

TWENTY-NINTH REPORT  
STANDING COMMITTEE ON  
RURAL DEVELOPMENT  
(2011-2012)

(FIFTEENTH LOK SABHA)

MINISTRY OF PANCHAYATI RAJ

DEMANDS FOR GRANTS  
(2012-2013)

*Presented to Lok Sabha on 03.05.2012*

*Laid in Rajya Sabha on 03.05.2012*



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### REPORT

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COMPOSITION OF THE STANDING COMMITTEE ON  
RURAL DEVELOPMENT (2011-2012)

Shrimati Sumitra Mahajan — *Chairperson*

MEMBERS

*Lok Sabha*

2. Shri Gajanan D. Babar
3. Shri Sandeep Dikshit
4. Shri Manikrao Hodlya Gavit
5. Shri Maheshwar Hazari
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19. Shri Narendra Singh Tomar
20. Shri A.K.S. Vijayan
21. Smt. Vijaya Shanthi M.\*\*

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\* Nominated to the Committee *w.e.f.* 03.01.2012 *vice* Shri Navjot Singh Sidhu.

\*\* Nominated to the Committee *w.e.f.* 25.11.2011.

*Rajya Sabha*

22. Shri Mani Shankar Aiyar
23. Vacant<sup>#</sup>
24. Shri Hussain Dalwai
25. Sardar Sukhdev Singh Dhindsa
26. Dr. Ram Prakash
27. Shri P. Rajeeve<sup>^</sup>
28. Shri Mohan Singh
29. Smt. Maya Singh
30. Vacant<sup>#</sup>
31. Shri D. Bandyopadhyay<sup>\$</sup>

SECRETARIAT

1. Shri Brahm Dutt — *Joint Secretary*
2. Smt. Veena Sharma — *Director*
3. Shri Raju Srivastava — *Additional Director*
4. Miss Melody Vunghiansiam — *Committee Assistant*

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<sup>^</sup> Nominated to the Committee *w.e.f.* 02.11.2011 *vice* Shri P.R. Rajan.

<sup>\$</sup> Nominated to the Committee *w.e.f.* 18.04.2012 *vice* Dr. (Smt.) Kapila Vatsyayan.

<sup>#</sup> Shri Ganga Charan and Miss Anusuiya Uikey ceased to be a members of the Committee *w.e.f.* 02.04.2012 consequent upon their retirement from Rajya Sabha.

## INTRODUCTION

1. I, the Chairperson of the Standing Committee on Rural Development (2011-2012) having been authorised by the Committee to submit the Report on their behalf, present the Twenty Ninth Report on Demands for Grants (2012-13) of the Ministry of Panchayati Raj.

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

3. The Committee took evidence of the representatives of the Ministry of Panchayati Raj on 11 April, 2012.

4. The Report was considered and adopted by the Committee at their sitting held on 02 May, 2012.

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

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

NEW DELHI;  
02 May, 2012  

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12 Vaisakha, 1934 (Saka)

SUMITRA MAHAJAN,  
*Chairperson,*  
*Standing Committee on*  
*Rural Development.*





## ABBREVIATIONS

|         |  |
|---------|--|
| 3Fs     | Functions, Funds, and Functionaries              |
| 4P/PPPP | Public-Private-Panchayat Partnership             |
| ACA     | Additional Central Assistance                    |
| APAR    | Annual Performance Appraisal Reports             |
| ARC     | Administrative Reforms Commission                |
| ARRS    | Action Research and Research Studies             |
| BE      | Budget Estimates                                 |
| BPL     | Below Poverty Line                               |
| BPO     | Business Process Outsourcing                     |
| BPR     | Business Process re-engineering                  |
| BRGF    | Backward Regions Grant Fund                      |
| C&AG    | Comptroller & Auditor General                    |
| CB/CB&T | Capacity Building/Capacity Building and Training |
| CBT     | Computer Based Tutorial                          |
| CDAP    | Comprehensive District Agriculture Plan          |
| CEB     | Census Enumeration Block                         |
| CFC     | Central Finance Commission                       |
| CGAR    | Core Group on Administrative Reforms             |
| CII     | Confederation of Indian Industry                 |
| CLGF    | Commonwealth Local Government Forum              |
| CoS     | Committee of Secretaries                         |
| CPMU    | Central level Programme Management Unit          |
| CSS     | Centrally Sponsored Scheme                       |
| DAVP    | Directorate of Advertising and Visual Publicity  |
| DCO     | Directorate of Census Operations                 |
| DEA     | Department of Economic Affairs                   |
| DI      | Devolution Index                                 |
| DIT     | Department of Information Technology             |
| DPC     | District Planning Committee                      |
| DPR     | Detailed Project Report                          |
| EAA     | Extremist Affected Area                          |

|          |  |
|----------|--|
| EAD      | Extremist Affected District                            |
| ER       | Elected Representative                                 |
| EWR      | Elected Women Representative                           |
| EYR      | Elected Youth Representative                           |
| FAQ      | Frequently Asked Question                              |
| FC       | Finance Commission                                     |
| FDA      | Forest Development Agency                              |
| GIS      | Geographic Information System                          |
| GoI      | Government of India                                    |
| GoM      | Group of Ministers                                     |
| GP       | Gram Panchayat   |
| GS       | Gram Sabha   |
| HLMC     | High Level Monitoring Committee                        |
| HPC      | High-Powered Committee                                 |
| IA       | Implementing Agencies                                  |
| IAP      | Integrated Action Plan                                 |
| ICDS     | Integrated Child Development Services                  |
| ICT      | Information and Communication Technology               |
| IEC      | Information, Education, and Communication              |
| IGPR&GVS | Indira Gandhi Panchayati Raj and Gramin Vikas Sansthan |
| IIPA     | Indian Institute of Public Administration              |
| IRMA     | Institute of Rural Management Anand                    |
| ISGPP    | Institutional Strengthening of Gram Panchayat Project  |
| ISNA     | Information and Service Needs Assessment               |
| ISP      | Internet Service Provider                              |
| IT       | Information Technology                                 |
| J&K      | Jammu & Kashmir  |
| JFMC     | Joint Forest Management Committee                      |
| JWG      | Joint Working Group                                    |
| LDC      | Lower Division Clerk                                   |
| LWE      | Left-wing Extremism                                    |
| MAS      | Model Accounting System                                |
| MDM      | Mid Day Meal   |
| (viii)   |  |

