Study on
Employment Assurance Scheme (EAS)

Employment Assurance Scheme

The Scheme

The Employment Assurance Scheme was launched on 2nd October, 1993 in 1778 identified backward blocks situated in drought prone, desert, tribal and hill areas where the revamped public distribution system was in operation. During 1994-95, the scheme was extended to 409 additional blocks which included the newly identified blocks under Drought Prone Areas Programme (DPAP), Desert Development Programme (DDP) and Modified Area Development Approach (MADA, having a larger concentration of tribal population). Subsequently, the scheme was extended to cover all the blocks by April 1997. The different blocks under EAS are categorised as A, B and C-type for the purpose of release of funds. This categorization, to a large extent, reflects the degree of backwardness and the relative needs for generation of wage employment in different blocks.

The primary objective of the Employment Assurance Scheme is to provide gainful employment in manual work during lean agricultural seasons to all able bodied adults in rural areas who are in need of work, but cannot find it. The secondary objective is the creation of economic infrastructure and community assets for sustained employment and development. The scheme is designed to provide upto 100 days of assured manual employment at statutory minimum wages to each wage employment seeker in rural areas, subject to a maximum of two beneficiaries from each family.

The guidelines for implementation provide for identification and preparation of a shelf of projects and detailed action plan by the DRDA in consultation with the block level officers, so that money is spent on creation of useful socio-economic infrastructure and community assets. As per guidelines for implementation, the village panchayats are required to maintain a record of persons seeking employment. They are also required to coordinate and monitor the works. The applicants who register themselves for employment under the EAS are to be issued family cards in which the number of days of employment are entered, as and when such employment is given to them.

The EAS is a Centrally Sponsored Scheme with the states' share at 20 per cent. The Central share is directly released to DRDA of the concerned district, and the states' matching share is required to be released within a fortnight of the receipt of Centre's share.

Evaluation Study

At the instance of the Planning Commission, the Programme Evaluation Organisation (PEO) undertook the evaluation study on Employment Assurance Scheme (EAS) to assess the performance, the appropriateness of implementation methods adopted by the states, the extent of coverage of target group and the impact of EAS on the beneficiaries. In addition to the aforesaid broad objectives, the study was also designed to reflect on other specific issues which, inter alia, included assessment/examination of (a) the type of mechanism adopted and arrangements made for planning, co-ordination, monitoring and implementation of the scheme, (b) the pattern of releases and the extent of utilisation of funds, (c) the number of days of employment provided to a beneficiary, (d) whether sectoral allocations were made as per the norms laid down and (e) the quality and maintenance of assets created under EAS.

Methodology

For testing the hypotheses implicit in the aforesaid objectives, both primary and secondary data were collected through structured instruments at different levels. **While the secondary data obtained through the state, district, block and village level schedules were used to assess the financial and physical performance and the adequacy of the implementation mechanism, the primary data collected through field teams' observations and beneficiary schedules, formed the basis for assessing the quality of assets created, profile of the target group and impact of the scheme.**

A multi-stage sample design was adopted for the study. The sample units at different stages are: States, Districts, Blocks, Villages and Beneficiary Households. The first stage sample units are the 14 states. Two districts from each state, two blocks from each district and two villages from each block were selected randomly. Finally, 10 beneficiary households from each village were selected randomly. Following the above sample design, 1120 beneficiary households, 112 villages, 56 blocks spread over 28 districts of 14 states were selected for the study.

Planning, Implementation & Monitoring

At the outset, it may be mentioned that the 94th Report (April, 1987) of the Public Accounts Committee and the 30th Report of the Estimates Committee (April, 1993) on JRY expressed concern over the multiplicity of schemes under rural development and other Ministries of Centre (JRY, DPAP, DDP, MWS, IAY, IRDP, TRYSEM, DWCRA etc) and States that **have been designed with rural employment generation as either the primary or secondary objective. The Committees had suggested for their convergence with a view to executing these in a co-ordinated and focussed manner**. However, the Ministry decided to implement EAS as a separate wage employment generation scheme.

