

STANDING COMMITTEE ON RURAL DEVELOPMENT

(2010-2011)

22

FIFTEENTH LOK SABHA

MINISTRY OF PANCHAYATI RAJ

DEMANDS FOR GRANTS

(2011-2012)

TWENTY-SECOND REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

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(2010-2011)

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MINISTRY OF PANCHAYATI RAJ

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(2011-2012)

Presented to Lok Sabha on 26 August, 2011

Laid in Rajya Sabha on 26 August, 2011



**LOK SABHA SECRETARIAT
NEW DELHI**

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COMPOSITION OF THE STANDING COMMITTEE ON RURAL DEVELOPMENT (2010-2011)

Shrimati Sumitra Mahajan - *Chairperson*

MEMBERS

Lok Sabha

2. Shri Pulin Bihari Baske
3. Shri Kunvarjibhai Mohanbhai Bavalia
4. Shri Sanjay Dhotre
5. Shri Sandeep Dikshit
6. Shri Manikrao Hodlya Gavit
7. Shri H.D. Kumaraswamy
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Rajya Sabha

22. Shri Mani Shankar Aiyar
23. Shri Ganga Charan
24. Sardar Sukhdev Singh Dhindsa
25. Dr. Ram Prakash
26. Shri P.R. Rajan
27. Vacant*
28. Shrimati Maya Singh
29. Shri Mohan Singh
30. Miss Anusuiya Uikey
31. Dr. (Smt.) Kapila Vatsyayan

Secretariat

1. Shri Brahm Dutt - Joint Secretary
2. Shri A.K.Shah - Additional Director

* Vacant caused consequent upon the demise of Shri Arjun Singh, Mp, Rajya Sabha on 4 March, 2011.

INTRODUCTION

I, the Chairperson of the Standing Committee on Rural Development (2010-2011) having been authorized by the Committee to submit the Report on their behalf, present the Twenty-Second Report on Demands for Grants (2011-2012) of the Ministry of Panchayati Raj.

2. The Committee took evidence of the representatives of the Ministry of Panchayati Raj on 14 June, 2011.

3. The Draft Report was considered and adopted by the Committee at their sitting held on 18 August, 2011.

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

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

NEW DELHI;
24 August, 2011
2 Bhadra, 1933(Saka)

(SUMITRA MAHAJAN)
Chairperson,
Standing Committee on
Rural Development

List of Abbreviations and Acronyms

3Fs	Functions, Funds, and Functionaries
ACA	Additional Central Assistance
BPL	Below Poverty Line
BRGF	Backward Regions Grant Fund
CFC	Central Finance Commission
CLGF	Commonwealth Local Government Forum
CSS	Centrally Sponsored Scheme
DAVP	Directorate of Advertising and Visual Publicity
DPR	Detailed Project Report
DRDA	District Rural Development Agency
EAA	Extremist Affected Area
EAD	Extremist Affected District
EFC	Expenditure Finance Committee
FAQ	Frequently Asked Question
GA	Gateway Agency
GoM	Group of Ministers
GP	Gram Panchayat
HLC	High Level Committee
IAY	Indira Awas Yojana
ICT	Information and Communication Technology
IEC	Information, Education, and Communication
IT	Information Technology
LB	Local Body
MIS	Management Information System
MoPR	Ministry of Panchayati Raj
MoU	Memorandum of Understanding
NCAER	National Council of Applied Economic Research
NCBF	National Capacity Building Framework
NDC	National Development Council
NeGP	National e-Governance Plan
NIC	National Informatics Centre
NICSI	National Informatics Centre Services Inc.
NIRD	National Institute of Rural Development
NPP	National Panchayat Portal
NREGA	National Rural Employment Guarantee Act
NREGS	National Rural Employment Guarantee Scheme
O&M	Operations and maintenance
OBC	Other Backward Class
PEAIF	Panchayat Empowerment and Accountability Incentive Fund
PEAIS	Panchayat Empowerment and Accountability Incentive Scheme
PMEYSA	Panchayat Mahila Evam Yuva Shakti Abhiyan
PRI	Panchayati Raj Institution
PRIA Soft	PRI Accounting System Software
RBH	Rural Business Hub
RE	Revised Estimate

RGVY	Rajiv Gandhi Grameen Vidyutikaran Yojana
RGSY	Rashtriya Gram Swaraj Yojana
RLB	Rural Local Body
RSVY	Rashtriya Sam Vikas Yojana
RTI	Right to Information
SATCOM	Satellite-based Communication
SC	Scheduled Caste
SEC	State Election Commission
SFC	Standing Finance Committee
SIRD	State Institute of Rural Development
SSA	Sarva Shiksha Abhiyan
ST	Scheduled Tribe
TFC	Twelfth Finance Commission
TGS	Technical Guidance and Support
TSI	Technical Support Institution
ULB	Urban Local Body
UNCDF	United Nations Capital Development Fund
UNDP	United Nations Development Programme
UT	Union Territory

REPORT
PART I
NARRATION ANALYSIS

CHAPTER I

Goals and Objectives

The Constitution (73rd Amendment) Act, 1992 that came into effect in April 1993 brought about major reform in local governance in the country. The formation of a separate Ministry of Panchayati Raj (MoPR) in May 2004 at the Centre was aimed to give a major push to such reform. The Ministry was set up primarily to oversee the implementation of Part IX of the Constitution, inserted by the Constitution (73rd Amendment) Act, 1992, the Panchayats (Extension to the Scheduled Areas) Act, 1996 (PESA), and Article 243ZD of Part IX-A relating to District Planning Committees. Although the Panchayats have historically been an integral part of rural life in India, these Acts have institutionalised the Panchayati Raj Institutions (PRIs) at the village, intermediate, and district levels as the third tier of Government. The aim has been to combine social justice with effective local governance, with an emphasis on reservation of seats for the deprived classes of population, including of the leadership positions. With political empowerment having been fundamentally established through a system of regular election to the three tiers of the Panchayats in all the States, the task at hand has been to accelerate, widen, and deepen the process of empowerment so that these 'institutions of self government' become the 'principal authorities' for planning and implementation.

1.2 Article 243G read with the Eleventh Schedule of the Constitution stipulates that States may, by law, endow the Panchayats with such powers and authority as may be required to enable the latter to function as institutions of self-government. Such laws may also provide for the devolution of powers and responsibilities upon Panchayats for preparation of plans for economic development and social justice and implementation of the schemes for economic development and social justice as may be entrusted to them, including those in relation to the 29 matters listed in the Eleventh Schedule as illustrative of being devolved to Panchayats. The Ministry has also been pursuing with the States, through the Activity Mapping exercise, to devolve greater and effective powers and responsibilities to the PRIs.

To achieve the above mentioned objectives, the Ministry undertakes following schemes/activities: -

1. Backward Region Grant Fund (Additional Central Assistance to State Plan).
2. Rashtriya Gram Swaraj Yojana
 - (a) Training & Capacity Building
 - (b) Infrastructure Development
3. Mission Project on e-Panchayats
4. Panchayat Empowerment & Accountability Incentive Scheme
5. Media, Publicity & Advocacy
6. Action Research and Research Studies
7. Rural Business Hubs
8. Panchayat Mahila Evam Yuva Shakti Abhiyan
9. Implementation of UN Assisted Project
10. Commonwealth Local Government Forum

CHAPTER II

Status of the implementation of the recommendations made by the Committee in the Eighth Report under direction 73 A of the Directions by the Speaker, Lok Sabha.

1.3 As per the Direction 73 A of the Directions by the Speaker, Lok Sabha the Minister concerned shall make once in Six months "Statement in the House regarding the status of implementation of the recommendations contained in the Reports of DRSCs of Lok Sabha with regard to his Ministers.

1.4 The Sixth Report of the Standing Committee on Rural Development on Demands for Grants (2010-11) of the Ministry of Panchayati Raj was presented to Lok Sabha on 16 April, 2010. The Statement with regard to this Report had fallen due on 15 October 2010. However, the Statement on the said Report is yet to be made by the Minister for Panchayati Raj in Lok Sabha.

A. Demands for Grants (2011-2012) of the Ministry of Panchayati Raj – At a Glance

1.5 The Demands for Grants (2011-12) of the Ministry of Panchayati Raj (Demand No.70) were laid on the Table of the Lok Sabha on 14 March, 2011 has made a provision of Rs.5,250.65 crore with Plan component of Rs.5,250 crore and Non-Plan Component of Rs.0.65 crore. These were passed by Lok Sabha on 17 March, 2011. The proposed allocation for the schemes funded out of Plan funds for the year 2011-12 are as under:

(Rs. in crore)		
Sl. No.	Name of the Scheme	
1.	Backward Region Grant Fund (Additional Central Assistance to State Plan).	5050.00
2.	Rashtriya Gram Swaraj Yojana (a) Training & Capacity Building (b) Infrastructure Development	52.50* 21.00*
3.	Mission Project on e-Panchayats	36.00
4.	Panchayat Empowerment & Accountability Incentive Scheme	27.90
5.	North Eastern Region and Sikkim	20.00
6.	Management Cell	16.00
7.	Media, Publicity & Advocacy	13.50
8.	Panchayat Mahila Evam Yuva Shakti Abhiyan	2.70

9.	Rural Business Hubs	2.70*
10.	Action Research and Research Studies	2.70*
11.	UN Assisted Project	4.90
12.	Contribution to CLGF	0.10
Total		5250.00

Note = * 16.2% and 8.2% of the Central Plan funds have been earmarked against the relevant schemes for SCSP and TSP component respectively.

1.6 The Demands for Grants (2011-12) of the Ministry of Panchayati Raj in the in the context of performance of the Ministry during Eleventh Plan, Annual Plan (2011-12) and preparedness for the Twelfth Plan (2012-2017) together with Scheme-wise Analysis of important schemes and other related are discussed in succeeding paragraphs.

B. Five Year Plans

1) Eleventh Plan (2007-2012)

1.7 The year-wise proposed *vis-à-vis* allocated by the Planning Commission during the Eleventh Plan (2007-2012) has been as under:

(Rs. in crore)

Sl. No.	Year	Funds proposed by the Ministry of Panchayati Raj	Funds allocated by the Planning Commission
1.	2007-08	100.00	100.00
2.	2008-09	2987.56	110.00
3.	2009-10	720.00	110.00
4.	2010-11	452.00	120.00
5.	2011-12	2930.00	200.00

The Committee pointed out that there is huge gap between amount proposed *vis-à-vis* amount allocated particularly during 2008-09 and 2011-12. The Committee wanted to know the reasons therefor and areas for which higher funds were sought from the Planning Commission over the years, the Ministry of Panchayati Raj in a written note stated as under:-

“The higher amount sought for 2008-09 was mainly for the PEAIS. However, the Planning Commission had informed that increase in the plan outlay would not be

possible because of the constraint on the overall limit of GBS made available to the Planning Commission for the Annual Plan 2008-09 by the Finance Ministry.

For 2011-12, the Ministry had proposed significant enhancement in the allocation for the PEAIS (Rs. 1000 crore), Panchayat Ghars (Rs. 500 crore) and e-Panchayat (Rs. 800 crore) besides two new schemes for improving governance in Schedule-V and Extremism Affected Areas and Support to Planning Process at National, State, District and sub-district levels (Rs. 250 crore each). However, Planning Commission informed that as it is the last year of the Eleventh Plan, new schemes should be planned only for the 12th Plan period. In respect of the restructuring of the BRGF and launch of the RGPSA, Planning Commission informed that the proposal should be taken up only for the 12th Plan and based on the recommendations of the Working Group and the Steering Committee being set up by it.

1.8 Explaining the financial performance of the Ministry of Panchayati Raj under different schemes during the Eleventh Plan period, the Ministry of Panchayati Raj in a written note has given the following figures:-

Sl. No.	Name of the Scheme	Allocation during 11 th Five Year Plan (2007-12)	2007-2008 (B.E.)	2007-2008 (R.E.)	Financial Achievements (2007-08)	2008-2009 (B.E.)	2008-2009 (R.E.)	Financial Achievements (2008-09)	2009-2010 (B.E.)	2009-2010 (R.E.)	Financial Achievements upto 31.3.10	2010-2011 (B.E.)	2010-2011 (R.E.)	Financial Achievements upto 31.12.10	2011-2012 (Target)
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	15.	16.
1.	Rashtriya Gram Swaraj Yojana	623.65#	43.00	39.92	37.24	30.00*	41.85	41.84	39.00	38.00	38.22	43.00	43.00	43.00	73.50*
2.	Mission Project on e-Panchayats	-	10.00	0.01	-	5.00	5.00	5.00	20.60	19.67	19.67	21.60	21.60	0	36.00
3.	Action Research and Research Studies	-	2.00	3.00	3.00	2.00	3.00	2.98	2.70	2.70	1.31	2.70	2.70	-	2.70*
4.	Media, Publicity & Advocacy	-	6.90	17.99	13.53	6.90	18.90	17.20	6.20	7.20	7.85	7.20	7.20	7.10	13.50
5.	Rural Business Hubs	-	2.00	2.00	1.61	2.00	2.00	1.92	1.80	1.80	1.6	1.80	1.80	0.45	2.70*
6.	Panchayat Mahila Evam Yuva Shakti Abhiyan	-	4.00	4.00	2.02	4.00	4.00	4.00	3.60	2.60	2.20	2.70	2.70	0.38	2.70
7.	Panchayat Empowerment & Accountability Incentive Scheme	115.00	10.00	10.00	10.00	10.00	10.00	10.00	9.00	9.00	9.00	9.00	9.00	-	27.90
8.	Management Cell	7.00	7.00	10.48	8.87	8.00	9.15	7.70	11.00	12.93	10.83	15.00	15.00	10.34	16.00
9.	UN Assisted Project	43.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	4.90	4.90	-	4.90
10.	Contribution to CLGF	0.10	0.10	0.10	0.04	0.10	0.10	0.05	0.10	0.10	0.53	0.10	0.10	-	0.10
11.	North Eastern Region and Sikkim	87.62	10.00	10.00	10.00	11.00	11.00	8.30	11.00	11.00	10.33	12.00	12.00	7.8	20.00
12.	Backward Region Grant Fund (Additional Central Assistance to State Plan).	-	4670.00	3597.50	3597.50	4670.0	3890.00	3889.76	4670.00	3670.0	3669.99	5050.00	5050.00	4813.39	5050
13.	Technical Support for Capacity Building and Training of Functionaries of DPCs and Zila Parishads	-	-	-	-	25.00^	-	-	-	-	-	-	-	-	-
14.	National	-	-	-	-	1.00^	-	-	-	-	-	-	-	-	-

	Panchayat Fund														
Total		876.37	4770.00	3700.00	3688.81	4780.0	4000.00	3993.75	4780.00	3780.0	3776.35	5170.	5170.0	4882.46	5250.0

Rs. 623.65 crore has been allocated for the schemes from Sl. No. 1 to 6.

