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**STANDING COMMITTEE ON
RURAL DEVELOPMENT
(2008-2009)**

FOURTEENTH LOK SABHA

MINISTRY OF PANCHAYATI RAJ

**DEMANDS FOR GRANTS
(2008-2009)**

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

FORTY-FIFTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

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(2008-2009)

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Presented to Lok Sabha on 25.2.2009

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LOK SABHA SECRETARIAT
NEW DELHI

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COMPOSITION OF THE STANDING COMMITTEE ON
RURAL DEVELOPMENT (2008-2009)

Shri Kalyan Singh — *Chairman*

MEMBERS

Lok Sabha

2. Shri Mani Charenamei
3. Shri V. Kishore Chandra S. Deo
4. Shri Sandeep Dikshit
5. Vacant*
6. Vacant@
7. Shri Zora Singh Mann
8. Shri Hannan Mollah
9. Shri D. Narbula
10. Shri A.F.G. Osmani
11. Adv. Renge Patil Tukaram Ganpatrao
12. Shrimati Tejasvini Gowda
13. Shri Neeraj Shekhar
14. Shrimati Jyotirmoyee Sikdar
15. Shri Sita Ram Singh
16. Shri Bagun Sumbrui
17. Vacant@@
18. Shri Chandramani Tripathi
19. Shri Beni Prasad Verma
20. Vacant\$
21. Vacant

Rajya Sabha

22. Shri Balihari Babu
23. Shrimati T. Ratna Bai
24. Shri Prabhat Jha
25. Shri Pyarelal Khandelwal
26. Dr. Chandan Mitra
27. Shri P.R. Rajan
28. Shri Bhagwati Singh
29. Ms. Sushila Tiriya
30. Shrimati Kanimozhi
31. Smt. Kusum Rai[#]

SECRETARIAT

1. Shri P.K. Grover — *Joint Secretary*
2. Shrimati Sudesh Luthra — *Director*
3. Shri A.K. Shah — *Deputy Secretary*

* Vacancy caused due to the resignation given by Shri George Fernandes, MP from the membership of Lok Sabha and accepted by the Hon'ble Speaker *w.e.f.* 11 November, 2008 *vide* Bulletin Part-II, Para No. 6205 dated 11 November, 2008.

@ Vacancy caused due to the resignation given by Smt. Kiran Maheshwari, MP (LS) from the membership of Lok Sabha and accepted by the Hon'ble Speaker *w.e.f.* 23 December, 2008 *vide* Notification No. 21/3/2008/T dated 23 December, 2008.

@@ Vacancy caused due to change of nomination of Smt. Susmita Bauri, MP (LS) by Hon'ble Speaker from Standing Committee on Rural Development to Standing Committee on Energy *w.e.f.* 9 January, 2009 *vide* Lok Sabha Bulletin Part-II, Para No. 6426 dated 9 January, 2009. Earlier, Hon'ble Speaker had changed the nomination of Shrimati Susmita Bauri, MP (LS) from Standing Committee on Energy to Standing Committee on Rural Development in place of Shri Tarit Baran Topdar, MP (LS) *w.e.f.* 18 December, 2008 *vide* Lok Sabha Bulletin Part II, Para No. 6373 dated 18 December, 2008.

§ Vacancy caused due to change of nomination of Shri Dharmendra Yadav, MP, Lok Sabha by Hon'ble Speaker from Standing Committee on Rural Development to Committee on Personnel, Public Grievances, Law & Justice *w.e.f.* 5 December, 2008 *vide* Bulletin Part-II, Para No. 6267 dated 5 December, 2008.

Chairman, Rajya Sabha has nominated Smt. Kusum Rai, MP, Rajya Sabha *w.e.f.* 18 February, 2009 *vide* Rajya Sabha Parliamentary Bulletin Part II, Para No. 45865 dated 18 February, 2009.

INTRODUCTION

I, the Chairman of the Standing Committee on Rural Development (2008-2009) having been authorised by the Committee to submit the Report on their behalf, present the Forty-fifth Report on the action taken by the Government on the recommendations contained in the Thirty-eighth Report of the Standing Committee on Rural Development (2007-08) on Demands for Grants (2008-09) of the Ministry of Panchayati Raj.

2. The Thirty-eighth Report was presented to Lok Sabha on 17 April, 2008. The replies of the Government to all the recommendations contained in the Report were received on 25 September, 2008.

3. The replies of the Government were examined and the Report was considered and adopted by the Committee at their sitting held on 24 February, 2009.

4. An analysis of the action taken by the Government on the recommendations contained in the Thirty-eighth Report of the Committee is given in Appendix-VIII.

NEW DELHI;
25 February, 2009
6 Phalgun, 1930 (Saka)

KALYAN SINGH,
Chairman,
Standing Committee on
Rural Development.

CHAPTER I

REPORT

This Report of the Committee on Rural Development (2008-09) deals with the action taken by the Government on the recommendations contained in their Thirty-eighth Report on Demands for Grants (2008-09) of the Ministry of Panchayati Raj, which was presented to Lok Sabha on 17 April 2008.

2. Action taken replies have been received from the Government in respect of all the 25 recommendations which have been categorised as follows:

- | | |
|------------------|--|
| (i) Chapter II | Recommendations which have been accepted by the Government:
Para Nos.: 2.5, 3.6, 3.25, 3.26, 3.27, 3.38, 3.39, 3.53, 3.54, 3.55, 3.56, 3.57, 3.60, 4.16, 4.17, 4.18, 4.22 and 4.31. |
| (ii) Chapter III | Recommendations which the Committee do not desire to pursue in view of Government's replies:
Para No.: Nil |
| (iii) Chapter IV | Recommendations in respect of which replies of the Government have not been accepted by the Committee:
Para Nos.: 3.10, 3.16, 5.3, 5.7, 5.8 and 5.11. |
| (iv) Chapter V | Recommendations in respect of which final reply of the Government is still awaited:
Para No.: 5.12. |

3. The Committee would like the Ministry of Panchayati Raj to expedite the actions which have been proposed in the action taken replies and intimate the Committee about the same within three months of the presentation of the Report.

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

A. Utilisation of allocations

**Recommendation Serial Nos. 3 & 4
(Para Nos. 3.10 and 3.16)**

5. The Committee had recommended as under:—

“As regards the review of the annual plans 2007-08 and 2008-09, the Committee note that during the year 2007-08 Rs. 4,770 crore were allocated at BE stage. The outlay was further reduced by Rs. 1,070 crore at RE stage. The actual expenditure during the year 2007-08 has been indicated as 3,499.14 crore *i.e.* 95 per cent of the allocation made at RE Stage. Further during the year 2008-09, there is enhancement of Rs. 10 crore if compared to BE and Rs. 1,080 crore as compared to RE. The Committee find from the information provided by the Ministry that the cut at RE Stage during the year 2007-08 is mainly on account of not being able to spend the 66 per cent of the amount allocated to the Ministry under programmes by 31 December, 2007 as per the Cash Management Scheme of the Ministry of Finance. The Committee feel that the Ministry itself is responsible for the huge cut at RE Stage during the year 2007-08 and as such strongly recommend that all out efforts should be made to ensure the utilization as per the Cash Management Scheme in each quarter of the year so as to get the adequate allocation under the schemes of the Ministry.”

[Recommendation Serial No. 3 (Para No. 3.10)]

“The Committee note that the Ministry have proposed Rs. 15,789 crore for its schemes and programmes excluding BRGF, out of which only Rs. 775 crore have been allocated during the Eleventh Plan period *i.e.* 2007-2012. The Committee note that the allocation provided is just 5 per cent of the proposed outlay. The Committee would like to be apprised of the projections made scheme-wise during each year of the Eleventh Plan so as to understand the position of such a low allocation made to the Ministry as compared to the proposed allocation and comment further in this regard. The Committee would also like to be apprised about the proposed and agreed to allocation under one of the major scheme of the Ministry *i.e.* BRGF during the Eleventh Plan period.”

[Recommendation Serial No. 4 (Para No. 3.16)]

6. The Ministry in the action taken replies has stated as under:—

- Out of the Rs. 3600 crore fixed at RE Stage in respect of BRGF, almost the entire amount, i.e., Rs. 3599.99 crore was spent in 2007-08.
- By 31.12.2007, the Ministry had spent Rs. 2965.70 crore, i.e. 63.50 per cent of Rs. 4670 crore, the BE allocations for 2007-08.
- The pace of releases had been slow in the first two quarters.
- The non-constitution of DPCs in six States had made them ineligible for claiming development grant and adversely affected the pace of releases.
- A decision was taken in November, 2007 to let the States draw both the RSVY and development grant entitlements concurrently which quickened the pace of releases.

For ensuring timely submission of annual district plan for 2008-09 and the 5 Year perspective district plan, the Ministry had released Rs. 10 lakh as advance development grant to each of the 250 BRGF districts for seeking technical support towards preparation of these district plans. The Ministry is constantly taking up with the States through communications, meetings, workshops, video conferences, etc. for timely submission of proposals for claiming funds and submission of utilization certificates of the amounts already received by them in 2006-07 and 2008-09.

The projections made scheme-wise during each year of 2007-08 and 2008-09 are as under:—

Table 1. Allocations and Expenditure for Plan Schemes in 2007-08

Sl. No.	Scheme	(Rs. in crore)		
		Allocation		Expenditure
		(B.E.)	(R.E.)	
1	2	3	4	5
1.	Rashtriya Gram Swaraj Yojana	43.00	43.00	37.33
2.	Panchayat Empowerment and Accountability Incentive Scheme	10.00	10.00	10.00

1	2	3	4	5
3.	Media, Publicity and Advocacy	6.90	6.90	13.29
4.	Panchayat Mahila Evam Yuva Shakti Abhiyan	4.00	4.00	2.02
5.	Rural Business Hubs	2.00	2.00	2.00
6.	Action Research & Research Studies	2.00	2.00	3.00
7.	Secretariat Economic Services	7.00	7.00	6.47
8.	UN assisted Projects	5.00	5.00	5.00
9.	Contribution to Commonwealth Local Government Forum	0.10	0.10	0.04
10.	Backward Regions Grant Fund	4670.00	3600.00	3599.99
11.	Provision for North Eastern Regions	10.00	10.00	9.02
	Total	4770.00	3700.00	3688.16

Table 2. Allocations and Expenditure for Plan schemes in 2008-09

(Rs. in crore)

Sl. No.	Scheme	Allocation (B.E.)	Expenditure upto 15.9.2008
1	2	3	4
1.	Rashtriya Gram Swaraj Yojana	30.00	Nil
2.	Technical Support for Capacity Building and Training of functionaries of DPCs and Zilla Parishads	25.00	New Scheme
3.	Panchayat Empowerment and Accountability Incentive Scheme	10.00	Nil
4.	Media, Publicity and Advocacy	6.90	6.90
5.	Panchayat Mahila Evam Yuva Shakti Abhiyan	4.00	0.08
6.	Rural Business Hubs	2.00	0.58
7.	Action Research & Research Studies	2.00	0.92

1	2	3	4
8.	UN assisted Projects	5.00	Nil
9.	Contribution to Commonwealth Local Government Forum	0.10	Nil
10.	Mission Mode Project on e-Panchayats	5.00	Nil
11.	Management Cell	8.00	2.96
12.	Provision for North Eastern Regions	11.00	
11.	National Panchayat Fund	1.00	New Scheme
12.	Backward Regions Grant Fund	4670.00	561.55
	Grand Total	4780.00	572.99

[Reply to Recommendation Serial No. 3 (Para No. 3.10)]

As the Ministry of Panchayati Raj was created in May, 2004, during the 10th Plan Period *i.e.* 2002-2007, there was no approved allocation for the full 10th Five Year Plan. Plan Allocations have been made for the Ministry on annual basis.

The projections made scheme-wise during each year of the Eleventh Plan are as under:—

“The Backward Regions Grant Fund programme has been allocated a budget of Rs. 29100 crore during the Eleventh five year plan, (Rs. 25711 crore at 2006-07 prices) of which Rs. 5650 crore, being the allocations for the Bihar Package and the package for the KBK districts of Orissa will be implemented by the Planning Commission and the remaining allocation of Rs. 23450 crore is being implemented by the Ministry of Panchayati Raj Ministry. For the Ministry of Panchayati Raj, the annual allocations under the BRGF are Rs. 4690 crore during the Eleventh Plan. However, in the years 2007-08 and 2008-09, the Budget allocations under BRGF have been Rs. 4670 crore per year”.

[Reply to Recommendation Serial No. 4 (Para No. 3.16)]

7. The Committee are dismayed to note that their recommendations regarding optimal utilization of funds of the Ministry as per Cash Management Scheme and seeking details of scheme-wise projections made by the Ministry in coming years of Eleventh Plan have not been properly addressed in the action taken

replies of the Ministry. The Committee find from the action taken replies that instead of informing the Committee about the steps taken by the Ministry towards optimal utilization of funds by following Cash Management Scheme in each quarter of the year so as to get adequate allocation under the schemes of the Ministry, the Ministry has simply stated that it has asked State Governments for timely submission of Annual District Plans/proposals for claiming funds/ Utilization Certificates of the amounts already received in previous years etc. More so, the expenditure position in respect of various schemes during the year 2008-09 as indicated in the action taken reply is dismal in almost all the schemes excepting 'Media Publicity and Advocacy programme'. Not only that, under Rashtriya Gram Swaraj Yojana, Panchayat Empowerment and Accountability Incentive Scheme, UN assisted projects, Contribution to Commonwealth Local Government Forum and Mission Mode project on e-Panchayats, the expenditure reported is nil. Although the allocations have been made under two schemes viz. Technical Support for capacity building and training of functionaries of DPCs and Zilla Parishads, it has been indicated in the expenditure column that the schemes are new schemes which indicates that no expenditure has been made under the aforesaid schemes. The aforesaid position further reinforces the observation of the Committee made in the earlier recommendation that the Ministry itself is responsible for the cut imposed at RE stage under the different schemes. The Committee, therefore, reiterate their earlier recommendation that the Ministry should make all out efforts to ensure the utilization under different schemes as per the cash management scheme in each quarter of the year and inform the Committee about the outcome of such efforts.

As regards Eleventh Plan projections and expenditure of funds under different schemes of the Ministry, the Committee had found that as against the proposed amount of Rs. 15,789 crore, the allocation excluding BRGF was a meagre of Rs. 775 crore, which was just 5 per cent of the proposed outlay. The Committee had, therefore, desired the scheme-wise and year-wise details of the projections made by the Ministry as per the Eleventh Plan (2007—2012). The Committee find from the action taken replies that Ministry has not furnished the desired information. Only the scheme-wise details of allocation *vis-a-vis* expenditure during 2007-08 and 2008-09 have been furnished. In the absence of the required information, the Committee find it difficult to analyse the data furnished by the Ministry. The Committee, therefore, reiterate that the scheme-wise and year-wise projections made by the Ministry be furnished to the Committee to arrive at a logical conclusion.

B. Expeditious transfer of Twelfth Finance Commission (TFC) Funds to the Panchayats

**Recommendation Serial Nos. 13 & 14
(Para Nos. 3.56 and 3.57)**

8. The Committee had recommended as under:—

“From the data provided by the Ministry on the allocation of TFC funds during 2005-06, 2006-07 and 2007-08 in different States it is seen that the States of Arunachal Pradesh, Jharkhand, Sikkim and Tripura have not received TFC funds. During 2006-07 and 2007-08 funds were not released to the States of Arunachal Pradesh, Assam, Jammu and Kashmir, Jharkhand, Nagaland, Meghalaya, Sikkim and Tripura. Various reasons like non-receipt of Utilization Certificates in the case of Arunachal Pradesh, Sikkim and Tripura, due to non-holding of election in Jharkhand, have been cited as the reasons for non-release of TFC funds to these States. The Committee strongly recommend to pursue with the States for furnishing Utilization Certificates so that the PRIs are not deprived of the aforesaid benefits.”

