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**STANDING COMMITTEE ON  
RURAL DEVELOPMENT  
(2006-2007)**

**FOURTEENTH LOK SABHA**

**MINISTRY OF PANCHAYATI RAJ**

**DEMANDS FOR GRANTS  
(2006-2007)**

*[Action taken by the Government on the recommendations contained  
in the Twenty-first Report of the Standing Committee  
on Rural Development (Fourteenth Lok Sabha)]*

**TWENTY-SIXTH REPORT**



**LOK SABHA SECRETARIAT  
NEW DELHI**

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RURAL DEVELOPMENT  
(2006-2007)

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on Rural Development (Fourteenth Lok Sabha)]*

*Presented to Lok Sabha on 16.3.2007*

*Laid in Rajya Sabha on 16.3.2007*



LOK SABHA SECRETARIAT  
NEW DELHI

*March, 2007/Phalguna, 1928 (Saka)*

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COMPOSITION OF THE STANDING COMMITTEE ON  
RURAL DEVELOPMENT (2006-2007)

Shri Kalyan Singh — *Chairman*

MEMBERS

*Lok Sabha*

2. Shrimati Susmita Bauri
3. Shri Mani Charenamei
4. Shri V. Kishore Chandra S. Deo
5. Shri Sandeep Dikshit
6. Shri George Fernandes
7. Shri Zora Singh Mann
8. Shri Krishna Murari Moghe
9. Shri Hannan Mollah
10. Shri D. Narbula
11. Shri A. F. G. Osmani
12. Shri T. Madhusudan Reddy
13. Adv. Renge Patil Tukaram Ganpatrao
14. Shrimati Tejaswini Seeramesh
15. Shrimati Jyotirmoyee Sikdar
16. Shri Sita Ram Singh
- \*17. Shri D.C. Srikantappa
18. Shri Bagun Sumbrui
19. Shri Chandramani Tripathi
20. Shri Beni Prasad Verma
21. Shri Dharmendra Yadav

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\*Hon'ble Speaker has changed the nomination of Shri D.C. Srikantappa, MP (LS) from Standing Committee on Urban Development to Committee on Rural Development *vice* the vacancy caused due to change of nomination of Shri Srichand Kriplani MP (LS) from Standing Committee on Rural Development to Standing Committee on Chemical and Fertilizers *vide* Lok Sabha Bulletin Part II, para no. 2847 dated August 31, 2006.

*Rajya Sabha*

22. Shri Balihari
23. Shri Jayantilal Barot
24. Kumari Nirmala Deshpande
25. Shri Pyarelal Khandelwal
26. Dr. Chandan Mitra
27. Shri P.R. Rajan
28. Shri Bhagwati Singh
29. Ms. Sushila Tiriya
30. Vacant
31. Vacant

SECRETARIAT

1. Shri S.K. Sharma — *Additional Secretary*
2. Shri P.K. Grover — *Joint Secretary*
3. Shrimati Sudesh Luthra — *Director*
4. Shri A.K. Shah — *Deputy Secretary Grade-II*

## INTRODUCTION

I, the Chairman of the Standing Committee on Rural Development (2006-2007) having been authorised by the Committee to submit the Report on their behalf, present the Twenty-Sixth Report on the action taken by the Government on the recommendations contained in the Twenty-first Report of the Standing Committee on Rural Development (2005-2006) on Demands for Grants (2006-2007) of the Ministry of Panchayati Raj.

2. The Twenty-first Report was presented to Lok Sabha on 18 May, 2006. The replies of the Government to all the recommendations contained in the Report were received on 18 August, 2006 and revised replies were received on 9 January, 2007.

3. The replies of the Government were examined and the Report was considered and adopted by the Committee at their sitting held on 1 March, 2007.

4. An analysis of the action taken by the Government on the recommendations contained in the Twenty-first Report of the Committee is given in *Appendix IV*.

NEW DELHI;  
15 March, 2007  
24 Phalgun, 1928 (*Saka*)

KALYAN SINGH,  
*Chairman,*  
*Standing Committee on*  
*Rural Development.*

## CHAPTER I

### REPORT

This Report of the Committee on Rural Development (2006-2007) deals with the action taken by the Government on the recommendations contained in their Twenty-First Report on Demands for Grants (2006-2007) of the Ministry of Panchayati Raj which was presented to Lok Sabha on 18 May, 2006.

2. Action taken notes have been received from the Government in respect of all the 35 recommendations which have been categorised as follows:

(i) Recommendations which have been accepted by the Government:

Para Nos.: 2.5, 2.9, 2.10, 2.11, 2.18, 2.48, 2.51, 2.57, 2.64, 3.3,  
3.9, 3.13, 3.23, 3.31, 3.36, 3.42, 3.50 and 3.54.

(ii) Recommendation which the Committee do not desire to pursue in view of the Government's replies:

Para No.: 3.4

(iii) Recommendations in respect of which replies of the Government have not been accepted by the Government:

Para Nos.: 2.17, 2.25, 2.26, 2.27, 2.29, 2.45, 2.46, 2.47, 3.17 and 3.30.

(iv) Recommendations in respect of which final replies of the Government are still awaited:

Para Nos.: 2.28, 2.30, 2.52, 3.20, 3.21 and 3.48.

**3. The Committee note that action with regard to the specific issues raised under the following recommendations has been assured/being taken by the Ministry as stated in the respective action taken replies. The said recommendations have been categorized under the interim category by the Committee. The Committee would like the Ministry to expedite the proposed action and final replies in this regard should be furnished to the Committee within three months of the presentation of the Report.**

(i) Augmenting infrastructure for training to elected representatives of Panchayati Raj Institutions (PRIs):

Recommendation Serial No. 10, (Para No. 2.28),

(ii) Using satellite communication for interaction and training of elected representatives of PRIs on the pattern of Karnataka.

Recommendation Serial No. 12, ( Para No. 2.30),



- (iii) Need for giving central role to PRIs under 'Bharat Nirman Programme'.  
Recommendation Serial No. 18, (Para No. 2.52),
- (iv) Making optional utilisation of Information Technology for promotion of PRIs.  
Recommendation Serial No. 26, ( Para No. 3.20),
- (v) Exploring sources other than Doordarshan and DAVP for promotion of PRIs.  
Recommendation Serial No. 27, ( Para No. 3.21), and
- (vi) Expeditious guidelines for New Scheme for Media Publicity.  
Recommendation Serial No. 33, ( Para No. 3.48).

4. The Committee with now deal with action taken by the Government on some of these recommendations in the succeeding paragraphs.

**A Central role of Panchayati Raj Institutions in the implementation of Centrally Sponsored/Central Schemes**

**Recommendation Serial No. 5, (Para No. 2.17)**

5. The Committee had noted as below:

“The Committee note that the National Common Minimum Programme (NCMP) of the UPA Government has given a prominent place to Panchayats and stressed on the need for devolution of funds, functions and functionaries to Panchayati Raj Institutions in the true spirit of article 243 G of the Constitution. The NCMP has stressed on Activity mapping spelling out clearly the functional domain of the three tiers of the Panchayats viz. Gram Panchayat, Intermediate Panchayat and District Panchayat. Besides, it has also stressed that the transfer of functions should be matched by transfer of funds and functionaries. In this regard the initiative was taken by the Ministry of Panchayati Raj for creation of the data base of Panchayat Bank accounts so that the funds under Centrally Sponsored Scheme can be electronically transferred to Bank accounts of all 2,40,000 Panchayati Raj Institutions. To examine the feasibility in this regard a Committee was set up under the Chairmanship of Additional Secretary of the Ministry, which found that said electronic transfer of outlay was possible.

As a further initiative some of the schemes particularly the wage employment and drinking water and sanitation schemes of the Ministry of Rural Development were initially selected. The initiative taken by the Ministry was not successful as the concerned Ministries have certain reservations and want to continue with the existing system of transfer of funds. Though the Ministry of Finance is agreeable in principle and has stressed that administrative arrangement and flow of funds should be in consonance, it has also shifted the onus of getting the various Ministries agree to the proposed way of transfer of funds on the Ministry of Panchayati Raj.

The Committee appreciate the initiatives taken by the Ministry to get the funds under different Central and Centrally Sponsored Schemes transferred electronically to the Bank accounts of Panchayats. However, the Committee feel that the said transfer of funds to Panchayats is feasible only in case of the schemes which are currently being implemented by the Panchayats. The Committee agree with the views expressed by the Ministry of Finance that administrative arrangements and flow of funds should be in consonance. Besides, another major area of concern is the need to empower the Panchayats for enabling them to shoulder the responsibilities of handling schemes for which huge outlays are being provided by the Central Government. In view of this, the Committee feels that the transfer of implementation of various schemes should be done in phases. First of all, the Ministry should ensure that the funds for the scheme, for which the PRIs are directly responsible for identification, execution and implementation, are transferred electronically to Bank accounts. Moreover the Ministry of Panchayati Raj has to work in tandem with the concerned Ministries. Thus the challenge is great to make the Ministries agreeable for which the Ministry has to work in mission mode.

The Committee further appreciate the initiatives of the Ministry to empower Gram Sabhas. While reviewing the Centrally Sponsored Schemes, it is being insisted that the

Gram Sabhas should have a major role to play in selection of beneficiaries, works monitoring of programmes and approving the utilisation certificate etc. Besides, during the visits to States by the Minister of Panchayati Raj also the role of Gram Sabhas is being emphasise. The Committee would like the Ministry to continue the said initiatives and keep the Committee informed about the further progress made with regard to implementation of Centrally Sponsored Schemes in this regard.”

*Recommendation Serial No. 5, (Para No. 2.17)*

6. The Ministry in their action taken reply have stated as under:

“The directions of the Standing Committee have been noted. The Ministry has been actively pursuing with the State Governments for operationalising the Fund Transfer Software for transfer of 12<sup>th</sup> Finance Commission grants to the Panchayati Raj Institutions through banking channels. The States have been requested to enter the details of bank accounts of all the Panchayats, online, in the Fund Transfer Software which has been uploaded on the National Panchayat Portal. States such as Orissa have already initiated this process. Some States such as Haryana, Goa, Tamil Nadu and Andhra Pradesh have provided details of the bank accounts of Panchayats in which the Twelfth Finance Commission grants are being deposited. These details are being uploaded on the National Panchayat Portal by the Ministry of Panchayati Raj. The Committee would be kept informed of further developments in the matter from time to time.

The Ministry is continuing its initiatives to bring about significant changes in the guidelines of Centrally Sponsored Schemes in line with the provisions of Article 243G of the Constitution. The latest position about the progress made in this regard has been given in the State of the Panchayats Report which has recently been published by the Ministry of Panchayati Raj and copies of the same have also been laid in the Parliament. Sufficient number of copies of the Report are also being enclosed with the Action Taken Report”

*Reply to Recommendation Serial No. 5, (Para No. 2.17)*

**7. The Committee in their earlier recommendation had analyzed in detail the various initiatives being taken by the newly created Ministry of Panchayati Raj with specific reference to transfer of the responsibility of execution and implementation of various Central/Centrally Sponsored Programmes to Panchayati Raj Institutions. The Committee had recommended transfer of implementation of various schemes in phases in view of the limited resources with PRIs. As regards the issue of transfer of funds electronically to bank accounts of Panchayati Raj Institutions, the Committee had recommended that the funds for the schemes for which Panchayati Raj Institutions are directly responsible for identification, execution and implementation should first be transferred electronically to bank accounts. The Ministry of Panchayati Raj in the action taken note has although duly acknowledged the recommendations of the Committee, yet it does not address to the aforesaid issues categorically. It has simply been stated that the latest position about the progress**

made with regard to transfer of various Centrally Sponsored Schemes to Panchayati Raj Institutions has been indicated in the State of the Panchayats report which has recently been published by the Ministry of Panchayati Raj and laid in Parliament. After analyzing the aforesaid document, the Committee find that there is not much progress made in this regard. Some sort of centrality on the role of Panchayats could be ensured in three programmes viz Sampoorna Grameen Rozgar Yojana, the National Rural Employment Guarantee Act (NREGA) and Sarva Shiksha Abhiyan. In other schemes like Mid-Day Meal, National Rural Health Mission etc., efforts are being made by the Ministry of Panchayati Raj to ensure centrality of Panchayati Raj Institutions. In this regard, the Committee note that under the Sampoorna Grameen Rozgar Yojana already the funds were directly transferred to Panchayats and as such centrality of Panchayats was already there. With regard to the National Rural Employment Guarantee Act, as per the provisions made under this legislation, 50 per cent of the schemes/programmes would have to be implemented by the Panchayats. As such, the Committee note that sufficient progress has not been made in this regard. The Committee in the earlier recommendation had made various suggestions in this regard.

In view of the aforesaid position, the Committee reiterate that the challenge before the Ministry of Panchayati Raj to make the various Ministries responsible for implementation of various schemes agreeable is great and the Ministry has to work in tandem with the concerned Ministries. The Committee hope that the Ministry would act on the suggested lines. The Committee should be kept apprised accordingly about the progress made in this regard. Besides the Committee do not appreciate the way the issues raised in the earlier recommendation has been responded to in the action taken replies. Instead of furnishing the reply, it has been stated that the position regarding the transfer of execution of Centrally Sponsored/Central Schemes to PRIs is contained in a document of the Ministry. The Committee strongly recommend that the action taken reply should be self contained. In case some document is referred to in the replies the gist indicating the requisite information should invariably be indicated in the action taken replies.

**B Greater attention for training to the elected representatives of PRIs in the country with emphasis on regular and longer duration of training.**

**Recommendation Serial No. 7, 8 and 9 (Para Nos. 2.25, 2.26 and 2.27)**

8. The Committee have noted as below:

“The Committee find from the data made available by the Ministry that at present there are 21,95,610 elected representatives spread over three tiers of Panchayats. The training of large number of representatives of Panchayati Raj Institutions alongwith a large number of Panchayati Raj functionaries is an immense challenge before the Ministry of Panchayati Raj. The review of the scheme related to Panchayati Raj training of the Ministry of Panchayati Raj in the context of Demands for Grants (2006-2007) has been done in the succeeding chapter of the report. As regards the overall scenario, the Committee find that a lot still needs to be done in this regard.”

