

UPGRADATION GRANTS

8.1 Para 4(iv) of the Presidential Order constituting our Commission stipulates that recommendations may be made taking into consideration, inter alia, "the requirements of States for modernization of administration and for upgrading the standards in non-developmental sectors and services, and the manner in which such expenditure can be monitored." The aspects of administration requiring modernization have been further amplified, using illustrations of computerization of land records and providing faster channels of communication upto and above the district level. Being illustrative, however, the examples cannot be construed to mean that these must necessarily be taken up or to preclude consideration of any other aspect of administration .

8.2 The requirement of upgrading standards of State administration, as a specific consideration underpinning the recommendations of Finance Commissions, appeared for the first time in the terms of reference of the Sixth Commission. Much before that, however, the First Commission had in their report discussed in detail the need for general and specific grants. In para 16 of Chapter VII of their report, the First Commission recorded " We believe that both the methods of conditional and unconditional grants should have their part to play in the scheme of assistance by the Centre. Unconditional grants should reinforce the general resources of the State Governments, which they would be free to allocate among competing purposes according to their best judgement, subject to the usual administrative and parliamentary checks. Grants for broad purposes may be given to stimulate the expansion of particular categories of services rather than specified schemes under those categories." Thus, in pursuance of its belief that primary education needed to be encouraged, the First Commission recommended, without being specifically asked to do so, grants for primary education to eight States in proportion to the number of children of school going age not attending schools till then.

8.3 The Third Commission, likewise, took a view that impetus should be given to the development of communications to open up backward areas. The Commission, therefore, recommended grants for the development of communications.

8.4 By the time the Sixth Commission was set up, it was realised that the upgradation of standards of administration required to be looked into by the Finance Commission. Accordingly the terms of reference of successive Finance Commissions, from the Sixth to the Eighth, require them to consider the need for upgradation of standards of state administration in one form or the other.

8.5 The terms of reference of the three Commissions refer to the need for upgrading the administration in 'backward' States with a view to bringing them to the level of more advanced States. The Sixth Commission wanted the standards of general administration in backward States to be brought to the "levels obtaining in the more advanced States over a period of ten years". The Seventh Commission confined the upgradation of standards in backward States to "non-developmental sectors and services" but introduced a more up-to-date comparison with more

advanced States i.e. "over the period covered by the report of the Commission." The terms of reference of the Eighth Commission reiterated the requirement of upgradation of standards in "non-developmental sectors and services" to bring them to the "levels obtaining or likely to obtain" in the more advanced States. Unlike the terms of reference of the Sixth and Seventh Commissions, which referred only to the States "which are backward", the Eighth Commission was required to consider the need for upgradation of States in general and 'in particular' of States which are backward. The Seventh and Eighth Commissions also introduced the element of monitoring of expenditure on upgradation. The terms of reference of the Ninth Commission did not require it to consider upgradation of the standards of administration.

8.6 The Sixth Commission drew a distinction between the need for making a 'provision' for upgradation of State administration and 'entitlement' of a State to receive the grant. In broad terms, the provision needed was worked out on the basis of per capita expenditure needed to bring the services in selected items of administration to the level of all States average by 1978-79. This was added to the expenditure estimates of States for the award period. The entitlement to a grant arose only if the result of the aforesaid exercise showed a revenue gap. The Sixth Commission had "concerned itself only with expenditure on revenue account and not on capital and loan accounts" though it had averred that it could deal with all the requirements of the States for upgradation of standards of administration including social services. The Seventh Commission examined the relative position of States in physical terms and made an assessment of the need for the upgradation of standards in terms of the norms set by it. The Seventh Commission also felt that it was open to them to recommend grants for capital expenditure apart from grants for revenue expenditure under article 275. The Commission did not recommend any grants to revenue surplus States. It felt that the revenue surplus States could, of their own, upgrade their standards of administration. The Eighth Commission also did not recommend any grants for upgradation of services to Gujarat, Haryana, Karnataka, Maharashtra, Punjab and Tamil Nadu as they had a sufficiently large surplus before devolution of taxes. The Ninth Commission was also required by its terms of reference to keep in view the special problems, if any, of each State. Accordingly, the Commission made recommendations in its first report regarding special problems in some of the States. Earlier, the Eighth Commission had also recommended grants for special problems in some States.

8.7 A statement indicating amounts recommended by the Eighth and Ninth Commissions, amounts approved by Inter-Ministerial Empowered Committee (IMEC) and releases made is at Annexure-VIII.1.

8.8 The aspirations of all the States in wishing to attain higher standards of administration in various sectors are reflected in the numerous proposals we have received. Together, the proposals amount to Rs. 1,17,519.77 crores. The

special problems alone account for 41.7 per cent of the total amount.

8.9 It is obviously not possible for us to cover all the areas in which the States would like to improve their existing standards of services. Computerization of land records is one of the areas we are expected to look at. We discussed the possibilities in this regard with the Ministry of Rural Development and the National Informatics Centre (NIC) and were advised that the Eighth Plan already had a scheme for this purpose. We saw the implementation of this scheme of computerization of land records in several districts. By 1993-94 its coverage included 75 districts. 300 districts are scheduled to be covered by the end of the Eighth Plan and the remainder by the turn of the century. In view of this we decided not to pursue this matter further.

