

## **Rural infrastructure**

9.85 The Pradhan Mantri Gram Sadak Yojana (PMGSY), which was launched in December, 2000, is a programme to provide road connectivity to 1.6 lakh unconnected habitations with population of 500 persons or more in the rural areas by the end of the 10<sup>th</sup> Plan Period (2007) at an estimated cost of Rs.60,000 crore. The programme is being executed in all the states and six union territories. While the focus of the programme is on providing road connectivity to unconnected habitations of stipulated population size, connectivity is being provided to all panchayat headquarters and places of tourist interest (which have been notified as such) under the PMGSY irrespective of population size. In 24 months since inception, project proposals for Rs.7,553.3 crore have been cleared. About 56,200 km. of rural roads have been taken up under the programme, benefiting about 37,225 habitations. Till December, 2002, 14, 572 road works have been completed, and an expenditure of over Rs.3321.6 crore has been incurred. The National Rural Roads Development Agency (NRRDA), registered under the Societies Registration Act, has been set up to provide Operations and Management support for the Scheme.

9.86 The present source of funding for PMGSY is the diesel cess, 50 per cent of which is allocated to the PMGSY (Box 9.8). Efforts are underway to raise additional resources for the Programme. The World Bank and the Asian Development Bank have agreed in principle to fund the Programme and have initiated studies in this regard. It is expected the assistance from these two Agencies will be forthcoming from the next financial year.

9.87 Rural electrification is one of the important components in rural development. Intensive programmes for electrification of villages undertaken particularly during the last three decades have covered approximately

5.1 lakhs villages (87 percent), but 77,142 villages still remain to be electrified. 10 States have achieved 100 percent village electrification. In order to ensure that the remaining villages are electrified expeditiously, in a Conference of the Chief Ministers, held in March, 2002, it was resolved that village electrification may be completed by 2007 and full coverage of all households be completed by 2012. To achieve these objectives, village electrification is now treated as a Basic Minimum Services under the Pradhan Mantri Gramodaya Yojana (PMGY) from the year 2001-02. For the year 2001-02, an allocation of Rs.421 crore was made and Rs. 412 crore were released to the States. During 2002-03, a sum of Rs.360 crore has been allocated for rural electrification. Besides availability of funds for village electrification under PMGY, Central Plan Assistance is also available to the States for village electrification under Minimum Needs Programme (MNP). During 2002-03, an allocation of Rs.600 crore was made under MNP and the same was released to the states in two equal installments.

9.88 The flagship rural housing scheme, Indira Awaas Yojana (IAY), is in operation since 1985. This Scheme aims at providing dwelling units free of cost to the poor families of Scheduled Castes, Scheduled Tribes, freed bonded labourers and also the non-SC/ST people below poverty line in rural areas. The Scheme is funded on cost-sharing basis between the Central Government and the States in the ratio of 75:25. The ceiling on construction assistance under the IAY is Rs.20,000/- per unit for the plain areas and Rs.22,000/- for the hilly/difficult areas. Approximately 8.6 lakh dwelling units have been assisted during April-January, 2003. Another Scheme for Rural Housing, the Credit-cum-Subsidy Scheme, targets rural families having annual income upto Rs.32,000/- and subsidy is restricted to Rs.10,000/-.