

FOURTH REPORT
STANDING COMMITTEE ON
RURAL DEVELOPMENT
(2004-2005)

(FOURTEENTH LOK SABHA)

MINISTRY OF PANCHAYATI RAJ

DEMANDS FOR GRANTS
(2004-2005)

Presented to Lok Sabha on 19th August, 2004
Laid in Rajya Sabha on 19th August, 2004



LOK SABHA SECRETARIAT
NEW DELHI

August, 2004 / Sravana, 1926 (Saka)

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COMPOSITION OF THE STANDING COMMITTEE ON
RURAL DEVELOPMENT (2004-2005)

Shri Kalyan Singh — *Chairman*

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(iv)

Rajya Sabha

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2. Shri V.K. Sharma - *Joint Secretary*
3. Shri K. Chakraborty - *Director*
4. Shrimati Sudesh Luthra - *Deputy Secretary*
5. Shrimati Meenakshi Sharma - *Committee Officer*

ABBREVIATIONS

AIR	-	All India Radio
BE	-	Budget Estimates
NIRD	-	National Institute of Rural Development
NC	-	Not Covered
NGO	-	Non-Governmental Organization
OTA	-	Over-time Allowance
PESA	-	Provisions of the Panchayats (Extension to the Scheduled Areas) Act
PRIs	-	Panchayati Raj Institutions
RE	-	Revised Estimates
SCs/STs	-	Scheduled Castes/Scheduled Tribes
SFCs	-	State Finance Commissions
SGSY	-	Sampoorna Gramin Swarozgar Yojana
TFC	-	Tenth Finance Commission
UTs	-	Union Territories

INTRODUCTION

I, the Chairman of the Standing Committee on Rural Development (2004-2005), having been authorised by the Committee to submit the Report on their behalf, present the Fourth Report on Demands for Grants (2004-2005) 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 11 August, 2004.

4. The Report was considered and adopted by the Committee at their sitting held on 16 August, 2004.

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

NEW DELHI;
18 August, 2004

Sravana 27, 1926 Saka

KALYAN SINGH,
Chairman,
Standing Committee on
Rural Development.

REPORT
CHAPTER I

INTRODUCTORY

1.1 The Ministry of Panchayati Raj is a new Ministry created on 27 May, 2004 which is responsible for work of advocacy for and monitoring of implementation of Constitution (73rd Amendment) Act 1992 and the Provisions of the Panchayats (Extension to Scheduled Areas) Act, 1996.

1.2 The overall Demands for Grants of the Ministry of Panchayati Raj for 2004-2005 are for Rs. 31.04 crore.

1.3 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 22nd July, 2004.

1.4 In the present Report, the Committee have restricted their examination only to the major issues concerning the newly created Ministry of Panchayati Raj and implementation of Part IX of the Constitution.

Creation of New Ministry of Panchayati Raj

1.5 On 27 May, 2004, a new Ministry of Panchayati Raj has been created. As per the amended allocation of business, rules and matters relating to Panchayati Raj and Panchayati Raj Institutions will be looked after by the newly created Ministry.

1.6 Hitherto, the Ministry of Rural Development was the nodal Ministry for Panchayati Raj and besides keeping regular contact with the State Governments periodically, it organised meetings, conferences and seminars.

CHAPTER II

GENERAL ANALYSIS OF THE DEMANDS FOR GRANTS (2004-2005) OF THE MINISTRY OF PANCHAYATI RAJ

2.1 The statement indicating BE, RE and Actual for each of the year of 9th and 10th Plan are as under:

Overall allocation for Panchayat Development and Training during 9th and 10th Plan.

Total allocation for the 9th Plan — Rs. 10.00 crore

(Rs. in crore)

Year	B.E.	R.E.	Actual
1997-98	3.00	3.00	3.01
1998-99	3.00	2.00	1.79
1999-2000	3.00	3.00	3.00
2000-2001	3.00	3.00	3.00
2001-2002	5.00	10.50	8.77
Total 9 th Plan	17.00	21.50	19.57

Total allocation for the 10th Plan — Rs. 80.00 crore

(Rs. in crore)

Year	B.E.	R.E.	Actual
1	2	3	4
2002-2003	5.00	5.00	5.75
2003-2004	16.00	16.00	21.61 (the excess amount was taken from SGSY training)
2004-2005	20.00	...	0.62

1	2	3	4
2005-2006	*		
2006-2007	*		

* As the Ministry of Panchayati Raj has been created recently, the outlay details for the Ministry will be finalized in due course.

2.2 The following observations can be made from the above data:

- Actual expenditure during 9th Plan *i.e.* Rs. 19.57 crore was less than the total outlay *i.e.* Rs. 21.50 crore thereby showing under utilisation of funds;
- Proposed outlay for 10th Plan, 2002—2007 is Rs. 80 crore which is around 8 times higher than the 9th Plan outlay.
- During 2001-2002 RE *i.e.* Rs. 10.50 crore is almost double the BE *i.e.* Rs. 5 crore whereas the actual expenditure was less *i.e.* Rs. 8.77 crore, showing under utilisation of funds;
- The expenditure during 2002-2003 is Rs. 5.75 crore *i.e.* Rs. 0.75 crore more than the BE of Rs. 5 crore;
- Similarly expenditure during 2003-2004 *i.e.* Rs. 21.61 crore exceeded by Rs. 5.61 crore than the BE of Rs. 16 crore which was taken from SGSY training;
- BE for 2004-2005 as per 10th Plan allocation has been Rs. 20 crore and expenditure till 30.6.2004 is Rs. 0.62 crore;
- In the 10th Plan actual expenditure till 30.6.2004 is Rs. 27.98 crore *i.e.* Rs. 5.75 crore during 2002-2003, Rs. 21.61 crore during 2003-2004 and Rs. 0.62 crore during 2004-2005.

2.3 As per the Performance Budget, with the creation of a new Ministry, the proposed allocation was Rs. 70.60 crore within which Ministry of Finance has allocated a sum of Rs. 30.60 crore. In BE 2004-2005, it has been stated that for the remaining requirement, the Ministry of Finance will be approached at the RE stage.

2.4 Keeping in view the fact that Ministry of Finance allocated a sum of Rs. 30.60 crore against proposed allocation of Rs. 70.60 crore,

the Committee enquired about the efforts made by the Ministry to convince the Planning Commission to allocate the requisite outlay during 2004-2005 specially that a new Ministry to achieve the objectives of Part IX of the Constitution has been created. The Ministry in their reply furnished to the Committee stated that no meeting has so far been held with the Planning Commission in this regard. The views of the Committee will be placed before the Planning Commission at the time of discussion in respect of the Ministry of Panchayati Raj.