[Recommendation Serial No. 13 (Para No. 3.56)]

The Committee note that the TFC has recommended that PRIs should be encouraged to take over the assets relating to water supply and sanitation, utilization of grants for repairs/rejuvenation and meeting O&M costs. From the figures of utilization of TFC grants with respect to water supply and sanitation, the Committee find that only ten States have reported satisfactory utilization figures. The vast majority of States have reported lower utilization. The utilization with regard to maintenance of accounts and creation of database is very low. The maximum percentage with regard to maintenance of accounts is 24 per cent in the State of Madhya Pradesh and 30 per cent in case of creation of database in the State of Tripura. The Committee express serious concern at the dismal performance by the States in utilizing TFC funds. The Committee observe that the Twelfth Finance Commission had pledged Rs. 20,000 crore to Panchayats for increasing their financial resources. However, if the grants are not optimally used, the whole purpose is defeated. The Committee, therefore, recommend that the Ministry should take stringent measures to ensure that cent percent funds are utilized to get the intended results under the various sectors for which funds are meant.

[Recommendation Serial No. 14 (Para No. 3.57)]

9. The Ministry in the action taken replies has stated as under:—

“During the year 2007-08, 11 States *i.e.* Bihar, Chhattisgarh, Gujarat, Haryana, Himachal Pradesh, Kerala, Madhya Pradesh, Orissa, Rajasthan, Tamil Nadu and Uttar Pradesh have received both the installments and four States *i.e.* Andhra Pradesh, Karnataka, Maharashtra, Nagaland and West Bengal have received only first installment of TFC grants. A statement of release of TFC grants as on August, 2008 is enclosed at **Appendix-VI**. Arunachal Pradesh, Sikkim & Tripura have received only first installments of 2005-06. However, Sikkim has made the balance payment of interest as per TFC Guidelines and Ministry of Finance has released the 2nd installment for the year 2005-06 to Sikkim on 26th August, 2008. Ministry of Panchayati Raj only monitors the release and utilization of Twelfth Finance Commission (TFC) Grants released to PRIs. However, the Ministry of Panchayati Raj regularly pursuing the State Governments to get issue solved at earliest so that further installments released. In this regard, recently letters dated 11th June and 22nd July, 2008 have been issued to the States which are not receiving their due installment(s) in time. The reasons put forward by the Ministry of Finance for non-release of installments for 2005-06 to the States of Arunachal Pradesh, Tripura and Jharkahand are as follows:

Arunachal Pradesh- The first installment of Rs. 6.80 crore for the year 2005-06 was released by the Ministry of Finance *vide* sanction order dated 22/6/2006. Panchayati Raj Ministry of State Government has intimated *vide* letter dated 4/5/2008 that State Finance Department has not yet released the grants to Deptt. of Panchayati Raj for further release to PRIs. Due to non-release of 1st installment of 2005-06 of TFC grant to PRIs subsequent installments of TFC grants could not be released to the State.

Tripura- The first installment of Rs. 5.70 crore of TFC grants of 2005-06 was released by Ministry of Finance on 5/4/2006. The State Government further released it to PRIs. On 5.3.2007. As per para 6.4 of TFC Guidelines, “State Government should transfer interest at the rate equal to RBI Bank rate along with the grants.” In this regard, Ministry of Finance has requested to the State Government to make the payment of interest for the delayed period to all PRIs at the rate of RBI. Moreover, MoPR has also requested to State Government to release the payment of interest to PRIs for the delayed period and forward the requisite

information to MoF for release of subsequent installments. Details of release of interest to PRIs from the State Government is still awaited due to which the subsequent installments of TFC grants could not be released to State.

Jharkhand- TFC grants could not be released to Jharkhand due to non-holding of Panchayat elections in the State. The guidelines of TFC strictly state that grants will not be provided to a State (which is covered under Part IX of the Constitution) where elections for constituting these Panchayats have not been held for the period for which there were not elected Panchayats as per the provision of the Constitution.

Assam- Assam has now received the first installment of 2006-07. Further installments of grants could not be released to Assam due to non-receipt of details of release of earlier installment to PRIs & Utilization Certificate as per TFC Guidelines.

Meghalaya & Nagaland- Although grants for Rural Local Bodies are released to Meghalaya and Nagaland, these are not monitored by MoPR since there are no PRIs in these States.

Jammu & Kashmir- The State is also not monitored by MoPR because it is not covered in Part IX of the Constitution.”

[Reply to Recommendation Serial No. 13 (Para Nos. 3.56)]

“Recommendations of the Committee have been noted. As per the recommendations of Twelfth Finance Commission, the PRIs should be encouraged to take over the assets relating to Water Supply and Sanitation and utilize the grants for repairs/ rejuvenation and meeting the O&M costs. TFC has further felt it to be imperative that high priority need to be assigned to creation of database and maintenance of accounts at the grass root levels. In this connection it is stated that Article 243J under the Heading “Audit of Accounts of Panchayats” stipulates that “ The Legislature of State may, by law, make provisions with respect to the maintenance of accounts by the Panchayats and the auditing of such accounts.” Ministry of Panchayati Raj is trying its best that TFC grants should be utilized only for the purpose as per TFC Guidelines.

In regard to follow up of the Budget/Accounts/Audit of PRIs, a meeting was held on 4th August, 2008 at C&AG Office and a

Committee has been set up to prepare a simple format for Budget & Account for PRIs. The compositions of the Committee are as under:—

1. Shri Varesh Sinha, Principal Secretary, Panchayati Raj, Government of Gujarat — Chairman.
2. Shri R. Sridharan, Joint Secretary (State Plan), Planning Commission.
3. Shri T.R.Raghunandan, Joint Secretary, Ministry of Panchayati Raj.
4. Principal Secretary, in charge Panchayati Raj, West Bengal/ Uttar Pradesh/ Andhra Pradesh.
5. Shri D.C.Mishra, Sr. Technical Director, NIC.
6. Shri Nand Kishore, Pr. Director (LB), O/o C&AG—Member Secretary.”

[Reply to Recommendation Serial No. 14 (Para Nos. 3.57)]

10. The Committee in the earlier recommendation had strongly recommended that the Ministry should take stringent measures to ensure cent per cent utilization of huge allocation *i.e.* Rs. 20,000 crore made by the Twelfth Finance Commission to Panchayats for increasing their financial resources. The Ministry in the action taken reply has stated that the recommendations of the Committee have been noted. Besides it has also been stated that a Committee has been set up to prepare a simple format for budget and account for PRIs. The latest position with regard to release of TFC funds has also been furnished to the Committee (Appendix-VI). The Committee find that in spite of the efforts made by the Ministry, the position of release of funds to various States has further deteriorated. During the year 2005-06, there were four States which could not avail of TFC funds. During the year 2006-07, the number of States rose to seven and this number further increased to fourteen during the year 2007-08. The Committee conclude from the latest position of release of TFC funds that there are serious problems with regard to utilization of TFC funds by Panchayats. The issue needs to be probed in detail and the gray areas need to be addressed. The Committee would like the Ministry to pursue with the States and find out the State-wise problem and take the desired steps. The Committee may also be kept apprised about the follow up action in this regard.

C. Need for legislation for compliance of PESA law

(Recommendation Serial No. 15

Para No. 3.60)

11. The Committee had recommended as under:—

'The Panchayats Extension to Scheduled Areas Act (PESA), 1996' is being implemented in areas falling under the Fifth Schedule of the Constitution. The Committee find that though all States have enacted the requisite compliance legislation by amending their respective Panchayati Raj Acts, 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 have been sent to the respective State Governments. The Committee strongly recommend to the Ministry to follow up vigorously with the various State Governments to carry on the amendments to the various laws expeditiously so as to enable the implementation of amended Acts/Laws in letter and spirit.

[Recommendation Serial No. 15 (Para No. 3.60)]

12. The Ministry in the action taken replies has stated as under:—

The directions of the Committee have been noted. The Ministry is following up the matter vigorously with all the PESA States for carrying out amendments to various laws so as to harmonize them with PESA Act. The matter has also been reviewed during the meeting of the Principal Secretaries/Secretaries of the States held on 05.08.08 under the Chairmanship of the Secretary, Ministry of Panchayati Raj. The Secretaries of the PESA States were impressed about the need to carry out the amendments expeditiously. In the meeting, the Ministry of Panchayati Raj advised the States to hold Needs Assessment Workshops for the Fifth Schedule areas states with a view to bring all the stakeholders together and come out with a strategy to implement the PESA provisions in letter and spirit. Accordingly, a one day workshop was held in Maharashtra on 22.08.08. The Ministry is

also in touch with other PESA States for holding of the workshop. The State-wise position in this regard is as under:

- (a) **Andhra Pradesh**—Necessary Rules regarding reservation of seats and office of Chairperson of Gram Panchayat have already been framed. Rules relating to A.P Minor Mineral Concession Rules, 1996 have already been amended. As per Section 242I (1) (b) the Gram Sabha shall exercise such powers and perform such functions in such a manner and to such extent as may be prescribed in respect of Minor Forest Produce.
- (b) **Madhya Pradesh**—The adaptation of laws in Madhya Pradesh in the light of the PESA Act has been started with the amendment of five important laws, namely, the Panchayat Act, the Excise Act, the Land Revenue Code, the Mining and Minerals Rules and Gram Nyayalaya Adhiniyam (The Village Courts Act).
- (c) **Maharashtra**—The issue of Minor Forest produce has been covered in the amendment made vide Maharashtra Act No. XLV of 1997. Regarding powers to Gram Sabha with regard to alienation of land of the persons belonging to the Scheduled Tribes, this has been covered in the amendments made vide Maharashtra Act No. XXVII of 2003. A one-day Needs Assessment workshop was held in Maharashtra on 22.8.2008. A presentation on the provisions of the PESA Act was made by the Ministry of Panchayati Raj. The existing gaps in the effective implementation of PESA in Maharashtra were indicated. The subject laws of Maharashtra and provisions of the Bombay Village Panchayat Act and the Zilla Parishad and Panchayat Samiti Act requiring amendment to bring them in consonance with PESA were discussed in detail with the representatives from the respective departments.
- (d) **Rajasthan** The State has amended the Rajasthan Land Revenue Act, 1956, the Rajasthan Money Lenders Act, 1963 and the Rajasthan Minor Mineral Concession Rules, 1986.

In the remaining five States namely, Orissa, Gujarat, Himachal Pradesh, Jharkhand and Chhattisgarh, the ILI report has been forwarded by the Panchayati Raj Ministry to the concerned departments of the State Government for necessary action.

[Reply to Recommendation Serial No. 15 (Para Nos. 3.60)]

13. The Committee note that with the efforts made by the Ministry, 4 States viz. Andhra Pradesh, Madhya Pradesh, Maharashtra, Rajasthan have taken concrete steps to bring amendments to the concerned State laws in compliance of PESA. However, the remaining 5 States viz. Orissa, Gujarat, Himachal Pradesh, Jharkhand and Chhattisgarh have still to take the necessary action to enact the compliance legislation in this regard. The Committee would like the Ministry to pursue further with the States so that compliance legislation are enacted expeditiously in all the 9 States falling in the Fifth Schedule of the Constitution.

D. Need for expeditious implementation of new Schemes for the Panchayats

**Recommendation Serial Nos. 21, 22, 23 & 24
(Para Nos. 5.3, 5.7, 5.8 & 5.11)**

14. The Committee had recommended as under:—

“The Committee observe that the Ministry has established a National Panchayat Fund with a token contribution of Rs. 1 crore to support a think tank for analysis and developing ideas and concepts for the promotion of Panchayati Raj in the country and extending support to Panchayats through sector specific schemes. Further the Committee find that this fund seeks to create assets of Panchayats through use of revolving funds by drawing loan based assistance. It intends to establish a corpus of Rs. 100-250 crore with funding from external funding agencies such as NORAD, DANIDA, SIDA and World Bank. The Committee would like to know the details as to how the Ministry wishes to operationalise this scheme and what would be its thrust areas. Further the Committee would also like to be informed about the terms on which the international agencies would be forwarding funds and their specific role in the aforesaid programme”.

[Recommendation Serial No. 21 (Para No. 5.3)]

“The Committee find that the Ministry has introduced this Scheme with the intention of providing technical support for capacity building and training of functionaries of DPCs and Zilla Parishads. This is to be achieved by way of engaging professionals/trained personnel/consultants for preparation of District Plans and by providing specific training in the formulation of District plans to key PRI functionaries”.

[Recommendation Serial No. 22 (Para No. 5.7)]

“The Committee are glad to note that the Ministry has evolved a specific scheme to address the issue of preparation of District Plans in keeping with the ideals of decentralization. They desire to be informed of the details of this scheme with specific reference to (a) the role of the professionals/trained personnel/consultants in the preparation of the District plans (b) the level of PRI functionaries who would be the recipients of the training (c) the mode and duration of training intended to be provided and (d) agencies involved in imparting training.”

[Recommendation Serial No. 23 (Para No. 5.8)]

“The Committee note that the Mission mode on e Panchayats has been launched with the objective to enhance the ability of the PRIs to automate their own functioning and bring about transparency in the implementation of various developmental programmes. Further the Committee note that the erstwhile Scheme of Information Technology which was a component of the Rashtriya Gram Swaraj Yojana during 2007-08 was separated from the RGSY and renamed Mission mode on e-Panchayats. The allocation for this Scheme during 2007-08 was Rs 10 crore and the Ministry has not provided any utilization status.”

[Recommendation Serial No. 24 (Para No. 5.11)]

15. The Ministry in the action taken replies has stated as under:—

“In the Half Yearly Performance Review of Annual Plan (2007-08) of Ministry of Panchayati Raj held on 12.12.2007 under the Chairmanship of Member, Planning Commission, a decision was taken to set up a ‘National Panchayat Fund’ with funding from a consortium of external funding agencies of the order of Rs. 100-250 crore. There could be some support from the Plan Allocation. A token provision of Rs. 1.00 crore has been kept under the proposed scheme of ‘National Panchayat Fund’ in the Plan Budget for 2008-09.

Ministry of Finance (Department of Expenditure) has clarified vide O.M. No.220/US(M)/E-Coord./2008 dated 28.7.2008 that the introduction of new schemes/programmes in 2008-09 will be restricted to those that have been mentioned in the Budget Speech 2008-09 of the Finance Minister. No other new schemes/programmes will be introduced in the current financial year, even if budget provision has been made. The matter is under examination in the Ministry.”

[Reply to Recommendation Serial No. 21 (Para Nos. 5.3)]

It has been clarified by Ministry of Finance (Department of Expenditure) *vide* O.M.No.220/US(M)/E-Coord./2008 dated 28.7.2008 that the introduction of new schemes/programmes will be restricted to those that have been mentioned in the Budget Speech 2008-09 of the Finance Minister. No other new schemes/programmes will be introduced in the current financial year, even if budget provision has been made. The proposed new Central Sector Scheme of "Technical Support for Capacity Building and Training of Functionaries of DPCs and Zilla Parishads" does not find mention in the FM's Budget Speech (2008-09). The matter is under examination in the Ministry.

[Reply to Recommendation Serial No. 22 (Para Nos. 5.7)]

Replies to Para No.5.7 may please be seen.

[Reply to Recommendation Serial No. 23 (Para Nos. 5.9)]

The allocation for erstwhile Scheme of Information Technology (a component of RGSY during 2007-08) was Rs 10.00 crore during 2007-08, which was separated from the RGSY and renamed as Mission Mode Project on e-Panchayats. Since the Scheme of e-Panchayats could not be finalized and approved during 2007-08, no funds were released to the State Governments under this Scheme.