* 16.2% and 8.2% of the Central Plan funds have been earmarked against the relevant schemes for SCSP and TSP component respectively.

1.9 The unspent balances under different schemes of the Ministry of Panchayati Raj during last three years have been as under:

(Rs. in crore)

Name of the Scheme	Unspent balance up to 31.03.2009	Unspent balance up to 31.03.2010	Unspent balance up to 31.03.2011
BRGF	5042.30	4387.49	5975.99
RGSY	48.35	44.23	67.99
PEAIS	17.62	25.87	19.67
Media	0.21	0.21	0.06
AR & RS	2.98	1.46	1.25
e-panchayat	13.95	22.07	21.29
RBH	1.75	1.64	2.39
PMEYSA	4.40	2.70	3.23
Total	5131.56	4485.67	6091.87

1.10 Explaining the reasons for unspent balances, the MoPR stated as under

“It is submitted that the UC becomes due within 12 months of the closure of the financial year in which grant was released. In this way, the entire releases made during a financial year remain as unspent balance till UCs are received. Therefore, the unspent balance may increase. The amount of Rs.6091.87 is inclusive of Rs.5170.00 crore *i.e.*, BE/RE of 2010-11 and Rs.921.87 pertains to previous year.”

1.11 The Ministry of Panchayati Raj has also given the following details about reduction of funds during 2008-09 and 2009-10:

(Rs. in crore)

Year	BE	RE	Actual Expenditure	Amount reduction/cut w.r.t. BE
2008-2009	4780.50	4000.59	3993.75	787.43\$
2009-2010	4780.71	3780.71	3776.82	1003.59*

\$ The allocation for the scheme BRGF was reduced at RE stage by Rs.780 crore

* The allocation for the scheme BRGF was reduced at RE stage by Rs.1000 crore.

1.12 Regarding allocations of less funds, the Secretary, Panchayati Raj during the course of evidence also clarified:-

“Last to last year our expenditure was quite well. Suddenly we got a message from Ministry of Finance that your BRGF fund of Rs. 2000 crore is being cut. We were very much worried since there are demands of funds from States. We told them that you assess your requirement as per your Cash Management Scheme and to what extent we have fulfilled it. I do not know what were their constraints. They finally reduced it to Rs. 1000 crore. Therefore, it was not surrender. It was a unilateral cut. Since it is an inter-ministerial issue we will not discuss this issue at greater length.”

1.13 The Committee asked whether any funds have been surrendered so far during 2010-11, the Ministry of Panchayati Raj in a written note stated as under:

“A meagre amount of Rs.1.08 crore under various schemes (both Plan and Non-Plan) of MoPR excluding BRGF has been surrendered during the financial year 2010-11.

The entire allocation of Rs.5050 for BRGF for 2010-11 was released to the States. In addition, Planning Commission had used the BRGF window for releasing another amount of Rs.1500 crore for the Integrated Action Plan of 60 tribal and backward districts.”

1.14 The Ministry of Panchayati Raj has also given the following reasons for surrender of huge sum or reduction of funds in view of the less availability of funds allocation by Planning Commission, in a written note stating as under:

"In 2008-09 and 2009-10, the budget allocations for the BRGF at the RE Stage were reduced by Rs. 780 crore and Rs. 1000 crore, respectively, from the original allocation made at the BE Stage. The reasons for these reductions are as follows:

2008-09

- (a) The annual financial allocations of each district are fixed under the programme. Some districts/ States did not submit the annual plans as per the prescribed norms and/ or in time.
- (b) Some districts/ States indicated slow pace of implementation and consequent low utilization of funds received earlier.
- (c) Because of non-constitution of DPCs, the States of Gujarat, Maharashtra, Punjab and Uttarakhand could not claim their Development Grant allocations in 2008-09.

2009-10

- (i) Parliamentary elections were notified to be held in the country during May 2009. Therefore, the pace of receiving proposals and release of grants was slow during the first two quarters of 2009-10. However, from August onwards, the pace had picked up and the Ministry had achieved about 69 per cent expenditure against the BE allocation by 31-12-2009, which was in line with the fund flow expected under the Cash Management Scheme. Unfortunately, the Ministry of Finance still chose to reduce the allocation by Rs. 2000 crore, but restored it partially, after repeated references from MoPR, so that the final RE was less than the BE by Rs. 1000 crore. Due to shortage of funds towards the end of the Financial Year, several proposals of the districts/ States, amounting to about Rs. 500 crore, could not be financed in that year.
- (ii) Uttarakhand had not constituted the DPCs and, therefore, all the three districts of the State were ineligible for claiming development grant.
- (iii) Development Grant Proposals were not received in time from 6 districts of Assam and all the districts of Jammu & Kashmir. The Capacity Building Proposals were also not received from Haryana, Jharkhand, Maharashtra, Manipur, Tamil Nadu and Uttarakhand.
- (iv) The shortfall in expenditure on account of (ii) & (iii) above was of the order of Rs. 500 crore."

(ii) Annual Plan (2011-12)

1.15 Against the proposed amount of Rs.2930 crore for 2011-2012, the Planning Commission has allocated Rs.200 crore to the Ministry of Panchayati Raj. The Ministry of Panchayati Raj has informed that keeping in view the fewer funds available with the Planning Commission, they have allocated less amount.

1.16 The Committee wanted to know as to what extent the lower allocation will retard the works schemes taken up by the Ministry, the Ministry of Panchayati Raj in a written note stated as under:-

“The works on the schemes are already continuing but the proposed restructuring by the Ministry of the schemes (BRGF, RGSY etc.) may get delayed if the adequate funds are not made available.”

1.17 During the course of evidence of the representative of the Ministry of Panchayati Raj, Secretary (Panchayati Raj) also explained as under:

“...The issue is of two kinds. First due to non-reporting the States have not reported, we will treat it as unspent. Second is the amount which actually remains unspent. For instance last year allocation for BRGF was Rs. 5000 crore. Planning Commission formulated Integrated Action Plan (IAP) for Naxal affected areas and requested us that since they require Rs. 1500 crore for IAP, they informed to equip us with second supplementary. We as per wishes of the Planning Commission gave money for the BRGF to the tune of Rs. 1500 crore. But we got the amount in third Supplementary. In March end Rs. 1500 crore we sent to States. Therefore, these were not utilised.”

(iii) Preparedness for the Twelfth Plan (2012-2017)

1.18 For the Twelfth Plan (2012-2017) the Ministry of Panchayati Raj has restructuring of BRGF and implementation of Mission Project on e-Panchayats. Under restructuring of BRGF the Ministry of Panchayati Raj proposes enhancing Development Grant component under BRGF and also to extend the capacity building initiative to all the districts of the country by providing allocation of Rs.1 crore per annum per district and to converge other schemes of the Ministry so that local bodies would be provided with adequate infrastructure, manpower and proper training etc. Besides, the Ministry has empanelled Technical Support Institutions (TSIs) for each BRGF District for assisting the DPCs in preparation of District Perspective Plans District Annual Plans.

1.19 Similarly for Mission Project on e-Panchayats the Ministry aims computerization of Panchayats so that they are able to provide services to public in electronic mode. For these two applications PRIA Soft and Plan Plus have already been developed and are in various stages of implementation in different States.

1.20 On the issue of proposed restructuring of BRGF, the Committee wanted to know whether restructuring of BRGF has been approved by the Planning Commission, the Ministry of Panchayati Raj in a written note stated as under:-

“The Planning Commission has advised that the BRGF restructuring proposal may be considered in the Twelfth Five Year Plan (TFYP) after getting the reports of the Steering Committee and Working Group constituted for the TFYP.”

1.21 When asked about broad contours that are to be decided by the Planning Commission for BRGF, the Ministry of Panchayati Raj in a written note stated as under:

“The Planning Commission has constituted a Working Group on Area Programmes for the formulation of the Twelfth Five Year Plan (2012-2017). The Terms of Reference for the Working Group include the following:-

- (i) Suggest a blue print for restructuring BRGF (District Component) aimed at improving its performance in all respects.
- (ii) Examine whether BRGF, HADP/WGDP and BADP should continue during the Twelfth Plan and if so, in what form.
- (iii) Suggest the strategies, priorities and allocations for these programmes if they have to continue, along with changes in guidelines which may be required.
- (iv) Examine whether all the programmes which are aimed at area development should be put under one umbrella BRGF.

Make recommendations regarding the outlays of these programmes.

The Working Group is required to submit its report to the Planning Commission by 15th August 2011.”

1.22 The Road map (2011-17) for the Panchayats in the country brought out by the Ministry of Panchayati Raj has *inter-alia* brought out:

“..that the Twelfth Plan that coincides with time of the Road map would bring Panchayats at Centre-stage and achieve inclusive growth agenda through inclusive governance, as envisaged in the Eleventh Plan by giving greater role to Panchayats for effective use of huge outlay of Rs.1.7 laky crore under Centrally Sponsored Schemes (CSSs) alone for 2009-2010, institutionalizing their role in governance, planning, implementation etc, creating their own cadres including school teachers, wealth and sanitation works etc., acquiring administration support like Secretary, accountant, technical personnel etc. by pooling resources from all the schemes together, ensuring matching resources from States and ensuring their own resources.”

1.23 Explaining the issue of restructuring of BRGF, the Secretary and Panchayati Raj clarified:

“Madam, about restructuring of BRGF, we have given a proposal to Planning Commission in that we had recommended merger of BRGF, RGSY, e-Panchayat and PMEYSA and we have recommended that only two schemes should be retained. One is BRGF which should purely be for the purpose of development and for that we told them that Rs.10, 000 crore be given. There is a justification for it. In this connection, I want to inform you that Planning Commission had set up an Inter-Ministerial Talk Group in 2004. That Group has undertaken a study and found that 170 districts were backward and for each district Rs.4, 000 crore was the recommendation. Therefore, now our argument was that when in 2005 for 170 districts Rs.4, 000 crore per district was recommended. Now, since number of districts have increased and considerable time has also passed, therefore, you kindly do it at least Rs.10, 000 crore. Although, it is also very less, since regional backwardness has to be reduced, so lot of funds are needed it.”

1.24 The Committee also enquired about the difficulties which delayed a final decision on requirement of funds till Twelfth Plan, the Ministry of Panchayati Raj in a written note stated as under:-

“The Ministry had prepared a proposal and submitted it to the Ministry of Finance for obtaining the approval of the EFC, in August 2010. However, Planning Commission did not provide the required budgetary provisions for 2010-11 even at the RE stage. As regards 2011-12, the Planning Commission has advised that the proposal should be taken up only during the Twelfth Plan. Under the schemes namely Action Research & Research Studies and Media & Publicity no extra funds are required till Twelfth Plan.”

1.25 The Committee also enquired that this issue should have been settled during Eleventh Plan itself, the Ministry of Panchayati Raj in a written note clarified as under:-

“The Ministry has been of the opinion that the restructuring of BRGF, launching of the Rajiv Gandhi Panchayat Sashaktikaran Abhiyan and enhancement in the outlay for other schemes proposed by it deserved to be approved during the Eleventh Plan itself. However, Planning Commission advised in January 2011 that new scheme should be planned only for the Twelfth Plan.”

1.26 On being pointed out by the Committee that under proposed restructuring of BRGF, Capacity building component will be merged with RGSY programme alongwith the other two programmes of e-Panchayats and PMEYSA under Rajeev Gandhi Panchayat Sashaktikaran Abhiyan (RGPSA) throughout the country and BRGF will be left with Development Grant only with increased allocation, the Ministry stated:

“The BRGF restructuring proposal of the Ministry envisages the following:

- a. Converging the Capacity Building component of the BRGF with RGSY Programmes and merging two other Schemes namely, PMEYSA and e-Panchayat into it so as to create the Rajiv Gandhi Panchayat Sashaktikaran Abhiyan (RGPSA) for capacity building of the PRIs in the whole country on a common scale for augmenting Panchayat staff, Panchayat Ghars, Panchayat Accounting Functions, e-Governance in Panchayats, Training and related infrastructure and institutionalizing decentralized planning at National, State, District and Block levels; and
- b. Keeping the BRGF with only the Development Grant component for the identified backward regions, but with substantially enhanced allocations.

1.27 When asked about the extent to which development grant is to be enhanced for districts, the Ministry stated:

“The restructuring proposal envisages enhancement of BRGF Development Grant from Rs.4800 crore in 2011-12 to at least Rs. 10000 per annum in the Twelfth Five Year Plan. This would lead to enhancing the annual allocation of the individual districts, as per the approved formula.

Extending capacity building initiative of Rs. 1 crore per district per year would entail an expenditure of Rs.600 per annum for five years, which comes to Rs.3000 crore for a period of five years.”

1.28 The Committee also wanted to know whether the Ministry has consulted States before working on the proposed restructuring, the Ministry of Panchayati Raj in a written note stated as under:

“Though the proposal for restructuring that was drafted for consideration of the Expenditure Finance Committee was not formally referred to the State Governments, the issues contained in the same were discussed with the State Governments during various review meetings States have generally supported the proposals mooted by MoPR.”

1.29 The Committee enquired as to how the Ministry of Panchayati Raj plans to achieve the objective for actual empowerment of Panchayats during the period, the Ministry of Panchayati Raj in a written note informed:-

“Ministry of Panchayati Raj will continue to pursue the central Ministries/ Departments to provide roles and responsibilities in Centrally Sponsored Schemes/Additional Central Assistance as per detailed advisory issued on 19.01.2009.”

CHAPTER III

SCHEME-WISE ANALYSIS

(i) Backward Region Grant Funds

Objectives:

1.30 Backward Regions Grant Fund (BRGF) Programme earlier handled by the Planning Commission as Rashtriya Sam Vikas Yojana (RSVY) was transferred to the Ministry of Panchayati Raj in August, 2006. The RSVY was subsumed in BRGF in the year 2006. BRGF Programme is aimed at redressing regional imbalances in development, by providing financial resources for supplementing and converging existing developmental inflows into identified 250 districts, so as to, -

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

Funding pattern:

1.31 BRGF has two funding windows:

- (i) Capacity Building Fund of Rs.250 crore per annum i.e. Rs.1 crore per district.
- (ii) Development Grants in the form of untied funds.