*Recommendation Serial No. 7(Para No. 2.25)*

“The Committee further observe that election of PRIs is a Constitutional process and every year a number of newly elected representatives may add to the persons requiring training making the task rather more difficult. In view of this scenario, there is an urgent need to have a regular system of training. In this direction certain initiatives are being taken by the Ministry. The Committee would recommend for early finalisation of the strategy for imparting training to such a large numbers of PRIs. The Committee may be kept apprised of the status of finalisation of the issue as stated above in due course”

*Recommendation Serial No. 8 (Para No. 2.26)*

“The Committee further find that at present the period of training imparted to PRIs is between 2-5 days. The Committee appreciate the fact that different days of training may be required for different levels of PRIs. For example, for a newly elected representative, there is need of exhaustive training, but for an old representative who has the experience of holding such office, the training period may be for fewer days. Still the Committee are of the firm opinion that two to five days are insufficient to impart training which includes a lot of issues like transparency, accountability, PESA, Right to Information Act and the knowledge of the important Centrally Sponsored Schemes/Programmes. Even the Secretary, Panchayati Raj has also agreed that the said period of training is not adequate. The Committee therefore recommend that while deciding the module for training, it should be ensured that sufficient time period is allocated for a particular level of Panchayati Raj representative/functionary. While deciding the strategy for training, the Ministry may take into consideration the concerns of the Committee in this regard.”

*Recommendation Serial No. 9 (Para No. 2.27)*

9. The Ministry in their action taken replies have stated as under:

“The directions of the Committee have been noted. The National Institute of Rural Development has prepared a National Capability Building Framework for Panchayati Raj Elected Representatives and Functionaries. This has been considered by the Ministry which has further refined its contents and has come out with a modified version of the National Capability Building Framework. It is proposed to utilize the existing State Institutes of Rural Development and network of Voluntary Organisation to have a comprehensive programme for training including dimensions like Satellite based training.”

*Reply to Recommendation Serial No. 7 & 8 (Para Nos. 2.25 and 2.26)*

“The concerns of the Committee have been noted. The Ministry has already proposed a National Capability Building Framework for Panchayati Raj Elected Representatives and Functionaries. In this design differentiated structures have been proposed for different Panchayats Representatives – the first – time representatives, the elected women representatives, the illiterate representatives and so on. These are Facilitation Course, Basic Foundational course, Functional Literacy Course, Centrally Focused Training Programme, Computer Training etc.”

*Reply to Recommendation Serial No. 9 (Para No. 2.27)*

10. The Committee had earlier recommended as under:

- (i) Government should evolve a regular system of training of the elected representatives of PRIs by finalising a strategy as large number of such representatives are added every year.
- (ii) While deciding module for training of elected representatives of PRIs Government should give sufficient time period for training at every level as against the existing 2-5 days training.

The Ministry in action taken replies has informed about the action being taken by them on various issues raised in the aforesaid recommendations. As regards a regular mechanism to impart training to Panchayati Raj functionaries, the Ministry is working with the National Institute of Rural Development (NIRD), State Institute of Rural Development (SIRD) and network of Voluntary Organizations. The Committee appreciate the work being done by the Ministry and hope that the strategy for having a regular mechanism to impart training to elected representatives of the PRIs would be evolved. The Committee should be kept informed about the progress made in this regard.

As regards the concerns of the Committee with regard to sufficient time period for training to elected representatives of the PRIs the Ministry has informed that differentiated structure for different Panchayats representatives viz. the first time representative, the elected women representatives, the illiterate representatives and so on have been proposed. The Committee would like to be apprised about the details of the different courses designed in this regard. Besides, the time period for each of the course should also be intimated to the Committee. Besides aforesaid courses should be finalized expeditiously and permanent mechanism for training of PRIs should be evolved.

**C System of tutoring the trainers of elected representatives of PRIs**

**Recommendation Serial No. 11 (Para No. 2.29)**

11. The Committee have noted as below:

“As regards, the issue of trainers, the Committee feel that NIRD and SIRD may not be equipped sufficiently to meet the need for a large number of trainers. The Ministry has informed that they have a system of training of tutors which can address the problem of paucity of trained tutors. The Committee would like to be informed about the details of the system indicating how the trainers are being tutored. Besides the data as to how many trainers could be tutored and the field to which these trained tutors belong may be furnished to the Committee to enable them to analyse the system.”

*Recommendation Serial No. 11( Para No. 2.29)*

12. The Ministry in their action taken replies have stated as under:

“The concerns of the Committee have been noted. A good deal of training capability has already been created in States like Karnataka, Kerala etc. This expertise and experience is sought to be disseminated to the rest of the country. As part of the initiatives for training of PRIs cascade training is being mooted at creating pools of resource persons at each level from the National to the Block level who would be a lasting investment in the training chain. Care will be taken to specially identify people with the right mindset, commitment and drive as Resource persons. These could be drawn from Panchayat Members themselves (or ex-members), NGOs or could be Government Servants, both serving or retired. These trained tutors would need not only to have experience in Panchayati Raj System as a desirable qualification, but also more importantly they should have the ability to sympathetically communicate, possess multi tasking skills and commitment to the tasks.”

*Reply to Recommendation Serial No. 11 (Para No. 2.29)*

**13. The Committee find that issues raised in their earlier recommendation have not been answered properly. The Committee had desired the details of system indicating trainers to be tutored and number of trainers that would be needed for imparting training. The Committee have been informed that training capability created from the States like Karnataka and Kerala would be disseminated to the rest of the country besides creation of resource persons drawn from Panchayat Members themselves, NGOs or from Government Servant both serving or retired. Instead of addressing the issues categorically the vague and incomplete replies have been furnished. Nothing has been said as to how trainers are being tutored. Moreover the estimated number of trainers needed for the purpose alongwith their fields have not been made available to the Committee. The Committee, therefore reiterate that details as desired by them be furnished to the Committee expeditiously.**

**D Progress with regard to devolutions of functions, functionaries and finances by different State Governments/Union territory Administrations to Panchayati Raj Institutions (PRIs)**

**Recommendation Serial Nos. 13,14 & 15  
( Para Nos. 2.45, 2.46 and 2.47).**

14. The Committee have noted as below:

“The Committee find that the overall aim of Part IX is to endow the Panchayats with such powers and responsibilities as may be necessary to enable them to function successfully as institutions of self-government, as per Article 243G of the Constitution. State Legislatures have been empowered to endow Panchayats by law with such powers and authority as may be necessary to enable them to prepare plans for economic development and social justice and implement schemes for economic development and social justice, including those in relation to the matters contained in the Eleventh Schedule.”

*Recommendation Serial No. 13 (Para No. 2.45)*

“The Committee in their reports have repeatedly been expressing concern about the slow progress of devolution of funds, functions and functionaries to Panchayati Raj Institutions. Besides, the Committee feels that endowing Panchayats with certain functions is fruitful only if the Panchayats are equipped with trained functionaries and adequate finances are also made available to them. Thus devolution of functions has to be matched by devolution of funds and functionaries. The Committee in their 37<sup>th</sup> Report have reviewed the position in detail in this regard and found that only one State viz. Karnataka has transferred funds, functions and functionaries for all the 29 subjects enlisted in the Eleventh Schedule. Other States like Kerala and West Bengal are doing well. To have an exact idea of the work done with regard to devolution of funds, functions and functionaries, the Ministry should furnish to the Committee the latest status in this regard. The Committee further appreciate the work done by the Ministry to ensure the devolution in the true spirit of Article 243G of the Constitution, whereby a lot of work by way of high level interaction with the State Governments has been done by the Ministry. In spite of this, there is not considerable improvement in the number of subjects devolved by the various State Governments as could be seen from the comparison of Appendices I & II (which indicate the status of devolution as on 15.03.2006 and 29.06.2005). There is improvement in the number of subjects devolved in the States of Gujarat and Maharashtra. But the devolution by some of the States such as Haryana where the number of functions has decreased from 16 to 10 and Madhya Pradesh where the number of subjects decreased from 25 to 23 is a major area of concern. The Committee find that one of the resolutions adopted in the Round Table Conference was that devolution could be routed through legislative measures or alternatively by providing a strong legislative framework for devolution through executive orders. The Committee feels that there is an urgent need to ensure that the various resolutions adopted in different Round Table Conferences where the State Governments are also represented are strictly implemented. The Ministry should motivate the State Governments as well as take some strict actions in this regard.”

*Recommendation Serial No. 14( Para No. 2.46)*

“The erstwhile Committee on Urban and Rural Development in their 37<sup>th</sup> Report (13<sup>th</sup> Lok Sabha) had noted that a Task Force was constituted by the Ministry to prepare an activity mapping with regard to responsibilities to be devolved to the three-tiers of Panchayats. The Committee had noted that State Governments/Union territories administrations had been advised to complete devolution of powers upon Panchayats by 31 March, 2002. Further it has been mentioned by the Ministry that a deadline for States to complete the activity mapping was set for 31 March, 2005 and later extended to 30 June, 2005. The current status of activity mapping indicates that only four States i.e. the States of Kerala, Karnataka, West Bengal and Manipur have managed to satisfactorily complete the task of activity mapping. Though the States of Gujarat, Haryana and Chhattisgarh have achieved some progress in respect to activity mapping, yet a large number of States are lagging behind. While expressing their concern at the slow pace of activity mapping, the Committee urged the Government to impress upon the State Governments the need to complete this important task with a sense of urgency.”

*Recommendation Serial No. 15( Para No. 2.47)*



15. The Ministry in their action taken replies have stated as under:

“The directions of the Committee have been noted for further action. The Ministry of Panchayati Raj is continually interacting with the State Governments and impressing upon them to devolve functions, funds and functionaries to the Panchayati Raj Institutions as also implement the relevant recommendations of the Round Tables. The matter was also reviewed in the Sixth Meeting of the Committee of Chief Secretaries and Secretaries(Panchayati Raj) of States/UTs and the Second meeting of the Council of Ministers of Panchayati Raj held at Bhubaneswar from 13<sup>th</sup> to 16<sup>th</sup> June, 2006. A copy of the Bhubaneswar Declaration which was issued after the meeting of Council of Ministers is enclosed as *Appendix-I*.

The directions of the Committee have been noted for further action. The Ministry of Panchayati Raj is continually interacting with the State Governments and impressing upon them to devolve functions, funds and functionaries to the Panchayati Raj Institutions as also to implement the relevant recommendations of the Round Tables. The matter was also reviewed in the seventh meeting of the Committee of Chief Secretaries and Secretaries (Panchayati Raj) of States/UTs. This matter is also being pursued by the Empowered Sub Committee of the National Development Council on Financial and Administrative Strengthening of Panchayati Raj Institutions. In its meetings held on 12<sup>th</sup> June, 2006 and 13<sup>th</sup> September, 2006, the Sub Committee reviewed the matter and the position regarding implementation of its decisions. The next meeting of the Sub Committee is scheduled for 4.1.2007.

As a part of interactions with the State Governments, the Minister of Panchayati Raj has been undertaking tour to different States and Union territories for interacting with the representatives of Panchayati Raj Institutions and to impress upon the State Governments to undertake measures for strengthening of PRIs in a time bound manner. So far, he has undertaken tours to 18 States and 2 Union territories. Each visit is concluded with a Statement of Conclusions jointly signed with the Chief Minister of the State concerned, highlighting the key points of action on which the State would move to operationalise the recommendations of the Round Tables. All these efforts are bearing fruit and definite progress is being made by the States who were earlier lagging behind. After the Minister’s visits, States like Punjab, Sikkim, Haryana, Uttaranchal etc. have prepared detailed activity maps which are in the process of being notified after approval of the Cabinet. Assam and Manipur have agreed to revisit their activity mapping done earlier and are taking necessary steps in this regard.”

*Reply to Recommendation Serial Nos.13 and 14( Para Nos. 2.45 & 2.46)*

“The concerns of the Committee have been noted. The Ministry of Panchayati Raj is continually interacting with the State Governments and impressing upon them to complete the Activity Mapping exercise at the earliest. This was also reviewed in the Sixth Meeting of the Committee of Chief Secretaries and Secretaries(Panchayati Raj) of States/UTs and the Second meeting of the Council of Ministers of Panchayati Raj held at Bhubaneswar from 13<sup>th</sup> to 16<sup>th</sup> June, 2006.”

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upon them to devolve functions, funds and functionaries to the Panchayati Raj Institutions as also to implement the relevant recommendations of the Round Tables. The matter was also reviewed in the seventh meeting of the Committee of Chief Secretaries and Secretaries (Panchayati Raj) of States/UTs. This matter is also being pursued by the Empowered Sub Committee of the National Development Council on Financial and Administrative Strengthening of Panchayati Raj Institutions. In its meetings held on 12<sup>th</sup> June, 2006 and 13<sup>th</sup> September, 2006, the Sub Committee reviewed the matter and the position regarding implementation of its decisions. The next meeting of the Sub Committee is scheduled for 4.1.2007.

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*Reply to Recommendation Serial No. 15 (Para No. 2.47)*

**16. The Committee in the earlier recommendations had dealt in detail with the issue regarding endowment of Panchayats with such powers and responsibilities as may be necessary to enable them to function successfully as institutions of self-Government as per Article 243(G) of the Constitution. The series of observations/recommendations were made by the Committee in this regard. While noting the various efforts being made by the Ministry since its creation, the Committee had desired the following:-**

- (i) the latest position with regard to devolution of funds, functions and functionaries should be furnished for information of the Committee;**
- (ii) the Committee felt that the various resolutions adopted with regard to devolution of PRIs in different Round Table Conferences where the State Governments are also represented should be strictly implemented. The Ministry should motivate the State Governments as well as take some strict actions in this regard;**
- (iii) the Committee expressed concerns over the reversal of subjects by some of the State Governments viz. Haryana and Madhya Pradesh have been indicated as the States where the number of subjects devolved to Panchayati Raj Institutions have decreased; and**
- (iv) the various deadlines of the Ministry to complete the activity mapping could not be met. The progress of activity mapping was very slow. The**

**Committee desired to complete the activity mapping with a sense of urgency.**

**The Committee are concerned to note that none of the issues raised above have been addressed categorically in the action taken replies. The Ministry has simply indicated the details of various Round Table Conferences/seminars etc. done to achieve the objective of devolution. The Committee note that such conferences/seminars are urgently required for wider consultations with the State Governments. However, such efforts should result in achievement of the desired goal to some extent. While reiterating the concerns expressed by the Committee earlier with regard to the slow progress of activity mapping, the Committee would like the detailed response to each of the issues addressed in the aforesaid recommendations so that the status of devolution could be examined in detail and various suggestions could be made in this regard.**

**E Need for evolving a mechanism for direct interaction with people at micro level through Conferences/Seminars/Workshops.**

**Recommendation Serial No. 25 (Para No. 3.17)**

17. The Committee have noted as below:

“The Committee note that out of the allocation of Rs.2 crore under the component of Conferences/Seminars/Workshops, Rs.1.3 crore *i.e.* 67 per cent of the allocation was utilised during 2005-2006. The Committee also notes that this amount was utilized in high level meetings and Conferences (represented by State Ministers of Panchayati Raj, Chief Secretaries of States and State Panchayati Raj Secretaries). Though Panchayats exist at the grass roots level no interaction of the higher officials with the Panchayats appear to have taken place. Besides no workshop where the grass roots level Panchayati Raj functionaries could represent were undertaken during this period. Since all actions of the Government are eventually implemented and aimed at the micro level, interaction between officials and grass roots level functionaries should be more vigorous. The Committee therefore recommend that the Ministry should evolve a mechanism whereby they can have direct inter-action with people at micro level at regular intervals of time.”