[Reply to Recommendation Serial No. 24 (Para Nos. 5.11)]

16. The Committee are dismayed to note that uncertainty is prevailing over the implementation of various schemes for much awaited empowerment of Panchayats in the country for the sole reason that these have not been cleared by the Ministry of Finance on the ground that none of these schemes figured in Finance Minister's Budget Speech (2008-09). Keeping in view the impending task of capacity building and training of functionaries of Panchayati Raj Institutions (PRIs) in the country and creating much needed infrastructure to be made available to the Panchayats, in the Committee's opinion, the ground on which the new Schemes have not been operationalised is not justified and thus needs a re-look. The Committee, therefore, recommend that Ministry of Panchayati Raj should take up the matter at the highest level with the Ministry of Finance for expediting implementation of the above schemes so that these important schemes for empowerment of Panchayats in the country see the light of the day.

CHAPTER II

RECOMMENDATIONS THAT HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation (Serial No. 1, Para No. 2.5)

The Committee note that direction 73A of the Directions by the Speaker, Lok Sabha is not being followed in the right spirit. This is substantiated by the considerable delay in making the statement by the Minister on various reports of the Committee. As per the direction, the Minister should make the statement within six months of presentation of the Report to Parliament, which has not been done. While, the Committee agree that the information for furnishing the statement has to be collected from various Departments and States, but at the same time feel that, the period of six months is a substantial time and collecting of information should be completed within that time period. The Committee desire that, in future, the statement under direction 73A should be made within the prescribed time limit.

Reply of the Government

The recommendations of the Committee are noted for compliance.

[Ministry of Panchayati Raj, O.M. No. G-20011/1/2008-Parl.
(Vol. III), Dated: 25.9.2008]

Recommendation (Serial No. 2, Para No. 3.6)

The Ministry of Panchayati Raj was created 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. To fulfill the aforesaid objectives, the Ministry spent Rs. 2,055.15 crore during the years 2004-05, 2005-06 and 2006-07 of the Tenth Plan. During the first year of formation of the Ministry of Panchayati Raj, the major agenda taken into consideration was the scheme 'Panchayat

Development and Training'. During the second year three schemes *viz* (i) Rashtriya Gram Swaraj Yojana (ii) Panchayat Empowerment and Accountability Incentive (iii) Scheme for Media Publicity and Advocacy were implemented. Further during the year 2006-07 a major scheme Backward Regions Grant Fund was transferred from the Planning Commission to the Ministry of Panchayati Raj and as such the allocation was substantially revised from Rs. 50 crore to Rs. 3,825 crore during the year 2006-07. As regards the position of expenditure as compared to the allocations made at Revised Estimates stage it was 84.5 per cent during the year 2004-05, 97.40 per cent during the year 2005-06 and 99.90 per cent during the year 2006-07. There was a reduction of Rs. 1,825 crore during the year 2006-07 at the RE stage. The Committee appreciate that the years 2004-05 and 2005-06 were initial years of the formation of the Ministry and the year 2006-07 was the first year when a major scheme BRGF was transferred to the Ministry. The Committee can understand the minor shortfalls in expenditure. The Committee hope that now when the Ministry has started functioning in full swing, various schemes of the Ministry would be implemented with great momentum ensuring cent percent physical and financial achievements.

Reply of the Government

The recommendations of the Committee are in nature of an observation. However, the Ministry of Panchayati Raj will do its best to ensure utilization of funds under various Schemes being implemented by the Ministry to achieve the targets as specified.

[Ministry of Panchayati Raj, O.M. No. G-20011/1/2008-Parl.
(Vol. III), Dated: 25.9.2008]

Recommendation (Serial No. 5, Para No. 3.25)

The Committee find that the Ministry of Panchayati Raj was created to oversee the implementation of Part IX of the Constitution, the main component of which is effective devolution of 3Fs *i.e.* functions, functionaries and finances. As regards the status of devolution of functions, the Committee note from the information as given in Appendix-I that in some of the States, the progress with regard to devolution of functions is not satisfactory. Even when 29 subjects have to be transferred to PRIs, in six States *viz.* Andhra Pradesh, Gujarat, Maharashtra, Punjab, Uttar Pradesh and Uttarakhand, the devolution is less than 20 subjects. Worse is the position in Punjab where only 7 subjects have been transferred, followed by Uttar Pradesh where 12 subjects have been transferred. In the case of Union Territories, the

information has not been furnished by the Ministry. The Committee further note that there is a little improvement in the transfer of functions if the position during the year 2008 is compared to the previous years. It could be seen from the *Appendix-IV* that there are marginal improvements in the States of Goa, Gujarat and Haryana. As regards the position with regard to funds and functionaries commensurating the functions devolved to Panchayats, in spite of repeated requests made to the Ministry in the respective Reports, such information has not been made available to the Committee. The Committee further find that the main reason for the slow progress of devolution as indicated by the Ministry is reluctance on the part of the State Governments to transfer functions, functionaries and finances to Panchayati Raj Institutions. It has been mentioned that though the States transfer the functions to Panchayats through legislations, yet they do not commit the funds and functionaries, which defeat the entire purpose of devolution.

Reply of the Government

It is observed that the States have not been revealing full and adequate information on devolution. Therefore the Ministry of Panchayati Raj is undertaking an in house critical analysis of the legal provisions and the activity mapping notifications of States to ascertain the actual picture. This process of critical analysis of legislative devolution and devolution through activity mapping/executive orders has been completed in 14 States, namely, Andhra Pradesh, Assam, Bihar, Haryana, Himachal Pradesh, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Orissa, Rajasthan, Sikkim, Tamil Nadu, and West Bengal. The critical analysis is under way in the remaining 10 States to which the provisions of Part IX of the Constitution applies. The status of devolution of functions through legislations and activity mapping/executive orders is at **Appendix-1**.

The Committee has raised concerns about the status of devolution of functions in the States of Andhra Pradesh, Gujarat, Maharashtra, Punjab, Uttar Pradesh and Uttarakhand. The Ministry has made arduous efforts in persuading the States to devolve functions, funds and functionaries across different platforms, that include communications, meetings and conferences, etc. A consensus was evolved at the Ministerial level with the State Ministers In-Charge at the Round Table Conferences. The progress has been reviewed and followed up during the Union Minister, Panchayati Raj's visits to States which were followed up by signing of MoUs with Chief Ministers of States, meetings of the Empowered Sub-Committee of NDC and

meetings of Council of Ministers of Panchayati Raj, held in August 2005, June 2006, August 2007 and April 2008. The status of devolution of finances and functionaries are at **Appendix-II** and **Appendix-III**, respectively.

The position about devolution of funds, functions and functionaries in the Union Territories are at **Appendix-IV**.

[Ministry of Panchayati Raj, O.M. No. G-20011/1/2008-Parl.
(Vol. III), Dated: 25.9.2008]

Recommendation (Serial No. 6, Para No. 3.26)

With the creation of the Ministry of Panchayati Raj, a lot of efforts are being made by way of conducting 7 Round Tables where 150 action points pertaining to 18 dimensions of Panchayati Raj on which effective devolution hinges was unanimously adopted which form the national roadmap for effective Panchayati Raj. From the position of the status of devolution as indicated by the Ministry, it seems that there is slow progress on the implementation of the aforesaid action points. The Committee, therefore, strongly recommend to the Ministry to continue the efforts being made to impress upon the State Governments about the importance of implementation of the Part IX particularly article 243G of the Constitution in a time bound manner. The Committee note that to make the Panchayats act as effective foundation to the democratic structure, they need to be adequately empowered to take on this responsibility, more so when under one of the flagship programme of the Government *viz.* NREGA, 50 per cent of the works have to be implemented by Panchayati Raj Institutions. With the greater thrust of the Union Government to decentralize the Centrally Sponsored Schemes related to the 29 functions given in the Eleventh Schedule of the Constitution, there is an urgent need for the capacity building of Panchayats, which can be ensured only by transfer of finances and functionaries. The Committee, therefore, strongly recommend to take all the desired initiatives in this regard and inform the Committee accordingly. The Committee may also like that the information with regard to transfer of funds, functions and functionaries should be obtained regularly from the States and Union Territories and furnished to the Committee so as to analyse the exact status of implementation of devolution to Panchayats.

Reply of the Government

The Ministry has been taking up with the States across different platforms, through meetings, conferences, written communication, etc.

for furnishing the exact data on devolution. The Ministry acknowledges the need of empowerment of Panchayats through devolution of funds and functionaries so that their capacities are adequately built for effective implementation of CSSs. The Ministry will continue its efforts in impressing upon the State Governments about the importance of implementation of the Part IX particularly article 243G of the constitution in a time bound manner. The Ministry has noted the suggestion that the Ministry will obtain data of devolution from the States periodically and will keep apprised the Committee of these updates.

In regard to the Union Territories, the observations of the Committee have been noted and the Committee would be regularly apprised of the latest status of devolutions to Panchayats. The position as on 31.8.2008 is at **Appendix-I to IV**, namely,—

Appendix-I	Status of Devolution of Functions.
Appendix-II	Status of Devolution of Finances.
Appendix-III	Status of Devolution of Functionaries, as reported by different States.
Appendix-IV	Position about devolution of funds, functions and functionaries in the Union Territories.

[Ministry of Panchayati Raj, O.M. No. G-20011/1/2008-Parl.
(Vol. III), Dated: 25.9.2008]

Recommendation (Serial No. 7, Para No. 3.27)

The Committee note that the exercise of Activity Mapping has been undertaken by the Ministry with a view to identify functions within a given sector and the disaggregation of these functions into tasks, activities and responsibilities for devolution to the three levels of Panchayats. The Committee also note that only six States and two Union Territories have completed activity mapping. A comparative analysis of the status of activity mapping during 2005, 2007 and 2008 reveal that in 8 States namely Bihar, Chhattisgarh, Haryana, Himachal Pradesh, Madhya Pradesh, Maharashtra, Orissa and Rajasthan some progress in activity mapping has been made. However in the States of Assam, Arunachal Pradesh, and Uttaranchal there is a negative trend in the number of subjects covered under activity mapping. Moreover the status of activity mapping in the States of Tamil Nadu and Uttar Pradesh has also not been provided. The Committee would like the Ministry to pursue with the various State Governments/Union

Territories so as to complete the activity mapping by a stipulated deadline. Besides, the information with regard to the status of activity mapping from Tamil Nadu and Uttar Pradesh and also the Union Territories should be obtained and furnished to the Committee.

Reply of the Government

It is observed that the States have not been revealing full and adequate information on devolution. Therefore the Ministry of Panchayati Raj is undertaking an in house critical analysis of the legal provisions and the activity mapping notifications of States to ascertain the actual picture. This process of critical analysis of legislative devolution and devolution through activity mapping/executive orders has been completed in respect of 14 States. The critical analysis is under way in the remaining 10 States to which the provisions of Part IX of the Constitution applies. The observations of the Committee regarding Tamil Nadu have been addressed in the updated enclosed matrix on legislative devolution and devolution through executive orders/activity mapping (Annexe-1). The observations of the Committee in respect of Uttar Pradesh have been addressed to the extent of providing details of the devolution through the Panchayati Raj legislation of the State. The activity mapping and executive orders of these States are being examined by the Ministry and information will be provided on the completion of this examination.

Detailed position about Activity Mapping in UTs has been given in reply to observations in para 3.25 above.

[Ministry of Panchayati Raj, O.M. No. G-20011/1/2008-Parl.
(Vol. III), Date: 25.9.2008]

Recommendation (Serial No. 8, Para No. 3.38)

The Committee find that Article 243ZD of the 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.

Reply of the Government

The status of constitution of the DPCs is explained in details in response to Recommendations Sl. No. 9, Para No. 3.39.

[Ministry of Panchayati Raj, O.M. No. G-20011/1/2008-Parl.
(Vol. III), Date: 25.9.2008]

Recommendation (Serial No. 9, Para No. 3.39)

The Committee note with satisfaction that some progress has been made with the continuous efforts made by the Ministry with regard to the constitution of DPCs. While examining the Demands for Grants of the previous year (refer para 2.52 of the Thirtieth Report), the Committee have been informed that 14 States and 4 Union Territories had constituted DPCs. While examining the Demands for Grants of the current year, 18 States are stated to have constituted DPCs in all the districts. The position with regard to Union Territories has not been mentioned. The Committee note that the release of allocations under BRGF is consequent upon the formation of DPC in each district. The strict implementation of the aforesaid provision has resulted in the constitution of DPCs in the States of Andhra Pradesh, Arunachal Pradesh, Bihar, Haryana, Orissa and Tripura. The Committee would like the Ministry to continue the efforts in this regard, so that DPCs are constituted in each district in all the States/UTs and the National, State & District Plans are prepared from bottom up approach in line with the true spirit of the Part IX of the Constitution.

Reply of the Government to para No. 3.38 and 3.39

As a consequence of consistent and concerted efforts of the Ministry, there has been considerable progress in constitution of DPCs across the States.

DPCs at present exist in the following States:

- | | |
|---------------------|-----------------------|
| 1. Chhattisgarh | 10. West Bengal |
| 2. Himachal Pradesh | 11. Assam |
| 3. Karnataka | 12. Orissa |
| 4. Kerala | 13. Goa |
| 5. Madhya Pradesh | 14. Bihar |
| 6. Manipur | 15. Andhra Pradesh |
| 7. Rajasthan | 16. Arunachal Pradesh |
| 8. Tripura* | 17. Haryana |
| 9. Tamil Nadu | 18. Uttar Pradesh |
| | 19. Sikkim |

*In Tripura majority of the area falling under the 6th Schedule spans all the four districts which have pockets of areas where Panchayati Raj is applicable. DPCs therefore cannot be established through legal provisions in these districts. However, on a suggestion of the Ministry, the State has constituted DPC in Dhalai District which, is covered under the Backward Regions Grant Fund. On a request of the State Government, the Ministry of Panchayati Raj has suggested that arrangements similar to Dhalai can be adopted in the other three districts of the State.

At present DPCs do not exist in the States of Gujarat, Jharkhand, Maharashtra, Punjab and Uttarakhand. Gujarat has enacted the Gujarat District Planning Committee Act, 2008 following a letter from the Union Minister, Panchayati Raj to CM, Gujarat, The Ministry has requested the State to expedite the process of election for and constitution of DPCs. In Maharashtra, DPCs have not been constituted in conformity to Article 243 ZD, though the State had enacted the DPC Act in 1998 and issued rules regarding DPC meetings way back in 1999. The State is in the process of amending these rules. The Union Minister, Panchayati Raj has written to CM Maharashtra and the Prime Minister about expediting the process of constitution of DPCs in Maharashtra. The Planning Commission has also addressed the CM, Maharashtra on the same issue. Panchayat elections have not been held in Jharkhand, therefore, the DPCs cannot be constituted in the State at present.

Uttarakhand has notified 'The Uttarakhand District Planning Act, 2007' and rules have been framed under the Act. The Panchayat elections which were earlier due in April 2008 are now proposed to be held in September 2008. Elections to DPCs are expected to be held thereafter. The Union Minister of Panchayati Raj has written to CM, Uttarakhand for expediting the election process and constitution of DPCs in the State. In response to the letter of Union Minister of Panchayati Raj, Chief Minister, Punjab had promised to constitute DPCs after the Panchayat elections. Panchayat elections have been held in the State.

The position regarding constitution of District Planning Committees in the Union Territories is the same as intimated earlier *viz.* 4 UTs have constituted DPCs. The detailed position in respect of each UT is as under:

ANDAMAN & NICOBAR ISLANDS

At present there is only 1 District Panchayat in the UT. The UT Administration has constituted the District Planning Committee which is headed by the Adhyaksha of the Zilla Parishad.