Analysis of Demands item-wise

2.5 For undertaking activities of the newly created Ministry of Panchayati Raj, a provision of Rs. 70.60 crore was proposed for the year 2004-2005 as per the details given below:

(Rs. in Crores)	
Head	Requirement of Funds
1	2
Sammelan and Conferences	10.00
Panchayati Raj Development and Training of elected representatives of the PRIs	30.00
Infrastructure Assistance Scheme (it would take care of demands such as Panchayat Ghars, housing of Election Commissions, etc.,	10.00
Awards for Best Panchayats	9.20
IEC	2.00
Research Studies	2.00
Information Technology	2.00
Salaries & Wages, TA/DA and office expenses	5.40
Total	70.60

Sammelans and Conferences

2.6 In the BE 2004-2005, Rs. 10 crore was the requirement for Sammelans and Conferences, but the Ministry of Finance has agreed to provide Rs. 2.00 crore in the BE 2004-2005.

On being inquired about the expenditure incurred in holding the recent Conference of Chief Ministers held in New Delhi on 29 and 30 June, 2004, the Ministry informed that Rs. 15.80 lakh has been spent on the said Conference.

On the proposals of the Ministry with regard to holding Sammelans and Conferences during the year 2004-2005, the Ministry informed that in addition, several Conferences Meetings are proposed to be held after the full contingent of officers and staff of Ministry of Panchayati Raj becomes available.

Panchayati Raj Development and training of elected representatives of PRIs

2.7 There are 28 lakh elected representatives of Panchayati Raj Institutions. As per the reports received from the States so far, training has been imparted to 6.03 lakh representatives.

The Planning Commission has allocated Rs. 20 crore during the year 2004-2005 for imparting training to elected representatives of PRIs. The Ministry of Panchayati Raj proposed Rs. 30.00 crore for Panchayati Raj Development and training of elected representatives of the PRIs. However, no meeting with the Planning Commission was held for enhancing the requirement. The Ministry of Finance has agreed to provide Rs. 10.34 crore in the B.E. 2004-05. Remaining amount will be asked for at the R.E. stage.

2.8 As per data furnished by Ministry on the allocation made under the Panchayat Development and Training Scheme, it is seen that the releases exceeded the total allocation.

During 2002-03 Rs. 373 lakh was released against an allocation of Rs. 269 lakh. Similarly during 2003-2004 against allocation of Rs. 1550 lakh, Rs. 2161 lakh were released.

Non Plan Outlay and expenditure of Ministry of Panchayati Raj

2.9 As per the Performance Budget Rs. 44 lakh is the allocation during BE 2004-2005. This allocation is provided for the Salaries, Wages, OTA, Medical Treatment, TA (domestic and foreign), office expenses as other administrative expenses for the 15 posts meant for personal staff of the Minister for Panchayati Raj.

Infrastructure Assistance Scheme

2.10 Rs. 10 crore was the requirement under the said scheme.

The Ministry however, informed that the Planning Commission has not been approached for allocation for Infrastructure Assistance Scheme for taking care of demands such as Panchayat Ghar, housing of Election Commission etc. The scheme will be prepared once the full contingent of officers and staff of the Panchayati Raj Ministry gets in position and the Ministry of Panchayati Raj will approach the Planning Commission for necessary allocation.

Awards for Best Panchayats

2.11 Rs. 9.20 crore was the allocated outlay under the said scheme. Rs. 9.20 crore has been allocated by the Ministry of Finance towards Awards on Best Panchayats.

IEC Research Studies, Information Technology

2.12 Rs. 2 crore on each of the heads were earmarked during the year 2004-2005. However Rs. 1.5 crore has been allocated for Panchayat Development and Research Grants to institutions etc. and Rs. 50 lakh has been allocated for Information Technology.

Salaries and Wages, TA/DA and office expenses

2.13 Under the Plan Head, Rs. 5.40 crore was the proposed allocation. However Ministry of Finance has agreed to provide Rs. 3.00 crore under this Plan Head.

The details of the items on which the proposed allocation has been suggested are as under:

	(Rs. in thousand)	
Salaries	-	7500
Wages	-	100
Over Time Allowance	-	150
Medical Allowance	-	150
Domestic Travel Expenses	-	1500
Foreign Travel Expenses	-	500
Office Expenses	-	20000
Other administrative expenses	-	100
Total	-	30000

2.14 Asked whether the Ministry would achieve the set objectives with a meagre allocation proposed under each of the scheme, specifically keeping in view the objective of empowering the PRIs, the Ministry in their reply stated as under :

“The Ministry of Panchayati Raj has come into existence very recently and once the officers and staff are in position, a review will be undertaken to ensure that the objectives are achieved and if more funds would be needed, for that this Ministry will approach the appropriate authority for augmenting the resources.”

2.15 The Committee note that with the creation of a new Ministry i.e., Ministry of Panchayati Raj to deal with the various issues related to Panchayati Raj Rs. 20 crore has been allocated during 2004-05 against the allocation of Rs. 16 crore during the previous year. They also find that Rs. 80 crore have been allocated during 10th Plan as against the actual expenditure of Rs. 19.57 crore during 9th Plan. They also note that as per the projections made by the newly created Ministry, Rs. 70.60 crore was the requirement of outlay during the year 2004-05. They note that less than 1/3rd of what was projected has been provided to the Ministry. They also find that the Ministry

will be approaching Ministry of Finance for additional allocation at the revised estimates stage since the Ministry was created on 27 May, 2004. The detailed analysis head-wise is given in subsequent paras of the Report. Here the Committee would like to recommend to the Government to provide adequate allocation to the Ministry, so that the set objectives of ensuring implementation of Part IX of the Constitution in respective States is achieved as per the mandate of the Constitution.

2.16 The Committee note that out of 28 lakh elected representatives of Panchayati Raj Institutions, 6.03 lakh representatives have been imparted training so far. They also note that out of proposed allocation of Rs. 30 crore during 2004-05, Planning Commission has allocated Rs. 20 crore. The Committee note that to enable the Panchayats to shoulder the responsibilities assigned to them in pursuance of Article 243(G) of the Constitution, training of Panchayati Raj functionaries is the necessary requirement. In view of this, the Committee feel that adequate allocation under this head should be provided and the Ministry of Finance, Planning Commission should be conveyed the feelings of the Committee in this regard.

2.17 While recommending for higher outlay under Panchayati Raj development and training of elected representatives of Panchayati Raj Institutions, the Committee feel that the Ministry should chalk out an action plan in consultation with National Institute of Rural Development, State Governments and all other agencies concerned in this regard so that the task is completed within the stipulated time frame. The Committee while examining the subject 'Implementation of Part IX of the Constitution' in their 37th Report, 2002 had recommended for an exponential increase in the quantum of funds made available for training as well as deep consideration to the overall training requirements of both elected Members and Panchayati staff. While reiterating the earlier recommendation of the Committee, the Committee would like to recommend for adequate outlay under the programme.