|         |   |
|---------|---|
| MFP     | Minor Forest Produce                                      |
| MGNREGS | Mahatma Gandhi National Rural Employment Guarantee Scheme |
| MLA     | Member of Legislative Assembly                            |
| MMP     | Mission Mode Project                                      |
| MoS     | Minister of State   |
| MP      | Member of Parliament                                      |
| MoC     | Memorandum of Cooperation                                 |
| MoE&F   | Ministry of Environment & Forests                         |
| MoPR    | Ministry of Panchayati Raj                                |
| MPReS   | Monthly Progress Report System                            |
| MoU     | Memorandum of Understanding                               |
| MSP     | Minimum Support Price                                     |
| NCBF    | National Capacity Building Framework                      |
| NCW     | National Commission for Women                             |
| NE      | North Eastern   |
| NeGP    | National e-Governance Plan                                |
| NGO     | Non-Governmental Organisation                             |
| NIC     | National Informatics Centre                               |
| NICSI   | National Informatics Centre Services Inc.                 |
| NLM     | National Level Monitor for BRGF                           |
| NPC     | National Programme Committee                              |
| NRHM    | National Rural Health Mission                             |
| NYKS    | Nehru Yuva Kendra Sangathan                               |
| O&M     | Operations and Maintenance                                |
| OBC     | Other Backward Class                                      |
| OLIC    | Official Language Implementation Committee                |
| PCA     | Primary Census Abstract                                   |
| PEAIS   | Panchayat Empowerment and Accountability Incentive Scheme |
| PES     | Panchayat Enterprise Suite                                |
| PESA    | Panchayats (Extension to the Scheduled Areas) Act, 1996   |
| PDS     | Public Distribution System                                |
| PMEYSA  | Panchayat Mahila Evam Yuva Shakti Abhiyan                 |

|           |  |
|-----------|--|
| PMSA      | Panchayat Mahila Shakti Abhiyan                          |
| PPP       | Public, Private, Partnership                             |
| PR        | Panchayati Raj   |
| PRI       | Panchayati Raj Institution                               |
| PRIA      | Society for Participatory Research in Asia               |
| PRIA Soft | PRI Accounting System Software                           |
| PYSA      | Panchayat Yuva Shakti Abhiyan                            |
| RBH       | Rural Business Hub                                       |
| RD        | Rural Development  |
| RE        | Revised Estimate   |
| RGSY      | Rashtriya Gram Swaraj Yojana                             |
| RSVY      | Rashtriya Sam Vikas Yojana                               |
| SC        | Scheduled Caste  |
| SCA       | Service Centre Agencies                                  |
| SDC       | Swiss Agency for Development and Cooperation             |
| SEC       | State Election Commission                                |
| SFC       | State Finance Commission                                 |
| SIPRD     | State Institute of Panchayats Rural Development          |
| SIRD      | State Institute of Rural Development                     |
| SMS       | Scheme Monitoring System                                 |
| SRS       | Software Requirement Specifications                      |
| SSA       | Sarva Shiksha Abhiyan                                    |
| ST        | Scheduled Tribe  |
| TFC       | Twelfth Finance Commission/Thirteenth Finance Commission |
| TG&S      | Technical Guidance and Support                           |
| TSI       | Technical Support Institution                            |
| TV        | Television   |
| ULB       | Urban Local Body   |
| UPS       | Unit Power Supply  |
| UT        | Union Territory  |

## REPORT

### PART I

#### NARRATION ANALYSIS

##### I. Objectives of the Ministry

The Constitution (73rd Amendment) Act, 1992 that came into effect in April, 1993 brought about major reforms in local governance by institutionalizing three tier Panchayati Raj Institutions (PRIs) in the country. Subsequently, the Ministry of Panchayati Raj came into existence with effect from 27th May, 2004 after being carved out of the Ministry of Rural Development. The vision of the Ministry is to make Panchayati Raj Institutions (PRIs) as an effective, efficient and transparent vehicle for local governance, social change and public service delivery mechanism meeting the aspirations of the local population. The Ministry intends to attain it in a mission mode by way of (i) persuading and encouraging States to devolve powers (Functions, Functionaries & Finance *i.e.*, 3Fs) to PRIs, (ii) capacity building of PRIs, and (iii) creation of a vibrant interface between PRIs and the rural people through Gram Sabhas. The mandate of Ministry of Panchayati Raj thus flows from Part-IX of the Constitution of India, titled 'The Panchayats', read with Article 243 ZD of Part-IX-A relating to District Planning Committees and the Eleventh Schedule, which sets out a list of 29 matters that might be considered by the State legislatures for devolution to the Panchayats.

1.2 Apart from ensuring the implementation of Part IX of the Constitution, inserted by the Constitution (73rd Amendment) Act, 1992, the Ministry also oversee the implementation of the provisions of the Panchayats (Extension to the Scheduled Areas) Act, 1996 (PESA). These constitutional provisions and PESA have institutionalized PRIs at the Village, Intermediate, and District levels as a three tier Government. The aim has been to combine social justice with devolution, with an emphasis on reservations for deprived classes of the population in the Panchayats, including that of the leadership positions. With political empowerment having been fundamentally established through a system of regular elections to the three tiers of the Panchayats in all the States, the responsibility of the Ministry has been to see that these 'institutions of self government' become the 'principal authorities' for planning and implementation.

1.3 To achieve the above objectives, the Ministry undertakes the following schemes:—

- (1) Backward Regions Grant Fund
- (2) Rashtriya Gram Swaraj Yojana
- (3) Panchayat Empowerment & Accountability Incentive Scheme
- (4) Media, Publicity and Advocacy
- (5) Action Research and Research Studies
- (6) Rural Business Hubs
- (7) Panchayat Mahila Evam Yuva Shakti Abhiyan
- (8) Mission Project on e-Panchayats

## II. Overall Analysis

1.4 Demand No. 70 relating to the Demands for Grants (2012-13) of the Ministry of Panchayati Raj laid on the Table of the Lok Sabha has made a provision of Rs. 5350.74 crores with Plan component of Rs. 5350 crore and Non-Plan Component of Rs. 0.74 crore. This outlay is Rs. 100 crore or 1.9% higher than BE of Rs. 5250 crore and 30.05% higher than RE of Rs. 4113.76 crore during financial year 2011-12