8.10 There is also a mention in our terms of reference of the need for providing faster channels of communication upto and above the district level. This has several dimensions. Telecommunication links are already fairly well spread-out and are being strengthened and made faster and more reliable with the help of technological advances and the participation of private industry. We understand that the Department of Telecommunications plans to link all district headquarters on the telex network and through digital media. The NIC has also established a country-wide network, called NICNET. Police communication, however, remains a weak area. We have dealt with this aspect while considering the upgradation of facilities for the police.

8.11 In identifying areas of upgradation, we have been largely guided by such considerations as their relevance and importance to administration and society, neglect across States and the long-term deleterious consequences if no remedial action is taken soon. State specific special problems have also been considered. On this basis, we have selected the following areas for upgradation :

- A. District Administration :
 - i) Police
 - ii) Fire services
 - iii) Jails
 - iv) Record rooms
 - v) Treasuries and Accounts
- B. Education :
 - i) Promotion of girls' education
 - ii) Additional facilities for upper primary schools
 - iii) Drinking water facilities in primary schools
- C. Special Problems

8.12 Upgradation grants are not being recommended for those States which have been assessed to have an overall non-plan revenue surplus before devolution. In our view it is not only desirable but also necessary and possible for these States to give from their own resources priority allocation to the areas needing upgradation.

8.13 The need for such grants in respect of items under A and B in para 8.11 is examined as follows :-

A. District Administration :

i) Police

Our proposals on this subject as well as fire services and jails have been formulated on the basis of information received from the States and in consultation with the Ministry of Home Affairs.

(a) Buildings for Police Stations/Out-posts :

According to available data, there is an acute shortage of buildings for police stations and out-posts in almost all the States. As on 1st January 1993, there were 12,064 police stations and 5,899 out-posts in all the States. Out of these, 4,246 police stations and 3,002 out-posts did not have proper accommodation. Many of these operate from temporary sheds and tents. There is also a shortage of separate lock-up rooms for women. Such deficiencies are a drag on the operational efficiency of the police. We have assessed a requirement of Rs.28.76 crores to cover at least 10 per cent of the existing shortage of buildings for police stations/out-posts at an average cost of Rs.4 lakhs per building.

(b) Police Housing (Family Accommodation):

Housing facility for the lower subordinate staff in the police is inadequate at present. While the all-States' average satisfaction level was of the order of 30.09 per cent, as on 1st January 1993, it was much lower in the case of several States; the lowest being 6.29 per cent in the case of Assam. We accept that a redressal of this situation is necessary as housing satisfaction has a bearing on the general levels of police performance. We feel that at least a minimum of 20 per cent satisfaction level should be reached in respect of all the States. Fourteen States fall in this category. In calculating the amounts required we have worked out the unit cost as Rs.1.25 lakhs for family accommodation with a plinth area of 435 sq. ft. at the rate of Rs.285 per sq. ft. The requirement thus worked out for fourteen States is Rs.375.61 crores.

(c) Police Training :

We find that training facilities for police personnel continue to be inadequate. We consider that investment in training is essential and have therefore assessed a requirement of Rs.56.47 crores for upgrading the facilities for training of subordinate police personnel in the States. The detailed schemes may be formulated by States in consultation with the Ministry of Home Affairs. The assessment made by us is on the basis of weightage assigned to population, strength of police personnel, and crime per lakh of population in the proportion of 30, 50 and 20 respectively.

(d) Police Telecommunication

The importance of police telecommunication can hardly be over-emphasized. It has been brought to our notice that the scheme of POLNET seeks to upgrade the existing police telecommunication system and also extend it to rural and remote areas, at an approximate cost of Rs.154.20 crores. This cost, estimated by the Ministry of Home Affairs, is to be shared by both the Central and State Governments. The non-recurring amount of the share of States works out to Rs. 94.38 crores and the recurring cost as Rs.11.07 crores. To facilitate quick implementation of the scheme, it is considered necessary to provide for the non-recurring cost of the share of States which are eligible for upgradation grants.

ii) Fire Services

With growing industrialization, urbanization and development of congested markets, fire hazards have increased manifold. The development of fire services has not made commensurate headway. We are convinced that it would be prudent for States, to strengthen and upgrade fire fighting capabilities. This would include adequate and suitable modern equipment, effective fire call communication system, rescue equipment, training of manpower, well designed functional fire stations, adequate water availability and protective equipment

for functionaries etc. The total requirement of funds needed for this purpose is assessed as Rs. 100 crores for all the States.

iii) Jails

Proposals have been received from States urging improvement of facilities in jails. It is hidden from none that the prevailing conditions leave much to be desired. We are aware that plan funds are available for this sector; the amounts, however, are not sufficient to make an appreciable dent on the problem. We have, therefore, provided Rs.50 crores for repair and renovation of the existing accommodation for prisoners and Rs.30 crores for medical equipment, consumable items and sanitation, in the ratio of the capacity of jails in different States. The amounts provided for in respect of medical care etc. may be so used that not less than the proportionate allocation for female prisoners is ensured in each jail.