While the guidelines for implementation give the methodology for preparation of annual action plan (for the current and succeeding years) and the shelf of projects at the district level, ***ad hocism*** **has been noticed in actual implementation of EAS. In most cases, there was no evidence of preparation of a shelf of projects and planning with regard to employment generation, asset creation and sectoral priorities and allocation.**

Though the list of EAS beneficiaries was available at the block/Panchayat level, proper procedure for identification and registration of the wage employment seekers is not being followed in any of the sample blocks. **Thus, the figures relating to the number of registered**

employment seekers reported in secondary statistics are often not the representation of the grassroots reality.

Since no proper procedure was followed for identification and registration of employment seekers, family cards which were to be issued to those registered, were not issued in most cases. **Only a small fraction of the beneficiaries reported that they had been given such cards.**

As per guidelines, the co-ordination committees at the state, district and block levels were to be constituted by the States for guidance, supervision and monitoring the implementation of EAS. It was found that five states, viz; Andhra Pradesh, Assam, Haryana, Karnataka and Rajasthan had not constituted state level committees. It was also noted that in 35.7% of the sample districts and in 62.5% of blocks, such committees were not constituted.

The sample survey of PEO was designed to collect information on the various financial and physical parameters being monitored at the block, district, state and Centre levels. It was found that the aspects (availability and utilisation of funds, mandays of employment generated, the number of assets created and under construction, etc.) being monitored do not reflect whether the objectives of the scheme are being achieved. At different levels, **suitable indicators need to be identified for this purpose and the existing monitoring formats may be suitably modified.** On the basis of the findings of the PEO study, among other things, the following modifications may be suggested:

- At the district level, records on financial parameters should be maintained separately for A, B and C type blocks. For the district as a whole, the proforma for onward transmission of information must include: **type of blocks and their numbers, funds released (to blocks) and utilised in the current and previous years, in addition to other financial indicators on which data are being routinely submitted.**

- The indicators of physical progress should include: the **total number of villages, the proportion of villages covered, those covered for more than one year, the size of the target group, the number registered and proportion covered, the number of assets created and their distribution according to type and expenditure intervals.** These data may be maintained in addition to those being generated now.

- However, the maintenance of data in the aforesaid format would call for strengthening the capacity of the block and district level implementing agencies by increasing the manpower, regular skill upgradation and by making use of the information technology. **This capacity building at the district and block levels should be undertaken keeping in view not only the EAS, but also a large number of other rural development programmes currently being implemented.**

- The monitoring mechanism at the State level needs to be strengthened to oversee the implementation of the scheme. The State level Co-ordination Committees could be made more effective by including senior officers of the Ministry of Rural Areas and Employment

(MRAE) and Planning Commission as members. The Committee should meet at least twice a year to review progress and take follow-up action.

Allocation & Utilization of Funds

For the purpose of release of funds, the blocks covered under EAS are categorised into A, B and C (See Sections 4.2 to 4.4). The notional minimum allocation per annum is fixed at Rs.1 crore for A-type, Rs.75 lakh for B-type and Rs. 50 lakh for C-type blocks. This allocation is scheduled to be released in two instalments. The first instalment of the Central Government's share of fund comprising Rs.40 lakh, Rs.30 lakh and Rs.20 lakh for A,B and C-type blocks respectively is scheduled to be released at the beginning of financial year, while the balance on receipt of utilization certificates. **This schedule has not been adhered and at times, even monthly releases have been resorted to.**

What is of greater importance, however, is whether the States, Districts and Blocks are getting funds according to their notional minimum allocation. An analysis of the data collected from the various nodes of the implementing agencies reveals that:

- **During 1996-97, eight (8) states out of fourteen (14) got funds in excess of their entitlement,** while the remaining six (6) got less. The extent of excess disbursal over entitlement ranged from a minimum of 5.57% in Uttar Pradesh to a maximum of 83.82% in Andhra Pradesh. The shortfall in releases ranged from 0.74% in Haryana to 53.39% in Maharashtra.