1.32 Regarding distribution of funds for Development Grants, BRGF Guidelines stipulate that 'the substantially Untied Grants will be distributed among the districts concerned as follows:

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

- (c) The remaining 50 per cent will be distributed on the basis of the share of the area of the district in the total area of all backward districts.

(ii) Allocation vis-à-vis expenditure

1.33 Against the budgetary allocation of BRGF, the Status of Funds Released and Expenditure reported under the BRGF and the RSVY components, as on 31.03.2011, was as follows:

(Rs. in crore)

Year	BRGF			RSVY		
	Release	Expenditure Reported	Expenditure Pending	Funds Released	Expenditure Reported	Expenditure Pending
2006-07	106.74	106.74	0.00	1815.00	1672.86	142.14
2007-08	2617.99	2600.47	17.52	954.50	762.99	191.51
2008-09	3029.21	3012.80	16.40	860.50	484.16	376.34
2009-10	3534.96	3391.30	143.66	135.00	4.59	130.41
2010-11*	5050.00**	1586.38	3463.62	0.00	0.00	0.00
Total	14338.90	10697.69	3641.21	3765.00	2924.60	840.40

Note: This excludes Rs. 1500 crore released by the Ministry on the advice of the Planning Commission, towards Integrated Action Plan of 60 selected tribal and backward districts. The Planning Commission is monitoring this programme.

1.34 The Committee enquired about the expenditure position as on 31.04.2011, the Ministry of Panchayati Raj in a written note stated as under:

“As on 31.03.2011: Rs. 6550 crore which included Rs. 1500 crore released by the Ministry on the advice of the Planning Commission, towards Integrated Action Plan of 60 selected tribal and backward districts. The Planning Commission is monitoring this programme.”

1.35 The Committee wanted to know whether the present arrangement is working well or it needs revision, the Ministry of Panchayati Raj in a written note stated as under:

“The World Bank Evaluation of BRGF has reported that once the funds reach the local bodies, the same gets spent well and the quality of the works/schemes implemented is generally very good. However, the main problem is that States take weeks, and often even months, to release the grants to the implementing entities, mainly the Panchayats, municipalities and the SIRDs. The present arrangement needs major improvement in regard to reaching the funds to the implementing entities speedily from the State Governments.”

Unspent balances

1.36 Asked about the State-wise details of unspent balances as on 31.03.2011, the MoPR in a written note submitted the following details:

Unspent Balance as on 31.03.2011

Amount in Rs. Crore

Sl. No.	States	Capacity Building	RSVY	Development Grant	Total Unspent Balance
1	Andhra Pradesh	11.83	71.03	185.26	268.12
2	Arunachal Pradesh	2.90	8.69	15.70	27.29
3	Assam	9.90	11.82	142.99	164.71
4	Bihar	32.40	189.54	702.22	924.16
5	Chhattisgarh	13.42	11.33	185.90	210.65
6	Gujarat	5.43	30.37	69.84	105.64
7	Haryana	1.67	0.00	19.80	21.47
8	Himachal Pradesh	1.33	3.12	13.27	17.72
9	Jammu & Kashmir	9.00	28.85	45.63	83.48
10	Jharkhand	18.90	109.44	295.45	423.79
11	Karnataka	1.37	34.74	62.93	99.04
12	Kerala	1.98	12.62	21.36	35.96
13	Madhya Pradesh	15.73	0.24	311.96	327.93
14	Maharashtra	15.01	8.22	182.30	205.53
15	Manipur	2.70	0.00	29.99	32.69
16	Meghalaya	2.85	10.28	24.70	37.83
17	Mizoram	2.73	0.00	12.81	15.54
18	Nagaland	1.04	0.00	19.93	20.97
19	Orissa	30.35	5.54	251.32	287.21
20	Punjab	0.46	0.65	9.48	10.59
21	Rajasthan	10.08	3.40	193.57	207.05
22	Sikkim	0.36	0.31	8.49	9.16
23	Tamil Nadu	5.40	13.31	26.10	44.81
24	Tripura	0.56	4.66	3.93	9.15
25	Uttar Pradesh	34.56	220.06	301.45	556.07
26	Uttarakhand	2.45	24.16	37.66	64.27
27	West Bengal	5.07	31.89	227.70	264.66
Total		239.48	834.28	3401.73	4475.49

Note: The figures regarding unspent balances are based on the UCs and Expenditure Progress Reports. The actual unspent balance is much lower than indicated above, though the exact figures are not readily available due to delay in reporting of updated expenditure by the States.

1.37 The Committee pointed out that in the Outcome Budget (2011-12), the Ministry of Panchayati Raj has indicated that release depends upon the progress of submission of plans and physical implementation of BRGF by the State Governments. The Committee wanted to know whether MoPR has interacted with concerned State Governments for expeditious submission of utilization certificates, if so, whether any improvement has been forthcoming in this area, the MoPR in a written note stated as under:

“The Ministry has been interacting with the State Governments through periodic communications, meetings, and workshops. Consequently, the pace of implementation of the Programme has improved over the years and, during 2010-11, the entire budget allocation was released.

1.38 The Committee also wanted to know what ails the States in not submitting the pending Utilization Certificates, particularly, BRGF funds, the MoPR in a written note clarified:

“The States submit the UCs normally at the time of claiming the installments only. The Ministry has been advising the States to submit the Financial and Physical Progress Reports on a quarterly basis, but States find it difficult to do so apparently because large numbers of Local Bodies are involved in the reporting system. To resolve this problem, the Ministry has suggested to the States to adopt online Programme Management Software, namely, PlanPlus and PRIASOFT. In addition, the Ministry of Finance and Planning Commission have also decided to implement the Central Plan Scheme Monitoring System (CPSMS), for capturing online the progress of utilization of Central Plan Scheme funds, besides the releases which are already being mentioned. The Ministry has recommended to the Ministry of Finance to include BRGF on priority basis in implementation of CPSMS.”

1.39 The Committee wanted to know the experience with regard to releases on Capacity Building and Development Grants under BRGF, the Ministry of Panchayati Raj in a written note stated as under:

“While the pace/ level of releases under the Capacity Building and Development Grant components has shown improvement over the years, there are certain issues which, if resolved, would improve the programme implementation, such as:

- a. States need to release funds to the implementing entities more expeditiously.
- b. The role of DPCs needs to be mandated for all the schemes and not to a few schemes only such as the BRGF.

- c. The PRIs should be made aware of the resource envelopes available under various schemes applicable in their respective jurisdiction.”

1.40 The Committee further enquired as to how far the objectives of BRGF have been achieved by the Ministry during the last four years, since the scheme was handed over to the Ministry of Panchayati Raj in 2006-2007, the Ministry in a written note stated as under:

“The BRGF Grants that percolate to the tune of Rs. 2 to 3 lakh per Panchayat are too small to bridge all critical gaps in local infrastructure. However, the World Bank Mission on Evaluation of BRGF has commended the BRGF Grants as extremely useful to the PRIs and for the local areas.

The BRGF Programme insists on preparation of plans based on the local needs as emerged in the Gram/ Ward Sabha meetings and Panchayat/ Municipality resolutions and integration of local plans into the District Action Plan, consolidated by the DPC. The Programme has strengthened the local level governance and facilitated participatory planning.

The Ministry has facilitated technical support to the DPCs through Technical Support Institutions towards preparation of District Plans. The Plan Plus software has facilitated convergence of schemes, sectoral plans and resources.

The Planning Commission has undertaken a detailed evaluation of the BRGF Programme that will further assess the extent of achievement of the objectives of the Programme.”

1.41 During the course of evidence of the representatives of the Ministry of Panchayati Raj, the Committee wanted to know what kind of works can be undertaken with BRGF funds and how the procedure involved can be streamlined, the Secretary (PR) clarified:

“Madam, under the BRGF guidelines that have been framed with the concurrence of Planning Commission stipulate that planning from bottom to top, which means first of all Gram Panchayat has to formulate a Plan which has to be approved by Gram Sabha. In that Gram Panchayat can take up any number of schemes irrespective of their number. Only two works are prohibited, one welcome arch and two religious structure.”

1.42 The witnesses further informed:

“The Plan formulated by Gram Panchayat is consolidated at Block level and then at District level. Earlier it used to be approved at State level which we after some efforts have been done away with it. Now, only DPC approves it so that the centralisation has also gone.”

1.43 The Committee wanted to know about the process for inclusion of new districts under BRGF, the MoPR in a written note stated as under:

“The 250 districts, covered under the BRGF, were identified by the Planning Commission on the basis of the recommendations of an Inter-Ministerial Task Group, constituted for the purpose (2005). The Planning Commission has so far not agreed for inclusion of new districts under the BRGF in its present form.”

1.44 The Committee further wanted to know whether they have notified new districts in different States under BRGF, if so, what was the ground, the MoPR in a written note stated as under:

“No new district has been included in the list of 250 district notified under the BRGF in 2006-07. However, some States have carved out new districts from the existing BRGF district. In such cases, the carved out district shares the entitlement of the parent district.”

Infrastructure building

1.45 The Committee in their Sixth Report *inter-alia* highlighted the fact that as many as 57,743 Gram Panchayats in the country did not have Panchayat Ghars and accordingly recommended for drawing up a Plan for construction of Panchayat Ghars in the country by way of pooling up resources from different Centrally Sponsored Schemes. Consequently, the Ministry of Panchayati Raj impressed upon State Governments/Uts vide their Circular dated 21 January, 2010 which *inter-alia* advised the State Governments to use MGNREGA funds for construction of MGNREGA offices to be called as Bharat Nirman Rajeev Gandhi Sewa Kendras (BNRGSKs) since it is admissible under ‘permissible works’ under MGNREGA vide the said Circular sources of funding for such construction were advised as under:

- (i) For BRGF districts—material component may be met from BRGF and labour component from MGNREGA.
- (ii) For non-BRGF districts-MGNREGA would be main source and material component can be through RGSY.

The maximum expenditure under MGNREGA for BNRGSK at Block and Gram Panchayat level would be Rs.25 lakh and 10 lakh respectively.

1.46 In this connection, the Committee wanted to know States / UTs which do not have Panchayat Ghars of their own as on 31.05.2011, the MoPR in a written note stated as under:

STATUS OF PANCHAYAT GHARS IN GRAM PANCHAYATS (As on 31st May, 2011)

Sl. No.	State/UT	No. of GPs	No. of GPs having Panchayat Ghars	Satisfaction level in %	No. of GPs having no Panchayat Ghars	Share in All India Shortfall	No. of Panchayat Ghars under construction
1	Andhra Pradesh	21808	16571	76	5237	8.89	5237
2	Arunachal Pradesh	1779	1646	93	133	0.23	
3	Assam	2196	1574	72	622	1.06	
4	Bihar	8463	5328	63	3135	5.32	
5	Chhattisgarh	9734	9560	98	174	0.30	
6	Goa	189	182	96	7	0.01	
7	Gujarat	13735	13682	100	53	0.09	
8	Haryana	6155	2200	36	3955	6.71	
9	Himachal Pradesh	3243	3176	98	67	0.11	
10	Jammu & Kashmir	4128	2143	52	1985	3.37	
11	Jharkhand	4423	2007	45	2416	4.10	
12	Karnataka	5628	5256	93	372	0.63	
13	Kerala	978	977	100	1	0.00	1
14	Madhya Pradesh	23012	19378	84	3634	6.17	
15	Maharashtra	27920	22737	81	5183	8.80	
16	Manipur	165	103	62	62	0.11	62
17	Orissa	6234	5832	94	402	0.68	
18	Punjab	12800	5618	44	7182	12.19	
19	Rajasthan	9166	9041	99	125	0.21	
20	Sikkim	165	140	85	25	0.04	10
21	Tamil Nadu	12618	12618	100	0	0.00	
22	Tripura	1038	999	96	39	0.07	
23	Uttar Pradesh	51914	28984	56	22930	38.93	
24	Uttarakhand	7555	6522	86	1033	1.75	43
25	West Bengal	3351	3336	100	15	0.03	
26	A & N Islands	69	51	74	18	0.03	10
27	Chandigarh	17	17	100	0	0.00	
28	Dadra & Nagar Haveli	11	11	100	0	0.00	
29	Daman & Diu	14	14	100	0	0.00	
30	Lakshadweep	10	10	100	0	0.00	
31	Puducherry	98	98	100	0	0.00	
TOTAL		234661	175754	75	58907	100	5382

1.47 In reply to a question about the impact of 21 January, 2010 Circular, the Ministry of Panchayati Raj in a written note observed:

“It would be observed that many States such as Orissa, Rajasthan, Karnataka, Jharkhand and Gujarat have taken up construction of RGSKs in a big way.”

1.48 When asked by when Panchayat Ghars are likely to be constructed in all Panchayats in the country since required funds are already available, the MoPR clarified:

“As Panchayati Raj is State subject, the primary responsibility for construction of Panchayat Ghars rests with the State Governments. MoPR provides only supplementary financial assistance under BRGF and RGSY. The RGSY has an allocation of only Rs. 24 crore for the GP Ghars for 2011-12, which is insufficient for meeting the cost of GP Ghars for all Gram Panchayats which do not have Panchayat Ghars. Therefore, States have been advised to utilize the funds available under MGNREGS, State & Central Finance Commission Grants and States’ own resources to build Panchayat Ghars in all Panchayats by 31.03.2012.”

1.49 Enquired further whether the good work done by States like Gujarat, Kerala, Tamil Nadu and West Bengal where satisfaction level is 100 per cent has been taken to other States like Arunachal Pradesh, J&K, Meghalaya, Mizoram, Nagaland, Uttarakhand etc where Panchayat Ghars are yet to be built, the MoPR in a written note clarified:

“MoPR has decided to extend the benefits of the RGSY Scheme, towards training as well as GP Ghars, for the rural local bodies in the States not covered by Part-IX, which includes J&K, Meghalaya, Mizoram, and Nagaland. Uttarakhand has Panchayat Ghars in about 90% of GPs. Arunachal Pradesh has very small GPs in terms of population. All the same, MoPR has advised the State to prepare project proposals for construction of GP Ghars.”