iv) Record Rooms

Records are an important part of administration. They are required to be referred to time and again, over long periods, by different agencies. In districts, they are necessary for the proper and efficacious functioning of administration. Unfortunately, in most places the upkeep of records is in poor state and needs to be improved. Considering that in the districts, revenue records are crucial to the welfare of the large rural population, we have assessed the requirement under this sector based on estimates of operational holdings in a State and the area covered by them. Accordingly, we have assigned 60 per cent weightage to operational holdings and 40 per cent to area in arriving at the State-wise requirement. We have used the data for 1990-91. in respect of Assam, Bihar, Jammu & Kashmir, Meghalaya and Sikkim, information is available only upto 1985-86. We have therefore projected these on the basis of average growth rates of operational holdings/area in other States, to arrive at the figures for 1990-91. The averages have been taken separately for special category and non-special category States. We have thus

assessed a requirement of Rs.100 crores for construction of/ addition to record rooms and provision of ancillary equipment for modernization. This provision will not be available for staff.

v) Treasuries and Accounts

We have received proposals from several State Governments in respect of the creation of new treasuries/sub-treasuries, construction of new buildings, purchase of furniture, office equipment, racks, almirahs, computers, data entry machines, provision for staff, imparting of training etc. The Commission's attention has also been drawn towards considerable delays in rendition of accounts for reasons of lack of adequate and skilled staff, mechanical aids etc.

We are not inclined to support staff proposals or proposals for expenditure on normal expansion or equipping of treasuries. States should be able to deal with such items on their own. We are, however, of the view that computerization of district treasuries would go a long way in improving the managerial control of both the State and district level administration. It would also make for speedy and accurate generation of accounting information that might be needed for purposes of better planning, budgeting and monitoring. Information regarding the number of district level treasuries and the state of computerization thereof, has been obtained from the office of the Comptroller and Auditor General of India, Accountants General, NIC and States. Computerization of treasuries has been found to be at various stages in different States. While some of the States have achieved computerization of all treasuries, others are still to do so. Many have not embarked on computerization as yet. We have taken the view that at least all the district level treasuries should be computerized. We have, for this purpose, assessed a requirement of Rs.23.10 crores at an average unit cost of Rs.10 lakhs per treasury. The details of the latter are indicated in Annexure VIII.2

A statement showing State-wise requirement for each sector under District Administration is given in **Table 1**.

Table 1
Requirement for Upgradation of District Administration

(Rs. Lakhs)

State	Building for Police Stations/Outposts	Police Housing	Police Training	Police Telecommunications	Fire Services	Jails		Record Rooms	Computerisation of Treasuries	Total (2 to 10)
						Repairs and Renovation	Medical Facilities			
1	2	3	4	5	6	7	8	9	10	11
Andhra Pradesh	204.00	—	401.51	683.00	400.00	257.00	154.00	871.83	—	2971.34
Arunachal Pradesh	32.00	537.50	10.96	163.75	200.00	—	—	13.65	60.00	1017.86
Assam	68.00	8291.25	179.81	374.50	200.00	154.00	92.00	226.67	230.00	9816.23
Bihar	504.00	5267.50	524.73	919.25	700.00	587.00	353.00	989.19	400.00	10244.67
Goa	20.00	—	10.21	44.75	200.00	7.00	4.00	5.73	20.00	311.69
Gujarat	240.00	—	291.62	399.50	500.00	135.00	81.00	446.37	—	2093.49
Haryana	100.00	3611.25	124.23	246.50	200.00	90.00	54.00	175.68	—	4601.66
Himachal Pradesh	32.00	1471.25	43.89	178.75	300.00	14.00	9.00	71.99	20.00	2140.88
Jammu & Kashmir	32.00	2466.25	84.54	214.25	300.00	32.00	19.00	98.02	150.00	3396.06
Karnataka	112.00	—	273.27	429.00	300.00	190.00	114.00	622.46	—	2040.73
Kerala	128.00	1028.75	192.24	322.25	300.00	140.00	84.00	348.42	—	2543.66
Madhya Pradesh	140.00	—	449.07	889.25	800.00	414.00	248.00	1006.52	—	3946.84
Maharashtra	172.00	—	571.32	611.50	1000.00	441.00	264.00	1038.04	—	4097.86
Manipur	28.00	1382.50	26.46	124.25	200.00	43.00	26.00	12.21	—	1842.42
Meghalaya	8.00	—	22.14	107.50	200.00	14.00	8.00	17.95	50.00	427.59
Mizoram	12.00	282.50	11.89	58.75	100.00	15.00	9.00	5.46	30.00	524.60
Nagaland	28.00	1606.25	31.72	122.25	200.00	30.00	18.00	31.36	90.00	2157.58
Orissa	120.00	—	200.09	399.50	400.00	182.00	109.00	350.00	180.00	1940.59
Punjab	68.00	6271.25	185.55	312.00	300.00	180.00	108.00	160.22	140.00	7725.02
Rajasthan	124.00	—	288.63	581.00	500.00	212.00	127.00	793.66	340.00	2966.29
Sikkim	16.00	38.75	5.93	68.75	200.00	1.00	1.00	4.84	10.00	346.27
Tamil Nadu	220.00	—	369.62	623.50	400.00	467.00	280.00	630.52	—	2990.64
Tripura	8.00	818.75	30.63	62.25	100.00	20.00	12.00	25.33	20.00	1096.96
Uttar Pradesh	224.00	—	907.62	1149.25	1200.00	886.00	532.00	1563.75	460.00	6922.62
West Bengal	236.00	4487.50	409.67	352.50	800.00	489.00	294.00	490.13	110.00	7668.80
Total	2876.00	37561.25	5647.35	9437.75	10000.00	5000.00	3000.00	10000.00	2310.00	85832.35

