntary agencies, voluntary agencies should have their own fund generation capacity particularly to meet core requirements. For this consideration is needed so that the tax laws are appropriately modified.

[Para 6.15]

76. For the release of government aid for disaster or emergency relief activities by voluntary agencies, special assessment and clearance procedures should be adopted to ensure quick and timely support.

[Para 6.17]

77. In order to maintain continuity and consistency in long term programmes there should not be any major mid-term changes in procedures because of changes in personnel in the ministry or department concerned.

[Para 6.18]

ANNEXURE A

No.K-13016/2/88-CY.'D'
Government of India
Department of Administrative
Reforms and Public Grievances

.....

Sardar Patel Bhavan,
Sansad Marg,
New Delhi-110001.

Dated: 26.02.1988.

Subject: Constitution of Group to review the existing procedures for processing proposals for grants-in-aid to voluntary agencies.

It has been decided to set up a Group to review and simplify procedures (including documentation) for processing grants-in-aid to voluntary agencies for the implementation of anti-poverty programmes.

2. The composition of the Group will be as follows:-

Shri P.B. Krishnaswamy, Chairman
Additional Secretary,
Department of Administrative
Reforms and Public Grievances,
Sardar Patel Bhavan,
New Delhi.

MEMBERS

1. Shri Parameswara Rao,
Bhagatulla Charitable Trust,
Yellamanchili-531 005,
Vizag District,
Andhra Pradesh.
2. Shri Vinod Raina,
EKLAHYA,
E/1/208, Arera Colony,
Bhopal-262016,
Madhya Pradesh.
3. Shri Kishore Saint,
Ubeshwar Vikas Mandal,
11-A, Fatehpura,
Udaipur-313 001,
Rajasthan.

4. Shri Bhartendu Prakash,
Vigyan Shiksha Kendra,
Terahi-muafi Village,
Tindwari P.O.,
Distt. Banda
Uttar Pradesh-210 128.
5. Ms. Indu Capoor,
Centre for Health Education Training and
Nutrition (CHETNA), Drive in Cinema,
2nd Floor, Thaltej Road,
Ahmedabad-380 054.
Gujarat.
6. Mrs. Vasanthi A. Pai,
Chairman,
Karnataka State Social Welfare
Advisory Board,
Chougule House, 6th Floor,
No.18, Crescent Road,
High Grounds, Bangalore-1.
7. Joint Secretary,
Department of Women & Child Development,
Shastri Bhavan,
New Delhi.
8. Shri Ashok Jaitly,
Deputy Director General,
Council for Advancement of Peoples'
Action and Rural Technology (CAPART),
Guru Nanak Foundation Building,
New Institutional Area,
New Mehrauli Road, New Delhi.
9. Miss Parminder Hira,
Executive Director,
Central Social Welfare Board (CSWB),
Jeevan Deep, Parliament Street,
New Delhi.
10. Joint Secretary,
Department of Rural Development,
Krishi Bhavan, New Delhi.
11. Joint Secretary,
Ministry of Health & Family Welfare,
Nirman Bhavan, New Delhi.
12. Joint Secretary,
Ministry of Welfare,
Shastri Bhavan, New Delhi.

13. Joint Secretary,
Planning Commission,
Yojana Bhavan,
New Delhi.
14. Joint Secretary,
Department of Expenditure,
North Block, New Delhi.

Shri M.L. Malhotra, Deputy Secretary, Department of Administrative Reforms and Public Grievances will be the Secretary to the Group.

3. The terms of reference of the Group are as follows:

- i) To examine the existing procedures (including documentation) for processing proposals for grants-in-aid for implementation of anti-poverty programmes by voluntary agencies working in rural areas.
- ii) To suggest and recommend measures for simplification of procedures and rationalisation of documentation for speedy disposal of such proposals.
- iii) To review and suggest improvements in arrangements for monitoring and evaluating the utilisation of grants by voluntary agencies to ensure their proper utilisation and to enforce accountability.