Evaluation of BRGF

1.50 About evaluation of BRGF, the Committee pointed out that the Ministry of Panchayati Raj in their action taken reply to Sixth Report had informed about two assessments of BRGF scheme, one by World Bank and another by Ramachandran Committee under the Ministry of Panchayati Raj. Ramachandran Committee’s findings were sent to State Governments for action. The findings largely pertain to focus on capacity building of PRIs, identification of backwardness, emphasis on convergence, identification of Block as unit, e-Panchayats, renaming NIRD as National Institute of PR and RD etc. Regarding a further study by the Planning Commission viz Consultative Committee Evaluation cum Monitoring (CEMC) the Ministry has stated about Study by Planning Commission the Ministry has stated this Committee has met in July 2010 to discuss Terms of References (TOR) and institutions / agencies to conduct the evaluation are being identified.

1.51 On being asked about the action taken by the Ministry of Panchayati Raj on the expert's Reports, the MoPR stated in a note:

"The Ministry has taken the following actions in respect of the recommendations of the Ramachandran Committee:

- (i) The Ministry has vigorously followed up with the States and Nodal Authorities to implement the Capacity Building and Training (CB&T) programmes by the means of communications, meetings, regional workshops for achieving the target of covering all the elected representatives and functionaries of PRIs for at least one round of training every year. The Ministry has also pursued with the States to undertake Training Needs Assessment (TNA), formulation of action plans on the basis of TNA, implementation of action plans adequately, conducting periodic evaluation of CB&T programmes and taking corrective measures as a consequence to the evaluation exercises.
- (ii) The BRGF is at present implemented in 250 backward districts which were identified treating 'District' as the unit. The Ministry propose to adopt the 'Block' as the unit for identifying backward areas, which can be considered for implementation in the Twelfth Five Year Plan.
- (iii) For making the criteria for backwardness transparent and measurable so that apportionment of funds from the Centre to the Districts and from the District to the various PRIs and ULBs could be objective and transparent criteria, the Ministry has constituted an Inter-Ministerial Group, under the chairpersonship of Secretary, PR, that has deliberated on these issues. The IMG has also deliberated on the issue of adopting 'Block' as the unit for identifying backward areas and its report is expected to become available soon.
- (iv) In regard to the e-governance in the Panchayats, the Ministry has undertaken the exercise of developing 12 software applications that will ensure of convergence of schemes and resources and meet the requirements of the PRIs and the citizen. Out of 12, two applications, namely, Plan Plus (the decentralized planning tool) and PRIASoft (the accounting software for PRIs) have been adopted by most of the States. The Ministry has recommended to the Planning Commission to adopt these software applications for ensuring convergence among various schemes of the Government of India.
- (v) As regards renaming the NIRD as National Institute of PR and RD, the Ministry has taken up the matter with the Ministry of Rural Development."

(ii) Rashtriya Gram Swaraj Yojana:

1.52 The Rashtriya Gram Swaraj Yojana (RGSY) is a Centrally Sponsored Scheme being implemented by the Ministry of Panchayati Raj for the non-BRGF districts. The scheme focuses primarily on financial assistance to States/Uts for:

- (i) Development of training & capacity building of elected representatives and functionaries of Panchayats
- (ii) Development of training infrastructure for:
 - (a) Distance learning;
 - (b) Capital expenditure on establishment of Panchayat Recourse Centre/Training Institute at Divisional/District level;
 - (c) Panchayat Infrastructure for construction of Panchayat Ghars at Gram Panchayat level.

Funding Pattern

1.53 The Scheme is demand driven and funding pattern has been 75 per cent by Central Government and 25 per cent by State Government.

Financial Performance

1.54 The statement of financial performance of the Scheme during the last three years is as follows:

(Rs. in crore)

Year	BE	RE	Releases
2009-10	45	44.23	44.23
2010-11	50	72.70	72.70
2011-12	73.50		

1.55 Component wise break up of BE/ RE and releases during 2010-11 under RGSY is as under:

(Rs. in crore)

No.	Component	BE	RE	Releases
(i)	Training and capacity building	40.00	60.20	60.20
(ii)	Infrastructure Development	10.00	12.50	12.50
	Total	50.00	72.70	72.70

1.56 The Committee wanted to know whether allocation under RGSY is sufficient to meet the objectives of training capacity building and infrastructure needs of Panchayats of all non-BRGF districts, the Ministry of Panchayati Raj in a written reply stated as under:

“The budget allocation for the capacity building activities would need to be enhanced. MoPR had formulated the proposal for RGPSA, to provide enhanced financial support to the States. The proposal would be pursued for the 12th Plan period, as advised by the Planning Commission.”

1.57 Asked whether the present arrangement is working well or needs change, the Ministry in a written note stated that

“The present arrangement is, by and large, working well. However, it would be desirable to strengthen the institutional infrastructure for training and capacity building activities particularly at the State, district and block levels, for which the Ministry would be making suitable proposals for the 12th Plan.”

Unspent balance under RGSY

1.58 The Ministry of Panchayati Raj has given the following information about unspent balanced under RGSY as on 31.03.2011:

(TRAINING AND CAPACITY BUILDING COMPONENT)

							Rs. in lakh
Sl. No.	Name of the State/ Organisation	Opening balance as on 1.4.10	Release during 2010-11	Total available funds	Expenditure reported as on 31.03.11	Exp. As % of total available funds	Unspent Balance as on 31-03-2011
1	Andhra Pradesh	622	623	1245	983	79	262
2	Assam	384.6	100	484.6	384.6	79	100
3	Arunachal Pradesh	0	891	891	0	0	891
4	Bihar	328	0	328	0	0	328
5	Chhattisgarh	192	325	517	192	37	325
6	Gujarat	95	100	195	95	49	100
7	Goa	30.4	0	30.4	0	0	30
8	Haryana	168	0	168	168	100	0
9	Himachal Pradesh	801.76	243	1044.76	589.5	56	455
10	Jharkhand	15.92	0	15.92	9.29	58	7
11	Karnataka	239	127	366	366	100	0

12	Kerala	58.71	360	418.71	271	65	148
13	Madhya Pradesh	1131	1784	2915	1842	63	1073
14	Maharashtra	452	208	660	113	17	547
15	Manipur	210	0	210	209	100	1
16	Orissa	77.71	314	391.71	0	0	392
17	Punjab	0	357.39	357.39	0	0	357
18	Rajasthan	0	217	217	217	100	0
19	Sikkim	8.67	0	8.67	0	0	9
20	Tamil Nadu	236	0	236	236	100	0
21	Tripura	82	270	352	40.32	11	312
22	Uttarakhand	207	0	207	0	0	207
23	Uttar Pradesh	994	100	1094	994	91	100
24	West Bengal	189.98	0	189.98	160	84	30
25	Puducherry	1.58	0	1.58	0	0	2
26	M/S CRD Bhubaneshwar	377.32	0	377.32	197.18	52	180
27	M/S Vividh Vikas Samiti, Delhi	3.15	0	3.15	0	0	3
28	NIRD, Hyd.	11.08	0	11.08	6	54	5
	Total	6917	6020	12937	7072.89	55	5864

Training of functionaries of PRIs

1.59 Around 30 lakh elected representatives and 10 lakh official functionaries are required to be trained every year. Under RGSY scheme the target for coverage of functionaries of PRIs is indicated for the States which go for the elections for PRIs during a particular year. For that purpose the Ministry of Panchayati Raj has formulated a comprehensive framework for building the capacity of PRIs in the form of National Capacity Building Framework (NCBF) that inter-alia deals preparatory activities building up of training infrastructure, developing pool of resource persons, monitoring and evaluation efforts etc.

1.60 The Ministry in their Roadmap for Panchayats (2011-2017) document which deals with capacity building and training aspect has maintained that capacity building through training (CBT) efforts have generally continue to be intermittent and discontinuous with one-off training programme consisting of routine lectures by inadequately equipped resource person.

1.61 The number of elected representatives of Panchayati Raj Institutions (PRIs) proposed for training under RGSY Scheme during 2009-10 and 2010-11 were 9, 63,611 and 7, 40,922 respectively. State-wise position for these years is as under:

Sl. No.	State/UTs	2009-10	2010-11	2010-11	
				Women ERs	SC/ST/OBC ERs
1.	Andhra Pradesh	1,53,750	3,15,955	74,012	1,73,199
2.	Arunachal Pradesh	2,404	-	-	-
3.	Assam	19,632	10,612	400	263
4.	Chhattisgarh	157	49,758	25,371	45,674
5.	Goa	373	564	216	267
6.	Gujarat	-	50,013	5,615	3,371
7.	Haryana	-	39,408	13,590	21,521
8.	Himachal Pradesh	13,266	1,880	598	957
9.	Jharkhand	-	1,168		
10.	Karnataka	-	50,669	11,749	21,439
11.	Kerala	13,837	5,539	2,850	808
12.	Madhya Pradesh	5,231	1,59,784	74,120	1,23,787
13.	Maharashtra	10,292	33,792	6,480	8,473
14.	Manipur	2,596	8,397	2,283	540
15.	Orissa	15,422	44,682	7,493	15,248
16.	Puducherry	-	76	-	-
17.	Punjab	27,199	96,380	37,209	55,780
18.	Rajasthan	72,600	1,20,247	65,125	70,104
19.	Sikkim	311	-	-	-
20.	Tamil Nadu	2,841	31,810	7,207	10,801
21.	Tripura	-	9,562	2,055	3,937
22.	Uttarakhand	-	281	83	39
23.	West Bengal	5,114	5,874	-	-
	TOTAL	3,45,025	11,65,449	3,80,995	6,27,356

Note: Information from other States / UTs was not reported.

1.62 When asked about the targets for overall targets for training of elected representatives and Panchayat functionaries for 2009-10 and 2010-11 for both RGSY and BRGF districts, the Ministry of Panchayati Raj in a written note stated as under

“The MoPR has advised the States to achieve the target of at least one training programme for all the Elected Representatives and Functionaries of PRIs during 2010-11 and 2011-12.”

1.63 Explaining the steps taken for monitoring RGSY, the Ministry of Panchayati Raj in a written note explained that the following steps taken:

(a) Mid-Course Evaluation of the scheme:

In order to evaluate the impact of the Scheme, Ministry had commissioned a mid-course evaluation, which was conducted in 6 States of Andhra Pradesh, Assam, Madhya Pradesh, Orissa, Rajasthan and West Bengal, by M/s CTRAN. The Report of the evaluation has been received and being examined.

(b) Online Monitoring of Scheme through Monthly Progress Reporting System (MPReS and PlanPlus):

Web enabled software titled ‘Monthly Progress Reporting System’ (MPReS) has been made operational from 01-04-2010. This software enables the various Implementing Agencies of the programme such as the State Institutes of Rural Development, NGOs etc. to upload the monthly physical and financial progress under the scheme directly in the software so that the progress can be viewed / monitored by public at large as also the State Department of Panchayati Raj and MoPR. The Ministry has also introduced a more comprehensive online portal, PlanPlus, for uploading the Action Plans for Capacity Building & Training and the concomitant physical and financial progress.

(c) Conference on Information and Communication Technologies (ICT) in Computer Based Training (CB&T):

The Ministry is aware of the growing need of ICT based applications for use in the CB&T activities such as Computer Based Training (CBT) materials which could be operated on stand-alone systems and be also available on CDs, DVDs and the web, Synchronous Virtual Class Rooms via SWAN, NICNET, BSNL, RAILTEL, etc., E-books, a sub-portal of YouTube to upload training films and videos, Mobile Learning with Compact Digital Data Chips, Web

enabled SMS, using technology such as USHAHIDI and informal learning through web 2.0 based technologies such as the Solution Exchange. These issues were discussed in the Workshop at Hyderabad on 28-01-2011 and it has been proposed to convene a National Workshop / Buyer-Seller Meet on the subject where the technology / service providers and State Governments could interact with each other.

(d) Proposed Online Scheme Monitoring System:

In order to strengthen the accountability, transparency and implementation of the scheme of RGSY, it was proposed to introduce an online scheme monitoring system (SMS) with effect from 01-04-2011. The SMS would have features such as year-wise, State-wise report generation, instant uploading of sanctions issued, viewing of all sanctions since inception of the scheme, transfer of grants through RTGS etc. it is expected that the SMS would lead to better implementation of the scheme.

Unspent balances

1.64 The Ministry has given the following figures about unspent balances under RGSY in Infrastructure component:

(Rs. in lakh)							
Sl. No.	Name of the State/ Organisation	Opening balance as on 1.4.10	Release during 2010-11	Total available funds	Expenditure reported as on 31.12.09	Exp. As % of total available funds	Unspent Balance as on 31-03- 2011
1	Assam	722.34	0	722.34	310	43	412
2	Chhattisgarh	0	600	600	600	100	0
3	Gujarat	300	0	300	300	100	0
4	Orissa	492	0	492	418	85	74
5	Rajasthan	300	0	300	226	75	74
6	Karnataka	100	650	750	375	50	375
	Total	1914.34	1250	3164.34	2229	70	935

1.65 The Committee enquired whether MoPR has ever interacted different State Governments in regard to utilization of funds fully, the MoPR in a written reply stated:

“Ministry has been interacting with the States in this matter through letters and meetings. While States do make provisions for contributing their share, but, in several cases, a need for timely provisioning of State share in the State Budget has been felt. MoPR is constantly interacting with the States in the matter, which has led to improvement in the situation.”

Evaluation of RGSY

1.66 About evaluation of RGSY, the Committee drew the attention of MoPR over its action taken reply (Sept, 2010) to Sixth Report, Standing Committee on Rural Development, Lok Sabha stating about latest decision of the Ministry of Panchayati Raj to undertake a fresh evaluation of RGSY by CTRAN an expert agency of UNDP for capacity development in July 2010 and to complete it within 3 months. The Committee enquired whether the expert agency has submitted its report, if so, the details thereof, the MoPR in a written note stated as under:

“The Expert Agency M/s CTRAN has submitted its report. The evaluation of the programme was undertaken in 6 States viz. Assam, Andhra Pradesh, Madhya Pradesh, Orissa, Rajasthan and West Bengal.