### A. Budget Allocations for 2012-13

1.5 The head-wise allocation of funds for the fiscal year 2012-13 are given as under:—

|        |   | (Rs. in crore)             |
|--------|---|----------------------------|
| Scheme |   | Budget Outlay<br>(2012-13) |
| 1      |   | 2                          |
| A.     | 1. Panchayat Accountability Incentive Scheme                  | 40.00                      |
|        | 2. Management Cell  | 20.00                      |
|        | 3. Contribution to International Organizations                | 0.10                       |
|        | 4. External Assistance under Projects Assisted by UN Agencies | 4.90                       |
|        | 5. PMEYSA   | 1.75                       |

| 1   | 2       |
|---|---------|
| 6. Media & Publicity  | 17.00   |
| 7. RBHs   | 0.25    |
| 8. Action, Research & Research Studies                      | 3.00    |
| 9. Resource Support to State                                | 8.00    |
| 10. Rashtriya Gram Swaraj Yojana                            |         |
| a. Training & Capacity Building                             | 75.00   |
| b. Infrastructure Development                               | 40.00   |
| 11. e-Panchayats  | 40.00   |
| <b>New Scheme</b>   |         |
| 12. Rajiv Gandhi Panchayat Sashaktikaran<br>Abhiyan (RGPSA) | 50.00   |
| Total A   | 300.0   |
| B. Backward Regions Grant Fund                              | 5050.00 |
| Grand Total (A+B)   | 5350.00 |

1.6 The Committee pointed out that for the year 2012-13 an amount of Rs. 5350 crores has been allocated which is much less than the revised estimates of Rs. 6690 crores in 2010-11. On being asked the reasons for low allocation for 2012-13, the Ministry in their reply *inter-alia* stated:—

“During the Annual Plan 2012-13, the Ministry have proposed an outlay of Rs. 5600 crores (Rs. 5050 crores under BRGF and Rs. 550 crore under other Central Schemes) against which the Planning Commission allocated an amount of Rs. 5350 crores (Rs. 5050 crores under BRGF and Rs. 300 crores for other Central Schemes). So far as revised allocation of Rs. 6690 crores (Rs. 6550 crore for BRGF and Rs. 140 crore for other Central Schemes) during 2010-11 is concerned, it is clarified that in the year 2010-11, an amount of Rs. 1500 crore was released under the Integrated Action Plan (IAP) which is administered by the Planning Commission. This amount was subsequently recouped to the BRGF allocation. The actual BRGF allocation for MoPR for 2010-11, thus remained at Rs. 5050 crores.”

## B. Eleventh Five Year Plan — Outlay and Expenditure

1.7 The Budget Estimates, Revised Estimates and Expenditure of the Ministry during the 11th Five Year Plan are as under:—

(Rs. in crore)

| Year    | BE      | RE      | Expenditure |
|---------|---------|---------|-------------|
| 2007-08 | 4770.00 | 3700.00 | 3688.81     |
| 2008-09 | 4780.00 | 4000.00 | 3993.75     |
| 2009-10 | 4780.00 | 3780.00 | 3776.35     |
| 2010-11 | 5170.00 | 6690.00 | 6689.08     |
| 2011-12 | 5250.00 | 4113.76 | 4107.63     |
| Total   | 24750   | 22283   | 22255       |

1.8 The Committee wanted to know whether the Ministry had taken up the issue of allocation of higher funds with the Planning Commission so that the objectives of different schemes under the Ministry could be achieved. The Ministry in a written reply stated:—

“Ministry of Panchayati Raj took up the matter with the Planning Commission that the Gross Budgetary Support allocation of Rs. 300 crores for schemes other than Backward Regions Grant Fund is not adequate and needs to be increased. Planning Commission informed that due to resource constraints, it was not possible for them to accommodate request for enhancement of budget for the present. However, they recognized that the programmes of the Ministry deserve more resources in the Twelfth Plan as a whole, and they hope to be able to respond adequately once the resources position for the full plan period is finalized.”

## C. Twelfth Five Year Plan (2012-17)

1.9 For the 12th Five Year Plan, the Ministry has proposed an outlay of Rs. 77684.94 crore. The increase in quantum of funds is mainly on account of the fact that the Ministry propose to launch Rajiv Gandhi Panchayat Sashaktikaran Abhiyan (RGPSA). Regarding the launch of the new scheme, the Ministry has stated that:—

“The Working Group on Panchayati Raj and Rural Governance for 12th Plan has proposed that during the 12th Plan, existing schemes



of MoPR, be rationalized through (a) segregation development grant component of Backward Regions Grant Fund (BRGF), and (b) merger of Rashtriya Gram Swaraj Yojana (RGSY), e-Panchayat, Panchayat Empowerment and Accountability Incentive Scheme (PEAIS), Panchayat Mahila Evam Yuva Shakti Abhiyan (PMEYSA) and capacity building component of BRGF into one scheme, which will have some additional features to be named as Rajiv Gandhi Panchayat Sashaktikaran Abhiyan (RGPSA). As per the proposals of the Working Group, this rationalization will result in following two schemes:—

- (i) RGPSA strengthening the Panchayats as effective and accountable units of governments in all Districts of the country.
- (ii) BRGF: For providing adequate Development Grant for Panchayats in blocks identified as backward as per their own context specific plans.

RGPSA is envisaged as a scheme that will allow States to strengthen their Panchayati Raj systems by taking up a range of activities as needed. As the status of Panchayats varies across States, States need to undertake different activities to strengthen Panchayati Raj in their context. For example, in U.P. a major concern would be staffing at the GP level. However, West Bengal already has substantial staff at GP level and Karnataka has recently strengthened its GPs by appointing Panchayat Development Officers. The focus in these States may be on the creation of good quality training infrastructure, improving Panchayat processes of planning, accounting etc. RGPSA will allow a range of activities to be undertaken by States as per State needs, so that each State can bring about needed changes to strengthen their Panchayati Raj system.

RGPSA will strengthen the Panchayati Raj system across the country and address the critical deficiencies that constrain the functioning of Panchayats. The goals of RGPSA will be:—

- To enhance the capacities and effectiveness of and the Gram Sabhas;
- To enable democratic decision-making and accountability in Panchayats;
- Strengthen the institutional structure for knowledge creation and capacity building of Panchayats;

- Promote devolution of powers and responsibilities to Panchayats as per the spirit of the Constitution
- Specially strengthen Gram Sabhas in Schedule V areas to discharge their responsibilities as envisaged in Panchayat Extension to Scheduled Areas 1996 Act (PESA).”