B. Education :**i) Promotion of Girls' Education**

There is a strong correlation between rise in female literacy and the decline in fertility and infant mortality rates. Low female literacy has been a source of many other social ills. While much has been achieved in the sphere of education through planned effort, girls education continues to lag behind. It is, therefore, felt that the States which have very low female literacy rates may be assisted by upgradation grants for specific districts. Thus, 83 districts where female literacy rates were below 20 per cent and 199 districts with rates between 20 and 40 per cent in 1991, have been identified for upgradation grants. The assessment has been made on the basis of Rs.20 lakhs and Rs.10 lakhs respectively per district per year. The total requirement works out to Rs.182.50 crores.

ii) Additional facilities for upper primary schools:

On the basis of the Fifth All India Educational Survey (AIES, 1986, published in 1992) only 67 per cent of the upper primary schools had drinking water facilities. We feel this percentage should be raised to at least 80 per cent. Even more important is the necessity of providing for separate toilet facilities for girls at the upper primary level to ensure that they do not discontinue education for want of basic amenities. The present

availability of this facility is of the order of 12.7 per cent. We feel that in the interest of promoting girls education it is necessary to reach a level of at least 75 per cent satisfaction in this regard by the year 2000. The number of girls and co-educational schools in 1993 have been arrived at by applying the ratio prevailing in 1986 to the total number of schools in each State. The same unit cost of drinking water facility has been taken as in the case of primary schools; the unit cost for low-cost sanitation has been taken as Rs.10,000. Accordingly a total requirement of Rs.116.93 crores has been estimated.

iii) Drinking water facilities in primary schools :

As per the Educational Survey (referred to above) only 52.8 per cent of primary schools had drinking water facilities. For some States, the percentage was even lower. In view of the abysmally low levels of such a basic and essential facility, we have decided to provide upgradation grants for drinking water in all primary schools of the country. We have arrived at the number of schools requiring this facility by applying the ratio obtaining in AIES 1986 to the number of schools in 1992-93 in each State. At an average unit cost of Rs.15000 for a hand pump, we have assessed a requirement of Rs.456.32 crores.

A statement showing State-wise requirement for upgradation in the educational sector is given in **Table 2**.

Table 2
Requirement for Upgradation of Education

(Rs. Lakhs)

States	Girls Education			Upper Primary School			Primary School	Total
	Female Literacy in Distt.			Drinking Water	Toilets for Girls	Total	Drinking Water	Col. 4 7 and 8
	Less than 20%	Between 20%-40%	Total					
1	2	3	4	5	6	7	8	9
Andhra Pradesh	200.00	850.00	1050.00	144.75	391.70	536.45	4329.84	5916.29
Arunachal Pradesh	300.00	400.00	700.00	6.60	17.90	24.50	89.30	813.80
Assam	---	500.00	500.00	289.05	415.10	704.15	3665.44	4869.59
Bihar	1800.00	1100.00	2900.00	61.50	884.40	945.90	4221.96	8067.86
Goa	---	---	---	1.80	6.20	8.00	59.30	67.30
Gujarat	---	150.00	150.00	255.00	1048.10	1303.10	949.31	2402.41
Haryana	---	350.00	350.00	---	72.70	72.70	211.95	634.65
Himachal Pradesh	---	200.00	200.00	28.35	71.50	99.85	562.33	862.18
Jammu & Kashmir	1000.00	200.00	1200.00	173.55	86.70	260.25	1020.72	2480.97
Karnataka	---	450.00	450.00	333.15	1083.30	1416.45	1962.89	3829.34
Kerala	---	---	---	37.20	162.20	199.40	239.87	439.27
Madhya Pradesh	1000.00	1450.00	2450.00	478.20	759.40	1237.60	7003.02	10690.62
Maharashtra	---	450.00	450.00	462.45	1152.80	1615.25	3391.73	5456.98
Manipur	---	200.00	200.00	32.55	44.80	77.35	353.99	631.34
Meghalaya	---	100.00	100.00	44.25	48.30	92.55	551.46	744.01
Mizoram	---	---	---	43.05	35.50	78.55	109.46	188.01
Nagaland	---	50.00	50.00	19.35	22.00	41.35	146.77	238.12
Orissa	200.00	400.00	600.00	641.55	841.10	1482.65	4656.16	6738.81
Punjab	---	150.00	150.00	---	68.90	68.90	186.99	405.89
Rajasthan	1900.00	400.00	2300.00	50.10	386.60	436.70	2284.34	5021.04
Sikkim	---	50.00	50.00	4.65	8.30	12.95	46.79	109.74
Tamil Nadu	---	150.00	150.00	---	248.40	248.40	695.53	1093.93
Tripura	---	50.00	50.00	18.00	31.10	49.10	194.34	293.44
Uttar Pradesh	1900.00	1900.00	3800.00	148.65	334.40	483.05	5548.63	9831.68
West Bengal	---	400.00	400.00	7.50	190.70	198.20	3149.63	3747.83
Total	8300.00	9950.00	18250.00	3281.25	8412.10	11693.35	45631.75	75575.10