CHANDIGARH

Although there is 1 Zilla Parishad in the UT, 95 % of the area of the UT comes under the Municipal Corporation and the planning function is being carried out by the UT Administration. Hence, the DPC has not been constituted.

DADRA & NAGAR HAVELI

District Planning Committee was constituted in the UT in 2001 and has been reconstituted in 2006. The Chairman and Vice-Chairman of DPC are the President and Vice-President of the District Panchayat respectively.

DAMAN & DIU

District Planning Committee has been constituted in the UT of Daman & Diu.

LAKSHADWEEP

District Planning Committee has been constituted for the single district in the UT of Lakshadweep. The Administrator of the UT or such other officer designated by him/her is the ex-officio Chairman of the District Planning Committee.

PUDUCHERRY

Although there is no District Panchayat in the UT, as per Notification dt. 13th April, 1994 issued by the Ministry of Home Affairs, article 243 ZD of the Constitution applies to the UT with the modification that the 'Intermediate level' shall substitute the word 'district level' in the said article. The 'Pondicherry District Planning Committee Act' 1994 provides for constitution of two DPCs—one for Puducherry comprising Puducherry, Mahe and Yanam Region and the other for Karaikal District. The Chief Minister of the UT shall be the ex-officio Chairperson of the DPC. However, the DPCs are yet to be constituted.

Recommendation (Serial No. 10, Para No. 3.53)

The Committee note that the Twelfth Finance Commission assured a sum of Rs. 20,000 crore to Panchayats to be paid in two instalments in a year for the years 2005-10. This amount would be deposited in the Consolidated Fund of the States who had to further transmit the funds to Panchayats within 15 days. The Committee are glad to note that in order to ensure a speedier delivery mechanism of TFC funds, the Ministry of Finance has mandated through the guidelines that States which fail to transfer the TFC funds to Panchayats within 15 days of their being deposited in the Consolidated Fund of the States would have to pay interest at RBI rates. This initiative has already started yielding results. During 2005-06, a total of eleven States have paid interest to the tune of Rs. 975.54 lakh for failing to deposit the TFC funds with Panchayats timely. For 2006-07, the number of such States declined drastically to three and the total amount of interest paid was only Rs. 165.29 lakh. The Committee greatly appreciate this initiative of the Government to remove bottlenecks in the delivery mechanism of TFC funds and hope that it would result in uninterrupted flow of funds to Panchayati Raj Institutions.

Reply of the Government

A statement showing the amount of interest paid by State Governments to Panchayati Raj Institutions for delayed release of Twelfth Finance Commission Grants beyond the mandated 15 days is at **Annexe-5**. As may kindly be seen therefrom, due to the delay in release of TFC grants beyond the stipulated 15 days from the date of receipt of the first instalment of 2005-06, nine States have paid penal interest and for 2nd instalment of 2005-06, two States have paid penal interest. Whereas in 2006-07, three States have paid penal interest for the delay of release of first instalment, for the 2nd instalment only one State has paid penal interest. The decrease in the numbers of States paying penal interest in 2006-07 *vis-a-vis* 2005-06 clearly shows that there has been definite improvement in the release of TFC grants by the States to PRIs.

[Ministry of Panchayati Raj, O.M. No. G-20011/1/2008-Parl.
(Vol. III), Dated: 25.9.2008]

Recommendation (Serial No. 11, Para No. 3.54)

The Committee also note that the Ministry has developed and put in place a software to maintain the databases of all 2,40,000 PRIs to transfer funds under TFC electronically through Banking channels. The States of Karnataka, Haryana and Rajasthan are already using this system and Himachal Pradesh has initiated action to adopt this system. In the rest of the States the funds are being transferred through treasury. The Committee appreciate that the electronic transfer of funds would not only result in speedier transfer of funds from the Union Government to States and then to Panchayats as well as in maintaining greater transparency. The Committee also note that the Ministry is taking certain steps to popularize this system. The Committee hope and trust that with the initiatives taken by the Government more and more States would adopt the electronic transfer of funds. The Committee may also like to be apprised about the status of transfer of funds in this regard from time to time.

Reply of the Government

Ministry of Panchayati Raj has been trying to ensure that States adhere to the timeline of 15 days for crediting the Twelfth Finance Commission's grants released by Ministry of Finance to the State's account. In this regard, Ministry is of the view that the latest technology of core banking solutions available with the banks can be of great help. The matter was reviewed in the meeting of Review Committee

of MoPR for releasing & utilization of TFC grants held on 14/1/2008 under the Chairpersonship of Secretary (PR). The Committee was of the opinion that States must be pursued to identify Banks through which disbursement of TFC grants could be taken up, as the core banking system of Banks has been identified as the best solution for minimizing the procedural delays from the experience of the States of Haryana and Rajasthan.

However, the issue regarding transfer of TFC grants by the State Governments to Panchayats through banking channels came-up for discussion again in the meeting of Review Committee of Ministry of Panchayati Raj held on 25th June, 2008. The issue has also been reviewed in the 12th Meeting of the Secretaries/Principal Secretary of States held on 5th August, 2008. In the meeting it was clarified by the Ministry of Finance that Government of India could not compel States for transfer of grants through banking channels alone. However, the Ministry of Finance was fully concerned with the recommendations of TFC to the effect that States have to mandatorily transfer the grants sanctioned by the Centre are released by State Governments to the PRIs and ULBs within 15 days of the same being credited to the State's account. Transfer of money through banking channel helps in better maintenance and monitoring of accounts and as such Ministry of Panchayati Raj would continue to advise the States and the Ministry of Finance (Department of Expenditure) to take recourse to banking channels for transfer of TFC grants to PRIs.

[Ministry of Panchayati Raj, O.M. No. G-20011/1/2008-Parl.
(Vol. III), Dated: 25.9.2008]

Recommendation (Serial No. 12, Para No. 3.55)

The Committee further note that the Twelfth Finance Commission has linked the release of grants to the certification by the Comptroller and Auditor General of India (CAG) and the CAG now exercises regular checks on the release of grants to PRIs by States. The CAG also reports to the Ministries of Finance and Panchayati Raj regularly in this respect. The Committee appreciate this initiative of the Ministry to include a role for the CAG in the certification of the utilisation of TFC funds and hope that this measure would go a long way in ensuring proper utilisation of TFC funds.

Reply of the Government

The guidelines for the release of Twelfth Finance Commission grants stipulate that the grants will be released in two equal instalments in

July and January and that these have to be mandatorily released to the PRIs within 15 days of the funds being credited to the State's account by the Centre and the payment of interest by the State Governments to the PRIs at the rate of equal to the RBI rate for any delay in the transfer of grants to PRIs. Chief Accountant General of the States now exercises regular checks on the release of the TFC grants to PRIs by States. The audit reports carried out by the Accountant General of States are being received in this Ministry through the Office of Comptroller and Auditor General of India (CAG). The observations made by the Audit are being forwarded to State Secretaries (PR) for their comments and the further corrective measure in this regard alongwith a copy to Secretary (Finance) of the concerned State and Finance Commission Division, Department of Expenditure, Ministry of Finance.

[Ministry of Panchayati Raj, O.M. No. G-20011/1/2008-Parl.
(Vol. III), Dated: 25.9.2008]

Recommendation (Serial No. 13, Para No. 3.56)

From the data provided by the Ministry on the allocation of TFC funds during 2005-06, 2006-07 and 2007-08 in different States it is seen that the States of Arunachal Pradesh, Jharkhand, Sikkim and Tripura have not received TFC funds. During 2006-07 and 2007-08 funds were not released to the States of Arunachal Pradesh, Assam, Jammu and Kashmir, Jharkhand, Nagaland, Meghalaya, Sikkim and Tripura. Various reasons like non-receipt of Utilization Certificates in the case of Arunachal Pradesh, Sikkim and Tripura, due to non-holding of election in Jharkhand, have been cited as the reasons for non release of TFC funds to these States. The Committee strongly recommend to pursue with the States for furnishing Utilization Certificates so that the PRIs are not deprived of the aforesaid benefits.

Reply of the Government

During the year 2007-08, 11 States *i.e.* Bihar, Chhattisgarh, Gujarat, Haryana, Himachal Pradesh, Kerala, Madhya Pradesh, Orissa, Rajasthan, Tamil Nadu and Uttar Pradesh have received both the instalments and four States *i.e.* Andhra Pradesh, Karnataka, Maharashtra, Nagaland and West Bengal have received only first instalment of TFC grants. A statement of release of TFC grants as on August, 2008 is enclosed at **Annexe-6**. Arunachal Pradesh, Sikkim & Tripura have received only first instalments of 2005-06. However, Sikkim has made the balance payment of interest as per TFC Guidelines and Ministry of Finance has released the 2nd instalment for the year 2005-06 to Sikkim on

26th August, 2008. Ministry of Panchayati Raj only monitors the release and utilization of Twelfth Finance Commission (TFC) Grants released to PRIs. However, the Ministry of Panchayati Raj regularly pursuing the State Governments to get issue solved at earliest so that further instalments are released. In this regard, recently letters dated 11th June and 22nd July, 2008 have been issued to the States which are not receiving their due installment(s) in time. The reasons put forward by the Ministry of Finance for non release of installments for 2005-06 to the States of Arunachal Pradesh, Tripura and Jharkhand are as follows:

Arunachal Pradesh—The first installment of Rs. 6.80 crore for the year 2005-06 was released by the Ministry of Finance *vide* sanction order dated 22/6/2006. Panchayati Raj Department of State Government has intimated *vide* letter dated 4/5/2008 that State Finance Department has not yet released the grants to Deptt. of Panchayati Raj for further release to PRIs. Due to non-release of 1st installment of 2005-06 of TFC grant to PRIs subsequent installments of TFC grants could not be released to the State.

Tripura—The first installment of Rs. 5.70 crore of TFC grants of 2005-06 was released by Ministry of Finance on 5/4/2006. The State Government further released it to PRIs. on 5.3.2007. As per para 6.4 of TFC Guidelines, "State Government should transfer interest at the rate equal to RBI Bank rate alongwith the grants." In this regard, Ministry of Finance has requested to the State Government to make the payment of interest for the delayed period to all PRIs at the rate of RBI. Moreover, MoPR has also requested to State Government to release the payment of interest to PRIs for the delayed period and forward the requisite information to MoF for release of subsequent installments. Details of release of interest to PRIs from the State Government is still awaited due to which the subsequent installments of TFC grants could not be released to State.

Jharkhand—TFC grants could not be released to Jharkhand due to non-holding of Panchayat elections in the State. The guidelines of TFC strictly state that grants will not be provided to a State (which is covered under Part IX of the Constitution) where elections for constituting these Panchayats have not been held for the period for which there were not elected Panchayats as per the provision of the Constitution.

Assam—Assam has now received the first installment of 2006-07. Further installments of grants could not be released to Assam due to non-receipt of details of release of earlier installment to PRIs & Utilization Certificate as per TFC Guidelines.

Meghalaya & Nagaland—Although grants for Rural Local Bodies are released to Meghalaya and Nagaland, these are not monitored by MoPR since there are no PRIs in these States.

Jammu & Kashmir—The State is also not monitored by MoPR because it is not covered in Part IX of the Constitution.

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(Vol. III), Dated: 25.9.2008]

Comments of the Committee

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

Recommendation (Serial No. 14, Para No. 3.57)

The Committee note that the TFC has recommended that PRIs should be encouraged to take over the assets relating to water supply and sanitation, utilization of grants for repairs/rejuvenation and meeting O&M costs. From the figures of utilization of TFC grants with respect to water supply and sanitation, the Committee find that only ten States have reported satisfactory utilization figures. The vast majority of States have reported lower utilization. The utilization with regard to maintenance of accounts and creation of database is very low. The maximum percentage with regard to maintenance of accounts is 24 per cent in the State of Madhya Pradesh and 30 per cent in case of creation of database in the State of Tripura. The Committee express serious concern at the dismal performance by the States in utilizing TFC funds. The Committee observe that the Twelfth Finance Commission had pledged Rs. 20,000 crore to Panchayats for increasing their financial resources. However, if the grants are not optimally used, the whole purpose is defeated. The Committee, therefore, recommend that the Ministry should take stringent measures to ensure that cent percent funds are utilized to get the intended results under the various sectors for which funds are meant.

Reply of the Government

Recommendations of the Committee have been noted. As per the recommendations of Twelfth Finance Commission, the PRIs should be encouraged to take over the assets relating to Water Supply and Sanitation and utilize the grants for repairs/rejuvenation and meeting the O&M costs. TFC has further felt it to be imperative that high priority need to be assigned to creation of database and maintenance of accounts at the grass root levels. In this connection it is stated that

Article 243J under the heading “Audit of Accounts of Panchayats” stipulates that “ The Legislature of State may, by law, make provisions with respect to the maintenance of accounts by the Panchayats and the auditing of such accounts.” Ministry of Panchayati Raj is trying its best that TFC grants should be utilized only for the purpose as per TFC Guidelines.

In regard to follow up of the Budget/Accounts/Audit of PRIs, a meeting was held on 4th August, 2008 at C&AG Office and a Committee has been set up to prepare a simple format for Budget & Account for PRIs. The compositions of the Committee are as under:—

1. Shri Varesh Sinha, Principal Secretary, Panchayati Raj, Government of Gujarat—Chairman.
2. Shri R.Sidharan, Joint Secretary (State Plan), Planning Commission.
3. Shri T.R.Raghunandan, Joint Secretary, Ministry of Panchayati Raj.
4. Principal Secretary, Incharge Panchayati Raj, West Bengal/ Uttar Pradesh/ Andhra Pradesh.
5. Shri D.C.Mishra, Sr. Technical Director, NIC.
6. Shri Nand Kishore, Pr. Director(LB), O/o C&AG—Member Secretary.

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Comments of the Committee

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

Recommendation (Serial No. 15, Para No. 3.60)

‘The Panchayats Extension to Scheduled Areas Act (PESA), 1996’ is being implemented in areas falling under the Fifth Schedule of the Constitution. The Committee find that though all States have enacted the requisite compliance legislation by amending their respective Panchayati Raj Acts, 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 have been sent to the

respective State Governments. The Committee strongly recommend to the Ministry to follow up vigorously with the various State Governments to carry on the amendments to the various laws expeditiously so as to enable the implementation of amended Acts/ Laws in letter and spirit.

Reply of the Government

The directions of the Committee have been noted. The Ministry is following up the matter vigorously with all the PESA States for carrying out amendments to various laws so as to harmonize them with PESA Act. The matter has also been reviewed during the meeting of the Principal Secretaries/Secretaries of the States held on 05.08.08 under the Chairmanship of the Secretary, Ministry of Panchayati Raj. The Secretaries of the PESA States were impressed about the need to carry out the amendments expeditiously. In the meeting, the Ministry of Panchayati Raj advised the States to hold Needs Assessment Workshops for the Fifth Schedule areas states with a view to bring all the stakeholders together and come out with a strategy to implement the PESA provisions in letter and spirit. Accordingly, a one day workshop was held in Maharashtra on 22.08.08. The Ministry is also in touch with other PESA States for holding of the workshop. The State-wise position in this regard is as under:

- (a) **Andhra Pradesh**—Necessary Rules regarding reservation of seats and office of Chairperson of Gram Panchayat have already been framed. Rules relating to A.P Minor Mineral Concession Rules, 1996 have already been amended. As per Section 242I (1) (b) the Gram Sabha shall exercise such powers and perform such functions in such a manner and to such extent as may be prescribed in respect of Minor Forest Produce.
- (b) **Madhya Pradesh**—The adaptation of laws in Madhya Pradesh in the light of the PESA Act has been started with the amendment of five important laws, namely, the Panchayat Act, the Excise Act, the Land Revenue Code, the Mining and Minerals Rules and Gram Nyayalaya Adhiniyam (The Village Courts Act).
- (c) **Maharashtra**—The issue of Minor Forest produce has been covered in the amendment made *vide* Maharashtra Act No. XLV of 1997. Regarding powers to Gram Sabha with regard to alienation of land of the persons belonging to the Scheduled Tribes, this has been covered in the amendments

made *vide* Maharashtra Act No. XXVII of 2003. A one day Needs Assessment workshop was held in Maharashtra on 22.8.2008. A presentation on the provisions of the PESA Act was made by the Ministry of Panchayati Raj. The existing gaps in the effective implementation of PESA in Maharashtra were indicated. The subject laws of Maharashtra and provisions of the Bombay Village Panchayat Act and the Zilla Parishad and Panchayat Samiti Act requiring amendment to bring them in consonance with PESA were discussed in detail with the representatives from the respective departments.

