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

FOURTEENTH LOK SABHA

MINISTRY OF PANCHAYATI RAJ

**DEMANDS FOR GRANTS
(2007-2008)**

THIRTIETH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

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RURAL DEVELOPMENT
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(2007-2008)

Presented to Lok Sabha on 14.5.2007

Laid in Rajya Sabha on 10.5.2007



LOK SABHA SECRETARIAT
NEW DELHI

May, 2007/Vaisakha, 1929 (Saka)

C.R.D. No. 036

Price : Rs. 158.00

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Published under Rule 382 of the Rules of Procedure and Conduct of Business in Lok Sabha (Eleventh Edition) and printed by Jainco Art India, New Delhi-110 005.

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

Shri Kalyan Singh — *Chairman*

MEMBERS

Lok Sabha

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4. Shri V. Kishore Chandra S. Deo
5. Shri Sandeep Dikshit
6. Shri George Fernandes
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20. Shri Beni Prasad Verma
21. Shri Dharmendra Yadav

*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 Shrichand Kriplani MP (LS) from Standing Committee on Rural Development to Standing Committee on Chemicals 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
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30. Ms. Sushila Tiriya
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*

*Hon'ble Chairman, Rajya Sabha has nominated Dr. Ram Prakash MP (RS) to be a member of the Committee *w.e.f.* 27 April, 2007 *vide* Rajya Sabha Parliamentary Bulletin Part II, Para No. 44033 dated April 30, 2007 and also as notified *vide* Lok Sabha Bulletin Part-II, Para No. 3580 dated 1 May, 2007.

ABBREVIATIONS

BE	—	Budget Estimates
BRGF	—	Backward Regions Grants Fund
CII	—	Confederation of Indian Industries
DPC	—	District Planning Committee
IEC	—	Information, Education and Communication
NIRD	—	National Institute of Rural Development
NGO	—	Non-Governmental Organisation
PD & T	—	Panchayat Development and Training Scheme
PESA	—	Provisions of the Panchayats (Extension to the Scheduled Areas) Act, 1996
PRIs	—	Panchayati Raj Institutions
RBH	—	Rural Business Hubs
RE	—	Revised Estimates
SFC	—	State Finance Commissions
SIRD	—	State Institute of Rural Development
TFC	—	Tenth Finance Commission
UNFPA	—	United Nations Population Fund
UTs	—	Union Territories

INTRODUCTION

I, the Chairman of the Standing Committee on Rural Development (2006-2007) having been authorized by the Committee to submit the Report on their behalf, present the Thirtieth Report on Demands for Grants (2007-2008) of the Ministry of Panchayati Raj.

2. Demands for Grants have been examined by the Committee under Rule 331E (1) (a) of the Rules of Procedure and Conduct of Business in Lok Sabha.

3. The Committee took evidence of the representatives of the Ministry of Panchayati Raj on 29 March, 2007.

4. The Report was considered and adopted by the Committee at their sitting held on 24 April, 2007.

5. The Committee wish to express their thanks to the officials of the Ministry of Panchayati Raj for placing before them the requisite material and their considered views in connection with the examination of the subject.

6. The Committee would also like to place on record their deep sense of appreciation for the invaluable assistance rendered to them by the officials of Lok Sabha Secretariat attached to the Committee.

NEW DELHI;
9 May, 2007

19 Vaisakha, 1929 (Saka)

KALYAN SINGH,
Chairman,
Standing Committee on
Rural Development.

REPORT

CHAPTER I

INTRODUCTORY

The Ministry of Panchayati Raj came into existence on 27 May, 2004 after being carved out of the Ministry of Rural Development. The major functions of the Ministry are to oversee the implementation of Part-IX of the Constitution, inserted by the Constitution Seventy-third (Amendment) Act, 1992, the provisions of the Panchayats (Extension to Scheduled Areas) Act, 1996 and Article 243ZD of Part IX-A relating to the District Planning Committees read with the Eleventh Schedule which illustratively sets out a list of 29 matters, which might be considered by the State Legislatures for devolution to the Panchayats in respect of the Planning of economic development and social justice as well as the implementation of entrusted schemes of economic and social development in such a manner as to ensure that they function as 'units of self-government'.

1.2 The Ministry of Panchayati Raj during 2007-08 has been entrusted with the administration of the following schemes:

- (a) Backward Region Grant Fund.
- (b) Rashtriya Gram Swaraj Yojana.
- (c) Panchayat Empowerment and Accountability Incentive Scheme.

Besides, this Ministry would also be administering projects assisted by UN Agencies and contribution to International Bodies of Local Government besides the mandatory allocation for the North-Eastern Region.

1.3 The overall Demands for Grants of the Ministry of Panchayati Raj for 2007-2008 crore is for Rs. 4770.50 crore.

1.4 The Demands for Grants of the Ministry of Panchayati Raj have been presented to Parliament under Demand No. 67. The detailed Demands for Grants of the Ministry were laid in Lok Sabha on 20 March, 2007.

1.5 In the present Report the Committee have analysed the basic performance of the Backward Region Grant Fund (BRGF) 'Rashtriya Gram Swaraj Yojana (RGSY)' and Panchayat Empowerment and Accountability Incentive Scheme. Besides, the Committee have analysed the implementation of Part-IX of the Constitution *viz.* devolution of functions, functions, functionaries and finances, District Planning Committees (DPCs), allocation of funds to Panchayats under the Twelfth Finance Commission and review of the performance of the Ministry over the last 3 years *i.e.* since its creation in May, 2004 with special emphasis on its performance during the last financial year *i.e.* 2006-07. Further, the Committee would be reviewing the status of implementation of Centrally Sponsored Schemes through panchayats and also the issues relating to the Nyaya Panchayat Bill.

CHAPTER II

OVERALL ANALYSIS OF DEMANDS FOR GRANTS (2007-08) OF THE MINISTRY OF PANCHAYATI RAJ

A. Status of Implementation of recommendations made by the Committee in their Twenty-first Report under direction 73A of the Directions by the Speaker, Lok Sabha

2.1 As per direction 73A of the Directions by the Speaker, Lok Sabha, the Minister concerned shall make once in six months a statement in the House regarding the status of implementation of the recommendations contained in the Report of Departmentally Related Standing Committees of Lok Sabha with regard to his Ministry.

2.2 The Twenty-first Report of the Standing Committee on Rural Development on Demands for Grants (2006-07) of the Ministry of Panchayati Raj was presented to Parliament on 18 May, 2006. The statement with regard to this Report had fallen due in November, 2006. Ministry of Panchayati Raj was requested to take the necessary action for tabling the said statement *vide* Lok Sabha Secretariat O.M. dated 9 March, 2007. However, the statement in respect of the Twenty-first Report is yet to be made by the Hon'ble Minister.

2.3 When asked about the reasons for delay in making the statement in respect of the Twenty-first Report, the Ministry has submitted that the delay in making the statement on the status of the implementation of the recommendations of the Committee has taken place as the Ministry of Panchayati Raj is in the process of gathering information from the State Governments. The Ministry of Panchayati Raj is planning to lay a statement on the status of the implementation of the recommendations of the Committee during the current session of the Parliament and in future, the Ministry of Panchayati Raj will ensure that directions given by the Hon'ble Committee are complied with.

2.4 The Committee wish to point out that the primary objective of inserting direction 73A in the 'Directions by the Speaker' was to make the Government more accountable for implementation of various recommendations of the Committee. The Committee are constrained to note that even after lapse of around five months when the Statement on Twenty-First Report had fallen due, the Statement

is yet to be made by the Hon'ble Minister. The Ministry proposes to lay the Statement during the current session of Parliament. The Committee recommend to the Ministry to ensure that the Statement is made at the earliest during the second part of the Budget Session of Parliament commencing from 26 April, 2007. The Committee, further, strongly recommend to the Ministry to ensure that the statements in respect of each of the report are made within the specified period *i.e.*, six months after the presentation of the Report to Parliament as per direction 73 A of the Directions by the Speaker, Lok Sabha, in future.

B. Scenario during Tenth Plan (2002-2007)

(i) Allocation *vis-a-vis* Utilisation

2.5 Ministry of Panchayati Raj was created on 27 May, 2004. The details of allocations *vis-a-vis* utilisation made since the creation of the Ministry are follows:

(Rs. in crore)				
Year	Budget Estimates	Revised Estimates	Actual Utilisation	Percentage
2004-05	30.60	10.60	8.45	84.50
2005-06	50.00	50.00	48.70	97.40
2006-07	3825.00	2000.00	1998.33	99.86
2007-08	4770.00	—	—	—

2.6 Explaining the mismatch between BE, RE and actual expenditure during the aforesaid years, the Ministry has stated that although the Ministry was created on 27 May, 2004, its accounts became functional only in November, 2004. The Group of Ministers formed for considering the creation of posts and accommodation for the Ministry could only meet in December, 2004 and based on their recommendations, a Cabinet Note was submitted to the Cabinet Secretariat in February, 2005. Due to these reasons, the funds for the year 2004-05 could not be utilized fully. Further, the scheme of training being demand driven where assistance is provided to Training Institutes in States for carrying out training of elected representatives and officials of PRIs, physical targets were not fixed.

2.7 The Ministry has further stated that till 2005-2006 the Ministry was administrating only one scheme *i.e.* Panchayat Development and

Training including Research, Conference, Awards, Information Technology and IEC and the entire allocation was made under this head. For 2006-2007 the total allocation of Rs. 3,825.73 crore included an allocation of Rs. 3,750 crore under the additional Central Assistance to State Plan being implemented through the Backward Regions Grant Fund and Rs. 75 crore for the Central Plan being implemented through 3 schemes namely:

		(Rs. in crore)
Name of Scheme		Allocation
(a)	Rashtriya Gram Swaraj Yojana	Rs. 50.50
(b)	Panchayat Empowerment and Accountability Incentive	Rs. 10.00
(c)	Scheme for Media Publicity and Advocacy	Rs. 3.00

Besides, there was the mandatory allocation for the North-Eastern States to the tune of Rs. 7.50 crore as well as Secretarial expenses of Rs. 4 crore.

2.8 The scheme-wise position of allocation and utilisation during 2006-2007 is given in the *Appendix-I*.

2.9 The scheme of Backward Regions Grant Fund, which had an allocation of Rs. 3,750 crore during the year, was approved by the Cabinet only in August, 2006. Thereafter the scheme was transferred to the Ministry of Panchayati Raj. The erstwhile scheme of Rashtriya Sam Vikas Yojana has been merged with the scheme. It was decided that the funds yet to be released under the RSVY would be released by the Ministry of Panchayati Raj. Due to the delay in transfer of the scheme, the pace of expenditure under the scheme was initially slow. Further, there was an unspent balance of more than 1,000 crore with the States to whom funds had been released earlier by the Planning Commission/Ministry of Finance. Keeping these factors in view, the allocation of the Ministry was reduced to Rs. 2,000 crore at RE stage.

During the course of evidence the Secretary, Ministry of Panchayati Raj also stated as under:

“.....For the current financial year, we as on date have spent 99.86 per cent of our budget and as on 29 March, 2007, there are still releases being made, as you can appreciate. That is something that we would be very pleased to share with you that we have spent 100 per cent of the budget on the Backward Regions Grant

Fund which at RE stage is Rs. 1,925 crore. So, we have spent 100 per cent of that budget and 99.86 per cent is our overall expenditure.”

Sharp reduction in Budget Outlay

2.10 During the course of examination it also came out before the Committee that over the years the Ministry got far lesser allocation than that proposed to the Planning Commission. In this connection the Ministry in a written note giving details about proposed and agreed outlay during 2005-2006 and 2006-2007 has informed that for the year 2005-2006 an amount of Rs. 105.40 crore was proposed by the Ministry, the actual amount allocated by the Planning Commission was Rs. 50 crore. During 2006-2007, as against the proposed outlay Rs. 2000 crore, an allocation of Rs. 75 crore only was provided. However, during the later part of the year, in August, 2006, the scheme of Backward Regions Grants Fund with an allocation of Rs. 3,750 crore was transferred to the Ministry.

2.11 The Committee note that although the Ministry of Panchayati Raj was created as far back as 2004-2005, yet adequate allocation was made available to the Ministry only from 2006-2007 onwards to carry out its functions for meaningful achievement during Tenth Plan (2002-2007) period. For instance the Budget allocations of the Ministry during 2004-2005, 2005-2006 were Rs. 30.60 crore and Rs. 50 crore respectively. The Budget Estimates for 2006-2007 were significantly enhanced to Rs. 3,825 crore. However, the Committee are constrained to note that whatever Budget allocations were made available to the Ministry were drastically reduced at Revised Estimates stage during annual plans of 2004-2005 and 2006-2007 of Tenth Plan period. For instance the Budget Estimates of Rs. 30.60 crore and Rs. 3,825 crore during 2004-2005 and 2006-2007 were drastically reduced to the level of Rs. 10.60 crore and Rs. 2,000 crore respectively. Even the reduced allocation of Rs. 10.60 crore during 2004-05 could not be utilised fully by the Ministry and resulted in underspending of Rs. 1.15 crore *i.e.* around 15 per cent of the allocated outlay. Delay in creation of posts and accommodation for the Ministry based on the recommendations of Group of Ministers has been attributed to be the reason for under-utilisation of Budget allocation during 2004-2005 and delay in transfer of the scheme of ‘Backward Regions Grants Fund’ to Ministry of Panchayati Raj has led to the reduction in Budget Estimates of Rs. 3,825 crore to the level of Rs. 2,000 crore at Revised Estimates stage during 2006-2007. While appreciating the fact that the year 2004-2005 was the first year

of the working of the newly constituted Ministry and the year 2006-07 was the year when bulk of the outlay of the Ministry was allocated for Backward Regions Grant Fund (BRFG), the scheme which was transferred from the Ministry of Finance to the Ministry of Panchayati Raj in August, 2006, the Committee observe that reduction in outlay at Revised Estimates stage retards the overall performance of the Ministry during a plan period particularly when there is a challenging task of strengthening of Panchayati Raj Institutions (PRIs) and training of over 14 lakh PRI functionaries is yet to be accomplished. The Committee, therefore, recommend that all out efforts should be made to ensure that the allocations made during a year are fully utilised. Since the cut at Revised Estimates stage during the aforesaid two years was because of gross underspending due to the reasons as explained above, the Ministry has to work hard to convince the Planning Commission not to resort to cut at Revised Estimates stage.

(ii) Strategy for Eleventh Plan (2007-2012)

2.12 The Approach Paper to the Eleventh Plan of the Planning Commission recognises the need to empower PRIs and admits that though much efforts have been made yet much remains to be done. In the light of this, for the Eleventh Plan (2007-2012) the Ministry has informed that their main focus areas would be:

- (i) Panchayat Mahila Shakti Abhiyan & Panchayat Yuva Khel Abhiyans
- (ii) Centrally Sponsored Schemes would be routed through Panchayati Raj Institutions
- (iii) Nyaya Panchayat Bill
- (iv) Panchayat Extension to Scheduled Areas Act (PESA)
- (v) Decentralised Planning
- (vi) Devolution of Functions, Functionaries and Finances
- (vii) Computerization and Internet connectivity of all the three tiers of the PRIs.

2.13 When further asked about the major changes that have been brought about in Eleventh Plan that have a bearing on them, the Ministry has stated as under:

“Gram Swaraj was launched in the last year of the Tenth Five Year Plan and will continue during the Eleventh Five Year Plan,

which include component such as (a) Capacity Building and Training of PRI representatives (b) Infrastructure of the PRIs (c) E-Governance and (d) Action research studies. During the Eleventh Five Year Plan the scope of the Gram Swaraj Scheme has increased by merging the components of Mahila Shakti Abhiyan, Yuva Shakti Abhiyan , Rural Business Hub and Media, Publicity and Advocacy.”

BRGF

The Ministry of Panchayati Raj has been entrusted the implementation of the Backward Regions Grant Fund in 2006-07 and for the period of the Eleventh Five Year Plan. The Backward Regions Grant Fund (BRGF) has been conceived as the successor to the earlier Rashtriya Sam Vikas Yojana (RSVY) and is targeted at reducing the bane of regional inequalities. As BRGF grants are untied, Panchayats are expected to use these grants for “gap filling” in existing development programmes to build up the development infrastructure in such a manner as to promote the closing of the gap between backward and non-backward districts. The programme covers 250 Districts. The Ministry of Panchayati Raj is to administer the District sector part of the scheme particularly because of the centrality envisaged of the Panchayats and Municipalities in the planning and implementation of the BRGF programme.. Effective district planning in backward regions will also facilitate similar effective district planning in non-BRGF districts in accordance with Planning Commission guidelines to serve as the foundation of the Eleventh Five Year Plan.

2.14 The Ministry has informed that proposed allocation of the Ministry for Eleventh Plan is under preparation. For 2007-2008 the Ministry had proposed an outlay of Rs. 15,789 crore (Rs. 5,789 crore for Gram Swaraj and Rs. 5000 crore each for Panchayat Empowerment & Accountability Incentive Scheme and ‘Backward Region Grant Fund’ (BRGF). However the allocation for Annual Plan 2007-2008 has been Rs. 4,770 crore. The scheme-wise break-up is as under:

Allocation for the Annual Plan 2007-2008

		(Rs. in crore)
Sl.No.	Programmes	Amount
1	2	3
1.	Rashtriya Gram Swaraj Yojana	67.90
2.	Panchayat Empowerment and Accountability Incentive Scheme	10.00

1	2	3
3.	Backward Region Grant Fund	4670.00
4.	Grant for North-East Region	10.00
5.	Management Cell	7.00
6.	Project assisted by UN Agencies	5.00
7.	Contribution to Commonwealth Local Government Fund	0.10
Total		4770

2.15 The Committee appreciate the concerns of the Planning Commission as highlighted in the Approach Paper to the Eleventh Plan (2007-2012) regarding need to empower Panchayati Raj Institutions (PRIs). In this context the Committee also appreciate that though some headway has been made in this regard, yet the task ahead is very challenging before the Ministry of Panchayati Raj during the Eleventh Plan period. The Committee find that the focused areas during the Eleventh Plan would be implementation of programmes like Panchayat Mahila Shakti Abhiyan and Panchayat Yuva Khel Abhhiyan, Centrally Sponsored Schemes routed through Panchayati Raj Institutions (PRIs), Devolutions of Functions, Functionaries and Finances and capacity building of Panchayats through the schemes 'Gram Swaraj and Backward Regions Grant Fund'. Besides, the Ministry of Panchayati Raj has proposed a legislation, Nyaya Panchayat Bill which will further enhance the activities of the Panchayats. The detailed analysis of the proposed legislation has been made in the succeeding part of the Report.

The Committee, however, feel that although the main focus areas have been identified by the Ministry of Panchayati Raj for the Eleventh Plan Period, the trends of allocation of outlay to the Ministry during Tenth Plan and the first year of the Eleventh Plan raise doubts about the practicability and execution of these objectives. The Ministry has been allocated far lesser than the proposed allocation during the last two years of the Tenth Plan which were the first two years of the newly created Ministry. During 2005-06, the allocation provided *i.e.*, Rs. 50 crore was less than half of the projected outlay *i.e.*, Rs. 105 crore. Later, during 2006-07 the Ministry was allocated only Rs. 75 crore against the proposed allocation of Rs. 2,000 crore. However, in the later half of the year Rs. 3750 crore were allocated to the Ministry by way of transfer of BRGF from the

Ministry of Finance to Ministry of Panchayati Raj 2007-08 is the first year of Eleventh Plan and the trends of allocation to different Ministries would indicate the thrust of the Government on different programmes and the set priorities. In this context, the Ministry had proposed the outlay of Rs. 15,789 crore which include Rs. 5,789 crore for Gram Swaraj, Rs. 5,000 crore each for Panchayat Empowerment and Accountability Incentive Scheme and Backward Regions Grant Fund. Against the aforesaid proposed allocation, the outlay earmarked is just Rs. 4,770 crore. The substantial part of the allocation *i.e.*, Rs. 4,670 crore is for Backward Regions Grant Fund, thus leaving only Rs. 100 crore for the various activities of the Ministry relating to the capacity building of the Panchayats.

2.16 The Committee find that the Ministry of Panchayati Raj has bold objectives of ensuring centrality of Panchayats in various Centrally Sponsored Schemes run by various Ministries/Departments of the Union Government along with the mandate of decentralization. The proposed Nyaya Panchayat Legislation would further enhance the responsibilities of Panchayats to a great extent. All these objectives can be achieved only when each Panchayat has a Secretariat to assist the Panchayat members in handling these responsibilities. Besides, the financial capacity is another area to be taken care of. The Ministry's Gram Swaraj Scheme intends to achieve the objective of capacity building of Panchayats but with the meagre outlay, the bold objectives cannot be realised. The Committee are of the firm opinion that adequate resources should be allocated to the Ministry of Panchayati Raj so that the Panchayats can shoulder the enhanced responsibilities which the Constitution has bestowed upon them which the Ministry is rightfully trying to transfer to Panchayats. The Eleventh Plan allocation should be made keeping in view the task ahead of the Ministry of Panchayati Raj. Keeping in view the aforesaid observation, the allocation for the year 2007-08 should be enhanced specifically when the first year of the Eleventh Plan would set the priority of the Government.

While recommending for higher outlay, the Committee strongly recommend to the Ministry to ensure that the allocation is meaningfully utilised and does not result in huge underspending or unspent balances with the implementing agencies. The utilisation capacity need to be enhanced to effectively utilise the higher allocation.

2.17 The Committee further find that at present different schemes relating to the subjects enshrined under Eleventh Schedule of the

Constitution are being implemented by the various Ministries/ Departments of Union Government. The annual allocations for these schemes are approximately between Rs. 55,000 crore to Rs. 72,000 crore. The Panchayats can play an important role in effective implementation of these schemes. Besides, Panchayats can help in the realistic planning process as envisaged in the Approach Paper to Eleventh Plan. The Government can think of allocating a small fraction of the outlay of these schemes say one percent or so for empowerment of Panchayats. The Committee would like that the concerns of the Committee in this regard should be duly communicated to the Ministry of Finance/Planning Commission.

2.18 The Committee further feel that though much is being planned by the Ministry of Panchayati Raj to endow Panchayats with the responsibilities in the true spirit of article 243G of the Constitution, it is high time to have some mechanism to fix accountability on the respective three tiers of Panchayats. The Committee recommend to the Ministry to evolve some mechanism in this regard so that the maximum outlay meant for the poorest of the poor reaches the intended beneficiaries and there are least chances of corruption and malpractices.

C. Imparting training to elected PRI functionaries overall scenario

2.19 There are around 30 lakh functionaries of PRIs in India. Training of elected representatives is basic input for effective and successful working of PRIs. With the enactment of Seventy Third Constitution (Amendment) Act, 1992, Panchayats have been given a wide range of powers which makes training and capacity building crucial for governance.

2.20 The Ministry of Panchayati Raj is assisting States in imparting training to all elected representatives and official functionaries in an effective, time-bound and economical fashion. Training of Panchayati Raj elected representatives has two parts, namely (a) provision of training infrastructure, such as satellite training studios and receiving stations and Training Centres at the district level and (b) supporting actual training of elected representatives and official of PRIs.

2.21 Elaborating achievement of the Ministry during Tenth Plan period the Ministry has stated with the enactment of the 73rd Constitution (Amendment) Act, 1992 a new challenge to impart

training to both elected representatives and official functionaries had emerged. The range of functions and powers that the Panchayats are to exercise in accordance with the constitutional scheme made it imperative that an organized effort was needed to build up the necessary administrative and infrastructural support so that the Panchayats would be able to perform their functions efficiently. The objective of the efforts towards capacity building and training of Panchayati Raj Institutions/Representatives has been to assist States in this regard.

2.22 The Ministry of Panchayati Raj has initiated the preparation of a detailed National Training design for all elected Panchayat members and officials. The training design was proposed to be interactive and continuous, aimed at achieving its objectives through a composite of various interventions. It would use traditional and technology supported approaches that work in tandem for maximum effect.

2.23 There has been significant progress in the training efforts of the Ministry. Around 4 lakh elected members and officials in Haryana, Andhra Pradesh, Karnataka, Kerala, Punjab, Chhattisgarh, Maharashtra, West Bengal, Uttaranchal and Gujarat have been trained during 2005-06 and another 3 lakh representatives have been given training till February, 2007. On being asked as to whether a total of 7 lakh PRI functionaries is too less particularly when a great number of elected PRI functionaries are yet to be covered, the Ministry has stated that the details of elected representatives and officials of PRIs trained, earlier was only with reference to the States to whom financial assistance was provided by the Ministry under the scheme of 'Training and Capacity Building of elected representatives' since 2005-2006. The details of representatives and officials trained in other States is being obtained and only thereafter the full picture would be clear. However, the Ministry is aware of the limitations of the current efforts at providing training and capacity building to elected representatives and officials of the Panchayati Raj Institutions across the country.

2.24 The 7 lakh PRI elected representatives are ones in respect of whom the funds have been released by the Ministry of Panchayati Raj. The training of the elected representatives is also conducted by

the State Governments from their own resources. Further, elaborating on the National Perspective Plan for training of PRIs, the Secretary during the course of oral evidence has stated as under:

“An important recommendation of the Seventh Round Table was that there should be a national perspective plan on decentralised training and capacity building for all PRI functionaries with specific objectives, timeframe and resources.

The National Capability Building Framework looks at a much larger approach to capability building than training. This Framework is aimed at building effective and sustainable capability of all stakeholders in Panchayati Raj, particularly elected representatives, office bearers, Chairpersons of Standing Committees and officials connected with subjects devolved to Panchayats under State legislations.”

2.25 The Ministry of Panchayati Raj is working hard on evolving a National Training Framework for providing training to PRIs and functionaries. The National Training Design prepared by NIRD was deliberated upon with a group of NGOs and others who were involved at grass-root level development and the Ministry is working towards the National Capability Building Framework that was aimed at building effective and sustainable capabilities of all stakeholders in Panchayati Raj, particularly, elected representatives, office bearers, Chairpersons of Standing Committees and officials connected with subjects devolved to Panchayats under State legislations.

2.26 The Committee while noting that efforts are being made to work out a detailed training module observe that the Ministry has not done much on finding out the quantum of task ahead for the Ministry in this regard. Even after the passage of full two years since the Ministry was created, efforts have not been made to know the data of PRIs and functionaries who could be trained so far by the efforts being made through Union Government and the State Governments. Since efforts are being made in this regard by various quarters as admitted by the Ministry, there is an urgent need to coordinate with the various agencies involved in task of training of PRIs and know how much of PRIs and functionaries could already be trained and the task ahead so as to address the issue in a more focused manner. The Committee would like the Ministry to get the information from the State Governments in this regard and the Committee be kept apprised. Since the training of PRIs is a continuous process, the Ministry should evolve a permanent mechanism so as to have the first hand knowledge of the status of training of PRIs through the Ministry’s training scheme and the

efforts being made by other quarters, *i.e.* the other Ministries of Union Government/State Government, various training institutions etc.