*Recommendation Serial No. 25 ( Para No. 3.17)*

18. The Ministry in their action taken replies have stated as under:

“With a view to interact with elected representatives including elected women representatives the Ministry has organized Panchayat Mahila Shakti Abhiyans at Udaipur and Patiala on 24<sup>th</sup> – 25<sup>th</sup> April, 2006 and 17<sup>th</sup> – 18<sup>th</sup> July respectively. The Ministry plans to organize more such Sammelans in other states.” To initiate awareness campaign for gender empowerment, the Panchayat Mahila Shakti Abhiyan has been conceptualized. A Core Group of eminent activists is formed for every state to spearhead the Abhiyan. So, far, conferences of elected women representatives, activists, NGOs, eminent personalities have been held as under:-

Udaipur (Rajasthan) - 24<sup>th</sup> & 25<sup>th</sup> April, 2006,  
Patiala (Punjab) – 17<sup>th</sup> & 18<sup>th</sup> July, 2006,

Manipur - 4<sup>th</sup> & 5<sup>th</sup> October, 2006, and  
Goa - 19<sup>th</sup> October, 2006.

Such conferences will be held in other states also.

*Reply to Recommendation Serial No. 25 (Para No. 3.17)*

**19. The Committee in their earlier recommendations had desired to evolve a mechanism for direct and vigorous interaction with the representatives of the Panchayati Raj Institutions (PRIs) at grass roots level through Conferences/Seminars and workshops to be organised by the Ministry of Panchayati Raj. The Ministry has informed that they have organised Abhiyans and Sammelans involving participation of elected women representatives of PRIs, NGOs, eminent personalities in Udaipur, Patiala, Manipur and Goa during 2006 and more such Sammelans are to be organised in different States. The Committee find that the reply of the Government nowhere addresses the issue of evolving a mechanism for direct and vigorous interaction with representatives of PRIs at grass roots level in the country. Organizing such Abhiyans/Sammelans at State level would not be adequate for ensuring complete participation of PRIs. To realize the objective of capacity building of PRIs it is utmost necessary that such Sammelans/Abhiyans are organised at grassroots levels *i.e.* Gram and Intermediate and District Panchayat level. The Committee, therefore, reiterate that there is a need to evolve a mechanism for direct interactions of PRIs of grass roots level in the country through Conferences/Seminars and workshops.**

**F Need for transferring of entire amount of Rs. 5000 crore of Backward Regions Grant Fund (BRGF) to Ministry of Panchayati Raj.**

**Recommendation Serial No. 29 (Para No. 3.30)**

20. The Committee have noted as below:

“The Committee note from the position as indicated above that Rashtriya Sam Vikas Yojana, a scheme meant for the upliftment of backward districts was approved in the year 2004-05 and was actually implemented during the year 2005-06. The scheme was under the administrative control of Planning Commission. During 2005-06 the releases for Rs. 3,257 crore were made to 147 districts identified as backward districts. The criteria for allocation to each district were Rs.45 crore per district. The allocation was to be made at the rate of Rs.15 crore per year. It seems from the data that the first installment of Rs. 15 crore to 147 districts has been released by the Planning Commission under RSVY. Further the Committee notes that RSVY now has been subsumed into ‘Backward Regions Grant Fund’ which is under the administrative control of Ministry of Panchayati Raj. Hon’ble Finance Minister in his Budget speech for the year 2006-07 has informed that Rs. 5,000 crore is being allocated for Backward Regions Grant Fund during the year 2006-07 and the amount would be released in the coming four years. The Ministry of Panchayati Raj has further clarified that out of Rs. 5,000 crore, Rs. 3,750 crore are under the Ministry of Panchayati Raj and the remaining provision of Rs. 1,250 crore is meant for the special plans for Bihar and KBK districts of Orissa to be handled by the Planning Commission.

The Committee disapproves of the fragmented approach of the Government in handling one of the important schemes meant for the backward districts and shifting it from one Ministry to the other. The Committee would like to strongly recommend to the Government that the scheme should be transferred wholly to one Ministry.”

*Recommendation Serial No. 29 (Para No. 3.30)*

21. The Ministry in their action taken replies have stated as under:

“The Planning Commission have been consulted in the matter. They have expressed the view that it may not be appropriate to transfer the Special Plans for Bihar and the KBK districts of Orissa to the Ministry of Panchayati Raj and should appropriately be handled by the Planning Commission only as these programmes are continuing programmes and include multi-sectoral schemes implemented by various Central/State Government agencies.”

*Reply to Recommendation Serial No. 29 (Para No. 3.30)*

**22. The Committee in their earlier recommendation had strongly recommended that entire Scheme of Backward Regions Grant Fund of Rs. 5,000 crore as announced by the Finance Minister in his Budget Speech for 2006-2007 should be transferred to Ministry of Panchayati Raj for development of backward districts in the country instead of handling a part thereof by Planning Commission under special plans for Bihar and KBK districts of Orissa and the remaining by the Ministry of Panchayati Raj. The Ministry in their action taken reply has stated that the matter was taken up with Planning Commission and Planning Commission had informed that it may not be proper to transfer the Special Plans for Bihar and KBK districts of Orissa to Ministry of Panchayati Raj on the ground that these programmes are continuous programmes and include multi sectoral schemes implemented by various Central/State Government agencies. The Committee fail to understand how the mechanism of assisting the backward districts other than KBK districts of Orissa and backward districts of Bihar could be different from the remaining backward districts in other States. The Committee at the first hand would like to know the difference between the two viz. backward districts of Orissa and Bihar and other districts so that the issue can be examined in detail by the Committee.**

## CHAPTER II

### RECOMMENDATIONS THAT HAVE BEEN ACCEPTED BY THE GOVERNMENT

#### **Recommendation Serial No. 1 (Para No. 2.5)**

The Committee note that the primary objective of inserting direction 73A in the Directions by the Speaker was to make the Government more accountable for implementation of the various recommendations of the Committee. The Committee are concerned to note that even after elapse of around six months when the statement on Twelfth Report has fallen due and about three months when the Ministry was requested for making the revised statement in respect of Fourth Report, the statements are yet to be made by the Hon'ble Minister. The Committee find that the Ministry is taking the desired action to make the statements in the Second part of the Seventh Session. The Committee would like to recommend to the Ministry to ensure that the statements are made at the earliest during the Second part of the Seventh Session. The Committee further strongly recommend to the Ministry to ensure that the statements on each of the reports are made within the specified period *i.e.* six months after the presentation of the Report to Parliament as per direction 73A of the Directions by the Speaker, in future.

#### **Reply of the Government**

The Hon'ble Minister of Panchayati Raj has made statements on the recommendations contained in the Fourth Report and Twelfth Report in both the Houses of Parliament on 18.5.2006. The Ministry of Panchayati Raj shall ensure that the statements of the Hon'ble Minister on each of the reports are made within the specified period, *i.e.* six months after the presentation of the Report to Parliament.

[Ministry of Panchayati Raj O.M. No. G-22011/2/2006-B&F,  
Dated: 18 August, 2006, 9 January, 2007]

#### **Recommendation Serial No. 2. (Para No. 2.9)**

The Committee note that the Ministry of Panchayati Raj was created on 27 May, 2004 to oversee the implementation of various provisions made under Part IX of the Constitution by way of the 73<sup>rd</sup> Constitution (Amendment) Act, 1992. The Committee further note that till 2005-2006 the Ministry of Panchayati Raj was administering only one scheme namely, 'Panchayat Development and Training'. The detailed component wise analysis of this scheme has been dealt with in the next chapter of this Report. The Committee while analysing the overall position of allocation and utilisation under the scheme as indicated above find that during 2004-05, *i.e.* the first year of the newly created Ministry, the Ministry was able to utilise only about 84 per cent of the total allocation even though the initial allocation made at the Budget Estimates stage was reduced to Rs. 10.24 crore at the Revised Estimate stage. The delay in the operationalisation of the account of

the Ministry (which became functional only in November 2004) has been given as the reason for the low rate of utilisation.

### **Reply of the Government**

The recommendation being in nature of an observation, it does not call for any reply.

[Ministry of Panchayati Raj O.M. No. G-22011/2/2006-B&F,  
Dated: 18 August, 2006, 9 January, 2007]

### **Recommendation Serial No. 3 (Para No. 2.10)**

The Committee further note that during the year 2005-2006 the Ministry was allocated Rs. 50.44 crore out of which Rs.50 crore was plan outlay and Rs.44 lakh was non-plan outlay. The Revised Estimates remained unchanged at Rs.50 crore. Out of this the total utilisation was to the tune of Rs 48.71 crore. Thus there has been an overall utilisation of more than 97 percent. Except in the utilisation for the components of Conferences, Seminars, Workshops and for Management Cell (the detailed analysis of which has been done in the succeeding chapter of the Report), the Ministry has managed to utilise more than 95 per cent of outlay.

### **Reply of the Government**

The recommendation being in nature of an observation, it does not call for any reply.

[Ministry of Panchayati Raj O.M. No. G-22011/2/2006-B&F,  
Dated: 18 August, 2006, 9 January, 2007]

### **Recommendation Serial No. 4 (Para No. 2.11)**

The Committee find that huge added responsibilities have been entrusted to the Ministry by way of new schemes. The allocation of the Ministry has substantially been enhanced from Rs.50.44 crore to Rs.3825.73 crore during the year 2006-07. The Committee hope that the initial teething problems involved with the setting up of the new Ministry would have been solved by now. They, therefore, recommend that the Ministry should now gear themselves up, to shoulder the added responsibilities.

### **Reply of the Government**

The recommendations of the Committee have been noted and will be implemented with all sincerity. The Ministry is taking several steps for effective implementation of the new Schemes. The Committee would be kept apprised of the further developments in due course.

The Ministry of Panchayati Raj is making all out efforts to ensure effective implementation of the Plan Schemes. All the Schemes of the Ministry are operative and assistance is being provided to States on their request for different purposes as per the components of the Schemes.

[Ministry of Panchayati Raj O.M. No. G-22011/2/2006-B&F,  
Dated: 18 August, 2006, 9 January, 2007]

### **Recommendation Serial No. 6 (Para No. 2.18)**

The Committee further note that with regard to the electronic transfer of funds to PRIs in respect of Twelfth Finance Commission funds some progress has been made. A data base has been prepared by NIC and the system is being prepared for implementation at the State level onwards to Panchayats. The Committee would like the Ministry to continue the efforts more vigorously and keep the Committee informed about the results achieved in this regard.

### **Reply of the Government**

The directions of the Standing Committee have been noted. The Ministry has been actively pursuing with the State Governments for operationalising the Fund Transfer Software for transfer of 12<sup>th</sup> Finance Commission grants to the Panchayati Raj Institutions through banking channels. The States have been requested to enter the details of bank accounts of all the Panchayats, online, in the Fund Transfer Software which has been uploaded on the National Panchayat Portal. States such as Orissa have already initiated this process. Some States such as Haryana, Goa, Tamil Nadu and Andhra Pradesh have provided details of the bank accounts of Panchayats in which the Twelfth Finance Commission grants are being deposited. These details are being uploaded on the National Panchayat Portal by the Ministry of Panchayati Raj. The Committee would be kept informed of further developments in the matter from time to time.

The Ministry of Panchayati Raj is actively pursuing the transfer of funds from the Consolidated Funds of the State to Panchayats through electronic means and to the use of the Fund Transfer Monitoring Software developed by the NIC wing of the Ministry of Panchayati Raj. This is also being emphasized in all the Joint Statement of Conclusions being signed with the State Governments after the Panchayati Raj tours being undertaken by the Union Minister of Panchayati Raj to different States.

[Ministry of Panchayati Raj O.M. No. G-22011/2/2006-B&F,  
Dated: 18 August, 2006, 9 January, 2007]

### **Recommendation No. 16 (Para No. 2.48)**

The Committee find that inspite of holding as many as 7 Round Table Conferences and adopting as many as 150 action points pertaining to 18 dimensions of Panchayati Raj unanimously at the conclusion of the last Round Table Conference in Jaipur, the way the Ministry has tried to respond to certain issues is far from satisfactory. At many places the Ministry has attributed the reasons for slow progress with regard to devolution of funds, functions and functionaries and activity mapping to the Panchayati Raj being a State



subject. While appreciating the fact that various State Governments have to implement the provisions in pursuance of Article 243G in their respective laws, the Committee wish to emphasise that implementation of Part IX of the Constitution is the responsibility of the Union Government. The Committee therefore recommend for more serious and concerted initiatives by the Ministry to give focused attention to the implementation of the various provisions of Part IX of the Constitution.

### **Reply of the Government**

The Ministry of Panchayati Raj is fully aware of its obligations in the implementation of the Part IX of the Constitution which is the basis of its very existence. However, the directions of the Committee have been noted for further action.

[Ministry of Panchayati Raj O.M. No. G-22011/2/2006-B&F,  
Dated: 18 August, 2006, 9 January, 2007]

### **Recommendation Serial No.17 (Para No. 2.51)**

The Committee note that the 'Bharat Nirman Programme' seeks to build an effective rural infrastructure in which the Ministry of Panchayati Raj is an important partner. The Ministry outlined the role it could play to the National Committee on Rural Infrastructure chaired by the Prime Minister. The Committee note that this body has duly recognized the significance of Panchayats in the implementation of the Bharat Nirman Programme. The Committee on Rural Infrastructure has asked the Ministry of Panchayati Raj to discuss and receive the feedback regarding this aspect from other concerned Ministries. The Ministry accordingly in consultation with the concerned Ministries worked out the details of the institutional structure proposed for involvement of Panchayats in respect of each item in Bharat Nirman Scheme. Specific formulation that emerged from the discussion with the Ministries were discussed in the group of Secretaries chaired by Member Secretary, Planning Commission on 1 March, 2006. The outcome of these deliberations has been placed before the National Committee on Rural Infrastructure for consideration.