- (d) **Rajasthan**—The State has amended the Rajasthan Land Revenue Act, 1956, the Rajasthan Money Lenders Act, 1963 and the Rajasthan Minor Mineral Concession Rules, 1986.

In the remaining five States namely, Orissa, Gujarat, Himachal Pradesh, Jharkhand and Chhattisgarh, the ILI report has been forwarded by the Panchayati Raj department to the concerned departments of the State Government for necessary action.

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Comments of the Committee

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

Recommendation (Serial No. 16, Para No. 4.16)

The Committee note that the major portion of the allocations of the Ministry is under the scheme Backward Region Grants Fund. The aforesaid scheme signifies a new approach in addressing persistent regional imbalances in development. Besides, participative planning by rural and urban local bodies constitutes the core of the approach to BRGF. The BRGF programme is being implemented in 250 districts in 27 States. As regards the position of utilization under BRGF during the year 2006-07, the allocation made for Rs. 3,750 crore at BE stage was reduced to Rs. 1,925 crore at RE stage. Again during the year 2007-08 the allocation of Rs. 4,670 crore at BE stage was reduced to Rs. 3,600 crore at RE stage. The data indicated by the Ministry reveal that the expenditure under the BRGF till 28 November, 2007 was only Rs. 1,248.96 crore. The Committee are of the opinion that the huge reduction in the outlay during the aforesaid two years in a row exhibits the lack of proper planning on the part of the Union Ministry on the

one hand and failure on the part of the State Governments to utilize funds on the other. The Committee strongly recommends that the Ministry should take all the initiatives so that the expenditure under BRGF is evenly spread out in each quarter so as to get the adequate allocation from the Planning Commission and avoid cut at RE stage.

Reply of the Government

In 2006-07, the allocations under the Backward Regions Grant Fund were reduced at the RE Stage as the programme was transferred to the Ministry of Panchayati Raj in August-September, 2006 and was only implemented in the period from September 06 to March 07.

In 2007-08, at RE Stage the amount was reduced to Rs. 3600 crore, in view of the perception that some of the implementation authorities would not be submitting district plans and capacity building plans for getting their entitlements under the BRGF. adherence to the process of participatory planning are central to the BRGF Programme Guidelines. Constitution of DPCs in accordance with Article 243ZD of the Constitution is a strict pre condition for the implementation of BRGF.

The funds under the BRGF are allocated for 27 States. Of these, 23 States are required to have DPCs. In respect of 4 other States, having BRGF districts that are fully outside the purview of Panchayati Raj, village and district level bodies, such as Autonomous Councils in Sixth Schedule areas are required to be either set up, or if set up, to be enabled to implement decentralized planning as envisaged in the BRGF Programme Guidelines. The absence of DPCs in 10 States and the absence of Village level mechanisms, or inadequate empowerment of District level implementation mechanism in other 4 States at the beginning of the Financial Year affected the drawal of funds prior to November, 2007. In addition, the slow pace of implementation of RSVY Programme also hampered the release of funds for BRGF in the districts covered under RSVY. The condition that RSVY must be completed before BRGF commences was relaxed by the Ministry during the year. This relaxation in the guideline, combined with vigorous efforts of the Ministry, resulted in the release of Rs. 2565 crore between November 2007 and March 2008 and the Ministry was able to release the entire amount of Rs. 3600 crore under the BRGF, fixed at RE Stage in 2007-08, by March 2008.

In order to ensure that the States submit their plans in a timely fashion and the expenditure under BRGF is evenly spread out in each quarter, the Ministry had released Rs. 10.00 lakh to each of the BRGF Districts in 2007-08 as advance development grant, for seeking technical

support for preparation of 5 Year Perspective and Annual District Plan 2008-09. While releasing this amount the Ministry had also issued special guidelines under BRGF for obtaining technical support. As per these guidelines the preparation of district 5 year perspective plan and the Annual Plan 2008-09 should have been completed by 30th April, 2008. Though States have responded to these guidelines and have engaged technical support institutions, nonetheless, very few States have so far submitted the district plans. The Ministry has arranged video conferences and meetings with the officials of State Governments and the implementing authorities for reviewing implementation of BRGF. Letters are also being addressed from the Union Minister of Panchayati Raj to CMs and from Secretary, Panchayati Raj to the Chief Secretaries of all the States for expediting the pace of implementation of BRGF. The Ministry also propose to organize district planning workshops in State Capitals for expediting the process of preparation of district plans. The Ministry is also taking up with the States to submit new capacity building plans and to utilize the amounts already received by them under the capacity building component of BRGF in previous years, so that funds under this component could be expeditiously released.

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Recommendation (Serial No. 17, Para No. 4.17)

The Committee note that the Rashtriya Sam Vikas Yojana was initiated in the year 2003-04 and is being implemented in 147 districts and the funding mechanism was that each district would receive a total amount of Rs. 45 crore in six installments of Rs. 7.5 crore each. Under this mechanism the scheme was, therefore, should have been completed by 2005-06. The Committee further note that the total allocation under RSVY funds for all 147 districts is Rs. 6624.30 crore out of which the Ministry has managed to disburse Rs. 5580.12 crore or about 84 per cent. However, the expenditure reported is only Rs. 4271.42 crore or 76.54 per cent. Out of 147 districts covered under RSVY, only 62 districts have drawn all six installments. The remaining districts have drawn the installments between 2 and 5. The Committee express serious concern over the spillover of the Scheme in most of the districts. The Committee, therefore, strongly recommend to analyse the specific reasons for the sorry state of affairs and inform the Committee accordingly. All the corrective actions should be taken so that all the districts get the prescribed outlay of Rs. 45 crore so that RSVY can be wound up since the Scheme has already been subsumed in the BRGF.

Reply of the Government

Under the RSVY component, as on 1/6/2008, the Ministry has sanctioned Rs. 5760.12 crore, *i.e.*, 86.95 per cent of Rs. 6624.30 crore, the total allocations under RSVY. So far 74 districts have received all the six RSVY installments, 67 districts have received four or five installments and only six districts have claimed less than four installments. The Ministry is vigorously pursuing with the States of Assam, Andhra Pradesh, Bihar, Gujarat, Jammu & Kashmir, Karnataka, Maharashtra, Orissa, Uttar Pradesh, Uttarakhand and West Bengal, for expediting utilization of funds already received and submission of new proposals for claiming the new installments. Pace of implementation has been slow in eighteen districts of Bihar which have not claimed more than four installments. The matter is constantly being pursued with the State Government.

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Recommendation (Serial No. 18, Para No. 4.18)

The Ministry has informed that it has planned to undertake an impact assessment study during the year 2008-09. The Committee strongly recommend to expedite the aforesaid impact assessment study so that the various shortcomings being faced in the implementation of the programme can be analysed and corrective actions taken accordingly.

Reply of the Government

Majority of releases under the development grant component of BRGF were made after October, 2007. The impact assessment studies in such cases are not due. At present the proposal of impact assessment study is at the conceptualization stage. However, the recommendations of the Committee have been noted for consideration.

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Recommendation (Serial No. 19, Para No. 4.22)

The Committee find that the Panchayat Empowerment & Accountability Incentive Scheme (PEAIS) is a Central Sector Scheme with 100 per cent Central funding. The Committee are of the view that this novel initiative, if implemented in its correct perspective will

yield immense benefits as it seeks to provide incentives to States that undertake reforms concerning Panchayati Raj. The Committee further find that States are ranked and allocations made on the basis of a 'devolution index' which has been developed by NCAER. The Committee also note that an evaluation of this Scheme has already been made by the NCAER. The Committee appreciate this initiative of the Ministry to entuse States to undertake reforms which will eventually pave the way for grassroots empowerment.

Reply of the Government

The views of the Committee have been noted for implementation of Panchayat Empowerment & Accountability Incentive Scheme (PEAIS) in correct perspective manner for yielding immense benefits in the reformation concerning Panchayati Raj. During 2007-08, thirteen States were provided incentives on the basis of ranking as per Devolution Index (DI) prepared by NCAER under this Scheme.

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Recommendation (Serial No. 20, Para No. 4.31)

The Committee find that the Rashtriya Gram Swaraj Yojana (RGSY) had initially seven components. However, since the Ministry of Finance did not agree to approve the umbrella scheme, it was decided that for 2007-08 and the remaining period of the Eleventh Plan, the RGSY would contain only the component Capacity Building and Training. The allocation during the year 2008-09 is Rs. 30 crore. As regards the achievement with regard to training of the elected representatives of PRIs and Panchayat functionaries, there is gross under achievement of targets during the year 2006-07 and 2007-08. During 2006-07, though no targets were fixed under the scheme, yet 16 States/Uts had proposed the training of 18,57,404 elected representatives of PRIs against this, a total of 1.71 lakh representatives received training. During the year 2007-08, a total of 4,52,032 representatives of PRIs were proposed to be trained. Against this, a total of 3.44 lakh representatives could be provided training. The total number of women representatives who received training was 70,654. The Committee express serious concern over the under achievement of targets with regard to training. The Committee strongly recommend that all the initiatives should be taken to ensure that fixed targets for training are achieved particularly when the training is the basic input for the capacity building of Panchayats.

The Committee further note that the evaluation of the Scheme was assigned to Santek Consultants Private Limited, Delhi and Council For Training & Research in Ecology and Environment (CTREE). The Santek Consultants Private Limited had undertaken the study in 12 States and Council For Training & Research in Ecology and Environment (CTREE) undertook evaluation in 11 States. The evaluation has pointed out various areas like the need for inclusive participative and interactive and composite mix of various interventions and avoidance in the duplication of funding etc. The Committee would like that all the suggestions made by the evaluation should be taken into consideration so as to make the training programme more effective.

Reply of the Government

The Committee has expressed their views about the under achievement of targets with regard to training. In this connection it is stated that imparting of training to elected representatives of Panchayati Raj Institutions (PRIs) rests with the State Governments. It is ongoing process for providing training to the elected representatives of PRIs and thereafter reporting of data to the Ministry of Panchayati Raj, Government of India. Now some more information about achievement of training to the elected representatives of PRIs have been received from the concerned State Governments for the years 2006-07 & 2007-08 and same have been compiled up to June, 2008. The latest achievements (up to June 2008) are 2.19 lakh and 3.51 lakh for the years 2006-07 and 2007-08 respectively. A total number of 3.51 lakh elected representatives of PRIs were trained against the proposed target of 4.52 lakh, which accounts 77.54% of achievement. Ministry of Panchayati Raj (MoPR) is making sincere efforts and pressing the concerned State Governments to achieve the set targets within the scheduled time frame, as the training is the basic input for capacity building of Panchayats.

Further the views of the Committee on the evaluation of the Scheme regarding need for inclusive, anticipative and interactive and composite mix of various interventions and avoidance in the duplication of funding etc. and the suggestions made by evaluators in their evaluation reports will be kept in view while processing the proposals during the current year to make the training programmes more effective.

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CHAPTER III

RECOMMENDATIONS WHICH THE COMMITTEE DO
NOT DESIRE TO PURSUE IN VIEW OF THE
GOVERNMENT'S REPLIES

—Nil—

CHAPTER IV

RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE GOVERNMENT

Recommendation (Serial No. 3, Para No. 3.10)

As regards the review of the annual plans 2007-08 and 2008-09, the Committee note that during the year 2007-08 Rs. 4,770 crore were allocated at BE stage. The outlay was further reduced by Rs. 1,070 crore at RE stage. The actual expenditure during the year 2007-08 has been indicated as 3,499.14 crore *i.e.* 95 per cent of the allocation made at RE Stage. Further during the year 2008-09, there is enhancement of Rs. 10 crore if compared to BE and Rs. 1,080 crore as compared to RE. The Committee find from the information provided by the Ministry that the cut at RE Stage during the year 2007-08 is mainly on account of not being able to spend the 66 per cent of the amount allocated to the Ministry under programmes by 31 December, 2007 as per the Cash Management Scheme of the Ministry of Finance. The Committee feel that the Ministry itself is responsible for the huge cut at RE Stage during the year 2007-08 and as such strongly recommend that all out efforts should be made to ensure the utilization as per the Cash Management Scheme in each quarter of the year so as to get the adequate allocation under the schemes of the Ministry.

Reply of the Government

- Out of the Rs. 3600 crore fixed at RE Stage in respect of BRGF, almost the entire amount, *i.e.*, Rs. 3599.99 crore was spent in 2007-08.
- By 31.12.2007, the Ministry had spent Rs. 2965.70 crore, *i.e.* 63.50 per cent of Rs. 4670 crore, the BE allocations for 2007-08.
- The pace of releases had been slow in the first two quarters.
- The non constitution of DPCs in six States had made them ineligible for claiming development grant and adversely affected the pace of releases.
- A decision was taken in November, 2007 to let the States draw both the RSVY and development grant entitlements concurrently which quickened the pace of releases.

For ensuring timely submission of annual district plan for 2008-09 and the 5 Year Perspective district plan, the Ministry had released Rs. 10.00 lakh as advance development grant to each of the 250 BRGF districts for seeking technical support towards preparation of these district plans. The Ministry is constantly taking up with the States through communications, meetings, workshops, video conferences, etc. for timely submission of proposals for claiming funds and submission of utilization certificates of the amounts already received by them in 2006-07 and 2008-09.

The projections made scheme-wise during each year of 2007-08 and 2008-09 are as under:—

Table 1. Allocations and Expenditure for Plan Schemes in 2007-08

(Rs. in crore)

Sl. No.	Scheme	Allocation		Expenditure
		(B.E.)	(R.E.)	
1.	Rashtriya Gram Swaraj Yojana	43.00	43.00	37.33
2.	Panchayat Empowerment and Accountability Incentive Scheme	10.00	10.00	10.00
3.	Media, Publicity and Advocacy	6.90	6.90	13.29
4.	Panchayat Mahila Evam Yuva Shakti Abhiyan	4.00	4.00	2.02
5.	Rural Business Hubs	2.00	2.00	2.00
6.	Action Research & Research Studies	2.00	2.00	3.00
7.	Secretariat Economic Services	7.00	7.00	6.47
8.	UN assisted Projects	5.00	5.00	5.00
9.	Contribution to Commonwealth Local Government Forum	0.10	0.10	0.04
10.	Backward Regions Grant Fund	4670.00	3600.00	3599.99
11.	Provision for North Eastern Regions	10.00	10.00	9.02
	Total	4770.00	3700.00	3688.16

**Table 2. Allocations and Expenditure for
Plan Schemes in 2008-09**

(Rs. in crore)

Sl. No.	Scheme	Allocation (B.E.)	Expenditure upto 15.9.2008
1.	Rashtriya Gram Swaraj Yojana	30.00	Nil
2.	Technical Support for Capacity Building and Training of functionaries of DPCs and Zilla Parishads	25.00	New Scheme
3.	Panchayat Empowerment and Accountability Incentive Scheme	10.00	Nil
4.	Media, Publicity and Advocacy	6.90	6.90
5.	Panchayat Mahila Evam Yuva Shakti Abhiyan	4.00	0.08
6.	Rural Business Hubs	2.00	0.58
7.	Action Research & Research Studies	2.00	0.92
8.	UN assisted Projects	5.00	Nil
9.	Contribution to Commonwealth Local Government Forum	0.10	Nil
10.	Mission Mode Project on e-Panchayats	5.00	Nil
11.	Management Cell	8.00	2.96
12.	Provision for North Eastern Regions	11.00	
11.	National Panchayat Fund	1.00	New Scheme
12.	Backward Regions Grant Fund	4670.00	561.55
	Grand Total	4780.00	572.99

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Comments of the Committee

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

Recommendation (Serial No. 4, Para No. 3.16)

The Committee note that the Ministry have proposed Rs. 15,789 crore for its schemes and programmes excluding BRGF, out of which only

Rs. 775 crore have been allocated during the Eleventh Plan period *i.e.* 2007-2012. The Committee note that the allocation provided is just 5 per cent of the proposed outlay. The Committee would like to be apprised of the projections made scheme-wise during each year of the Eleventh Plan so as to understand the position of such a low allocation made to the Ministry as compared to the proposed allocation and comment further in this regard. The Committee would also like to be apprised about the proposed and agreed to allocation under one of the major scheme of the Ministry *i.e.* BRGF during the Eleventh Plan period.