4. The Group will submit its report within three months.

5. The Group will meet as often as necessary to ensure its effective function.

6. The non-official members of the Group will be entitled to travel by air (economy class) and to daily allowance at the highest rate applicable to Central Government employees of the First Grade. The expenditure on this account will be borne by the Department of Administrative Reforms and Public Grievances.

7. The secretarial assistance for the work of the Group will be provided by the Department of Administrative Reforms and Public Grievances.

Sd/-
(M.L. Malhotra)
Deputy Secretary to the Government of India
Tele:353472

To

- i) All members of the Group.
- ii) Ministries of:
 - (a) Joint Secretary (Smt. C.P. Sujaya), Department of Women and Child Development, Shastri Bhavan, New Delhi.
 - (b) Joint Secretary (Smt. Sarala Gopalan), Department of Rural Development, Krishi Bhavan, New Delhi.
 - (c) Joint Secretary (Shri P.K. Mehrotra), Ministry of Health and Family Welfare, Nirman Bhavan, New Delhi.
 - (d) joint Secretary (Shri P.G. Iele), Ministry of Welfare, Shastri Bhavan, New Delhi.
 - (e) Joint Adviser (Shri B.N. Sahay), Planning Commission, Yojana Bhavan, New Delhi.
 - (f) Joint Secretary (Shri B.P. Verma), Department of Expenditure, North Block, New Delhi.

It is requested that the name of the officer who would be a member of the Group may please be communicated early.

ANNEXURE B

The programmes and areas in which the participation of voluntary agencies can be of great help for better implementation of anti-poverty and minimum needs programmes as identified in the 7th plan document.

- i) Integrated Rural Development/Rural Landless Employment Gurantee Programme/TRYSEM.
- ii) Implementation of land ceiling and distribution of surplus land.
- iii) Enforcement of minimum wages to agricultural labourers.
- iv) Identification and rehabilitation of bonded labour.
- v) Development of Scheduled Castes and Scheduled Tribes.
- vi) Supply of safe drinking water: repair and maintenance of water supply systems with Community support.
- vii) Afforestation social forestry, development of biogas and alternative energy sources (solar and wind energy, improved chulas).
- viii) Promotion of family planning.
- ix) Primary health care; control of leprosy, TB, blindness; preventive health programmes using village resources.
- x) Programmes for women and children in rural areas.
- xi) Innovative methods and low-cost alternatives in elementary, primary and middle school education for children, adult education and non-formal and informal education.
- xii) Consumer protection : promotion of cooperatives.
- xiii) Promotion of handicrafts and village and cottage industries.
- xiv) Promotion of science and technology.
- xv) Legal education.
- xvi) Rural housing : improvement of rural slums.

- xvii) Environmental and ecological improvement, and
- xviii) Promotion and encouragement of traditional media: for dissemination of information.

ANNEXURE-C

Statement showing outlays proposed to be earmarked for schemes of Voluntary Agencies during the Seventh Plan Period

Sl.No.	Name of Ministry/ Department	Total Allocation (Rs.Crores)	Gist of Programmes with outlays proposed
1.	2.	3.	4.
1.	Ministry of Environment and Forests (National Wastelands Development Board)	5.829	Wastelands development through programmes of afforestation and tree plantation. Activities will be i) laying of nurseries and distribution of saplings. ii) Development of Forestry and pastures through people's involvement and Tree Patta Scheme. iii) Development of Cultivable waste.
2.	Ministry of Welfare	53.75	i) Services for children in need of care and protection(Rs.20 crores) ii) General grant-in-aid to VOs through Central Social Welfare Board (Rs. 12 crores) iii) Welfare of handicapped (Rs. 12 crores) iv) General grant-in-aid to All India VOs (Rs.1 crores) v) Aid to VOs working for welfare of SCs(Rs.5 crores) vi) Grant-in-aid to VOs for