### **Reply of the Government**

The recommendation being in nature of an observation, it does not call for any reply.

[Ministry of Panchayati Raj O.M. No. G-22011/2/2006-B&F,  
Dated: 18 August, 2006, 9 January, 2007]

### **Recommendation Serial No.19 (Para No. 2.57)**

The Committee find that the constitution of District Planning Committees is a mandatory provision of Part IX of the Constitution. Even after elapse of more than 14 years of the enactment of Part IX of the Constitution, in as many as 10 States *viz* Andhra Pradesh, Arunachal Pradesh, Gujarat, Jharkhand, Maharashtra, Orissa, Punjab, Tripura, Uttar Pradesh and Uttaranchal, DPCs have not been constituted. Besides in Assam and Manipur, the DPCs have not been constituted for all the districts. Not only that, the Committee are surprised to observe from the information provided by the Ministry that no legal provision

with regard to constitution of DPCs exist in the States of Gujarat, Arunachal Pradesh, Tripura and Orissa. The Committee would like to stress that District Planning Committees are an important mechanism enshrined in Part IX of the Constitution to consolidate the plans prepared by Panchayats and Municipalities. As per strategy worked out for the 11<sup>th</sup> Plan it is proposed to reorient the planning process to ensure that plans are built from the level of each Gram Panchayat upwards in a participative manner. In view of this the Committee fail to understand how the objectives set by the Ministry would be achieved in the absence of constitution of District Planning Committees by many of the State Governments. The Committee, therefore, strongly recommend to the Government to find out ways and means whereby State Governments could be impressed upon to implement the various provisions of Part IX of the Constitution so that the objective of decentralization as envisaged in the Constitution can be achieved.

### **Reply of the Government**

The following steps have been taken by the Ministry of Panchayati Raj since April 2006 to impress upon the State Governments the need to constitute District Planning Committees at the earliest :-

(i) The Ministry of Panchayati Raj had set up an Expert Group on Grass roots Level Planning. The Group submitted its Report on 28.3.2006, which has been accepted by the Ministry of Panchayati Raj. Based on the Terms of Reference of the Expert Group, the Planning Commission issued a circular to the Planning Secretaries of the State Governments in October 2005 in which the State Governments were advised to constitute District Planning Committees before their Annual Plan proposals could be considered. The Ministry of Panchayati Raj held a Workshop in collaboration with the National Institute of Public Finance & Policy (NIPFP) on 8-9 May, 06 to operationalise the recommendations of the Report. The representatives of the Planning Commission and the State Governments were invited to this Workshop. The joint conclusions of the Workshop included the provision of constitution of DPCs in States where District Planning Committees (DPCs) are not constituted, in accordance with the provisions of Article 243 ZD of the Constitution, by 15 June 2006. States that did not have legal provisions in place for the constitution of DPCs were requested to constitute these immediately through executive orders, pending the enactment of statutory provisions in this regard.

(ii) It was decided during the meeting of the Empowered Sub-Committee of National Development Council held on 12.6.2006 that the States should constitute District Planning Committees immediately by 15<sup>th</sup> July, 2006, or as soon as possible, in accordance with the provisions of Article 243 ZD of the Constitution. Wherever States do not have appropriate legal backing in place for the constitution of DPCs, they may be constituted immediately through executive orders, pending the enactment of statutory provisions in this regard;

(iii) During the meeting of the Council of the State Ministers in charge of Panchayati Raj held in Bhubaneshwar on 14-15 June, 2006, the State Governments have again been exhorted to set up DPCs and to issue guidelines for the Operationalisation of DPCs.

(iv) The above decisions have been disseminated to the States. Letters have also been sent by Minister of Panchayati Raj on 19 April, 2006, and by the Deputy Chairman, Planning Commission, to the Chief Ministers of States on 24 May 06 to persuade the States

to constitute DPCs and issue guidelines for preparation of plans by Panchayats and their consolidation through DPCs according to the Constitutional mandate.

[Ministry of Panchayati Raj O.M. No. G-22011/2/2006-B&F,  
Dated: 18 August, 2006, 9 January, 2007]

### **Recommendation Serial No. 20 (Para No. 2.64)**

The Committee notes that Rs. 20,000 crore payable during 2005-2010 has been recommended by the 12<sup>th</sup> Finance Commission to supplement the resources of the Panchayati Raj Institutions. Whereas one year has already passed since the grants were due, the Ministry is encountering obstacles in the way of release of funds as the States are delaying details of allocation of these funds at all three levels as aggregated up to district level as required in the guidelines. A Monitoring Committee has been set up to supervise the monitoring of the releases of local body grants to Panchayats. The said Committee is holding meetings. Besides the Ministry has also taken up the matter individually with all Chief Secretaries of States requesting them to forward the requisite information to the Ministry of Finance so as to ensure that funds are released to the local bodies.

The Committee would like the Ministry to further pursue with the State Governments so that the grants envisaged by the 12<sup>th</sup> Finance Commission could be released to supplement the resources of Panchayati Raj Institutions. The Committee further note that the first and second installments of Twelfth Finance Commission outlay was released to the State Governments. The Ministry has also stated that the details of utilisation of funds is not available as of now. The Committee would like the Ministry to get the information from the State Governments and furnish to the Committee. Further, the Committee would also like to be apprised of the name of State Governments which are delaying the information with regard to the allocation of these funds at all three level as aggregated up to the district level due to which the release of funds is being delayed by the State Governments.

### **Reply of the Government**

The latest position about the release of the 12<sup>th</sup> Finance Commission grants to State Governments for supplementing the resources of Panchayati Raj Institutions is given at *Appendix-II*. It would be observed that most of the States have drawn both the installments of the first year i.e. 2005-06 and Himachal Pradesh has also drawn the first installment for the year 2006-07. The States which are yet to draw the second installment and the reasons for the same are listed at Annex-III.

Information about the utilization of the grants would be submitted before the Committee after obtaining the same from States.

The latest position about the release of the Twelfth Finance Commission grants to State Governments for supplementing the resources of Panchayati Raj Institutions is give at *Appendix-II*. It would be observed that most of the States have drawn both the installments of the first year i.e. 2005-06 and several States have secured the first installment for the year 2006-07 which became due in July, 2006. Only a few States are yet to secure the second installment for 2005-06. The Ministry has taken up the matter

with the States concerned for providing the requisite details to the Ministry of Finance at the earliest. In the case of Assam and Manipur, this matter was also raised with the State Governments during the recent visit of the Minister of Panchayati Raj to the States. It was also included in the Joint Statement of Conclusions signed with the Chief Minister after the visits. The details of States which are yet to draw the second installment along with reasons for the same are listed at *Appendix II*.

Information about the utilization of the grants would be submitted before the committee after obtaining the same from States.

[Ministry of Panchayati Raj O.M. No. G-22011/2/2006-B&F,  
Dated: 18 August, 2006, 9 January, 2007]

### **Recommendation Serial No. 21 (Para No.3.3)**

The Committee find that out of allocation of Rs. 19.40 crore for the scheme 'Panchayat Development and Training' during the year 2005-2006 Rs. 19.36 crore has already been utilised. This training involves the components of various schemes of the different Ministries. Besides NIRD and SIRD have been identified as the main institutions for imparting training. For these institutions also the Department of Rural Development has certain specific allocations. Besides this, certain State Governments may also have some training schemes. If the allocation of all these schemes of different Ministries and State Governments are added together, the allocation for training may be immense. In view of this scenario, the Committee feel that the resource constraint for training is not the major area of concern. Rather there is an urgent need for having some coordinated approach with regard to providing training to Panchayati Raj Institutions. While noting that training is the basic input for the successful implementation of different Centrally Sponsored Schemes, the Committee strongly recommend to the Ministry to find out ways and means how the funds allocated for training under various schemes of the different Ministries can be coordinated and apprise the Committee accordingly alongwith the mechanism for training to PRIs.

### **Reply of the Government**

The directions of the Committee have been noted. The National Capability Building Framework for Panchayati Raj Elected Representatives and Functionaries has been so designed whereby Training Programme Management shall be decentralized and adapted for local needs. Against the background illustrated by the Committee, it is now necessary for the Central Government to ensure that instead of assigning separate funds for training to the Ministry, it would immediately irrevocably promote the agenda on capability building if 1 per cent of public expenditures on all Centrally Sponsored Schemes are placed in a non-lapsable consolidated corpus, and assigned exclusively for implementation of the National Capability Framework. This will facilitate smooth and continuous training of PRI elected representatives and Functionaries at all levels. It would also enable the Central Government to issue consolidated sanction in toto for any State specific project for implementing the Framework.

[Ministry of Panchayati Raj O.M. No. G-22011/2/2006-B&F,  
Dated: 18 August, 2006, 9 January, 2007]

**Recommendation Serial No. 23 (Para No.3.9)**

The Committee is glad to note that the entire outlay of Rs. 9.20 crore for the scheme of giving awards to best Panchayats was utilized. They also find that the States of Kerala, Karnataka and Sikkim have been awarded the First, Second and Third prizes respectively during the year 2005-2006. This is in recognition of their having achieved the parameters set for this award satisfactorily. The Committee recommend that greater publicity be given to this scheme so that Panchayats at all levels are encouraged to strive for these awards.

**Reply of the Government**

This Scheme has been subsumed in the Panchayat Empowerment and Incentive Scheme in the current year.

[Ministry of Panchayati Raj O.M. No. G-22011/2/2006-B&F,  
Dated: 18 August, 2006, 9 January, 2007]

**Recommendation Serial No. 24 (Para No.3.13)**

The Committee notes that under 'Panchayat Development and Research' out of an allocation of Rs.2 crore for 2005-06, the Ministry has showed a utilization of Rs. 1.91 crore. During the said period the Training and Research Advisory Committee of the Ministry is stated to have considered 54 proposals out of which 23 were approved. All the approved projects are at various stages of implementation. On receipt of the reports, the Ministry would undertake impact assessment studies. The Committee would like to be apprised about the follow up of these projects and also the outcome of the impact assessment study in due course. The Committee further find that the Ministry has identified certain thrust areas to prioritize studies. The Committee recommends that studies on the prioritized areas should be taken up at the earliest.

**Reply of the Government**

The concerns of the Committee have been noted. The directions of the Committee would be implemented in commissioning of studies under the Scheme which is a component of the Rashtriya Gram Swaraj Yojana during the current year.

[Ministry of Panchayati Raj O.M. No. G-22011/2/2006-B&F,  
Dated: 18 August, 2006, 9 January, 2007]

**Recommendation Serial No. 28 (Para No.3.23)**

The Committee notes that out of the allocation of Rs 5 crore under 'Projects Assisted by UN Agencies', the Ministry has managed to utilize Rs 4.7 crore during 2005-2006. The Committee further notes that the Ministry in collaboration with the UNDP is undertaking several projects with a view to improving the Panchayati Raj system. UNDP

has also funded a study on jurisprudence of Panchayati Raj Institutions which is being implemented by Rural Litigation and Entitlement Kendra (RLEK) and the Institute of Social Studies (ISS) New Delhi. The Report of the study has been reviewed by the Ministry and the task force on Jurisprudence is examining the report. The Committee would like to be apprised of the main findings of the said study and the views of the task force therein. Further the Ministry with the assistance of UNFPA (United Nations Population Fund) is also assisting one study on gender sensitization and reproductive health etc. The Committee would also like to be apprised of the findings of the said study.

### **Reply of the Government**

The studies entrusted to RLEK and ISS and funded by the UNDP submitted their reports containing discussions on the following:-

- (i) Empowerment of Gram Sabha
- (ii) Clear demarcation of functions
- (iii) Setting up of Vigilance Committee to supervise the works, schemes and other activities of the PRIs.

The reports reviewed the situations wherein the State Panchayati Raj Acts/ Laws and also the Central Acts had been required to be brought in harmony with the 73<sup>rd</sup> Amendment Act of the Constitution and PESA Act 1996. The Chairperson of Task Force had forwarded the reports to the State Government for necessary action.

[Ministry of Panchayati Raj O.M. No. G-22011/2/2006-B&F,  
Dated: 18 August, 2006, 9 January, 2007]

### **Recommendation Serial No.30 (Para No.3.31)**

Further with regard to the transfer of scheme from Planning Commission to Ministry of Panchayati Raj the bigger concern is to monitor the funds allocated under the earlier scheme *i.e.* RSVY. It has been stated that Rs. 45 crore was to be released to each district under RSVY. Out of Rs. 45 crore, Rs. 15 crore has already been released and now under the new scheme *i.e.* Backward Regions Grant Fund the allocation will be made for five years. Besides the Committee also note that the Ministry of Panchayati Raj is formulating new mechanism and guidelines in the scheme Backward Regions Grant Fund. In this scenario, the Committee strongly recommend to the Department to find out some mechanism to coordinate the newly named scheme *i.e.* Backward Regions Grant Fund with the allocations made under the earlier scheme *i.e.* RSVY so that the real objective of bringing the backward districts at par with the progressive districts by providing social and economic infrastructure is really achieved.

### **Reply of the Government**

It is proposed that the districts covered under RSVY would continue to be funded under the BRGF until each district receives the full amount of Rs. 45 crore as per RSVY norms and guidelines. Further, it is also proposed to subsume these districts in the BRGF for funding after the RSVY amounts are released in full.

[Ministry of Panchayati Raj O.M. No. G-22011/2/2006-B&F,  
Dated: 18 August, 2006, 9 January, 2007]

**Recommendation Serial No. 31 (Para No.3.36)**

The Committee find that four schemes (i) Training and Capacity building (ii) Research Studies (iii) Information Technology and (iv) Infrastructure Development implemented by the Ministry have been brought under one scheme i.e. Rashtriya Gram Swaraj Yojana. The allocation during the year 2006-07 for this scheme is Rs.50.50 crore. The Committee appreciate the objectives of the scheme according to which the real issues involved with the capacity building of Panchayats i.e. improving the infrastructure, augmenting technical staff and competence, training, e-governance would be handled by one scheme. Besides a format is being circulated to the States for collecting the basic data of the existing capacity of each Panchayat. The Committee would like to be informed of the progress made in the implementation of this scheme.