The key findings and recommendations of the Evaluation Report are:

- (i) Outreach of Capacity Building training needs, improvement through collaboration with non-government bodies, academic institutions etc.
- (ii) A pool of trainers / resource persons should be developed at the States, Districts and Block levels.
- (iii) The SIRDs and ETCs need to be strengthened in terms of Human Resources.
- (iv) Training Needs Assessment of ERs and Functionaries should be carried out at regular intervals.
- (v) Exposure visits to beacon Panchayats should be made mandatory.
- (vi) Monitoring and supervision mechanism needs to be set up at MoPR, State and District levels. Ministry has pursued these recommendations with the States for implementation.”

(iii) Mission Project on e-Panchayats

1.67 Based on the Expert Group recommendations, the Ministry of Panchayati Raj has formulated a Mission Mode Project to be implemented under the National e-Governance Plan (NeGP) for computerization of all the Panchayati Raj Institutions in the country. Planning Commission has given '*in-principle*' approval to the Mission Mode Project (MMP) on e-Panchayats. This project is aimed at supporting all the State Governments for enabling Panchayats to make effective use of IT in the process of Planning at grass roots level, bring out transparency in the working of the PRIs and also help in increased accountability of these institutions. Additionally, it aims at internal computerization of Panchayat processes so that they are able to provide services to the public in electronic mode and help bridge the rural urban digital divide.

1.68 Accordingly, the Scheme "Mission Project on e-Panchayats" was formulated and necessary approval obtained for its implementation. A work order was placed with National Informatics Centre Services Inc.(NICSI) for executing the project on ISNA, BPR and preparation of DPR. The Information & Service Needs Assessment (ISNA) and Business Process Re-engineering (BPR) Reports in respect of 27 States have been received and are available on the website of the Ministry.

1.69 Under e-Panchayats scheme, Village and Block Panchayats are to be provided with Desktop computer, laser printer, scanner, web camera, pen drive and UPS etc. Latest hardware is proposed keeping in mind the present and future needs of the Panchayats. Twelve core common areas have been identified to build generic software that could be used by PRIs across states. Out of these two applications, viz., PRIA soft and Plan plus software have already been developed and are in various stages of implementation in different states.

1.70 When asked about the quantum of funds for implementing the e-Panchayats scheme, the Ministry of Panchayati Raj in a written note clarified:

"Based on the National DPR, Ministry of Panchayati Raj has estimated the cost of the scheme at approximately Rs. 6989 crore. It is proposed to utilize the grants under Central Finance Commission, BRGF – capacity building component, MGNREGA funds, etc. for implementation of this project."

Financial Performance

1.71 The statement of financial performance of the Scheme in respect of 11th Five Year Plan is as follows:

(Rs. in crore)

No.	Year	Budget Estimate (BE)	Revised Estimate (RE)	Financial achievements
1.	2007-08	10.00	0.01	--
2.	2008-09	5.00	5.00	5.00
3.	2009-10	20.60	19.67	19.67
4.	2010-11	21.60	21.60	0* (Up to 31 st December, 2010)
5.	2011-12	36.00		

1.72 When asked whether the alternative arrangement of funds have been envisaged by the Ministry to achieve objectives of the Scheme, the MoPR in a written note clarified that

“MoPR proposes to move the proposal for enhanced grants in the Twelfth Five Year Plan. Besides, the states had been advised vide letter 30th September, 2010 to fund the ICT infrastructure needs of the Panchayats through funds available under MGNREGS, 13th Finance Commission grants, BRGF grants and also through their own resources.”

1.73 The Committee also enquired the broad details about the Plan Plus and PRIA Software, the MoPR in a written note clarified:

“The broad details of PlanPlus and PRIA Software are as follows:

PlanPlus Software: PlanPlus is a web-based software designed to simplify and strengthen the decentralized planning process with local language interface available with appropriate authentication, facilitating generation of participative plans through interactive workflows among all participating agencies. The software enables intelligent convergence of funds from different schemes for a selected project work. The software also enables sectoral integration by stimulating the planner to think in terms of end-to-end projects rather than in terms of isolated islands of work.

The PlanPlus has the facility for co-opting works of a lower tier by a higher level thereby facilitating vertical integration. The software allows customizable workflows for the planning process, including modification, finalization and evaluation as per the local needs. It also generates various reports of the Plan including local government wise, sectoral, and scheme wise plans and variety of graphical reports to assist planners and

planning entities. It also has the feature to record the physical and financial progress of each work, including photographs, which can be viewed by the common man without the need for any id or password.

PRIASOFT: The Panchayati Raj Institutions (PRIs) are increasingly being entrusted with the planning and implementation of Central and State sector schemes and accordingly there has been substantial increase in the devolution of funds to the PRIs. The transfers under the 13th Finance Commission alone would be around three times the transfer under the 12th Finance Commission.

With a view to improving transparency and accountability in the working of PRIs and enhancing their credibility, they are being brought under the ambit of a simple but robust accounting system, namely, the Model Accounting System for Panchayats (MAS) developed jointly by MoPR and C&AG with the active involvement of many States and other stake holders. This would facilitate proper accounting and classification of their revenue and expenditure. Adoption of MAS has also been stipulated by the 13th Finance Commission as one of the performance grant conditions for the PRIs.

To facilitate maintenance of accounts under the new system, a simple and user friendly web-based software, namely, PRIASoft has been developed by MoPR. Once the Master Data is fed into the system, a few entries by the Panchayat staff, based on the receipt/payment and other vouchers, would generate on real time basis, the Cash Book, Receipt & Payment Account and all reports, registers & management information, on-line and would be available in the public domain and ensure transparency.”

1.74 The Committee further enquired about the reasons for showing zero financial achievements during 2010-2011, the MoPR in a written note stated as under:

“The financial achievement was indeed nil till 31.12.2010 as NICS I was yet to report the details of expenditure out of the amounts released earlier. However, as on 31.03.2011, the MoPR had utilized the entire budget allocation of Rs.21.60 crore making it 100% achievement against the budgetary allocation.”

1.75 The Committee also wanted to know how many Panchayats are using Plan Plus software in entire country, the MoPR in a written note stated that

“At present about 46,226 District/Block/Gram Panchayats are using PlanPlus software. State-wise information indicating the number of District/Block/Gram Panchayats using Plan Plus is given below:

State / Union Territory	No. of Persons Trained
Andaman and Nicobar Islands	0
Andhra Pradesh	807
Arunachal Pradesh	45
Assam	710
Bihar	1820
Chandigarh	0
Chhattisgarh	1303
Dadra and Nagar Haveli	0
Daman And Diu	0
Delhi	0
Goa	0
Gujarat	282
Haryana	44
Himachal Pradesh	68
Jammu And Kashmir	89
Jharkhand	348
Karnataka	284
Kerala	197
Lakshadweep	0
Madhya Pradesh	1263
Maharashtra	1351
Manipur	77
Meghalaya	212
Mizoram	93
Nagaland	144
Orissa	536
Pondicherry	0
Punjab	71
Rajasthan	463
Sikkim	77
Tamil Nadu	41
Tripura	153
Uttar Pradesh	1192
Uttarakhand	961
West Bengal	743
Total	13374

1.76 In reply to other query about the efforts being made by the Ministry for widespread use of Plan Plus software, the MoPR in a written note stated:

“The Ministry has conducted National and Regional Workshops for disseminating the concept and techniques of Plan Plus operations. The Ministry has also advised the States to conduct district-wise workshops. For addressing any query or operational problem, an online discussion portal has been launched. The Ministry has also taken up the matter with the Planning Commission for persuading other line Ministries for convergence of their schemes through the Plan Plus.”

1.77 The Committee also enquired as to how many Panchayats were using PRIASOFT Software for maintenance of Panchayats accounts, the MoPR replied:

“Seventeen States, namely, Assam, Andhra Pradesh, Arunachal Pradesh, Bihar, Chhattisgarh, Himachal Pradesh, Haryana, Jharkhand, Maharashtra, Madhya Pradesh, Orissa, Punjab, Rajasthan, Tripura, Uttar Pradesh, Uttarakhand and Sikkim have issued orders adopting PRIASoft for computerized maintenance of accounts under the Model Accounting System for Panchayats (MAS). At present, around 80,000 Gram Panchayats are using PRIASoft in 10 States. Remaining States are taking necessary preparatory steps to enable the PRI functionaries to start making use of PRIASoft.

Four States, namely, Gujarat, Kerala, West Bengal & Karnataka have different accounting systems and have developed their own softwares. However, they have agreed to make their system compatible with PRIASoft so that their reports are available on PRIASoft portal along with other States.

Tamil Nadu has not agreed to adopt Model Accounting System for Panchayats and PRIASoft. The remaining States and UTs have not yet indicated their plans to implement PRIASoft.

Initial focus for implementation of PRIASoft has been on the 28 States, keeping in view the need to comply with the 13th Finance Commission condition for drawl of performance grant component requiring all States to adopt the accounting framework consistent with the Model Accounting System for Panchayats (MAS) and since PRIASoft would facilitate this”.

1.78 The Committee pointed out that Gram Panchayats in 10 States (Andhra Pradesh, Arunachal Pradesh, Bihar, Chhattisgarh, Jammu & Kashmir, Jharkhand, Madhya Pradesh, Punjab, Uttar Pradesh and Uttarakhand) do not have any computers.

1.79 On being asked about reasons for unavailability of computers in any Panchayats in these States, the reasons for not having any computer in any Panchayat in all these States, the Ministry replied as under

“The situation has improved since then. However, many GPs still do not have computers, for which the main reasons are lack of availability of Panchayat staff and buildings. In many cases, lack of availability of funds is also a handicap. The states have been advised by MoPR to use funds available under 13th FC Grants, MGNREGS and BRGF scheme in addition to their own resources, for computerization of Panchayats.”

1.80 On being asked whether the Ministry or State Government concerned have provided any funds for computers to the Gram Panchayats during 2009-2010 and 2010-2011, the Ministry in a written note stated that

“In 2009-10 and 2010-11 no funds were released to the States for Computers under E-Panchayat Scheme of the Ministry, as it has no such provision. However, Many Panchayats still acquired computers under various sources of funding such as Central and State Finance Commission Grants and other sources. Information about funds provided by the State Governments in this regards is not available with the MoPR.”

1.81 On being asked about the target set for overall e-connectivity to all Gram Panchayats in the country under e-Panchayat Scheme, the Ministry in a written note stated

“ The e-Panchayat scheme aims at connectivity within three years of its launch.”

1.82 The Committee wanted to know how many Panchayats of different levels have been provided internet connections in the country till date, the MoPR in a written note submitted as under:

“ Karnataka and Kerala have provided internet connectivity to over 90% of the Village and Block Panchayats. Other States have much lesser coverage, though State-wise details are not available.”

1.83 The Committee also wanted to know alternative arrangements that have been envisaged and implemented by the Ministry for electricity to run computers in village Panchayat which are yet to be provided electricity connections, the MoPR in a written note submitted that

“...success of the Mission Project on e-Panchayats would depend on availability and trained manpower, ICT infrastructure etc. States have been advised to provide Solar Photo Voltaic Panels where there is no electricity and use Laptops and UPS with 7-8 hours backup where electricity supply is erratic. Some States such as Orissa have already implemented this advice.”

1.84 The Committee enquired about the experience with different States on these issues, the Ministry in a written note stated

“ States have shown a variety in their responses, particularly in the absence of a definite source of funding. Some States such as Gujarat, Karnataka, Kerala, Orissa and West Bengal have proceeded with provision of computers, software and even internet connectivity to a large number of Panchayats through alternative sources such as the Central and State Finance Commission Grants, State Government grants etc. Bihar has decided to proceed with availing the serviced of the CSCs. Most States, however, look forward to a specific source of funding.”

1.85 Asked about the difficulties, if any, in implementation of the Scheme, the MoPR in a written note stated as under

“ MoPR would like the Mission Mode e-Panchayat Project costing about Rs. 7,000 crore to be approved during the 12th Plan, so that all the Panchayats could be provided with the ICT infrastructure and operational wherewithal required to provide effective e-governance within a definite time frame of about 3 years.”

(iv) Panchayat Empowerment and Accountability Incentive Scheme (PEAIS)

1.86 This scheme was formulated with the objective to (a) incentivize States to empower the Panchayats, and (b) incentivize Panchayats to put in place accountability systems to make their functioning transparent and efficient, in order to accelerate the pace of empowerment of Panchayats as institutions of local self-Government in terms of Articles 243 G and 243H. Under this scheme, funds are released to the State Governments/UTs on 100 per cent grant basis, after assessing their devolution of the 3 Fs (Functions, Funds and Functionaries). It is expected to act as an incentive to the States for undertaking legislative and administrative measures for effective devolution of powers and functions to the PRIs. The Scheme is being implemented by 2005-2006.

1.87 The Financial performance under PEAIS during the last three year is as under:

(Rs. in crore)

Year	BE	RE	Actuals
2009-2010	8	9.00	9.00 (Up to 31.3.2010)
2010-2011	9	9.00	0.38 (Up to 31.12.2010)
2011-2012	31.00		

1.88 During the year 2009-2010, Kerala and Karnataka were given first prize (Rs.2.50 crore each), Tamil Nadu & West Bengal second prize (Rs.1.50 crore each) and Maharashtra, third prize (Rs.1.00 crore). Sikkim was given an award of Rs.1.00 crore as best performing North East State. Similarly, during 2010-11 following States were given incentive awards.

(Rs. in crore)

	State	Amount
First Prize	Kerala	3.0
Second Prize	Karnataka	2.0
North Eastern State & Third Prize	Sikkim	1.0
Fourth Prize	West Bengal	1.0

1.89 When asked about the target of the Ministry under the Scheme during 2011-2012 in view of the enhanced allocation of 27.90 crore, the Ministry in a written note informed:

“ Allocation for PEAIS for 2011-12 has been fixed at Rs.31 crore including Rs.3.1 crore for the North East. So far, under the PEAIS, States have been given incentive awards based on their ranking on the Devolution Index (DI) which measures the extent of devolution of 3 Fs by States to Panchayats which will be continued. In view of the enhanced allocation, in 2011-12 it is also proposed to incentivize Panchayats to put in place accountability systems to make their functioning efficient and transparent.”

1.90 On being asked whether the Ministry have any plan for incentivize individual PRIs for steps taken to enthuse transparency and accountability during 12th Five Year Plan, the Ministry in a written note informed:

“The incentivisation of individual Panchayats, which is being initiated in FY 2011-12 is proposed to be carried on during 12th Five Year Plan depending on the allocations made for this purpose. Under the scheme, Panchayats would be assessed on the basis of State level indicators which take into account Panchayat performance for better delivery of services, transparency and accountability.”