- **Sixty two (62) per cent of the sample districts (call these Category I) received EAS funds in excess of their entitlement. However, 75% of the sample blocks falling in these districts were found to have received less funds than their entitlement**. On an average, the blocks falling in the Category-I districts received only 77.19% of their entitlement in 1995-96 and 69.41% in 1996-97. The average utilization of available funds in these blocks was 89% (See Tables 4.7 and 4.8 for details).

- The districts (Category-II) which received less funds (than entitlement), released to the blocks on an average 55.73% of their entitlement. **The blocks falling in Category-II districts have shown very high utilization rates (95 to 96%).**

- **All this implies that even though the blocks have the capacity to utilize EAS funds, adequate funds are not being made available to them.** This has happened even in the districts (Category-I) which had received sufficient funds. As a result, **the effective utilization rate of EAS funds at the block level hovers around 57 per cent of their notional minimum allocations** (for both Category-I & Category-II districts/ See Section 4.14).

- Though several factors could be responsible for low utilization rates of EAS funds, **one major constraint seems to be the untimely release of funds from the Centre to the States. It was noted that 8 out 14 (sample) states received more than 50 per cent of their allocation in the last quarter of the year. It is also interesting to note that a large**

number of states have reported more than 50% utilization of EAS funds during the last quarter (Table 4.9).

- The other factors responsible for low utilization rates of EAS funds at the block level include: non-availability of the states' share in time, non-disbursal of funds according to entitlement from the districts to the blocks, non-receipt of utilisation certificates, absence of planning and the like.

- **The figures on allocation and expenditure of EAS funds at different nodes of implementation do not seem to be consistent with each other**. For the districts (Category-I) which received excess funds, **while the average utilization rate at the district level was as high as 89.9 per cent in 1996-97, about 75 per cent of the sample blocks did not get adequate funds and the blocks, on an average, could spend only 61.5 per cent of their notional minimum allocation. This inconsistency needs to be probed in greater detail, as it could mean diversion and improper use of EAS funds.** Incidentally, the CAG report (No.-3, 1997; Chapter-III) on Centrally Sponsored Schemes has noted diversion of EAS funds in their test checks of accounts.

Coverage of Villages and Target Group

The guidelines for implementation of EAS do not make it clear as to whether all the villages of a block need to be covered. The findings of the PEO study in this regard may be summarised as follows:

The average annual coverage of villages in sample blocks showed considerable variation across states, from a low of 13% in Madhya Pradesh to a maximum of 55% in Tamil Nadu during 1996-97. The overall average in the sample blocks of the 13 states selected for the study is estimated at 32% (Table 5.4).

A village once covered is not necessarily covered year after year. In fact, the implementation methods adopted by different states tend to suggest that the states are covering the villages of a block by rotation. **Only in a very small proportion (5.4%) of the covered villages of a block, did the scheme remain operational each year during the first four years (1993 to 1997).**

Except West Bengal (37%), Uttar Pradesh (35%), Gujarat (34%) and Maharashtra (32%), the coverage of the target group (agricultural labourers) in the villages covered under EAS is found to be extremely low in the remaining nine states. The overall coverage of the target group in the 13 states works out to 16%. In some states, it is as low as 5 per cent of the estimated size of the target group.

Since the annual coverage of villages of a block under EAS is about 32% and since 16% of the target group get employment in the villages covered, **the effective annual coverage of the target group in a block works out to only 5%. Except in Gujarat (16%), West Bengal (15%) and Maharashtra (11%), the effective annual coverage of the target group in the**

remaining 10 states works out to less than 10 per cent. In some states, it is as low as 1 to 3 per cent (Table 5.4).