1.10 The Ministry further informed that though RGPSA would be a country-wide programme, the needs of Schedule V areas and areas where the functioning of PRIs are constrained, will be given priority. North Eastern States will also be eligible for supporting democratically elected District Councils and Village Councils provided they ensure regular elections to Village Councils through the State Election Commission (SEC), recognize the Gram Sabha under law and make Village Councils accountable to Gram Sabha, provide for at least one third reservations for women and constitute State Finance Commissions.

1.11 RGPSA will be 100% centrally funded as the investment it envisages is for long-term institutional development to address the local self governance deficit, which States have so far been unwilling to address. To access funds, States will prepare perspective and annual plans for strengthening Panchayats, which will include the progress to be made on agreed conditions as well as activities to be undertaken within the scheme guidelines. An agreement will be reached between MoPR and each State about the measures to be taken by the State concerned to strengthen Panchayati Raj over the plan period. MoPR will also prepare a plan for the activities it will undertake to support the States. State and MoPR plans will be approved by an empowered committee at the Central level. The total funds required under RGPSA in the 12th Plan period are Rs. 33000 crores which include funds to be spent by States as well as at the Central level for facilitative activities.

1.12 The Committee enquired as to how the Ministry propose to ensure that the specific objectives of the various schemes are not diluted due to merger of the schemes under the umbrella scheme of RGPSA, the Ministry in a written reply stated that:—

“RGPSA as proposed will have a number of components for strengthening PRIs, some of which were administered earlier as separate schemes by the Ministry of Panchayati Raj. By merging these schemes and introducing a few other new interventions under RGPSA, it will allow States to take a more holistic view for strengthening Panchayati Raj Institutions, and allow more aspects to be addressed. The States and Panchayats will be able to prioritize

on the basis of the exact area (*e.g.* Manpower, Panchayat & Training Infrastructure etc.) that is required to be strengthened and prepare projects accordingly as per their needs. The guidelines for RGPSA will be finalized in consultation with State Governments and other Ministries to ensure that the specific objectives of the different components of the umbrella scheme are achieved.”

1.13 The Committee further enquired about the benefits of merging various schemes under RGPSA to which the Ministry in a written reply stated that:—

- (i) to allow States to plan holistically prioritizing projects as per their needs.
- (ii) Address States - specific needs.
- (iii) Instead of States making proposals on several schemes, they will make proposals in a single scheme which will reduce delay in sanction
- (iv) Holistic planning for strengthening of PRIs will enable States to pay more attention and therefore, do a better job on formulating and prioritizing projects.
- (v) The scheme will help to deeper the decentralization process by strengthening the institution of Gram Sabha.

1.14 On being asked about the responses of States towards the new scheme of RGPSA, the Ministry stated that a meeting was held with the State Secretaries of Panchayati Raj in which the scheme of RGPSA was discussed. State Panchayati Raj Secretaries appreciated the scheme and necessary steps were being taken to finalize the guidelines for RGPSA in consultation with the States.

1.15 Explaining it further, the Secretary, Ministry of Panchayati Raj stated during evidence:—

“RGPSA scheme is a new scheme and it is going to consolidate all the schemes that we have been previously running in which smaller allocations were being made, we think that this will be beneficial. States will be able to come up with a holistic plan looking at what is the capacity gap in their State with reference to strengthening of the Panchayats. It may be different for the State of Uttar Pradesh; it may be different for the State of West Bengal or Sikkim. So, States will be able to evolve their own State Plans. They will sign an MoU with the Ministry where the Ministry will analyse their State Plans and then also make a commitment to what extent

under RGPSA we will be able to give resources to help the States to strengthen the Panchayats against their State Plan. This is the main objective and the main achievement that we are hoping to get from the new scheme.

As I mentioned, this year will be spent on doing the preparatory work so that every State is clear about the concept of this new scheme, how it should work, how they can gain benefit and what kind of responsibility will be on the Central Government also to be able to make a success of the scheme.”

### **III. Scheme-wise Analysis**

#### **A. Backward Regions Grant Fund (BRGF)**

1.16 The Backward Regions Grant Fund (BRGF) is aimed at redressing regional imbalances in development by providing financial resources for supplementing and converging existing developmental inflows into identified districts, so as to bridge critical gaps in local infrastructure and other development requirements that are not being adequately met through existing inflows. A budget of Rs. 5050 crore has been proposed for the scheme during the fiscal year 2012-13.

1.17 The schemes and works under the BRGF are required to be planned, implemented and managed by the Panchayats and the Municipalities at various levels and consolidated and approved as District Plan by the District Planning Committees. Under the capacity building component of the BRGF, funds are released for building capacities in planning, implementation and monitoring of the assigned schemes and functions and improving accountability and transparency at the level of Panchayats and the Municipalities.

##### **(i) Coverage**

1.18 The BRGF Programme covers 250 Districts in 27 States, of which 232 Districts have Panchayats and the Municipalities. The remaining 18 Districts are covered by other local government structures, such as Autonomous District Councils under the Sixth Schedule of the Constitution and State specific arrangements as in the case of Nagaland and the hill areas of Manipur.

1.19 The Committee observe that the scheme is in operation for several years now and covers 250 Districts identified as most backward districts in the country. When the Committee enquired if any assessment has been made about the impact of implementation of this scheme in

these identified districts, the Ministry in a written note submitted as under:—

“On the request of the Ministry, a World Bank Mission evaluated the implementation of BRGF in eight States of the country in July, 2009. Some key features of the Report are as follow:—

- (a) BRGF has stimulated a process PRI/ULB strengthening, particularly in poor States and districts, and laid the foundation for achieving several of its objectives.
- (b) It has provided much appreciated discretionary resources for local bodies to address local investment needs. The local bodies are eagerly taking up planning and implementing projects under the Programme as it provides flexibility.
- (c) The projects are generally addressing local needs within core local government mandates in a relatively cost effective manner.
- (d) When funds are available, projects are implemented relatively fast (within less than 6 months) and are of reasonable quality.
- (e) In most States, BRGF stimulated grassroots participation in Gram Sabhas and Bottom-up planning. The PRIs/ULBs, though, do not seem to be playing leading role in integrated planning as their discretionary budget is dwarfed by funds from some of the other major schemes implemented by line agencies and other agencies.
- (f) BRGF stimulated capacity building (esp. top-down orientation and training) activities targeted at PRI officials and functionaries.
- (g) State HPC and the DPCs should focus on strategic management of BRGF rather than rubber-stamping or vetoing district plans. The DPC/HPC should not intervene in PRI/ULB priorities but should focus on technical support.