2.18 The Committee note that under IEC Research Studies, Information Technology Rs. 2 crore have been earmarked during the year 2004-05. Out of that Rs. 1.5 crore has been allocated for Panchayati Raj development training and research institutions, etc., and Rs. 50 lakh has been allocated for Information and Technology. The Committee feel that Doordarshan and AIR can play an effective role

by their programmes in the task of training elected Members and Staff, especially representatives of the weaker sections and women so as to be effective participants in the system of Panchayati Raj Institutions. The Committee further feel that the benefit of audio and video CD's cassettes etc can be taken to impart training to PRIs. For this purpose, NIRD and other training institutions can play an important role. Further, the Committee note that the PRIs can be trained by stage demonstrations and street plays. The Ministry should find out how all these techniques can be made available so that the training can be completed within the stipulated time period. The Committee would also like to recommend to provide adequate allocation under the aforesaid head.

Ad-hoc allocation made by 10th and 11th Finance Commissions

2.19 About *ad-hoc* allocation made by 10th and 11th Finance Commissions, the Ministry in their reply furnished to the Committee stated as under:

“The 10th Finance Commission for want of SFCs Reports, made an *ad-hoc* provision of Rs. 4,381 crore for the Panchayati Raj Institutions for the period of 1996-2000. This amount was to be distributed amongst the PRIs. The local bodies were required to provide suitable matching contributions by raising resources. Similarly, the Eleventh Finance Commission recommended an amount of Rs. 8,000 crore during 2000-2005”.

2.20 A Statement showing the grants recommended by the Tenth Finance Commission and released is enclosed as *Annexure-I*.

A Statement showing the State-wise annual allocation made, matching contribution by State/PRIs and utilization of funds by PRIs as per Eleventh Finance Commission recommendations and its utilisations by local bodies is enclosed as *Annexure-II*.

Ministry of Finance has informed that State-wise total allocation as per TFC recommendations, amount released, total utilisation reported in respect of PRIs and detailed information in this respect is not available with that Ministry. This information is also not available with the Ministry of Rural Development.

2.21 Asked whether some review and monitoring mechanism to assess the meaningful utilisation of resources earmarked by adhoc provisions has been suggested by the Eleventh Finance Commission, the Ministry in their reply stated that Ministry of Finance has been holding Central Monitoring Committee Meeting to review and monitor the schemes as per the Guidelines issued on the recommendations of the Tenth Finance Commission and Eleventh Finance Commission and its decisions are being implemented. The Committee members include from the representatives of the State Governments, Ministry of Rural Development, Ministry of Home Affairs and Ministry of Finance.

2.22 As regards the status of the various suggestions made by the State Finance Commissions, it had been stated that most of the State Governments have accepted the recommendations made by the State Governments. In this context, the Committee enquired as to whether there is any mechanism to monitor the various recommendations made by the State Finance Commissions and accepted by the various State Governments are actually implemented in letter and spirit by them, the Ministry stated in their written reply as under:

“The Ministry besides keeping regular contact with the State Governments/UT Administrations periodically organize meetings, conferences and seminars to review the status and help the State Governments to implement the provisions of the Act.

A meeting of Chairpersons of State Finance Commissions, State Finance Secretaries and State PR Secretaries was held at Hyderabad on 9th May, 2003 in which matters relating to augmenting local body finances were discussed and impressed upon the SFCs for early action.”

2.23 The Committee note that 10th Finance Commission made an adhoc provision of Rs.438,093 lakh for PRIs for 1996-2000. Out of provision of Rs. 438,093 lakh, Rs. 357,635,78 lakh were released to PRIs and a balance of Rs. 80,457.22 lakh was left. This shows that the allocation remained unutilised. In case of Eleventh Finance commission Rs. 1,60,0000 lakh was the allocation by Ministry and grants worth Rs. 5,29,151.94 lakh was released. Rs. 712061.66 lakh was released to PRIs by State and utilisation was of Rs. 3,41,771.08 lakh.

2.24 The Committee note from the position as indicated above that there is shortfall in releases as compared to the allocation made by the Tenth Finance Commission to the respective Panchayati Raj Institutions. In as many as 10 States/UTs, the position of matching contribution by States/PRI is still awaited. As regards the position of utilisation of funds by PRIs, from 9 States the information is still awaited. To have a clear idea of utilisation of funds by PRIs in respective States, the Committee would like the Ministry to furnish percentage-wise utilisation position in each of the States/UTs so as to enable the Committee to comprehend the position with regard to utilisation of funds allocated during 10th and 11th Finance Commissions.

2.25 About the unutilised funds stated above the Committee may be apprised about the reasons therefor. The funds allocated are not as per requirement projected. However, inspite of that if certain amount remains unutilised it smacks of some anomaly. The Government should make a thorough study of this aspect and find out ameliorative measures so that nothing is left out once allocation has been made.

The 37th Report of erstwhile Standing Committee on Urban and Rural Development (2002)

2.26 The erstwhile Standing Committee on Urban and Rural Development (2002) examined the subject 'Implementation of Part IX of the Constitution' in detail after detailed interaction with experts of various States and presented the Report to Parliament on 20th November, 2002. Further, Action Taken Report on the said subject was presented to Parliament on 4th February, 2004. The Committee in their aforesaid Reports dealt with various issues related to Panchayats and made a profound study of the various aspects involved in the proper and timely implementation of Part IX of the Constitution and various suggestions/recommendations on each of the provisions enshrined in the Constitution with regard to Part IX of the Constitution were made. Subsequently, a debate on a motion on the subject 'Panchayati Raj' based on this Report was held in both Houses of Parliament in July, 2003.

2.27 The Constitution (Seventy-third Amendment) Act, 1992 that came into force w.e.f. 24 April 1993 conferred constitutional status to Panchayats and established Panchayats at grassroots level as 'institutions of self-government'.

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

Endowing Panchayats with certain functions is fruitful only if the Panchayats are equipped with the trained functionaries and adequate finances are also made available to them. Panchayats can fulfill their responsibility as institutions of self-government only if devolution is patterned on a nexus between the three Fs i.e. functions, functionaries and finances.

2.28 In the Performance Budget, it has been stated that the Ministry of Rural Development has initiated the process of drafting further amendments to the Constitution (Seventy-third Amendment) Act, 1992.

About the main amendments proposed and the extent to which various recommendations made by the Standing Committees are being considered in the aforesaid legislation, in view of the assurance given by the Hon'ble Minister, as stated above, the Ministry stated:

“ A proposal had earlier been under consideration to amend some parts of the Constitution (73rd Amendment) Act, 1992. However, having considered all aspects of the proposal, the Ministry of Panchayati Raj has decided to facilitate and secure implementation of the Constitution (73rd Amendment) Act, 1992 by States/UTs, in letter and spirit, by encouraging States/UTs to adopt carefully drawn-up plans of action to, *inter alia*, devolve functions, functionaries and finances to Panchayati Raj Institutions and suitably empower Gram Sabhas and District Planning Committees to make Panchayati Raj Institutions true institutions of self-government for the planning and implementation of programmes of economic development and social justice as envisioned in the Constitution.”