D. Implementation of Central/Centrally Sponsored Schemes relating to 29 subjects enlisted in Eleventh Schedule of the Constitution through Panchayati Raj Institutions

2.27 The Ministry in their Outcome Budget document (2007-2008) has informed that at an operational level, the largest inflow of resources to State Governments is through Centrally Sponsored Schemes (CSS). These CSSs largely cover sectors (like primary education, public health, drinking water, sanitation) identified in the Eleventh Schedule, for devolution to Panchayats. Accordingly, the design and implementation of the CSSs need to be compatible in letter and spirit with the Seventy Third Constitution (Amendment) Act, 1992. The Ministry of Panchayati Raj is concerned that unless the CSSs accord centrality to Panchayats in their planning and implementation and recognize the principle of subsidiarity that must inform programme design (that is, whatever can be done best at a lower level must necessarily be done at that level and not at any higher level while whatever cannot be done at a lower level must go to a higher level), centrally sponsored schemes will not be cost-effective, nor would they optimize fiscal transfers or appropriate utilisation.

2.28 This subject matter was taken up by the Committee in their Twenty-sixth report wherein it was observed by the Committee 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.

2.29 The Committee wanted to know the progress made in this regard the Ministry in a written note has stated that as per directive of the Cabinet Secretary *vide* DO dated 8th November 2004 and the recommendations of the Standing Committee of Parliament, all new Centrally Sponsored Schemes would have to be vetted by the Ministry of Panchayati Raj so as to ensure that they are in conformity with the letter and spirit of the Constitutional Provisions relating to Panchayats. All the Ministries were requested to review existing Centrally Sponsored Schemes with reference to the constitutionally envisage roles for Panchayats.

The Ministry of Panchayati Raj have forwarded the comments in respect of various Centrally Sponsored Schemes as under:—

Ministry/Department	Name of Scheme
Department of Consumer Affairs	Suggestions for running PDS and suggestions for role of PRI.
Department of Food and Public Distribution	Targeted Public Distribution System (TPDS) Village Grain Bank Scheme
Ministry of Social Justice and Empowerment	i. Construction of Hostels for SC students. ii. Construction of Hostels for OBC students. iii. Pre-matric Scholarship to the children of those engaged in unclean occupation. iv. Pre-matric Scholarship for OBC students. v. Scheme of Assistance to Scheduled Caste Development Corporations (SCDCs). National Policy for Persons with Disabilities. Scheme for Assistance to Schedule Caste Development Corporations.
Department of Women & Child Welfare	ICDS Offences Against Child Bill Swayamsidha Yojana Balika Samridhi Yojana
Department of Elementary Education	Sarva Shiksha Abhiyan Right to Education Bill Mid day Meal Scheme National Literacy Mission
Ministry of Youth Affairs and Sports	National Service Scheme
Ministry of Health and Family Welfare	National Rural Health Mission
Ministry of Labour & Employment	National Child Labour Project Rehabilitation of Bonded Labour
Ministry of Tribal Affairs	Construction of Girls and Boys hostels for Scheduled Tribes. Establishment of Ashram Schools in Tribal Sub-Plan Areas Forest Right Bill

2.30 The Ministry has also mentioned in the Outcome Budget that a Group of Ministers for strengthening Panchayati Raj Institutions was constituted by the Cabinet Secretariat *vide* its order dated 4 May, 2005. The Terms of Reference of the GoM were as follows:

- (i) Implementing the recommendations pertaining to Financial Devolution;
- (ii) Accountability and Performance of Panchayats;
- (iii) Implementation of the Provisions of the Panchayats (Extension to the Scheduled Areas) Act, 1996;
- (iv) Gender Empowerment through Panchayats;
- (v) Extensive use of simple ITS interventions for Transparency and Easier Access to Information and Services; and
- (vi) Empowering of the Gram Sabhas and institutional linkage with Use Committees.

2.31 The GoM held its meeting on 24 August, 2005. The decision of the GoM were circulated to all Central Ministries for suitable action. A key action point approved by the GoM related to activity mapping by Central Ministries. All the prioritised Ministries were requested to undertake activity mapping to pursue the matter. A workshop of activity mapping was also conducted on 24 April, 2006. It has also been mentioned that not much progress could be made in the matter as several Ministries have not undertaken activity mapping. The Ministry has stated that all the Ministries have been requested to undertake activity mapping keeping in view the Centrality of Panchayati Raj Institutions in implementation of the Schemes. The details of prioritised Ministries which have carried out activity mapping in respect of the CSS being handled by them are given below:

Sl.No.	Name of Ministry	Position as intimated by the Ministry
1	2	3
1.	Ministry of Health & Family Welfare	Activity Mapping done in respect of key programmes and details enclosed.
2.	Ministry of Agriculture	A note indicating the involvement of PRIs in the Centrally Sponsored Schemes of the Department of Agriculture has been enclosed after an Activity Mapping exercise was carried out.

1	2	3
3.	Ministry of Social Justice & Empowerment	Activity Mapping undertaken. Responsibilities at Central, State and Panchayat level given in the schemes being administered.
4.	Department of Food & Public Distribution	Activity Mapping for PDS done.
5.	Ministry of Youth Affairs & Sports	Ministry has only one CSS <i>i.e.</i> National Service Scheme (NSS) Activity Mapping has been done.

In addition to this, the Ministry of Panchayati Raj has been in interaction with various Ministries for change in their Programme Guidelines for providing centrality to Panchayats.

2.32 The Ministry has furnished the following possible reasons for not undertaking the activity mapping by different Ministries:

- (a) There is a general lack of confidence in the ability of Panchayats to manage their own affairs in an efficient manner;
- (b) There is a feeling that devolving activities to the Panchayats would not bring the desired effects or changes; and
- (c) The will to change the *status quo* is lacking.

The Ministry has also informed that concerned Ministries have been requested to expedite the progress and activity mapping.

2.33 When further asked how the Ministry would address the various issues related to activity mapping which would ensure that implementation of various schemes are entrusted to Panchayati Raj Institutions as per the mandate of Ministry of Panchayati Raj, the Ministry has informed that there are many Centrally Sponsored Schemes in which PRI have a centrality. Under the National Rural Health Mission (NRHM), the following roles have been assigned to the Panchayat:

- Under NRHM, the chairperson of the Zilla Parishad has been made the chairperson of the District Health Mission.
- The representatives of Panchayati Raj Institutions (PRIs) have been made member of the District Health Society. The Society will draw up the health plan and implement it in the district.

- Roji Kalyan Samiti, the Hospital Management Committee has been set up at the District level in which the Chairperson of the Zilla Parishad has been made as a member.
- The Accredited Social Health Activist (ASHA) in each village has been made accountable to Gram Panchayat.
- The Chairperson of Gram Panchayat has been made a joint bank account holder for the use of untied funds of Rs. 10000 for each sub center annually.

Under the Sarva Shiksha Abhiyan (SSA) of the Ministry of Human Resource Development, the Panchayats are involved in the planning, monitoring and implementation of SSA. Under the new approach, the Village Education Committees or School Management & Development Committees are constituted as sub-committees of the Gram Panchayats or the Gram Sabhas. The following institutional arrangements have been made to bring in the centrality of PRIs in the implementation of SSA.

- There should be a Standing Committee or sub-committee responsible for education under the Gram Panchayat, which would be the nodal body for all matters relating to elementary education;
- The school wise or village wise committees responsible for elementary education./SSA should be linked with the Sub-Committee of the GP-in-charge of Education, as in the above, so that the overall supervision of PRIs is there over the elementary education/SSA programmes;
- And that all tiers of PRIs (village, block, district) should be given roles of supervision over the elementary education programmes/SSA. The State Governments can do this by defining the roles of the Sub-Committee on education of the GP, the Block Level Education Committee and the Education Sub-Committee of the Zilla Parishad.

In other Schemes like Mid Day Meal Scheme, Swamsidhha (WCD), NSS (Ministry of Youth Affairs and Sports) PRIs has been given a prominent role.

2.34 The Committee also wanted to know how the Ministry is going to address various issues related with activity mapping which would ensure that implementation of various schemes are entrusted to PRIs the Ministry has informed that they are aware of the resistance

to the status quo from established quarters. However, the matter is being pursued vigorously at an official level with all the major Ministries dealing with CSSs Centrally Sponsored Schemes with substantial funding going to the rural areas. The Ministry has been impressing upon various Ministries and Departments to ensure that PRIs are central in the implementation of Centrally Sponsored Schemes. Efforts are being made to convince them of the constitutional requirement enshrined in Article 243G of the Constitution.

2.35 The Committee while reviewing the efforts being made by the Ministry of Panchayati Raj in ensuring the centrality of Panchayats in various Centrally Sponsored Schemes run by different Ministries/Departments of Union Government had observed (refer para 7 of 26th report) that not much progress has been made in this regard. While examining the Demands for Grants of the current year, the Ministry has furnished the details of the initiatives taken by the Ministry in this regard. The Committee find that a Group of Ministers for strengthening of Panchayati Raj Institutions was constituted by the Cabinet Secretariat *vide* its order dated 6 May, 2005. As per the decision taken by the Government, all the prioritised Ministries were required to undertake Activity Mapping to pursue the aforesaid agenda of the Ministry. A workshop was also held on 24 April, 2006. In spite of best of the efforts made by the Ministry, not much has been done in this regard. Only five Ministries *viz.* (i) Ministry of Health and Family Welfare (ii) Ministry of Agriculture (iii) Ministry of Social Justice and Empowerment (iv) Department of Food and Public Distribution (v) Ministry of Youth Affairs and Sports have completed the exercise of activity mapping. The Ministry is pursuing with the remaining Ministries to undertake Activity Mapping. The resistance from various Ministries/Departments has been cited as one of the reasons for the slow progress. The Committee find that the major concern of the various Ministries as stated by the Ministry of Panchayati Raj itself is general lack of confidence in the ability of Panchayats to manage their own affairs in an efficient manner. The Committee observe that the challenge of making various Ministries/Departments agreeable in this regard is great for the Ministry of Panchayati Raj. The Committee feel that perhaps the lack of confidence in the ability of PRIs in handling the various Centrally Sponsored Schemes for which crores of rupees are annually being spent for Social Sector Schemes of the various Ministries/Departments of Union Government is due to the various issues related to capacity building of Panchayats. With the existing position where the Panchayats have hardly any staff and technical expertise, the concerns of the Ministries are somewhat genuine. The

Ministry of Panchayati Raj should first of all endeavour to empower PRIs through the various components of Gram Swaraj Scheme, the analysis of which has been done in the subsequent part of the report. The adequate allocation for the aforesaid programme should be provided by the Planning Commission. Besides, the Ministry has to prove the qualitative impact in the schemes run by PRIs. For example under National Rural Employment Guarantee Scheme, 50 percent of the projects shall be implemented by PRIs. The effectiveness of PRIs in handling the part of NREGA can prove the ability of PRIs in handling these schemes. If there are qualitative differences between the projects run by PRIs and other implementing agencies, the Ministry has the reason enough to convince the Central Ministries to transfer these schemes.

2.36 The Committee further note that the position of PRIs may vary from State to State. In some States the PRIs may be strong and able to discharge the great responsibility entrusted to these institutions. In such States, PRIs should be encouraged to take on these added responsibilities. However, in some States, PRIs may not be empowered enough to take the challenges envisaged under the Constitution. In such States, the Ministry should ensure that the Panchayats are empowered to such a level that they would be in a position to discharge the various responsibilities efficiently. Besides, all the desired initiatives should be taken to address the concerns of the Committee as expressed above. The Committee should also be kept apprised in this regard.

E. Devolution of Functions, Functionaries and Finances by State Governments/Union Territories to Panchayati Raj Institutions and reversal of subjects already devolved

2.37 The Ministry of Panchayati Raj was created to give focussed attention to the implementation of Part IX of the Constitution. One of the main components of Part IX is the devolution of functions, functionaries and finances. In this regard Article 243G of the Constitution provides as under :

Article 243G—Powers, authority and responsibilities of Panchayats

“Subject to the provisions of this Constitution, the Legislature of a State may, by law, endow the Panchayats with such powers and authority as may be necessary to enable them to function as institutions of self-government and such law may contain

provisions for the devolution of powers and responsibilities upon Panchayats at the appropriate level, subject to such conditions as may be specified therein, with respect to—

- (a) the preparation of plans for economic development and social justice;
- (b) the implementation of schemes for economic development and social justice as may be entrusted to them including those in relation to the matters listed in the Eleventh Schedule.”

2.38 The Eleventh Schedule illustratively sets out a list of 29 matters to be considered by State Legislature for devolution to the Panchayats, so that Panchayats function as units of self-government. The 29 subjects for which the process of devolution to Panchayati Raj Institutions in terms of functions, functionaries and finances is to be undertaken by different States are as under:

1. Agriculture, including agricultural extension
2. Land improvement, implementation of land reforms, land consolidation and soil conservation
3. Minor irrigation, water management and watershed development
4. Animal husbandry, dairying and poultry
5. Fisheries
6. Social forestry and farm forestry
7. Minor forest produce
8. Small scale industries, including food processing industries
9. Khadi, village and cottage industries
10. Rural housing
11. Drinking water
12. Fuel and fodder
13. Roads, culverts, bridges, ferries, waterways and other means of communication
14. Rural electrification, including distribution of electricity
15. Non-conventional energy sources
16. Poverty alleviation programme

17. Education, including primary and secondary schools
18. Technical training and vocational education
19. Adult and non-formal education
20. Libraries
21. Cultural activities
22. Markets and fairs
23. Health and sanitation, including hospitals, primary health Centres and dispensaries
24. Family welfare
25. Women and child development
26. Social welfare, including welfare of the handicapped and mentally retarded
27. Welfare of the weaker sections and in particular of the Scheduled Castes and the Scheduled Tribes
28. Public distribution system
29. Maintenance of community assets

Progress made on devolution

2.39 The erstwhile Standing Committee on Urban and Rural Development in the Thirty-seventh Report (Thirteenth Lok Sabha) of the erstwhile Committee on Urban and Rural Development had dwelt at length on the issue of devolution and its tardy progress. Though many States have transferred a large number of subjects of Panchayats, yet it was not supported by transfer of functionaries and finances, thus rendering it meaningless.

2.40 The Ministry was asked to furnish the latest status of devolution with respect of functions, functionaries and finances separately, they have provided a reply which is narrative in nature and does not address the primary concern of the Committee. The Ministry has simply provided a table showing the number of subjects transferred by States to PRIs. This information is at *Appendix II*.

2.41 In order to examine the progress of devolution by different States the Committee has made a comparative study of the position of devolution during 2005-06 and during 2007-08. The position of devolution during 2005-06 is at *Appendix-III*. The current position of devolution is at *Appendix-II*.

2.42 The Committee during the course of evidence, while analysing the position of devolution over a period of two years from 2005-2006 to 2007-2008 pointed out that *status-quo* is prevailing and there has been reversal of subjects in the States of Madhya Pradesh (from 25 to 23 subjects) and Maharashtra (from 19 to 18 subjects), the Secretary, Panchayati Raj informed as under:

“.....The reversal or the stymieing of Panchayati Raj happens in various nuances and in various ways in different States. On a general scale, most of the Panchayat Raj Acts of States are quite powerful. In fact, it will not be wrong to say that the Panchayat Raj Acts of States which are not very strong on Panchayat rights are sometimes more powerful than the Acts of those States which have given only minimum number of functions, which are doing well. This is within the public knowledge. This is what States report to us officially. In fact way back in 2001, the then Rural Development Ministry actually collected details which were in a single table as to how much of devolution had taken place. Most of the States gave only those details pertaining to the legislative devolution and it gave a misleading but rosy picture of the actual devolution. It has been our endeavour as a Ministry to penetrate this smokescreen and to see actually what is happening on the ground.

I would not venture to say that the States are lying but certainly there is differential concealment of the unpleasant reality because it is also very difficult for a State to officially confess that what is declared in their law is not being performed in practice. So, the task of our Ministry is in a sense a lot of detective work because we have to go behind the official reports of the State to understand what exactly is happening.....”

He further added:

“.....One of the means that is being practiced by the State Governments in preventing Panchayats from exercising their powers given by law is to issue notifications withdrawing these powers or withdrawing the staff.....”

2.43 The Ministry has informed that for the purpose of subjects to be devolved by different State Governments to Panchayats the Ministry has undertaken the exercise of Activity Mapping. The current status of activity mapping as well as subjects transferred through legislation in different States/Uts is at *Appendix-II*.

The Ministry has also informed that States of Kerala, Karnataka, West Bengal, Sikkim have completed the exercises of activity mapping. Haryana has undertaken the exercise in a limited way whereas Orissa has not undertaken it as yet. Asked about the reasons for delay in undertaking the exercise the Ministry has given the information in *Appendix-IV*.

2.44 The Committee find that the Ministry of Panchayati Raj was created to give focused attention to the implementation of Part IX of the Constitution the main component of which is effective devolution of the 3Fs *i.e.* functions, functionaries and finances. Further, the enactment of the Seventy third Constitution (Amendment) Act, 1992 was aimed at providing Constitutional status to local self-governments *i.e.* Panchayats. In this regard Article 243 G explicitly states that the State Governments may by law endow the Panchayats with such powers so as to enable them to function as institutions of self-Government.

The Committee note that the need for empowerment at grass root level in rural areas is the reason for creation of an exclusive Ministry of Panchayati Raj. In this context devolution of functions, functionaries and finances should have been accorded primacy by the Ministry and efforts made to that effect. However, the perusal of the comparative progress of devolution over the past two years (*i.e.* since June, 2005) as indicated in the *Appendices II and III* reveal that *status quo* has been maintained. Only in the States of Gujarat and Haryana there has been improvement in the number of subjects devolved. However, this is the status of transfer of subjects through legislation. The Ministry has not provided the information regarding the actual devolution of functions, functionaries and finances to Panchayats as has been requested by the Committee repeatedly in their earlier reports. The information that the Ministry has provided is incomplete and a true picture of devolution does not emerge from it. The Committee observe that simply transferring subjects to Panchayats will not result in real empowerment unless concomitant funds and functionaries are also made available to Panchayats. The Committee, therefore, desire that the aforesaid information be furnished by the Ministry to enable the Committee to analyse the position of devolution and comment further.

2.45 The Committee find that in addition to the slow progress with respect to devolution there is also the negative trend of reversal of subjects devolved. In the States of Madhya Pradesh (from 25 to 23 subjects) and in Maharashtra (from 19 to 18 subjects) there has

been reversal of subjects. Further, the Ministry has informed that State Governments effect reversals by issuing notifications withdrawing these subjects. The Committee find that under Article 243G State Governments transfer subjects to Panchayats by law *i.e.* the subjects are being transferred in pursuance of article 243G of the Constitution. However, the States withdraw these subjects using only notifications. This is a serious offence and the Committee has taken strong exception to such activities being carried out by the State Governments which are not in the true spirit of the Constitution. The Committee, therefore, recommend to the Government that suitable corrective steps should be taken so that States are not allowed to by-pass the Constitutional provisions. The Committee would like to be informed of the action taken in this regard.

2.46 Further, the Committee find that States often resort to reporting of incorrect data regarding devolution. When requested, they simply inform the Central Ministry of the number of subjects devolved through legislation while withholding information about the actual devolution of functions, functionaries and finances to Panchayats. This prevents the true picture from emerging. The Committee strongly object to such practice by the State Governments and recommend that the Union Ministry take urgent and strong steps to impress upon States not to resort to such practices as it confuses the true picture of devolution.

2.47 The Committee note that Activity Mapping has been undertaken by the Ministry to identify subjects to be devolved to the appropriate tier of the Panchayats. The Committee, further, note that only four States *viz.* Kerala, Karnataka, Sikkim and West Bengal have completed this exercise. Haryana and Orissa have undertaken Activity Mapping for a limited number of subjects. The Ministry has set a deadline of 31 May, 2007 to States for completion of this exercise.

The Committee are concerned at the slow progress of Activity Mapping. It is a matter of great concern that only 6 States have managed to achieve some degree of progress in respect of Activity Mapping. The Committee are disheartened to find that the large majority of States have not yet completed this exercise. The deadline for completion of Activity Mapping which was set for 1 April, 2006 has now been extended to 31 May, 2007. The Committee note that since only the successful completion of Activity Mapping will ensure true devolution, this exercise needs to be undertaken much more seriously by States and emphasized by the Central Ministry. The

Committee hope that the Ministry will ensure that Activity Mapping in respect of all States would be completed within the designated deadline. The Committee urge the Ministry to take appropriate steps to that effect and inform them accordingly.

F. Progress on constitution of District Planning Committees (DPCs)

2.48 One of the key objectives of Panchayati Raj is to ensure that the process of planning for development in the country follows a bottom-up approach and commences at the grassroots level. The core approach is that the village Panchayat level plans prepared with peoples' participation, are joined by plans prepared by the Intermediate and District Panchayats and then these are consolidated by the District Planning Committee (DPC) along with Municipal Plans into the Draft District Development Plan, in accordance with Article 243 ZD of the Constitution. The State Annual Plan is an integration of all the Draft District Development Plans.

2.49 In the Second Round Table of State Ministers of Panchayati Raj held at Mysore in August 2006, it was resolved that the Planning Commission be requested to ensure that the Annual Plan discussions for the Eleventh Plan are based on District Plans prepared in accordance with the provisions of Parts-IX and IXA of the Constitution. The Planning Commission has embarked on a re-alignment of the planning process, which happily has coincided with the commencement of the Eleventh Plan in 2007.

2.50 The Constitution enjoins that all States and Union territories (except Meghalaya, Mizoram, Nagaland, J&K, the hill areas of the State of Manipur, the hill areas of the district of Darjeeling for which Darjeeling Gorkha Hill Council exists, the NCT of Delhi and sixth schedule areas), are required to set up DPCs in order to consolidate the plans prepared by Panchayats into the draft development plans for the district. The importance of constituting DPCs where these are yet to be set up in conformity with Constitutional provisions has been reviewed at several recent meetings such as the National Workshop on Decentralised Planning (8-9 May, 2006), the Empowered Sub-Committee of the National Development Council (12 June, 2006), and the Council of State Ministers of Panchayati Raj at Bhubaneswar (15-16 June, 2006). There was consensus in all the meetings that DPCs need to be constituted quickly. Moreover the Ministry in their Outcome Budget has also stated that Planning Commission circulars have made it clear that constitution of the DPCs is indispensable to the Eleventh Plan exercise.

2.51 The Planning Commission in their Approach Paper to the Eleventh Plan have stressed on the need to have DPCs to consolidate plans at the district level. Further the Ministry have stressed as under:

“Over a period of four decades since the beginning of planned development, there have been several suggestions and attempts at decentralized planning. The conditions required have also been outlined and repeated. However, the increase in the number of Ministries, Departments and para-statal at the Centre and in the States and the vertical planning, preparation of programmes and methods of funding stood in the way of decentralized planning becoming a reality. Though it is now nearly 14 years since the enactment of the 73rd amendment was made, the concept of development planning from below has still not taken root, even in the few States in which there is relatively larger devolution of powers and provision of untied funds to local Governments. Therefore, the mandate of the Ministry of Panchayati Raj during the Eleventh Plan would be to ensure that the Eleventh Plan begins with and is founded on District Plans prepared in accordance with Parts-IX and IXA of the Constitution. It would be the endeavour of the Ministry to ensure that each level of Panchayat and Municipalities prepares their perspective Five Year Plan and Annual Plans which would be consolidated by the DPC as provided in the Constitution, into the development plan of the district.”

2.52 Moreover in the Backward Regions Grant Fund the DPCs have become *sine-quo-non* Funds under BRGF are not released to districts till actually DPCs are set up.

In the following States and Union Territories the DPCs have been constituted in all districts:

Sl. No.	States
1	2
1.	Assam
2.	Bihar
3.	Chhattisgarh
4.	Goa
5.	Himachal Pradesh

1	2
6.	Karnataka
7.	Kerala
8.	Madhya Pradesh
9.	Manipur
10.	Orissa**
11.	Rajasthan
12.	Sikkim
13.	Tamil Nadu*
14.	West Bengal
	Union territories
1.	Andaman & Nicobar
2.	Dadra & Nagar Haveli
3.	Daman & Diu
4.	Lakshadweep

*In the case of Tamil Nadu, notification for the constitution of DPCs have been issued after fresh elections to the Panchayats.

**In the case of Orissa, DPCs stand constituted but since the Panchayat elections have just been completed, the State plans to conduct fresh elections to the DPCs within 2 months.

2.53 Details are being obtained from States as to the precise dates when the DPCs were first constituted in each of them, after the enactment of the 73rd Constitutional Amendment Act.

2.54 The sub-Committee II of the Standing Committee on Rural Development undertook study visit to various backward districts of Uttar Pradesh and have been informed that DPCs were yet to be constituted in the State. Besides, Uttar Pradesh, in Haryana, Andhra Pradesh, Uttarakhand, Gujarat and Punjab, constitution of DPCs are at various stages.

2.55 However the Ministry has submitted that the pace of constitution of DPCs has been brisk in recent past owing to the fact that allocations under BRGF are tied up to the constitution of DPCs and States are now taking steps to that effect.

2.56 The Committee note that progress on constitution of District Planning Committees (DPCs) in different States is far from satisfactory even though it is one of the mandatory provisions given under Part IX of the Constitution of India by enactment of Seventy-Third Constitution Amendment Act, 1992. The Committee find that Constitution enjoins that DPCs are to be constituted in all States and Union territories (except Meghalaya, Mizoram, Nagaland, J&K the hill areas of Manipur, the hill areas of the district of Darjeeling for which Darjeeling Gorkha Hill Council exists, the NCT of Delhi and six scheduled areas) with a view to consolidate plans prepared by Panchayats into draft development plans for the districts. The Committee note with dismay that only in 14 States *viz.* Assam, Bihar, Chhattisgarh, Goa, Himachal Pradesh, Karnataka, Kerala, Madhya Pradesh, Manipur, Orissa, Rajasthan, Sikkim, Tamil Nadu and West Bengal and 4 Union territories of Andaman & Nicobar, Dadra & Nagar Haveli, Daman & Diu and Lakshadweep DPCs have been constituted in all districts. The Ministry of Panchayati Raj has further informed that constitution of DPCs in Haryana, Punjab, Uttar Pradesh, Uttarakhand, Andhra Pradesh and Gujarat are at various stages. The district-wise position of constitution of DPCs in the remaining States have not been made available to the Committee. The Ministry has informed that details are being obtained from States about the precise details when DPCs were first constituted in each of the States after the enactment of the Seventy-third Constitution Amendment Act. The Committee feel that the year-wise status of constitution of DPCs need to be maintained by the Ministry of Panchayati Raj to have an idea of the status of implementation of various provisions of the Constitution particularly the mandatory ones, of which constitution of DPCs is one. The Committee may be informed of the position as received from the various States/UTs.

2.57 The Committee have been expressing strong concern over the non-constitution of DPCs in their various reports. During the course of examination of Demands for Grants (2007-08), the Committee have been informed that certain strong decisions have been taken by the Ministry to put pressure on the States/UTs to constitute DPCs expeditiously. In this regard, Backward Region Grant Fund (BRGF) guidelines stipulates that the release of funds would be contingent upon States constituting DPCs and the district plan being applied by the DPCs. The Committee are pleased to note that as a result of this, at least four States, Bihar, Andhra Pradesh, Haryana and Punjab have taken concrete steps to establish DPCs. The Committee hope that DPCs would be constituted in all the districts of every State with the firm resolve of the Ministry and

adopting certain harsh measures mechanism so as to achieve the objectives of preparing real and effective plans with a bottom up approach which reflect the reality of grassroot level.