The Ministry has taken action in respect of recommendations of the World Bank Mission and also has requested the States to take action as per the recommendations of the Review Mission. The Planning Commission has also commissioned an evaluation of BRGF by the Institute of Human Development, New Delhi. The final report is yet to be received.”

1.20 The Secretary, Ministry of Panchayati Raj further elaborated:—

“In eight States of the country this evaluation was undertaken and the main findings of the Mission were that grassroots participation of Gram Sabha was stimulated because this is one of the schemes which insists that plans have to come through the District Planning Committees. So, the PRIs and the ULBs are activated on this. The second important point was that this is an untied fund. We don't instruct how to use these funds. States and Panchayats used it themselves. Wherever there is critical gap in infrastructure it can be used for that. So, it is a totally untied fund. Detailed evaluation of BRGF could be seen if it is evaluated by any education institutions.”

**(ii) Physical and Financial Performance**

1.21 The following are the Budget Estimates (BE), Revised Estimates (RE) and Expenditure of BRGF during the Eleventh Five Year Plan:

(Rs. in crore)

| Year      | BE      | RE      | Expenditure |
|-----------|---------|---------|-------------|
| 2007-2008 | 4670.00 | 3597.50 | 3597.50     |
| 2008-2009 | 4670.00 | 3890.00 | 3889.76     |
| 2009-2010 | 4670.00 | 3670.00 | 3669.99     |
| 2010-2011 | 5050.00 | 6550.00 | 6550.00*    |
| 2011-2012 | 5050.00 | 3917.00 | 3091.06^    |

\*Includes Rs. 1500 crore sanctioned under the Integrated Action Plan for 60 Most Extremist Affected Districts (MEAD).

^as on 29.02.2012.

1.22 It can be seen from the above data that actual expenditure as on 29 February, 2012 was Rs. 3091.06 crore only. When asked about the reasons for decrease in the Plan allocation at Revised Estimates stage for the fiscal year 2011-12 as compared to BE of Rs. 5050 crore, the Ministry submitted in a written note as under:—

“The BE for BRGF for 2011-12 was Rs. 5050 crores. However, this was curtailed to Rs. 3717 crores at the RE stage because of slow pace of releases upto the month of November, 2011. Subsequently, in the month of March, 2012 an additional amount of Rs. 200 crores was allocated to BRGF by the Ministry of Finance thereby fixing

the RE limit at Rs. 3917 crores. The entire amount of Rs. 3917 crores was released during financial year 2011-12. There are quite a few reasons for low releases in the first half of the financial year. Elections were held in the first quarter of the financial year in Bihar and J&K which delayed the process of plan preparation, approval by the DPC and submission of proposals to MoPR. The proposals from these two States along with proposals from Karnataka, Uttarakhand, Meghalaya, Arunachal Pradesh and Assam were received only in the period September to November, 2011. In the case of Jharkhand, the DPCs were constituted only in the month of December after continuous urging by MoPR. Thereafter, the plans approved by the DPCs in Jharkhand were received only in the months of January and February, 2012. Releases to many BRGF districts were held up in the months of October and November on account of pending RSVY UCs. It may be noted that the States of Madhya Pradesh, Chhattisgarh and Odisha took very small amounts as their first instalment primarily on account of high unspent balance with the districts. All these factors contributed to the slow pace of releases in the first half of the financial year leading to a cut at the RE stage.”

1.23 Elaborating further, the Secretary, Ministry of Panchayati Raj during evidence informed as under:—

“We get the plans quite late in the year. For the release of first installment, the States send proposals by November-December and if first instalment release in December, then there is no time left for second instalment and to come back on it because they are not able to spend that money in the short three months.”

1.24 On being asked about the criteria for release of funds for BRGF Districts, the Ministry in a written reply stated that:—

“The BRGF programme consists of two funding windows (i) a Capacity Building fund of Rs. 250 crore per annum out of which the allocation of funds for each State is calculated at the rate of Rs. 1 crore per BRGF District in that State; (ii) the Untied development grant — the allocation of these funds by Panchayats and Urban Local Bodies are guided by transparent norms and they are to use these funds to address critical gaps in the integrated development identified through the participative planning process. The criteria for distribution of untied grant/funds between Districts are done by way of providing a base amount of Rs. 10 crore for each District and the 50% of the balance is allocated on the basis

of the share of the population of the District in total population in all backward Districts; and (iii) the remaining 50% is distributed on the basis of the share of the area of the Districts in the total area of all backward Districts.”

1.25 When asked about the ongoing mechanism deployed to assess the performance of the BRGF Scheme, the Ministry stated that:—

- “(i) The States are advised to submit the progress report and the calendar of the activities proposed to be undertaken for implementation of the programme. The progress and implementation of the scheme is regularly monitored in the Ministry is also reviewed in meetings with the State Secretaries of Panchayati Raj.
- (ii) The Ministry has empanelled 37 National Level Monitors who are retired officers of Central/State Governments, Defence forces and Academicians. These NLMs have undertaken visits to 1 assigned District during the first round held in Sept.-Nov. 2011 and submitted reports after visiting Districts, Blocks and Village Panchayats and meeting the officers, representatives and local population. To follow up, reports of NLM are forwarded to the State Governments for taking necessary corrective measures.”

1.26 According to the Ministry, Rs. 31.82 crore has been released to 15 States as on 31.12.2011 for the capacity building plans of these States. The capacity building grants have been utilized for creation of training related infrastructure, conducting training programmes, exposure visits for elected representatives and officials, setting up of helplines, newsletters etc.

1.27 State-wise details of funds sanctioned under the Capacity Building component of BRGF during 2011-12 (as on 31.12.2011) are as follows:—

(Rs. in crore)

| Sl.No. | State          | No. of Districts | Total Entitlement | Release |
|--------|----------------|------------------|-------------------|---------|
| 1      | 2              | 3                | 4                 | 5       |
| 1.     | Andhra Pradesh | 13               | 13.00             | 6.07    |
| 2.     | Assam          | 11               | 11.00             | 2.90    |



| 1     | 2                | 3   | 4      | 5     |
|-------|------------------|-----|--------|-------|
| 3.    | Chhattisgarh     | 13  | 13.00  | 1.77  |
| 4.    | Haryana          | 2   | 2.00   | 1.04  |
| 5.    | Himachal Pradesh | 2   | 2.00   | 0.47  |
| 6.    | Karnataka        | 5   | 5.00   | 2.69  |
| 7.    | Maharashtra      | 12  | 12.00  | 5.06  |
| 8.    | Manipur          | 3   | 3.00   | 0.67  |
| 9.    | Nagaland         | 5   | 5.00   | 2.70  |
| 10.   | Odisha           | 19  | 19.00  | 0.19  |
| 11.   | Punjab           | 1   | 1.00   | 0.44  |
| 12.   | Sikkim           | 1   | 1.00   | 0.63  |
| 13.   | Tamil Nadu       | 6   | 6.00   | 1.91  |
| 14.   | Tripura          | 1   | 1.00   | 0.46  |
| 15.   | West Bengal      | 11  | 11.00  | 4.82  |
| Total |                  | 103 | 103.00 | 31.82 |