Employment Generation

The village level secondary information on employment generation maintained at the block level reveals that in two states of Tamil Nadu and Uttar Pradesh, the average days of employment per person exceeded 100 days in a year. It is found to be less than 50 days in 8 states. **As per official records, the overall average for the 14 sample states works out to 62.81 days/person/year (Table 5.5).**

However, **the information gathered from the beneficiaries of EAS reveals that about 69 per cent of the beneficiaries got less than 30 days of employment in a year, and another 17% got employment between 30 and 50 days. The overall average for the 14 states works out to 31-days/ year. Thus, the high rates of employment generation as reported in official statistics, are not supported by the information obtained from the beneficiaries.** In particular, the figures on employment for two states, viz; Tamil Nadu and Uttar Pradesh do not appear to be in tune with the grassroots level situation.

Why such deviations between the two sets of information occur need further investigation. Perhaps, the data on employment provided by the line departments which execute several plan schemes, are not maintained properly. In a few cases, a systematic relationship between the wage component of EAS funds and employment generation has been observed at the district and state levels. **However, the data collected by PEO at the block, village and household levels do not justify the existence of such a relationship. This inconsistency is a matter of serious concern, as the official statistics do not seem to represent the grassroots reality. There is need for strengthening the organisational capability at the district/block levels so as to improve the quality of statistics being generated. It also calls for strengthening of the monitoring mechanism at the district, state and centre levels.**

Finally, the survey data also reveal that only one eligible person was given employment for 81 per cent of the households selected in the PEO survey, as against the provision of giving employment to two persons from each family under EAS. **All this tends to suggest that the actual performance of EAS is far below its stated goal of generating sustained employment for the rural wage-earning class whose income levels drop in agricultural lean seasons.**

Asset Creation - their Quality and Maintenance

The prescribed Central norm of allocating 40 per cent of funds for watershed development and 20 per cent each for minor irrigation, link roads and buildings for schools and anganwadis was not maintained in any of the sample states while executing different activities under the scheme during 1993-94 to 1996-97. There is need for making the guidelines more flexible. It would be more appropriate to fix these limits in a way that gives some flexibility to the implementing agencies. For example, at the block level the limits may be fixed at 75% for activities that have the potential for generation of sustained employment and

25% for other activities. Further earmarking of funds specifying the limits for each activity is not warranted.

In the construction of buildings for schools and anganwadis, none of the sample states was found to have observed the prescribed norm of wage–material ratio (60:40). Only five states for link roads, four states for watershed development and five states for minor irrigation have maintained the prescribed wage expenditure ratio in the activities taken up during 1993-94 to 1996-97 (Table 6.2). This tends to suggest that the Central norm for wage material ratio of 60:40 is difficult to implement individually for each activity. Therefore, **the guidelines for EAS on wage- material ratio need to be modified suitably to indicate that the stipulated ratio need to be maintained at the block level only.** This would give some flexibility to the implementing agencies.

The cost of generating one manday of employment (Table 6.4) and the percentage distribution of EAS funds across different types of activities were computed to examine if the primary objective of the scheme was kept in view while allocating financial resources between alternate activities. Some interesting findings of the PEO study in this respect are:

- In Bihar, the unit cost of generating employment (Rs. 114 to Rs. 132) in all activities is very high, implying dominance of material cost in all activities (Table 6.4). Moreover, about **69% of available EAS fund was allocated to activities like school buildings/anganwadis which are less labour intensive and do not have the potential for sustained employment generation (Table 6.1).**

- In Gujarat, Haryana and West Bengal, the unit cost of employment generation in school buildings/anganwadis is abnormally high (Rs. 227 to Rs. 395) and **it is difficult to justify allocation of funds for such activities under any scheme whose primary objective is employment generation.**

- Though, in the above mentioned states, the major deviation from the primary objective of EAS has been observed, in many other states also a **large part of the EAS funds has been spent on activities which are less labour intensive and more capital/material intensive.**

- While the details of expenditure and asset creation were made available to the PEO field teams, there is no way that one could find out which assets were created under which scheme, as many a time, funds under different development programmes for rural areas have been pooled to create common assets. While such pooling of resources from similar government schemes should be appreciated and encouraged, the guidelines for implementation of these schemes should be made flexible to facilitate such convergence at the grassroots level without compromising with the specific objectives of the individual schemes. The maintenance of accounts/records should be so systematized and made transparent that it becomes possible to ascertain if the objectives of individual schemes have been achieved. It was also not possible to find out as to which agencies the assets created under EAS were handed over for maintenance, and whether the assets created were community or private assets. Notwithstanding these, in some states, like, Himachal Pradesh, Karnataka, Maharashtra, Rajasthan, Uttar Pradesh and Tamil Nadu some of the assets (reported to have been created under EAS) were found to be of reasonable quality by the PEO field teams.