G. Implementation of the Panchayats Extension to Scheduled Areas Act (PESA), 1996

2.58 The Ministry of Panchayati Raj is also responsible for implementation of Panchayats Extension to Scheduled Areas Act (PESA), 1996. PESA is being implemented in following Fifth Schedule States:

- (i) Andhra Pradesh
- (ii) Chhattisgarh
- (iii) Gujarat
- (iv) Himachal Pradesh
- (v) Jharkhand
- (vi) Madhya Pradesh
- (vii) Maharashtra
- (viii) Orissa and
- (ix) Rajasthan

2.59 Though the PESA casts responsibility on the State Legislatures, yet a duty is also cast upon Central Government to see that its provisions are followed. When asked about the specific achievement in implementation of PESA, the Committee has been informed that the Ministry of Panchayati Raj is mandated to dialogue with States on all issues relating to the Panchayats (Extension to the Scheduled Areas) Act (PESA)1996. While the actual policies and programmes in respect of PESA are conceived and implemented by the States, Ministry of Panchayati Raj provides broad direction and back up support on policy issues, capacity building and training of Government agencies and staff.

2.60 As regards progress on changing of State Panchayat Laws to be in tune with provisions of PESA, the Ministry has stated that it has made efforts to make the State Panchayat Laws consonant with the provisions of PESA as a result of which all States have enacted the requisite compliance legislations by amending their respective Panchayati Raj Acts. However, certain gaps continue to exist. Most States are also yet to amend the subject laws, like those relating to

money lending, forest, excise, etc. A questionnaire was forwarded to all the nine States with a view to assess the status of the implementation of PESA. Reports have been received from the six PESA States and the remaining three States have been reminded to send their status reports to the Ministry. Reports as received from the States of Andhra Pradesh, Gujarat, Himachal Pradesh, Madhya Pradesh, Rajasthan and Jharkhand have been compiled.

2.61 On the issue of efforts made to ensure that the State and Central Laws are consonant with PESA, the Ministry has stated that the matter has been discussed repeatedly at the meetings of Secretaries of Panchayati Raj. The Ministry of Panchayati Raj had also entrusted to the Indian Law Institute, Delhi, the task of formulation of appropriate amendments in the concerned State laws. This has been a major exercise wherein amendments have been drafted for all the State laws (minor and major) that impinge upon the subjects relating to PESA. Many hundreds of State laws of the PESA States have been thoroughly examined, and amendments forwarded to the States. Gujarat, for example has amended a local statute relating to agriculture, while other State Governments are carrying out the exercise in consultation with their respective Departments of Law and the Line Departments. There is an urgent need to expedite the process of changing these laws by the States. Reminders have also been issued to these States on 21.8.2006, 27.9.2006 and 15.1.2007. Gujarat Government has forwarded the report to concerned Departments for effecting appropriate amendments in the relevant Acts.

2.62 The Panchayat's Extension to Scheduled Areas Act (PESA), 1996 is being implemented in areas falling under the Fifth Schedule of the Constitution. Fifth Schedule areas are in nine States viz. Andhra Pradesh, Chhattisgarh, Gujarat, Maharashtra, Himachal Pradesh, Jharkhand, Madhya Pradesh and Rajasthan. The Committee find from the information provided by the Ministry that all States have enacted the requisite compliance legislation by amending their respective Panchayati Raj Acts. However certain gaps continue to exist. Most States are also yet to amend the subject laws like those relating to money lending, forest, excise etc. In this connection the Ministry has entrusted the task of formulation of appropriate amendments in the concerned State Laws to the Indian Law Institute, Delhi. The amendments to the State laws as proposed by the Indian Law Institute which run into hundreds, have been sent to the respective State Governments. As regards the achievements, only Gujarat has been able to amend a local Statute relating to agriculture. The Committee strongly recommend to the Ministry to follow up

vigorously with the various State Governments to carry on the amendments to the various local laws expeditiously so as to enable the implementation of amended Acts/Laws in letter and spirit.

H. Nyaya Panchayats Bill

Objective

2.63 With a view to establishing an informal system of justice, conciliation and dispute redressal at the Panchayat level, as envisaged by former Prime Minister Rajiv Gandhi, the Ministry of Panchayati Raj constituted a Drafting Committee chaired by the eminent jurist, Prof. Upendra Baxi, to draft the Nyaya Panchayat Bill. The Drafting Committee has completed its task and the Ministry of Panchayati Raj is examining the Draft Bill. The Committee has recommended institutionalization of Nyaya Panchayats as the necessary adjunct to the regular Panchayats to deliver expeditious and inexpensive justice to the people. It favours the establishment of an informal dispute redressal mechanism at village level.

Composition

2.64 The Ministry has informed that as per the Draft Bill there shall be a Nyaya Panchayat for every Panchayat Area or a group of Panchayat Areas. The Nyaya Panchayat shall be comprised of 5 Panchs who shall be elected by the people residing in the Panchayat area along with the election of members of Gram Panchayats as per the relevant law of the State. The Nyaya Panchs will be assisted by Nyaya Sahayak in the Nyaya Panchayat by providing legal information regarding the dispute or controversy and providing every assistance to the Nyaya Panchayat in the settlement of disputes, making of the orders, cause lists and maintaining of records. The Nyaya Panchs and Nyaya Sahayaks will be given adequate training in handling the cases and running of Nyaya Panchayats. It is expected that the Nyaya Panchayat will be able to handle the cases brought before them.

Jurisdiction

- (1) The Nyaya Panchayats shall follow persuasion, conciliation, mediation as means to resolve disputes in such manner which is fair to all parties.
- (2) The Nyaya Panchayat shall have exclusive jurisdiction to hear and deal with cases, claims, issues, offences and proceedings arising within their geographical territory.

The jurisdiction of Nyaya Panchayat shall extend to both civil and criminal cases. The complete list with respect of jurisdiction of Nyaya Panchayat is at *Appendix-V*.

Progress on draft Bill

2.65 During course of evidence of the representatives of the Ministry of Panchayati Raj the Committee enquired whether the Ministry is serious on the issue of bringing the aforesaid Bill in Parliament. The representatives of the Ministry of Panchayati Raj have informed the Committee that the draft Bill has been circulated to all States/Uts and all Central Ministries. The Ministry have received comments from 13 States and 21 Central Ministries and majority are in favour of this Bill. However consensus is being arrived on the issue by the Ministry. Some Ministries like Ministry of Law and Justice are against this draft Bill.

2.66 The Committee find that for the purpose of establishing an informal system of justice, conciliation and dispute redressal at Panchayat level a draft Nyaya Panchayat Bill has been prepared based on the recommendations of Drafting Committee headed by the eminent jurist Prof. Upendra Baxi. The aforesaid draft Bill has been referred to all States and Union Ministries for their comments and 13 States and 21 Central Ministries have furnished the comments. Most of the Union Ministries are in favour of the legislation. However a few Ministries like the Ministry of Law and Justice are against the draft Bill. The Committee find that in order to arrive at consensus on the draft Bill the Ministry of Panchayati Raj is making efforts.

The Committee find that at present the district courts are first level of judicial redressal. By providing the proper equivalent of courts, the Panchayats may help to lessen the burden of district courts specifically when these courts are over burdened. There is considerable delay in settlement of cases which one or the other way denies justice to the petitioner. However, the Committee are aware of the fact that the proposal of Nyaya Panchayat, if implemented would add to the existing powers and responsibilities of Panchayats which at present are not adequately equipped with the required judicial acumen. With the existing scenario of empowerment of Panchayati Raj Institutions even after passage of around 14 years of enactment of the Constitution 73rd Amendment Act, the analysis of which has been done in the preceding part of the report, the idea of Nyaya Panchayat need to be handled carefully

by the Ministry. Therefore, the Committee strongly recommend to the Ministry to have wider consultations with the State Governments and all the interest groups. Besides, consultation of experts and public at large is also required. The objections from various quarters need to be addressed carefully before taking final decision in this regard so as to avoid any unavoidable confrontation and resistance from any of the quarters.

I. Twelfth Finance Commission Grants

2.67 The Twelfth Finance Commission has recommended that a sum of Rs. 20,000 crore be made available as grants to State Governments during the period 2005-10 to augment the Consolidated Fund at State levels to facilitate the supplementing of the financial resources placed at the disposal of the Panchayats. This is a substantial increase over the Eleventh Finance Commission recommendations for an addition in grant money of Rs. 8,000 crore over five years (2000-2005).

2.68 In a significant advance in current policy and practice, the Ministry of Finance, after close consultation with the Ministry of Panchayati Raj, has mandated through its guidelines that these funds must invariably be transferred to Panchayats within 15 days of their being credited to State Consolidated Funds. The guidelines of the Ministry of Finance for the release and utilisation of Grants recommended by the Twelfth Finance Commission stipulate that:

- (a) Grants will not be released to a State (if covered under Part-IX of the Constitution) where elections to these Panchayats have not been held and for the period for which there were no elected Panchayats as per the provisions;
- (b) Each State Finance Secretary would be required to provide a certificate within 15 days of the release of each installment by Government of India under his signature certifying the dates and amounts of local grants received by the State from the Government of India and the dates and amounts of grants released by the State to the PRIs;
- (c) In the case of delayed transfer to PRIs from the State, an amount of interest at the rate equal to the RBI Bank rate should be additionally paid by the State Government to the PRIs, for the period of delay;
- (d) State Governments shall give details of allocations of funds to PRIs before States become eligible to receive funds; and

(e) A Committee headed by the Secretary, Ministry of Panchayati Raj Government of India, would monitor the releases of grant money by State Governments to Panchayats.

The position of State-wise allocation and expenditure of TFC funds during the year 2005-2006 is given below:

State Name	Installment I		Installment II	
	Allocation (amount in Lakhs)	Release (amount in Lakhs)	Allocation (amount in Lakhs)	Release (amount in Lakhs)
1	2	3	4	5
Andhra Pradesh	15870	15870	15870	15870
Arunachal Pradesh	680	680	Not Yet Released	—
Assam	5260	4877.6	Not Yet Released	—
Bihar	16240	16240	16240	16240
Chhattisgarh	6150	6150	6150	6150
Goa	180	180	Not Yet Released	—
Gujarat	9310	9310	9310	9310
Haryana	3880	3880	3880	3880
Himachal Pradesh	1470	1470	1470	1470
Karnataka	8880	7936	8880	8880
Kerala	9850	9850	9850	9850
Madhya Pradesh	16630	16630	16630	16630
Maharashtra	19830	19830	19830	19788.08
Manipur	212	211.60	212	212
Orissa	8030	8030	8030	8030
Punjab	3240	3240	3240	3240
Rajasthan	12300	292.8	12300	292.8
Sikkim	130	130	Not Yet Released	—
Tamil Nadu	8700	8700	8700	8700

1	2	3	4	5
Tripura	570	570	Not Yet Released	—
Uttar Pradesh	29280	29280	29280	29280
Uttaranchal	1620	1620	1620	1620
West Bengal	12710	12710	12710	12710

Position of State-wise allocations and releases of TFF funds during 2006-07 is as given below:

State Name	Installment I		Installment II	
	Allocation (amount in Lakhs)	Release (amount in Lakhs)	Allocation (amount in Lakhs)	Release (amount in Lakhs)
1	2	3	4	5
Andhra Pradesh	15870	Information not furnished by the State	Not Yet Released	—
Arunachal Pradesh	Not Yet Released	—	Not Yet Released	—
Assam	Not Yet Released	—	Not Yet Released	—
Bihar	16240	Information not furnished by the State	Not Yet Released	—
Chhattisgarh	6150	—	Not Yet Released	—
Goa	Not Yet Released	—	Not Yet Released	—
Gujarat	9310	Information not furnished by the State	Not Yet Released	—
Haryana	3880	3880	3880	Information not furnished by the State
Himachal Pradesh	1470	1470	Not Yet Released	—

1	2	3	4	5
Karnataka	8880	Information not furnished by the State	Not Yet Released	—
Kerala	9850	Information not furnished by the State	Not Yet Released	—
Madhya Pradesh	16630	54935.57	Not Yet Released	—
Maharashtra	19830	18824.16	Not Yet Released	--
Manipur	212	Information not furnished by the State	Not Yet Released	—
Orissa	8030	145.76	Not Yet Released	—
Punjab	3240	Information not furnished by the State	Not Yet Released	—
Rajasthan	12300	12300	Not Yet Released	—
Sikkim	Not Yet Released	—	Not Yet Released	—
Tamil Nadu	8700	Information not furnished by the State	Not Yet Released	—
Tripura	Not Yet Released	—	Not Yet Released	—
Uttar Pradesh	29280	Information not furnished by the State	Not Yet Released	—
Uttaranchal	1620	Information not furnished by the State	Not Yet Released	—
West Bengal	12710	Information not furnished by the State	Not Yet Released	—

2.69 As regards the monitoring of funds allocated under TFC the Ministry has informed that a Committee headed by the Secretary, Ministry of Panchayati Raj would monitor the releases of grant money by State Governments to Panchayats. This Committee has already met twice, in August, 2006 and January, 2007. Further during the course of evidence the Secretary, Ministry of Panchayati Raj has informed the Committee that in response to the TFC, the Ministry of Finance has put in place a set of very stringent guidelines and safeguards for the grants which stipulate that the grants fund as released by the Finance Ministry would be released directly to the Consolidated Fund of the State only and the Consolidated Fund of the State is duty bound to release the money within 15 days otherwise they would have to pay interest at RBI rates. She further elaborated that already about nine States have been recommended for this penalty with some of the larger States like Andhra Pradesh, West Bengal, Tamil Nadu, Chhattisgarh and Karnataka among others. Another facet to this is that the Ministry of Panchayati Raj has already prepared a software to maintain data base of the Bank accounts of all 2,40,000 Panchayati Raj Institutions to facilitate transfer of funds under TFC therefore an additional advantage is that once the bank transfer mechanism is institutionalised it could be utilised by State Governments to transfer all funds to PRIs including those assigned through Centrally Sponsored Schemes.

2.70 The Committee note that as per recommendations of Twelfth Finance Commission a huge amount of Rs. 20,000 crore is to be made available to State Governments during the period 2005-2010 to augment the Consolidated Fund of State level to facilitate supplementing the financial resources of PRIs. In this connection the Committee are glad to note that for the purpose of speedy flow of funds from State Governments to PRIs the Ministry of Finance has formulated stringent guidelines in consultation with Ministry of Panchayati Raj stipulating that these funds should be transferred from State Governments to PRIs within 15 days of being credited in State Consolidated Fund, otherwise State Governments would have to pay interest thereon on RBI rates.

In this connection the Committee have been informed that as many as nine States which included Andhra Pradesh, West Bengal, Tamil Nadu, Chhattisgarh, Karnataka have already been penalised for delay in transfer of Twelfth Finance Commission grants from State Governments to PRIs. Further the Committee have been informed that for the purpose of monitoring of funds a Committee headed by Secretary, Panchayati Raj has already met twice in August, 2006 and January, 2007. The Committee hope that aforesaid

guidelines being implemented by the Ministry of Finance will go long way in making available in time the TFCs grants to PRIs across the country.

The Committee also note that Ministry of Panchayati Raj has already prepared a software to maintain data base of Bank accounts of all 2.4 lakh PRIs across the country to facilitate transfer of funds under Twelfth Finance Commission to PRIs. The Committee however find that Bank transfer mechanism is yet to be institutionalised by the Banks. The Committee desire that Ministry of Panchayati Raj should take up the matter with Ministry of Finance to impress upon Banks to utilise software prepared by the Ministry of Panchayati Raj.

2.71 From the figures of allocation *vis-a-vis* releases of 1st and 2nd installment of Twelfth Finance Commission of Grants to PRIs in different States during 2005-2006 and 2006-2007, the Committee find that many States have not even received their second installment during 2005-2006. The States of Arunachal Pradesh, Assam, Goa, Sikkim and Tripura have not been released the second instalment during 2005-06. As regards, the status of allocation during 2006-07, the Committee note that first installment has not been allocated to five States viz. Arunachal Pradesh, Assam, Goa, Sikkim and Uttar Pradesh. With regard to releases as many as eleven States have not furnished the information with regard to releases made to PRIs. The Committee would like the specific reasons with regard to the installments not being released during the year 2005-06 and 2006-07 and the States not reporting about the releases to PRIs. The Committee would also like that the position of expenditure out of the released amount to PRIs also needs to be monitored. The Committee would like to be informed about the utilisation position in this regard so as to analyse the position and comment further.

J. Public Private Partnership [Rural Business Hubs (RBHS)]

2.72 Prime Minister of India introduced the concept of Rural Business Hubs (RBHS) in June 2004 as an initiative towards increasing rural incomes through the platform of 4 Ps: Public-Private-Panchayat Partnership. RBH is an initiative of the Ministry of Panchayati Raj, in partnership with Confederation of Indian Industry (CII) to establish direct linkages between rural produce, product upgradation and marketing channels. The allocation for 2007-2008 for Rural Business Hubs is Rs. 2 crore.

2.73 A National RBH Council has been set up .The National RBH Council is co-chaired by the Minister for Panchayati Raj and Shri Sunil

Kant Munjal, ex President and Chairman of the CII Mission for inclusive growth to oversee the RBH initiative.

2.74 Further the Ministry of Panchayati Raj has informed that an RBH Executive Committee, co-chaired by the Secretary, Panchayati Raj and Ms. Laxmi Venkatesh, Chairperson of Bharatiya Yuva Shakti Trust has been constituted to chalk out action plans and attend to the details of establishing RBHs. Andhra Pradesh, Assam, Chhattisgarh, Goa, Himachal Pradesh, Karnataka, Kerala, Madhya Pradesh, Orissa, Punjab, Rajasthan, Uttar Pradesh, Uttarakhand and West Bengal have set up State RBH Councils. Discussions with Krishak Bharati Cooperative Limited (KRIBHCO), Khadi and Village Industries Commission (KVIC), Directorate of Small Scale Industries, Handicraft Promotion Council etc. are in an advanced stage.

2.75 When the Committee wanted to know what would be the impact of RBHs on the rural economy the Ministry have stated that the full impact of RBHs on the rural economy will be felt after a few years of establishment of working RBHs and not immediately. Its immediate impact could be in the form of livelihood for those engaged in some sectors like agriculture, handloom etc. It is envisaged that the rural economy would gain as a whole through providing promotional and facilitatory support in terms of job creation, particularly for skilled and semi-skilled young people by giving market linkages to the rural products and giving sustainable employment and livelihood. Rural skills could also be upgraded through partnerships with industry and the rural people will be able to compete with their urban counterparts.

2.76 The Committee find that the concept of Rural Business Hubs (RBHs) was mooted by Hon'ble Prime Minister in June, 2004 as an initiative towards increasing rural income through the platform of public-private-panchayat-partnership. As regards the progress during the year 2006-07, 14 States have set up RBH councils. An RBH Executive Committee co-chaired by Secretary, Panchayati Raj and Ms. Laxmi Ventaktesh, Chairperson of Bhartiya Yuva Shakti Trust has been constituted to chalk out action plans. The Committee strongly recommend to the Ministry to initiate all the desired actions so that the idea of establishing Rural Business Hubs can be translated into reality.

SCHEME-WISE ANALYSIS

I. Backward Regions Grant Fund

Objectives and Coverage

The Ministry of Panchayati Raj has informed that the BRGF has two agendas — a development agenda and institutional strengthening agenda. The developmental agenda is to reduce the backwardness in these districts and the institutional agenda is to strengthen local bodies as it is only through local bodies that development can be made equitable and sustainable.

3.2 The Backward Regions Grant Fund is designed to redress regional imbalances in development. The fund will provide financial resources for supplementing and converging existing developmental inflows into identified districts, so as to:

- (a) Bridge critical gaps in local infrastructure and other development requirements that are not being adequately met through existing inflows;
- (b) Strengthen, to this end Panchayat and Municipality level governance with more appropriate capacity building, to facilitate participatory planning, decision making, implementation and monitoring, to reflect local felt needs;
- (c) Provide professional support to local bodies for planning, implementation and monitoring their plans; and
- (d) Improve the performance and delivery of critical functions assigned to Panchayats, and counter possible efficiency and equity losses on account of inadequate local capacity.

3.3 The BRGF guidelines as applicable to States and districts fall within the purview of Part IX of the Constitution. BRGF is being implemented in 250 districts of the country. The list of districts covered under BRGF is annexed at *Appendix-VI*.

Availability and Utilisation of Funds

3.4 During Budget Speech 2006-07 the Finance Minister had announced the establishment of a Backward Regions Grants Fund with an initial allocation of Rs. 5,000 crore out of which Rs. 1,250 crore was meant for the special plans for Bihar and KBK districts of Orissa to be handled separately by the Planning Commission. The Ministry of Panchayati Raj was entrusted with the administration of this scheme in the rest of the country and had been provided a BE of Rs. 3,750 crore. Subsequently the allocation was revised to Rs. 1,925 crore at the RE stage which has been fully utilized by the Ministry.

3.5 When the Committee inquired the reasons for reduction of almost 50 per cent at RE stage, the Ministry have stated that the reduction at the RE stage was primarily due to the fact that till 31 December, 2006, there was a substantial unspent balance of over Rs. 1,000 crore with the State Governments under the Rashtriya Sam Vikas Yojana. The scheme of Backward Regions Grants Fund was transferred to the Ministry of Panchayati Raj after the Cabinet approval in August, 2006. The Ministry then prepared the guidelines of the scheme and after intensive consultations with the State Governments, the same were finalised and circulated in January, 2007. Funds under the BRGF have been released only thereafter. As RSVY has been merged with the BRGF, the Ministry was required to release the backlog of the funds due to the 147 RSVY districts @ Rs. 45 crore per district. Keeping in view the large unspent balance lying with the States, it was considered by the Ministry of Finance to restrict the overall Plan allocation of the Ministry to Rs. 2,000 crore.

Mechanism of implementation

3.6 The plan of implementation of BRGF by the Ministry of Panchayati Raj is to integrate multiple programmes that are in operation in the district concerned and therefore address backwardness through a combination of resources that flow to the district. This will be done without giving any schematic overlay to BRGF that would be subversive of the principle of local prioritization in planning. Programmes identified for implementation under the fund will be selected through peoples' participation, particularly through Gram and Ward Sabhas in the rural areas and Area Sabhas and Ward Committees in the urban areas. Participatory plans will be prepared in each Panchayat and Municipality, which would take into account all resources being spent in the area of the Panchayat, which would cover the following:

- (a) Sectoral and district segments of the State Plan,
- (b) Centrally Sponsored Schemes (particularly Flagship programmes),
- (c) Fund inflows on account of the National Employment Guarantee programme,
- (d) Tied and untied grants from Central and State Finance Commission, and
- (e) Fund inflows on account of the Bharat Nirman programme.

The BRGF would be implemented by the Panchayats and DPCs constituted in accordance with Part IX of the Constitution who would undertake the management of the programme. The implementation of the works should be by the Panchayats at the appropriate level, in

accordance with the respective activity mapping exercise undertaken. The principle of financial subsidiarity will need to be followed, by which even if a higher level of Panchayat, such as a District or Intermediate Panchayat sanctions a work of a value less than a prescribed floor limit, it transfers the money allocated for that work to the Gram Panchayat concerned for implementation. In case the works are outside the domain of the Panchayats, the DPC may decide the implementing department/agency and get the works executed through them with clear powers of monitoring and supervision with the Panchayat(s) concerned. No special bodies would be set up for implementation of this scheme. The main types of works to be undertaken under this scheme are:

- (a) Gap filling in local infrastructure linked to flagship programmes;
- (b) Rural electrification, where intensive electrification of a village may be beyond what is proposed to be done from investment at the national level at present;
- (c) Adoption of appropriate technology options by Panchayats for drinking water supply in hilly and tribal areas, where conventional pump and pipe water supply is not able to deliver; and
- (d) Augmenting Indira Awas Yojana, where the Bharat Nirman only meets a portion of the backlog in provision of new housing.

Funding Pattern

3.7 The BRGF consists of:

(a) Capability Building Fund:

These funds will be used primarily to build capacity in planning, implementation, monitoring, accounting and improving accountability and transparency. This could include arrangements for contracting and outsourcing.

(b) Substantially untied grant:

The allocation of these funds by Panchayats will be guided by transparent norms and they will use these funds to address critical gaps in integrated development, identified through the participative planning processes cited in these guidelines.

Criteria for disbursement

3.8 The criteria for disbursement of funds between districts would be:

- (a) Every district will receive a fixed minimum amount of Rs. 10 crore per annum;
- (b) 50 per cent of the balance allocation under the Scheme will be allocated on the basis of the share of the population of the district in the total population of all backward districts; and
- (c) The remaining 50 per cent will be distributed on the basis of the share of the area of the district in the total area of all backward districts.

When asked about the manner in which funds would be disbursed under BRGF the Ministry has stated in reply as under:

“All funds under BRGF will be transferred to the Consolidated Funds of State Governments. Those funds that are to be transferred to Panchayats and Municipalities by the State Governments will be transferred to their Bank accounts, following the same stipulations as prescribed for the devolution of 12th Finance Commission Grants, namely, within 15 days of the release of funds to the Consolidated Fund. From the State level, the funds will be directly deposited into the bank accounts of the Panchayat or Municipality concerned, using the mechanism of Bank transfers suggested by the Task Force of the Ministry of Panchayati Raj to study the feasibility of rapid transfer of funds through Banks to Panchayats. Bank account details of all Panchayats would be furnished by State Governments concerned as sought for already by the Ministry of Panchayati Raj.

Fragmented Approach

3.9 The Committee had desired the specific reasons for part implementation of RSVY by the Ministry of Panchayati Raj whereas the special plan for Bihar and KBK districts of Orissa are to be handled by the Ministry of Finance. The Ministry have submitted that the two components of BRGF, namely, the Districts component covering 250 districts and Special Plans for Bihar and the KBK districts of Orissa address different priorities and are differently operationalised. Under the Districts Component which covers 250 districts including the backward districts of Bihar and Orissa (including all the eight KBK

districts), district plans are to be prepared on a participatory basis by implementation of programmes selected through peoples participation. Panchayati Raj Institutions (PRIs) from the village upto the district level are to be the authorities for planning and implementation in keeping with the letter and spirit of Article 243 G of the Constitution.

3.10 The objectives of the Special Plans for Bihar and the KBK districts of Orissa are to provide critical infrastructure at the regional level and are not limited to a single district. Therefore, it is the considered view of the Planning Commission that these Special Plans are regional plans with inter-district schemes and need to be discussed and approved as part of the Annual Plans of these States and need to be handled by the Planning Commission.

Monitoring

3.11 The Ministry has drawn up extensive plans for monitoring of the scheme. The Ministry has informed that it has prepared a detailed programme of monitoring BRGF. The salient features of the same are as follows:

Monitoring of BRGF will be taken up district-wise. States will be also monitoring through summations of district wise implementation progress. A system of ranking districts and States in implementation of BRGF will be put in place. Monitoring of progress will be done quarterly. All monitoring reports and proformaes will be put in the public domain and placed on the website for the programme: <http://panchayat.gov.in/brgf>.

3.12 BRGF monitoring will cover five focus areas, as follows:

- (a) Implementation of RSVY:
- (b) Process of planning and implementation of BRGF:
- (c) Panchayat and ULB strengthening and capacity building:
- (d) Collection of essential data relating to BRGF districts:
- (e) Outputs and Outcomes of BRGF (This will be readily apparent only after implementation of the programme is under way for some time. Therefore, it will be more relevant for monitoring from 2008-09 onwards)

3.13 After the first quarter of 2007-08, there will be a ranking of districts, and their classification into poor, medium and high performance districts. While the un-reached milestones will continue

to be monitored in respect of poorly performing districts, in other districts, fresh milestones that are some way down the process of planning and implementation will be identified and monitored.