1.28 On being asked the reasons for such low release of funds under the Capacity building component under BRGF during 2011-12, the Ministry in a written reply stated that:—

“Releases under Capacity Building Component of BRGF has increased from Rs. 31.82 crore (as on 31.12.2011) to Rs. 106.58 crore by the end of financial year 2011-12. As the proposals from the State Governments received late, most of the releases were made in the last quarter of the financial year 2011-12.

Reasons for the low release of funds under the Capacity Building Component of BRGF during 2011-12 are as under:—

- In the financial year 2010-11 Ministry had released Rs. 120 crore out of total release of Rs. 197.17 crore under Capacity Building Component of BRGF between 29.03.2011 to 31.03.2011. Due to last minute release of funds, State Govts. had high unutilised balance, which was either equal to the annual entitlement or more than the annual entitlement of the States for 2011-12.

- For release of funds under C.B. component of BRGF, MoPR required some necessary documents like financial year-wise audit reports, physical and financial progress reports and Utilisation Certificates. But State Governments failed to submit the requisite documents on time.
- During 2011-12, Gujarat, Uttarakhand, Uttar Pradesh, Tamil Nadu, Odisha, Maharashtra, Bihar and West Bengal held either Assembly or panchayat elections. Therefore, capacity Building activities were suspended during this period. In Andhra Pradesh, the term of Panchayats was over, but elections were not held.”

1.29 The Committee enquired about the total number of elected representatives and functionaries trained during the Eleventh Five Year Plan, the Ministry in a written reply stated that:—

| Sl.No. | State/UTs         | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 |
|--------|-------------------|---------|---------|---------|---------|---------|
| 1      | 2                 | 3       | 4       | 5       | 6       | 7       |
| 1.     | Andhra Pradesh    | 81017   | 91500   | 153750  | 315955  | -       |
| 2.     | Arunachal Pradesh | -       | 4503    | 2404    | 176     | 584     |
| 3.     | Assam             | 6740    | 17419   | 19632   | 10612   | 5799    |
| 4.     | Bihar             | -       | 140825  | -       | 2575    | 90      |
| 5.     | Chhattisgarh      | -       | -       | 157     | 49758   | 21247   |
| 6.     | Goa               | -       | 309     | 373     | 564     | -       |
| 7.     | Gujarat           | -       | -       | -       | 50013   | 127980  |
| 8.     | Haryana           | -       | 39062   | -       | 39408   | 300     |
| 9.     | Himachal Pradesh  | 14196   | 3832    | 13266   | 1880    | 25077   |
| 10.    | Jharkhand         | -       | -       | -       | 1168    | 786     |
| 11.    | Karnataka         | -       | -       | -       | 50669   | 37957   |
| 12.    | Kerala            | -       | 2034    | 13837   | 5539    | 2068    |
| 13.    | Madhya Pradesh    | 5800    | 22523   | 5231    | 159784  | 10058   |
| 14.    | Maharashtra       | 15248   | 8505    | 10292   | 33792   | 9758    |
| 15.    | Manipur           | -       | 2607    | 2596    | 8397    | -       |
| 16.    | Odisha            | -       | 2045    | 15422   | 44682   | 2961    |

| 1     | 2             | 3        | 4        | 5        | 6         | 7        |
|-------|---------------|----------|----------|----------|-----------|----------|
| 17.   | Puducherry    | 249      | -        | -        | 76        | -        |
| 18.   | Punjab        | -        | 28151    | 27199    | 96380     | 203      |
| 19.   | Rajasthan     | -        | 55320    | 72600    | 120247    | 104000   |
| 20.   | Sikkim        | -        | 1988     | 311      | -         | -        |
| 21.   | Tamil Nadu    | -        | 56666    | 2841     | 31810     | 5270     |
| 22.   | Tripura       | 2916     | 3062     | -        | 9562      | -        |
| 23.   | Uttarakhand   | -        | -        | -        | 281       | 5471     |
| 24.   | Uttar Pradesh | -        | -        | -        | 134872    | 32745    |
| 25.   | West Bengal   | 7692     | 10650    | 5114     | 5874      | 119      |
| Total |               | 1,33,858 | 4,91,001 | 3,45,025 | 11,65,449 | 3,92,473 |

Note : Full information for 2011-12 is awaited. Information from some States/UTs not reported.

1.30 Explaining the lack of institutional infrastructure for training, the Secretary, Ministry of Panchayati Raj, during the evidence stated as under:—

“The capacity of the training institutes needs to be strengthened. As Madam Chairman has told that we need to have institutes at the regional level to build up the capacity to be able to strengthen this particular aspect. We are taking up with the Planning Commission for a national level institute. So far we have been asked to accommodate with the National Institute of Rural Development. But, keeping a cell under the National Institute of Rural Development, may not have the effect of completely providing the kind of training infrastructure we require. We would work more closely with the Planning Commission on that.”

#### **B. Rashtriya Gram Swaraj Yojana**

1.31 The Rashtriya Gram Swaraj Yojana (RGSY) is a Centrally Sponsored Scheme being implemented by the Ministry of Panchayati Raj for the non-BRGF districts. Budget allocation for the scheme during the fiscal year 2012-13 is Rs. 115 crore. The scheme focuses primarily on the following:—

- (i) Providing financial assistance to the States/UTs for Training & Capacity Building of elected representatives (ERs) and functionaries of Panchayati Raj Institutions (PRIs);

- (ii) Assistance for development for training infrastructure for distance learning and, in respect of the Hill States and States in the North Eastern Region, capital expenditure on establishment of Panchayat Resource Centers/Training Institutes at Divisional/District level; and
- (iii) Panchayat Infrastructure Development under which assistance is provided to all States/UTs for construction of Panchayat Ghars at Gram Panchayat level.

### Physical and Financial Performance

1.32 Under Rashtriya Gram Swaraj Yojana, assistance is provided to the States under two components namely (i) Training & Capacity building, (ii) Infrastructure Development. The financial assistance to State Governments is provided on 75:25 sharing basis.