1.91 Explaining requirement for funds for making the functioning of Panchayats accountable, transparent and efficient as proposed by the Ministry, the Ministry in a written note informed:

“2.38 lakh, Gram Panchayats, 6312 Intermediate Panchayats and 580 District Panchayats across the country additional outlay of Rs.500 crore from 2010-11 and from 2011-12, Rs.1000 crore (Rs.500 crore for States and Rs.500 crore PRIs) is necessary. If necessary, MGNREGA fund could be appropriated for this purpose. “

1.92 The Committee also enquired whether the Ministry of Panchayati Raj has assessed the requirement of fund, the Ministry of Panchayati Raj in a written note clarified:

“Devolution of funds, functions and functionaries (3 Fs) to Panchayats has been uneven across the States. Hence, States need to be incentivized under the PEAIS. The current incentivisation amount of Rs. 10.00 crore per annum is highly inadequate. Incentivisation of well performing Panchayati Raj Institutions (PRIs) is also necessary by putting in place a system of their annual assessment, selecting best PRIs at each State and awarding them. There are around 2.4 lakh PRIs across the country. Considering the number of PRIs and with a view to making the incentive amount for States/UTs more attractive and encourage competition, it is necessary to increase the

quantum of awards to the States/UTs that rank high on the Devolution Index prepared through an independent agency each year and also award the PRIs that perform well based on a systematic performance assessment. This would also provide learning experience to those States/UTs and PRIs that do not perform well and facilitate them to perform better in succeeding years. Hence an amount of Rs. 1000 crore per annum (Rs. 500 crore for incentivizing States/UTs and Rs. 500 for incentivizing PRIs) was proposed.”

1.93 The Committee further wanted to know whether the Ministry had taken up the matter with Planning Commission, the Ministry of Panchayati Raj in a written note explained:

“MoPR had projected the above requirement of funds to the Planning Commission as part of Annual Plan, 2011-12. However, they have provided a sum of Rs. 31.00 crore for PEAIS in the annual Plan for 2011-12. Out of this, Rs. 10.00 crore has been earmarked for incentivizing States/UTs and Rs. 21.00 crore for incentivizing PRIs under the revised PEAIS.”

(v) Media, Publicity & Advocacy

1.94 This Scheme of the Ministry aims at better and effective communication through electronic and print media for advocacy and publicity regarding Panchayati Raj and its programmes which aim to build capacity within, and enhance the performance of Panchayats at all levels.

Financial Performance

1.95 The statement of financial performance of the Scheme during the last three years is as follows:

(Rs. in crore)

Year	BE	RE	Financial achievements
2009-10	6.20	7.20	7.85
2010-11	7.20	7.20	7.10 (up to 31 st December, 2010)
2011-12	13.50		

1.96 Regarding marginal increase in Revised Estimates during 2009-2010, the Ministry stated:

“ The period 2nd October 2009 to 2nd October 2010 was declared and observed as the “Year of the Gram Sabha”, and a comprehensive media campaign aimed at awareness generation at grassroots level was launched by the Ministry. An amount of Rs. 0.95 crore was re-appropriated from the Scheme “Action Research and Research Studies” to the Scheme “Media & Publicity’ during 2009–10.”

1.97 The Committee also enquired whether the Ministry provides assistance to States/ NGOs under the Scheme for awareness generation, the Ministry of Panchayati Raj in a written note clarified:

“ The Ministry implements the programme mainly through the Prasar Bharti (All India Radio and Doordarshan) and the Directorate of Advertising & Visual Publicity (DAVP) and selected empaneled non-government production houses for audio-video programmes. Financial assistance was provided to the Governments of Maharashtra and Punjab for carrying out an awareness generation campaign on “Gram Sabha” during the annual Palkhi Sohalas of Sant Dnyaneshwar Maharaj and Sant Tukaram Maharaj in Maharashtra during 2010–11 and conducting IEC activities during the Baisakhi Mela at Talwandi Sabo under Bathinda district in Punjab during 2011–12 (April 2011), respectively.”

1.98 The Committee also pointed out that the Ministry in their Outcome Budget (2011-12) have stated that it allows funding of innovative projects like development of community radio programmes, wall newspaper in Bihar, media hubs in Bhopal, etc. that promote the idea of Panchayati Raj. In this connection, the Committee enquired whether the Ministry have formulated any plan for nation-wide application of such innovative projects for wider awareness generation of benefits of Panchayati Raj, the Ministry of Panchayati Raj in a written note clarified:

“The Ministry proposes production and telecast of a 52 episode television serial on Panchayati Raj. The programme would be telecast from the National Channel of Doordarshan and the Regional Doordarshan Kendras. The Ministry also proposes to launch a bi-monthly Newsletter titled “Panchayati Raj” in Hindi, English and regional languages for its distribution up to Gram Panchayats level.”

(vi) Action Research and Research Studies Scheme

1.99 Action Research and Research Studies Scheme was formulated to guide the Ministry of Panchayati Raj in the formulation of appropriate policies and to identify and remove the gaps in the effective implementation of the provisions of Part IX of the Constitution. For this purpose, several thrust areas such as fiscal devolution, financial accountability, impact of training programmes, implementation of PESA, implementation of Right to Information, etc. have been identified. The reports of the research studies, as and when received, would be utilized for policy formulation by the Ministry of Panchayati Raj. This Scheme provides financial support to Academic Institutions/NGOs/ Research Organizations/ Registered Societies/ Non Profit Organizations/ SIRDs having specialized experience in research, evaluation in the areas of Panchayati Raj. Action Research proposals provides an in-depth analysis for long-term issues, impacts and experiences in Panchayati Raj across the country.

Financial Performance

1.100 The statement of financial performance of the Scheme during the last three years is as follows:

(Rs. in Crore)

Year	BE	RE	Financial achievements
2009-10	2.70	2.70	1.31
2010-11	2.70	2.70	Up to 31 st December, 2010
2011-12	2.70		

1.101 When asked about the reasons for low financial achievement of Rs.1.31 crore during financial year 2009-2010, the Ministry of Panchayati Raj in a written note clarified:

“ Under the scheme the total expenditure during the said year was to the tune of Rs. 1.61 crore and not Rs. 1.31 crore. Due to the shortage / non-receive of meaningful and substantial proposals on the themes identified by this Ministry, the total allocation was reduced from Rs 2.70 crore to Rs 1.75 crore (R.E). Actual Financial Achievement during the Financial Year 2009-2010 is as under:

(Rs. in crore)

Year	B.E.	R.E.	Achievement
2009-10	2.70.	1.75	1.61

1.102 When asked about the financial achievements under the Scheme during Five Year 2010-2011 as on 31.05.2011, the Ministry of Panchayati Raj in a written note clarified:

“ The financial achievement under the scheme of “Action Research & Research Studies” during the Year 2010-11 as on 31.05.2011 was as under:

(Rs. in crore)

Year	B.E.	R.E.	Achievement
2010-11	2.70	1.40	1.40
2011-12	2.70		0.03 (as on 31.5.2011)

Physical Performance

1.103 About physical performance of the Scheme, the Committee during the course of examination pointed out that 19 themes were identified and 37 organization/Institutions along with 27 SIRDs were shortlisted to conduct action research and research projects. Details of number of studies completed and those which are under way since 2004-05 are as follows:

Year	No. of studies sanctioned	No. of studies Completed	Studies still underway
2007-08	15	12	3
2008-09	10	7	3
2009-10	18	3	15
2010-11	6	---	6

1.104 The Committee wanted to know the reasons for non-completion of large number of sanctioned research studies in each year and Ministry of Panchayati Raj proposes to impose any time-limit for completion of research studies or not, , the Ministry of Panchayati Raj in a written note clarified:

“ Most of the studies during 2007-08 and 2008-09 were sanctioned at the end of the year, since the proposals were received late and the organizations took some time to revise their proposals as suggested to them by the Research Advisory Committee. Also, the duration of the research projects in most of the studies were around 15-18 months. During the years 2008-09 & 2009-10, it was decided that the Ministry will only sanction projects on the themes identified by the Ministry depending upon the needs arising out from the respective divisions of this Ministry. Accordingly bids were invited and projects were sanctioned.

The Ministry does impose a time line for the completion of a project depending upon the area of the work, the sample to be covered and the time line proposed by the concerned agency.”

1.105 In this connection, the Committee enquired about the steps taken for disbursement of funds for the research proposals which are not completed on time alongwith details organizations which have not completed funded research projects for the Ministry since 2007-08, the Ministry of Panchayati Raj in a written note clarified:

“The Ministry releases the funds in three installments *i.e.* 30:30:40. If an organization fails to adhere to the mile stones of time and intermediate outputs without adequate justification, the Ministry stops the subsequent installment until the agency rectifies the default. Besides, 5% of financial penalty per month from the expiry of the due date is imposed while releasing the last installment to the defaulting agency.

List of those defaulting agencies who have not submitted their final report till date (after the lapse of the sanctioned period) are as follows:

No.	Year of Project Sanction	Name of the Organization
1	2007-08	Jan Jagran Samiti, Almora
2	2008-09	Kerala Institute of Local Administration (KILA), Thrissur, Kerala
3	2009-10	Entrepreneurship Development Institute of India (EDII), Gandhinagar, Gujarat
4	2009-10	Samarthan, Centre for Development Studies, Bhopal

(vii) Rural Business Hubs

1.106 Rural Business Hubs Scheme as Panchayat Public Private Partnership is operational since September, 2007 with an objective to link rural producers with the markets so that rural India is not left out in the countries march towards development. The Ministry in their Outcome Budget have stated that the objective of the Scheme is to pilot a few RBHs in the selected districts by bringing the rural producers and the business partners under a transparent business relation facilitated by Panchayats. Aim of RBH is to:-

- (a) To provide technical support and marketing linkages to rural products/ producers;
- (b) To promote rural industrialization to diversify rural enterprises; and
- (c) To augment non-farm rural employment.

Financial Performance of the Scheme

1.107 The statement of financial performance of the Scheme in respect of 11th Five Year Plan is as follows:

(Rs. in crore)

Year	BE	RE	Financial achievements
2007-08	2.00	2.00	1.61
2008-09	2.00	2.00	1.92
2009-10	1.80	1.80	1.6
2010-11	1.80	1.80	0.45 (up to 31 st December, 2010)
2011-12	2.70		

1.108 The Committee wanted to know whether allocations under RBH Scheme are sufficient to meet the objectives outlined in the scheme and also whether allocations under RBH are according to Plan estimate of 11th Five Year Plan, the Ministry of Panchayati Raj furnished the following details:

“RBH Scheme is a demand driven Scheme. It has been felt that the Scheme has not been attractive enough and one of the reasons for the same appears to be the meagre financial assistance admissible under the Scheme. For this purpose, an evaluation of the Scheme was also got done with a view to consider its up-scaling. The details of the Plan allocations made for the Scheme from the year 2007-2008 onwards and the expenditure is approximately as follows:-

Year	Plan Allocation	Expenditure (Rs in crore)
2007-08	2.00	1.61
2008-09	2.00	1.92
2009-10	1.80	1.64
2010-11	1.80	0.86

1.109 The Committee enquired about the reasons for low expenditure level of Rs.0.45 crore out of Rs.1.80 crore during financial year 2010-11, the Ministry of Panchayati Raj furnished the following details:

“It is stated that the financial assistance for implementation of the schemes under RBH are provided only to those proposals which are found financially viable. Since only a few proposals were found financially viable, the expenditure was rather low.”

Physical Performance

1.110 The Committee pointed out that 35 districts were identified for conducting sensitization workshops by certain identified Gateway Agencies. The Committee pointed out that the Ministry in their Outcome Budget (2011-12) have stated that 35 districts have been identified as pilot districts for RBH initiative. Gateway agencies were identified for 35 districts and so far RBH workshops have been held and potential products identified in 29 of them. 239 MOUs have been signed on setting of RBHs across 19 States. On being asked about how many RBH projects have been operationalised in the country since and what is project status in each of 35 pilot districts identified for RBH initiative, the Ministry of Panchayati Raj in a written note informed that so far 35 agencies projects have been identified for implementation of RBHs in different States. Regarding funding of projects, the Ministry of Panchayati Raj has stated:

“As per the guidelines, the assistance for a project is provided in two installments against the total amount sanctioned for the project. Since the Scheme was launched in September 2007, only one installment for concerned proposals was released in that year. The

second installment is released only when the amount of the first installment is properly utilised and the agency comes up with the request for release of second installment with convincing justifications. As regards the point of status of the projects for which financial assistance has been provided, it is stated that the Ministry releases the second installment only after being convinced that the progress of the project is satisfactory and the amount has been utilised properly for the purposes for which the same was released. No further action is required thereafter.”

(viii) Panchayat Mahila Evam Yuva Shakti Abhiyan:

1.111 Panchayat Mahila Evam Yuva Shakti Abhiyan(PMEYSA) is an Eleventh Plan Central Sector Scheme of the Ministry of Panchayati Raj that was introduced in 2007-08. The scheme is targeted at Elected Women Representatives (EWRs) and Elected Youth Representatives (EYRs). The broad objective of the Scheme is to form association/networks to collectively work for the attainment of the goals of decentralized governance in Panchayati Raj and to increase the knowledge, capability, involvement and responsiveness of EWRs and EYRs to the demands of their constituents.

1.112 The Ministry of Panchayati Raj has stated that the funds available for this Scheme per year have been very meagre. Secondly, this is demand driven scheme and mostly the response of the State Government has not been enthusiastic. Besides, activities beyond holding of Sammelans have not been much result yielding. Therefore, the Government so far has not found it feasible to promote the Scheme. However, keeping in view its cherished objective, the upscaling and revision of this Scheme is under consideration with a view to include additional and some more meaningful and ground-based activities like

- (i) District level Support Centre,
- (ii) Exposure Visits within and outside the State,
- (iii) Establishment or Strengthening the network/federation of EWRs/EYRs,
- (iv) Gram Sabha Empowerment for livelihood and women incentivisation,
- (v) Pallisabha incentivisation for women's issue and
- (vi) Support the Gram Sabha to fight against trafficking on women and children in disturbed areas.