Checklists for the monitoring of the above aspects listed at (a) to (d) have already been prepared.

3.14 The Committee note that Rashtriya Sam Vikas Yojana, a scheme meant for the upliftment of backward districts was approved in the year 2004-2005 and was actually implemented during the year 2005-2006. The scheme was under the administrative control of Planning Commission. Rs. 5,000 crore were allocated for RSVY during the year 2005-2006. In August, 2006 RSVY was subsumed into Backward Region Grant Fund and transferred to the Ministry of Panchayati Raj. While transferring the aforesaid scheme, the Planning Commission retained Rs. 1,250 crore meant for the special plans for Bihar and KBK districts of Orissa to be handled separately by the Planning Commission. The Standing Committee expressed concern over the fragmented approach in implementation of the programme and desired further details of the two segments of the erstwhile RSVY.

The Ministry during the course of oral evidence of Demands for Grants 2007-2008 has submitted that the objective of the special plan for Bihar and KBK districts of Orissa are to provide initial infrastructure at the regional level and are not limited to a single district. It is the considered view of the Planning Commission that these special plans are regional plans with inter-districts schemes and need to be discussed and approved as part of the Annual Plans of these States and needs to be handled by the Planning Commission. The Committee find from the information furnished by the Ministry that views of the Planning Commission for retaining the part of the scheme for Bihar and KBK districts of Orissa have been furnished. However the Ministry has not furnished its own views keeping in view the comments of the Committee in their earlier report. The Committee would like to be apprised of the comments of the Ministry on the formula of dividing the scheme in the light of the specific reasons furnished by the Planning Commission alongwith the details of the component of the two schemes, RSVY and Backward Region Grant Fund so as to review the position and comment in this regard.

3.15 The Committee find that a laudable scheme of Backward Regions Grant Fund (BRGF) has been transferred to Ministry of

Panchayati Raj to address regional imbalances in development by way of inflow of funds for supplementing and converging existing developmental inflows into identified 250 most backward districts across the country. The Committee find that the scheme has been in operation since 2006-2007 with a budget allocation of Rs. 3,750 crore subsequently revised to the level of Rs. 1,925 crore at the Revised Estimates stage. The Committee's examination has revealed that since there was an unspent balance of over Rs. 1,000 crore till December, 2006 under Rashtriya Sam Vikas Yojana (RSVY) with different State Governments the budget estimates were drastically reduced at revised estimate. In the Committee's view the reduction of budget outlay reflects failure on the part of different State Governments to utilise available funds under RSVY a scheme that was merged to the existing scheme. Thus the Committee feel that the Ministry of Panchayati Raj also on their part had not interacted with different State Governments to impress upon them the need to utilise the funds available under RSVY. In the Committee's opinion revising the budget outlay on the ground that considerable amount was left with the State Governments under previous scheme does not augur well with over all utilisation of funds on the part of the Ministry of Panchayati Raj. The Committee therefore recommend the Ministry to make all out efforts to ensure that the budget outlays are not reduced at revised estimates level particularly when the task before the Ministry during the Eleventh Plan period is huge. The Committee strongly recommend to the Government to monitor the BRGF effectively with the various mechanism so as to ensure the meaningful utilization of the resources allocated to different backward districts under BRGF.

3.16 The Committee find that the scheme of Backward Region Grant Fund envisages disbursement of funds of fixed amount of Rs. 10 crore per annum to every district. 50 per cent of the balance allocation will be on the basis of share of population of the districts in total population of all backward districts and remaining 50 per cent on the basis of area of the district in total area of all backward districts. The Committee have been informed that programmes under this scheme will be selected through people's participation particularly through Gram Sabhas by way of preparation of participatory plans to be prepared in each Panchayat which will take into account flow of funds from all sources like Centrally Sponsored Schemes, National Rural Employment Guarantee Scheme etc.

The Committee further find that BRGF funds will primarily be used to build capacity in planning, implementation, monitoring,

accounting and improving accountability and transparency and could also include arrangements for contracting and outsourcing. Besides substantial untied grants would be allocated under BRGF to Panchayats to address critically gaps in integrated development. The Committee while noting the laudable objectives of the scheme emphasize on strict monitoring of the programme particularly when the programme has various components. The expenditure position for the capability building funds to Panchayats and to local bodies and untied grants should be monitored separately. Further the Committee feel that in order to have judicious utilization of the funds, there is a need for proper monitoring by an independent agency outside the jurisdiction of concerned District Rural Development Agency (DRDA) and State Governments. The Committee would like that their concerns should be adequately addressed by the Ministry and strategies evolved for proper implementation of the programme so as to achieve the set objectives. The Committee further recommend that the position of expenditure in different districts along with the position of physical achievements should be reflected in the Outcome Budget of next year i.e. 2008-09 so as to make an assessment of the performance of the scheme in various districts. The Committee further note that the type of work to be undertaken in various backward districts under the aforesaid schemes include rural electrification, adoption of appropriate technology options by Panchayats for drinking water supply in hilly and tribal areas, augmenting Indira Awaas Yojana etc. The Committee find that the aforesaid works are being undertaken by the respective Centrally Sponsored Schemes of the Union Government. Besides there may be State schemes to address the aforesaid issues. The Committee feel that there is an urgent need for proper co-ordination with the respective schemes of Union Government and State Governments. The Ministry should evolve a mechanism to address to the aforesaid observation of the Committee.

II. Rashtriya Gram Swaraj Yojana

3.17 The Rashtriya Gram Swaraj Yojana is a Centrally Sponsored Scheme with 75 per cent of the funding for the Scheme provided by the Central Government and 25 per cent by the State Governments. The objective of the scheme of Rashtriya Gram Swaraj Yojana is to assist States to improve the capacity of Panchayats and provide the necessary administrative and infrastructure support to them so that they can effectively perform the functions devolved and the schemes entrusted to them. This is proposed to be accomplished through action in four vital areas *viz.*:

- (i) Training and Capacity building of elected representatives and staff of Panchayats;

- (ii) e-Governance for all Panchayats;
- (iii) Improving infrastructure at Panchayat level; and
- (iv) Action Research & Evaluation.

From 2007-2008 the components of Rural Business Hubs, Media, Publicity and advocacy, Panchayat Yuva Shakti Abhiyan and Panchayat Mahila Shakti Abhiyan have been merged with this scheme.

3.18 The proposed allocation and utilisation under the different components of this scheme for 2006-2007 and B.E. during 2007-2008 given as under:

Components of the Yojana	Financial Performance				
	Targets (Rs. in crore)		Achievements	Percentage	BE
	BE (2006-07)	RE (2006-07)	(Rs in crore) (2006-07)	Acheivement (2006-07)	2007-08
(a) Training & Capacity Building	30.00	24.50	24.50	100	33.00
(b) Infrastructure Development	10.50	10.50	10.50	100	10.00
(c) Information Technology	8.00	8.00	8.00	100	10.00
(d) Research Studies	2.0	2.0	0.86	43	2.00
Total	50.50	45.45	43.86	96.5	67.90*

*Includes allocations for the following four new components merged with the Yojana as detailed below:

		(Rupees in crore)
		Allocations
(a)	Media, Publicity and advocacy;	6.90
(b)	Rural Business Hubs;	2.00
(c)	Panchayat Yuva Shakti Abhiyan; and	2.00
(d)	Panchayat Mahila Shakti Abhiyan	2.00

3.19 During 2007-2008 Rs. 67.90 crore have been allocated under the scheme indicating an increase of over Rs. 17.40 crore over budget estimates of previous year.

When the Ministry was asked the reason for less than cent per cent utilization of funds under this scheme they have stated that since the Rashtriya Gram Swaraj Yojana was a new scheme it required the 'in-principle' approval of the Planning Commission and thereafter an appraisal by the Department Expenditure Finance Committee. This process took some time and financial releases could be effected only

from December, 2006. Further it is stated that there is less than cent per cent utilisation only in the component of research studies and this was due to non-receipt of good proposals.

Component-wise analysis

3.20 The component-wise analysis of the Rashtriya Gram Swaraj Yojana is detailed in the succeeding paragraphs.

(i) Training and capacity building

Training is an on-going exercise, being undertaken by the State Institutes of Rural Development round the year. During 2003-2004, 6.03 lakhs of people were imparted training by the Ministry of Panchayati Raj under the erstwhile 'Panchayat Development and Training'. During 2004-2005, 6 lakhs were imparted training with the efforts of the Ministry, for 2005-2006 the corresponding figure was 5.65 lakh. The Ministry had intended to train 5.37 lakh representatives during 2006-07. The Ministry has reported that around 3 lakh elected representatives and officials have been given training till February, 2007. Thus so far 20.68 functionaries have been trained since 2003-04. The Centre allocation of the Ministry under this component was utilised.

Further the Ministry has informed that they have formulated a National Capability Building Framework (NCBF) for Panchayati Raj elected representatives and functionaries. A copy of the same is enclosed at *Appendix-VII*. The NCBF addresses the basic question whether capacity building should precede devolution of functions, functionaries and finances or whether devolution of the same would lead to capacity building. It is the opinion of the Ministry that effective implementation of Part IX of the Constitution would require capacity building of Panchayats encompassing training, provision of adequate functionaries, and technical and other support to Panchayats.

The basic objective of the NCBF are:

- (a) enabling Panchayat elected representatives to upgrade their knowledge and skills to better perform their responsibilities, such as implementing programmes equitably, enabling them to think in terms of concrete actions they can take or facilitate and equipping them with the skills required for day-to-day performance of executive duties;
- (b) orienting key officials associated with the devolved functions to (i) better function as technical advisors and trainers and (ii) be more receptive and learn from the ground level experience of elected Panchayat representatives;

- (c) improving the Gram Sabha functioning, particularly for the poor, to assert their demands through participative planning, monitor plan implementation and to hold their Panchayat to account through invoking Right to Information and social audit; and
- (d) sensitizing the media, political parties, representatives in the legislatures, civil society organizations and citizens to accepting and promoting Panchayati Raj as an effective level of local government.

3.21 The basic principles underlying the framework include among others implementation of the Framework is an all round continuous and sustained basis aiming at long-term transformation and development. Further also the focus of training under the Framework is not upon information alone, but on inter-learning between trainers and participants.

The Framework is targeted to reach:

- (a) elected representatives of Panchayats;
- (b) officials working with Panchayats;
- (c) pressure groups within Gram Sabha such as SHGs; and
- (d) elected representatives and officials of higher levels of Government.

3.22 The courses have been designed such as to build the right mindset for implementation of Panchayati Raj as well as basic skill building for planning and implementation. Further the course would also attempt to consolidate PRIs through interaction and networking. The duration of these courses are between 4 to 6 days.

(ii) Infrastructure Development

3.23 The infrastructure development component is intended to assist the States in building infrastructure such as *Panchayat Ghars* for Gram Panchayats. The proposal of the Ministry during 2006-2007 was to build 4200 *Panchayat Ghars* at a cost of Rs. 25,000 each. The rationale of the Ministry was that with their own building, Gram Panchayats will be able to manage their affairs in a better manner, hold regular meetings and in the long run enhance financial independence and functional efficiency.

Under this component the Ministry had an allocation of Rs. 10.50 crore during 2006-2007 which was fully utilised during that period. However since the releases were made only in December the Ministry could not provide the report of physical progress. During 2005-2008 Rs. 10 crore has been allocated for this component.

(iii) Information Technology

3.24 Under this component the aim of the Ministry is to bring about transparency in the implementation of various developmental programmes by effective monitoring of flow of funds to PRIs as well as physical implementation of various programmes. Under this component initiatives to create data base on Panchayats through the National Panchayat Portal would be supported. Out of the total allocation of Rs. 8 crore for 2006-2007, Rs. 4 crore would be released for software training and Rs. 4 crore for innovative infrastructure.

3.25 The Ministry has managed to achieve cent per cent utilisation of the outlay of Rs. 8 crore for this scheme. However since the releases were made only in December the Ministry could not provide the report of physical progress.

(iv) Research Studies

3.26 During 2006-2007 Rs. 2 crore was allocated under research studies of which the Ministry has utilised Rs. 0.86 crore which amounts to 43 per cent of the outlay. The same amount has been allocated for 2007-2008. The aim of research studies is to make Panchayati Raj Institutions more effective in implementation of various developmental programmes by making use of the findings of such research and action research studies. The mechanism of the scheme is that grants would be given to organisations including NGOs for carrying out research concerning the role of PRIs in local self-governance and implementation of programmes of economic and social justice. The Ministry has informed that the Training and Research Advisory Committee approves the proposals received. So far, the aforesaid Committee has met thrice and has approved 12 new proposals. Moreover 5 studies have already been completed.

(v) Scheme for Media Publicity and Advocacy

3.27 The scheme for Media, Publicity and Advocacy was introduced during 2006-2007 with an allocation of Rs. 3 crore both at BE and RE level. The Ministry has reported a utilisation of Rs. 2.65 crore which is about 88 per cent of the total. Further the Ministry has clarified that

expenditure under this scheme has been less as the holding of conferences/meetings are need based only. The allocation under this component for 2007-2008 is Rs. 6.90 crore.

3.28 With a view to minimize schemes, the Ministry of Panchayati Raj has decided to subsume this scheme into the Rashtriya Gram Swaraj Yojana and hence forth would appear as a component of this scheme.

3.29 The Ministry plans to increase expenditure publications, advertisements, publicity through print and visual media on different aspects of Panchayati Raj as well as for organising conferences, seminars, workshops etc. with Panchayat members, Panchayati Raj Departments of State Government and Ministries of Central Government dealing with social sectors like education health etc. Ministry also planned to organize conferences with bodies of industries like CII for presentation of Rural Business Hubs.

Under this scheme the Ministry has undertaken the following activities:

- (a) Meeting of the Council of State members of Panchayati Raj held on 15-16 June, 2006 at Bhubaneshwar;
- (b) Meeting of Chief Secretaries of States and State Panchayati Raj Secretaries on 13-14 June, 2006 at Bhubaneshwar;
- (c) Meeting of Chief Secretaries of States and State Panchayati Raj Secretaries held three meetings in April, June and September 2006 at Bhubaneshwar; and
- (d) Conference of writers and thinkers held on 23-25 June, 2006 in New Delhi.

3.30 The Committee find that Rashtriya Gram Swaraj Yojana (RGSY) is the largest scheme being implemented by the Ministry of Panchayati Raj in terms of components it addresses, issues like training and capacity building of elected representatives and officials of Panchayats, e-governance for all the Panchayats, improving infrastructure at Panchayat level, Rural Business Hubs etc. However the Committee note with constraint that a total of Rs. 50.50 crore were allocated for this large scheme during 2006-2007 which rose to Rs. 67.90 crore during 2007-2008. In view of the extent of the Rashtriya Gram Swaraj Yojana, in Committee's opinion there is a need to increase the allocations under the scheme for carrying out its functions in revised estimates level of the current year itself and also during remaining four years of the Eleventh Plan. The

Committee also desire that for this proposals for Eleventh Plan be worked out expeditiously by the Ministry of Panchayati Raj.

3.31 The Gram Swaraj Scheme is intended to achieve the vital objective of capacity building of Panchayats. However, the Committee are of the opinion that to enable the Ministry to effectively shoulder this immense task the allocation should be adequate. Therefore, the allocation of the Eleventh Plan has to be made keeping in view the task ahead of the Ministry. The component-wise analysis of the scheme is given below:—

- (i) The Committee are constrained to note that under the 'Capacity Building' component under RGSY a small amount of Rs. 30 crore was provided during 2006-2007 which was reduced to Rs. 24.50 crore at Revised Estimates level and the same has been fully utilised. Against this allocation around 3 lakh elected representatives and officials of PRIs have been trained. The Committee find that during 2007-2008 an allocation of Rs. 33 crore has been made. In view of the foregoing the Committee recommend that in the light of huge number of around 14 lakh PRIs functionaries and officials yet to be trained the allocation under Training and Capacity Building be suitably enhanced.
- (ii) The Committee also find that during the last four years *viz.* 2003-2004, 2004-2005, 2005-2006 and 2006-2007 a total of 20.68 lakh elected representatives of PRI and their officials were imparted training. The Committee are unable to comprehend that if 20.68 lakh have been actually trained so far then the only 10 lakhs are yet to be trained. The Committee urge that State-wise data of number of trained and untrained PRI functionaries State-wise be indicated in Outcome Budget of the Ministry so that Committee can arrive at meaningful conclusion and have a clear picture on the issue.
- (iii) The Committee are glad to note that Ministry of Panchayati Raj has come forward with a National Capacity Building Framework (NCBF) with the objectives like enabling elected PRIs functionaries to update their knowledge, orienting key officials associated with devolved functions to function in a better way as technical advisors and trainers, improving the functioning of Gram Sabhas etc. The Committee also find that aforesaid NCBF

also addresses the issue of Capacity Building of PRIs before handing over the responsibilities of subjects to be devolved to them. Here the Committee would suggest that on this issue there is a need for devolution of subjects to PRIs in States where these are already strong enough to shoulder the responsibilities like Kerala and West Bengal, whereas in States like Uttar Pradesh, where PRIs are very weak there is a need to build up their capacity first. The Committee feel that this issue should be examined in detail.

- (iv) The Committee find that another component of 'Rashtriya Gram Swaraj Yojana' (RGSY) of infrastructure development envisaging assistance to States for construction of 'Panchayat Ghars' to enable Gram Panchayats to function in a better way has also not been given sufficient allocation. In Committee's opinion there are lakhs of Gram Panchayats across different States in the country requiring such assistance. However the Committee find that a meagre amount of Rs. 10 crore has been allocated for this component during 2006-2007 and 2007-2008. In view of the foregoing, in Committee's opinion the allocation under this component has to be enhanced after obtaining estimates from different States. Further, the Committee desire that the information with regard to physical performance of the scheme be furnished to the Committee.
- (v) The Committee note with dismay that like other components of 'Training Capacity Building' and 'Infrastructure Developments', of Rashtriya Gram Swaraj Yojana the component of Information Technology is also fund starved. In this connection the Committee find that a meagre amount of Rs. 8 crore during 2006-2007 and Rs. 10 crore during 2007-2008 has been given for this component. In view of the proposed requirement of Information Technology of Gram Panchayats across the country in Committee's opinion funds should be suitably enhanced.
- (vi) As regards two components of 'Research Studies' and 'Media Publicity and Advocacy' under Rashtriya Gram Swaraj Yojana the Committee are constrained to note that allocation under both the components has not been fully utilised during 2006-2007. In this connection the Committee find that against allocation of Rs. 2 crore on Research

Studies the utilisation was only Rs. 0.86 crore. Similarly on media publicity and advocacy against the allocation of Rs. 3 crore utilisation was only Rs. 2.65 crore. The Committee however find that during 2007-2008 equal amount has been restored for Research Studies whereas higher allocation of Rs. 6.90 crore has been made for Media Publicity and Advocacy. The Committee desire that the higher allocation made be meaningfully utilized by the Ministry.

The action taken reply addressing each of the issues indicated above separately should be furnished to the Committee.

III. Panchayat Empowerment and Accountability Incentive Scheme

3.32 The Panchayat Empowerment and Accountability Incentive Scheme was started during 2005-2006 with an allocation of Rs. 5 crore with the objective of giving incentive to State Governments to perform better on the areas of implementation of Part IX of the Constitution in seven areas like undertaking the exercise of activity mapping, transferring functions, functionaries and finances by different State Governments/Union territory Administrations to PRIs etc. These reform areas were recommended by the Seven Round Table Conferences. However from 2006-2007 the basis of giving incentives to State Governments was changed from seven reform areas to 'Devolution Index' under formulation by National Council of Applied Economic Research (NCAER). The allocation for this Scheme during 2006-2007 was Rs. 10 crore and was fully utilised. During 2007-2008 same amount has been allocated for this scheme.

3.33 When asked about how the Ministry is moving ahead in the absence of a devolution index the Committee have been informed that pending final devolution index an interim devolution index is under implementation. The Ministry has also informed that simultaneously comprehensive nation wide devolution index is also underway based on major resolutions of Seven Round Table Conferences. Under the new system of giving incentives to State to work better for implementing Part IX of the Constitution the Ministry of Panchayati Raj has stated that the major quantifiable deliverables would be:

- (i) Completion of Activity Mapping of functions to be devolved to Panchayats and issue of Government orders for the transfer of funds in accordance with devolved functions;
- (ii) Deputing functionaries to the administrative control of Panchayats, so as to enable them to carry out the functions assigned to them through Activity Mapping;

- (iii) Issuing orders that subsequent recruitment and administrative control of employees will be by the Panchayats; and
- (iv) Putting in place a financial accountability system, which, *inter-alia*, addresses the following issues.
 - (a) Transferring funds in the State budget directly to the Panchayat accounts for the functions devolved to them and putting in place a transparent mechanism to transfer funds, monitor their use and make public, information on funds allotted to Panchayats;
 - (b) Ensure prompt accounting, audit and public disclosure of accounts in accordance with prescribed standards;
 - (c) Creating a Fiscal Cell and operating it as a Secretariat for the State Finance Commission, when constituted;
 - (d) Assigning taxing powers to Panchayats along with a mechanism to empower collection of taxes due; and
 - (e) Appointing DPC's and activating them as per Article 243ZD of the Constitution.

3.34 Further the Ministry has stated that since this scheme is in the nature of providing incentives to State Governments for overall empowerment of Panchayati Raj Institutions no physical progress can be linked to the grants.

3.35 The Committee find that Panchayat Empowerment and Accountability Incentive Scheme is very noble Scheme that can work as a tool for much needed work of implementing Part IX of the Constitution like constitution of District Planning Committee's, undertaking the exercising of activity mapping, transferring of funds, functionaries and finances etc. However the Committee find that the basis of implementation of this scheme has been changed from time-to-time. In this connection the Committee have noticed that after commencement of the scheme in 2005-2006 the basis for rewarding State Governments for undertaking necessary reform in the field of empowering PRIs was seven reform areas like activity mapping for possible devolution, transfer of funds, functionaries and finances from State Governments to PRIs etc. In second year of implementation of the scheme the basis was changed to devolution index. Moreover the Committee find that Ministry is managing with interim devolution index for this scheme as the Devolution Index is not yet ready.

The Committee have observed seven reform areas in their previous report and the major quantifiable deliverables under the current interim devolution index. The Committee feel that by and large the issues in both the documents are identical. In this connection the Ministry has stated that the current basis is more scientific and capable of use across different schemes. On the other side the Committee have also been apprised that no physical progress can be linked to grants for work done on empowering PRIs under this scheme. Since the details of the interim devolution index are not available with the Committee, the Committee would be unable to comment on the issue. The Committee however feel that changing the basis of implementation of the Scheme on yearly basis would lead to more and more communication gap between different State Governments, field agencies and also with PRI functionaries and should be discouraged and whenever any such change is contemplated it should be properly discussed among different State Governments.

NEW DELHI;
9 May, 2007

19 Vaisakha, 1929 (Saka)

KALYAN SINGH,
Chairman,
Standing Committee on
Rural Development.

APPENDIX I

SCHEME-WISE POSITION OF ALLOCATION AND UTILISATION DURING 2006-2007

Sl. No.	Name of the Programme	Financial			
		Targets (Rs. in crs.)		Achievements	Percentage
		BE	RE	(Rs. in crs.)	Achievement
				(upto 29th March 2007)	
1.	Rashtriya Gram Swaraj Yojana				
	(a) Training & Capacity Building	30.00	24.50	24.50	100
	(b) Infrastructure Development	10.50	10.50	10.50	100
	(c) Information Technology	8.00	8.00	8.00	100
	(d) Research Studies	2.0	2.0	0.86	43
	Total	50.50	45.45	43.86	96.5
2.	Media, Publicity & Advocacy	3.00	3.00	2.65#	88.33
3.	Panchayat Empowerment & Accountability Incentive Scheme	10.00	10.00	10.00	100
4.	Management Cell	4.00	4.45*	4.27	95
5.	Allocation for North Eastern region including Sikkim	7.50	7.50	7.50	100
6.	Projects assisted by UN Agencies	0.00	5.00	5.00	100
7.	Contribution to Commonwealth Local Government Forum	0.00	0.05	0.05	100
8.	Backward Regions Grant Fund	3750	1925	1925	100
	Grand Total	3825	2000	1998.33	99.86

#Expenditure under the scheme has been less than required as the holding of conferences/meetings was only based.

*Rs. 45 lakhs has been reappropriated from the Training Component of Rashtriya Gram Swaraj Yojana.