3. Ministry of Women's Welfare	STs. (Rs. 3.75 crores).
128.47	<ul style="list-style-type: none"> i) Creches/Day Care Centres for children of working/ailing mothers (Rs. 50 crores) ii) Welfare and Development of women (Rs. 77.47 crores) <ul style="list-style-type: none"> (a) Hostels for working women (Rs. 30 crores) (b) Condensed courses of Education and Vocational Training for Adult Women (Rs. 25 crores). (c) Socio-economic programme (Rs. 19.50 crores). (d) Training of Rural women in Public Cooperation (Rs. 0.97 crores). (e) Welfare of Destitute Women and Children (Rs. 1 crore) (f) Short Stay Houses (Rs. 1 crore)
iii) Grants-in-aid to All India VOs (Rs. 1 crore)	
21.00	Assistance to VOs working in the field of Adult Education
15.4	1) Science & Society Schemes (Rs. 7 crores)
	ii) S&T Communications and popularisation Programme of MCSTC (Rs. 8.4 crores)
2.04	i) Research/action projects relating to child labour (Rs. 0.575 crores).
4. Ministry of Human Resources Development	
5. Department of Science and Technology	
6. Ministry of Labour	

			ii) Research/action projects relating to Women Labour (Rs. 0.465 crores)
			iii) Identification of bonded labour (Rs. 1 crore)
7.	I.C.A.R.		i) National Demonstration project
			ii) Operational Research Projects.
			iii) Krishi Vigyan Kendra
			iv) Lab. to Land Programmes.
8.	Department of Youth Affairs & Sports	3.00	i) Assistance to VOs engaged in Youth Work
			ii) Promotion of national integration.
			iii) Promotion of Adventure.
			iv) Assistance to Voluntary Sports Clubs/Organisations.
9.	Ministry of Health and Family Welfare		
	i) Deptt. of Health	10.00	Grants-in-aid to VOs/engages in various programmes of Health care and Family Welfare.
	ii) Deptt. of Family Welfare	5.00	
10.	Ministry of Agriculture and Rural Development (Deptt. of Agriculture and Cooperation)		i) Horticulture
			ii) Animal Husbandry
			iii) Fish Farming Development in Tanks and Ponds.
			iv) Use of pesticides.
11.	Ministry of Industry (Deptt. of Industrial Development)	17.84 1.00	i) Development of Coir Industry.
			ii) Promotion of Appropriate Technology for Village Industries.

- | | | |
|---|--------|--|
| 12. Ministry of Textiles
(Office of Development
Commissioner (Handicrafts)) | 1.20 | <ul style="list-style-type: none"> i) Holding of exhibitions. ii) Establishing Rural Marketing Centres. iii) Training under Apprentice Training Schemes. |
| 13. Department of Rural Development(PADI) | 74.242 | <ul style="list-style-type: none"> i) Voluntary Action in rural development(Rs.4.242 crores). ii) RLEGP (RS.60 crores). iii) DWCRA (Rs.5 crores). iv) Programmes to be financed out of foreign donations (Rs. 5 crores). |

Part-II

No provision for VOs made by (i) Department of Fertilizers, (ii) Department of Food, (iii) Department of Culture.

Part-III

No replies received from: (i) Department of Legal Affairs (ii) Department of Chemicals and Petro-Chemicals (iii) Ministry of Water Resources (iv) Department of Non-Conventional Energy Sources (v) Department of Environment.

GRANTS-IN-AID TO PUBLIC BODIES,
INSTITUTIONS ETC.

RULE 148(3) GFR

Government of India's decision(2)- Subject to the following terms and conditions, grants-in-aid towards administrative expenditure may be sanctioned to voluntary organisations:

- (a) The voluntary organisations should be of an all-India character.
- (b) The grants-in-aid should not exceed 25 per cent of the approved administrative expenditure.
- (c) The Departments of the Central Government which are concerned with the voluntary organisations should each constitute a "Grants-in-aid Committee". which should scrutinise the requests for grants-in-aid from voluntary organisations towards administrative expenditure. The functions of the committee should be:
 - i) To select the names of the voluntary organisations to whom grants-in-aid may be allowed for administrative expenditure.
 - ii) To determine the approved administrative expenditure of the organisations concerned.
 - iii) To determine the grants to be allowed to each organisation.
 - iv) To bring out a grants-in-aid Code and Manual for the guidance of the workers of the voluntary organisations concerned.
- (d) In the code and Manual, referred to above, provisions should, inter alia, be made regarding the following essential conditions:
 - i) The application of the principles laid down in rules 148 to 151 of these rules and the instructions issued by Finance Ministry in this regard from time to time.
- (e) The grants-in-aid under these orders should not effect the other grants-in-aid which the organisations may receive from Government for the implementation of specific plan schemes, but it

should be ensured that the grants given under these Schemes do not relate to the same staff structure for which grants-in-aid are allowed under these orders.

- (f) The Departments of the Central Government should not also sanction, without consulting the Finance Ministry (Expenditure Division concerned) grants-in-aid to meet administrative expenditure to any private institutions other than the voluntary organisations referred to in clause (c) (i) above.

(Ministry of Finance O.M. No. 11(73)-EII(A)/61 dated the 20th March, 1962)

Decision(4) An important condition of assistance to non-official organisations is that these bodies are free from any corrupt practices.

Rule 149 (i) GFR

Government of India's decision(6)- The procedure prescribed in GFR should be followed by all autonomous organisations under Government which are financed mainly through grants-in-aid sanctioned by Government, while placing orders/contracts.

Government of India's decision (7) In order to avoid delay in sanction/release of grants-in-aid to the grantee institutions, the administrative ministries should impress upon institutions/organisations, desiring grants from Government, to submit their requirements with supporting details by the end of October in the year preceding the year for which the grants-in-aid is sought. The Ministries on their part, should finalise their examination of the requests with the utmost expedition and make the necessary budget provision where it is decided to sanction grants. The institutions/organisations should be informed of the result of their requests in April in the succeeding year.

Government of India's decision(8)- As a precondition to the sanction of grants-in-aid to the agencies (which meet prescribed criteria) the grant sanctioning authority should ensure that a suitable clause is invariably included in the terms and conditions under which the grants-in-aid are given, to provide for reservation for Scheduled Castes and Scheduled Tribes.

Rule 149(2) GFR

Government of India's decision(2)- Before sanctioning grants-in-aid to private institutions, it should be

examined that the institutions have the experience and managerial ability to carry out the purposes assigned to them and a machinery is devised to keep an effective and constant check to see that the money is utilised fruitfully and applied to the purpose intended.

Government of India's decision(5)- Before a grant is released, the grantee should be asked to execute a bond that he will abide by the condition of the grant by the target dates in the event of his failing to comply with the conditions the grantee will be liable to refund the entire amount of the grant with interest. This decision will not apply to the following types of institutions of organisations:

(a) Quasi-Government institutions, i.e., institutions or organisations set up by the Government as autonomous bodies either under a statute or as a Society registered under the Societies Registration Act, 1860, or otherwise.

(b) Government-aided bodies, i.e., institutions or organisations which receive financial assistance from the Central Government on a regular basis (either wholly or on a fixed percentage basis) and/or:

i) whose annual budget is approved by the Government; or

ii) Government is adequately represented and associated with the Boards of Management of Committees of Management of the Institutions.

Government of India's decision(7)- At the request of a voluntary agency, the sanctioning authority may, in its discretion, allow reappropriation of funds within the overall sanctioned budget/grants-in-aid from one constituent element of a programme to another under the same agency provided that no reappropriation shall be made by the grantees so as to augment the grants-in-aid or their budget provisions as the case may be, for meeting the following types of expenditure:

i) Administrative Expenditure

ii) Expenditure for building purposes.