2.29 When the Ministry was asked to indicate the action taken on each of the recommendations of the Committee, in most of the cases, the Ministry has replied that the information has not been compiled by them

and as soon as the necessary staff becomes available to the Ministry, data in respect of Panchayati Raj Institutions will be compiled.

2.30 The Committee note that earlier a proposal to amend some parts of the Constitution (73rd Amendment) Act 1992 was under consideration of the Government. However, at present, the thrust of the Ministry is to facilitate and secure implementation of the provisions enshrined in the Constitution (73rd Amendment) Act 1992 by States/ UTs in letter and spirit by encouraging them to adopt carefully drawn up plans of action. The thrust of the Ministry is that functions, functionaries and finances to Panchayati Raj Institutions are suitably devolved to empower Gram Sabhas and District Planning Committees to make Panchayati Raj Institutions true institutions of self-Government. While noting the position of thrust area of the Ministry, the Committee would like that the various issues raised in their Reports should be taken into account and desired action taken on the various aspects. The Committee may also like to be kept informed about this.

2.31 The Committee are, however, constrained to note the reply of the Ministry that they would compile the information from respective States when the staff strength would be made available to them. The Committee find that the area of activity entrusted to the newly created Ministry of Panchayati Raj was previously under the Ministry of Rural Development. The only change is that area of activities have been transferred from one Department to another. The Committee fail to understand why the requisite information could not be obtained by the erstwhile Ministry of Rural Development. They would like that the information should be compiled expeditiously and they be kept informed about the status of implementation of the various recommendations made by them in the earlier Reports.

Objectives of Ministry of Panchayati Raj

2.32 The Ministry of Panchayati Raj will be responsible for the work of advocacy for and monitoring of implementation of Constitution (Seventy-third Amendment) Act, 1992 and the Provisions of the Panchayats (Extension to the Scheduled Areas) Act, 1996 so as to ensure that the said Panchayati Raj Acts adhere to the provisions of the above mentioned two Acts and are implemented in letter and spirit.

The Ministry of Panchayati Raj is now the nodal Ministry for the implementation of the Constitution (73rd Amendment) Act and PESA, 1996.

2.33 On the *modus operandi* to be adopted by this newly created Ministry of Panchayati Raj so as to impress upon the State Governments to implement the aforesaid two Acts in letter and spirit, the Ministry in their written reply stated that the newly created Ministry of Panchayati Raj intends to create a national consensus with the cooperation and participation of all States and UTs. As a first step towards this, a Conference of Chief Ministers and State Ministers in-charge of Rural Development and Panchayati Raj on “Poverty Alleviation and Rural Prosperity through Panchayati Raj” was organised at New Delhi on 29-30 June, 2004, jointly by the Ministry of Rural Development and the Ministry of Panchayati Raj. The Conference was inaugurated by the Prime Minister.

Issues relating to effective implementation of Part IX and IX A of the Constitution on Panchayati Raj were tabled as agenda for discussions by the Ministry of Panchayati Raj. These issues included effective devolution of functions, finances, functionaries, planning, Gram Sabhas, women, reservation for SCs/STs, special problems of SCs/STs, elections, audit, UTs without Legislature, Parallel bodies, capacity building and training, and state of the Panchayat Report and jurisprudence. The Conference decided to hold seven Round Table Conferences over a span of six months starting from 24-25 July and upto December, 2004 to formulate a draft Action Plan for achieving the objective of strengthening of Panchayati Raj Institutions to enable them to become true institutions of self-government for the planning and implementation of programmes of economic development and social justice as envisioned in the Constitution.

2.34 The first Round Table Conference on “Panchayati Raj : Effective Devolution”, as comprising Functions, Functionaries and Finances, as well empowerment of Gram Sabhas was held at Kolkata on 24-25 July, 2004 in which Minister incharge of Panchayati Raj and their representatives agreed to recommend to the respective State Governments the conclusions reached during the meeting on the subjects under consideration for further necessary adoption at the meeting of Chief Ministers which is scheduled to be held towards the end of the current financial year.

2.35 On the time being taken to implement 73rd Amendment Act, The representative of the Ministry of Panchayati Raj during evidence stated as under:

“It will be our endeavour that complete implementation of (73rd Amendment) Act will take place in one to one and half year if not in few months”.

2.36 The Ministry have further stated that it is felt that if the above steps are taken by the State Governments, the PRIs will evolve themselves sufficiently to work as institutions of self-government. There is no doubt that the elected representatives at the three tier of Panchayati Raj are capable enough to shoulder greater responsibilities for shaping of their own destiny in the best possible manner.

2.37 Asked whether any road map has been drawn by the Ministry of Panchayati Raj to achieve the set objectives, the Ministry in their written reply reflected as under:

“Capacity building of PRIs through training of elected representatives and official functionaries of PRIs and advancement of the subject of decentralized governance have been taken up as focal areas of sustained action by the Ministry. The States are being encouraged to make coordinated plan for the training of the elected representatives and functionaries of Panchayats, which are then financially assisted by the Ministry. Support is provided by NIRD in terms of training of trainers, development of material and other guidance.

Action plans from 22 State Governments for providing training to elected and official functionaries of PRIs have been approved by the Ministry of Rural Development/Ministry of Panchayati Raj and the State Governments are encouraged to use all available infrastructure and networking with NGOs and other institutions for the training.”

2.38 The Committee note that the issues related to Panchayati Raj have been taken from the Ministry of Rural Development, and a new Ministry i.e., the Ministry of Panchayati Raj has been created to give focussed attention on implementation of the following two Acts (i) 73rd Amendment Act, 1992 (ii) Provisions of the Panchayats (Extension to the Scheduled Areas) Act, 1996. The Committee while

appreciating the steps taken by the Government to give focussed attention to ensure implementation of Part IX of the Constitution note that the Ministry has set the target of ensuring implementation of various provisions enshrined in 73rd Amendment Act within a time frame of one and half year as stated by the representative of the Ministry during the course of oral evidence.

2.39 The Committee in their 37th Report had recommended that the Ministry should submit an annual state of the Panchayati Raj Report to enable Parliament to effectively monitor the implementation of Part IX. The Committee hope that the newly created Ministry would implement their recommendations in the right earnest and present Annual Report to Parliament not only to effectively monitor the various provisions but also to have transparency in all the matters related to Panchayati Raj Institutions.