Financial Performance

1.113 The statement of financial performance of the Scheme during the last three years is as follows:

Rs. in crore			
Year	BE	RE	Financial achievements
2009-10	3.60	2.60	2.20
2010-11	2.70	2.70	0.38 (up to 31 st December, 2010)
2011-12	2.70		

1.114 The Committee pointed out that allocation as well as financial achievements under the scheme has been reduced significantly.

1.115 The Committee enquired about the reasons behind this under-allocation and under performances, the MoPR in a written note stated that

“It is stated that the Scheme of Panchayat Mahila Evam Yuva Shakti Abhiyan (PMEYSA) is a demand driven Scheme. The response of most of the States / UTs towards the implementation of the Scheme has been rather lukewarm. This Ministry, on its part, has been impressing upon States / UTs to take action for undertaking the activities as per the guidelines of the Scheme. As per information received from States / UTs, so far, 23 States have formed the Core Committee and organised the State level Sammelan. 13 State Support Centers under the Scheme have been established which work as repository of knowledge and varied information relating to participation of EWRs and EYRs in PRIs. Training and Sensitization programme under the Scheme have been conducted in 12 States. 69 Divisional level Sammelan have been organised in 15 States. State level Association of EWRs / EYRs has been formed in 7 States. The Ministry is of the view that the States being rather not enthusiastically responsive towards the Scheme, have not been putting in their best to realize the aims as per its guidelines to the fullest extent. However, the efforts would be continued by this Ministry to tone up its implementation.”

PART-II

RECOMMENDATIONS/ OBSERVATIONS OF THE COMMITTEE

2.1 The Committee take note that the Rule 331 G of the Rules of Procedure and Conduct of Business in Lok Sabha relating to examination of Demands for Grants by the Departmentally Related Standing Committee (DRSCs) was suspended by the Hon'ble Speaker, Lok Sabha due to rescheduling of the Financial Business in Lok Sabha to pass the Demands for Grants for the year 2011-12 during the Seventh Session of Fifteenth Lok Sabha without being referred to the concerned DRSCs. However, the Committee have examined the Demands for Grants and made report thereon. Since the Budget for the year 2011-12 has already been passed by the Parliament, the Committee endorse the same. Nevertheless, the Committee feel that the suggestions and recommendations of the Committee would help the Ministry of Panchayati Raj in analyzing their performance and implementation of various Schemes/Projects during the current year, which happens to be the terminal year of the 11th Plan period. The Observations/Recommendations of the Committee are given in the succeeding paragraphs.

(Recommendation Sl. No. 1)

Implementation of Direction 73 A of the 'Directions by the Speaker'

2.2 The Committee are dismayed to note that the Ministry of Panchayati Raj is not complying with the Direction 73 A of the 'Directions by the Speaker' in-as-much-as the Minister's Statement showing action taken by the Government on recommendations contained in Committee's Sixth Report on Demands for Grants (2010-11) of the Ministry of Panchayati Raj presented to the House on 16 April, 2010 has not been made in the Parliament in stipulated time frame of six months. The Committee consider non-compliance of Direction 73A by the Ministry as apathy towards the House. It also denies the legitimate right of the House to get the action taken by the Government on the recommendations contained in the Report of the Parliamentary Committee. The Committee expect that the aforesaid mandatory Statement would be made in Lok Sabha expeditiously.

(Recommendation Sl. No. 2)

Devolution of 3 Fs and Centrality of Panchayats in Centrally Sponsored Schemes.

2.3 The Committee find that in a country like India largely populated in villages, the growth and empowerment of Panchayats has not taken place in post Independence era as it ought to have. It is more disheartening to find that during post Independence period spanning over six decades of Parliamentary democracy almost all the constitutional provisions related to Panchayats have not been implemented in letter and spirit. These include concept of Gram Sabha (article 243A), constitution of Panchayats (article 243B), powers, authority and responsibilities of Panchayats (article 243G) etc. as laid down in Part IX of the constitution, article 243ZD of Part IXA relating to District Planning Committees (DPCs) read with Eleventh Schedule illustrating 29 matters which might be considered by the State Legislatures for devolution to the Panchayats so as to ensure that they function as a 'unit of self-Government'.

The Committee learn from the Document 'Roadmap (2011-17) for Panchayats' brought out by the Ministry of Panchayati Raj recently that slow progress on the implementation of article 243ZD regarding consolidation of Plans prepared by the Panchayats at District Planning Committees in relation to 29 subjects listed in Eleventh Schedule has been due to non-cooperation of Line Departments in different States. Similarly, they are also dismayed to find that same dismal scenario prevailing over implementation of article 243G (endowing

Panchayats with such powers and authority as may be necessary to enable them as institutions of self-government) because of discretion being enjoyed by the State Governments under that article. The Committee's examination of the Demands for Grants of the Ministry of Panchayati Raj of the last 2-3 years had revealed that status quo is prevailing on the important issues of (i) devolution of Functions, Finances and Functionaries from different State Governments to Panchayati Raj Institutions (PRIs), (ii) ensuring centrality of Panchayats on different Centrally Sponsored Schemes (CSSs) related with subjects enumerated in the Eleventh Schedule of the Constitution that are being mandated exclusively for Panchayats under the Constitution. Coming to the issue of devolution of 3Fs, the Committee observe that although devolution of Functions and Finances has made some progress, these have not been accompanied by transfer of Functionaries to the Panchayats. For instance, from the latest details made available to the Committee which pertain to 2009-2010 showing State-wise progress on 3 Fs, the Committee are dismayed to know that whatever devolution of 'Functions' from various State Governments to Panchayats has been done that has been restricted to the pro-Panchayat States of Kerala, Karnataka, West Bengal, Bihar and Maharashtra. However, the same is not the case with the States of Assam, Goa, Gujarat, Madhya Pradesh, Punjab, Uttarakhand and Uttar Pradesh. Similarly on devolution of Finances, the Committee find that majority of the State Governments are releasing funds to Panchayats based on 'Functions' devolved.

However, on devolution of Functionaries, the Committee are alarmed to note that barring the States of Kerala, Karnataka and West Bengal and to some extent Uttarakhand, Madhya Pradesh, Maharashtra and Chhattisgarh, in the majority of the States, the situation highly unsatisfactory as Panchayats under these State Governments are being managed with departmental staff, skeleton staff or staff on deputation from the Government Departments. To sum up, the Committee find that largely the devolution of 3Fs from different State Governments to Panchayats has not taken place as contemplated in the Constitution even after the six decades of enforcement of the Constitution of India. In view of this, the Committee are of the strong opinion that a lot more is needed on the part of the Ministry of Panchayati Raj and State Governments which are lagging behind in the entire process of devolution of 3Fs to Panchayats.

The Committee also recommend that this issue should be taken up at the level of Union Minister of Panchayati Raj with Chief Ministers of different States to have a first hand idea of the issues involved and for faster transition of power to the Panchayats.

The Committee also strongly recommend that a high level Committee should be constituted to assess the implementation/present status of various provisions existing in the Constitution as also in the relevant Central/State Acts aimed at strengthening the Panchayats. Such a Committee should be asked to

give their Report before start of the Twelfth Five Year Plan with a view to ensuring that goal, objectives and priorities of the 12 Five Year Plan cover the areas which need greater focus for strengthening the Panchayats.

(Recommendation Sl. No. 3)

Performance of the Ministry in Eleventh Five Year Plan (2007-2012)

2.4 The Committee's examination of Eleventh Plan Projections and allocations has revealed that the Ministry of Panchayati Raj, the most important and people oriented Ministry, is not getting desired level of attention from the Planning Commission in securing the much needed funds during the entire Eleventh Plan (2007-2012) on the ground that there is a constraint with regard to overall limit of Gross Budgetary Support (GBS). While analysing the year-wise position of proposed *vis-a-vis* actual outlay, the Committee find that as against the demand by the Ministry of Panchayati Raj of nearly Rs.3,000 crore each year during 2008-2009 and 2011-12 to the Planning Commission, the Ministry could get even lower than 10 per cent of the demanded amount. Similarly, during 2009-2010 and 2010-2011, the allocation was much lower than the demand. The Committee regret to note that the Planning Commission as also the Ministry of Finance have not at all appreciated the role assigned to Panchayats in governance at grassroot level in the country. The Committee, therefore, recommend that both the Planning Commission and the Ministry of Finance should consider the requirement of funds

for the Ministry of Panchayati Raj which is primarily meant for strengthening the Panchayats.

(Recommendation Sl. No. 4)

2.5 Another area that has attracted the attention of the Committee is the staggering unspent amount available with the Ministry of Panchayati Raj at end of March, 2009 - March, 2010 to the tune of over Rs.5,000 crore, and around Rs.4,500 crore respectively. The Ministry has attributed this on account of non-receipt of Utilization Certificates in stipulated period of 12 months. Besides, the Committee regret to note that during 2008-2009 and 2009-2010 funds of BRGF to the tune of Rs.789 crore and over Rs.1000 crore were reduced/ unilaterally cut by the Ministry of Finance. The Committee feel that these issues could have been managed at the level of Ministry of Panchayati Raj with proper and timely coordination with the Ministry of Finance. The Committee strongly recommend that the Ministry should liaise with the concerned State Governments and implementing agencies to address the problem of unspent balances and surrender of funds with a view to ensuring that this position is not repeated. The Committee would await conclusive action in the matter.

(Recommendation Sl.No.5)

Preparedness for Twelfth Plan (2012-2017)

2.6 While reviewing the preparedness of the Ministry of Panchayati Raj for Twelfth Plan (2012-2017), the Committee find that entire gamut of vital areas like restructuring of BRGF, sanctioning of funds to 'Mission project on e-Panchayats' etc. have been unnecessarily delayed and linked with the Twelfth Plan by the Planning Commission. Keeping in view that as high as 2.4 lakh Panchayats in the country with over 28 lakh elected representatives, the Committee are of the opinion that there is an error of judgment on the part of Planning Commission in delaying these two crucial issues for the Twelfth Plan on the ground that the proposed restructuring of BRGF is to be considered after getting the Reports of the Steering Committee and Working Group for Twelfth Five Year Plan. The Committee have been informed that the Working Group is likely to submit its Report in August 2011. The Committee also find that the MoPR has already placed before Planning Commission a proposal to institutionalise the role of Panchayats in governance, planning, implementation etc. creating their cadres including infrastructure requirements with a view to effectively use the huge outlay of the order of Rs.1.7 lakh crore under the Centrally Sponsored Schemes (CSSs). The Committee have also been informed that a proposal of restructuring of BRGF is pending before the Planning Commission that envisages the merger of Capacity building component of BRGF, RGSY, e-Panchayat and PMESY into a single scheme under the umbrella of Rajiv Gandhi Panchayat Shashaktikarn Abhiyan

(RGPSA) for capacity building of PRIs in the country for augmenting the genuine requirement of Panchayats like Panchayat staff, Panchayat Ghars, Panchayat accounting, e-Panchayat, training & decentralized planning etc. and keeping the BRGF Development Grant separately with substantially higher allocations. The Committee do not approve the proposal of merger of BRGF with other schemes of the Ministry of Panchayati Raj. They, therefore, strongly recommend a thorough review of the issue of proposed merger of BRGF with various schemes of the Ministry of Panchayati Raj into one umbrella Programme as the very objective of the BRGF scheme is aimed at providing assistance to backward areas whereas the other schemes of the Ministry are aimed at Capacity building of PRIs in general.

(Recommendation Sl. No. 6)

Backward Regions Grant Funds (BRGF)

2.7 While reviewing the Scheme-wise performance of MoPR, the Committee find that under BRGF as on 31.03.2011, there has been staggering amount of unspent balances in Bihar (Rs.924.16 crore), Uttar Pradesh (Rs.556.07 crore), Jharkhand (Rs.423.79 crore), Madhya Pradesh (Rs.327.93 crore) Orissa (Rs.287.21 crore) West Bengal (Rs.264.66 crore), Andhra Pradesh (Rs.268.12 crore), Chhattisgarh (Rs.210.65 crore), Maharashtra (Rs.205.53 crore) etc. These amounts include unspent balances both in Capacity Building as also Development Grants for the Panchayats. The Committee do not approve such parking of precious funds,

particularly when, there are cases of insufficiency of funds highlighted before the Committee from time to time. In Committee's view, this position is unjustifiable on the part of the MoPR and concerned State Governments to sit over much needed funds. This has seriously impacted the progress of Capacity Building of the Panchayats in a big way. The Committee are not satisfied with the explanation of the MoPR that they are interacting with the concerned State Governments for expediting Utilization Certificates (UCs). The Committee note that the BRGF, being the biggest Central Assistance to State Plan (CASP) being currently handled by MoPR, is poised for restructuring during the Twelfth Plan. The Committee recommend that the MoPR should work hard to impress upon the States to utilise their outstanding unspent balances so that the needed amount is passed on to the Panchayats for the purpose of Capacity Building and Development Grants.

(Recommendation Sl. No. 7)

2.8 The Committee note that the BRGF has been evaluated twice, first by World Bank and secondly by Ramachandran Committee constituted by the Ministry of Panchayati Raj on matters of Capacity Building of Panchayati Raj Institutions, identification of backwardness, emphasis on convergence, identification of block as a unit, e-panchayat etc. and these have been conveyed to States for action. The Committee have also been informed that subsequent to Ramachandran Committee, the Planning Commission in January, 2011 has set up a study and

assigned the task to Institute of Human Development, Delhi. The Institute was to submit its report by March 2011. The Committee trust that the Institute must have given their Report by now. The Committee do not appreciate the system of constituting Committee after Committee for evaluating schemes like BRGF which touches the pulse of the people and needs no further lengthening of the process of decision making. The Committee recommend that findings of World Bank and Ramachandran Committee and the findings of the Institute of Human Development should be the basis for course correction since these are sufficient enough for evaluating BRGF in a proper manner. Considering its objectives and utility the Committee strongly recommend that the funds for the scheme should be enhanced.