Provided further that as a result of such reappropriation, the original budget provisions made by the grantees or grants-in-aid for one constituent element shall not be augmented by more than 10% "

"(2) Only so much of the grant shall be paid during any financial year as is likely to be expended during that year. In the case of grants for specific works or services such as buildings, water supply schemes and the like, the sanctioning authority shall use its discretion in authorising payments

according to the needs of work. The sanctioning authority shall see that money is not drawn in advance of requirements. A rush for payment of these grants in the month of March should be avoided.

"(3) Before a grant is paid to any public body or institution, the sanctioning authority shall, except in cases of Trading or Commercial Organisations, invariably obtain the following set of audited statement of accounts of the body or institution concerned in order to see that grant-in-aid is justified by the financial position of the grantee and to ensure that previous grant if any, was spent for the purposes for which it was intended:

- i) The Receipt and payment Accounts of the body as a whole for the financial year;
- ii) The Income and Expenditure Accounts of the body as a whole for the financial year; and
- iii) The Balance Sheet as at the end of the financial year of the body as a whole.

Trading or Commercial Organisations should, however, be required to furnish the audited statement of Profit and Loss Accounts instead of the Income and Expenditure Accounts statement indicated at item (ii) above.

Rule 149(3) GFR

Government of India's decision(1) (i)- It is not essential for the purpose of rule 149(3) that the accounts should be audited in every case by the Indian Audit and Accounts Department and it will be sufficient therefore if the accounts are certified as correct by the Chartered Accountant or other recognised body of auditors.

Government of India's decision(2) -

- i) A grant-in-aid which is not less than rupees five lakhs should be sanctioned with the specific condition that the accounts of the institution receiving the grant shall be audited by the Comptroller and Auditor General of India, if the institution is substantially financed by grants from the Consolidated Fund of India.
- ii) A body or an authority is treated as substantially financed if the grants or loan in a financial year is not less than rupees five lakhs and the amount of such grant or loan is not less than 75% of the total expenditure of that body or authority.
- iii) Where any grant and/or loan is given for any

specific purpose to any body or authority, the Comptroller and Auditor General is competent to scrutinise the procedures by which the sanctioning authority satisfies itself as to the fulfilment of the conditions subject to which such grants and/or loans were given and shall, for this purpose, have right of access to the books and accounts of that body or authority.

Government of India's decision(5)- Institutions or bodies receiving grants should, irrespective of the amount involved, be required to maintain subsidiary accounts of the Government grants and furnish to the Accounts Officer set of audited statements of accounts indicated in rule 149(3) together with a copy of their constitution.

Government of India's decision(7)-

- i) In making grants to non-Government or quasi-Government bodies or institutions, a condition should be laid down that assets acquired wholly or substantially out of Government grants would not, without the prior sanction of Government, be disposed of, encumbered, or utilised for purposes other than those for which the grants were sanctioned.
- ii) The grantee institutions should maintain a register in Form G.F.R. 19 of the permanent and semi-permanent assets acquired wholly or mainly out of Government grants, and a copy thereof furnished to the respective sanctioning authorities annually.
- iii) The sanctioning authorities should maintain block accounts also in Form G.F.R.19 of permanent and semi-permanent assets acquired wholly or mainly out of Government grants.
- iv) The Register of assets and the Block Accounts maintained by the grantee institutions and the sanctioning authorities respectively should be available for/open to scrutiny by Audit.
- v) As and when an asset is written off, necessary notes shall be kept in the Form G.F.R. 19 by the grantee institutions. At this stage, there is no need to reflect the same in Income and Expenditure account.
- vi) As and when an asset is sold, the sale proceeds thereof shall be taken as receipts of grantee institutions and shown in the Income and Expenditure account (income side)

Explanation: The term "assets" used above means (i) immovable property; and (ii) moveable property of a capital nature where the value exceeds Rs.1000.

Government of India's decision (8)- It is not permissible for a grantee institution, organisation, etc. to entrust the implementation of the scheme or work for which grants-in-aid is intended, to another institution, organisation, etc., and to divert the grants-in-aid received from the Government as assistance to the latter institution, organisation etc.