2.40 The Committee further note that in line with fulfillment of the aforesaid objectives, the first Round Table Conference on Panchayati Raj was held in Kolkata on 24-25 July, 2004. They also note that the Ministry proposes seven Round Table Conferences over a span of six months to formulate a draft Action Plan for achieving the objectives of strengthening of Panchayati Raj Institutions. The Committee further find that in the first Round Table Conference, Panchayati Raj Ministers incharge of Panchayati Raj Institutions and their representatives agreed to recommend to the respective Governments, the conclusions reached during the meeting on the subjects under consideration for further necessary adoption at the meeting of the Chief Ministers scheduled to be held towards the end of the current financial year. The Committee hope that such Round Table Conferences would be able to persuade the respective State Governments to devolve the functions to the three tiers of Panchayati Raj Institutions to have true Panchayati Swaraj.

Important issues related to the implementation of Part IX of the Constitution

2.41 The Committee during the course of evidence with the representatives of the Ministry of Panchayati Raj, while examining Demands for Grants 2004-2005, discussed the important issues *viz.*, (i) Devolution of functions, functionaries and finances to Panchayati Raj and

(ii) to hold Panchayat elections by various State Governments. The representative of the Ministry present during the evidence stated in this regard :

“.....so far as the devolution of functions is concerned, in the Conference at Kolkata, we have said that the State Government can decide that we have said that while devolution must eventually comprise the entire range of subjects provided for in a time bound manner, the States may priorities how to do that.”

The witness further added :

“We have allowed them to take two or three years but asked them not to do it in a half-hearted way. In many cases, we have asked that whatever subjects are to be given the powers should be given fully. To show they say that 29 subjects have been given. It is written in the State Law that rights of 29 subjects have been given. But when we study we find that there are not even two or three subjects covered”.

2.42 The Committee during evidence suggested to approach Supreme Court to have clarification on the issue of holding Panchayat elections to this, representative of the Ministry of Panchayati Raj stated that we will file an application and this work will be done by the middle of the October.

2.43 The Committee find that there is no clarity on the time to be taken by the Ministry in attaining the objective of devolution of powers to Panchayats in pursuance of Article 243 (G) of the Constitution. At one place the representative of the Ministry assured the Committee that within one and half year they will try to achieve the set objectives whereas at another place, they stated that they will allow States to take two or three years but ask them not to do it in a half-hearted way. The Committee appreciate that the responsibilities of entrusting devolution rests with the State Governments. However since implementation of Part IX of the Constitution is the responsibility of the Union Ministry of Panchayati Raj, the Ministry should set the targets realistically and present the position before the Committee accordingly. The Committee are also concerned that though in theory all the 29 subjects have been devolved, the ground realities show

otherwise. The matter needs serious attention and such cavalier approach needs severe criticism. The Government should impress upon the States that such half-hearted measures are not in consonance with the spirit of 73rd Amendment Act.

2.44 The Committee in their 37th Report had examined the issue of postponing of elections by different State Governments. They while examining the said issue were apprised that the Supreme Court had ruled that the concerned States could not be permitted to withhold elections to Panchayats except in case of genuine supervening difficulties such as unforeseen natural calamities in the State like flood, earthquake etc., or urgent situation prevailing in the State for which elections to the Panchayats cannot be held in time. The Committee were also apprised that the said ruling of the Supreme Court interpreting Article 243 (E) of the Constitution has been differently interpreted by the State Governments. The Committee had observed that since regular periodic elections within the letter and spirit of the Constitution provision lie at the very heart of the democratic process, the Central Government should secure a clear ruling from the Supreme Court about the meaning and scope of Article 243 (E) so that elections are held within five years. They were informed by the representatives of the Ministry that they plan to approach the Supreme Court. In this direction, the Committee would like that a clear ruling of the Supreme Court should be obtained expeditiously so that the State Governments cannot interpret the said ruling of the Supreme Court differently for postponing elections.

NEW DELHI;
18 August 2004

Sravana 27, 1926 (Saka)

KALYAN SINGH,
Chairman,
Standing Committee on
Rural Development.

ANNEXURE I

GRANTS RECOMMENDED BY TFC AND RELEASED
TO PANCHAYATI RAJ INSTITUTIONS

State	1996-1997		1997-1998		1998-1999		1999-2000		Total 1996-2000		Balance
	TFC	Released	TFC	Released	TFC	Released	TFC	Released	TFC	Released	
0	1	2	3	4	5	6	7	8	9	10	11
Andhra Pradesh	8,775.00	8,775.00	8,775.00	6,581.25	8,775.00	-	8,775.00	18,237.96	35,100.00	33,594.21	1,505.79
Arunachal Pradesh	113.00	113.00	113.00	28.25	113.00	-	112.00	-	451.00	141.25	309.75
Assam	3,334.00	3,334.00	3,334.00	833.50	3,334.00	-	3,334.00	-	13,336.00	4,167.50	9,168.50
Bihar	12,680.00	12,680.00	12,680.00	-	12,679.00	-	12,680.00	-	50,719.00	12,680.00	38,039.00
Goa	148.00	148.00	148.00	37.00	148.00	-	147.00	73.50	591.00	258.50	332.50
Gujarat	4,800.00	4,800.00	4,800.00	1,200.00	4,800.00	-	4,801.00	13,201.00	19,201.00	19,201.00	-
Haryana	2,066.00	2,066.00	2,066.00	516.60	2,066.00	-	2,066.00	5,681.50	8,264.00	8,264.00	-
Himachal Pradesh	805.00	805.00	805.00	805.00	804.00	-	804.00	1,206.00	3,218.00	2,816.00	402.00
Jammu & Kashmir	940.00	940.00	940.00	235.00	940.00	-	939.00	2,584.00	3,759.00	3,759.00	-
Karnataka	5,544.00	5,544.00	5,544.00	1,386.00	5,544.00	-	5,545.00	11,089.00	22,177.00	22,177.00	-
Kerala	4,470.00	4,470.00	4,470.00	4,470.00	4,470.00	-	4,471.00	4,471.00	17,881.00	17,881.00	-
Madhya Pradesh	8,717.00	8,717.00	8,717.00	2,179.25	8,717.00	12,304.25	8,718.00	11,085.07	34,869.00	34,285.67	583.43
Maharashtra	8,675.00	8,675.00	8,675.00	8,675.00	8,675.00	-	8,676.00	4,338.00	34,701.00	21,688.00	13,013.00
Manipur	233.00	233.00	233.00	58.25	233.00	-	232.00	116.00	931.00	407.25	623.75
Meghalaya	216.00	216.00	216.00	54.00	217.00	-	216.00	108.00	866.00	378.00	487.00
Mizoram	74.00	74.00	74.00	18.50	73.00	-	73.00	73.00	294.00	294.00	-
Nagaland	116.00	116.00	116.00	29.00	116.00	-	117.00	58.50	465.00	203.50	261.50
Orissa	5,025.00	5,025.00	5,025.00	2,512.50	5,025.00	-	5,024.00	12,561.50	20,099.00	20,099.00	-
Punjab	2,584.00	2,584.00	2,584.00	646.00	2,584.00	-	2,583.00	1,291.50	10,335.00	4,521.50	5,813.50
Rajasthan	5,305.00	5,305.00	5,305.00	3,978.00	5,306.00	-	5,306.00	6,612.00	21,222.00	21,222.00	-
Sikkim	48.00	48.00	48.00	12.00	47.00	-	47.00	106.00	190.00	190.00	-
TamilNadu	7,183.00	7,183.00	7,183.00	7,183.00	7,184.00	-	7,184.00	7,184.00	28,734.00	28,734.00	-
Tripura	348.00	348.00	348.00	348.00	349.00	-	349.00	174.50	1,394.00	870.50	523.50
Uttar Pradesh	18,988.00	18,988.00	18,988.00	14,241.00	18,988.00	23,735.00	18,988.00	9,494.00	75,952.00	66,458.00	9,494.00
West Bengal	8,336.00	8,336.00	8,336.00	2,084.00	8,336.00	-	8,337.00	22,925.00	33,345.00	33,345.00	-
Total	109,523.00	109,523.00	109,523.00	58,111.00	109,523.00	57,330.75	109,524.00	132,671.03	438,093.00	357,635.78	80,457.22