C. Special Problems :

8.14 Our visits to the States, and discussions with State Government representatives and others who appeared before us to present their point of view, have left a deep impression on us that there are special problems in every State, irrespective of their financial status, which need to be attended to in a responsive manner. We take the view that by providing assistance for such problems of each State, in howsoever small a measure, we recognise the priority the States attach to these problems. Accordingly, we recommend the following :-

Andhra Pradesh

The Naxalite movement is a special problem of the State since it tends to draw sustenance from the inadequacy of development programmes in remote areas. We have focussed attention on this aspect. To enable the State to provide for some programmes, a special assistance of Rs.65 crores is recommended. Of this, Rs.40 crores is for the development of minor irrigation and Rs.25 crores for solving drinking water problems.

Arunachal Pradesh

As represented by the State, it has no referral hospital/medical college. The people of Arunachal Pradesh are forced to seek such medical facilities in other States at great expense and inconvenience to themselves. To overcome this problem, we are supporting the State's proposal for the establishment of a 500 bedded tertiary care referral hospital and recommend Rs.50 crores for that purpose.

Assam

The State Government has represented that it does not have a proper secretariat building in the capital, Dispur. We are, therefore, recommending Rs.60 crores for the construction of the civil secretariat.

Bihar

Inundation of lakhs of hectares of agricultural lands, over long periods, is the special bane of Bihar. Two such areas comprise the tal and diara lands. Accepting the State Government's proposals in regard to these two vast areas, we are recommending Rs.31 crores for the development of tal lands and Rs.21 crores for the development of diara lands. In addition, we are also recommending Rs.5.50 crores for the purchase of X-ray plants and diagnostic equipment to be provided in sadar and sub-divisional hospitals. A total of Rs.57.50 crores is thus being recommended to take care of some of the special problems of Bihar.

Goa

The building housing the Assembly and the secretariat is understood to be unsafe, having become 400 years old. Provision for a new Assembly complex having already been made, we now recommend Rs.5 crores for the construction of a new Secretariat. We also recommend a provision of Rs.2 crores for the construction of transit accommodation at Dona Paula.

Gujarat

550 villages of Mehsana district have been facing the problem of excessive fluorides in drinking water. We are recommending for Rs.50 crores towards the early solution of this problem.

Haryana

To relieve congestion in Delhi, Haryana has to invest in the

development of satellite towns. Special assistance of Rs.40 crores is being provided for this purpose.

Himachal Pradesh

Himachal Pradesh offers year round facilities for tourism. To facilitate further flows of tourists, we are providing for Rs.30 crores for the construction of air strips at Banikhet and Rangrik. We are also providing for Rs.40 crores for reorganization and augmentation of existing water supply system and extension of sewerage system of Shimla town, capital and principal hill resort of Himachal Pradesh. In addition, acknowledging the need for a MLA's hostel and augmentation of library facilities in the State Assembly, we are also recommending a total of Rs.5 crores (Rs.4 crores for a hostel and Rs.1 crore for the library) for the Assembly. Altogether a provision of Rs.75 crores is being recommended.

Jammu & Kashmir

Jammu & Kashmir is beset with many problems. For the development of Leh and Kargil districts, as proposed by the State, we are recommending a provision of Rs.10 crores (Rs. 5 crores each). In addition, we are also supporting the proposal of the State for upgrading equipment in various departments of medical colleges in Jammu/Srinagar. A provision of Rs.37 crores is being recommended on this account. The total grant recommended for special problems is Rs.47 crores.

Karnataka

For Karnataka we recommend Rs 29 crores as grants. Of this, Rs.12 crores are for a regional training institute at Gulbarga, Rs.7 crores for construction of/completion of district stadia, including laying cinder tracks therein, and Rs.10 crores for computerization of the tax collection departments.

Kerala

The State Government has represented that annually about 18,000 fishermen are rendered homeless and road and drinking facilities are badly affected during squally conditions. Accordingly a provision of Rs.50 crores is being made to provide : (i) Rs.30 crores for better housing , (ii) Rs.13 crores for fisheries road and (iii) Rs.7 crores for water supply . In addition, Rs.2 crores is recommended to protect shola forests. The total grants recommended are Rs.52 crores.

Madhya Pradesh

Forests are vital to the ecology of Madhya Pradesh and the country at large. In order to help preserve and regenerate forests and also improve the lot of villages in and around forest areas, the State Government has proposed a socio-economic development project in 500 such villages. We recommend Rs.60 crores for this project.

Maharashtra

Maharashtra has special problems arising out of high degree of urbanization in the State. We therefore recommend a provision of Rs.50 crores for the improvement of slum conditions in Bombay and another Rs.50 crores for the development of urban water supply and sewerage systems.