**Reply of the Government**

The Ministry is in the process of obtaining the approval of Planning Commission/Expenditure Finance Committee for the New Scheme. The Committee would be kept informed of the progress made in the implementation of the scheme.

Approval of the Planning Commission and the Expenditure Finance Committee having been obtained, the Ministry is in the process of implementing the Scheme. We have received proposals from various States for funding under various components of the Scheme and these are being processed. So far, Rs. 0.89 crore has been released.

[Ministry of Panchayati Raj O.M. No. G-22011/2/2006-B&F,  
Dated: 18 August, 2006, 9 January, 2007]

**Recommendation Serial No.32 (Para No.3.42)**

The Committee notes that the Ministry has launched a new scheme *viz.* Panchayat Empowerment Incentives Scheme meant to reward the State Governments which are serious on the issue of implementation of various provisions of Part IX of the Constitution. Seven reform areas based on which the incentives will be provided to State Governments have been identified. The Committee is glad to observe that as many as 8 States namely Chattisgarh, Haryana, Karnataka, Kerala, Orissa, Sikkim, Uttar Pradesh and West Bengal have come forward by putting proposals to the Ministry of Panchayati Raj. The Committee hopes that the initiatives taken by the Department would motivate State Governments to really empower the Panchayati Raj Institutions.

**Reply of the Government**

An incentive scheme would need to devolve large funds to motivate the State Governments to empower the Panchayati Raj Institutions. A budget allocation of Rs. 10 crores has been made for the Financial Year 2006-07. The Ministry has initiated a proposal

for allocation of Rs. 5,000 crores per annum under the scheme during the 11<sup>th</sup> Five Year Plan for in-principle approval of the Planning Commission.

[Ministry of Panchayati Raj O.M. No. G-22011/2/2006-B&F,  
Dated: 18 August, 2006, 9 January, 2007]

**Recommendation Serial No. 34 (Para No.3.50)**

The Committee have been informed that the Ministry is making efforts to ensure the success of Rural Business Hubs with Public Private Panchayat Partnership. This initiative will on the one hand enable better market access for locally available resources and skills and on the other hand it will involve Panchayats at all levels as facilitators, which would enhance their scope as well as bring about definite economic gains. The Committee hope that such efforts are continued further. The Committee would also like to be kept apprised of the progress regarding the new initiatives undertaken.

**Reply of the Government**

The Ministry shall continue its efforts for ensuring success of Rural Business Hubs with Public Private Panchayat Partnership. The progress regarding the new initiatives of the Ministry is as following:

- (i) The Ministry in association with the Confederation of Indian Industries(CII) has received Expression of Interest from 72 industrial houses, Financial Institutions and other organizations for setting up Rural Business Hubs(RBH). The State specific Expressions of Interest have been forwarded to the concerned State Governments for ensuring interactions between concerned PRIs and these organizations.
- (ii) The Ministry is also taking up with the other Central Ministries, like Agriculture, Food Processing Industries, Commerce and Industry, Textiles, Agro and Rural Industries for ensuring convergence of the existing Central Government Schemes for socio economic development with the Rural Business Hubs initiative.
- (ii) At the instance of the Ministry, 12 States have already constituted State RBH Councils. The Ministry has also taken up with the State Governments for identification of products/ skills for taking forward the RBH initiative at the State level.
- (iv) So far 39 MOUs have been signed between Private Companies, Panchayats and rural artisans / producers / processors etc. These MOUs pertain to different streams of activities e.g. distribution of power by Panchayats, plantation of Jatropha, fruit processing, seed production, organic food, dairy, brick making, electricity generation through bio-mass, handicrafts and handloom. These MOUs are at different stages of implementation.

[Ministry of Panchayati Raj O.M. No. G-22011/2/2006-B&F,  
Dated: 18 August, 2006, 9 January, 2007]



### **Recommendation Serial No. 35 (Para No.3.54)**

The Committee note that the Jan Kerosene Pariyojana is a novel initiative launched with the joint efforts of the Ministry of Panchayati Raj and Ministry of Petroleum and Natural Gas with a view to minimise adulteration of subsidised kerosene and preventing diversion of PDS supply of kerosene to black market. The Ministry of Food and Civil Supplies is entrusted with the framing of guidelines. The pilot project of this initiative has been launched in about 458 blocks across the country. Further, awareness campaigns are being organised in various media in the local language to create greater impact. The Committee appreciates the efforts of the Government to secure a central role for Panchayats in such developmental initiatives. The Committee would like to be informed of the progress in respect to this project and whether the Government intends to cover the entire country by this scheme.

### **Reply of the Government**

With a view to minimize rampant leakage and maldistribution of subsidized kerosene oil, Ministry of Panchayati Raj in association with Ministry of Petroleum and Natural Gas has launched a pilot scheme of Jan Kerosene Pariyojana since October 2nd 2005 in four hundred and twelve development blocks spreading across almost all the States and Union territories.

The Scheme envisaged involvement of Panchayati Raj Institution (PRIs) through constitution of Vigilance Committees at each of the three tiers of PRIs, namely the District Panchayat (Zilla Parishad), Intermediate Panchayat (Panchayat Samiti) and Village Panchayat (Gram Panchayat) which would monitor the distribution system of kerosene and alert the state authorities, oil marketing companies and the Central Ministry of Petroleum and Natural Gas about black marketing and diversion of the subsidized kerosene oil. The deep and active involvement of Gram Sabha in monitoring entitlements and availability of PDS kerosene in ration shops was the foundation of the initiative and the starting point of the grievances redressal mechanism. A campaign of mass awareness about the Pilot Scheme and role of Vigilance Committees in its implementation has also been launched. The mass awareness programme comprises;

- i. Advertisement in News Papers,
- ii. Radio Jingles,
- iii. T.V Spots/Commercials,
- iv. Commercial Movie/Serials,
- v. Mass Campaign including street play, plays, shows etc. to be organized by Zonal Cultural Centers, and
- vi. Promotion and distribution of Posters and Pamphlets.

State government authorities were also being sensitized through regular communications and interactions for facilitating the implementation of the scheme. Regular review of the scheme was being adopted at different levels. As a result of the initiatives of this Ministry and Ministry of Petroleum and Natural Gas, Vigilance Committees had either been formed or were in the process of being constituted in different States/Union

territories. Initially the scheme was upto 30<sup>th</sup> March, 2006 and it was further extended to 30<sup>th</sup> June, 2006.

Further review of the programme relating to its continuation and further extension beyond 30<sup>th</sup> June, 2006 and to extend the programme in other parts of the country is to be undertaken by the Ministry of Petroleum and Natural Gas. A communication in this regard is awaited from the Ministry of Petroleum and Natural Gas.

The Ministry of Petroleum and Natural Gas has since extended the Programme for a further period upto 30/6/2007.

[Ministry of Panchayati Raj O.M. No. G-22011/2/2006-B&F,  
Dated: 18 August, 2006, 9 January, 2007]

**CHAPTER III****RECOMMENDATION WHICH THE COMMITTEE DO NOT  
DESIRE TO PURSUE IN VIEW OF THE GOVERNMENT'S REPLIES****Recommendation Serial No. 22 (Para No.3.4)**

As indicated in a preceding para of the report, the data with regard to elected representatives of three-tiers of Panchayats when added together comes to 21,95,610. However, in the Annual Report (2005-2006) of the Ministry, the said data has been indicated as 31 lakh elected representatives. The Ministry may clarify the position with regard to the number of elected representatives of Panchayati Raj Institutions and inform the Committee.

**Reply of the Government**

The concerns of the Committee have been noted. The Ministry would like to clarify that as per their Annual Report for the year 2005-06 at page 8 - Table 2- Leadership Positions in Panchayats, the number of elected representatives has been shown as 20,73,715. However, it has been correctly observed by the Committee at page 18 of the Annual Report, Para. 4.3 – Progress, the Ministry have indicated “the number of elected representatives is approximately 31 lakhs in the country”. The figure 31 lakhs is regrettably an unforced error and may kindly be read as 21 lakhs.

[Ministry of Panchayati Raj O.M. No. G-22011/2/2006-B&F,  
Dated: 18 August, 2006, 9 January, 2007]

**CHAPTER IV****RECOMMENDATIONS IN RESPECT OF WHICH REPLIES  
OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED  
BY THE COMMITTEE****Recommendation Serial No. 5 (Para No.2.17)**

The Committee note that the National Common Minimum Programme (NCMP) of the UPA Government has given a prominent place to Panchayats and stressed on the need for devolution of funds, functions and functionaries to Panchayati Raj Institutions in the true spirit of article 243 G of the Constitution. The NCMP has stressed on Activity mapping spelling out clearly the functional domain of the three tiers of the Panchayats viz. Gram Panchayat, Intermediate Panchayat and District Panchayat. Besides, it has also stressed that the transfer of functions should be matched by transfer of funds and functionaries. In this regard the initiative was taken by the Ministry of Panchayati Raj for creation of the data base of Panchayat Bank accounts so that the funds under Centrally Sponsored Scheme can be electronically transferred to Bank accounts of all 2,40,000 Panchayati Raj Institutions. To examine the feasibility in this regard a Committee was set up under the Chairmanship of Additional Secretary of the Ministry, which found that said electronic transfer of outlay was possible.

As a further initiative some of the schemes particularly the wage employment and drinking water and sanitation schemes of the Ministry of Rural Development were initially selected. The initiative taken by the Ministry was not successful as the concerned Ministries have certain reservations and want to continue with the existing system of transfer of funds. Though the Ministry of Finance is agreeable in principle and has stressed that administrative arrangement and flow of funds should be in consonance, it has also shifted the onus of getting the various Ministries agree to the proposed way of transfer of funds on the Ministry of Panchayati Raj.

The Committee appreciate the initiatives taken by the Ministry to get the funds under different Central and Centrally Sponsored Schemes transferred electronically to the Bank accounts of Panchayats. However, the Committee feels that the said transfer of funds to Panchayats is feasible only in case of the schemes which are currently being implemented by the Panchayats. The Committee agrees with the views expressed by the Ministry of Finance that administrative arrangements and flow of funds should be in consonance. Besides, another major area of concern is the need to empower the Panchayats for enabling them to shoulder the responsibilities of handling schemes for which huge outlays are being provided by the Central Government. In view of this, the Committee feels that the transfer of implementation of various schemes should be done in phases. First of all the Ministry should ensure that the funds for the scheme, for which the PRIs are directly responsible for identification, execution and implementation, are transferred electronically to Bank accounts. Moreover the Ministry of Panchayati Raj has to work in tandem with the concerned Ministries. Thus the challenge is great to make the Ministries agreeable for which the Ministry has to work in mission mode.

The Committee further appreciates the initiatives of the Ministry to empower Gram Sabhas. While reviewing the Centrally Sponsored Schemes, it is being insisted that the Gram Sabhas should have a major role to play in selection of beneficiaries, works monitoring of programmes and approving the utilisation certificate etc. Besides, during the visits to States by the Minister of Panchayati Raj also the role of Gram Sabhas is being emphasised. The Committee would like the Ministry to continue the said initiatives and keep the Committee informed about the further progress made with regard to implementation of Centrally Sponsored Scheme in this regard.

### **Reply of the Government**

The directions of the Standing Committee have been noted. The Ministry has been actively pursuing with the State Governments for operationalising the Fund Transfer Software for transfer of 12<sup>th</sup> Finance Commission grants to the Panchayati Raj Institutions through banking channels. The States have been requested to enter the details of bank accounts of all the Panchayats, online, in the Fund Transfer Software which has been uploaded on the National Panchayat Portal. States such as Orissa have already initiated this process. Some States such as Haryana, Goa, Tamil Nadu and Andhra Pradesh have provided details of the bank accounts of Panchayats in which the Twelfth Finance Commission grants are being deposited. These details are being uploaded on the National Panchayat Portal by the Ministry of Panchayati Raj. The Committee would be kept informed of further developments in the matter from time to time.

The Ministry is continuing its initiatives to bring about significant changes in the guidelines of Centrally Sponsored Schemes in line with the provisions of Article 243G of the Constitution. The latest position about the progress made in this regard has been given in the State of the Panchayats Report which has recently been published by the Ministry of Panchayati Raj and copies of the same have also been laid in the Parliament. Sufficient number of copies of the Report are also being enclosed with the Action taken Report.

[Ministry of Panchayati Raj O.M. No. G-22011/2/2006-B&F,  
Dated: 18 August, 2006, 9 January, 2007]

### **Comments of the Committee**

(Please see Paragraph No. 7 of Chapter I of the Report)

#### **Recommendation Serial No. 7 (Para No.2.25)**

The Committee find from the data made available by the Ministry that at present there are 21,95,610 elected representatives spread over three tiers of Panchayats. The training of large number of representatives of Panchayati Raj Institutions alongwith a large number of Panchayati Raj functionaries is an immense challenge before the Ministry of Panchayati Raj. The review of the scheme related to Panchayati Raj training of the Ministry of Panchayati Raj in the context of Demands for Grants (2006-2007) has been done in the succeeding chapter of the report. As regards the overall scenario, the Committee find that a lot still needs to be done in this regard.

### **Reply of the Government**

The recommendation being in nature of an observation, it does not call for any reply.

[Ministry of Panchayati Raj O.M. No. G-22011/2/2006-B&F,  
Dated: 18 August, 2006, 9 January, 2007]

### **Comments of the Committee**

(Please see Paragraph No. 10 of Chapter I of the Report)

#### **Recommendation Serial No. 8 (Para No.2.26)**

The Committee further observe that election of PRIs is a Constitutional process and every year a number of newly elected representatives may add to the persons requiring training making the task rather more difficult. In view of this scenario, there is an urgent need to have a regular system of training. In this direction certain initiatives are being taken by the Ministry. The Committee would recommend for early finalisation of the strategy for imparting training to such a large numbers of PRIs. The Committee may be kept apprised of the status of finalisation of the issue as stated above in due course.

### **Reply of the Government**

The directions of the Committee have been noted. The National Institute of Rural Development has prepared a National Capability Building Framework for Panchayati Raj Elected Representatives and Functionaries. This has been considered by the Ministry which has further refined its contents and has come out with a modified version of the National Capability Building Framework. It is proposed to utilize the existing State Institutes of Rural Development and network of Voluntary Organization to have a comprehensive programme for training including dimensions like Satellite based training.