APPENDIX II

PROGRESS OF ACTIVITY MAPPING AS ON 29 MARCH 2007

State	Transfer of Subjects through Legislation	Subjects Covered under Activity Mapping	Latest Position
1	2	3	4
Andhra Pradesh	17 subjects	9 subjects	A Task Force constituted under the Special Chief Secretary for Activity Mapping has prepared detailed formulations. Draft Government Orders incorporating activity mapping in accordance with the recommendations of the Committee are under the consideration of a Group of Ministers for finalisation. After the completion of these discussions. Departments have been directed to finalise the Government orders for issue.
Assam	29 subjects	29 subjects	Assam claims that it has done activity-mapping more than 3 years back. However, individual Departments have not operationalised this order through executive orders transferring funds and functionaries. After the recent visit of the Minister, Panchayati Raj to Assam, the State has renewed its efforts at activity mapping. It has now set out a road map for undertaking activity mapping in the current year and matching it with fiscal devolution by the time of the supplementary

1	2	3	4
Arunachal Pradesh		3 subjects	<p>estimates to the States' budget for 2007-08.</p> <p>The State Government has engaged one of its officers to carry out activity mapping with assistance from the NGO, PRIs. This Officer has submitted his report on Activity Mapping to the State Government in May 2006. It has now promised that work on Activity Mapping will be expedited. Currently, only selection of beneficiaries in respect of RD, Agriculture and Horticulture programmes have been devolved to the Panchayats.</p>
Bihar	25 subjects	25 subjects	<p>Bihar had earlier undertaken activity mapping in 2001. However, these orders were not operationalised. Therefore, the State has again undertaken a detailed exercise in Activity Mapping with the assistance of an NGO, PRIA. Currently, a Committee chaired by the Commissioner and Principal Secretary, Rural Development and Panchayati Raj is undertaking a detailed exercise on Activity Mapping. This exercise will also include devolution of finances and functionaries also. In respect of finances, a separate Committee headed by the Finance Commissioner has been constituted to address the modalities on creation of a Panchayat Sector Window in the budget.</p>

1	2	3	4
Chhattisgarh	29 subjects	27 subjects, <i>i.e.</i> all subjects except forests and drinking water supply	Although activity mapping has been completed for 27 subjects, the requisite executive orders have not been issued so far.
Goa	6 subjects	18 subjects	18 functions have been devolved to village Panchayats and to 6 ZPs. Goa needs to follow up with fiscal devolution.
Gujarat	15 subjects	14 subjects	Activity mapping has been done for 14 subjects. 5 subjects have been partially devolved. Activities are yet to be devolved with respect to 10 functions. A matrix for Activity Mapping has been prepared by the State.
Haryana	29 subjects	10 subjects	Activity mapping in respect of 10 subjects was released on 17.2.2006 in the joint presence of the Chief Minister, Haryana and the Union Minister for Panchayati Raj.
Himachal Pradesh	26 subjects	(—)	15 Departments had issued orders delegating powers to Panchayats. But no activity-mapping has been attempted in the formal model matrix as suggested by MoPR.
Karnataka	29 subjects	29 subjects	Activity mapping has been completed in respect of all 29 items in August 2003, followed by devolution of funds through the State Budget in October 2004.
Kerala	26 subjects	26 subjects	Activity mapping was completed in the form of a responsibility mapping. Now the State is revisiting this responsibility mapping by preparing a new

1	2	3	4
Madhya Pradesh	23 subjects	23 subjects	<p>activity mapping matrix that also covers Municipalities. Untied funds are also being devolved to Panchayats for the devolved functions.</p> <p>Activity mapping is undertaken in two stages—first, 7 subjects were covered, with assistance from an NGO, Samarthan. This NGO has now completed Activity Mapping for the remaining 16 more matters that have been devolved. These are under discussions with the Line Departments concerned.</p>
Maharashtra	18 subjects	(—)	<p>There has not been much progress on activity mapping in the State. The State has recently decided to review the progress in this regard.</p>
Manipur	22 functions	22 subjects	<p>Earlier, Activity mapping of 22 subjects were said to have been completed. However, since these were not operationalised, the State has reviewed matters once again and issued a notification for activity mapping for 16 subjects in January 2006. This is now being operationalised.</p>
Orissa	25 subjects	7 Subjects	<p>Activity mapping in progress in respect of 9 subjects has been issued in the joint presence of the Union Minister for Panchayati Raj and the Chief Minister. The State is now undertaking fiscal devolution to the Panchayats and aims to complete the same by the next financial year.</p>
Punjab	7 subjects		<p>Draft activity mapping has been prepared for all Departments in a</p>

1	2	3	4
Rajasthan	29 subjects	12 subjects	<p>detailed fashion. Significant work is being undertaken in certain sectors such as Health and Education. The matrix has been discussed with the Ministry of Panchayati Raj and is ready for notification.</p> <p>The activity-mapping exercise was started for 18 Departments and has now been completed for 12. A Cabinet sub-Committee was constituted in August 2004 to recommend measures to strengthen PRIs. Its report recommends full devolution by 2007, when the Eleventh Plan starts.</p>
Sikkim	28 functions		<p>Activity mapping has started and is expected to be announced in October 2006.</p>
Tamil Nadu	29 subjects		<p>Tamil Nadu claims to have issued instructions for devolving all subjects to Panchayati Raj but these remain on paper. Subjects relating to rural roads, water supply, sanitation and rural housing schemes are now being taken up for discussion in respect of activity mapping.</p>
Tripura	29 subjects	21 subjects	<p>In 1994 orders were issued for devolving 21 subjects. With respect to 8 subjects, orders are awaited because of operational problems related to the 6th Schedule. The activity mapping exercise is underway.</p>
Uttar Pradesh	12 subjects		<p>Activity mapping was completed in respect of 32 Departments as</p>

1	2	3	4
			part of the recommendations of a Committee (Bholanath Tiwari report). However, this report has not been implemented.
Uttarakhand	14 subjects	9 subjects	Activity mapping in respect of 9 Departments has been completed and is under consideration of the Government.
West Bengal	29 subjects	15 subjects	Activity mapping has been completed and orders issued in respect of 15 subjects on 7.11.2005.

The status with regard to the UTs is as given below:

Sl.No.	UT	Status
1.	Dadra and Nagar Haveli	Activity mapping has been completed. They have devolved all 29 functions.
2.	Daman and Diu	Activity mapping has been completed. They have devolved 16 functions out of 29.
3.	A&N Islands	Activity mapping has been finalized and forwarded to MHA for necessary action. They have devolved 28 out of 29 functions to the PRIs.
4.	Lakshadweep	Activity mapping has been completed. Ministry of Home Affairs has been requested to ratify the same for implementations. They have devolved 29 functions out of 29.
5.	Pondicherry	21 subjects have been devolved and 8 subjects are yet to be devolved upon Panchayats. Activity mapping is in progress.
6.	Chandigarh	Activity mapping is in progress.

APPENDIX III

PROGRESS OF DEVOLUTION AND ACTIVITY MAPPING AS ON 29 JUNE, 2005

State	Subjects transferred through legislation	Activity mapping undertaken	Latest position (29.6.2005)
1	2	3	4
Andhra Pradesh	17 Subjects	9 subjects	Committee constituted under Special Chief Secretary has yet to meet to consider activity mapping.
Assam	29 subjects	29 Subjects on 26.7.2002	Activity mapping not operationalised through executive orders and funds transfer.
Arunachal Pradesh	Nil	6 Subjects	—
Bihar	25 Subjects	20 Subjects	—
Chhattisgarh	29 Subjects	6 Subjects	Activity mapping for six completed and the remaining to be completed by October, 2005.
Goa	6 Subjects	18 Subjects	—
Gujarat	14 Subjects	14 Departments	Activity in respect of 5 subjects have been devolved partially. With respect to 10 functions, activities are yet to be devolved.
Haryana	16 Subjects	16 Subjects	Draft Activity mapping prepared. Final decision of Government of Haryana awaited.
Himachal Pradesh	26 Subjects	—	Preliminary discussions held draft activity mapping.

1	2	3	4
Jammu & Kashmir	—	—	—
Jharkhand	—	—	—
Karnataka	29 Subjects	29 Subjects	Devolution of funds pertaining to 26 subjects completed with effect from 2005-06.
Kerala	26 Subjects	26 Subjects	United funds devolved in respect of devolved functions.
Maharashtra	19 Subjects	9 Departments	—
Madhya Pradesh	25 Subjects	7 Subjects	Draft Activity Mapping under consideration of Government.
Manipur	22 Subjects	22 Subjects	Activity Mapping of 22 subjects completed.
Orissa	25 Subjects	8 Subjects	Meeting of 11 Departments have been called and activity mapping of 8 Departments are in progress.
Pondicherry	—	—	—
Punjab	7 Subjects	6 Subjects	Draft Activity Mapping prepared. Final decision of Government awaited.
Rajasthan	29 Subjects	18 Subjects transferred	Activity Mapping is in progress.
Sikkim	—	—	—
Tamil Nadu	—	—	—
Tripura	—	—	—
Uttar Pradesh	12 Subjects	10 Subjects	Activity Mapping is in progress.
Uttarakhand	14 Subjects	14 Subjects	Activity Mapping in respect of 9 Departments completed and under consideration of the Government GOs for devolution of 3 Departments issued.

1	2	3	4
West Bengal	29 Subjects	29 Subjects	Activity Mapping is completed, awaiting approval of Cabinet.
Dadar & Nagar Haveli	29 Subjects	29 Subjects	Activity Mapping is completed.
Daman & Diu	29 Subjects	29 Subjects	Activity Mapping is completed.
Andaman & Nicobar Islands	—	—	—
Lakshadweep	—	—	—
Chandigarh UT	—	—	—

APPENDIX IV

REASONS FOR DELAY IN UNDERTAKING ACTIVITY MAPPING—STATE-WISE INFORMATION

State	Latest Position
1	2
Andhra Pradesh	Draft Government Orders on activity mapping are under the consideration of a Group of Ministers for finalization. Departments have been directed to finalize the Government orders for issue.
Assam	A fresh activity-mapping matrix has been prepared and is being now discussed at the level of the Chief Secretary of the State.
Arunachal Pradesh	An Activity Mapping matrix has been prepared, which is under the consideration of the Government.
Bihar	A detailed exercise in Activity Mapping has been undertaken with the assistance of an NGO, PRIA, which is under the consideration of an official committee.
Chhattisgarh	Although activity mapping has been completed for 27 subjects, the requisite executive orders have not been issued so far.
Goa	18 functions have been devolved to village Panchayats and to 6 ZP in the Goa Panchayati Raj legislation itself. Goa is examining the steps required for fiscal devolution.
Gujarat	Activity mapping has been done for 14 subjects. 5 subjects have been partially devolved, through legislation. A matrix for Activity Mapping has been prepared by the State.
Haryana	Activity mapping in respect of 10 subjects was released on 17.2.2006. It is now being operationalised.
Himachal Pradesh	15 departments had issued orders delegating powers to Panchayats. But no activity-mapping has been attempted in the formal model matrix as suggested by MoPR.

1	2
Madhya Pradesh	Activity mapping matrix is ready for 23 matters, which are being discussed with line departments in the State.
Maharashtra	The State legislation gives details of devolution of functions to Panchayats.
Manipur	The state has reviewed the Activity Mapping matrix issued earlier and issued a notification for activity mapping for 16 subjects in January 2006. This is now being operationalised.
Orissa	Activity mapping in progress in respect of 9 subjects has been issued in the joint presence of the Union Minister for Panchayati Raj and the Chief Minister. The state is now undertaking fiscal devolution to the Panchayats and aims to complete the same by the next financial year.
Punjab	Draft activity mapping has been prepared for all departments in a detailed fashion. Notifications have been delayed due to State elections.
Rajasthan	The activity-mapping exercise was started for 18 departments and has now been completed for 12. A Cabinet sub-Committee has submitted recommendations in this regard, which are under consideration at the highest level.
Tamil Nadu	It is reported that subjects relating to rural roads, water supply, sanitation and rural housing schemes are now being taken up for discussion in respect of activity mapping.
Tripura	In 1994 orders were issued for devolving 21 subjects. With respect to 8 subjects, orders are awaited because of operational problems related to the 6th Schedule. The activity mapping exercise is underway.
Uttar Pradesh	A draft activity mapping is ready, which is under the consideration of the Government.
Uttaranchal	The Activity mapping matrix in respect of 9 departments has been completed and is under consideration of the Government.

APPENDIX V

JURISDICTION, POWERS AND PROCEDURE OF NYAYA PANCHAYAT

Jurisdiction of the Nyaya Panchayat—

(1) The Nyaya Panchayats shall follow persuasion, conciliation, mediation as means to resolve disputes in such manner which is fair to all parties.

(2) The Nyaya Panchayat shall have exclusive jurisdiction to hear and deal with cases, claims, issues, offences and proceedings arising within their geographical territory and shall have exclusive jurisdiction over the following civil and criminal matters.

Civil jurisdiction

- (i) claims relating to recovery of debts and contractual monies not exceeding rupees twenty five thousand, and all proceedings arising with respect thereto, provided that the parties may agree in writing to waive the bar on the maximum value of a suit;
- (ii) disputes relating to ownership of property and physical boundaries, except those involving issues of law or title to land or any other right or interest in any immovable property or mortgages;
- (iii) claims for damages relating to cattle grazing or Trespass;
- (iv) claims for recovery of moveable property or for its value, including those where separate criminal proceedings have been instituted;
- (v) claims for compensation for wrongfully taking or damaging moveable property, including those where separate criminal proceedings have been instituted;
- (vi) disputes relating to custody and maintenance of children and dependants, including divorced wives;
- (vii) any other matter covered by or falling under Schedule 11 of the Constitution;

- (viii) claims for rent of immovable property;
- (ix) disputes relating to environmental pollution and causing public nuisance:

Provided that unless otherwise provided in any law for the time being in force the right to bring a claim in respect of any of the above instances shall have accrued within three years prior to the claim being referred to the Nyaya Panchayat.

Criminal Jurisdiction

- (i) compoundable offences (in which permission of court is not necessary) in terms of sub-section (1) of section 320 of the Code of Criminal Procedure, 1973, name, sections 298, 323, 334, 341, 342, 352, 355, 358, 426, 427, 447, 448, 491, 497, 498, 500, 501, 502, 504, 506 and 508 of the Indian Penal Code, 1860;
- (ii) offences alleged to have been committed under sections 160, 172, 174, 175, 178 to 180, 267, 277, 279, 283, 285, 289, 290, 294, 324, 336, 357, 374, 379, 403, 411, 428, 430, 431, 509 and 510 of the Indian Penal Code, 1860 (No. XLV of 1860);
- (iii) offences under the Cattle Trespass Act, 1871, (No. 1 of 1871);
- (iv) offences under the Public Gambling Act, 1867 (No. III of 1867);
- (v) offences relating to treatment of women and children, including domestic violence, sexual harassment, humiliation and child labour under the relevant laws;
- (vi) any offence under this Act or any rule made hereunder;
- (vii) any other offence which the Government may from time to time declare, by notification in the Official Gazette, as cognizable by a Nyaya Panchayat; and

(3) Additional jurisdiction: (a) The Nyaya Panchayat may consider the issues of misuse of any public office in the Panchayat area, on its own cognizance (*suo moto*) or upon information duly received by it, and record its observations thereon and refer it to the court of competent jurisdiction for taking appropriate action, if any, in the matter.

(b) The Nyaya Panchayat shall have preventive jurisdiction in matters of public disharmony or causing communal tension.

(4) No Nyaya Panchayat shall inflict a sentence of imprisonment whether substantively or in default of payment of fine.

APPENDIX VI

BRGF—LIST OF DISTRICTS

Andhra Pradesh

1. Adilabad
2. Anantpur
3. Chittoor
4. Cudappah
5. Karimnagar
6. Khammam
7. Mahbubnagar
8. Medak
9. Nalgondad
10. Nizamabd
11. Rangareddy
12. Vizianagram
13. Warangal

Arunachal Pradesh

1. Upper Subansiri

Assam

1. Barpeta
2. Bongaigaon
3. Cachar
4. Dhemaji
5. Golpara
6. Hailakandi
7. Karbi Anglong
8. Kokrajhar
9. Marigaon
10. North Lakhimpur (Laksha)
11. North Cachar Hills

Bihar

1. Araria
2. Aurangabad
3. Banka
4. Begusarai
5. Bhagalpur
6. Bhojpur
7. Buxur
8. Darbhanga
9. Gaya
10. Gopalganj
11. Jamui
12. Jehanabad
13. Kaimur/Bhabua
14. Katihar
15. Kishanganj
16. Khagaria
17. Lakhisarai
18. Madhepura
19. Madhubani
20. Munger
21. Muzaffarpur
22. Nalanda
23. Nawadah
24. Patna
25. Pashchim Champaran
26. Purba Champaran
27. Purnia
28. Rohtas
29. Saharsa
30. Samastipur
31. Saran

32. Sheikhpura
33. Sheohar
34. Sitamarhi
35. Supaul
36. Vaishali

Chhattisgarh

1. Bastar
2. Bilaspur
3. Dantewada
4. Dhamtari
5. Jashpur
6. Kankar
7. Kawardha
8. Korba
9. Koriya
10. Mahasamund
11. Raigarh
12. Rajnandgaon
13. Sarguja

Gujarat

1. Banas Kantha
2. Dangs
3. Dahod Dantewada
4. Narmada
5. Panch Mahals
6. Sabarkantha

Haryana

1. Mohindergarh
2. Sirsa

Himachal Pradesh

1. Chamba
2. Sirmaur

Jammu & Kashmir

1. Doda
2. Kupwara
3. Poonch

Jharkhand

1. Bokaro
2. Chatra
3. Deoghar
4. Dhanbad
5. Dumka
6. Garhwa
7. Giridih
8. Godda
9. Gumla
10. Hazaribagh
11. Jamtara
12. Kodarma
13. Latehar
14. Lohardagga
15. Pachhimi Singhbhum
16. Pakaur
17. Palamu
18. Ranchi
19. Sahibganj
20. Saraikela
21. Simdega

Karnataka

1. Bidar
2. Chitradurga
3. Davangere
4. Gulbarga
5. Raichur

Kerala

1. Palakkad
2. Wynad

Madhya Pradesh

1. Balaghat
2. Barwani
3. Betul
4. Chhattarpur
5. Damoh
6. Dhar
7. Dindori
8. Guna
9. Jhabua
10. Katni
11. Khandwa
12. Mandla
13. Panna
14. Rajgarh
15. Rewa
16. Satna
17. Seoni
18. Shahdol
19. Sheopur
20. Shivpuri
21. Siddhi
22. Tikamgarh
23. Umaria
24. West Nimar

Maharashtra

1. Ahmednagar
2. Amravati
3. Aurangabad

4. Bhandara
5. Chandrapur
6. Dhule
7. Gadchiroli
8. Gondia
9. Hingoli
10. Nanded
11. Nandurbar
12. Yavatmal

Manipur

1. Chandel
2. Churhandrapur
3. Tamenlong

Meghalaya

1. Ri Bhoi
2. South Garo Hills
3. West Garo Hills

Mizoram

1. Lawngtlai
2. Siaha

Nagaland

1. Mon
2. Tuensang
3. Workha

Orissa

1. Bolangir
2. Boudh
3. Debagarh
4. Dhenkanal
5. Gajapati
6. Ganjam
7. Jharsuguda

8. Kalahandi
9. Keonjhar
10. Koraput
11. Malkangiri
12. Mayurbhanj
13. Nabrangpur
14. Nuapada
15. Phulbani
16. Rayagada
17. Sambalpur
18. Sonapur
19. Sundargarh

Punjab

1. Hoshiarpur

Rajasthan

1. Banswara
2. Barmer
3. Chittaurgarh
4. Dungarpur
5. Jaisalmer
6. Jalor
7. Jhalawar
8. Karoli
9. Sawai Madhopur
10. Sirohi
11. Tonk
12. Udaipur

Sikkim

1. Sikkim North

Tamil Nadu

1. Cuddalore
2. Dindigul

3. Nagapattinam
4. Sivagangai
5. Tiruvannamalai
6. Villupuram

Tripura

1. Dhalai

Uttar Pradesh

1. Ambedkar Nagar
2. Azamgarh
3. Bahraich
4. Balrampur
5. Banda
6. Barabanki
7. Basti
8. Budaun
9. Chandauli
10. Chitrakoot
11. Etah
12. Farrukhabad
13. Fatehpur
14. Gonda
15. Gorakhpur
16. Hamirpur
17. Hardoi
18. Jalaun
19. Jaunpur
20. Kaushambi
21. Kushinagar
22. Lakhimpur Kheri
23. Lalitpur
24. Maharajganj
25. Mahoba

26. Mirzapur
27. Pratapgarh
28. Raebareli
29. Sant Kabir Nagar
30. Shravasti
31. Siddharthnagar
32. Sitapur
33. Sonebhadra
34. Unnao

Uttarakhand

1. Chamoli
2. Champawat
3. Tehri Garhwal

West Bengal

1. Bankura
2. Birhum
3. Dakshin Dinajpur
4. Jalpaiguri
5. Maldah
6. Medinipur East
7. Medinipur West
8. Murshidabad
9. Purulia
10. South 24 Parganas
11. Uttar Dinajpur

APPENDIX VII

NCB FRAMEWORK

NATIONAL CAPABILITY BUILDING FRAMEWORK FOR PANCHAYATI RAJ ELECTED REPRESENTATIVES AND FUNCTIONARIES

MINISTRY OF PANCHAYATI RAJ GOVERNMENT OF INDIA

CONTENTS

- Chapter 1: Introduction and Basic Principles Underlying the Framework Design
- Chapter 2: Components and logistics of the Framework
- Chapter 3: Resource persons for implementing the framework
- Chapter 4: Development of Material for the Framework
- Chapter 5: Programme management, evaluation and documentation
- Chapter 6: Estimation of costs of implementing the framework

1.5 Basic principles underlying the Framework:

The Framework is grounded on the following basic principles:

- (a) First, implementation of the Framework is an all round continuous and sustained process aimed at long-term transformation and development,
- (b) Second, the focus of training under the Framework is not upon information alone, but on inter-learning between trainers and participants.
- (c) Third, training cannot provide readymade answers to all problems, but should provide space and time for trainees to reflect on and analyze their situation and seek solutions to their problems.
- (d) Fourth, mutual learning, assimilation and retention happens best in a multimodal and non-hierarchical training environment.
- (e) Fifth, All participants bring with them well honed knowledge which must be respected. SCs, STs and Women should be given special attention in training.

- (f) sixth, training programmes must ensure participation of all members—not just a talkative and domineering few.
- (g) Seventh, The training team should be objective and non-judgmental in outlook, and function as facilitators, friends and counsellors, who can evoke and stimulate thinking among trainees.
- (h) Eighth, The processes and logistics of the framework must be convenient and relevant to the ground reality of elected representatives.
- (i) Ninth, the programme must aim at maximum initial coverage within a limited period of time, so that all stakeholders can quickly settle down in to playing their roles and commence their work.
- (j) Tenth, training for PESA areas should be designed in keeping with the cultural traditions and special needs of tribal people.
- (k) Eleventh, the framework has to constantly develop and evolve on the basis of regular impact assessment.

1.6 The Stakeholders

The Framework is targeted to reach the following:

(a) Elected Panchayat Representatives:

These comprise of Ward Members and Territorial Constituency members, Presidents (Sarpanchs, Mukhiyas, Adhyakshas), vice-Presidents (up-Sarpanchs, up-Mukhiyas, Upadhyakshas) and Chairpersons of Standing Committees.

(b) Officials working with Panchayats:—

The main categories of such officials are as follows:

- (i) Panchayat Secretaries,
- (ii) Junior Engineers,
- (iii) Anganwadi workers,
- (iv) Primary Health Workers,
- (v) Public Health Workers,
- (vi) Panchayats own employees such as bill collectors and clerks,

- (vii) Agricultural Extension Officials,
- (viii) Teachers and Education Administration Workers.

(c) Pressure groups within the Gram Sabha such as SHGs and CBOs

(d) Elected representatives and officials of higher levels of Government.

Officials and Elected representatives of Professional cadres such as engineers, doctors and engineers need to be sensitized to become facilitators of Panchayatis. There is also a strong need to sensitise policy makers such as MLAs, MPs, political leaders and media to ensure that they provide a nurturing environment for the growth of Panchayats.

CHAPTER 2

CONTENT OF THE FRAMEWORK

2.1 Introduction

The training content and phasing of the training programme is detailed in Table 1 below:

TABLE-1

	Theme	Description of the manner of interaction	Area covered, in brief	Category covered	Duration	Time line for completion
	1	2	3	4	5	6
Part I	Building the right mindset for implementation of Panchayati Raj and learning basic functions	Course 1(a): Foundation Course	Overview of Panchayati Raj	Elected Panchayat representatives: about 22 lakh Panchayati Raj Officials: about 8 lakh	4 days, in toto	Within 20 weeks of election
		Course 1(b): basic Functional Course	Internal Housekeeping, including understanding	Elected leaders of Panchayats at all levels and Chairpersons of	4 days	Within 20 weeks of election. (Including

	1	2	3	4	5	6
			of accounts, Social Audit, Right to information, Panchayat revenues	Standing Committees (5 per Panchayat): About 10 lakh: Panchayati Raj Officials, about 5 lakh		foudational course, each office bearer would undergo 8 days of training)
		Course 1(c): Functional Literacy Course	Give those who need to an exposure to functional literacy	Illiterate of semi-literate elected representatives (about 8 lakh people)	One month, or as required, preferably at the village level itself	6 months
Part II	Basic skill building for planning and implementation	Course II(a): Sectorally focused training programme	Coverage of core functions of Panchayats aimed at improving capacities to deliver services and development programmes	Elected Panchayat representatives: about 22 lakh Officials associated with Panchayati Raj: about 8 lakh	At least 6 days (2 phases of 3 days each)	Within 40 weeks of election
		Course II(b): Computer Training	Training in basic computer skills and selected software for Panchayat level training	At least 2 persons per Panchayat: about 5 lakh	At least 6 days, with local handholding from the resource centre	Within 52 weeks
Part III	Consolidation on through interaction	III(a): Gram Sabha level Campaigns III(b): Panchayati Raj TV channel and radio programmes	Awareness creation	Gram Sabhas, NGOs, SHGs and CBOs People at large	At least 3 days a week At least 3 days a week	Coverage of all Gram Panchayats atleast once a year All-India coverage

1	2	3	4	5	6
	III(c): Panchayati Raj Newsletter		Panchayati Raj members and individual subscribers	Once a month	All Panchayats
	III(d): Formation of networks of Panchayat elected representatives	Experience sharing	Elected Panchayat representatives: about 22 lakh		Within the first year after election
	III(e): Yearly refresher course		Elected Panchayat representatives: about 22 lakh	At least 4 days	Once a year for remaining 4 years
	III(f): Visits to identified 'beacon' Panchayats	On the site training	At least 10 lakh elected leaders of Panchayats	At least one full day each, excluding travel	At least two exposure visits every year
	III(g): Intermediate Panchayat level Resource Centres	Daily assistance to Panchayat level planning and implementation	Elected Panchayat representatives: about 22 lakh	Every working Day 16 hours a day, every working day	To commence by 20 weeks, when members have finished Part I training
	III(h): Helplines				
	III(i): Certificate courses	More intensive and academic study	Interested stakeholders	6 month course	For about 100 persons per State

2.2 Part I: Description of courses comprising Part 1 of the framework:

Part I aims to give each participant a basic grounding in Panchayati Raj and skills required to get started. Part I is also the primer for

Part II. The details of the courses that comprise Part I are as follows:

2.21. Course I (a):

Basic foundation course: Building the right mindset for implementation of Panchayati Raj:

Course I(a) is aimed at building the right mindset in all concerned on the aims and objectives of implementing Panchayati Raj and its broad spirit. Course (a) will be designed to enable participants to reflect on and understand the strengths and weaknesses in implementing Panchayati Raj. The overall approach is that through discussion and critical analysis participants gain a sense of optimism and confidence in Panchayats as change agents.

2.22 Course 1(b): Basic Functional Course; equipping all Panchayat Office bearers and officials with basic 'start-up' skills:

This intensive special training is for elected leaders of Panchayats at all levels and Chairpersons of Standing Committees, who can separately attend these courses, apart from the foundational course. The emphasis will be on the nitty gritty of functioning, such as sanctioning of works, signing of bills, maintenance of accounts and other executive level skills necessary for office bearers. The course will also cover the functional and operational aspects of conducting Gram and Ward Subhas, decentralized planning, reviewing of implementation and preparation and forwarding of utilization certificates.

2.22 Course I(c): Functional Literacy Course:

For those Panchayat members who need it, a functional literacy course shall be undertaken immediately after the elections, locally available literate people can be coopted as resource persons to conduct functional literacy classes for Panchayat members. This can be a focus activity of the Yuva Shakti Abhiyan.

2.23 Responsibilities in designing of the detailed curriculum for Part I:

(a) The curriculum for Part 1 will cover the constitutional position, State-relevant variations and locally relevant nuances of implementation of Panchayati Raj. The state level curriculum, will particularly concentrating on the features of the State concerned such as the extent of devolution of functions to Panchayats. The district level curriculum may cover the particular characteristics and concerns of the district concerned,

An activity mapping, giving the details of the responsibilities of the Central Government, State Governments, District Training Team

(including NGOs and CBOs) in preparing the curriculum, in respect of Part I is given in Table 2:

TABLE 2

Central Government	State Government	District Training Team
1	2	3
Central I(a) & I(b) (Foundation Course and Basic Functional Course)		
(a) Preparation of basic material covering the nationally common aspects of Panchayati Raj, namely,	Salient features of the State Panchayati Raj Act and rules and regulations covering Panchayati Raj,	Details of the implementation of Panchayati Raj within the district (such as the number of members, their qualifications, etc.),
(i) Constitutional provisions regarding Panchayati Raj and the current position, particularly with reference to the RT Action points,	Overview of the status of human development in the State, <i>inter-alia</i> , covering Gender equity and social justice and poverty alleviation, State specific details regarding participatory planning, particularly the broad approach to district level planning and consolidation of plans into the district level plan.	Answering district specific queries relating to planning and implementation, Overview of sectoral implementation of programmes in the context of the district.
(ii) Principles of secularism, equity and human rights emanating from the Constitution of India,	Elements of Implementation and monitoring of programmes,	Role of Panchayats in promoting equity.
(iii) General awareness of gender equity and social justice,	Overview of States approach to right to information, transparency and Social Audit,	Micro Planning at the level of each Panchayat, in the building up of the district plan.
(iv) Status of human development,	State specific provisions relating to Panchayat level maintenance of accounts,	
(v) Poverty alleviation,		
(vi) Participatory planning,	State specific details of own resource management and accounting	
(vii) Implementation and monitoring,		
(viii) Right to information and transparency and Social Audit,		
(ix) Importance of regular conduct of Gram Sabha.		
(b) Comparative position of States in the implementation of Panchayati Raj.		
(c) Basic awareness of the funds that are destined to go to Panchayats from the Government of India,		

1	2	3
(d) Basic overview of Panchayat level financial management, including maintenance of accounts.	State specific details of relevant rules such as delegation orders, PWD code, rules of countersignature, treasury code etc.	
(e) Awareness of the importance of own revenues of Panchayats and the need to collect them.	State specific material on literacy.	
(f) Awareness of the provisions of PESA.		