Manipur

The State Government made a special plea to us for funds for the maintenance and preservation of Loktak Lake, which is of prime importance to the economy and eco-system of Manipur. This fact was also recognized by the Ninth Commission. We recommend Rs.30 crores for the development of the lake, including its desilting, afforestation of the catchment area and enlargement of its capacity. We also recommend Rs.10 crores for

putting up a cultural complex either at Moirang or at Imphal and a memorial for the Indian National Army, and Rs.10 crores for a sports complex at Imphal.

Meghalaya

The State Government has represented that there is an urgent need to extend the secretariat building. We recommend Rs.5 crores for this.

Mizoram

The construction of an airport at Lengpui is widely recognised as a special requirement of Mizoram. We endorse the same and recommend Rs.57 crores for an airport with a 10,000 ft. runway, as proposed by the State and supported by the Ministry of Home Affairs.

Nagaland

The internal security problem of Nagaland is a major bottleneck in the overall development of the State and, therefore, requires special and timely assistance. In this context we are inclined to endorse the State Government's proposal to strengthen the law and order machinery, and recommend Rs.30 crores for security equipment like bullet proof jackets, jeeps, communication equipment, construction and repair of barrack type police accommodation and establishment of appropriate helicopter facilities.

Orissa

The preservation of Chilka lake and restoration of the eco-system have attracted attention. Area shrinkage, siltation, pollution, and weed infestation threaten to choke the lagoon. We recommend Rs.27 crores for the scheme of the State in this regard. A large number of ancient monuments including temples and pre-historic caves etc. need to be preserved and protected. We acknowledge this special requirement and recommend Rs.10 crores for this purpose. For supporting flood control measures in especially vulnerable areas, that are endemic to floods, we are recommending Rs.8 crores (Rs.4 crores for providing 800 deep tube-wells and Rs.4 crores for the construction of livestock shelters). In addition, appreciating the State's desire to conserve plant genetic resources with an aim to introduce, conserve and propagate special species of plant, Rs.6 crores are recommended for the development of the Regional Plant Resource Centre at Bhubaneshwar.

Punjab

The special problem of Punjab relates to debt arising out of special loans to fight insurgency. Accordingly we have dealt with this in Chapter XII para 12.40.

Rajasthan

The severity of the problem of drinking water particularly in the western arid region of Rajasthan stands out as the special problem of the State. Both the quantity and quality of drinking water need to be considerably augmented and improved. We recognise this need and recommend Rs.70 crores for capital expenditure directed towards a long term solution of the problem.

Sikkim

The construction of an airfield at Gangtok appears to be a

requirement on which several other developments hinge. We are, therefore, convinced of the need to support this project and recommend Rs. 3 crores for it. We also recommend Rs.1.5 crores for the much needed stadium complex at Gangtok, Rs.0.70 crores for equipment for 23 PHCs and Rs.0.30 crores for equipment for post-partum units, as asked for by the State.

Tamil Nadu

The metropolitan city of Madras is continuously expanding. About one third of the city's population lives in slums and the task of improving their lot is urgent. We, therefore, recommend Rs. 60 crores for this purpose.

Tripura

The State made a plea for supplemental funds for the G.B. Pant Hospital at Agartala. We accept their plea and recommend Rs. 10 crores for the same. We recognise the need for timely completion of the sports complex at Bhadarghat at Agartala. We recommend Rs.2 crores for the same thereby supplementing the grant made available to the State by the Government of India.

Uttar Pradesh

The disruption of water supply services poses a critical problem in the hill districts of the State. We found urban areas in these districts to be particularly affected, chiefly the towns of Almora, Nainatal, Pithoragarh and Pauri. We, therefore, recommend Rs. 40 crores for the augmentation, improvement and maintenance of water supply services. Restoration of roads, buildings, irrigation channels, and godowns for storage of essential supplies for distribution to remote and inaccessible areas has been neglected for want of funds. We recommend Rs.20 crores for the purpose. We find strength in the contention of the State that national pilgrimage centres play a major role in promoting national unity and integration. Besides, a reasonable level of facilities needs to be provided for hygiene and sanitation. We therefore recommend Rs.40 crores for providing and improving yatra services to Kailash, Mansarovar, Badrinath and Kedarnath, including the widening of main yatra roads and provision of adequate transportation services. The lake areas in the Kumaon region are getting more and more polluted everyday and urgently need some financial support for their regeneration. We recommend Rs. 8 crores for this scheme. The total of special problem grants for Uttar Pradesh comes to Rs.108 crores.

West Bengal

The problem of slums in Calcutta continues to be a special one requiring large sums of money, time and effort. We have decided to provide assistance of Rs. 50 crores. Two other special problems of West Bengal have attracted our attention. We are recommending Rs.35 crores for the development of the Sunderbans and another Rs.20 crores for tackling the problem of erosion and related narrowing of the critical gap between the Bhagirathi and Ganga-Padma river systems.

8.15 Our assessment of the State-wise requirements for upgradation of District Administration and Education have been indicated in Tables 1 and 2. The consolidated statement of grants recommended by us for upgradation and special problems is at Table 3. We are conscious that the States will take some time to finalise estimates, get the necessary technical and administrative approvals, select agencies for

implementation etc. We are of the view that the requirements shall arise from 1996-97 in a phased manner. Accordingly, the year wise entitlements for grants for States is as indicated in Tables 4 and 5.