1.33 The Committee enquired about the allocation and utilization of funds under different heads for each State/UTs under RGSY Scheme during the Eleventh Five Year Plan, the Ministry in a written reply stated that:—

“Under the scheme of RGSY the financial assistance is provided to the States/UTs for the districts which are not covered under BRGF Scheme. There is no fixed allocation for States/UTs under RGSY as the financial assistance is provided for Capacity Building and Training and Infrastructure Development as per the States needs. The details for the financial assistance provided to States/UTs, utilisations during 11th Five Year Plan period are as follows:

| (Rs. in crore) |       |       |          |
|----------------|-------|-------|----------|
| Year           | BE    | RE    | Releases |
| 2007-2008      | 49.00 | 46.54 | 46.54    |
| 2008-2009      | 36.50 | 48.35 | 48.35    |
| 2009-2010      | 45.00 | 44.23 | 44.23    |
| 2010-2011      | 50.00 | 72.70 | 72.70    |
| 2011-2012      | 84.00 | 84.80 | 84.80    |

1.34 Regarding the releases for both the components of RGSY during the Eleventh Plan Period, the Ministry furnished the following information:—

(Rs. in crore)

| Year    | Capacity Building & Training |          | Infrastructure |          |
|---------|------------------------------|----------|----------------|----------|
|         | RE                           | Releases | RE             | Releases |
| 2007-08 | 30.00                        | 30.00    | 16.54          | 16.54    |
| 2008-09 | 48.35                        | 48.35    | 0              | 0        |
| 2009-10 | 39.28                        | 39.28    | 4.95           | 4.95     |
| 2010-11 | 60.20                        | 60.20    | 12.50          | 12.50    |
| 2011-12 | 35.80                        | 35.80    | 49.00          | 49.00    |

1.35 A statement showing State-wise number of Elected Representatives and Functionaries trained during the year 2009-10, 2010-11 and 2011-12 as reported by various States are given below:—

| Sl.No. | States/UTs        | 2009-10 | 2010-11 | 2011-12 |
|--------|-------------------|---------|---------|---------|
| 1      | 2                 | 3       | 4       | 5       |
| 1.     | Andhra Pradesh    | 153750  | 315955  | -       |
| 2.     | Arunachal Pradesh | 2404    | 176     | 584     |
| 3.     | Assam             | 19632   | 10612   | 5799    |
| 4.     | Bihar             | -       | 2575    | 90      |
| 5.     | Chhattisgarh      | 157     | 49758   | 21247   |
| 6.     | Goa               | 373     | 564     | -       |
| 7.     | Gujarat           | -       | 50013   | 127980  |
| 8.     | Haryana           | -       | 39408   | 300     |
| 9.     | Himachal Pradesh  | 13266   | 1880    | 25077   |
| 10.    | Jharkhand         | -       | 1168    | 786     |
| 11.    | Karnataka         | -       | 50669   | 37957   |
| 12.    | Kerala            | 13837   | 5539    | 2068    |
| 13.    | Madhya Pradesh    | 5231    | 159784  | 10058   |
| 14.    | Maharashtra       | 10292   | 33792   | 9758    |

| 1   | 2             | 3      | 4       | 5      |
|-----|---------------|--------|---------|--------|
| 15. | Manipur       | 2596   | 8397    | -      |
| 16. | Odisha        | 15422  | 44682   | 2961   |
| 17. | Puducherry    | -      | 76      | -      |
| 18. | Punjab        | 27199  | 96380   | 203    |
| 19. | Rajasthan     | 72600  | 120247  | 104000 |
| 20. | Sikkim        | 311    | -       | -      |
| 21. | Tamil Nadu    | 2841   | 31810   | 5270   |
| 22. | Tripura       | -      | 9562    | -      |
| 23. | Uttarakhand   | -      | 281     | 5471   |
| 24. | Uttar Pradesh | -      | 134872  | 32745  |
| 25. | West Bengal   | 5114   | 5874    | 119    |
|     | Total         | 345025 | 1165449 | 392473 |

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

1.36 On being asked the reasons for 0% achievement in certain States, the Ministry in a written reply stated that:—

“The RGSY Scheme is demand driven in nature. The States of Goa, Manipur, Sikkim, Puducherry had not taken Central assistance during 2011-12 under the scheme. However, the States of Gujarat and Rajasthan had submitted their progress report for training of ERs for 2011-12. As per the report received States of Gujarat and Rajasthan had provided training to 1,27,980 and 1,04,000 ERs and functionaries respectively. The State of Tripura had taken Central assistance on 29.02.2012 on grounds that they will start training programme in 2011-12 itself. In the State of Andhra Pradesh, Panchayat elections were due and Training Programmes of ERs could not be conducted.”

1.37 The Ministry also provided the following information about the number of Panchayat Ghars sanctioned from 2006-07 to 2011-12 as follows:—

| States       | 2006-07 | 2007-08 | 2008-09    | 2009-10 | 2010-11 | 2011-12 |
|--------------|---------|---------|------------|---------|---------|---------|
| 1            | 2       | 3       | 4          | 5       | 6       | 7       |
| Chhattisgarh | -       | -       | No         | -       | 290     | 365     |
| Bihar        | 95      | -       | allocation | -       | -       | -       |
| Gujarat      | 240     | -       | has been   | -       | -       | -       |
|              |         |         | made.      |         |         |         |

| 1                | 2   | 3    | 4                            | 5   | 6   | 7   |
|------------------|-----|------|------------------------------|-----|-----|-----|
| Himachal Pradesh | 120 | 120  |                              | 300 | -   | -   |
| Manipur          | -   | 82   | No allocation has been made. | 82  | -   | -   |
| Rajasthan        | 180 | -    |                              | 180 | -   | 60  |
| Karnataka        | -   | -    |                              | 40  | 110 | 30  |
| Punjab           | -   | -    |                              | -   | -   | 277 |
| Uttar Pradesh    | -   | -    |                              | -   | -   | 162 |
| Assam            | -   | 770  |                              | -   | -   | 50  |
| Haryana          | -   | -    |                              | -   | -   | 06  |
| Odisha           | -   | 350  |                              | -   | -   | 54  |
| West Bengal      | 05  | -    |                              | -   | -   | -   |
| Total            | 640 | 1322 |                              |     | 602 | 400 |

1.38 Elaborating on the issue of capacity building of Panchayats, the Secretary, Ministry of Panchayati Raj informed as under:—