Profile of Beneficiaries & Impact of EAS

At the all India level, **more than three fourths (78.48%) of the sample EAS beneficiaries belonged to the daily wage earning class, with agricultural wage earners constituting more than 55 per cent of EAS beneficiaries.** However, there is wide variation in the composition of the EAS beneficiaries across states. **In four states, viz; Bihar, Karnataka, Madhya Pradesh and West Bengal, the proportion of agricultural labourers is more than 75%.** In Himachal Pradesh, the principal occupation of 74% of the EAS beneficiaries was cultivation (marginal farmers). The cultivators also formed a large proportion of the EAS beneficiaries in Andhra Pradesh, Assam, Haryana and Uttar Pradesh. About 92% of the EAS beneficiaries were either landless or marginal farmers (but, not necessarily BPL).

More than half the EAS beneficiaries were illiterate and another 18% had below-primary level education. **About 7% of the beneficiaries were found to possess educational qualifications upto or above matric level. This tends to suggest that some skilled and semi-skilled workers were among the EAS beneficiaries**. This is further supported by the wide variation in the wage rates paid in some states, viz: Rs. 25-100 in Rajasthan, Rs. 22-150 in Tamil Nadu and Rs. 20-80 in Madhya Pradesh (See Table 7.4).

In some sample villages other government employment programmes were operational along with EAS. However, EAS was found to be the most dominant employment generation programme in the sample villages of almost all the states. In only five out of fourteen states, viz; Himachal Pradesh, Orissa, Rajasthan, Uttar Pradesh and West Bengal did the EAS beneficiaries receive 21% to 33% of their wage income from other government schemes (Table 7.4). However, **income from government wage employment schemes constituted only 11.55% of the total households income of the beneficiaries. In the states of Bihar, Madhya Pradesh, Maharashtra, Orissa, Rajasthan and West Bengal, the beneficiaries continued to remain far below the poverty line, even with supplementary income from government wage employment schemes.** Low income from EAS is primarily because of low levels of employment generation (Table 5.6).

It is important to note that the average household income of EAS beneficiaries in Haryana, Himachal Pradesh, Karnataka and Tamil Nadu is above the poverty level income, even if income from EAS and other schemes is not considered. **This implies that non-poor are also receiving benefits of EAS. This observation is further supported by the fact that a large proportion of EAS beneficiaries in some states are non-poor cultivators, non-agricultural labourers and self-employed** (See Table 7.5). **This is in violation of EAS guidelines.**

Another issue that assumes importance in assessing the impact of EAS is the **sustainability of employment and income of the beneficiaries.** It has been found **that 87.5% of the beneficiaries got employment for one out of four years of its operation (Table 7.6). Another 11% got employment for 2 years. This is consistent with the finding that all the villages of a block are not covered each year under EAS.** It may also be mentioned that the majority of

EAS beneficiaries earned less than Rs. 1000/- (Table 7.7) and got less than 30 days of employment (Table 5.6) per annum, but **even this meagre benefit did not accrue to them each year.**

Paradox Explained

With the information generated through structured questionnaires in the PEO's Sample Survey, it was not possible to explain as to why a large proportion of cultivators, educated and rich people worked as wage labourers under EAS. To find a plausible explanation, it was decided to **revisit some sample blocks and have interaction with officials and beneficiaries.**

In one sample block, it was found that a village received funds under EAS, but did not have many eligible workers. In fact, the villagers get their work done primarily through migrant labourers. The muster rolls were, however, prepared in keeping with the guidelines to show that the beneficiaries of EAS were locals.