Monitoring and Evaluation

8.16 Previous Commissions have stressed the need for ensuring that the grants recommended for upgradation were used for the purpose for which they were intended. They also sought to establish effective monitoring. The Eighth Commission reviewed the monitoring system suggested by the Seventh and stated that they could not get complete data from the State either in respect of the utilization of grants, or physical progress of the schemes. They therefore, recommended the following arrangements:-

- a) At the Government of India level, there was to be an Inter-Ministerial Empowered Committee for monitoring the progress of utilisation of upgradation grants. The Committee consisted of representatives of the concerned Central Ministries as Members and had to meet as often as necessary, but not less than once in a quarter. The Committee was empowered to alter the physical targets in case escalation in prices warranted it, or transfer the grants from one scheme to another within the same sector. For example, under Tribal Administration, the Ministry of Home Affairs transferred funds from compensatory allowance to staff quarters while implementing the recommendations of the Seventh Commission. Similarly, adjustments like transferring grants from the establishment of new treasuries to the construction of buildings for existing treasuries, or effecting structural alterations to existing

treasuries, were within the competence of the Empowered Committee. The members of the Empowered Committee were also expected to visit the States and make random inspection of the works under construction/offices set up out of the upgradation grants..

- b) At the State level, a similar State Level Empowered Committee under the Chairmanship of the Chief Secretary or a very senior officer was constituted. It was competent to sanction schemes, provide funds and monitor progress. It was expected to meet frequently but not less than once in two months.

8.17 The Commission had also recommended that an evaluation study be conducted by a suitable organisation to assess the benefits of upgradation programmes.

8.18 The Ninth Commission recommended the continuation of the same mechanism for monitoring.

8.19 A consideration of the above, as well as the deposition of the Ministry of Finance before us, leads us to conclude that the existing system of monitoring, as introduced by the Eighth and continued by the Ninth Commission, is working in a satisfactory manner as evidenced by the details at Annexure VIII.1. We, therefore, propose to retain it. In order to eliminate administrative bottlenecks and delays, we would however, like the State Level Empowered Committee to be more vigilant. Details of the various schemes, their unit cost, physical targets etc. may need to be suitably revised during their implementation. Keeping in mind the overall objective of timely completion of schemes coupled with financial prudence, the State Level Empowered Committee may be vested with a measure of flexibility within agreed parameters to effect necessary changes.

Table 3
Grants for Upgradation and Special Problems

(Rs. lakhs)

State	Upgradation												Special Problems	Total (14+15)	
	Record Rooms	Computerisation of Treasuries	Primary Schools	Upper Primary Schools	Girls' Education	Buildings for Police Stations/Outposts	Police Housing	Police Training	Police Tele-communications	Fire Services	Repair & Renovation of Jail Bldgs.	Med. facilities in Jails			Total (2 to 13)
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	15.	16.
1. Andhra Pradesh	871.83	-	4329.84	536.45	1050.00	204.00	-	401.51	683.00	400.00	257.00	154	8887.63	6500.00	15387.63
2. Arunachal Pradesh	13.65	60.00	89.30	24.50	700.00	32.00	537.50	10.96	163.75	200.00	-	-	1831.66	5000.00	6831.66
3. Assam	226.67	230.00	3665.44	704.15	500.00	68.00	8291.25	179.81	374.50	200.00	154.00	92	14685.82	6000.00	20685.82
4. Bihar	989.19	400.00	4221.96	945.90	2900.00	504.00	5267.50	524.73	919.25	700.00	587.00	353	18312.53	5750.00	24062.53
5. Goa	5.73	20.00	59.30	8.00	-	20.00	-	10.21	44.75	200.00	7.00	4	378.99	700.00	1078.99
6. Gujarat	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5000.00	5000.00
7. Haryana	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4000.00	4000.00
8. Himachal Pradesh	71.99	20.00	562.33	99.85	200.00	32.00	1471.25	43.89	178.75	300.00	14.00	9	3003.06	7500.00	10503.06
9. Jammu & Kashmir	98.02	150.00	1020.72	260.25	1200.00	32.00	2466.25	84.54	214.25	300.00	32.00	19	5877.03	4700.00	10577.03
10. Karnataka	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2900.00	2900.00
11. Kerala	348.42	-	239.87	199.40	-	128.00	1028.75	192.24	322.25	300.00	140.00	84	2982.93	5200.00	8182.93
12. Madhya Pradesh	1006.52	-	7003.02	1237.60	2450.00	140.00	-	449.07	889.25	800.00	414.00	248	14637.46	6000.00	20637.46
13. Maharashtra	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10000.00	10000.00
14. Manipur	12.21	-	353.99	77.35	200.00	28.00	1382.50	26.46	124.25	200.00	43.00	26	2473.76	5000.00	7473.76
15. Meghalaya	17.95	50.00	551.46	92.55	100.00	8.00	-	22.14	107.50	200.00	14.00	8	1171.60	500.00	1671.60
16. Mizoram	5.46	30.00	109.46	78.55	-	12.00	282.50	11.89	58.75	100.00	15.00	9	712.61	5700.00	6412.61
17. Nagaland	31.36	90.00	146.77	41.35	50.00	28.00	1606.25	31.72	122.25	200.00	30.00	18	2395.70	3000.00	5395.70
18. Orissa	350.00	180.00	4656.16	1482.65	600.00	120.00	-	200.09	399.50	400.00	182.00	109	8679.40	5100.00	13779.40
20. Punjab	160.22	140.00	186.99	68.90	150.00	68.00	6271.25	185.55	312.00	300.00	180.00	108	8130.91	**	8130.91
21. Rajasthan	793.66	340.00	2284.34	436.70	2300.00	124.00	-	288.63	581.00	500.00	212.00	127	7987.33	7000.00	14987.33
22. Sikkim	4.84	10.00	46.79	12.95	50.00	16.00	38.75	5.93	68.75	200.00	1.00	1	456.01	550.00	1006.01
23. Tamilnadu	630.52	-	695.53	248.40	150.00	220.00	-	369.62	623.50	400.00	467.00	280	4084.57	6000.00	10084.57
24. Tripura	25.33	20.00	194.34	49.10	50.00	8.00	818.75	30.63	62.25	100.00	20.00	12	1390.40	1200.00	2590.40
25. Uttar Pradesh	1563.75	460.00	5548.63	483.05	3800.00	224.00	-	907.62	1149.25	1200.00	886.00	532	16754.30	10800.00	27554.30
26. West Bengal	490.13	110.00	3149.63	198.20	400.00	236.00	4487.50	409.67	352.50	800.00	489.00	294	11416.63	10500.00	21916.63
All States	7717.45	2310.00	39115.87	7285.85	16850.00	2252.00	33950.00	4386.91	7751.25	8000.00	4144.00	2487.00	136250.33	124600.00	260850.33