ANNEXURE II

FINANCE COMMISSION DIVISION
STATEMENT SHOWING STATE-WISE RELEASE OF GRANTS AS PER ELEVENTH FINANCE COMMISSION
RECOMMENDATION AND ITS UTILISATION BY LOCAL BODIES

Sl.No.	State	Grants released by the Ministry (2001 to 2005)											
		PRIs			ULBs			PRIs			ULRs		
		Annual Allocation	Grant released so far	Annual Allocation	Grant released so far	Matching contribution by State/PRIs	Released to State by PRIs	Utilisation of funds by PRIs	Matching contribution by State/ULBs	Grants released to ULBs/by State	Utilisation of funds by ULBs		
3	4	5	6	7	8	9	10	11	12				
1.	Andhra Pradesh	15204.83	60819.32	3293.14	13172.56	15029.00	46690.00	53293.27	9233.00	9244.70	18466.00		
2.	Arunachal Pradesh	556.85	1948.97	13.67	34.17	IA	IA	IA	IA	IA	IA		
3.	Assam	4668.95	11672.37	430.84	1077.10	IA	2334.00	IA	Nil	435.11	435.11		
4.	Bihar	10875.00	38062.50	1340.94	3352.35	2718.75	29476.25	10341.80	1676.17	3352.35	151.28		
5.	Chhattisgarh	4200.39	16801.56	572.23	2002.80	4900.00	15678.00	19600.00	343.30	2002.8	1685.71		
6.	Goa	185.45	463.63	92.73	231.82	IA	IA	IA	IA	IA	IA		
7.	Gujarat	6960.87	17402.17	2650.46	6626.15	1719.73	7330.93	4839.90	IA	IA	IA		
8.	Haryana	2941.75	11767.00	732.80	2931.20	2566.53	10266.12	12862.65	988.44	3553.24	3011.04		
9.	Himachal Pradesh	1313.38	4596.83	77.84	272.44	661.16	2769.68	2644.67	77.00	231.23	231.23		
10.	Jammu & Kashmir	1488.14	1488.14	313.16	782.90	IA	IA	IA	IA	IA	IA		
11.	Jharkhand	4825.76	0.00	537.00	1342.00	IA	IA	IA	IA	IA	IA		
12.	Karnataka	7882.35	31529.40	2496.39	6240.97	4492.00	19705.00	26841.00	IA	IA	3548.54		

1	2	3	4	5	6	7	8	9	10	11	12
13.	Kerala	6592.58	26370.32	1504.91	6019.64	6129.28	340031.43	25907.03	2528.25	66889.03	7042.98
14.	Madhya Pradesh	10109.00	45490.50	2548.00	10192.00	10200.00	40436.00	49473.28	4459.00	11223.00	10146.00
15.	Maharashtra	13134.58	39403.73	6325.09	15812.72	8209.00	41045.45	24898.79	4751.00	IA	6811.75
16.	Manipur	375.43	938.57	87.92	219.80	IA	IA	IA	IA	IA	IA
17.	Meghalaya	512.16	2048.64	53.98	134.95	IA	628.00	189.73	IA	IA	IA
18.	Mizoram	157.11	628.44	76.89	307.56	137.47	687.35	471.33	134.56	404.11	230.67
19.	Nagaland	257.33	643.33	35.72	89.30	IA	IA	IA	IA	IA	IA
20.	Orissa	6911.76	20735.28	799.20	3196.80	6911.76	31755.46	19270.88	1405.34	3442.30	2512.77
21.	Punjab	3092.71	9278.13	1094.53	2736.32	IA	IA	IA	IA	IA	IA
22.	Rajasthan	9818.96	29456.88	1988.32	7953.28	6136.85	30684.25	28245.07	3479.56	6959.12	7716.82
23.	Sikkim	105.85	423.40	4.16	16.64	85.98	307.62	326.78	5.20	15.60	16.75
24.	Tamil Nadu	9322.36	37289.44	3867.34	15469.36	6767.84	13494.14	20926.32	5423.90	7710.94	7710.94
25.	Tripura	569.19	1707.57	80.32	321.28	357.60	1422.97	1698.57	200.80	321.28	522.08
26.	Uttar Pradesh	23342.67	81699.34	4557.64	15951.74	7273.88	48826.62	21983.21	5672.35	11344.69	2754.50
27.	Uttaranchal	3040.00	7600.00	475.00	1187.50	IA	IA	IA	IA	IA	IA
28.	West Bengal	11554.59	28886.48	3949.78	15799.12	22095.00	28492.30	17956.80	7899.88	23699.00	13521.81
Total		160000.00	529151.94	40000.00	133474.97	106391.83	712061.66	341771.08	48277.75	150828.50	83761.48

IA = Information awaited.

The State of Madhya Pradesh has given only Central grants released to PRIs.

The State of Rajasthan has given only Central grants released to ULBs.

The State of Rajasthan has reported that Rs. 2575.21 lakhs to be provided by Local bodies as matching contribution (PRI).

ANNEXURE III

COMMITTEE ON RURAL DEVELOPMENT (2004-2005)

MINUTES OF THE FIRST SITTING OF THE COMMITTEE
HELD ON WEDNESDAY, THE 11 AUGUST 2004.

The Committee sat from 1100 hrs. to 1315 hrs. and from 1430 hrs. to 1600 hrs. in Committee Room 'E', Basement, Parliament House Annexe, New Delhi.