Course I(c): Functional Literacy Course

Basic materials on literacy, as designed for the National Literacy Mission.

Designs etc. prepared by the Nehru Yuvak Kendra

District level materials prepared for the literacy programme.

2.25 Training methodologies of Part I and logistics for implementation:

2.25 All trainees for Part I would need to be covered within 6 months at the most (20 weeks for Courses I (a) & 1(b) and 26 weeks for Course 1(c), the logistics dictate (a) a mechanism of large scale rollout, such as satellite or distance training (b) intensive local support and facilitation, through face-to-face participatory training. Combining a distance mode, based on common films and presentation alternated with local discussions, interactive sessions and followed by question and answer sessions over satellite is preferred as:

- (a) It allows broad standardization of content, at the state specific level,
- (b) It allows for wide dissemination and rapid coverage,
- (c) Local interaction can adapt the message conveyed over the introductory satellite based sessions into locally relevant lessons and exercises.
- (d) Sharing of problems through the interactive mode builds a feeling of community among participants even though they are not face-to-face.
- (e) With satellite training costs are also kept low, as Panchayat members do not have to travel very far to the site of training.

The details are as follows:

2.25 Interactive satellite training:

Interactive Satellite based training uses a dedicated satellite channel (provided by the ISRO) for beaming programmes to specified centers for being viewed by trainees. Each reception centre is also equipped with a talk back facility (either through telephone connection or on the satellite channel itself), which enables trainees to ask questions to resource persons located at the central studio. Replies given by such studio-based resource persons can be heard over the entire network. Satellite transmission, when combined with face-to-face participatory training methodology provides a intermixed programme combining the triggers provided by a central audio-visual programme, with facilitation provided by appropriately oriented resource persons at the local training centers. Large numbers of trainees can be rapidly and effectively covered through this composite approach. Training can also be locally focused according to the group's needs. Sessions can be interesting and retain attention, with inclusion of games, exercises pictures related to day-to-day life of the Panchayats, and elsewhere in related fields, so as to make it more interesting and with a more enduring impact. Keeping in mind these advantages, the Framework aims to cover all States with the infrastructure required for Satellite training, which essentially would comprise of Satellite Studios, reception centers (televisions, satellite dishes, telephones, uninterrupted power supply systems and miscellaneous civil works).

2.25 Local Face to face training:

All basic training for Gram Panchayat elected representatives and officials ought to be held, as far as possible, within the same Block/ Intermediate Panchayat area in which the Gram Panchayat is located. Such training could make use of the existing network of Extension Training Centres within the Block, as already provided by government. Local infrastructure such as school buildings or community centers could be used for holding training.

The local face-to-face training would be through resource persons specially oriented for the purpose. In order to ensure complete participation and attention, it is proposed to engage 5 resource persons for every training session. Each classroom session may be limited to 20 participants at a time. Details are given in Chapter 3.

2.254 Combining Satellite and Face-to-Face training:

A suggested pattern of combining distance satellite transmission with local training facilitated by local resource persons is described below in the Table 3:

TABLE 3:

Activity	Agency	Responsibilities of authorities concerned
1	2	3
Introduction to the film	Resource Persons at the training centers	Resource Persons at the Training Centres make a brief introductory statement about the film, or conduct an introductory activity without pre-empting what is in the film.
Screening the film	Satellite transmission	The film is screened through the Satellite Centre. Resource Persons at Training Centres ensure that the TV set is switched on 5 minutes before satellite transmission for viewing the film.
General Responses	Resource Persons at the training centers	The first 5-10 minutes after the film is screened is for participants' general responses. Resource Persons at the Training Centre can invite participants to individually identify 3-5 of the most significant statements or scenes from the film and share these in a small group. This can be followed by a plenary, wherein participants would discuss themes identified by them. This provides an opportunity for participants to turn over the film in their minds, to let it sink in and take root.
Facilitated discussion/ activities	Resource Person at the training centers	Each film comes with a training package including a set of topics or activities to be facilitated by resource persons to encourage the participants to go beyond the film and to think of steps they might take in their own circumstances. Resource

1	2	3
		persons are also given techniques to nudge discussion in certain directions. Games and activities can be taken up to retain interest.
Question Answer session	Satellite transmission	Participants can ask the panelists at the SATCOM studio questions or discuss ideas that may have emerged during the general responses and facilitated discussions. Panelists could also initiate discussion on 2-3 issues.

2.256 Training in mixed groups:

With adequate care taken to ensure full participation, training different stakeholders together builds relationships between them in a non-threatening and informal atmosphere and can dispel pre-conceived notions that each have about the other. It is envisaged that both Courses 1 (a) and 1 (b) will be of mixed groups of elected representatives and officials. Other mixed groups could also be created for combined training, as follows:

(a) Second term members and members of beacon Panchayats:

Panchayat members elected for a second tenure, and those from Panchayats which have a track record of efficient functioning will be identified for this programme. The overall objectives of is to enable (a) sharing of experiences and good practices and (b) facilitate networking. Such training could also include field visits.

(b) Joint training of GP Sarpanches, and Secretaries:

GP Sarpanches are usually responsible for (a) passing bills before payments are made, (b) check measuring any public work before the measurement is accepted for payment, (c) accord administrative sanctions for development works (d) ensure proper executive and financial management of the Gram Panchayat and (3) signing cheques jointly with the Secretary for fund withdrawal. Gram Panchayat Secretaries are responsible for (a) proper custody of records and properties, (b) clearing audit objections, (c) preparing and placing budget, (d) supervising the work of the GP staff. Joint training for GP Office bearers and Secretaries will enable them to understand their mutual responsibilities better.

(c) Members of different levels of Panchayats:

This programme will put together members of the District, Intermediate and Gram Panchayats, so that they can better understand each others' roles in Panchayati Raj and the need for close coordination. Variations on the same theme could include training of members and Chairpersons of Standing Committees of Panchayats at various levels together.

(d) Training of staff drawn from different levels:

This training is to create a sense of team-spirit and belief in the system amongst staff involved in Panchayati Raj. It aims at creating a different work culture and ethic suited to Panchayati Raj. This programme will also provide a forum for exchange and dissemination of good practices facilitated in different districts by individual officers.

(e) Engineering, Auditing and Accounting staff:

This is aimed at fostering a better understanding among engineering, accounting and auditing staff of the social, economic and human effects of 'projects'. This training will familiarize participants with the enhanced powers of Panchayats in planning and implementation of various programmes. It will focus on the importance of transparency and certification by the Gram Sabha before measurement is processed for payment. Training will also familiarize participants with the documentation involved in the implementation of works.

2.3 Part II: Description of courses comprising Part II of the framework:

2.31 Course (II) (a): Sectorally focused training programme:

2.311 Part II focuses on Sectoral Training covering several aspects of programme planning and implementation, with an added emphasis on service delivery. The role of Panchayats as local self-governments central to planning and implementation would be a cross-cutting theme. While all matters listed in the Eleventh Schedule can be ideally included, it is proposed to prioritise major sectors and Centrally Sponsored schemes pertaining to the core functions undertaken by

Panchayats. An initial listing of these Schemes and the sectors that could be covered in Part II are given in Table 4 below:

TABLE 4

Sector		Scheme	Central Ministry/ Department
Elementary Education	1.	Sarva Shiksha Abhiyan	Department of Elementary Education
	2.	Mid-day Meal Scheme	
Adult Education	3.	Total Literacy Campaign	
Public Health	4.	Drinking Water Mission	Department of Drinking Water Supply
	5.	Total Sanitation Campaign	
Health Child Welfare	6.	National Rural Health Mission	Ministry of Health Ministry of HRD, Department of Women and Child Welfare
	7.	Integrated Child Development Services	
Poverty Alleviation	8.	National Rural Employment Guarantee Scheme (including SGRY)	Ministry of Rural Development
	9.	Swarnajayanti Grameen Swarozgar Yojana (SGSY)	
Rural Housing	10.	Indira Awaas Yojana (IAY)	
Rural Roads	11.	Pradhan Mantri Gram Sadak Yojana (PMGSY)	
Rural Electrification	12.	Rajiv Gandhi Grameen Vidyutikaran Yojana	Ministry of Power
	13.	Remote Village Electrification Programme	Ministry of Non Conventional Energy
Tribal Development	14.	Tribal Sub-Plan	Ministry of Tribal Welfare
Natural Resource Management	15.	Haryali	Ministry of Rural Development
	16.	Watershed Schemes of Agriculture Ministry	Ministry of Agriculture
Industry & Rural Business Hubs	17.	Various Schemes	Ministry of Food processing Ministry of Textiles SSI and Agro & Rural Industries
Disaster Management			

Planning, implementation, supervision and monitoring, disclosure and accounting will be explained with reference to service delivery. The need for PRIs to function to concert for efficient implementation of schemes will also be explained.

2.312 Curriculum for Course II (a):

Training under Course II(a) is envisaged to be through a series of interactive exercises that guide Panchayats and their staff through the step-by-step modalities of implementation. The core curriculum could be developed in workshop mode, by SIRDs & NGOs with a proven track record. This would cover the following aspects in respect of each sector or schemes covered, as given in Table 5 below:

TABLE 5

5(a) Planning

1. Broad overview of scheme guidelines or legislation concerned
2. Preparing a participative plan for the service concerned
3. Prioritising list of projects at Panchayat level
4. Scrutiny of the Panchayat plan and obtaining of approvals
5. Examples of how to coverage different programmes
6. Preparation and updating a shelf of works
7. Consolidation of Panchayat level Plans into the district level plans

5(b): Implementation

1. Beneficiary selection
2. Muster roll maintenance
3. Payment of wages

5(c): Supervision and monitoring

1. Measurement of Work
2. Quality control
3. Certification of work undertaken
4. Preparation of Annual Reports

5(d): Disclosure

1. Meeting obligations under Right to Information
2. Public display of details of works
3. Conduct of social audit
4. Grievance Redressal

5(e): Accounting

1. Overview of Panchayat accounting
2. Maintenance of Statutory registers
3. Management of Panchayat funds
4. Treasury procedures
5. Bank procedures
6. Conduct of audit

2.313 Responsibilities in designing of the detailed curriculum for Course II(a):

An activity mapping, giving the details of the responsibilities of the Central Government, State Governments and the District Training Team in preparing the curriculum, in respect of Course II(a) is indicated below in Table 6:

Table 6:

Central Government	State Government	District Training Team
Details of important programmes being implemented by Panchayats obtained from the Central Ministries concerned and summarized into core content for Panchayat members.	State specific priority areas pertaining to the Sector concerned, which need to be addressed by all Panchayats in planning and implementation.	District level nuances, concerning planning and implementation of these sectoral programmes in Panchayats in the district.

2.314 Training methodologies of Course II(a) and logistics for implementation:

Emphasis on engaging District and sub-district line department Staff as resource persons:

The investments and resource persons in rolling out Part I can also be used for Part II. However, for sector specific programmes field level line department staff with the right attitude and aptitude can be inducted as trainers for Course II(a), as they have an intimate

knowledge of local situations and the grassroot level reality concerning their sector and if properly motivated, they can bring in creative and useful inputs.

Course II(a) training would be led by departmental field staff, already selected into the district training teams. District and sub-district level functionaries shall be entrusted the responsibility of undertaking such hands-on training for members of the Standing Committees in short term courses. Such programmes could be arranged in courses of one day or half day, so as to ensure a balance between regular duties and additional ones of training.

2.315 Duration of Course II(a):

The programme for implementation of Course II(a) can be split into two phases as described below in Table 7:

TABLE 7

Sl.No.	Phase	Duration	Content	Remarks
1.	Phase 1	3 days	Crosscutting aspects of sectoral programmes, such as Accounting, fund management, disclosure, social audit etc.	For all participants, as indicated in Table 1
2.	Phase 2	3 days	Sector specific and scheme specific training	Participants will be segregated into groups, based on the Standing Committees that they belong to and attend the appropriate sessions.

Depending on the scope and ambit of empowerment of Panchayats, States can adopt variations on this basic pattern.

2.316 Course II(b): Building ICT Skills:

Through Course II(b), at least two people per Panchayat will be equipped with computing skills.

2.317 Curriculum for Course II(b):

Training content would be aimed towards awareness generation and skill development is software proposed to be deployed at the

Panchayat level. The curriculum for Course II(b) would consist of the operational aspects of the Panchayat Suite and other back end solution software applications from NIC. Special emphasis would be given to familiarization with the National Panchayat Portal (NPP, <http://panchayat.gov.in>). Training for selected persons would include software operation and data entry skills.

2.318 Responsibilities in designing of the detailed curriculum for Course II(b):

An activity mapping, giving the details of the responsibilities of the Central Government, State Governments and the District Training Team in preparing the curriculum, in respect of Course II(b) is indicated below in Table 8:

TABLE 8

Central Government	State Government	District Training Team
NIC to provide software and basic manuals.	State specific manuals to be created in association with State Informatics Officers of the NIC.	Local selection of resource persons for training.

2.319 Training methodologies of Course II(b) and logistics for implementation:

Training for ICT skills is best done in cascade mode. Care may be taken to ensure that sufficient resource persons selected for implementing the framework are skilled in IT. Training of trainers at the State level can be organized in a collaborative manner between the SIRD and the State Information Officer.

2.4 Part III: Strengthening the consolidation of capability through interaction and networking:

2.41 In each State, the first year after elections would be devoted to the rollout of Part I and Part II of the Framework. However, so as to retain the momentum after Panchayat members and officials go back to work, there is a need for continuous interaction and providing them additional support when they are confronted with issues and decisions at the ground level. Several activities (not necessarily in the

nature of courses) together comprise Part-III of the Framework, as follows:

2.42 III(a): Campaigns at the Gram Sabha level

The training of Panchayat members and Staff shall be complemented by a large scale community mobilization programme aimed at motivating people to improve the functioning of Gram Sabhas. NGOs and CBOs would be involved in a big way both in spreading the message of participation as also in Gram Sabha level interactions such as beneficiary selection, social audit etc. Within the general campaign, there would be particular focus on motivating Self-Help Groups, Groups such as Mahila and Youth Mandals and other activity based groups to participate in Gram Sabhas and act as more assertive pressure groups within it. Such campaigns would also aim at motivating people to serve in various Panchayat Standing Committees and participate more actively in planning and implementation of sectoral programmes.

Campaigns at the Gram Sabha level could also focus on important common concerns of the people and Panchayats, such as alcoholism, literacy, girls' education, domestic violence, dowry, water and soil conservation, organic farming etc. through the performance of kala jatha natak and evocative songs, with the objective of triggering collaboration and common action between Panchayats and the people on a daily basis, instead of only at the time of conduct of the Gram Sabha.

2.43 III(B): Panchayati Raj TV Channel

2.431 TV Channels offer the advantage of wide coverage with the lowest possible lead time and therefore fit in well in first efforts at widespread spreading of the message of Panchayati Raj. There are a large number of television channels, both private State owned, that have wide coverage. While it may not be possible to use them for structured training and capability building, they can be used in campaigns for awareness.

2.432 Radio: Dedicated airtime on commercial radio for Panchayati Raj based programmes would be useful in building the general awareness of people regarding Panchayati Raj.

2.45 III(C): Formation of networks of Panchayat elected representatives:

Formation of networks and associations of Panchayat elected representatives so as to facilitate more outspoken Panchayati Raj, share

experiences and access material from each other will be promoted under the Framework. This will be particularly encouraged as envisaged in the Panchayat Mahila Shakti Abhiyan and Panchayat Yuva Shakti Abhiyan. Some of the specific initiatives that will be encouraged as self-learning processes through networking will be as follows:

(a) Use of IT:

(b) Community Radio:

Community Radio is an emerging area that could provide support to small local networks of Panchayat Raj members. As an adjunct to the block level resource centres (described) elsewhere in this framework, community radio would provide the connectivity and continuation of the effects of training.

2.44 III(e): Yearly Refresher Course:

It is proposed to have a once-yearly refresher course for all Panchayat members. This will be undertaken in similar fashion as Course I (a), namely, in satellite assisted face-to-face mode. The overall objective of this training shall be to provide a forum for Panchayat representatives to (a) share their experiences of good practices as well as learn from their failures and (b) network with each other. Each training programme can be of 4 days duration and may be combined with experience sharing and field visits.

2.46 III(f) Visits to identified 'beacon' Panchayats:

Beacon Panchayats can be identified through a transparent and independent process so that the work that they have done can be showcased. Study visits of other Panchayats to these beacon Panchayats can be organized, so as to promote exposure to best practices and replicate models of development and good governance.

2.45 III(g): Intermediate Panchayat level Extension and Resource Centres:

2.461 At least one extension centre at the level of each Intermediate Panchayat may be set up, so as to cater to the training requirements of all Panchayats within the Intermediate Panchayat area. Each Extension Training Centre would provide a space for training activities, hosting Field Resource Persons and for Panchayat members to conduct mutual consultations and networking. The Satellite training reception facility can be physically located at the Extension Resource Centre.

Panchayat members would be facilitated for congregating at these resource centres for smaller level meetings and mutual support.

2.462 Each Extension Centre would be staffed with a few resource persons who would provide technical support to the Panchayats, as follows:

- (a) An engineer to technically review Panchayat level infrastructure construction projects and provide support for preparation of estimates, procure tenders and monitor quality.
- (b) An accountant to assist Gram Panchayats to follow prescribed financial guidelines, to provide assistance where needed, and to collate Panchayat accounts at the block level for transfer to the district.
- (c) A social specialist, to assist Panchayats in conducting decentralized participatory processes for planning, mobilize the poorest and vulnerable groups to attend Gram Sabhas and Ward Sabhas.

2.463 Running to resource centres could be organized either through (a) the district or Intermediate Panchayat (b) the SIRD, supported by the district or intermediate Panchayat (c) a collective of the Panchayat members themselves, wherever such networks have been created and are strong (d) an NGO, associated with the Panchayat member network or Panchayat representatives. These arrangements would ensure that the O&M requirements are met through appropriate agreements. Whatever the model adopted, Panchayat members will be fully associated with the governing arrangements for the running of the resource centres.

2.47 III(h): Helplines:

Telephone helplines can be set up to provide a speedy channel of clarification and information, to trained persons and link help seekers with providers Important points concerning setting up telephone helplines are summarized in Table 9 below:

TABLE 9

Location:	Can be at the State level to start with, but district level would be ideal.
Minimum facilities:	At least one telephone line and one independent fax line is essential for each helpline.

Training:	Staff should be specially trained to take calls and answer them. They should have pleasing manners, must be helpful and fully conversant with all aspects of Panchayati Raj. The best Field level resource persons could be given helpline duties on a rotation basis.
Timings:	The helpline could be run for 16 hours, every day, in two 8-hour shifts. This is because persons seeking clarifications on phone often wait for STD rates to be low when making calls.
Publicity:	Wide publicity should be given to the helpline telephone numbers in all communications of the Government. They should also be widely publicized in the press.
Availability of materials for clarifications:	The State will need to provide all material such as copies of legislations, rules, regulations, activity mapping, orders and circulars to the helpline. All information including those related to Right to Information should be available at the Helplines. The helpline could also provide assistance by way of quick clarification, in preparation of estimates, reference to Schedule of Rates etc.
Faxing of instructions from the Helplines:	It is possible that from Gram Panchayats etc. details would be sought over phones in public STD booths, where there may also be fax availability. Therefore the helpline should be in a position to readily send faxes to those requiring it.
Logging of calls and replies:	Calls to helplines will provide invaluable feedback on the implementation of Panchayati Raj. Therefore, systems for lodging calls will need to be put in. On a daily basis, the gist of calls will need to be recorded in writing in special logbooks for the purpose.
Grievance redressal:	It is quite possible that helplines are also used by people to complain and record their grievances. Arrangements will need to be made to send the complaints received to the authorities concerned for redressal and to provide replies to the persons concerned.

Debriefing: Wherever a State decides to have more than one helpline, a monthly debriefing of helpline staff may be conducted so as to get information on field activities. This will also provide an opportunity for staff to learn from each others' experiences. The logs can also be registered in a common repository during the debriefing, from where they can be used to prepare replies to frequently asked questions.

2.48 III(i): Formal Certification courses in Panchayati Raj:

A more formal training system to provide formal certification of courses for training can be set up. Training programmes shall be designed especially for the secretarial and technical staff working with Panchayats through institutions such as IGNOU. Other stakeholders, including interested Panchayat elected representatives will also be assisted to undertake this course. Such training programmes will lead to formal certification on achieving prescribed standards of learning.

CHAPTER 3

RESOURCE PERSONS FOR IMPLEMENTING THE FRAMEWORK

3.1 The predominant mode of rolling out Parts I & II of the framework is through combining satellite and face-to-face training. Cascade training is aimed at creating pools of resource persons at each level, from the National to the Block level, who are a lasting investment in the training chain. Since training is not envisaged as a one time effort, resource persons also cannot be selected on that basis that they will be required intermittently. This pool of resource persons will be created through a three step cascading process, comprising of national Resource Persons, State level Resource Persons and District and sub district level resource persons. In the case of IT training [Course II(b)] it is envisaged that only a two level cascading process will be adopted, namely, of State and District level resource persons.

3.2 Details of Resource Persons required for the programme:

3.21 Master Resource Persons:

Master trainers are key role players and should have the right attitude and aptitude for imparting skills concerning key development programmes. Variations in skills required would depend on the content, mode of roll-out and logistics of the programme. The basic qualifications for master trainers would need to be spelt out in advance

and they would vary depending on the kind of design. At the National level and the State level, trainers are expected to train State level master trainers who would come to the training programme carrying significant experience both in training as well as implementation of government schemes. The approach at the National level would encompass communicating both the ethos of Panchayati Raj, as well as the processes involved. This would largely be the approach of State Master Trainers also.

3.22 Resource Persons at the District level:

Most individuals selected as Resource persons at the District levels would also be stakeholders and participants in Panchayati Raj. Trainers may also double up working in resource centres.

3.23 Numbers of Resource persons required:

The kinds of resource persons required for implementation of the programme are given below in Table 10.

Sl.No.	Category of resource person	Number required	Basis for calculation of numbers required	Broad work chart including Course concerned	Responsibility of undertaking training
1	2	3	4	5	6
Central Level:					
1.	Satellite training anchors and presenters	96 (100)	At least 4 per State	To anchor State satellite transmissions for Parts I & II of the programme	Ministry of Panchayati Raj to provide basic orientation, through a programme operated at a designated SIRD that is already using the system
2.	National Resource Persons	150	Given in Table below	To undertake TOIs for State level master trainers, for courses in Parts I & II of the Framework	State to select persons, MoPR to provide basic orientation course through a programme operated at a designated SIRD
Total		250			

1	2	3	4	5	6
State Level					
1.	State level Master Resource Persons	1850	Given in Table below	To undertake TOTs for District level master trainers in Parts I & II of the Framework	State to select and train in programme at SIRDS
2.	District level Resource Persons	27500	Given in Table below		State Master Resource persons to undertake training at district level
3.	State level Master Resource Persons for IT	100	At least 4 per State	To undertake TOTs for District level resource persons	To be selected by NIC in consultation with State
4.	District level Resource Persons	1800	At the rate of 3 per district		State to selected and train in consultation with NIC.
	Total	31250			
	Grand Total	31500			

The calculations in respect of the requirement of resource persons are detailed below in Table 11:

TABLE 11

No of elected representatives to be trained	2200000	
No. of persons per batch	20	It is envisaged that training batches will not be larger than 20 persons at a time, so as to ensure meaningful participation of all.
No. of training batches (a/b)	110000	On the basis of 20 persons per batch, more than 110000 batches will require to be trained.

No. of weeks in which each round of training is to be competed	20	It is envisaged that each round of training (whether foundation, sectoral or refresher) should not take more than 20 weeks to complete. In other words, in every State, each round of training will need to be completed in 20 weeks.
No. of training batches per week (c/d)	5500	If 20 weeks is taken as the basis for completion of training, then each week, 550 batches will require to be trained.
No. of field resource persons per batch	5	It is envisaged that for optimum results and interactivity, each batch will need to be assisted by at least 5 resource persons on site. It is envisaged that of these resource persons, at least 3 will be from full time trainers drawn from NGOs, ex-Panchayat or sitting Panchayat members, retired Government officials etc. At least two will be from line departments working at the district and the block levels.
Total number of field resource persons required (eXf)	27500	The total requirement of resource persons for Panchayat level training.
No. of field resource persons per State master trainer	15	It is envisaged that each State Master Trainer would handle 15 field resource persons.
No. of State master trainers required (g/h)	1833	
No. of National Master trainers per State Master trainer	15	It is envisaged that National Master Trainer would handle 15 State Master Trainers.
No. of National Master trainers required (i/j)	122	

3.3 Selection of Resource Persons

3.31 Effective implementation of the Framework is critically dependent on the quality of Resource Persons at each level. Care will

need to 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. The process of selection has three phases as follows:

- (a) a preliminary screening before selection for the orientation course.
- (b) a rigorous orientation course.
- (c) a post orientation evaluation.

The details of each step are elaborated below:

3.3.2. Preliminary Screening of candidates before selection for the orientation course:

Criteria for preliminary identification and screening are as follows:

- (a) Commitment to values of gender and caste equity and secularism and lack of prejudices based on caste, gender or religion.
- (b) Experience in Panchayati Raj system may be desirable, but not compulsory.
- (c) Ability to sympathetically communicate, particularly to draw out the withdrawn.
- (d) Ability for multitasking, as Resource Persons will need to be equally at home in face to face trainings, satellite training, operating helplines and providing online assistance at the field level for Panchayat representatives.

3.3.3. The Induction Course:

The induction training programmes for selection of master trainers would be a rigorous and well-documented process, concentrating on sensitization of all Master Trainers to the special needs and concerns of Panchayati Raj. This will be a 2 month long course, aimed at testing various skills of participants particularly that of empathizing with the poor and ability to persevere in adverse conditions. It will include a village immersion stage. The induction course will also equip Master trainers with a thorough knowledge of the entire gamut of the management of training processes, including funding and logistics.

3.3.4. Final Screening:

The induction course would be followed by a final screening that tests both knowledge, commitment and mentioning skills.