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** Special debt relief has been provided for as indicated in Chapter XII para 12.40.

Table 4
Year-wise Grants for Upgradation

(Rs. lakhs)

State	1995-96	1996-97	1997-98	1998-99	1999-2000	Total 1995-2000
1.	2.	3.	4.	5.	6.	7.
Andhra Pradesh	-	1778	2222	2666	2222	8888
Arunachal Pradesh	-	366	458	549	458	1831
Assam	-	2937	3672	4406	3671	14686
Bihar	-	3663	4578	5494	4578	18313
Goa	-	76	95	114	94	379
Gujarat	-	0	0	0	0	0
Haryana	-	0	0	0	0	0
Himachal Pradesh	-	601	751	901	750	3003
Jammu & Kashmir	-	1175	1469	1763	1470	5877
Karnataka	-	0	0	0	0	0
Kerala	-	596	746	895	746	2983
Madhya Pradesh	-	2927	3659	4391	3660	14637
Maharashtra	-	0	0	0	0	0
Manipur	-	495	619	742	618	2474
Meghalaya	-	234	293	352	293	1172
Mizoram	-	143	178	214	178	713
Nagaland	-	479	599	719	599	2396
Orissa	-	1736	2170	2603	2170	8679
Punjab	-	1626	2033	2439	2033	8131
Rajasthan	-	1597	1997	2396	1997	7987
Sikkim	-	91	114	137	114	456
Tamil Nadu	-	817	1021	1225	1021	4084
Tripura	-	278	347	417	348	1390
Uttar Pradesh	-	3351	4188	5026	4189	16754
West Bengal	-	2284	2854	3425	2854	11417
All States	-	27250	34063	40874	34063	136250

Table 5
Year-wise Grants for Special Problems

(Rs. lakhs)

State	Total					
	1995-96	1996-97	1997-98	1998-99	1999-2000	1995-2000
1.	2.	3.	4.	5.	6.	7.
Andhra Pradesh	-	1300	1625	1950	1625	6500
Arunachal Pradesh	-	1000	1250	1500	1250	5000
Assam	-	1200	1500	1800	1500	6000
Bihar	-	1150	1438	1725	1438	5750
Goa	-	140	175	210	175	700
Gujarat	-	1000	1250	1500	1250	5000
Haryana	-	800	1000	1200	1000	4000
Himachal Pradesh	-	1500	1875	2250	1875	7500
Jammu & Kashmir	-	940	1175	1410	1175	4700
Karnataka	-	580	725	870	725	2900
Kerala	-	1040	1300	1560	1300	5200
Madhya Pradesh	-	1200	1500	1800	1500	6000
Maharashtra	-	2000	2500	3000	2500	10000
Manipur	-	1000	1250	1500	1250	5000
Meghalaya	-	100	125	150	125	500
Mizoram	-	1140	1425	1710	1425	5700
Nagaland	-	600	750	900	750	3000
Orissa	-	1020	1275	1530	1275	5100
Rajasthan	-	1400	1750	2100	1750	7000
Sikkim	-	110	138	165	138	550
Tamil Nadu	-	1200	1500	1800	1500	6000
Tripura	-	240	300	360	300	1200
Uttar Pradesh	-	2160	2700	3240	2700	10800
West Bengal	-	2100	2625	3150	2625	10500
Total	-	24920	31150	37380	31150	124600