Reply of the Government

As the Ministry of Panchayati Raj was created in May, 2004, during the 10th Plan Period *i.e.* 2002-2007, there was no approved allocation for the full 10th Five Year Plan. Plan Allocations have been made for the Ministry on annual basis.

The projections made scheme-wise during each year of the Eleventh Plan are as under:—

Table 1. Allocations and Expenditure for Plan Schemes in 2007-08

(Rs. in crore)				
Sl. No.	Scheme	Allocation		Expenditure
		(B.E.)	(R.E.)	
1	2	3	4	5
1.	Rashtriya Gram Swaraj Yojana	43.00	43.00	37.33
2.	Panchayat Empowerment and Accountability Incentive Scheme	10.00	10.00	10.00
3.	Media, Publicity and Advocacy	6.90	6.90	13.29
4.	Panchayat Mahila Evam Yuva Shakti Abhiyan	4.00	4.00	2.02
5.	Rural Business Hubs	2.00	2.00	2.00
6.	Action Research & Research Studies	2.00	2.00	3.00
7.	Secretariat Economic Services	7.00	7.00	6.47

1	2	3	4	5
8.	UN assisted Projects	5.00	5.00	5.00
9.	Contribution to Commonwealth Local Government Forum	0.10	0.10	0.04
10.	Backward Regions Grant Fund	4670.00	3600.00	3599.99
11.	Provision for North Eastern Regions	10.00	10.00	9.02
	Total	4770.00	3700.00	3688.16

Table 2. Allocations and Expenditure for Plan Schemes in 2008-09

(Rs. in crore)

Sl. No.	Scheme	Allocation (B.E.)	Expenditure upto 15.9.2008
1.	Rashtriya Gram Swaraj Yojana	30.00	Nil
2.	Technical Support for Capacity Building and Training of functionaries of DPCs and Zilla Parishads	25.00	New Scheme
3.	Panchayat Empowerment and Accountability Incentive Scheme	10.00	Nil
4.	Media, Publicity and Advocacy	6.90	6.90
5.	Panchayat Mahila Evam Yuva Shakti Abhiyan	4.00	0.08
6.	Rural Business Hubs	2.00	0.58
7.	Action Research & Research Studies	2.00	0.92
8.	UN assisted Projects	5.00	Nil
9.	Contribution to Commonwealth Local Government Forum	0.10	Nil
10.	Mission Mode Project on e-Panchayats	5.00	Nil
11.	Management Cell	8.00	2.96
12.	Provision for North Eastern Regions	11.00	
13.	National Panchayat Fund	1.00	New Scheme
14.	Backward Regions Grant Fund	4670.00	561.55
	Grand Total	4780.00	572.99

The Backward Regions Grant Fund programme has been allocated a budget of Rs. 29100 crore during the Eleventh five year plan, (Rs. 25711 crore at 2006-07 prices) of which Rs. 5650 crore, being the allocations for the Bihar Package and the package for the KBK districts of Orissa will be implemented by the Planning Commission and the remaining allocation of Rs. 23450 crore is being implemented by the Ministry of Panchayati Raj. For the Ministry of Panchayati Raj, the annual allocations under the BRGF are Rs. 4690 crore during the Eleventh Plan. However, in the years 2007-08 and 2008-09, the Budget allocations under BRGF have been Rs. 4670 crore per year.

[Ministry of Panchayati Raj, O.M. No. G-20011/1/2008-Parl.
(Vol. III), Dated: 25.9.2008]

Comments of the Committee

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

Recommendation (Serial No. 21, Para No. 5.3)

The Committee observe that the Ministry has established a National Panchayat Fund with a token contribution of Rs. 1 crore to support a think tank for analysis and developing ideas and concepts for the promotion of Panchayati Raj in the country and extending support to Panchayats through sector specific schemes. Further the Committee find that this fund seeks to create assets of Panchayats through use of revolving funds by drawing loan based assistance. It intends to establish a corpus of Rs 100-250 crore with funding from external funding agencies such as NORAD, DANIDA, SIDA and World Bank. The Committee would like to know the details as to how the Ministry wishes to operationalise this scheme and what would be its thrust areas. Further the Committee would also like to be informed about the terms on which the international agencies would be forwarding funds and their specific role in the aforesaid programme.

Reply of the Government

In the Half Yearly Performance Review of Annual Plan (2007-08) of Ministry of Panchayati Raj held on 12.12.2007 under the Chairmanship of Member, Planning Commission, a decision was taken to set up a 'National Panchayat Fund' with funding from a consortium of external funding agencies of the order of Rs. 100-250 crore. There could be some support from the Plan Allocation. A token provision of Rs. 1.00 crore has been kept under the proposed scheme of 'National Panchayat Fund' in the Plan Budget for 2008-09.

Ministry of Finance (Department of Expenditure) has clarified *vide* O.M. No.220/US(M)/E-Coord./2008 dated 28.7.2008 that the introduction of new schemes/programmes in 2008-09 will be restricted to those that have been mentioned in the Budget Speech 2008-09 of the Finance Minister. No other new schemes/programmes will be introduced in the current financial year, even if budget provision has been made. The matter is under examination in the Ministry.

[Ministry of Panchayati Raj, O.M. No. G-20011/1/2008-Parl.
(Vol. III), Dated: 25.9.2008]

Comments of the Committee

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

Recommendation (Serial No. 22, Para No. 5.7)

The Committee find that the Ministry has introduced this Scheme with the intention of providing technical support for capacity building and training of functionaries of DPCs and Zilla Parishads. This is to be achieved by way of engaging professionals/trained personnel/consultants for preparation of District Plans and by providing specific training in the formulation of District plans to key PRI functionaries.

Reply of the Government

It has been clarified by Ministry of Finance (Department of Expenditure) *vide* O.M.No.220/US(M)/E-Coord./2008 dated 28.7.2008 that the introduction of new schemes/programmes will be restricted to those that have been mentioned in the Budget Speech 2008-09 of the Finance Minister. No other new schemes/programmes will be introduced in the current financial year, even if budget provision has been made. The proposed new Central Sector Scheme of "Technical Support for Capacity Building and Training of Functionaries of DPCs and Zilla Parishads" does not find mention in the FM's Budget Speech (2008-09). The matter is under examination in the Ministry.

[Ministry of Panchayati Raj, O.M. No. G-20011/1/2008-Parl.
(Vol. III), Dated: 25.9.2008]

Comments of the Committee

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

Recommendation (Serial No .23, Para No. 5.8)

The Committee are glad to note that the Ministry has evolved a specific scheme to address the issue of preparation of District Plans in keeping with the ideals of decentralization. They desire to be informed of the details of this scheme with specific reference to (a) the role of the professionals/trained personnel/consultants in the preparation of the District plans (b) the level of PRI functionaries who would be the recipients of the training (c) the mode and duration of training intended to be provided and (d) agencies involved in imparting training.

Reply of the Government

Replies to Para No. 5.7 may please be seen.

[Ministry of Panchayati Raj, O.M. No. G-20011/1/2008-Parl.
(Vol. III), Dated: 25.9.2008]

Comments of the Committee

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

Recommendation (Serial No. 24, Para No. 5.11)

The Committee note that the Mission mode on e-Panchayats has been launched with the objective to enhance the ability of the PRIs to automate their own functioning and bring about transparency in the implementation of various developmental programmes. Further the Committee note that the erstwhile Scheme of Information Technology which was a component of the Rashtriya Gram Swaraj Yojana during 2007-08 was separated from the RGSY and renamed Mission mode on e-Panchayats. The allocation for this Scheme during 2007-08 was Rs. 10 crore and the Ministry has not provided any utilization status.

Reply of the Government

The allocation for erstwhile Scheme of Information Technology (a component of RGSY during 2007-08) was Rs. 10.00 crore during 2007-08, which was separated from the RGSY and renamed as Mission Mode Project on e-Panchayats. Since the Scheme of e-Panchayats could not be finalized and approved during 2007-08, no funds were released to the State Governments under this Scheme.

[Ministry of Panchayati Raj, O.M. No. G-20011/1/2008-Parl.
(Vol. III), Dated: 25.9.2008]

Comments of the Committee

(Please *see* Paragraph No. 15 of Chapter-I of the Report)

CHAPTER V

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

Recommendation (Serial No. 25, Para No. 5.12)

The Committee are greatly concerned at the manner in which the Ministry is frequently altering its Schemes so soon after their introduction. The Committee note that the importance of IT in today's scenario is great and the Ministry should give due importance to it. Further the Ministry should indicate the achievements made under this Scheme during 2007-08.

Reply of the Government

The Information Technology was a Component of the Centrally Sponsored Scheme of Rashtriya Gram Swaraj Yojana (RGSY) which came into force during the year 2005-06. In 2005-06, 2006-07 and 2007-08, the Ministry of Panchayati Raj had a budgetary provision of Rs. 2.00 crore, Rs. 8.00 crore and Rs. 10.00 crore respectively under Information Technology Component which was not sufficient to meet the hardware requirements for computerization of all the Panchayati Raj Institutions in the country. Taking into consideration of the importance of IT in today's scenario the Ministry had decided to make Government services accessible to the common man in his locality, through common service delivery outlets and ensure efficiency, transparency & reliability of such services at affordable costs to realize the basic needs of the common man in the country as a whole. In order to meet this vision the Scheme of e-Governance for Panchayati Raj Institutions was formulated by this Ministry and this aspect was not possible to cover under the Component of Information Technology of RGSY. As a result, the Apex Committee on National e-Governance Plan (NeGP) under the Chairmanship of Cabinet Secretary had considered e-Governance for Panchayati Raj Institutions as one of the Mission Mode Project and had given in principle approval for the project. The Scheme is intended to cover all 234,676 Gram Panchayats, 6097 Block Panchayats and 537 Zila Panchayats in States and Union Territories where Part IX of the Constitution applies. The total cost of the project has been estimated to Rs. 6832.78 crore over a period of three years from the date of its commencement.

The computerization of all the Panchayati Raj Institutions in the country is a gigantic task. The data for computation both financial cum technological was required to be collected from multiple sources prior to the finalization of EFC Memo of the Scheme. This was a time consuming process demanding the incorporation of frequent changes at different intervals during preparation of EFC Memo of the Scheme.

During 2007-08, the Ministry of Panchayat Raj had not released any fund against the budgetary provision of Rs. 10.00 crore under Information Technology Component because the Ministry of Panchayati Raj was in the process of finalizing the Scheme of e-Governance of Panchayati Raj Institutions (PRIs). Now, the final draft EFC Memo of the Scheme has been circulated to the concerned Ministries/ Departments for seeking their views/comments. The comments have been received recently and are under examination.

[Ministry of Panchayati Raj, O.M. No. G-20011/1/2008-Parl.
(Vol. III), Dated: 25.9.2008]

NEW DELHI;
25 February, 2009

6 Phalgun, 1930 (Saka)

KALYAN SINGH,
Chairman,
Standing Committee on
Rural Development.

APPENDIX I

DEVOLUTION OF FUNCTIONS

Sl.No.	State	Transfer of matters listed in the Eleventh Schedule to the Panchayats through Legislation	Subjects Covered under Activity Mapping/State Government orders	Comments									
1	2	3	4	5									
1.	Andhra Pradesh*	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%; border-bottom: 1px solid black;">Zila Parishad</td> <td style="width: 15%; border-bottom: 1px solid black;">Mandal</td> <td style="width: 15%; border-bottom: 1px solid black;">Gram</td> <td style="width: 15%; border-bottom: 1px solid black;">Panchayat</td> <td style="width: 15%;"></td> </tr> <tr> <td style="text-align: center;">1</td> <td style="text-align: center;">23</td> <td style="text-align: center;">21</td> <td style="text-align: center;">21</td> <td></td> </tr> </table> <p>The State act also contains general provisions that enables it to entrust through rules, powers and functions relating to all matters in the Eleventh Schedule</p>	Zila Parishad	Mandal	Gram	Panchayat		1	23	21	21		<p>On the State Panchayati Raj Act: The AP Panchayat Raj Act has established the Panchayat system as a hierarchy, with the ZP at the top. Therefore, although only one clear original power relating to a matter listed in the Eleventh Schedule has been given to the ZP (to establish, maintain or expand secondary, vocational and industrial schools), it has also been given approval, coordination, planning and supervision powers over Mandals and powers to advise the Government.</p> <p>Comments on activity mapping: Government issued 9 Orders between January-March, 2008, devolving activities to the three levels of Panchayats as indicated.</p>
Zila Parishad	Mandal	Gram	Panchayat										
1	23	21	21										
2.	Assam*	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%; border-bottom: 1px solid black;">Zila Parishad</td> <td style="width: 15%; border-bottom: 1px solid black;">Anchalik Panchayat</td> <td style="width: 15%; border-bottom: 1px solid black;">Gaon Panchayat</td> <td style="width: 15%; border-bottom: 1px solid black;">ZP</td> <td style="width: 15%;"></td> </tr> <tr> <td style="text-align: center;">25</td> <td style="text-align: center;">27</td> <td style="text-align: center;">28</td> <td style="text-align: center;">21</td> <td style="text-align: center;">21</td> </tr> </table>	Zila Parishad	Anchalik Panchayat	Gaon Panchayat	ZP		25	27	28	21	21	<p>The State undertook an activity mapping exercise vide its Notification bearing number PDA 336/2001/PI-III/32 dated 25th June 2007.</p>
Zila Parishad	Anchalik Panchayat	Gaon Panchayat	ZP										
25	27	28	21	21									

1	2	3	4	5
		Zila Anchal Gram Parishad Samiti Panchayat		The Arunachal Pradesh Panchayat Raj Act, 1997 devolves all the 29 subjects, listed in the Eleventh Schedule, to at least one of the tiers of Panchayats in the State.
3.	Arunachal Pradesh**	25 28 28 28	***	***The executive order for devolution of 29 subjects of Activity Mapping was issued on 21st February, 2008 for devolution of 29 subjects covering 20 departments. There is overlap of some of the functions devolved to different tiers of Panchayats. The actual status of devolution of functions through executive orders/notifications is under examination in the Ministry.
		Zila Panchayat Gram Parishad Panchayat Samiti Panchayat	Zila Panchayat Gram Parishad Panchayat Samiti Panchayat	As per the Bihar Panchayati Raj Act, 2006, all the functions of the Eleventh Schedule have been devolved to either of the tiers of Panchayats.
4.	Bihar**	25 26 25 27	24 27	The State Government had issued executive orders in respect of 28 matters and only the subject "Technical training and vocational education has been excluded". The State propose to revisit the activity mapping aimed at greater devolution of functions, functionaries and funds to the Panchayat
5.	Chhattisgarh	29	27	The Activity Mapping has been prepared for 27 subjects excluding drinking water supply and forests. The executive orders with respect to operationalizing Activity Mapping are yet to be issued in Chhattisgarh.
		Zila Panchayat Village Panchayat		Out of 29 subjects to be devolved to Panchayats, 6 subjects have been transferred through legislation and 18 subjects have been covered under Activity Mapping. 18 matters are devolved to the Gram Panchayats while seven matters are devolved to the Zila Panchayats. There is an overlap in assignment of responsibility between the two tiers.
6.	Goa**	7	18	