In another village, it was found that the villagers traditionally give their labour voluntarily for community works, such as maintenance of community assets. The EAS funds were shown to have been used up in such activities. In this case, while the beneficiaries were locals, all of them did not belong to the eligible category.

Another factor that explains the above paradox is the execution of EAS works through contractors whose hired labourers did not necessarily belong to the village/block where the works had been undertaken. The Muster Rolls, however, were prepared in keeping with the EAS guidelines to reflect that only locals had worked. In this process, the names of ineligible villagers also figured along with some eligible ones in the official records.

All this brings home the point that the statistics available from secondary sources (such as panchayat, block and district level records) on the identity of beneficiaries and employment generation are not always the reflection of grassroots reality.

Observations & Suggestions

The direct intervention through a number of income and employment generation schemes constitutes an important poverty alleviation strategy of the government. The relative importance of these and other major social sector schemes has gone up in the post-reform period. The share of major social sector schemes in the Central Government's plan expenditure has risen from around 19 per cent in 1990-91 to about 27-28 per cent in recent years. The plan outlay of the major rural development schemes, too, has risen and currently stands at around 14 per cent of the total plan outlay of the Centre.

The two schemes of rural development, viz; JRY and EAS, which aim at creating employment opportunities for the rural poor, have been getting an annual outlay of about Rs. 4000 crore during the last three years, which constituted around 55-60 per cent of the approved outlay on the plan schemes of the Department of Rural Employment and Poverty Alleviation (P-143, Annex-II, Annual Report, MRAE, 1998-99). The amount of funds

available for rural poverty alleviation and employment generation is substantial and can contribute significantly towards reducing rural poverty. The efficient use of such resources is, therefore, of utmost importance.

The findings of the study suggest that the objectives of generation of sustained and gainful employment, supplementing the income of the rural wage-earning class in agricultural lean seasons and improving the wellbeing of the rural poor through EAS have not been realised. Some mid-course corrections with regard to the design and implementation need to be introduced to ensure effective delivery of the intended benefits to the target group. These corrections have already been indicated in appropriate places. However, more fundamental changes in planning and implementation of EAS and other rural development schemes are required to bring about an improvement in the wellbeing of the rural poor. An outline of such changes is indicated below for consideration of planners, policy makers and implementing agencies.

The EAS is a demand driven scheme, but the method of planning and implementation adopted is "top-down" instead of "bottom-up". In most cases, there is no evidence to suggest that the implementing agencies have actually assessed the demand for wage employment at the village level and formulated suitable proposals for creation of useful community assets that have the potential for generating gainful employment on a sustained basis. In other words, **the implementation method adopted is not consistent with the intended objectives of the scheme.** Several steps that need to be taken to address this problem are indicated below:

The first and foremost task is to **make the villagers,** for whom the scheme is meant, **aware of the existence of such a scheme for them and how they could benefit from it**. Both official and non-official agencies could be mobilized for awareness generation. For example, it could be done: (a) by explaining the scheme details in a **Gram Sabha** meeting by the VLW or any government official, (b) by NGOs and (c) **by distributing pamphlets containing A-B-C of Government schemes in simple local languages to both students and teachers of middle and high schools.** This is of utmost importance not only for EAS, but also for other RD Schemes, **as the target groups are either not aware of such schemes, or do not know the details of rules and procedures for accessing the benefits of such schemes.**

Second, it has been found in the PEO survey that a **large number of villages are using the EAS funds just because such funds are made available to the villagers**. In such villages there is no local demand for the type of wage-employment being offered under EAS. As a result, a large proportion of funds goes to either capital intensive works or, to unintended beneficiaries or, both. Perhaps, the present allocation principle needs to be changed. It would be more appropriate to **make the allocation principle "demand – driven"**. One way of doing so would be to prepare a list of eligible blocks on the basis of some objective criteria by making use of block level development indicators and invite specific proposals that are designed to create community assets for sustained employment generation. In other words, funds may be **sanctioned on project basis to eligible blocks**. **The routine allocation of funds to all blocks and each year should be done away with.**