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Dated: 18 August, 2006, 9 January, 2007]

### **Comments of the Committee**

(Please see Paragraph No. 10 of Chapter I of the Report)

#### **Recommendation Serial No. 9 (Para No.2.27)**

The Committee further find that at present the period of training imparted to PRIs is between 2-5 days. The Committee appreciate the fact that different days of training may be required for different levels of PRIs. For example, for a newly elected representative, there is need of exhaustive training, but for an old representative who has the experience of holding such office, the training period may be for fewer days. Still the Committee are of the firm opinion that two to five days are insufficient to impart training which includes a lot of issues like transparency, accountability, PESA, Right to Information Act and the

knowledge of the important Centrally Sponsored Schemes/Programmes. Even the Secretary, Panchayati Raj has also agreed that the said period of training is not adequate. The Committee therefore recommend that while deciding the module for training, it should be ensured that sufficient time period is allocated for a particular level of Panchayati Raj representative/functionary. While deciding the strategy for training, the Ministry may take into consideration the concerns of the Committee in this regard.

### **Reply of the Government**

The concerns of the Committee have been noted. The Ministry has already proposed a National Capability Building Framework for Panchayati Raj Elected Representatives and Functionaries. In this design differentiated structures have been proposed for different Panchayats Representatives – the first – time representatives, the elected women representatives, the illiterate representatives and so on. These are Facilitation Course, Basic Foundational course, Functional Literacy Course, Centrally Focused Training Programme, Computer Training etc.

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### **Comments of the Committee**

(Please see Paragraph No. 10 of Chapter I of the Report)

### **Recommendation Serial No. 11 (Para No.2.29)**

As regards, the issue of trainers, the Committee feel that NIRD and SIRD may not be equipped sufficiently to meet the need for a large number of trainers. The Ministry has informed that they have a system of training of tutors which can address the problem of paucity of trained tutors. The Committee would like to be informed about the details of the system indicating how the trainers are being tutored. Besides the data as to how many trainers could be tutored and the field to which these trained tutors belong may be furnished to the Committee to enable them to analyse the system.

### **Reply of the Government**

The concerns of the Committee have been noted. A good deal of training capability has already been created in States like Karnataka, Kerala etc.. This expertise and experience is sought to be disseminated to the rest of the country. As part of the initiatives for training of PRIs, cascade training is being mooted at creating pools of resource persons at each level from the National to the Block level who would be a lasting investment in the training chain. Care will be taken to specially identify people with the right mindset, commitment and drive as Resource persons. These could be drawn from Panchayat Members themselves (or ex-members), NGOs or could be Government Servants, both serving or retired. These trained tutors would need not only to have experience in Panchayati Raj System as a desirable qualification, but also more importantly they should have the ability to sympathetically communicate, possess multi tasking skills and commitment to the tasks.

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Dated: 18 August, 2006, 9 January, 2007]

### **Comments of the Committee**

(Please see Paragraph No. 13 of Chapter I of the Report)

#### **Recommendation Serial No. 13 (Para No.2.45)**

The Committee find that the overall aim of Part IX is to endow the Panchayats with such powers and responsibilities as may be necessary to enable them to function successfully as institutions of self-government, as per Article 243G of the Constitution. State Legislatures have been empowered to endow Panchayats by law with such powers and authority as may be necessary to enable them to prepare plans for economic development and social justice and implement schemes for economic development and social justice, including those in relation to the matters contained in the Eleventh Schedule.

### **Reply of the Government**

The recommendation being in nature of an observation, it does not call for any reply.

[Ministry of Panchayati Raj O.M. No. G-22011/2/2006-B&F,  
Dated: 18 August, 2006, 9 January, 2007]

### **Comments of the Committee**

(Please see Paragraph No. 16 of Chapter I of the Report)

#### **Recommendation Serial No. 14 (Para No.2.46)**

The Committee in their reports have repeatedly been expressing concern about the slow progress of devolution of funds, functions and functionaries to Panchayati Raj Institutions. Besides, the Committee feels that endowing Panchayats with certain functions is fruitful only if the Panchayats are equipped with trained functionaries and adequate finances are also made available to them. Thus devolution of functions has to be matched by devolution of funds and functionaries. The Committee in their 37<sup>th</sup> Report have reviewed the position in detail in this regard and found that only one State viz. Karnataka has transferred funds, functions and functionaries for all the 29 subjects enlisted in the Eleventh Schedule. Other States like Kerala and West Bengal are doing well. To have an exact idea of the work done with regard to devolution of funds, functions and functionaries, the Ministry should furnish to the Committee the latest status in this regard. The Committee further appreciate the work done by the Ministry to ensure the devolution in the true spirit of Article 243G of the Constitution, whereby a lot of work by way of high level interaction with the State Governments has been done by the Ministry. In spite of this, there is not



considerable improvement in the number of subjects devolved by the various State Governments as could be seen from the comparison of Appendices I & II( which indicate the status of devolution as on 15.03.2006 and 29.06.2005). There is improvement in the number of subjects devolved in the States of Gujarat and Maharashtra. But the devolution by some of the States such as Haryana where the number of functions has decreased from 16 to 10 and Madhya Pradesh where the number of subjects decreased from 25 to 23 is a major area of concern. The Committee find that one of the resolutions adopted in the Round Table Conference was that devolution could be routed through legislative measures or alternatively by providing a strong legislative framework for devolution through executive orders. The Committee feels that there is an urgent need to ensure that the various resolutions adopted in different Round Table Conferences where the State Governments are also represented are strictly implemented. The Ministry should motivate the State Governments as well as take some strict actions in this regard.

### **Reply of the Government**

The directions of the Committee have been noted for further action. The Ministry of Panchayati Raj is continually interacting with the State Governments and impressing upon them to devolve functions, funds and functionaries to the Panchayati Raj Institutions as also implement the relevant recommendations of the Round Tables. The matter was also reviewed in the Sixth Meeting of the Committee of Chief Secretaries and Secretaries (Panchayati Raj) of States/UTs and the Second meeting of the Council of Ministers of Panchayati Raj held at Bhubaneswar from 13<sup>th</sup> to 16<sup>th</sup> June, 2006. A copy of the Bhubaneswar Declaration which was issued after the meeting of Council of Ministers is enclosed as *Appendix-I*.

The directions of the Committee have been noted for further action. The Ministry of Panchayati Raj is continually interacting with the State Governments and impressing upon them to devolve functions, funds and functionaries to the Panchayati Raj Institutions as also to implement the relevant recommendations of the Round Tables. The matter was also reviewed in the seventh meeting of the Committee of Chief Secretaries and Secretaries (Panchayati Raj) of States/UTs. This matter is also being pursued by the Empowered Sub Committee of the National Development Council on Financial and Administrative Strengthening of Panchayati Raj Institutions. In its meetings held on 12<sup>th</sup> June, 2006 and 13<sup>th</sup> September, 2006, the Sub Committee reviewed the matter and the position regarding implementation of its decisions. The next meeting of the Sub Committee is scheduled for 4.1.2007.

As a part of interactions with the State Governments, the Minister of Panchayati Raj has been undertaking tour to different States and Union territories for interacting with the representatives of Panchayati Raj Institutions and to impress upon the State Governments to undertake measures for strengthening of PRIs in a time bound manner. So far, he has undertaken tours to 18 States and 2 Union Territories. Each visit is concluded with a Statement of Conclusions jointly signed with the Chief Minister of the State concerned, highlighting the key points of action on which the State would move to operationalise the recommendations of the Round Tables. All these efforts are bearing fruit and definite progress is being made by the States who were earlier lagging behind. After the Minister's visits, States like Punjab, Sikkim, Haryana, Uttaranchal etc. have prepared detailed activity maps which are in the process of being notified after approval of the Cabinet. Assam and

Manipur have agreed to revisit their activity mapping done earlier and are taking necessary steps in this regard.

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### **Comments of the Committee**

(Please see Paragraph No. 16 of Chapter I of the Report)

#### **Recommendation Serial No. 15 (Para No.2.47)**

The erstwhile Committee on Urban and Rural Development in their 37th Report (13th Lok Sabha) had noted that a Task Force was constituted by the Ministry to prepare an activity mapping with regard to responsibilities to be devolved to the three-tiers of Panchayats. The Committee had noted that State Governments/Union territories administrations had been advised to complete devolution of powers upon Panchayats by 31 March, 2002. Further it has been mentioned by the Ministry that a deadline for States to complete the activity mapping was set for 31 March, 2005 and later extended to 30 June, 2005. The current status of activity mapping indicates that only four States i.e. the States of Kerala, Karnataka, West Bengal and Manipur have managed to satisfactorily complete the task of activity mapping. Though the States of Gujarat, Haryana and Chhattisgarh have achieved some progress in respect to activity mapping, yet a large number of States are lagging behind. While expressing their concern at the slow pace of activity mapping, the Committee urge the Government to impress upon the State Governments the need to complete this important task with a sense of urgency.

### **Reply of the Government**

The concerns of the Committee have been noted. The Ministry of Panchayati Raj is continually interacting with the State Governments and impressing upon them to complete the Activity Mapping exercise at the earliest. This was also reviewed in the Sixth Meeting of the Committee of Chief Secretaries and Secretaries(Panchayati Raj) of States/UTs and the Second meeting of the Council of Ministers of Panchayati Raj held at Bhubaneswar from 13<sup>th</sup> to 16<sup>th</sup> June, 2006.

The directions of the Committee have been noted for further action. The Ministry of Panchayati Raj is continually interacting with the State Governments and impressing upon them to devolve functions, funds and functionaries to the Panchayati Raj Institutions as also to implement the relevant recommendations of the Round Tables. The matter was also reviewed in the seventh meeting of the Committee of Chief Secretaries and Secretaries (Panchayati Raj) of States/UTs. This matter is also being pursued by the Empowered Sub Committee of the National Development Council on Financial and Administrative Strengthening of Panchayati Raj Institutions. In its meetings held on 12<sup>th</sup> June, 2006 and 13<sup>th</sup> September, 2006, the Sub Committee reviewed the matter and the position regarding implementation of its decisions. The next meeting of the Sub Committee is scheduled for 4.1.2007.

As a part of interactions with the State Governments, the Minister of Panchayati Raj has been undertaking tour to different States and Union territories for interacting with the representatives of Panchayati Raj Institutions and to impress upon the State Governments to undertake measures for strengthening of PRIs in a time bound manner. So far, he has undertaken tours to 17 States and 2 Union territories. Each visit is concluded with a Statement of Conclusions jointly signed with the Chief Minister of the State concerned, highlighting the key points of action on which the State would move to operationalise the recommendations of the Round Tables. All these efforts are bearing fruit and definite progress is being made by the States who were earlier lagging behind. After the Minister's visits, States like Punjab, Sikkim, Haryana, Uttaranchal etc. have prepared detailed activity maps which are in the process of being notified after approval of the Cabinet. Assam and Manipur have agreed to revisit their activity mapping done earlier and are taking necessary steps in this regard.

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### **Comments of the Committee**

(Please see Paragraph No. 16 of Chapter I of the Report)

### **Recommendation Serial No. 25 (Para No.3.17)**

The Committee note that out of the allocation of Rs.2 crore under the component of Conferences/Seminars/Workshops, Rs.1.3 crore *i.e.* 67 per cent of the allocation was utilized during 2005-2006. The Committee also notes that this amount was utilized in high level meetings and Conferences (represented by State Ministers of Panchayati Raj, Chief Secretaries of States and State Panchayati Raj Secretaries). Though Panchayats exist at the grass roots level no interaction of the higher officials with the Panchayats appear to have taken place. Besides no workshop where the grass roots level Panchayati Raj functionaries could represent were undertaken during this period. Since all actions of the Government are eventually implemented and aimed at the micro level, interaction between officials and grass roots level functionaries should be more vigorous. The Committee therefore recommends that the Ministry should evolve a mechanism whereby they can have direct inter-action with people at micro level at regular intervals of time.

### **Reply of the Government**

With a view to interact with elected representatives including elected women representatives the Ministry has organized Panchayat Mahila Shakti Abhiyans at Udaipur and Patiala on 24<sup>th</sup> – 25<sup>th</sup> April, 2006 and 17<sup>th</sup> – 18<sup>th</sup> July respectively. The Ministry plans to organize more such Sammelans in other states.

To initiate awareness campaign for gender empowerment, the Panchayat Mahila Shakti Abhiyan has been conceptualized. A Core Group of eminent activists is formed for every state to spearhead the Abhiyan. So, far, conferences of elected women representatives, activists, NGOs, eminent personalities have been held as under:-

1. Udaipur (Rajasthan) - 24th & 25<sup>th</sup> April, 2006,
2. Patiala (Punjab) – 17<sup>th</sup> & 18<sup>th</sup> July, 2006,
3. Manipur - 4<sup>th</sup> & 5<sup>th</sup> October, 2006, and
4. Goa - 19<sup>th</sup> October, 2006.

Such conferences will be held in other states also.

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Dated: 18 August, 2006, 9 January, 2007]

### **Comments of the Committee**

(Please see Paragraph No. 19 of Chapter I of the Report)

#### **Recommendation Serial No.29 (Para No.3.30)**

The Committee note from the position as indicated above that Rashtriya Sam Vikas Yojana, a scheme meant for the upliftment of backward districts was approved in the year 2004-05 and was actually implemented during the year 2005-06. The scheme was under the administrative control of Planning Commission. During 2005-06 the releases for Rs. 3,257 crore were made to 147 districts identified as backward districts. The criteria for allocation to each district were Rs.45 crore per district. The allocation was to be made at the rate of Rs.15 crore per year. It seems from the data that the first installment of Rs. 15 crore to 147 districts has been released by the Planning Commission under RSVY. Further the Committee note that RSVY now has been subsumed into 'Backward Regions Grant Fund' which is under the administrative control of Ministry of Panchayati Raj. Hon'ble Finance Minister in his Budget speech for the year 2006-07 has informed that Rs. 5,000 crore is being allocated for Backward Regions Grant Fund during the year 2006-07 and the amount would be released in the coming four years. The Ministry of Panchayati Raj has further clarified that out of Rs. 5,000 crore, Rs. 3,750 crore are under the Ministry of Panchayati Raj and the remaining provision of Rs. 1,250 crore is meant for the special plans for Bihar and KBK districts of Orissa to be handled by the Planning Commission. The Committee disapproves of the fragmented approach of the Government in handling one of the important schemes meant for the backward districts and shifting it from one Ministry to the other. The Committee would like to strongly recommend to the Government that the scheme should be transferred wholly to one Ministry.