(Recommendation Sl. No. 8)

Rashtriya Gram Swaraj Yojana (RGSY)

2.9 The Committee find that RGSY Scheme under the MoPR brought out for twin objectives of (i) training and capacity building and (ii) infrastructure development that budget of Rs.73.50 crore under this scheme for around 350 non-BRGF districts in different States is far less compared to Rs.5,050 crore to BRGF scheme covering only 250 districts across the country. The inadequacy of funds under RGSY has also been highlighted by the MoPR. The Committee have been informed that major schemes of the MoPR including RGSY are pending before the

Planning Commission for proposed merger with the proposed umbrella scheme of Rajiv Gandhi Panchayat Shashaktikarn Abhiyan (RGPSA). As recommended elsewhere in the Report, the Committee reiterate that BRGF should not be merged with other schemes considering its unique objectives. Also the issue of merger of various schemes of the Ministry of Panchayati Raj into a single umbrella scheme viz. Rajiv Gandhi Panchayat Shashaktikarn Abhiyan (RGPSA) should be reviewed by MoPR threadbare with a view to ensure that basic objectives of the specific schemes are not lost.

(Recommendation Sl. No. 9)

2.10 The Committee find that the major area of operation under RGSY is training of elected representatives and functionaries of Panchayats. In this connection, the Committee find that as against the MoPR plans to provide training of 30 lakh elected representatives and 10 lakh functionaries each year training was provided by the MoPR to only 3.5 lakhs representatives and 11.65 lakhs representatives respectively in 2009-2010 and 2010-2011. In this connection, various other issues reflecting infirmities in the training programme have come up before the Committee. These include mismatch of official figures of training with ground realities, absence of physical verification of training, no symptoms of improvement in SCs/STs trained under RGSY to fight back in a effective manner, absence of accountability of funds given for training as trainer officers elude Gram Panchayats quite often, delay in releases of funds for training ranging from 3 to 4

months, absence of effective Panchayat Secretary for utilization of funds at Gram Panchayat level resulting in hijacking of Gram Panchayats by dishonest and persons with criminal background, lack of coordination on the issue of training among different Departments at district level etc. All these issues, the Committee feel are relevant and should be adequately addressed at the time of restructuring of the proposed new scheme. In this connection, the Committee also find that some valuable suggestions have also come up before the Committee. These include, association of local MPs in training programme for PRIs, fashioning the duration of training programmes in such a manner that may invariably include the involvement/interaction with the farmers for undergoing such training programme, giving empowerment, protection and necessary help under the training programme to the weaker sections *i.e.* SCs/STs elected representatives and functionaries of Panchayats etc. for making them more effective to run Panchayats In this connection, the Committee have been informed that various remedial mid-course corrections have already been undertaken by the MoPR these include mid-course correction evaluation, online monitoring and computerization etc. Since the fate of the RGSY is hanging on the proposed merger of the scheme, the Committee feel that the remedial measures taken by the Ministry are too inadequate and are to be supplemented by proactive role of the Ministry of Panchayati Raj and concerned State Governments.

(Recommendation Sl. No. 10)

2.11 The Committee find that valuable findings have come up as a result of evaluation of RGSY by an UN Agency CRAN for capacity development of PRIs in 6 States of Assam, Andhra Pradesh, Madhya Pradesh, Orissa, Rajasthan and West Bengal. These pertain to outreach of capacity building, training needs with association of NGOs, pooling of trainers, strengthening of SIRDs, regular assessment of training needs, exposure to beacon Panchayats, etc. The Committee feel that such an evaluation be undertaken in all the States under RGSY to have a national perspective on this issue. The Committee recommend that based on the evaluation necessary follow up action should be initiated.

(Recommendation Sl. No. 11)

Mission Project on e-Panchayat

2.12 The Committee note that Ministry of Panchayati Raj is currently implementing a three year mega programme of computerization of Panchayats across the country with an estimated cost of Rs. 6,989 crore to be sourced through Grants under Central Finance Commission, BRGF-Capacity Building component, MGNREGA etc. by using two softwares of PRIA SOFT and Plan Plus. The Committee are, however, dismayed to note that the coverage of softwares of Plan Plus and PRIA SOFT has been very limited. For instance, under Plan Plus only 46,226 District/Block/Gram Panchayats have been covered and only 13,374 have

been trained so far. Likewise the coverage of PRIA SOFT has been only 80,000 Gram Panchayats in 10 States so far. The Committee, therefore, feel that the Scheme is in initial stage and urge the Ministry of Panchayati Raj to move faster to meet the deadline of completing the task in stipulated period of three years time. The Committee also recommend that any decision of merger of this Scheme with Rajiv Gandhi Panchayat Shaskatikaran Abhiyan be reviewed with a view to ensure that each of the Schemes including 'Mission Project for e-Panchayat' receive due attention with regard to availability of funds for much needed capacity building of Panchayats in the country. They also recommend that the issue of merger of Mission Panchayat on e-Panchayats should not impede the progress of computerization under the programme.

(Recommendation SI. No. 12)

2.13 The Committee have come across large number of constraints coming in the way of implementation of Mission Project on e-Panchayat like non-availability of computers in Gram Panchayats, lack of Panchayat Staff and buildings, absence of definite source of funding in different States, non-availability of power back-up to run computers, etc. The Committee recommend all these constraints are to be addressed by the Ministry of Panchayati Raj in association with the concerned States. The Committee also recommend that the issue of specific source of funding for e-Panchayat programme may be found out in States which have been

facing such problem. The Committee also desire that the issue of uninterrupted supply of power for computers in Gram Panchayats be taken up with different State Electricity Boards. Alternatively, State Governments may be asked to emulate the good work done in Orissa for use of Solar Photo Voltaic for running computers where electricity supply is erratic.

(Recommendation Sl. No. 13)

2.14 The Committee are distressed to find that the important scheme of Panchayat Empowerment and Accountability Incentive Scheme (PEAIS) of the Ministry of Panchayati Raj that seeks to encourage devolution of 3 Fs among different States by way of incentivizing the States to empower Panchayats and incentivizing Panchayats to put in place accountability systems to make their functioning transparent and efficient has not been getting sufficient funds for necessary empowerment of Panchayati Raj Institutions (PRIs). In this connection, the Committee find that as against the 2.4 lakh PRIs across the country, the fund for 2011-12 under this Scheme are Rs. 31 crore only. In this connection, the Committee find that the Ministry of Panchayati Raj has already proposed an amount of Rs. 1000 crores per annum (Rs. 500 crores for incentivizing States and 500 crores for incentivizing Panchayats) for 2011-12 and additionally appropriation of funds from MGNREGA, if necessary. The Committee do not approve aforesaid move of the MoPR of utilizing the funds of MGNREGA for promotion of Panchayat Empowerment and Accountability Incentive Scheme (PEAIS). Therefore, as

recommended by them in Para Nos. 2.6 and 2.9, the issue of merger of all the schemes of MoPR including PEAIS be reviewed thoroughly with a view to ensure that each scheme including PEAIS receive due attention with regard to availability of funds for actual capacity building of Panchayats during the Twelfth Plan (2012-2017).

(Recommendation Sl. No. 14)

Action Research and Studies

2.15 The Committee find that another scheme of the Ministry of Panchayati Raj “Action Research and Studies” to formulate appropriate policy and to identify and remove the gaps in implementation of Part IX of the Constitution has not been implemented properly taking into account underutilization of allocations during 2009-10 and low physical performance during 2008-09 and 2009-10 in terms of studies sanctioned and studies completed. The Committee are unhappy to note that there are cases of defaulting agencies also which have not submitted their reports. The Committee, therefore, recommend that there is a need to have a fresh look into this scheme so that allocations are given with reference to physical targets.

(Recommendation Sl. No. 15)

Rural Business Hub

2.16 The Committee's examination has revealed that the innovative scheme of "Rural Business Hub" with the objective of providing technical support and market linkages has not picked up in a big way during the Eleventh Plan period as its allocation is stagnating between Rs.2 crore to Rs.2.70 crore during the year 2007-2008 to 2011-2012. The Committee are also unhappy to note that the scheme is not getting desired level of attention from the States as the scheme is demand driven. The Committee find that the scheme is now being expanded from pilot project basis in 35 districts to the extent of signing of 239 MOUs for setting up of Rural Business Hubs in 19 States. The Committee trust that the Ministry would find funds for the increased level of activities under the scheme.

(Recommendation Sl. No. 16)

2.17 The Committee's examination has also revealed that the demand driven scheme of Panchayat Mahila Evam Yuva Shakti Abhiyan introduced in 2007-08, aiming at forming associations of elected women representatives and elected youth representatives for working collectively for attaining decentralization in Panchayati Raj Institutions has been getting lukewarm response from different States with only 23 States forming Core Committee and only 12 States conducting training and sensitization Programme. The Committee feel that adequate publicity

has not been given by the Ministry of Panchayati Raj. They expect the Ministry now to convince the State Governments of the benefits of the Scheme.

(Recommendation Sl. No. 17)

NEW DELHI;
24 August, 2011
2 Bhadra, 1933 (Saka)

(SUMITRA MAHAJAN)
Chairperson,
Standing Committee on
Rural Development

COMMITTEE ON RURAL DEVELOPMENT (2010-2011)

MINUTES OF THE ELEVENTH SITTING OF THE COMMITTEE HELD ON

TUESDAY, THE 14 JUNE, 2011

The Committee sat from 1500 hrs. to 1730 hrs. in Committee Room No. 'C', Ground Floor, Parliament House Annexe, New Delhi.

PRESENT

Shrimati Sumitra Mahajan - *Chairperson*

Members

Lok Sabha

2. Shri Kunvarjibhai Mohanbhai Bavalia
3. Shri Sanjay Dhotre
4. Shri Raghuvir Singh Meena
5. Shri Sidhant Mahapatra
6. Shri Rakesh Pandey
7. Shri P.L. Punia
8. Shri Jagdish Sharma
9. Shri Jagdanand Singh
10. Shri Makansingh Solanki
11. Shri Kodikkunnil Suresh
12. Shrimati Usha Verma
13. Shri Ramesh Vishwanath Katti

Rajya Sabha

14. Shri Ganga Charan
15. Sardar Sukhdev Singh Dhindsa
16. Dr. Ram Prakash
17. Smt. Maya Singh
18. Shri Mohan Singh

Secretariat

1. Smt. Veena Sharma - Director
2. Shri A.K.Shah - Additional Director

Representatives of the Ministry of Panchayati Raj

1. Shri A.N.P.Sinha, Secretary
2. Shri Sudhir Krishna, Special Secretary
3. Shri Hrusikesh Panda, Additional Secretary
4. Shri Arvind Mayaram, Additional Secretary & Financial Adviser
5. Smt. Rashmi Shukla, Joint Secretary
6. Smt. Susan D. George, Director
7. Smt. S.K.Chakrabarti, Director

2. At the outset, the Chairperson welcomed the Members of the Committee to the sitting convened to take evidence of the representatives of the Ministry of Panchayati Raj in connection with examination of Demands for Grants (2011-2012) of the Ministry of Panchayati Raj.

[Witnesses were then called in]

3. The Chairperson then welcomed the representatives of the Ministry of Panchayati Raj to the Sitting of the Committee and read out direction 55 (1) of the 'Directions by the Speaker' regarding confidentiality of the proceedings. Thereafter, the Secretary, Ministry of Panchayati Raj with prior permission of the Chairperson, gave a power point presentation before the Committee highlighting the Roadmap for Panchayats for 2011-2017. The Committee then took up oral evidence of the representatives of Ministry of Panchayati Raj. The main issues that came up for discussion include, need for proper utilization of available funds instead of asking for higher funds during the current Plan and also during the Twelfth Plan Period (2012-17) for different Schemes of Ministry of Panchayati Raj, need for physical assessment of achievement at ground level in areas of training of elected representatives and functionaries of Panchayats instead of tall achievement on papers, late release of funds as a reason for their underutilization/misutilisation by Panchayats at district, block and village level, need for tackling the issue of shortage of technical manpower in Panchayats and recruiting literate Panchayat Secretary preferably with agriculture background in every Panchayat for handling Panchayat work and empowering him/her with magisterial powers to stamp out prevailing crime in rural areas, tackling the issue of siphoning off funds for training of Panchayati Raj representatives and functionaries, need for holding regular Gram Sabha meetings, review of district-wise entitlement under Backward Regions Grants Fund (BRGF) as there is no distinction between eligible big or small districts under BRGF, inclusion of the scheme of BRGF for its review by Vigilance & Monitoring Committees

(V&MCs) meetings in district headed by the local Member of Parliament, strict implementation of Panchayat Extension to Scheduled Area (PESA) etc. The Members raised their individual queries that were responded to by the witnesses. The Chairperson also desired the representatives of Ministry of Panchayati Raj to furnish the information replies to which were not readily available with them on later date.

[Witnesses then withdrew]

4. *****
5. A verbatim record of the proceedings has been kept.

The Committee then adjourned to meet again on 15 June, 2011.

****Relevant portion of the Minutes not related with the Subject have been kept separately.

COMMITTEE ON RURAL DEVELOPMENT (2010-2011)

**EXTRACTS OF THE MINUTES OF THE FIFTEENTH SITTING OF THE
COMMITTEE HELD ON THURSDAY, THE 18 AUGUST, 2011**

The Committee sat from 1530 hrs. to 1745 hrs. in Committee Room 'B', Ground Floor,
Parliament House Annexe, New Delhi.

PRESENT

Shrimati Sumitra Mahajan - *Chairperson*

Members

Lok Sabha

2. Shri Sanjay Dhotre
3. Shri Raghubir Singh Meena
4. Shri Rakesh Pandey
5. Shri P.L. Punia
6. Shri A. Venkatarami Reddy
7. Shri Jagdanand Singh
8. Shri Kodikkunnil Suresh
9. Shri Ramesh Vishwanath Katti

Rajya Sabha

10. Shri Ganga Charan

Secretariat

- | | | |
|-------------------------|---|---------------------|
| 1. Shri Brahm Dutt | - | Joint Secretary |
| 2. Smt.Veena Sharma | - | Director |
| 3. Shri A.K. Shah | - | Additional Director |
| 4. Shri Raju Srivastava | - | Deputy Secretary |

2. At the outset, the Chairperson welcomed the members to the sitting of the Committee. The Committee then took up for consideration the Draft Reports on Demands for Grants (2011-2012) of the **** and the Ministry of Panchayati Raj. After discussing the Draft Reports in detail the Committee adopted the Draft Reports with minor modifications.

3. The Committee also authorised the Chairperson to finalise the above-mentioned Draft Reports taking into consideration consequential changes arising out of factual verification, if any, by the concerned Ministry/ Department and to present the same to both the Houses of Parliament.

****Relevant portion of the Minutes not related with the Subject have been kept separately.