Third, another aspect that merits serious consideration is the linkage of allocation of funds for EAS with the government's food policy. **It is worth examining if a large proportion of the wage payment under EAS could be made through the surplus food stocks with the government.** Though, as per EAS guidelines payment in kind is permissible, this is not being implemented at present. For making this implementable, the EAS guidelines may be suitably modified. **This linkage will reduce the financial allocation to EAS on the one hand, and minimize the budgetary food subsidies considerably on the other.** Apart from this, the widespread practice of getting projects implemented through contractors under EAS can be done away with.

Fourth, **both the wage employment seekers and the users of assets need to be involved in identification of schemes/ projects that are useful and productive for the community, and would have the potential of generating sustainable and gainful employment.** The records of Patwari and Forest Guard should also be consulted for identification of target groups and projects. This is possible only if the **Gram Sabha** is vested with the responsibility of preparing the list of the wage employment seekers and the shelf of projects useful to the community.

The list of projects can then be sent to the block development office for assessing the cost and technical feasibility of the proposed schemes and for prioritization of viable projects in consultation with the **Gram Sabha.** The list of wage employment seekers and viable projects so prepared in all the villages of a block may be examined by a block level Planning Committee comprising the **Block Samiti,** BDO and the technical officers of the development administration for prioritization, phasing and co-ordination. On the basis of this prioritized list of projects and the capacity of the implementing agency, the block development office may prepare a detailed plan for examination, approval and sanction by DRDA.

For execution of projects/works in villages/blocks, **a village level committee may be constituted comprising the representatives of the beneficiaries (both wage earners and users of assets) and the Gram Panchayat members. The Committee may be called the Village Beneficiaries' Committee (VBC).** The block level implementing agency must undertake execution of the approved projects through the VBC and in close co-ordination with the Block Planning Committee.

It may be noted that the assets to be created under EAS are of durable nature and are required to be maintained properly to realise their potential of sustained employment generation. The PEO field teams noted that the assets created under EAS are not maintained properly. **The Village Beneficiaries' Committee may be vested with the responsibility of maintaining these assets, as they have a stake in keeping the assets in working condition.** For all such schemes that aim at creation of assets, a certain proportion of their annual allocation could be earmarked for maintenance of created assets. This fund may be transferred to the VBC. Alternatively, the **VBC may be empowered to collect user-charges from the direct users of assets to generate funds for maintenance.**

Though the above method of planning and implementation is suggested for EAS, it could be adopted for any Scheme for which the 'block' is the unit of planning. If this approach is adopted, it would be easier for DRDA to **give a practical shape to the idea of "convergence" of schemes with similar/related objectives, which are currently being implemented vertically.**

The above approach to planning and implementation needs to be backed by capacity building at the block and village level through training of the block level officers and members of the village and block Panchayats. They need to be sensitised about the details of various government schemes and the role that they could play in their planning and implementation. This would enable them to participate effectively and meaningfully in the "bottom-up" planning process.

Finally, the monitoring mechanism of EAS and other Centrally Sponsored Schemes needs to be strengthened. Four issues assume importance in this context. **First**, identification of suitable performance indicators for each scheme must be done, so that there is a direct correspondence between the performance indicators and the scheme objectives. **Second,** it is important to strengthen the capacity of the district and the block level implementing agencies to generate and transmit quality data on identified parameters to aid decision-making. **Third,** increasing use of information technology should be made for speedy transmission of data to the decision-making authorities for the system to be effective. **Fourth,** the State level Co-ordination Committees for implementation of Centrally Sponsored Schemes must **include representatives of the Central Ministries and Planning Commission.** The Committee should meet at least twice a year to review progress and take follow-up action. **The Planning Commission could take a lead role to reactivate these Co-ordination Committees.**