### **Reply of the Government**

The Planning Commission have been consulted in the matter. They have expressed the view that it may not be appropriate to transfer the Special Plans for Bihar and the KBK districts Orissa to the Ministry of Panchayati Raj and should appropriately be handled by the Planning Commission only as these programmes are continuing programmes and include multi-sectoral schemes implemented by various Central/State Government agencies.

[Ministry of Panchayati Raj O.M. No. G-22011/2/2006-B&F,  
Dated: 18 August, 2006, 9 January, 2007]

### **Comments of the Committee**

(Please see Paragraph No. 22 of Chapter I of the Report)

## CHAPTER V

### RECOMMENDATIONS IN RESPECT OF WHICH FINAL REPLIES OF THE GOVERNMENT ARE STILL AWAITED

#### Recommendation Serial No. 10 (Para No.2.28)

Besides deciding the module of imparting training, an important issue which needs to be addressed critically is the infrastructure for training. Apart from the issues related to training which have been dealt with in the next part of the Report, there is an urgent need for accommodation and the requisite infrastructure for training. The Committee feel that the existing infrastructure available with Panchayats like Panchayat Ghars which can be utilised for the purpose is quite inadequate. There is an urgent need to collect the data base in this regard and augment the infrastructure.

#### Reply of the Government

The concerns of the Committee have been noted. The Ministry agrees that the existing infrastructure available with the Panchayat is quite inadequate. The Cabinet has approved the Backward Regions Grant Fund (BRGF) whereby 250 identified Backward Districts will get an allotment of Rs. 1 crore each for creation of infrastructure till the end of the Eleventh Plan. A separate scheme is being formulated for the non BRGF districts.

[Ministry of Panchayati Raj O.M. No. G-22011/2/2006-B&F,  
Dated: 18 August, 2006, 9 January, 2007]

#### Comments of the Committee

(Please see Paragraph No. 3 of Chapter I of the Report)

#### Recommendation Serial No.12 (Para No.2.30)

The Committee also note that satellite communication is being used by rural public to interact with their Panchayat Members in Karnataka. This is a laudable initiative as it provides a medium for people at the grass roots level to get a quick solution to their problems by specialised resource-persons. The Committee appreciate this initiative and recommend that the Ministry should frame the feasibility of undertaking similar exercise in all parts of the country. Moreover the Central Ministry can also be connected to this network and can interact with all people at given intervals of time.

The Committee are of the opinion that this medium can be used for twin purposes of interacting with PRI functionaries as also for imparting training. This would greatly reduce costs as well as tackle the problem of training.

#### Reply of the Government

The directions of the Committee have been noted. The National Capability Building Framework for Panchayati Raj Elected Representatives makes provisions for up-scaling the satellite communication and satellite based training. A communication centre is proposed to be established in all the States. This Framework is under the consideration of the Ministry.

[Ministry of Panchayati Raj O.M. No. G-22011/2/2006-B&F,  
Dated: 18 August, 2006, 9 January, 2007]

### **Comments of the Committee**

(Please see Paragraph No. 3 of Chapter I of the Report)

### **Recommendation Serial No. 18 (Para No.2.52)**

The Committee feel that since Bharat Nirman Programme seeks to revamp the entire rural sector infrastructure, there is an urgent need to provide a central role to Panchayats. The Committee therefore recommend that concrete steps should be taken by the Ministry to secure a central role for Panchayats in Bharat Nirman Programme. They would like the Ministry to apprise the Committee about the follow up action in this regard.

### **Reply of the Government**

Secretary, Panchayati Raj requested Member Secretary, Planning Commission by letter dated 30.5.06 to advise the Ministries concerned to modify the scheme guidelines to provide a role to Panchayats in accordance with the position agreed during the meeting of the Group of Secretaries on 1.3.2006 so that the Ministry of Panchayati Raj could also write to the States about the role of the Panchayats in implementing these components of the Bharat Nirman. Adviser (Water Resources), Planning Commission has written to Additional Secretary, Ministry of Water Resources, Secretary, Ministry of Rural Development, Secretary, Department of Drinking Water Supply and the Joint Secretary, Ministry of Power, on 31.5.06, 6.6.06 and 7.6.06 respectively for their feedback in the matter. Ministry of Panchayati Raj has been represented on a Sub group of a Working Group on Water Resources for Formulation of various proposals for the sector to be implemented during the 11<sup>th</sup> Five Year Plan under the Chairmanship of Secretary, Water Resources. The sub group will give recommendations on Minor Irrigation and Public Private Partnership and its terms of reference include re-examination of the participatory irrigation management legislation to involve Panchayati Raj Institutions. Responses from the other Ministries concerned are awaited.

[Ministry of Panchayati Raj O.M. No. G-22011/2/2006-B&F,  
Dated: 18 August, 2006, 9 January, 2007]

### **Comments of the Committee**

(Please see Paragraph No. 3 of Chapter I of the Report)

**Recommendation Serial No. 26 (Para No.3.20)**

The Committee notes that the outlay for IT and IEC was fully utilized during 2005-2006. The Committee would like to point out for such a vast network of PRIs as exists in India, e-governance is the best option for establishing an interface between the Central/State Ministries and actual functionaries at Panchayat level. The Committee would like to recommend that in the present day scenario where IT has reached such a high degree of advancement, the Ministry should take full advantage of it and promote its maximum use. This would not only lead to greater transparency but increase accountability as well.

**Reply of the Government**

The recommendation of the Committee has been noted. We are in contact with the Department of Information Technology and we are in the process of formulating an IT Plan for Panchayats.

[Ministry of Panchayati Raj O.M. No. G-22011/2/2006-B&F,  
Dated: 18 August, 2006, 9 January, 2007]

**Comments of the Committee**

(Please see Paragraph No. 3 of Chapter I of the Report)

**Recommendation Serial No. 27 (Para No.3.21)**

The Committee note that under IEC the Ministry creates awareness of the powers and responsibilities of Panchayats .The Committee would like to point out that the dissemination of information is primary to effective governance. It is vital that people receive accurate information through various sources regarding the various developmental initiatives to ensure their success. The Committee would like to recommend that the Ministry should look beyond Doordarshan and DAVP for publicity purposes. They should also explore other interactive media for the same. The Ministry should encourage the use of local language and traditional media such as drama song and dance as it would create a greater impact among the masses.

**Reply of the Government**

In order to disseminate information at the grass roots level about development initiatives undertaken by Panchayati Raj Institutions, the Ministry proposes to circulate bulletins and reports, apart from taking services of Doordarshan and DAVP, by providing financial assistance to NGOs and private sector institutions.

In order to disseminate information at grass roots level about development initiatives under taken by Ministry of Panchayati Raj Institutions; empowering the community and Panchayati Raj Institutions with information and knowledge about their roles, rights and responsibilities, facilitating the State Governments to develop suitable communication strategies to promote the effective functioning of PRIs etc, the Ministry proposes to circulate bulletins and reports, apart from taking services of Doordarshan and DAVP, by providing financial assistance to NGOs and private sector institutions.

[Ministry of Panchayati Raj O.M. No. G-22011/2/2006-B&F,  
Dated: 18 August, 2006, 9 January, 2007]

**Comments of the Committee**

(Please see Paragraph No. 3 of Chapter I of the Report)

**Recommendation Serial No. 33 (Para No.3.48)**

The Committee notes that the ‘Scheme for Media, Publicity and Advocacy’ which has been newly launched includes components of the erstwhile Panchayat Development and Training Scheme. This scheme is intended to empower the community and PRIs with knowledge about their roles and responsibilities keeping in mind the tenets of the 73<sup>rd</sup> Constitution (Amendment) Act, 1992 and the Right to Information Act. Though guidelines of this scheme are yet to be finalized, the Government has drafted a media policy and the views of the Ministry of the Information and Broadcasting are being solicited. Further the Ministry proposes to set up a Media Advisory Group for monitoring this scheme. The Committee would like to recommend here that the guidelines of the scheme be finalized in the shortest possible time so that the pattern of allocation and utilization of the earmarked outlay can be done meaningfully. Further the Committee would like to be informed of the views of the Ministry of Information and Broadcasting on the media policy. The Committee note that this scheme is to be monitored by a Media Advisory Group headed by the Minister of Panchayati Raj. They would like to be apprised of the composition of the Media Advisory Group and any action taken by it.

**Reply of the Government**

The Ministry of Panchayati Raj is in the process of finalizing the guidelines for the media policy and views of the Ministry of Information and Broadcasting have also been sought on the guidelines to be finalized. The formation of a media advisory group headed by the Minister of Panchayati Raj is inter-linked with the draft guidelines for which the process is in progress.

[Ministry of Panchayati Raj O.M. No. G-22011/2/2006-B&F,  
Dated: 18 August, 2006, 9 January, 2007]



**Comments of the Committee**

(Please see Paragraph No. 3 of Chapter I of the Report)

**NEW DELHI;**  
**15 March, 2007**  
***24 Phalguna, 1928 (Saka)***

**KALYAN SINGH**  
***Chairman,***  
***Standing Committee on Rural***  
***Development***

## APPENDIX I

### MEETING OF THE COUNCIL OF MINISTERS OF PANCHAYATI RAJ AT BHUBANESWAR 15 - 16 June 2006

#### **Bhubaneshwar Declaration**

The Council of Ministers observed that this meeting at Bhubaneshwar on 15-16 June 2006 is the ninth meeting in the last two years, of the Union Minister and State Ministers of Panchayati Raj deliberating on empowering the three tiers of Panchayats, so that they grow into “institutions of local self-government” in the letter and spirit of Parts IX and IX A of the Constitution.

2. During comprehensive deliberations over two days, the Council of State Ministers of Panchayati Raj reaffirmed three key issues relating to empowerment of Panchayats:

- (i) Time bound Activity Mapping as the foundation for devolution of functions, funds and functionaries;
- (ii) Creation of a Panchayat Sector in State and Central Plan and Non-Plan Budget, to facilitate devolution of finances to the Panchayats in accordance with the Activity Mapping by states; and
- (iii) Re-orienting the district planning process to ensure conformity with the provisions of Article 243G and the Eleventh Schedule read with the provisions of Article 243Z D, of the Constitution.

It was agreed that action on these three points constituted the core of reforms required for participative development, including planning and implementation. This road map is essential for strengthening Panchayats to fully play the role envisaged for them in the Constitution.

3. Having reiterated these core reforms, the Council of Ministers reviewed the action taken so far, and spelt out the future course of action.

4. It was recalled that the Second Round Table of State Ministers of Panchayati Raj at Mysore (August 2004) had resolved, under the heading, “Planning”, as follows:

“There shall be constituted in every State, at the district level, a District Planning Committee (DPC) in accordance with the procedure laid down in the Constitution in Article 243ZD (2) by the end of the current financial year wherever such DPCs do not already exist.

As provided for in the Constitution, each tier of the Panchayati Raj system must prepare the perspective Five Year Plan and Annual Plans for their respective jurisdiction. The DPC should “consolidate” the plans prepared by the Panchayats and Municipalities, as provided for in the Constitution,

To facilitate such planning, the State Government, in accordance with the provisions of Article 243ZD, may indicate to each level of the Panchayats and Municipalities, “the extent and type of available resources, whether financial or otherwise”.

In the budgets of State Governments, consideration may be given to incorporating a Panchayat sector in each departmental budget. At the Centre, the Planning Commission, in consultation with the Central Ministries concerned, might work out similar appropriate arrangements”.

5. State Ministers of Panchayati Raj from Arunachal Pradesh, Bihar, Gujarat, Haryana, Himachal Pradesh, Karnataka, Manipur, Orissa, Rajasthan, Sikkim, Tripura and West Bengal indicated the implementation status in their respective States on Activity Mapping, creation of Panchayat Sector, fiscal devolution and constitution of District Planning Committees. The Vice-Chairmen, Planning Boards from Madhya Pradesh, Rajasthan and Andhra Pradesh, as well as delegations from other States and Union territories, indicated their respective status positions, and supported the idea of moving immediately in the direction of decentralized annual and perspective planning at PRI levels. The Council of Ministers reviewed progress in this direction and noted that in many States, the preliminary task of Activity Mapping across three levels of Panchayats has been completed. However, progress across States in the constitution of District Planning Committees has been uneven and somewhat slow.

6. Taking account of the Report of the Expert Committee on Grassroots Level Planning (The V. Ramachandran Committee), the Council of Ministers resolved that well in time for the Annual State Plan discussions with the Planning Commission for the Eleventh Five Year Plan, all States must rapidly move in the direction of completing their Activity Mapping and providing for a Panchayat Sector in the State Plan and budget, as well as constituting and empowering District Planning Committees (DPCs) in accordance with the provisions of Article 243 ZD of the Constitution. It was agreed that Ministers would ensure compliance with the time limits indicated in the conclusions of the Workshop on District Planning.

7. Until now, the Planning Commission has not insisted on district level planning during State Plan discussions with State governments. The Council of Ministers noted that several developments had materially altered the situation prevailing hitherto. Increasingly, social sector schemes, including critical Flagship programmes (on health, education, nutrition and drinking water, for instance) are being planned and implemented through Panchayats. So are NREGP and Bharat Nirman. So it is proposed with the Backward Regions Grant Fund. Accordingly, the Planning Commission is reviewing its current pattern of deliberations with State governments and Ministries of the Central Government with a view to making district planning the foundation of the Eleventh Five-Year Plan commencing on 1<sup>st</sup> April, 2007. To this end, the Council of Ministers identified the following road map and resolved as follows:

- (i) In order to ensure the centrality of Panchayats in critical programmes, the Planning Commission may mandate, at the very least, that initial planning,

approvals and sanctions for these critical programmes should issue through the PRIs.

- (ii) Wherever States have moved ahead with completion of activity mapping and fiscal devolution, Planning Commission may mandate that execution and implementation of these schemes shall be through Panchayats.
- (iii) Financial resources made available to PRI, should be based on Activity Mapping and formulated through the Panchayat Sector in State Budgets. While this will substantially augment Panchayat finances, it will cast no additional burden on State Budgets as the Panchayat Sector aims at transferring from the line department to PRI, those resources required for funding PRI activities determined through Activity Mapping. Moreover, with a view to promoting planning by PRIs of their entitled resources, conditionalities should be progressively relaxed and the element of untied grants sensibly augmented.
- (iv) The Planning Commission, in consultation with central Ministries, will make an effort to demarcate financial allocations pertaining to matters in the Eleventh Schedule into a separate Panchayat Sector.