PRESENT

Shri Kalyan Singh — *Chairman*

MEMBERS

Lok Sabha

2. Shri V. Kishore Chandra S. Deo
3. Shri Sandeep Dikshit
4. Shri Mohan Jena
5. Shri Subhash Maharia
6. Shri Hannan Mollah
7. Shri Dawa Narbula
8. Shri A.F.Golam Osmani
9. Shri K.C. Palanisamy
10. Shri Anna Saheb M.K. Patil
11. Shrimati Tejashwini See Ramesh
12. Shri P. Chalapathi Rao
13. Shri Nikhilananda Sar
14. Shri Mohan Singh
15. Shri Sita Ram Singh
16. Shri D.C. Srikantappa
17. Shri Bagun Sumbrai

Rajya Sabha

18. Kumari Nirmala Deshpande
19. Prof. Alka Balram Kshatriya
20. Shri Penumalli Madhu
21. Shri Kalraj Mishra
22. Dr. Faguni Ram
23. Prof. R.B.S. Varma

SECRETARIAT

1. Shri P.D.T. Achary - *Additional Secretary*
2. Shri V.K. Sharma - *Joint Secretary*
3. Shri K. Chakraborty - *Director*
4. Shrimati Sudesh Luthra - *Deputy Secretary*
5. Shri A.K. Shah - *Assistant Director*

Representatives of the Ministry of Panchayati Raj

1. Shri M. Shankar, Secretary
2. Shri P.P.Mathur, Additional Secretary and Finance Advisor
3. Shrimati Sudha Pillai, Additional Secretary

2. At the outset, the Chairman welcomed the members to the sitting of the Committee convened to take oral evidence.

3. *** *** *** ***
4. *** *** *** ***
 *** *** *** ***
5. *** *** *** ***
 *** *** *** ***
6. *** *** *** ***

[The Committee then adjourned to take up the evidence of representatives of Ministry of Panchayati Raj on Demands for Grants (2004-2005)]

7. The Committee thereafter took the oral evidence of the representatives of Ministry of Panchayati Raj on Demands for Grants (2004-05). The Secretary, Panchayati Raj outlined in brief the objectives,

activities and funds allocated to the newly created Ministry. The Committee then discussed various issues relating to the examination of Demands for Grants (2004-05) of the Ministry. The representatives of the Ministry replied to the questions raised by the Members.

*** *** *** ***

A record of Vebatim proceedings has been kept.

The Committee then adjourned.

*Minutes not related to the subject have been kept separately.

ANNEXURE IV

COMMITTEE ON RURAL DEVELOPMENT (2004-2005).

MINUTES OF THE FOURTH SITTING OF THE COMMITTEE
HELD ON MONDAY, THE 16 AUGUST 2004

The Committee sat from 1500 hrs. to 1830 hrs. in Committee Room 'D', Ground Floor, Parliament House Annexe, New Delhi.

PRESENT

Shri Kalyan Singh — *Chairman*

MEMBERS

Lok Sabha

2. Shri Mohan Jena
3. Shri Shrichand Kriplani
4. Shri Subhash Maharia
5. Shri A.F. Golam Osmani
6. Shri S. Sudhakar Reddy
7. Shri Nikhilananda Sar
8. Shri Bagun Sumbrai

Rajya Sabha

9. Kumari Nirmala Deshpande
10. Shri Penumalli Madhu
11. Shri Stephen Marandi
12. Shri Kalraj Mishra
13. Shri Chandan Mitra
14. Dr. Faguni Ram
15. Prof. R.B.S. Varma

SECRETARIAT

1. Shri P.D.T. Achary — *Additional Secretary*
2. Shri K. Chakraborty — *Director*
3. Shrimati Sudesh Luthra — *Deputy Secretary*

2. At the outset, the Chairman welcomed the members to the sitting of the Committee. xxx xxx xxx Thereafter, the Committee considered and adopted the draft Report on Ministry of Panchayati Raj with a slight modification.

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

The Committee then adjourned.

*Minutes not related to the subject have been kept separately.

ANNEXURE V

STATEMENT OF RECOMMENDATIONS/OBSERVATIONS

Sl.No.	Para No.	Recommendation/Observation
1	2	3
1.	2.15	<p>The Committee note that with the creation of a new Ministry i.e., Ministry of Panchayati Raj to deal with the various issues related to Panchayati Raj Rs. 20 crore has been allocated during 2004-05 against the allocation of Rs. 16 crore during the previous year. They also find that Rs. 80 crore have been allocated during 10th Plan as against the actual expenditure of Rs. 19.57 crore during 9th Plan. They also note that as per the projections made by the newly created Ministry, Rs. 70.60 crore was the requirement of outlay during the year 2004-05. They note that less than 1/3rd of what was projected has been provided to the Ministry. They also find that the Ministry will be approaching Ministry of Finance for additional allocation at the revised estimates stage since the Ministry was created on 27 May, 2004. The detailed analysis head-wise is given in subsequent paras of the Report. Here the Committee would like to recommend to the Government to provide adequate allocation to the Ministry, so that the set objectives of ensuring implementation of Part IX of the Constitution in respective States is achieved as per the mandate of the Constitution.</p>
2.	2.16	<p>The Committee note that out of 28 lakh elected representatives of Panchayati Raj Institution, 6.03 lakh representatives have been imparted training so far. They also note that out of proposed allocation of Rs. 30 crore during 2004-05. Planning Commission has allocated Rs. 20 crore. The</p>

1	2	3
		<p>Committee note that to enable the Panchayats to shoulder the responsibilities assigned to them in pursuance of Article 243 (G) of the Constitution, training of Panchayati Raj functionaries is the necessary requirement. In view of this, the Committee feel that adequate allocation under this head should be provided and the Ministry of Finance, Planning Commission should be conveyed the feelings of the Committee in this regard.</p>
3.	2.17	<p>While recommending for higher outlay under Panchayati Raj development and training of elected representatives of Panchayati Raj Institutions, the Committee feel that the Ministry should chalk out an action plan in consultation with National Institute of Rural Development, State Governments and all other agencies concerned in this regard so that the task is completed within the stipulated time frame. The Committee while examining the subject 'Implementation of Part IX of the Constitution' in their 37th Report, 2002 had recommended for an exponential increase in the quantum of funds made available for training as well as deep consideration to the overall training requirements of both elected Members and Panchayati staff. While reiterating the earlier recommendation of the Committee, the Committee would like to recommend for adequate outlay under the programme.</p>
4.	2.18	<p>The Committee note that under IEC Research Studies, Information Technology Rs. 2 crore have been earmarked during the year 2004-05. Out of that Rs. 1.5 crore has been allocated for Panchayati Raj development training and research institutions, etc., and Rs. 50 lakh has been allocated for Information and Technology. The Committee feel</p>