3.4 Line department staff as trainers:

Line department staff could be inducted into the training system at all levels, namely, as National or State level Master Resource persons or as Field level Resource Persons. Of the five resource persons required at each training batch, at least two could be such the department officials. These officials would come into the training system with some amount of prior knowledge and commitment. While ideally such persons should also be put through the induction course of 2 months. In case it is felt that they cannot be spared full-time for training, then they could be put through a shorter induction course (about 2 to 3 weeks) and then join the resource team batch.

Separate honoraum would be paid to such field level staff, who join the Resource persons teams. These will need to be fixed by the State. For the purposes of standardisation of calculation of costs, the costs pertaining to honorarium have been subsumed into the costs of each training course.

3.5. Refresher Courses for Resource Persons:

There would be yearly colloquia for the interaction of Resource persons. Exposure visits for trainers, especially to well performing States in Panchayati Raj, would also be part of the refresher courses for Master Resource Persons.

CHAPTER 4

DEVELOPMENT OF TRAINING MATERIALS

4.1. General Principles for guidance in preparation of training materials:

Training materials should be mostly illustrated. They must always be in the local language, preferably in the local dialect and simple. Local best and innovative practices should be captured in pictorial training materials. Folk resources should be used extensively. For the lower level functionaries the materials should be in question-answer mode. Frequently asked questions, (Dos and dont's) and a detailed glossary of the frequently used terminologies should be included in

training materials. A handbook containing basics of PR system in simple language should be handed over to the PRI functionaries at the time of oath taking.

4.2 Print material

Training of the magnitude envisaged will require the development of a variety of print material, which ought to be easy on the eye and preferably well illustrated. Print material could be of the following kinds:

- (a) Reference handbooks for Panchayat members, staff and other stakeholders, which is best arranged in the form of answers to frequently asked questions.
- (b) Charts, wall newspapers and posters on various aspects of Panchayati Raj, which can be displayed in Panchayat offices and other public places.
- (c) Newsletters for both circulation among stakeholders as well as the general public.

4.3 Film and Electronic Material

Some of the points that could underline the development of film material for training are as follows:

- (a) Format of the films could be workshop discussions, individual interviews and dramatised plays derived from the experience of elected Panchayat members, discussing and thinking about what they bring out, and considering lessons for one's own gram Panchayats.
- (b) Films need not be pre-scripted and there need not be expert lectures. The films will reflect the *lived* experience of elected gram panchayat members.
- (c) Gender and caste equality would be a cross cutting theme.

Wherever possible, NGOs could be involved in developing the film material.

4.4 Panchayat participation in programme design and management:

There is a need to encourage Panchayats to develop a sense of ownership of the training programmes and to play a major role in designing content and mechanisms of training. This could start with providing representation for Panchayat members in the Governing Boards and Task Forces within training institutions that address their needs. In the first instance, trained members should be encouraged to become resource persons for further training of panchayat representatives peer to peer learning, both within and outside the State through regional or national tie ups should be encouraged and supported. However, a more long-term approach would be to ensure that Panchayat member networks take over a large part of the management of training programmes a kind of self-training system.

CHAPTER 5

PROGRAMME MANAGEMENT, EVALUATION AND DOCUMENTATION

5.1 Evaluation of training ought to be undertaken by those institutions that do not undertake training. Training institutions should undertake a self-evaluation. The mechanism for monitoring and evaluation of Framework implementation would include both:

- (a) Quantitative and measurable outputs, in terms of activities such as numbers of training workshops conducted, attendance obtained, presence and participation of women and SC/ST representatives, use of radio/films, use of satellite training etc. and
- (b) Outcomes, in terms of
 - (i) Quality of facilitation provided to Panchayats, particularly Gram Panchayats, in undertaking their responsibilities,
 - (ii) Attitudinal change or enhancement in the conduct of activities at the Panchayat level and quality of service delivery.

5.2 Monitoring of outcomes:

Outcomes would need to be assessed against detailed analysis of qualitative parameters. Some aspects that could be assessed to determine to what extent the potential of Panchayats has been unlocked are as follows:

- (a) How training has enabled more effective community participation, particularly with reference to the conduct of Gram Sabhas, Ward Sabhas and Social Audit,
- (b) How training has affected the functioning of standing committees in the Panchayats,
- (c) How training has catalysed partnering amongst functionaries, Panchayat elected representatives and people,
- (d) Efforts undertaken by Panchayats to practice democratic processes in decision making, both in the Panchayat itself and the Gram Sabha,
- (e) How training has facilitated designing and approving participative plans,
- (f) Taking numerous decisions involved with the implementation process, particularly compliance with Statutory procedures,
- (g) Improvement in accountability, in terms of responding,
- (h) Addressing public grievances,

- (i) Participation by Ward Members in GP meetings and in decisions, and
- (j) Participation of Gram Sabha members in decision making of the Gram Panchayat.

5.3 Training Programme Management:

Programme management, shall be decentralized and adapted for local needs. Separate sub-committee to oversee specific aspects of programme management could also be set up, as given in Table 12 below:

TABLE 12

Name of Committee	Duties
Curriculum Committee	This Committee can be responsible for developing training designs—including the content and process of training. It can also identify core and supplementary reading/training material for development, production and dissemination.
Monitoring, Evaluation and Documentation Committee	This Committee would identify indices for monitoring and evaluation. It will also identify appropriate agencies to undertake documentation and evaluation of the various training programmes undertaken.
Finance and Accounts Committee	This Committee will monitor utilization of funds released for training and ensure regular and periodic audit of the funds released. It will ensure timely submission of utilization certificates on training funds, as required.

5.4 At the District level, Peer groups of Panchayat representatives, resource persons and NGO representatives may be involved in the preparation of training, material, design of content, evaluation forms and post training performance of Panchayats.

CHAPTER 6

ESTIMATION OF COSTS OF IMPLEMENTING THE FRAMEWORK

6.1 Several aspects need to be taken into consideration while preparing the cost estimations for the Capability Building Framework. The costs of implementation of the Framework comprises of Capital and revenue costs. Ideally speaking, capital costs are to be invested

during the first year of the implementation. As the training process under the framework will undergo continuous improvement and refinement. While training for the first year would be to give every stakeholder a basic minimum input required to operate the programme, experiences of the first year can substantially modify the training programme for the second year. Modules, training groups and training strategies etc., will change, leading to modifications in cost estimations. Some costs are incurred once in every few years, such as preparation of printed and audio-visual material. They are proposed to be paid for in the first year. For the above reasons, revenue costs would be different for the first year and for subsequent years of training. The details of the components for which the costs are calculated are given in Table 13 Below:

TABLE 13

Capital Costs (to be invested up-front in the first year)	Revenue Costs Items to be covered in first year	Yearly items, from second year onwards
Satellite training facilities	Induction course for Master Resource Persons	Refresher Courses for Resource Persons
Installation of Computer hardware in Panchayats	I(a): Foundation Course	III(e): Yearly Refresher Course
Intermediate Panchayat level Resource Centres	I(b): Basic Functional Course	III(f): Visits to identified 'beacon' Panchayats
Strengthening of NIRD	I(c): Functional Literacy Course	III(a): Gram Sabha level Campaigns
Strengthening of SIRDs	II(a): Sectorally focussed training programme	III(l): Certificate courses
	III(d): Formation of networks of Panchayat elected representatives	Monitoring of outcomes
	II(b): Building ICT Skills	
	Film and Electronic Material	Action research
	Print material	
	Common items from first year onwards	
	III(b): Panchayati Raj TV channel and radio programmes	
	III(c): Panchayati Raj Newsletter	
	III(g): Intermediate Panchayat level Resource Centres	
	III(h): Helplines	
	Training Programme Management	

6.2 The cost in respect of the Capital costs may be worked out in Table 14 below:

Table 14: Capital Costs

Table 14 (a-2) Capital costs for satellite training:

Item	Cost per unit (Rs. cr.)	No. of units	Level of unit	Total cost
Satellite studio	5		State	
Satellite receiving stations	0.007		One at each Intermediate Panchayat level	
Miscellaneous civil works (electrification, training halls etc.)				

Table 14(b): Cost of installation of Computer Hardware in Panchayats:

Computer Hardware	50,000		One at each Village Panchayat level	
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Table 14(c): Capital cost for strengthening of training infrastructure:

Intermediate Panchayat level Resource Centres	10		One at each Intermediate Panchayat level	
Strengthening of SIRDs	100		One per State	

TABLE 15

Item	Total cost (Rs. cr)
Satellite Training	
Computer Hardware	
Intermediate Panchayat level Resource Centres	
Strengthening of SIRDs	
Total	

Capital costs would vary on the basis of the extent of availability of existing infrastructure, such as extension training centers, satellite training facilities etc. already existing in States.

6.3 Revenue Expenditure:

6.3.1 Revenue expenditure would vary from year to year, depending on the mix of programmes that are implemented each year.

6.3.2 Costs for the first year may be calculated on the basis of the matrix below:

TABLE 16

Sl.No.	Item	Number	Basis of calculation	Total amount (Rs. cr)
1	2	3	4	5
1.	Induction course for Master Resource Persons		60 days course, at the Rate of Rs. 1000 per day per participants (Inclusive of all costs)	
2.	I(a): Foundation Course		4 day course at the rate of Rs. 150 per day for 22 lakh elected representatives and 8 lakh officials	
3.	I(b): Basic Functional Course		4 day course at the rate of Rs. 150 per day for 10 lakh elected office bearers and chairpersons of Standing Committees and 5 lakh officials	
4.	I(c): Functional Literacy Course		Rs. 1000 lump sum grant per illiterate person for 8 lakh illiterate persons	
5.	II(a): Sectorally focused training programme		4 day course at the rate of Rs. 150 per day for 22 lakh elected representatives and 8 lakh officials	
6.	III(d): Formation of networks of Panchayat elected representatives		One network per State, with basic start up costs given at Rs. 2 lakh per State	

1	2	3	4	5
7.	II(b): Building ICT Skills		Cap of Rs. 2000/- per individual for 5 lakh persons	
8.	Film and Electronic Material		At Rs. 10 lakhs per half-hour film	
9.	Print material		Lump sum allocation	
10.	III(b): Panchayati Raj TV channel and radio programmes		Lump sum allocation	
11.	III(c): Panchayati Raj Newsletter		At rate of Rs. 10 per newsletter, 5 copies per Panchayat every month (i.e., 60 copies per annum per Panchayat)	
12.	III(g): Intermediate Panchayat level Resource Centres		Lump sum allocation of Rs. 3 lakhs per Resource Centre	
13.	III(h): Helplines		Lump sum allocation of Rs. 1 cr per State	
14.	Training Programme Management		1 per cent of total revenue cost	
Total				

6.2.4 Revenue expenditures in respect of each year from the second year onwards may be calculated as per the matrix in Table 17 below:

Sl.No.	Item	Number	Basis of calculation	Total amount (Rs. cr)
1	2	3	4	5
1.	Refresher Courses for Resource Persons		4 days course, at the Rate of Rs. 200 per day per participant (Inclusive of all costs)	

1	2	3	4	5
2.	III(e): Yearly Refresher Course		4 days course at the rate of Rs. 150 per day for 22 lakh elected representatives	
3.	III(f): Visits to identified 'beacon' Panchayats		2 days course at the rate of Rs. 150 per day for 10 lakh elected office bearers and chairpersons of Standing Committees	
4.	III(a): Gram Sabha level Campaigns		Rs. 5 lakh lump sum grant per district	
5.	III(i): Certificate courses		At the rate of Rs. 10,000 per course for 100 persons per year	
10.	III(b): Panchayati Raj TV channel and radio programmes		Lump sum allocation	
11.	III(c): Panchayati Raj Newsletter		At the rate of Rs. 10 per newsletter, 5 copies per Panchayat every month (i.e., 60 copies per annum per Panchayat)	
12.	III(g): Intermediate Panchayat level Resource Centres		Lump sum allocation of Rs. 3 lakhs per Resource Centre	
13.	III(h): Helplines		Lump sum allocation of Rs. 1 cr per State	
	Monitoring of outcomes		Lump sum allocation	
	Action research		Lump sum allocation	
14.	Training Programme Management		Maintain the cost for first year	
Total				

6.3 Detailed Projectisation for each State:

Every State may prepare a project report covering implementation of every aspect of the framework. Technical assistance shall be provided by the Ministry of Panchayati Raj for the preparation of State specific Framework implementation project documents. State specific projects will follow the same sequence of courses and activities. However, there may be variations on the number of days devoted to training on certain matters, based on the extent of devolution to Panchayats. Similarly, in States that do not have satellite-training facilities at present, an interim cascade mechanism of training may be adopted, while working toward the eventual goal of establishing a distance-training network. State-wise projects will also undertake a census of facilities already available for training, so that only the incremental requirement needs to be met. All these matters will be captured in a State-wise needs assessment, which will form an integral part of the State Specific Framework design.

ANNEXE—4 LIST OF PRIORITY SCHEMES FOR FUNDS EARMARKED FOR SC AND ST DEVELOPMENT

1. Community halls.
2. Residential Intermediate college/hostels for SC/ST children.
3. ITSs
4. Rural playgrounds.
5. One time support (of about 20 lakh) to reputed NGOs who have land for setting up Secondary Schools/Colleges for girls.
6. Tractors with trolleys and agricultural implements to SHGs of 20 small/marginal SC/ST farmers.
7. Training of educated youth in areas such as computers, repairs of mobile phones, driving etc.
8. Pre-recruitment training for para-military and other security forces.
9. Construction and allotment of shops, etc.

APPENDIX VIII

COMMITTEE ON RURAL DEVELOPMENT (2006-2007)

MINUTES OF THE TENTH SITTING OF THE COMMITTEE HELD ON THURSDAY, THE 29 MARCH, 2007

The Committee sat from 1500 hrs. to 1700 hrs. in Committee Room 'E', Basement, Parliament House Annexe, New Delhi.

PRESENT

Shri Hannan Mollah—*In the Chair*

MEMBERS

Lok Sabha

2. Shri Mani Charenamei
3. Shri Zora Singh Mann
4. Shri D. Narbula
5. Shri A.F.G. Osmani
6. Shri T. Madhusudan Reddy
7. Adv. Renge Patil Tukaram Ganpatrao
8. Shrimati Tejaswini Seeramesh
9. Shrimati Jyotirmoyee Sikdar
10. Shri Bagun Sumbrui
11. Shri Chandramani Tripathi

Rajya Sabha

12. Shri Balihari
13. Shri Jayantilal Barot
14. Kumari Nirmala Deshpande
15. Shri Pyarelal Khandelwal
16. Dr. Chandan Mitra
17. Shri P.R. Rajan
18. Ms. Sushila Tiriya

SECRETARIAT

1. Shri P.K. Grover — *Joint Secretary*
2. Shrimati Sudesh Luthra — *Director*
2. Shri A.K. Shah — *Deputy Secretary Grade II*
4. Shri Sundar Prasad Das — *Under Secretary*

Representatives of the Ministry of Panchayati Raj

1. Smt. Meenakshi Datta Ghosh — *Secretary*
2. Shri B.K. Sinha — *Additional Secretary*
3. Shri Avtar Singh Sahota — *Joint Secretary*
4. Smt. Aditi Mehta — *Joint Secretary*
5. Shri T.R. Raghunandan — *Joint Secretary*

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

3. At the outset the Chairman welcomed the members to the sitting of the Committee, convened for taking oral evidence of the representatives of the Ministry of Panchayati Raj on Demands for Grants (2007-2008).

[The representatives of the Ministry of Panchayati Raj were then called in].

4. The Committee thereafter took oral evidence of the representatives of the Ministry of Panchayati Raj on Demands for Grants (2007-2008).

5. The Chairman welcomed the representatives of the Ministry of Panchayati Raj and drew their attention to direction 55(1) of 'Directions by the Speaker'. The main issues that came up during the course of evidence include, need for optimal utilisation of enhanced allocation of the Ministry of Panchayati Raj during 2007-2008, need to give focused attention for implementation of various provisions of Part IX of the Constitution especially on devolution of 29 subjects as enlisted in Eleventh Schedule of the Constitution, from various State Governments/Union territory Administrations to three tiers of Panchayati Raj Institutions (PRIs) in terms of functions, functionaries and finances, need for early constitution of mandatory District Planning

Committees (DPCs) for ensuring planning at district level, need for ensuring greater centrality of Panchayati Raj Institutions in Centrally Sponsored Schemes, need for ensuring greater participation in Gram Sabhas for the purpose of empowering Panchayati Raj Institutions, need for arriving consensus over Draft Nyaya Panchayati Bill before its introduction in Parliament etc. The representatives of the Ministry of Panchayati Raj replied to the queries raised by the members and were asked to send replies to the point which could not be made available during the sitting.

A verbatim record of the proceeding has been kept.

The Committee then adjourned.

APPENDIX IX

COMMITTEE ON RURAL DEVELOPMENT (2006-2007)

MINUTES OF THE FOURTEENTH SITTING OF THE COMMITTEE HELD ON TUESDAY, THE 24 APRIL, 2007

The Committee sat from 1100 hrs. to 1215 hrs. in Committee Room 'C', Ground Floor, Parliament House Annexe, New Delhi.

PRESENT

Shri V. Kishore Chandra S. Deo—*In the Chair*

MEMBERS

Lok Sabha

2. Shri Mani Charenamei
3. Shrimati Tejaswini Seeramesh
4. Shrimati Jyotirmoyee Sikdar
5. Shri D.C. Srikantappa
6. Shri Chandramani Tripathi

Rajya Sabha

7. Shri Balihari
8. Shri Pyarelal Khandelwal
9. Dr. Chandan Mitra
10. Shri P.R. Rajan

SECRETARIAT

1. Shri P.K. Grover — *Joint Secretary*
2. Shrimati Sudesh Luthra — *Director*
2. Shri A.K. Shah — *Deputy Secretary Grade II*
4. Shri Sundar Prasad Das — *Under Secretary*

2. In the absence of Hon'ble Chairman, the Committee chose Shri V. Kishore Chandra S. Deo, MP to act as Chairman for the sitting under Rule 258(3) of the Rules of Procedure and Conduct of Business in Lok Sabha.

3. At the outset, the Chairman welcomed the members to the sitting of the Committee. The Committee then took up for consideration the draft Report on Demands for Grants (2007-08) of the Ministry of Panchayati Raj.

4. The Committee adopted the said draft Report on Demands for Grants (2007-08) with a slight modification.

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

The Committee then adjourned.

APPENDIX X

STATEMENT OF RECOMMENDATIONS/OBSEVATIONS

Sl. No.	Para No.	Recommendations/Observations
1	2	3
1.	2.4	<p>The Committee wish to point out that the primary objective of inserting direction 73A in the 'Directions by the Speaker' was to make the Government more accountable for implementation of various recommendations of the Committee. The Committee are constrained to note that even after lapse of around five months when the statement on Twenty-First Report had fallen due, the statement is yet to be made by the Hon'ble Minister. The Ministry proposes to lay the statement during the current session of Parliament. The Committee recommend to the Ministry to ensure that the statement is made at the earliest during the second part of the Budget Session of Parliament commencing from 26 April, 2007. The Committee, further, strongly recommend to the Ministry to ensure that the statements in respect of each of the report are made within the specified period <i>i.e.</i>, six months after the presentation of the Report to Parliament as per direction 73 A of the Directions by the Speaker, Lok Sabha, in future.</p>
2.	2.11	<p>The Committee note that although the Ministry of Panchayati Raj was created as far back as 2004-2005, yet adequate allocation was made available to the Ministry only from 2006-2007 onwards to carry out its functions for meaningful achievement during Tenth Plan (2002-2007) period. For instance the Budget allocations of the Ministry during 2004-2005, 2005-2006 were Rs. 30.60 crore and Rs. 50 crore</p>

respectively. The Budget Estimates for 2006-2007 were significantly enhanced to Rs. 3,825 crore. However the Committee are constrained to note that whatever Budget allocations were made available to the Ministry were drastically reduced at Revised Estimates stage during annual plans of 2004-2005 and 2006-2007 of Tenth Plan period. For instance the Budget Estimates of Rs. 30.60 crore and Rs. 3,825 crore during 2004-2005 and 2006-2007 were drastically reduced to the level of Rs. 10.60 crore and Rs. 2,000 crore respectively. Even the reduced allocation of Rs. 10.60 crore during 2004-05 could not be utilised fully by the Ministry and resulted in underspending of Rs. 1.15 crore *i.e.* around 15 per cent of the allocated outlay. Delay in creation of posts and accommodation for the Ministry based on the recommendations of Group of Ministers has been attributed to be the reason for under-utilisation of Budget allocation during 2004-2005 delay in transfer of the scheme of 'Backward Regions Grants Fund' to Ministry of Panchayati Raj has led to the reduction in Budget Estimates of Rs. 3,825 crore to the level of Rs. 2,000 crore at Revised Estimates stage during 2006-2007. While appreciating the fact that the year 2004-2005 was the first year of the working of the newly constituted Ministry and the year 2006-07 was the year when bulk of the outlay of the Ministry was allocated for Backward Region Grant Fund (BRFG), the scheme which was transferred from the Ministry of Finance to the Ministry of Panchayati Raj in August, the Committee observe that reduction in outlay at Revised Estimates stage retards the overall performance of the Ministry during a plan period particularly when there is a challenging task of strengthening of Panchayati Raj Institutions (PRIs) and training of over 14 lakh PRI functionaries is yet to be accomplished. The

Committee, therefore, recommend that all out efforts should be made to ensure that the allocations made during a year are fully utilised. Since the cut at Revised Estimates stage during the aforesaid two years was because of gross underspending due to the reasons as explained above, the Ministry has to work hard to convince the Planning Commission not to resort to cut at Revised Estimates stage.

3. 2.15

The Committee appreciate the concerns of the Planning Commission as highlighted in the Approach Paper to the Eleventh Plan (2007-2012) regarding need to empower Panchayati Raj Institutions (PRIs). In this context the Committee also appreciate that though some headway has been made in this regard, yet the task ahead is very challenging before the Ministry of Panchayati Raj during the Eleventh Plan period. The Committee find that the focused areas during the Eleventh Plan would be implementation of programmes like Panchayat Mahila Shakti Abhiyan and Panchayat Yuva Khel Abhiyan, Centrally Sponsored Schemes routed through Panchayati Raj Institutions (PRIs), Devolutions of Functions, Functionaries and Finances and capacity buildings of Panchayats through the schemes 'Gram Swaraj and Backward Region Grant Fund'. Besides, the Ministry of Panchayati Raj has proposed a legislation, Nyaya Panchayat Bill which will further enhance the activities of the Panchayats. The detailed analysis of the proposed legislation has been made in the succeeding part of the Report.

The Committee, however, feel that although the main focus areas have been identified by the Ministry of Panchayati Raj for the Eleventh Plan Period, the trends of allocation of outlay to the Ministry during Tenth Plan and the first year

of the Eleventh Plan raise doubts about the practicability and execution of these objectives. The Ministry has been allocated far lesser than the proposed allocation during the last two years of the Tenth Plan which were the first two years of the newly created Ministry. During 2005-06, the allocation provided *i.e.*, Rs. 50 crore was less than half of the projected outlay *i.e.*, Rs. 105 crore. Later, during 2006-07 the Ministry was allocated only Rs. 75 crore against the proposed allocation of Rs. 2,000 crore. However, in the later half of the year Rs. 3750 crore were allocated to the Ministry by way of transfer of BRGF from the Ministry of Finance to Ministry of Panchayati Raj 2007-08 is the first year of Eleventh Plan and the trends of allocation to different Ministries would indicate the thrust of the Government on different programmes and the set priorities. In this context, the Ministry had proposed the outlay of Rs. 15,789 crore which include Rs. 5,789 crore for Gram Swaraj, Rs. 5,000 crore each for Panchayat Empowerment and Accountability Incentive Scheme and Backward Regions Grant Fund. Against the aforesaid proposed allocation, the outlay earmarked is just Rs. 4,770 crore. The substantial part of the allocation *i.e.*, Rs. 4,670 crore is for Backward Regions Grant Fund, thus leaving only Rs. 100 crore for the various activities of the Ministry relating to the capacity building of the Panchayats.

4. 2.16 The Committee find that the Ministry of Panchayati Raj has bold objectives of ensuring centrality of Panchayats in various Centrally Sponsored Schemes run by various Ministries/ Departments of the Union Government along with the mandate of decentralization. The proposed Nyaya Panchayat Legislation would further enhance the responsibilities of Panchayats to a great extent. All these objectives

can be achieved only when each Panchayat has a Secretariat to assist the Panchayat members in handling these responsibilities. Besides, the financial capacity is another area to be taken care of. The Ministry's Gram Swaraj Scheme intends to achieve the objective of capacity building of Panchayats but with the meagre outlay, the bold objectives cannot be realised. The Committee are of the firm opinion that adequate resources should be allocated to the Ministry of Panchayati Raj so that the Panchayats can shoulder the enhanced responsibilities which the Constitution has bestowed upon them which the Ministry is rightfully trying to transfer to Panchayats. The Eleventh Plan allocation should be made keeping in view the task ahead of the Ministry of Panchayati Raj. Keeping in view the aforesaid observation, the allocation for the year 2007-08 should be enhanced specifically when the first year of the Eleventh Plan would set the priority of the Government.

While recommending for higher outlay, the Committee strongly recommend to the Ministry to ensure that the allocation is meaningfully utilised and does not result in huge underspending or unspent balances with the implementing agencies. The utilisation capacity need to be enhanced to effectively utilise the higher allocation.

5. 2.17 The Committee further find that at present different schemes relating to the subjects enshrined under Eleventh Schedule of the Constitution are being implemented by the various Ministries/Departments of Union Government. The annual allocations for these schemes are approximately between Rs. 55,000 crore to Rs. 72,000 crore. The Panchayats can play an important role in effective

implementation of these schemes. Besides, Panchayats can help in the realistic planning process as envisaged in the Approach Paper to Eleventh Plan. The Government can think of allocating a small fraction of the outlay of these schemes say one percent or so for empowerment of Panchayats. The Committee would like that the concerns of the Committee in this regard should be duly communicated to the Ministry of Finance/Planning Commission.