1	2	3	4	5
7.	Gujarat**	15	19	Following the process of Activity Mapping in Gujarat, out of 29 matters listed in the 11th Schedule, 14 have been fully transferred, 5 matters have been partially transferred.
8.	Haryana*	<p>Zila Panchayat Gram Parishad samiti Panchayat</p> <p>Only advisory, supervision and coordination powers</p> <p>27</p> <p>25</p>	<p>ZP</p> <p>10</p>	<p>On the State Panchayati Raj Act: The Haryana Panchayat Raj Act has established the Panchayat system as a hierarchy, with the ZP at the top. It states, inter alia that ZP shall advise, supervise and co-ordinate the functions of the Panchayat Samitis in the district.</p> <p>On Activity Mapping: In February 2006, an activity mapping was released by the Government through which activities of 10 departments, namely, Irrigation, Food and Supplies, Education, Public Health Department, Women and Child Development, Social Justice and Empowerment, Health Department, Animal husbandry, Agriculture, and Forest department. The ten departments cover ten matters listed in the Eleventh Schedule.</p>
9.	Himachal Pradesh*	<p>Zila Panchayat Gram Parishad Samiti Panchayat</p> <p>17</p> <p>16</p> <p>11</p>	<p>ZP</p> <p>22</p>	<p>On the State Panchayati Raj Act: In respect of ZPs and PSs, the Act gives specific powers to the General body and its Standing Committees. Both have been reckoned in the overall devolution to the body.</p> <p>On Activity Mapping: A general notification on devolution of functions issued for 15 department in July, 1996. However, only 8 of these have further issued notifications.</p>
10.	Jharkhand	<p>Zila Intermediate Panchayat Panchayat Panchayat</p> <p>27</p> <p>27</p> <p>27</p>	<p>ZP</p> <p>0</p>	<p>No elections held to Panchayats</p>

1	2	3	4	5
11.	Karnataka*	Zila Taluk Grama Panchayat Panchayat Panchayat	ZP TP GP	26 27 25 29 29 29
Activity Mapping has been completed in accordance with the recommendations of the GOI task force, in August 2003.				
12.	Kerala*	District Block Gram Panchayat Panchayat Panchayat	ZP TP GP	21 18 26 21 18 26
Activity mapping (Responsibility mapping) has been incorporated into the law through an amendment and matches legislative devolution. The responsibility mapping undertaken is now being revisited by the State.				
13.	Madhya Pradesh*	Zila Janpad Gram Parishad Panchayat Panchayat	ZP TP GP	7 17 8 25
On the State Panchayati Raj Act: The MP Act, apart from devolving powers and responsibilities to the three Panchayat levels, has also devolved 18 matters to Gram Sabhas.				
On activity mapping: Executive orders have been issued for 25 matters. The State is revisiting activity mapping.				
14.	Maharashtra**			28 28
Devolution in Maharashtra is derived from The Bombay Village Panchayats Act, 1958 and The Maharashtra Zila Parishads and Panchayat Samitis Act, 1961. Except the subject Non-Conventional Energy Sources, all other subjects of XIth Schedule are broadly covered in these legislations.				
It was reported that activities devolved to Panchayats are listed in the legislations itself.				
15.	Manipur**			29 16
The State Panchayati Raj Act of 1994 details the devolution of functions to the PRIs, all the subjects listed in Schedule 11 of the Constitution have been devolved to the PRIs. The Activity Mapping approved by the State Cabinet in September 2005 lists only 16 of these subjects.				

1	2	3	4	5
16.	Orissa*	Zila Panchayat Gram Parishad Samiti Panchayat	ZP PS GP	Activity Mapping document was issued in October 2005. Information on issue of orders by departments concerned in post 2005 period is not available.
		16 5 21	18 18 18	
17.	Punjab*	Zila Panchayat Gram Parishad Samiti Panchayat		Various notifications were issued by the State Government between 2003 and 2006 for devolving 13 subjects pertaining to 7 Departments.
		27 27 26	13	
18.	Rajasthan*	Zila Panchayat Gram Panchayat Samiti Panchayat		Executive Orders have been issued between 2001 and 2003 devolving subjects, however, these have been held in abeyance for one subject, i.e. roads, culverts, bridges, waterways and other means of communication. The State Government has revisited the issue and has finalized its report on activity mapping. A final decision is awaited. A study has been commissioned by Ministry of Panchayati Raj on the status of financial assignment to Panchayats.
		22 25 26	24	
19.	Sikkim*	Zila Gram Panchayat Panchayat	GP	Activity mapping completed and notified by the Government in November 2006. Executive orders have been issued for all 29 matters, a number of them for promotional activities.
		15 18 17	19	
20.	Tamil Nadu*	District Panchayat Gram Panchayat Union Panchayat	DP IP GP	On the State Panchayati Raj Act: There is no unequivocal mandate contained in The State PR Act regarding functional devolution. The act only enables the State Govt. to do so by official notification. Concrete and definite powers have been devolved in respect of 2, 15 and 13 matters in case of District Panchayat, Intermediate Panchayat and Gram Panchayat, respectively in the Act.
		2 11 13	29 29 29	

1	2	3	4	5
				On Activity Mapping: The Govt. had issued orders for devolution of functions pertaining to all 29 matters, but these are largely restricted to planning and promotional responsibilities.
21.	Tripura**	29	29	Activity Mapping was completed in 2005. This covers 29 subjects mentioned in the 11th Schedule of the Constitution and applies to 21 departments. The Government of Tripura has taken a decision to implement the Activity mapping in phases. Till now, Irrigation Schemes, Primary Schools, Institutions relating to WCD have been transferred to the Panchayats through executive orders.
22.	Uttar Pradesh**	Zila Panchayat Samiti	Gram Panchayat	The UP Panchayati Raj Act 1947 and the UP Kshetra Panchayats and Zila Panchayats Act, 1961 provide for devolution of functions.
		29	29	Functions relating to 12 departments have been transferred to Panchayats. Activity mapping is still under the consideration of the Government.
23.	Uttarakhand**	Zila Panchayat Samiti	Gram Panchayat	The UP Panchayati Raj Act 1947 and the UP Kshetra Panchayats and Zila Panchayats Act, 1961 providing for devolution of functions are applicable in the State as the State Legislation on Panchayati Raj is under preparation.
		29	29	The Activity Mapping of 11 departments related to 14 subjects was released in August 2005. However, the Government has not issued the necessary notifications to operationalize the Activity Mapping. Cabinet Sub-Committee has been constituted to consider the Activity Mapping and the outcome is awaited.

1	2	3	4	5
	Zila Parishad	Panchayat Samiti	Gram Panchayat	
24. West Bengal*	18	29	28	18

Govt. issued general orders in 1999 devolving all 29 subjects to the Panchayats. There is no report that specific Departmental orders were followed in this case. The Activity mapping completed in November 2005 covers 18 matters.

* Activity Mappings in respect of 14 States have been analysed in detail by the Ministry of Panchayati Raj and the result of the analysis is indicated in the Table. In respect of remaining States, the data on the Table is based on the reports sent by the State Governments.

** The devolution status in respect of these States has been drawn from the State of Panchayats Report 2007-08.

APPENDIX II

STATUS OF DEVOLUTION OF FINANCES

Devolution of functions needs to be followed by effective devolution of finances and financial powers. The next step in getting an effective financial system going is to ensure that financial devolution matches the Activity Mapping. The issue of effective devolution of finances was considered in the first Round Table of State Ministers of Panchayati Raj held at Kolkata in July 2004. Essentially, the resolutions were that in pursuance of the Constitutional obligation enjoined by Article-243I, the States and the Centre in the true spirit of fiscal federalism, should work together to strengthen the finances of the elected local bodies.

The essential step in strengthening the financial domain of Panchayats is to pattern the devolution of finances to Panchayats at all levels on Activity Mapping. In this direction, the First Round Table resolved that State Governments might attempt to prepare a road map, which will include, *inter-alia* following:

- (a) Devolution, tier-wise and based on activity mapping, of planning, budgeting and provisioning of finances;
- (b) Inclusion of a PRI component in the budget of each State/Central Government based on activity mapping;
- (c) Provision of progressively larger united funds, tier-wise, to the Panchayats by State/Central Governments;
- (d) A schedule, of time-frames within which State Finance Commissions should prepare their reports and submit recommendations for Action Taken Reports.

28 Steps to encourage PRIs to raise their own resources,

Creation of Panchayat Sector windows in the budgets of State Governments: In order to ensure that there is clarity in the determination of fund flows to Panchayats, it is essential that a Panchayat Sector budget Window be created in the budget of State Governments. This requirement can be met in two ways—first, each Department could create separate line items in their budgets for Panchayats, earmarking allocations pertaining to responsibilities devolved and schemes entrusted to Panchayats. Departments can thus

directly send their funds to Panchayats in accordance with these earmarked budget line items. Alternatively all such earmarked funds pertaining to different departments could be consolidated by the Finance Departments and sent to Panchayats in regular installments. The system of creating a Panchayat Sector window in the budgets of States has been adopted by several States, namely, Karnataka, Kerala, Maharashtra, Gujarat, M.P., Chhattisgarh and Rajasthan. However, the efficacy of the system varies differently from State-to-State. The current status of States in respect of having a separate Panchayat sector window for channelising funds to Panchayats is given below. States can be divided into 4 categories based on the extent of mismatch between functional and fiscal devolution as follows:

Category 1:

States having a separate budget window for Panchayats, with funds devolved to Panchayats with relatively less mismatch (also, these are relatively better investigated States)

Sl. No.	State
1.	Kerala
2.	Karnataka

Category 2:

States with a separate budget window for Panchayats, but with degrees of mismatch between functional and financial devolution. In these States, Activity Mapping, as defined by the Ministry has also not happened, even though there are orders and legislative provisions devolving functions to Panchayats:

Sl. No.	State
1.	Chhattisgarh
2.	Maharashtra
3.	Rajasthan
4.	Madhya Pradesh
5.	Gujarat

Category 3:

States with no budget window for Panchayats. Funds are mostly devolved only in the budget of the Department of Panchayati Raj.

Though other departments might give money to the Panchayats, there is no budgetary classification system under which all such funds are placed in one document. Category 3 States may be divided into four sub-categories, as follows:

Category 3(a): State that expressed keenness to undertake a separation of Panchayat allocations into a separate budget window, including through the Statements of conclusions signed between the Union Minister for Panchayati Raj and the Chief Minister of the State concerned.

Sl. No.	State
1.	West Bengal
2.	Haryana
3.	Orissa
4.	Sikkim
5.	Andhra Pradesh
6.	Himachal Pradesh
7.	Assam

Category 3(b): States that are yet to take action in this regard:

Sl. No.	State
1.	Bihar
2.	Uttarakhand
3.	Tripura
4.	Goa
5.	Manipur
6.	Arunachal Pradesh
7.	Tamil Nadu
8.	Punjab
9.	Uttar Pradesh
10.	Jharkhand

APPENDIX III

STATUS OF DEVOLUTION OF FUNCTIONARIES AS REPORTED BY DIFFERENT STATES

Sl.No.	State	Devolution of Functionaries
1	2	3
1.	Andhra Pradesh	Only General staff given, departmental staff answer to departments
2.	Assam	Activity Mapping Notification issued by the state provides for devolution of functionaries matching to the devolution of functions to Panchayats
3.	Arunachal Pradesh	Only skeleton staff given
4.	Bihar	Only General staff given, departmental staff answer to department
5.	Chhattisgarh	Sahayak Gram Panchayat Adhikari, Gram Panchayat Adhikari, Clerical and Class IV cadres of Education Tribal Health and 7-8 other departments declared as dying cadres and new recruitment to these cadres is undertaken directly by the Panchayats. Chhattisgarh has been particularly successful in recruitment of new Shiksha Karmis at the level of the Janpad Panchayats. More than 30,000 teachers have been so recruited into local level cadres
6.	Goa	Village Panchayats can appoint employees other than Secretary or Gram Sevak using Panchayat funds. In ZPs, CEO and Adhyaksha of ZP have full control over ZP staff
7.	Gujarat	2.2 lakh employees devolved to Panchayats, mainly on deputation from State Govt. to Panchayat level post, covering 11 departments.

1	2	3
8.	Haryana	Activity mapping of Feb., 2006 devolves staff through deemed deputation in respect of 3 departments
9.	Himachal Pradesh	Staff is with State Govt. Panchayats are appointing authority for 6 types of employees of group C&D category. In addition, Panchayats can report on physical attendance in respect of 2 categories of people
10.	Jharkhand	No elections held to Panchayats
11.	Karnataka	Staff of departments for which functional devolution undertaken, devolved to Panchayats on deputation. GPs can appoint Panchayat staff, except Panchayat secretary. All transfers within the district done by committee headed by CEO of ZP.
12.	Kerala	Staff of 14 departments transferred to Panchayats, with disciplinary control and career review (through CRs) transferred to them
13.	Madhya Pradesh	All Class III village level functionaries converted into dying cadres and fresh recruitments undertaken by Panchayats. These include Panchayats secretaries, primary school teachers, Anganwadi workers etc.
14.	Maharashtra	All Group III and IV Panchayat level functionaries to be appointed by Zilla Panchayats. New amendment in 2003 brings all village level officials under the Village Panchayats.
15.	Manipur	Staff of the Government are posted to Panchayats and continue under the control and superintendence of the Government.
16.	Orissa	Officials of departments are to report to panchayats in respect of transferred schemes. Panchayats do not make any appointments of their own.

1	2	3
17.	Punjab	Seven departments propose to delegate powers of supervision to Panchayats. In health department, the powers of outsourcing the running of PHCs has been devolved to Panchayats. Recently in education department, powers of recruitment of teachers has been given to Panchayats.
18.	Rajasthan	Officials of 8 departments placed with each Panchayat through deputation from government
19.	Sikkim	Staff on deputation from the Government. Panchayat secretary elected by the members. Draft panchayati Raj service rules prepared by the State and is under examination by line departments.
20.	Tamil Nadu	At GP level, part-time clerks can be appointed by the Panchayat president. ZPs and Block Panchayats have no control over line department staff.
21.	Tripura	Staff in respect of 21 departments deputed to Panchayats from the Government, with Panchayats exercising powers of payment of salaries, grant of leave, writing of CRs and disciplinary action
22.	Uttar Pradesh	GPs have power of verification of attendance of all village level workers. Village level functionaries of some departments were transferred to Gram Panchayats in 1999, but they were subsequently withdrawn.
23.	Uttarakhand	In January 2005, executive orders were issued transferring powers of seeking information and supervision over employees of 14 departments to Panchayats.
24.	West Bengal	EO of the ZP made appointing authority for all posts except group D posts at GP level, for which EO of Panchayat Samiti is the appointing authority. This has been done by the WB Panchayat amendment Act 2006. Each GP has 6 sanctioned posts.

APPENDIX IV

POSITION ABOUT DEVOLUTION OF FUNDS, FUNCTIONS AND FUNCTIONARIES IN THE UNION TERRITORIES

Andaman & Nicobar Islands

The UT of Andaman and Nicobar Islands has a three-tier Panchayat system with 1 Zilla Parishad, 7 Panchayat Samities and 67 Gram Panchayats. The position about devolution of functions, functionaries and funds is as under.