Government of India's decision (9)- The autonomous undertakings/organisations under Central Government, which are mainly financed by grants from Government, should be required to impose conditions mentioned below in respect of assets created out of grants given by those undertakings/organisations to private institutions etc., before such grants are sanctioned :

(a) The recipient should undertake not to encumber, dispose of and/or otherwise utilise the assets created wholly or mainly from out of grants-in-aid given by the autonomous organisation, except with the prior permission of the latter.

(b) The recipient institution shall submit its accounts, duly audited by a recognised body of Auditors.

(c) The recipient institution shall submit such reports/statements/returns in respect of expenditure incurred from out of the grant as prescribed.

(d) Any portion of the grant which remains unspent/unutilised should be surrendered to the latter.

150. In cases in which conditions are attached to the utilisation of a grant in the form of specification of particular objects of expenditure or the time within which money must be spent, or otherwise, the sanctioning authority shall be primarily responsible for certifying to the Accounts Officer, the fulfilment of the conditions attaching to the grant.

Government of India's decision (1)

(a) Before recording the certificate, the certifying officer should take steps to satisfy himself that the conditions on which the grant was sanctioned have been or are being fulfilled. For this

purpose, he may require the submission to him at suitable intervals of such reports, statements, etc., in respect of the expenditure from the grant as may be considered necessary. Where the accounts of expenditure from the grant are inspected; or audited locally, the inspection or audit report, as the case may be, should either include a certificate that the conditions attaching to the grant have been or are being fulfilled or should give details of the breaches of these conditions.

- (b) A certificate of utilisation of the grant should be furnished to the Accounts Officer, in every case of grant made for specific purposes even if any conditions are not specifically attached to the grant.
- "(c) The Departments of the Central Government should prescribe, in regard to grants given direct to private bodies, target dates for submission of audited statements of accounts, as prescribed in Rule 149(3), by grantee institutions, etc., to the Departments of the Central Government administratively concerned."

Government of India's decision (4)- Periodical reports indicating the expenditure on each of the objects as detailed in the scheme should be called for and scrutinised to check whether there have been any variations or unauthorised diversion of funds.

Government of India's decision (5)- The sanctioning authorities should strictly observe the submission of annual performance-cum-achievement reports by the grantee institutions and annual review of such reports.

REVIEW OF PERFORMANCE

A review of the performance of the grantee institutions in respect of the grants-in-aid exceeding rupees ten lakhs per annum may be undertaken by sanctioning authority concerned at least once in 3 to 5 years in each case. Some of the leading non-officials interested in the object of particular grant may be associated with the review.

Information on Voluntary Agencies available with the CAPART

- i. Name & address of the Voluntary Agency
- ii. Telephone No. telex etc.
- iii. Registration No. and date
- iv. Registration No. and date under FCRA
- v. Name & designation of contact person
- vi. Source & quantum of funding
- vii. Objectives and activities
- viii. Area of Operation
- ix. Target group
- x. No. and type of staff
- xi. Projects on hand and source of funds
- xii. Publications, reports, reviews, progress etc.

MODEL FORM FOR FORMULATION OF PROJECT PROPOSALS

(This is a generalised model form and is not binding on any particular Ministry/Department)

A. INFORMATION CONCERNING SPONSORING ORGANISATION:

1. Name
2. Address
3. Registration Number of Society, date and Act under which registered. (Attach photo-copies of Registration Certificate and Memorandum of Association and Rules and Regulations. In case registered under Foreign Contribution Registration Act, Registration Number and Date).
4. Organisations experience in Development/Welfare Projects, including information on all the continuing projects (To be furnished in the format spelt out below)

Name of the Project	Objectives	Target Beneficiary	Project Cost	Sources of funds/Project/Activity-wise	Period of execution	Benefits accrual
1	2	3	4	5	6	7

5. Balance-sheet and Statement of Accounts for the last year with the latest annual report (enclose copies).
6. Bank Particulars
 - i) Name and Address of Bank
 - ii) Societies Account Number in the Bank (If Society has accounts in more than one bank particulars of different accounts may be given)

7. Assets (Land, building, equipment, machinery, livestock; etc.)
8. Office Bearers.
9. Principal Executive Officer
10. Contact person
11. Personnel (Qualifications, experience, etc.)