6. 2.18 The Committee further feel that though much is being planned by the Ministry of Panchayati Raj to endow Panchayats with the responsibilities in the true spirit of article 243G of the Constitution, it is high time to have some mechanism to fix accountability on the respective three tiers of Panchayats. The Committee recommend to the Ministry to evolve some mechanism in this regard so that the maximum outlay meant for the poorest of the poor reaches the intended beneficiaries and there are least chances of corruption and malpractices.
7. 2.25 The Ministry of Panchayati Raj is working hard on evolving a National Training Framework for providing training to PRIs and functionaries. The National Training Design prepared by NIRD was deliberated upon with a group of NGOs and others who were involved at grass-root level development and the Ministry is working towards the National Capability Building Framework that was aimed at building effective and sustainable capabilities of all stakeholders in Panchayati Raj, particularly, elected representatives, office bearers, Chairpersons of Standing Committees and officials connected with subjects devolved to Panchayats under State legislations.
-

1	2	3
8.	2.26	<p>The Committee while noting that efforts are being made to work out a detailed training module observe that the Ministry has not done much on finding out the quantum of task ahead for the Ministry in this regard. Even after the passage of full two years since the Ministry was created, efforts have not been made to know the data of PRIs and functionaries who could be trained so far by the efforts being made through Union Government and the State Governments. Since efforts are being made in this regard by various quarters as admitted by the Ministry, there is an urgent need to coordinate with the various agencies involved in task of training of PRIs and know how much of PRIs and functionaries could already be trained and the task ahead so as to address the issue in a more focused manner. The Committee would like the Ministry to get the information from the State Governments in this regard and the Committee be kept apprised. Since the training of PRIs is a continuous process, the Ministry should evolve a permanent mechanism so as to have the first hand knowledge of the status of training of PRIs through the Ministry's training scheme and the efforts being made by other quarters, <i>i.e.</i> the other Ministries of Union Government/ State Government, various training institution etc.</p>
9.	2.35	<p>The Committee while reviewing the efforts being made by the Ministry of Panchayati Raj in ensuring the centrality of Panchayats in various Centrally Sponsored Schemes run by different Ministries/Departments of Union Government had observed (refer <i>para 7</i> of 26th report) that not much progress has been made in this regard. While examining the Demands for Grants of the current year, the Ministry has furnished the details of the initiatives taken by</p>

the Ministry in this regard. The Committee find that a Group of Ministers for strengthening of Panchayati Raj Institutions was constituted by the Cabinet Secretariat *vide* its order dated 6 May, 2005. As per the decision taken by the Government, all the prioritised Ministries were required to undertake Activity Mapping to pursue the aforesaid agenda of the Ministry. A workshop was also held on 24 April, 2006. In spite of best of the efforts made by the Ministry, not much has been done in this regard. Only five Ministries *viz.* (i) Ministry of Health and Family Welfare (ii) Ministry of Agriculture (iii) Ministry of Social Justice and Empowerment (iv) Department of Food and Public Distribution (v) Ministry of Youth Affairs and Sports have completed the exercise of activity mapping. The Ministry is pursuing with the remaining Ministries to undertake Activity Mapping. The resistance from various Ministries/Departments has been cited as one of the reasons for the slow progress. The Committee find that the major concern of the various Ministries as stated by the Ministry of Panchayati Raj itself is general lack of confidence in the ability of Panchayats to manage their own affairs in an efficient manner. The Committee observe that the challenge of making various Ministries/Departments agreeable in this regard is great for the Ministry of Panchayati Raj. The Committee feel that perhaps the lack of confidence in the ability of PRIs in handling the various Centrally Sponsored Scheme for which crores of rupees are annually being spent for Social Sector Schemes of the various Ministries/Departments of Union Government is due to the various issues related to capacity building of Panchayats. With the existing position where the Panchayats has hardly any staff and technical expertise, the concerns of the Ministries are somewhat genuine. The Ministry

of Panchayati Raj should first of all endeavour to empower PRIs through the various components of Gram Swaraj Scheme, the analysis of which has been done in the subsequent part of the report. The adequate allocation for the aforesaid programme should be provided by the Planning Commission. Besides, the Ministry has to prove the qualitative impact in the schemes run by PRIs. For example under National Rural Employment Guarantee Scheme, 50 percent of the projects shall be implemented by PRIs. The effectiveness of PRIs in handling the part of NREGA can prove the ability of PRIs in handling these schemes. If there are qualitative differences between the projects run by PRIs and other implementing agencies, the Ministry has the reason enough to convince the Central Ministries to transfer these schemes.

10. 2.36 The Committee further note that the position of PRIs may vary from State to State. In some States the PRIs may be strong and able to discharge the great responsibility entrusted to these institutions. In such States, PRIs should be encouraged to take on these added responsibilities. However, in some States, PRIs may not be empowered enough to take the challenges envisaged under the Constitution. In such States, the Ministry should ensure that the Panchayats are empowered to such a level that they would be in a position to discharge the various responsibilities efficiently. Besides, all the desired initiatives should be taken to address the concerns of the Committee as expressed above. The Committee should also be kept apprised in this regard.
11. 2.44 The Committee find that the Ministry of Panchayati Raj was created to give focused attention to the implementation of Part IX of

the Constitution the main component of which is effective devolution of the 3Fs *i.e.* functions, functionaries and finances. Further, the enactment of the Seventy-third Constitution (Amendment) Act, 1992 was aimed at providing Constitutional status to local self-Governments *i.e.* Panchayats. In this regard Article 243 G explicitly states that the State Governments may by law endow the Panchayats with such powers so as to enable them to function as institutions of self-Government.

The Committee note that the need for empowerment at grass root level in rural areas is the reason for creation of an exclusive Ministry of Panchayati Raj. In this context devolution of functions, functionaries should have been accorded primacy by the Ministry and efforts made to that effect. However, the perusal of the comparative progress of devolution over the past two years (*i.e.* since June, 2005) as indicated in the Appendices II and III reveal that *status quo* has been maintained. Only in the States of Gujarat and Haryana there has been improvement in the number of subjects devolved. However, this is the status of transfer of subjects through legislation. The Ministry has not provided the information regarding the actual devolution of functions, functionaries and finances to Panchayats as has been requested by the Committee repeatedly in their earlier reports. The information that the Ministry has provided is incomplete and a true picture of devolution does not emerge from it. The Committee observe that simply transferring subjects to Panchayats will not result in real empowerment unless concomitant funds and functionaries are also made available to Panchayats. The Committee, therefore, desire that the aforesaid information be furnished by the Ministry to

1	2	3
		enable the Committee to analyse the position of devolution and comment further.
12.	2.45	<p>The Committee find that in addition to the slow progress with respect to devolution there is also the negative trend of reversal of subjects devolved. In the States of Madhya Pradesh (from 25 to 23 subjects) and in Maharashtra (from 19 to 18 subjects) there has been reversal of subjects. Further, the Ministry has informed that State Governments effect reversals by issuing notifications withdrawing these subjects. The Committee find that under Article 243G State Governments transfer subjects to Panchayats by law. The subjects are being transferred in pursuance of article 243G of the Constitution. However, the States withdraw these subjects using only notifications. This is a serious offence and the Committee has taken strong exception to such activities being carried out by the State Governments which are not in the true spirit of the Constitution. The Committee, therefore, recommend to the Government that suitable corrective steps should be taken so that States are not allowed to by-pass the Constitutional provisions. The Committee would like to be informed of the action taken in this regard</p>
13.	2.46	<p>Further, the Committee find that States often resort to reporting of incorrect data regarding devolution. When requested, they simply inform the Central Ministry of the number of subjects devolved through legislation while withholding information about the actual devolution of functions, functionaries and finances to Panchayats. This prevents the true picture from emerging. The Committee strongly object to such practice by the State Governments and recommend that the Union Ministry take urgent and strong steps to</p>

1	2	3
		impress upon States not to resort to such practices as it confuses the true picture of devolution.
14.	2.47	<p>The Committee note that Activity Mapping has been undertaken by the Ministry to identify subjects to be devolved to the appropriate tier of the Panchayats. The Committee, further, note that only four States <i>viz.</i> Kerala, Karnataka, Sikkim and West Bengal have completed this exercise. Haryana and Orissa have undertaken Activity Mapping for a limited number of subjects. The Ministry has set a deadline of 31 May, 2007 to States for completion of this exercise.</p> <p>The Committee are concerned at the slow progress of Activity Mapping. It is a matter of great concern that only 6 States have managed to achieve some degree of progress in respect of Activity Mapping. The Committee are disheartened to find that the large majority of States have not yet completed this exercise. The deadline for completion of Activity Mapping which was set for 1 April, 2006 has now been extended to 31 May, 2007. The Committee note that since only the successful completion of Activity Mapping will ensure true devolution this exercise needs to be undertaken much more seriously by States and emphasized by the Central Ministry. The Committee hope that the Ministry will ensure that Activity Mapping in respect of all States would be completed within the designated deadline. The Committee urge the Ministry to take appropriate steps to that effect and inform them accordingly.</p>
15.	2.56	The Committee note that progress on constitution of District Planning Committees (DPCs) in different States is far from satisfactory even though it is one of the mandatory

provisions given under Part IX of the Constitution of India by enactment of Seventy-third Constitution Amendment Act, 1992. The Committee find that Constitution enjoins that DPCs are to be constituted in all States and Union territories (except Meghalaya, Mizoram, Nagaland, J&K the hill areas of Manipur, the hill areas of the district of Darjeeling for which Darjeeling Gorkha Hill Council exists, the NCT of Delhi and six scheduled areas) with a view to consolidate plans prepared by Panchayats into draft development plans for the districts. The Committee note with dismay that only in 14 States *viz.* Assam, Bihar, Chhattisgarh, Goa, Himachal Pradesh, Karnataka, Kerala, Madhya Pradesh, Manipur, Orissa, Rajasthan, Sikkim, Tamil Nadu and West Bengal and 4 Union territories of Andaman & Nicobar, Dadra & Nagar Haveli, Daman & Diu and Lakshadweep DPCs have been constituted in all districts. The Ministry of Panchayati Raj has further informed that constitution of DPCs in Haryana, Punjab, Uttar Pradesh, Uttarakhand, Andhra Pradesh and Gujarat are at various stages. The district-wise position of constitution of DPCs in the remaining States have not been made available to the Committee. The Ministry has informed that details are being obtained from States about the precise details when DPCs were first constituted in each of the States after the enactment of the Seventy-third Constitution Amendment Act. The Committee feel that the year-wise status of constitution of DPCs need to be maintained by the Ministry of Panchayati Raj to have an idea of the status of implementation of various provisions of the Constitution particularly the mandatory ones, of which constitution of DPCs is one. The Committee may be informed of the position as received from the various States/UTs.

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16.	2.57	<p>The Committee have been expressing strong concern over the non-constitution of DPCs in their various reports. During the course of examination of Demands for Grants (2007-08), the Committee have been informed that certain strong decisions have been taken by the Ministry to put pressure on the States/UTs to constitute DPCs expeditiously. In this regard, Backward Region Grant Fund (BRGF) guidelines stipulates that the release of funds would be contingent upon States constituting DPCs and the district plan being applied by the DPCs. The Committee are pleased to note that as a result of this, at least four States, Bihar, Andhra Pradesh, Haryana and Punjab have taken concrete steps to establish DPCs. The Committee hope that DPCs would be constituted in all the districts of every State with the firm resolve of the Ministry and adopting certain harsh measures mechanism so as to achieve the objectives of preparing real and effective plans with a bottom up approach which reflect the reality of grassroots level.</p>
17.	2.62	<p>Panchayat Extension to Scheduled Area Act (PESA), 1996 is being implemented in areas falling under the Fifth Schedule of the Constitution. Fifth Schedule areas are in nine States <i>viz.</i> Andhra Pradesh, Chhattisgarh, Gujarat, Maharashtra, Himachal Pradesh, Jharkhand, Madhya Pradesh, Gujarat and Rajasthan. The Committee find from the information provided by the Ministry that all States have enacted the requisite compliance legislation by amending their respective Panchayati Raj Acts. However, certain gaps continue to exist. Most States are also yet to amend the subject laws like those relating to money lending, forest, excise etc. In this connection the Ministry has entrusted the task of formulation of appropriate amendments in</p>

the concerned State Laws to the Indian Law Institute, Delhi. The amendments to the State laws as proposed by the Indian Law Institute which run into hundreds, have been sent to the respective State Governments. As regards the achievements, only Gujarat has been able to amend a local Statute relating to agriculture. The Committee strongly recommend to the Ministry to follow up vigorously with the various State Governments to carry on the amendments to the various local laws expeditiously so as to enable the implementation of amended Acts/Laws in letter and spirit.

18. 2.66 The Committee find that for the purpose of establishing an informal system of justice, conciliation and dispute redressal at Panchayat level a draft Nyaya Panchayat Bill has been prepared based on the recommendations of Drafting Committee headed by the eminent jurist Prof. Upendra Baxi. The aforesaid draft Bill has been referred to all States and Union Ministries for their comments and 13 States and 21 Central Ministries have furnished the comments. Most of the Union Ministries are in favour of the legislation. However a few Ministries like the Ministry of Law and Justice are against the draft Bill. The Committee find that in order to arrive at consensus on the draft Bill the Ministry of Panchayati Raj is making efforts.

The Committee find that at present the district courts are first level of judicial redressal. By providing the proper equivalent of courts the Panchayats may help to lessen the burden of district courts specifically when these courts are over burdened. There is considerable delay in settlement of cases which one or the other way denies justice to the petitioner. However, the

Committee are aware of the fact that the proposal of Nyaya Panchayat, if implemented would add to the existing powers and responsibilities of Panchayats which at present are not adequately equipped with the required judicial acumen. With the existing scenario of empowerment of Panchayati Raj Institutions even after passage of around 14 years of enactment of the Constitution 73rd Amendment Act, the analysis of which has been done in the preceding part of the report, the idea of Nyaya Panchayat need to be handled carefully by the Ministry. Therefore, the Committee strongly recommend to the Ministry to have wider consultations with the State Governments and all the interest groups. Besides, consultation of experts and public at large is also required. The objections from various quarters need to be addressed carefully before taking final decision in this regard so as to avoid any unavoidable confrontation and resistance from any of the quarters.

19.

2.70

The Committee note that as per recommendations of Twelfth Finance Commission a huge amount of Rs. 20,000 crore is to be made available to State Governments during the period 2005-2010 to augment the Consolidated Fund of State level to facilitate supplementing the financial resources of PRIs. In this connection the Committee are glad to note that for the purpose of speedy flow of funds from State Governments to PRIs the Ministry of Finance has formulated stringent guidelines in consultation with Ministry of Panchayati Raj stipulating that these funds should be transferred from State Governments to PRIs within 15 days of being credited in State Consolidated Fund, otherwise State Governments would have to pay interest thereon on RBI rates.

In this connection the Committee have been informed that as many as nine States which included Andhra Pradesh, West Bengal, Tamil Nadu, Chhattisgarh, Karnataka have already been penalised for delay in transfer of Twelfth Finance Commission grants from State Governments to PRIs. Further the Committee have been informed that for the purpose of monitoring of funds a Committee headed by Secretary, Panchayati Raj has already met twice in August, 2006 and January, 2007. The Committee hope that aforesaid guidelines being implemented by the Ministry of Finance will go long way in making available in time the TFCs grants to PRIs across the country.

The Committee also note that Ministry of Panchayati Raj has already prepared a software to maintain data base of Bank accounts of all 2.4 lakh PRIs across the country to facilitate transfer of funds under Twelfth Finance Commission to PRIs. The Committee, however, find that Bank transfer mechanism is yet to be institutionalised by the Banks. The Committee desire that Ministry of Panchayati Raj should take up the matter with Ministry of Finance to impress upon Banks to utilise software prepared by the Ministry of Panchayati Raj.

20.

2.71

From the figures of allocation *vis.-a-vis.* releases of 1st and 2nd installment of Twelfth Finance Commission of Grants to PRIs in different States during 2005-2006 and 2006-2007, the Committee find that many States have not even received their second installment during 2005-2006. The States of Arunachal Pradesh, Assam, Goa, Sikkim and Tripura have not been released the second instalment during 2005-06. As regards, the status of allocation during 2006-07, the Committee note that first installment has not been allocated to five States *viz.*

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		<p>Arunachal Pradesh, Assam, Goa, Sikkim and Uttar Pradesh. With regard to releases as many as eleven States have not furnished the information with regard to releases made to PRIs. The Committee would like the specific reasons with regard to the installments not being released during the year 2005-06 and 2006-07 and the States not reporting about the releases to PRIs. The Committee would also like that the position of expenditure out of the released amount to PRIs also needs to be monitored. The Committee would like to be informed about the utilisation position in this regard so as to analyse the position and comment further.</p>
21.	2.76	<p>The Committee find that the concept of Rural Business Hubs (RBHs) was mooted by Hon'ble Prime Minister in June, 2004 as an initiative towards increasing rural income through the platform of public-private-panchayat-partnership. As regards the progress during the year 2006-07, 14 States have set up RBH councils. An RBH Executive Committee co-chaired by Secretary, Panchayati Raj and Ms. Laxmi Venkatesh, Chairperson of Bhartiya Yuva Shakti Trust has been constituted to chalk out action plans. The Committee strongly recommend to the Ministry to initiate all the desired actions so that the idea of establishing Rural Business Hubs can be translated into reality.</p>
22.	3.14	<p>The Committee note that Rashtriya Sam Vikas Yojana, a scheme meant for the upliftment of backward districts was approved in the year 2004-2005 and was actually implemented during the year 2005-2006. The scheme was under the administrative control of Planning Commission. Rs. 5,000 crore were allocated for RSVY during the year 2005-2006. In August, 2006 RSVY was</p>

subsumed into Backward Region Grant Fund and transferred to the Ministry of Panchayati Raj. While transferring the aforesaid scheme, the Planning Commission retained Rs. 1,250 crore meant for the special plans for Bihar and KBK districts of Orissa to be handled separately by the Planning Commission. The Standing Committee expressed concern over the fragmented approach in implementation of the programme and desired further details of the two segments of the erstwhile RSVY.

The Ministry during the course of oral evidence of Demands for Grants 2007-2008 has submitted that the objective of the special plan for Bihar and KBK districts of Orissa are to provide initial infrastructure at the regional level and are not limited to a single district. It is the considered view of the Planning Commission that these special plans are regional plans with inter-districts schemes and need to be discussed and approved as part of the Annual Plans of these States and needs to be handled by the Planning Commission. The Committee find from the information furnished by the Ministry that views of the Planning Commission for retaining the part of the scheme for Bihar and KBK districts of Orissa have been furnished. However the Ministry has not furnished its own views keeping in view the comments of the Committee in their earlier report. The Committee would like to be apprised of the comments of the Ministry on the formula of dividing the scheme in the light of the specific reasons furnished by the Planning Commission alongwith the details of the component of the two schemes, RSVY and Backward Region Grant Fund so as to review the position and comment in this regard.

23.

3.15

The Committee find that a laudable scheme of Backward Regions Grant Fund (BRGF) has been

transferred to Ministry of Panchayati Raj to address regional imbalances in development by way of inflow of funds for supplementing and converging existing developmental inflows into identified 250 most backward districts across the country. The Committee find that the scheme has been in operation since 2006-2007 with a budget allocation of Rs. 3,750 crore subsequently revised to the level of Rs. 1,925 crore at the Revised Estimates stage. The Committee's examination has revealed that since there was an unspent balance of over Rs. 1,000 crore till December, 2006 under Rashtriya Sam Vikas Yojana (RSVY) with different State Governments the budget estimates were drastically reduced at revised estimate. In the Committee's view the reduction of budget outlay reflects failure on the part of different State Governments to utilise available funds under RSVY a scheme that was merged to the existing scheme. Thus the Committee feel that the Ministry of Panchayati Raj also on their part had not interacted with different State Governments to impress upon them the need to utilise the funds available under RSVY. In the Committee's opinion revising the budget outlay on the ground that considerable amount was left with the State Governments under previous scheme does not augur well with over all utilisation of funds on the part of the Ministry of Panchayati Raj. The Committee therefore recommend the Ministry to make all out efforts to ensure that the budget outlays are not reduced at revised estimates level particularly when the task before the Ministry during the Eleventh Plan period is huge.

The Committee strongly recommend to the Government to monitor the BRGF effectively with the various mechanism so as to ensure the meaningful utilization of the resources

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		allocated to different backward districts under BRGF.
24.	3.16	<p>The Committee find that the scheme of Backward Region Grant Fund envisages disbursement of funds of fixed amount of Rs. 10 crore per annum to every district. 50 per cent of the balance allocation will be on the basis of share of population of the districts in total population of all backward districts and remaining 50 per cent on the basis of area of the district in total area of all backward districts. The Committee have been informed that programmes under this scheme will be selected through people's participation particularly through Gram Sabhas by way of preparation of participatory plans to be prepared in each Panchayat which will take into account flow of funds from all sources like Centrally Sponsored Schemes, National Rural Employment Guarantee Scheme etc.</p> <p>The Committee further find that BRGF funds will primarily be used to build capacity in planning, implementation, monitoring, accounting and improving accountability and transparency and could also include arrangements for contracting and outsourcing. Besides substantial untied grants would be allocated under BRGF to Panchayats to address critically gaps in integrated development. The Committee while noting the laudable objectives of the scheme emphasize on strict monitoring of the programme particularly when the programme has various components. The expenditure position for the capability building funds to Panchayats and to local bodies and untied grants should be monitored separately. Further the Committee feel that in order to have judicious utilization of the funds, there is a need for proper monitoring by an</p>

independent agency outside the jurisdiction of concerned District Rural Development Agency (DRDA) and State Governments. The Committee would like that their concerns should be adequately addressed by the Ministry and strategies evolved for proper implementation of the programme so as to achieve the set objectives. The Committee further recommend that the position of expenditure in different districts along with the position of physical achievements should be reflected in the Outcome Budget of next year *i.e.* 2008-09 so as to make an assessment of the performance of the scheme in various districts. The Committee further note that the type of work to be undertaken in various backward districts under the aforesaid schemes include rural electrification, type of appropriate technology options by Panchayats for drinking water supply in hilly and tribal areas, augmenting Indira Awaas Yojana etc. The Committee find that the aforesaid works are being undertaken by the respective Centrally Sponsored Schemes of the Union Government. Besides there may be State schemes to address the aforesaid issues. The Committee feel that there is an urgent need for proper co-ordination with the respective schemes of Union Government and State Governments. The Ministry should evolve a mechanism to address to the aforesaid observation of the Committee.

25. 3.30 The Committee find that Rashtriya Gram Swaraj Yojana (RGSY) is the largest scheme being implemented by the Ministry of Panchayati Raj in terms of components it addresses, issues like training and capacity building of elected representatives and officials of Panchayats, e-governance for all the Panchayats, improving infrastructure at Panchayat level, Rural Business Hubs etc.

However the Committee note with constraint that a total of Rs. 50.50 crore were allocated for this large scheme during 2006-2007 which rose to Rs. 67.90 crore during 2007-2008. In view of the extent of the Rashtriya Gram Swaraj Yojana, in Committee's opinion there is a need to increase the allocations under the scheme for carrying out its functions in revised estimates level of the current year itself and also during remaining four years of the Eleventh Plan. The Committee also desire that for this proposals for Eleventh Plan be worked out expeditiously by the Ministry of Panchayati Raj.

26. 3.31

The Gram Swaraj Scheme is intended to achieve the vital objective of capacity building of Panchayats. However, the Committee are of the opinion that to enable the Ministry effectively shoulder this immense task the allocation should be adequate. Therefore, the allocation of the Eleventh Plan has to be made keeping in view the task ahead of the Ministry. The component-wise analysis of the scheme is given below:—

- (i) The Committee are constrained to note that under the 'Capacity Building' component under RGSY a small amount of Rs. 30 crore was provided during 2006-2007 which was reduced to Rs. 24.50 crore at Revised estimates level and the same has been fully utilised. Against this allocation around 3 lakh elected representatives and officials of PRIs have been trained. The Committee find that during 2007-2008 an allocation of Rs. 33 crore has been made. In view of the foregoing the Committee recommend that in the light of huge number of around 14 lakh PRIs functionaries and officials yet to be trained the allocation under

Training and Capacity Building be suitably enhanced.

- (ii) The Committee also find that during the last four years *viz.* 2003-2004, 2004-2005, 2005-2006 and 2006-2007 a total of 20.68 lakh elected representatives of PRI and their officials were imparted training. The Committee are unable to comprehend that if 20.68 lakh have been actually trained so far then the only 10 lakhs are yet to be trained. The Committee urge that State-wise data of number of trained and untrained PRI functionaries State-wise be indicated in Outcome Budget of the Ministry so that Committee can arrive at meaningful conclusion and have a clear picture on the issue.
- (iii) The Committee are glad to note that Ministry of Panchayati Raj has come forward with a 'National Capacity Building Framework, (NCBF) with the objectives like enabling elected PRIs functionaries to update their knowledge, orienting key officials associated with devolved functions to function in a better way as technical advisors and trainers, improving the functioning of Gram Sabhas etc. The Committee also find that aforesaid NCBF also addresses the issue of Capacity Building of PRIs before handing over the responsibilities of subjects to be devolved to them. Here the Committee would suggest that on this issue there is a need for devolution of subjects to PRIs in States where these are already strong enough to shoulder the responsibilities like Kerala and West Bengal, whereas in States like

Uttar Pradesh, where PRIs are very weak there is a need to build up their capacity first. The Committee feel that this issue should be examined in detail.

- (iv) The Committee find that another component of 'Rashtriya Gram Swaraj Yojana' (RGSY) of infrastructure development envisaging assistance to States for construction of '*Panchayat Ghars*' to enable Gram Panchayats to function in a better way has also not been given sufficient allocation. In Committee's opinion there are lakhs of Gram Panchayats across different States in the country requiring such assistance. However the Committee find that a meagre amount of Rs. 10 crore has been allocated for this component during 2006-2007 and 2007-2008. In view of the foregoing, in Committee's opinion the allocation under this component has to be enhanced after obtaining estimates from different States. Further, the Committee desire that the information with regard to physical performance of the scheme be furnished to the Committee.
- (v) The Committee note with dismay that like other components of 'Training Capacity Building' and 'Infrastructure Developments', of Rashtriya Gram Swaraj Yojana the component of Information Technology is also fund starved. In this connection the Committee find that a meagre amount of Rs. 8 crore during 2006-2007 and Rs. 10 crore during 2007-2008 has been given for this component. In view of the proposed requirement of Information Technology of Gram Panchayats across the country in Committee's opinion funds should be suitably enhanced.

(vi) As regards two components of 'Research Studies' and 'Media Publicity and Advocacy' under Rashtriya Gram Swaraj Yojana the Committee are constrained to note that allocation under both the components has not been fully utilised during 2006-2007. In this connection the Committee find that against allocation of Rs. 2 crore on Research Studies the utilisation was only Rs. 0.86 crore. Similarly on Media Publicity and advocacy against the allocation of Rs. 3 crore utilisation was only Rs. 2.65 crore. The Committee however find that during 2007-2008 equal amount has been restored for Research Studies whereas higher allocation of Rs. 6.90 crore has been made for Media Publicity and Advocacy. The Committee desire that the higher allocation made be meaningfully utilized by the Ministry.

The action taken reply addressing each of the issues indicated above separately should be furnished to the Committee.

27.

3.35

The Committee find that Panchayat Empowerment and Accountability Scheme is very noble Scheme that can work as a tool for much needed work on implementing part IX of the Constitution like constitution of District Planning Committee's, undertaking the exercising of activity mapping, transferring of funds functionaries and finances etc. However the Committee find that the basis of implementation of this scheme has been changed from time to time. In this connection the Committee have noticed that after commencement of the scheme in 2005-2006 the basis for rewarding State Governments for undertaking necessary reform in the field of

empowering PRIs was seven reform areas like activity mapping for possible devolution, transfer of funds, functionaries and finances from State Governments to PRIs etc. In second year of implementation of the scheme the basis was changed to devolution index. Moreover the Committee find that Ministry is managing with interim devolution index for this scheme as the Devolution Index is not yet ready.

The Committee have observed seven reform areas in their previous report and the major quantifiable deliverables under the current interim devolution index. The Committee feel that by and large the issues in both the documents are identical. In this connection the Ministry has stated that the current basis is more scientific and capable of use across different schemes. On the other side the Committee have also been apprised that no physical progress can be linked to grants for work done on empowering PRIs under this scheme. Since the details of the interim devolution index are not available with the Committee, the Committee would be unable to comment on the issue. The Committee however feel that changing the basis of implementation of the Scheme on yearly basis would lead to more and more communication gap between different State Governments, field agencies and also with PRI functionaries and should be discouraged and whenever any such change is contemplated it should be properly discussed among different State Governments.