Functions: In Andaman & Nicobar Islands, twenty nine subjects as listed in the 11th Schedule of the Constitution have been devolved to the three levels of Panchayats.

Functionaries: Various Departments have transferred functionaries to the three-tiers of the Panchayats. These functionaries are recruited by the UT Administration and are placed at the disposal of the Panchayats. Appointment, removal and transfer of the staff lie with the UT Administration. The Chief Executive Officer (Zilla Parishad), Executive Officer (Panchayat Samiti) and Secretary (Gram Panchayat) have the following controls over the staff transferred to the Panchayats:

1. Tour diaries, attendance and annual reports
2. To call for reports/returns
3. Distribution of work in accordance with their qualification, experience and expertise and in keeping with the needs of work at the level of the Panchayats.
4. To recommend leave
5. Prescribe field duties, approve tour programme etc.
6. Reporting on the performance of the staff to their authorities in respect of their performance of duties.

However, the Executive Officer and the CEO are controlled by the UT Administration rather than by the concerned Panchayat body heads *viz.* Pramukh and Adhyaksh of Panchayat Samiti and Zilla Parishad respectively. Salary is paid by the Panchayats out of the grants provided to them by the UT Administration in the form of grants-in-aid.

Funds: The tied and untied funds provided by Andaman & Nicobar Islands are utilized by the Panchayats with flexibility in case of untied funds. Untied funds are released in the ratio of 15:15:70 to Zilla Parishad, Panchayat Samiti and Gram Panchayat. Sectoral funds for Roads and Water are distributed in the ratio of 1/3rd of total provision to all the three-tiers.

Currently Panchayats in Andaman and Nicobar Islands do not impose or collect any taxes as their means of revenue. Grants-in-Aid released by the Administration are used for all the developmental activities, maintenance of created assets, infrastructure, office expenses etc. However, some of the Panchayats are able to generate own revenue through collecting rent on markets/shopping complexes etc. In such cases, the Administration provides matching grant in the ratio of 1:2 for the revenue generated by them. The funds are provided to the Three-tiers by the Administration in two installments on the basis of utilization of funds allotted to them during the previous year.

Chandigarh

The UT of Chandigarh has a three-tier Panchayat system. The position about devolution of functions, functionaries and funds is as under:

Functions, Functionaries and Funds: The UT had only 17 Gram Panchayats, 1 Panchayat Samiti and 1 Zilla Parishad. However, the agriculture activities in the villages are coming to an end with most of the village land being acquired by the Government or converted to housing plots to keep pace with the growing population. Moreover, the rural areas are shrinking day-by-day and the Chandigarh Administration has plans to include all the villages in the area of Municipal Corporation. Five major villages have already been included in the Municipal Corporation area recently. Now there are only 13 villages with 12 Gram panchayats in the UT. Hence, devolution of funds, functions and functionaries to Panchayats has not taken place and Activity Mapping has also not been done. However, schemes of Rural Development are being implemented through the Panchayats and funds for implementing these schemes are released to the Panchayats by drawing from the state exchequer and then the Panchayats utilize the funds by maintaining their own bank accounts.

Dadra and Nagar Haveli

The UT of Dadra and Nagar Haveli has a two-tier Panchayat system. Intermediate Panchayats were not constituted as the population

of the UT is less than 20 lakh. The position about devolution of functions, functionaries and funds is as under:

Functions: Activity mapping for devolution of functions, functionaries and funds was completed in 2004. Out of 29 subjects mentioned for devolution in Schedule XI of the Constitution, 20 subjects have been fully transferred and seven subjects have been partially transferred to Panchayats. Only two subjects have not been transferred but Panchayats have a consultative role in them. The UT has a two tier Panchayat system. All the functions have been devolved to the District Panchayat except 'Libraries' which has been devolved to the Gram Panchayats.

Functionaries: Panchayats in the UT do not have their own staff. The District Panchayat has submitted a requirement of 69 officials to the Union Government which is pending for approval. However, functionaries of 26 subjects listed in Schedule XI of the Constitution have been transferred to Panchayats in diverted capacity and are drawing their salary from the respective parent departments. These transferred officials are working under the administrative control of Panchayats but the power to take disciplinary action still lies with the respective parent departments. Panchayati Raj Administrative and technical service has not been established.

Funds: The UT does not have a Panchayat or District sector window. Funds are being transferred to Panchayats as grants-in-aid. Only Village Panchayats are empowered to collect taxes and also utilize completely. District Panchayats are not collecting any taxes as they are not empowered to do so. It has been reported that the tax collection by Village Panchayats is highly varied from as low as Rs. 10,000 to as high as Rs. 1 crore. During 2006-07, Panchayats have received Rs. 46.85 lakh as untied funds.

Daman and Diu

This is second smallest UT with only 1 district Panchayat and 14 Gram Panchayats. There are no Intermediate Panchayats. The position about devolution of functions, functionaries and funds is as under:

Functions: Although all the 29 matters listed in Schedule XI of the Constitution have been devolved to the District Panchayat through a Notification in July, 2006, Activity Mapping has been carried out for 18 subjects only. However, Gram Panchayats play only a nominal role in all the devolved functions.

Functionaries: As per orders notified in September, 2006, officials concerned from the departments responsible for implementation of schemes relating to the 29 matters have been transferred to the Zilla Parishad.

Funds: Matching with the devolution of functions to the district Panchayat, simultaneous devolution of finances for implementation at the Panchayat level has been carried out. A separate sector for District Panchayat has been carved out in the annual budget of UT which contains both plan and non-plan heads. In addition, the funds received under the central plan schemes concerning the 29 subjects of the 11th Schedule are also directly transferred to the District Panchayat for implementation.

Lakshadweep

The UT of Lakshadweep has a two-tier Panchayat system with 10 Gram Panchayats and 1 Zilla Parishad. Intermediate Panchayats were not constituted as the population of the UT is less than 20 lakh. The position about devolution of functions, functionaries and fund is as under:

Functions: Lakshadweep has transferred all the functions listed under 11th Schedule of the Constitution except those which are not applicable to the local realities of the island such as land improvement, minor irrigation, minor forest produce, fuel and fodder and markets and fairs. Panchayats had certain reservations about accepting the function of rural electrification and non-conventional energy sources has not been transferred to the Panchayats as UT Administration considered it to be technical in nature. Public Distribution system has also not been transferred to the Panchayats.

Functionaries: Although major departments have transferred implementation of schemes to Panchayats, only limited functionaries have been transferred to the Panchayats. The Cadre controlling authorities control matters like transfer and posting of these functionaries. Only administrative powers such as paying salaries, sanctioning of leave, employment registration etc. have been given to the Panchayats. Village Panchayats lack technical staff to carry out the devolved functions effectively.

Funds: The Finance Commission for the Andaman & Nicobar Islands was also the Finance Commission for the UT of Lakshadweep. The Second Finance Commission had submitted its report which is yet to be fully implemented. Although the Gram Panchayats and the

District Panchayat can levy certain taxes and fees but, currently, the revenue collection by way of taxation is meagre. Village Panchayats receive annual untied grants of five lakh rupees, which can be utilized only after Panchayats have submitted their plan for the same and the Director of Panchayats has approved the plan. The District Panchayat receives annual untied grant of Rs. 20 lakh, which can be spent only after the District Planning Committee, chaired by the Collector, approves the plan for the same. However, District Panchayat can spend up to Rs. 25,000 at their discretion from the tax revenue.

Puducherry

The UT of Puducherry has only two-tiers of Panchayats. There are 98 Village Panchayats and 10 Commune Panchayats which is the Intermediate level. There are no Distt. Panchayats. The position about devolution of functions, functionaries and funds is as under:

Functions: As per information provided by the UT Administration, out of 29 subjects listed in the 11th Schedule of the Constitution, 20 have been devolved to the Panchayats. 9 subjects which include Land improvement, Minor Forest Produce, Non Conventional Energy Sources, Poverty Alleviation Programmes, and Education including Primary and Secondary schools, Technical education, Welfare of weaker sections including SC/ST, Public Distribution System and Small scale industries have not been devolved. In respect of Activity Mapping, a Committee was constituted for (1) identification of activities under each of the 29 subjects (ii) specifications of inter-se roles of Village Panchayats and Commune Panchayats and (iii) making a study about the sharing of powers with the elected representatives of local bodies. The Committee elicited the opinion/views of all the heads of line Departments and the elected representatives of Panchayats. The Committee submitted its report to the Government on 14.02.2008 for placing it before the Council of Ministers for approval.

Functionaries: Devolution of functionaries is yet to take place and would be considered after the exercise of devolution of functions and activity mapping is completed.

Funds: A Panchayat Window has been opened in the Budget of the respective line departments and token provision has been made in the draft proposal for the year 2008-09. Third State Finance Commission has been constituted on 13.07.2007 and has submitted its report to the Government on 13.2.2008. The Panchayats have been given tied and untied funds under various schemes in the form of grants-in-aid.

APPENDIX V

**STATEMENT SHOWING DETAILS OF INTEREST PAID BY THE STATE GOVERNMENTS TO PRIs
(ON THE BASIS OF INFORMATION RECEIVED FROM MoF) AS ON AUGUST, 2008**

(Rupees in lakhs)

Name of the State	Delay in Days	2005-06		Delay in Days	2006-07		Rate of Interest %
		1st instalment	2nd instalment		1st instalment	2nd instalment	
Andhra Pradesh	37-41 (1st 15 (2nd)	185.23	- 54.79	-	-	-	6
Assam	330-338	263.00	-	-	-	-	5
Bihar	54	112.00	-	-	-	-	6.5
Chhattisgarh	51	63.69	-	-	-	-	6.5
Haryana	10	-	0.54	-	-	-	6
Karnataka	35	41.85	-	20	26.77	-	5.5
Madhya Pradesh	21	NA	-	56	127.57	-	6
Manipur	21	0.73	-	-	-	-	6
Punjab	123	23.36	-	48	51.13	-	5/6
Rajasthan	-	-	-	75	-	28.43	6
Sikkim	112	2.39	-	-	-	-	6
West Bengal	42	87.75	-	-	-	-	6
Total		779.60	55.33		205.47	28.43	

APPENDIX VI

STATEMENT SHOWING RELEASE OF GRANTS OF 12TH FINANCE COMMISSION AS ON AUGUST, 2008

State	2	3	4	2005-06		2006-07		2007-08		2008-09	
				Amount of one		Amount released		Amount released		Amount released	
				Total allocation	instalment (6 monthly)	1st instalment	2nd instalment	1st instalment	2nd instalment	1st instalment	2nd instalment
Andhra Pradesh	158700	15870	15870	15870	15870	15870	15870	15870			
Arunachal Pradesh	6800	680	680	0	0	0	0				
Assam	52600	5260	5260	5260	5260	0	0				
Bihar	162400	16240	16240	16240	16240	16240	16240	16240			
Chhattisgarh	61500	6150	6150	6150	6150	6150	6150	6150			6150
Goa	1800	180	180	#	#	#	77#				
Gujarat	93100	9310	9310	9310	9310	9310	9310	9310			
Haryana	38800	3880	3880	3880	3880	3880	3880	3880			3880
Himachal Pradesh	14700	1470	1470	1470	1470	1470	1470	1470			1470
Jammu and Kashmir	28100	2810	1760**	1762	1762	0	0				
Jharkhand	48200	4820	0	0	0	0	0				
Karnataka	8880	8880	8880	8880	8880	8880	8880	8880			

Rs. 463 lacs available with State Government as unutilised grant of 11th Finance Commission have seen adjusted against the amount due in these instalments.

* Including share of PRDs grants pertaining to hilly area amounting to Rs. 248.40 lacs.

** After deducting Rs. 1048.03 lacs being share of PRDs where elections have not been held.

1	2	3	4	5	6	7	8	9	10	11
Kerala	98500	9850	9850	9850	9850	9850	9850	9850	9850	
Madhya Pradesh	166300	16630	16630	16630	16630	16630	16630	16630	16630	
Maharashtra	198300	19830	19830	19830	19830	19830	19830	19830		
Manipur	4600	460	212*	212	212	212				
Meghalaya	5000	500	500	500	500	0				
Mizoram	2000	200	200	200	200	200				
Nagaland	4000	400	400	400	400	400	400			
Orissa	80300	8030	8030	8030	8030	8030	8030	8030	8030	
Punjab	32400	3240	3240	3240	3240	3240				
Rajasthan	123000	12300	12300	12300	12300	12300	12300	12300	12300	
Sikkim	1300	130	130	130	0	0				
Tamil Nadu	87000	8700	8700	8700	8700	8700	8700	8700	8700	
Tripura	5700	570	570	0	0	0				
U.P.	292800	29280	29280	29280	29280	29280	29280	29280	29280	
Uttaranchal	16200	1620	1620	1620	1620	1620				
West Bengal	127100	12710	12710	12710	12710	12710	12710	12710		
Total	2000000	200000	193884	192454	192324	184879	179530	121840	10030	
							Grand Total	1074941		

APPENDIX VII

COMMITTEE ON RURAL DEVELOPMENT

EXTRACTS OF MINUTES OF THE TWELFTH SITTING OF THE
COMMITTEE, HELD ON TUESDAY, THE 24 FEBRUARY, 2009.

The Committee sat from 1500 hrs. to 1600 hrs. in Committee Room
No. 139, First Floor, Parliament House Annexe, New Delhi.

PRESENT

Shri Kalyan Singh — *Chairman*

MEMBERS

Lok Sabha

2. Shri Mani Charenamei
3. Shri Hannan Mollah
4. Shri D. Narbula
5. Shri Neeraj Shekhar
6. Shrimati Jyotirmoyee Sikdar
7. Shri Chandramani Tripathi

Rajya Sabha

8. Shri Balihari Babu
9. Shrimati T. Ratna Bai
10. Shri Pyarelal Khandelwal
11. Dr. Chandan Mitra

SECRETARIAT

1. Shri P.K. Grover — *Joint Secretary*
2. Shrimati Sudesh Luthra — *Director*
3. Shri A.K. Shah — *Deputy Secretary*
4. Shri Vinod Gupta — *Under Secretary*

2. At the outset, the Hon'ble Chairman welcomed the members
to the sitting of the Committee.

*3. **

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4. The Committee then considered Memorandum No. 6 regarding the draft action taken report on the recommendations contained in Thirty-eighth report on 'Demands for Grants (2008-09) of the Ministry of Panchayati Raj' and adopted the aforesaid report without any modifications.

5. The Committee then authorised the Chairman to finalize the aforesaid draft Reports and present/lay the same to the respective Houses of Parliament.

The Committee then adjourned.

*Not related to the report.

APPENDIX VIII

[Vide Para 4 of the Introduction]

ANALYSIS OF THE ACTION TAKEN BY THE GOVERNMENT ON THE RECOMMENDATIONS CONTAINED IN THE THIRTY- EIGHTH REPORT OF THE STANDING COMMITTEE ON RURAL DEVELOPMENT (14TH LOK SABHA)

I. Total number of recommendations	25
II. Recommendations that have been accepted by the Government Para Nos: 2.5, 3.25, 3.26, 3.27, 3.38, 3.39, 3.53, 3.54, 3.55, 3.56, 3.57, 3.60, 4.16, 4.17, 4.18, 4.22 and 4.31	
Percentage to the total recommendations	72%
III. Recommendations which the Committee do not desire to pursue in view of the Government's replies NIL	
Percentage to the total recommendations	
IV. Recommendations in respect of which replies of the Government have not been accepted Para Nos. : 3.10, 3.16, 5.3, 5.7, 5.8 and 5.11	
Percentage to the total recommendations	24%
V. Recommendations in respect of which final replies of the Government are still awaited Para No. 5.12	
Percentage to the total recommendations	4%