8. The Council of Ministers endorsed the conclusions of the Workshop on Grass roots Level Planning convened in New Delhi, during May, 2006. In the context of the run-up to the Eleventh Five Year Plan, the Council of Ministers requests the Planning Commission and the National Development Council to continue its work on rationalizing, simplifying and reducing the number of Central Sector and Centrally Sponsored Schemes. The Council of Ministers notes with satisfaction that the Planning Commission is shortly convening a meeting of State Secretaries of Planning and Panchayati Raj to operationalise the Bhubaneswar Declaration, as also to assist the states in undertaking and reviewing progress. The Council of Ministers also noted for compliance, the conclusions of the Empowered Sub-Committee of the National Development Council on Panchayati Raj.

9. The Council of Ministers reviewed prominent initiatives, which provide for Panchayats a critical role in planning and implementation:

**(i) Release of Twelfth Finance Commission (TFC) grants**

- a) The Council of Ministers noted that under Article 280 of the Constitution, the Central Finance Commission is to recommend grants to *augment* the Consolidated Funds of States so as to *supplement* the resources of the Panchayats in accordance with the recommendations of the State Finance Commission. Therefore, these grants constitute entitlements of the Panchayats and, therefore, cannot be delayed or diverted;
- b) The Council of Ministers observed that the TFC had recommended that rural local bodies give priority to rural water supply and sanitation. However, a consensus emerged that while such priority may be accorded, these TFC grants are in the nature of untied block grants, and hence there is a critical need to retain flexibility at the local level;

- c) The Council of Ministers resolved that all States must immediately complete action to secure the release of the 1<sup>st</sup> and 2<sup>nd</sup> installments of TFC grants pertaining to 2005-06. States that have drawn both installments must similarly take immediate action to secure the releases due to them on account of the first installment for 2006-07;
- d) The Council of Ministers noted that as directed by TFC the monies released by state governments to Panchayats would have to be unconditional. Any action that constitutes parking of the money in Panchayat accounts in State treasuries, and barring the utilization of the funds without prior approval, would not constitute a 'release' in the letter and spirit of the Guidelines issued by Ministry of Finance, Government of India.
- e) The Council of Ministers noted that 14 States are beginning to use the software provided by the Ministry of Panchayati Raj to track the direct releases from state treasuries to Panchayats, and to maintain data bases of Panchayat bank accounts. It was agreed that States would immediately operationalize the system so as to ensure compliance with the stipulation contained in the Guidelines issued by Ministry of Finance, Government of India that monies must be sent to the Panchayats within 15 days of their reaching the State Consolidated Fund, failing which state governments would be liable to pay interest to Panchayats at RBI-specified rates.

**(ii) The National Rural Employment Guarantee Act (NREGA):**

- a) Section 13(1) of the National Rural Employment Guarantee Act states that District, Intermediate and Village level panchayats shall be the principal authorities for planning and implementation of the Schemes made under this Act. The Council of Ministers agreed that state governments would work out detailed mechanisms applicable to each level of Panchayat, for implementing this key provision in letter and spirit. The Ministry of Panchayati Raj would assist States if required in this regard;
- b) Sections 15, 16, 17 and 18 of the Act list in detail the functions, duties and powers of Panchayats at all three levels and the Gram Sabha, in implementing NREGA. The Council of Ministers stressed the need for wide dissemination of these provisions to Panchayats and the local communities. In this direction, Ministers would ensure that Panchayats put up prominent boards in their offices and public areas detailing their respective powers, duties and functions. The Union Ministry of Panchayati Raj and State Governments will work jointly to ensure that this is done. The assistance of NGOs should be sought, and there should be wide propagation of the details of these provisions by having them read out during meetings of every Gram Sabha;
- c) The Council of Ministers observed that the 2 per cent allocated for administrative costs is grossly insufficient to meet the indispensable requirements of preparatory aspects of the programme at all levels of the Panchayats, such as capacity building, provision of administrative and technical staff; training and orientation of both elected representatives and officials; registration; issue of job cards and computerization. All these have to be fully provided in advance. As such, the Council of Ministers strongly

supports the proposal of the Ministry of Rural Development to earmark 6% of funds under NREGA towards administrative costs and capacity building.

d) There is an immediate need for comprehensive and sustained training for Panchayat level staff and elected representatives in all aspects of the implementation of NREGA and, more particularly, of the procedures relating to implementation. The Council of Ministers agreed that States must set up Task Forces specifically to concentrate on this issue.

e) It is observed that the actual wages paid to those employed in NREG works is often lower than the prescribed minimum wage because the payment of wages is based on the Schedule of Rates. This leads to those who are most in need – the older is compared to the younger; the malnourished is compared to the better-fed; and women is compared to men – generally receiving substantially lower wages than the others. This tends to defeat the very purpose of NREGA. Ministers were of the view that the PWD Schedule of Rates is primarily designed to handle contract works, it is not the appropriate measure to determine the wage payable under NREG work, where the priority is to provide wage security. Under these circumstances, the Council of Ministers resolves that every State shall, within a month, prepare separate a Schedule of Rates applicable exclusively to NREGA works, based on time and motion studies that they are enjoined to undertake under the guidelines for implementation of the Act. This exercise will be aimed at doing away with discriminatory wage payment to some categories of persons and ensure equitable and full implementation of the provisions of the Act. It was noted that the Government of Tamil Nadu has already initiated steps in this direction.

f) The Council of Ministers resolved that there has to be a high and continuous emphasis on the implementation of the Right to Information in respect of NREGA. Muster rolls must invariably be maintained in full, particularly indicating the full details of the persons who have turned out for work. Such muster rolls must be made available for inspection by the Gram Sabha as also whenever separately called upon to do so at the Gram Panchayat or any other appropriate Panchayat level.

**(iii) National Rural Health Mission (NRM):**

The Council of Ministers applauds the centrality accorded to Panchayats in the implementation of the National Rural Health Mission (NRHM), and resolves to support all steps that will strengthen the communitisation of health care, and convergent action under the umbrella of the Panchayati Raj Institutions.

**(iv) Jan Kerosene Pariyojana**

The Council of Ministers noted that the pilot project on the Jan Kerosene Pariyojana is scheduled to come to an end by June 30, 2006, and that the evaluation report by NCAER is also scheduled to be presented by that date. The Council of Ministers urged that as there have been a number of teething problems with respect to the pilot project, which are now in the process of being resolved, the pilot project may be permitted to continue for another six months to make course corrections and, thereafter, for yet another six months before

undertaking a final evaluation of the pilot project, and subsequent implementation of this project throughout the country on a permanent basis. The Council of Ministers would wish it to be brought to the attention of Government of India that in their view the pilot project has served a useful purpose and needs to be continued, with such course corrections as may be necessary.

**(v) Rural Business Hubs (RBH)**

The Council of Ministers noted the evolution of the concept of Rural Business Hubs, the MoUs already signed on the principle of Public-Private-Panchayat Partnership (PPPP), and the establishment of State level RBH Councils in a majority of States. The Council of Ministers decided that State Governments, through their respective State Departments of Panchayati Raj, will extend their full support and cooperation to the RBH movement, with a view to establishing hundreds of Rural Business Hubs all over the country as soon as possible. Accordingly, the Departments of Panchayati Raj in State governments will endeavour to bring about convergence of all existing State and Central Schemes with the proposed RBHs, and secure the involvement and participation of State and Central Financial Institutions, Promotional and Marketing Organisations, Producer and Marketing Cooperatives, Association/Chambers of Commerce, and NGOs as appropriate, in individual Rural Business Hubs. It was recognized that the essential step is for state governments to rapidly complete the Block-wise listing of products and skills which are to be brought to the attention of state, regional and national business houses, by the State-level and National RBH Councils to promote entrepreneurial interest in establishing Rural Business Hubs in partnership with PRIs.

**(vi) Panchayat Mahila Shakti Abhiyan**

The Council of Ministers resolved that the Panchayat Mahila Shakti Abhiyan launched in Rajasthan in April 2006 in association with the National Women's Commission would be replicated in all States to give voice to the demands and issues of the Elected Women Representatives (EWRs) in the PRIs. To this end, State-wide Mahila Shakti Sammelans would be held in each State, to be followed by division-wise and district-wise meetings. These Sammelans would debate, discuss and implement the charter of demands adopted by the EWRs. The Council of Ministers further resolved that to ensure that the momentum of the Mahila Shakti Abhiyans is maintained and to provide knowledge support and hand holding to the EWRs, nodal agencies be identified in the states to pursue the support activities envisaged, such as training support, interaction to promote group visits and study tours, and logistics support and gap-filling in specific areas such as accounts-training, social audit and implementation of right to information. At the same time, it was recognized that the success of the Abhiyan crucially depended on ownership of the Abhiyan by EWRs and their own determination of how to organize and carry it forward. The role of the State must be limited to facilitation.

**(vii) Panchayat Yuva Shakti Abhiyan**

The Council of Ministers resolved that the Panchayat Yuva Shakti Abhiyan, to be launched in Haryana immediately after this meeting of the Councils of Ministers, would be pursued in all States in collaboration with the Ministry of Youth and Sports Affairs and State departments concerned. On account of the unique congruence between the number of

Youth Clubs and Panchayats, running roughly 2.5 lacs each, and the fact that a majority of elected PRI leaders are below the age of 35 years (thus categorized as youth), the Council of Ministers resolved that the Panchayat Yuva Shakti Abhiyan would aim at synergising and networking Youth Clubs and Panchayats with a view to unleashing youth power and addressing specific youth-related issues from among the 29 subjects enumerated in the Eleventh Schedule of the Constitution, through convergent activity between the Nehru Yuva Kendra representatives, and the elected PRI representatives. The Council of Ministers further resolved that the positive energy of youth should be deployed to galvanize the hitherto dormant institution of the Gram Sabha to function as a responsive, active assembly of the people exercising the powers of monitoring, supervision, mentoring and support to the Gram Panchayat.

**(viii) Action Taken Reports on Statements of Conclusions signed between Union Ministers of Panchayati Raj and State Chief Ministers:**

The Council of Ministers requested that States / UTs may forward an Action Taken Report to Ministry of Panchayati Raj by July 15th 2006 in respect of the Statements of Conclusions signed between chief Ministers and the Union Minister of Panchayati Raj in the 15 States / UTs the Union Minister has toured since April 2005. It was noted that the Union Minister proposes to complete his tours of remaining States/UTs, during the course of the current financial year.



## APPENDIX-II

### STATEMENT SHOWING RELEASE OF GRANTS OF 12<sup>TH</sup> FINANCE COMMISSION AS ON 05-12-2006

Sl. No.	State	Total allocation	Amount of one installment (6 monthly)	2005-2006		2006-07
				1st installment	2nd installment	Amount released
1	Andhra Pradesh	158700	15870	15870	15870	15870
2	Arunachal Pradesh	6800	680	680	0	0
3	Assam	52600	5260	5260	0	0
4	Bihar	162400	16240	16240	16240	16240
5	Chhattisgarh	61500	6150	6150	6150	6150
6	Goa	1800	180	180	0	0
7	Gujarat	93100	9310	9310	9310	9310
8	Haryana	38800	3880	3880	3880	3880
9	Himachal	14700	1470	1470	1470	1470
10	J&K	28100	2810	1762**	1762	1762
11	Jharkhand	48200	4820	0	0	0
12	Karnataka	88800	8880	8880	8880	8880
13	Kerala	98500	9850	9850	9850	9850
14	Madhya Pr.	166300	16630	16630	16630	16630
15	Maharashtra	198300	19830	19830	19830	19830
16	Manipur	4600	460	212*	0	0
17	Meghalaya	5000	500	500	0	0
18	Mizoram	2000	200	200	200	200
19	Nagaland	4000	400	400	400	0
20	Orissa	80300	8030	8030	8030	8030
21	Punjab	32400	3240	3240	0	0
22	Rajasthan	123000	12300	12300	12300	12300
23	Sikkim	1300	130	130	0	0
24	Tamilnadu	87000	8700	8700	8700	8700
25	Tripura	5700	570	570	0	0
26	U.P	292800	29280	29280	29280	29280
27	Uttaranchal	16200	1620	1620	1620	1620
28	West Bengal	127100	12710	12710	12710	12710
	<b>Total</b>	<b>2000000</b>	<b>200000</b>	<b>191910</b>	<b>183112</b>	<b>182712</b>
	<b>Grand total of Amount Released</b>					<b>557734</b>

(In lakhs)

\* Excluding share of PRI Grants pertaining to Hill areas amounting to Rs. 248.40 lakh.

\*\* After deducting Rs. 1048.03 lakh being share of PRIs where elections have not been held.

## APPENDIX-III

### COMMITTEE ON RURAL DEVELOPMENT (2006-2007)

#### MINUTES OF THE SIXTH SITTING OF THE COMMITTEE HELD ON TUESDAY THE 1 MARCH, 2007

The Committee sat from 1500 hrs. to 1615 hrs. in Committee Room 'E', Parliament House Annexe, New Delhi.

#### PRESENT

Shri Hannan Mollah - *In the Chair*

#### MEMBERS

##### *Lok Sabha*

2. Shri Mani Charenamei
3. Shri Sandeep Dikshit
4. Shrimati Tejaswini Seeramesh
5. Shri Sita Ram Singh
6. Shri Bagun Sumbrui

##### *Rajya Sabha*

7. Shri Jayantilal Barot
8. Shri Pyarelal Khandelwal
9. Shri P.R. Rajan
10. Ms. Sushila Tiriya

#### SECRETARIAT

1. Shri A.K.Sharma - Additional Secretary
2. Shri P.K. Grover - Joint Secretary
3. Shrimati Sudesh Luthra - Director
4. Shri A. K. Shah - Deputy Secretary Grade II

2. In the absence of Chairman, the Committee chose Shri Hannan Mollah, M.P. to act as Chairman for the sitting under Rule 258(3) of the Rules of Procedure and Conduct of Business in Lok Sabha.

3. \*\*\* \*\*

4. The Committee then took up for consideration Memorandum No. 5 regarding draft action taken report on Twenty-first Report of the Committee on Demands for Grants (2006-2007) of the Ministry of Panchayati Raj. The Committee after deliberations adopted the draft report without any modifications.

5. The Committee then authorised the Chairman to finalise the aforesaid draft action taken Reports on the basis of factual verification from the concerned Department/Ministry and present the same to both the Houses of Parliament.

6. The Committee then adjourned.