1	2	3
		<p>that Doordarshan and AIR can play an effective role by their programmes in the task of training elected Members and Staff, especially representatives of the weaker sections and women so as to be effective participants in the system of Panchayati Raj Institutions. The Committee further feel that the benefit of audio and video CDs can be taken to impart training to PRIs. For this purpose, NIRD and other technical institutions can play an important role. Further, the Committee note that the PRIs can be trained by Stage demonstrations and street plays. The Ministry should find out how all these techniques can be made available so that the training can be completed within the stipulated time period. The Committee would like also to recommend to provide adequate allocation under the aforesaid head.</p>
5.	2.23	<p>The Committee note that 10th Finance Commission made an adhoc provision of Rs. 438,093 lakh for PRIs for 1996-2000. Out of provision of Rs. 438,093 lakh, Rs. 357,635.78 lakh were released to PRIs and a balance of Rs. 80,457.22 lakh was left. This shows that the allocation remained unutilised. In case of Eleventh Finance Commission Rs. 1,60,0000 lakh was the allocation by Ministry and grants worth Rs. 5,29,151.94 lakh was released. Rs. 712061.66 lakh was released to PRIs by State and utilisation was of Rs. 3,41,771.08 lakh.</p>
6.	2.24	<p>The Committee note from the position as indicated above that there is shortfall in releases as compared to the allocation made by the Tenth Finance Commission to the respective Panchayati Raj Institutions. In as many 10 States/UTs, the position of matching contribution by States/PRIs is still awaited. As regards the position of utilisation of</p>

1	2	3
		funds by PRIs, from 9 States the information is still awaited. To have a clear idea of utilisation of funds by PRIs in respective States, the Committee would like the Ministry to furnish percentage-wise utilisation position in each of the States/UTs so as to enable the Committee to comprehend the position with regard to utilisation of funds allocated during 10th and 11th Finance Commissions.
7.	2.25	About the unutilised funds stated above the Committee may be apprised about the reasons therefor. The funds allocated are not as per requirement projected. However, inspite of that if certain amount remains unutilised it smacks of some anomaly. The Government should make a thorough study of this aspect and find out ameliorative measures so that nothing is left out once allocation has been made.
8.	2.29	The Committee note that earlier a proposal to amend some parts of the Constitution (73rd Amendment Act) 1992 was under consideration of the Government. However, at present, the thrust of the Ministry is to facilitate and secure implementation of the provisions enshrined in the Constitution 73rd Amendment Act, 1992 by States/UTs in letter and spirit by encouraging them to adopt carefully drawn up plans of action. The thrust of the Ministry is that functions, functionaries and finances to Panchayati Raj Institutions are suitably devolved to empower Gram Sabhas and District Planning Committees to make Panchayati Raj Institutions true institutions of self-Government. While noting the position of thrust area of the Ministry, the Committee would like that the various issues raised in their Reports should be taken into account and desired action taken on the various aspects. The Committee may also like to be kept informed about this.

1	2	3
9.	2.30	The Committee are, however, constrained to note the reply of the Ministry that they would compile the information from respective States when the staff strength would be made available to them. The Committee find that the area of activity entrusted to the newly created Ministry of Panchayati Raj was previously under the Ministry of Rural Development. The only change is that area of activities have been transferred from one Department to another. The Committee fail to understand why the requisite information could not be obtained by the erstwhile Ministry of Rural Development. They would like that the information should be compiled expeditiously and they be kept informed about the status of implementation of the various recommendations made by them in the earlier Reports.
10.	2.37	The Committee note that the issues related to Panchayati Raj have been taken from the Ministry of Rural Development, and a new Ministry i.e., the Ministry of Panchayati Raj has been created to give focused attention on implementation of the following two Acts (i) 73rd Amendment Act, 1992 (ii) Provisions of the Panchayats (Extension to the Scheduled Areas) Act, 1996. The Committee while appreciating the steps taken by the Government to give focused attention to ensure implementation of Part IX of the Constitution note that the Ministry has set the target of ensuring implementation of various provisions enshrined in 73rd Amendment Act within a time frame of one and half year as stated by the representative of the Ministry during the course of oral evidence.
11.	2.38	The Committee in their 37th Report had recommended that the Ministry should submit an annual state of the Panchayati Raj Report to enable Parliament to effectively monitor the

1	2	3
		<p>implementation of Part IX. The Committee hope that the newly created Ministry would implement their recommendations in the right earnest and present Annual Report to Parliament not only to effectively monitor the various provisions but also to have transparency in all the matters related to Panchayati Raj Institutions.</p>
12.	2.39	<p>The Committee further note that in line with fulfilment of the aforesaid objectives, the first Round Table Conference on Panchayati Raj was held in Kolkata on 24-25 July, 2004. They also note that the Ministry proposes seven Round Table Conferences over a span of six months to formulate a draft Action Plan for achieving the objectives of strengthening of Panchayati Raj Institutions. The Committee further find that in the first Round Table Conference Panchayati Raj Ministers incharge of Panchayati Raj Institutions and their representatives agreed to recommed to the respective Governments, the conclusions reached during the meeting on the subjects under consideration for further necessary adoption at the meeting of the Chief Ministers scheduled to be held towards the end of the current financial year. The Committee hope that such Round Table Conferences would be able to persuade the respective State Governments to devolve the functions to the three tiers of Panchayati Raj Institutions to have true Panchayati Swaraj.</p>
13.	2.42	<p>The Committee find that there is no clarity on the time to be taken by the Ministry in attaining the objective of devolution of powers to Panchayats in pursuance of Article 243 (G) of the Constitution. At one place the representative of the Ministry assured the Committee that within one and half year they will try to achieve the set objectives whereas at another place, she stated that they will</p>

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		<p>allow States to take two or three years but ask them not to do it in half-hearted way. The Committee appreciate that the responsibilities of entrusting devolutions rests with the State Governments. However since implementation of Part IX of the Constitution is the responsibility of the Union Ministry of Panchayati Raj, the Ministry should set the targets realistically and present the position before the Committee accordingly. The Committee are also concerned though in theory all the 29 subjects have been devolved the ground realities show otherwise. The matter needs serious attention and such cavalier approach needs severe criticism. The Government should impress upon the States that such half-hearted measures are not in consonance with the spirit of 73rd Amendment Act.</p>
14.	2.43	<p>The Committee in their 37th Report had examined the issue of postponing of elections by different State Governments. They while examining the said issue were apprised that the Supreme Court had ruled that the concerned States could not be permitted to withhold elections to Panchayats except in case of genuine supervening difficulties such as unforeseen natural calamities in the State like flood, earthquake etc., or urgent situation prevailing in the State for which elections to the Panchayats cannot be held in time. The Committee were also apprised that the said ruling of the Supreme Court interpreting Article 243 (E) of the Constitution has been differently interpreted by the State Governments. The Committee had observed that since regular periodic elections within the letter and spirit of the Constitution provision lie at the very heart of the democratic process, the Central Government should secure a clear ruling from the Supreme Court about the meaning and scope of Article 243 (E) so that</p>

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elections are held within five years. They were informed by the representatives of the Ministry that they plan to approach the Supreme Court. In this direction, the Committee would like that a clear ruling of the Supreme Court should be obtained expeditiously so that the State Government cannot interpret the said ruling of the Supreme Court differently for postponing elections.