INFORMATION CONCERNING THE PROJECT

1. Name of the Project with details regarding location (state, district, block, village)
2. Synopsis of the Project (This should include background, objectives, methodology, Production estimates, costs, physical targets, benefits expected, etc.).
3. Beneficiaries (indicate number and category/categories to which they belong e.g., people living below poverty line/Scheduled Castes/Scheduled Tribes/rural women/children/free bonded labourers/landless labourers).
4. Action Programme:

Sl.No.	Activity	Time required for completion	Number of beneficiaries assigned to the economic activity group
1	2	3	4

5. Facilities required to run the project

Sl.No.	Already available	Additional proposed
1	2	3

- i) Personnel
- ii) Other facilities

(Building, equipment, livestock etc.).

6. Marketing Arrangements (Wherever applicable)
7. Arrangements for maintenance of assets and continuation of programme after completion of the project.
8. Cost estimates

Financial details may be worked out in sequence on the following lines. Physical progress must be correlated with the financial expenditure estimates.

Sl.No.	Items	Estimated Cost	Year-wise break-up of financial expenditure (Amount in Rupees)		
			I year	II year	III year
1	2	3	4	5	6

9. Sources of raising funds

Item	Sponsoring organisation	Beneficiaries	Bank Loan	Assistance	Total

Abstract of Project Budget

(Amount in Rupees)

I year II year III year

- a) equipment
- b) material and supplies
- c) salaries in rupees
- d) training
- e) travel (TA&DA)
- f) contingencies
- g) others

GRAND TOTAL

B. OTHER DETAILS SPECIFIC TO THE PROJECT

ANNEXURE G

NOTE FROM CAPART
ON
DEVELOPING CAPABILITIES OF VOLUNTARY ORGANISATIONS

The needs of voluntary organisations in terms of capacity building have been identified as follows:-

Strategic Needs

- Fostering a favourable social environment.
- Fostering a supportive policy environment.
- Knowledge building.
- Expansion of the voluntary sector.
- Leadership development.
- Human resource development.
- Networking.

Operational Needs

- Human resource development especially skill training.
- Problem solving technical and management inputs.
- Networking especially for collaborative problem solving.
- Grassroots research.

Maintenance Needs

- Accounting and administrative systems.
- Critical infrastructure and social security.

2. In order to meet these needs, the activities for which financial assistance is required by voluntary agencies has been identified as below:

- Personnel growth programmes such as leadership development programmes, workshops and sabbaticals for agency heads and others providing leadership.
- Multi-level training in task specific skills for personnel at all operating levels.

- Educational programmes such as accelerated degree programmes and long duration courses for personnel with university or pre-university degrees.
- Short term fellowships to college and university graduates to familiarise them with work opportunities in voluntary agencies.
- Internships and apprenticeships of longer duration to draw trained graduates in learner-contributor roles.
- Deputations from Government Departments, research establishments and academic institutions, banks and commerce and industry to voluntary agencies.
- Re-employment of retired personnel from Government, industry and other sectors in voluntary sectors.
- Specialised structures, to assist in problem diagnosis and technical and managerial inputs for specific problems.
- Networking with Government Departments, Research Bodies and Service Agencies to provide problem solving assistance to voluntary agencies.
- Collaboration between researchers and voluntary agencies for documentations and analysis.
- Collaboration between media and voluntary agencies for documentation and dissemination of the work being done by the voluntary agencies.
- Collaboration between educational institutions and voluntary agencies for exposing students to the work of voluntary agencies.
- Individual fellowships to persons keen to take up well formulated social work projects.
- Small core grants for financial stabilisation, start up funds, small office infrastructure and sustenance grants.
- Federations of Voluntary Agencies.
- Grants for Joint Campaigns like the Bharat Jan Vigyan Jatha.

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