“During the 12th Five Year Plan, the Ministry would endeavor to expand activities and provide resources to the States for empowerment of Panchayats. Our focus would be to improve administrative and technical support, capacity building and functioning of panchayats. You have pointed out increasing responsibilities of Sarpanches and Secretary, but whether they have the capacity to handle their responsibilities. We will focus on training, infrastructure and panchayat processes during 12th Five Year Plan. We are provisioning resources from Central Government for construction of Panchayat Ghars at the level of gram panchayat in new scheme. Our own role, apart from advocacy and facilitation, would also be to support pro-activity stance. We are also thinking about new schemes as well as enhancing the level of resources. We want to provide new focus to the Gram Sabhas, because in grass-root democracy, Panchayats are accountable to Gram Sabha. States will get assistance from Central Government to facilitate more meetings of Gram Sabha. It will help to organise meetings of Gram Sabha everywhere. Under the new scheme efforts are being made to provide Accountant and Technical Assistant to improve the staff position in the Gram Panchayats.”

### C. Panchayat Empowerment and Accountability Incentive Scheme (PEAIS)

1.39 Panchayat Empowerment & Accountability Incentive Scheme (PEAIS) is a Central Sector Plan Scheme which is being implemented by the Ministry of Panchayati Raj since 2005-06. The scheme aims at the following:—

- (i) Incentivizing States to empower Panchayats through devolution of funds, functions and functionaries (3Fs); and
- (ii) Put in place accountability of the PRIs.

1.40 Under the Scheme, incentive grants are provided to States/UTs for undertaking legislative and administrative measures for effective devolution of the 3Fs to PRIs based on the ranking of States on a Devolution Index (DI) prepared through an independent agency annually. Token awards are given to the States which rank high on the DI. There is no State-wise allocation under the scheme. A budget of Rs. 40 crore has been proposed for the scheme during the fiscal year 2012-13.

#### Physical and Financial Performance

1.41 Regarding the financial performance of the Scheme in respect of 11th Five Year Plan, the Ministry have given the following information:—

(Rs. in crore)

| Year      | BE    | RE    | Releases |
|-----------|-------|-------|----------|
| 2007-2008 | 10.00 | 10.00 | 10.00    |
| 2008-2009 | 10.00 | 10.00 | 10.00    |
| 2009-2010 | 9.00  | 9.00  | 9.00     |
| 2010-2011 | 9.00  | 9.00  | 9.00     |
| 2011-2012 | 31.00 | 30.65 | 30.65    |

1.42 The Committee wanted to know the reasons for the increase in allocation towards PEAIS from 2011-12 to which the Ministry in a written reply stated that:—

“Till 2010-11, component (ii) of PEAIS *i.e.*, Incentivize Panchayats to put in place accountability systems to make their functioning



transparent and efficient, could not be implemented due to paucity of funds. However, for the year 2011-12, the outlay for the scheme has been enhanced from Rs. 10 crore per annum to Rs. 31 crore to cover incentivization of Panchayats also in addition to that of States.”

1.43 The study for preparation of Devolution Index (DI) and ranking of States for the year 2011-12 has been assigned to Indian Institute of Public Administration (IIPA), New Delhi. This study will also take into account incremental devolution during the current year in addition to cumulative devolution. For 2009-10, awards were given on 24th April, 2011 to the following States:—

|                                   | State       | Amount<br>(Rs. in crores) |
|-----------------------------------|-------------|---------------------------|
| First Prize                       | Kerala      | 3.0                       |
| Second Prize                      | Karnataka   | 2.0                       |
| North Eastern State & Third Prize | Sikkim      | 1.0                       |
| Fourth Prize                      | West Bengal | 1.0                       |

1.44 The details of ranking based on incremental achievements during 2010-11 are as under:—

|              | State       | Amount (Rs. in crores)  |
|--------------|-------------|---|
| First Prize  | Rajasthan   | 1.5   |
| Second Prize | Kerala      | Special mention may be made but no cash prize is being given as the State is being awarded for cumulative devolution. |
| Third Prize  | Maharashtra | 1.0   |
| Fourth Prize | Karnataka   | Special mention may be made but no cash prize is being given as the State is being awarded for cumulative devolution. |
| Fifth Prize  | Haryana     | 0.50  |

1.45 The Committee enquired about the completion of the study by the Indian Institute of Public Administration (IIPA) for preparation

of Devolution Index (DI) and ranking of States for the year 2011-12 to which the Ministry in a written reply stated that:—

“IIPA has completed and submitted its study for preparation of DI and ranking of States for the year 2011-12. Based on weighted aggregation of the four dimensional sub-indices, the composite Panchayat devolution index shows that Kerala is ranked first followed by Karnataka, Maharashtra and Madhya Pradesh. The next three States in order are Tamil Nadu, Rajasthan and West Bengal. Among the North Eastern States, Sikkim is number 1, but is ranked eighth after West Bengal in the country.”

1.46 The Ministry also provided the details of award money released to winning States during 2011-12 as under:—

(Rs. in crore)

| Sl.No.                         | States       | Rank                         | Amount |
|--------------------------------|--------------|------------------------------|--------|
| <b>I. Cumulative Ranking</b>   |              |                              |        |
| 1.                             | Kerala       | 1                            | 2.5    |
| 2.                             | Karnataka    | 2                            | 2.0    |
| 3.                             | Maharashtra* | 3                            | *      |
| 4.                             | Sikkim       | 1 in NE Region (Incremental) | 1.0    |
| <b>II. Incremental Ranking</b> |              |                              |        |
| 5.                             | Maharashtra  | 1                            | 2.0    |
| 6.                             | Haryana      | 2                            | 1.5    |
| 7.                             | Rajasthan    | 3                            | 1.0    |
| 8.                             | Karnataka**  | 4                            | **     |

\*No prize as the State has been given award for incremental devolution.

\*\*No prize as the State has been given award for cumulative devolution.

1.47 On being asked whether the Ministry have laid out any conditions for States for use of award money under PEAIS, the Ministry in a written reply stated that:—

“The Ministry has laid the condition that the award money under PEAIS be utilized by the State Government for the development of Panchayati Raj Institution as decided by the State Governments.

In regard to best performing Panchayats, the Ministry has laid out the condition that the award money under PEAIS be utilized for undertaking developmental activities within the respective Panchayats.”

1.48 The Committee wanted to know about the special features of the winning States like Kerala which they have adopted in order to achieve first rank on the Devolution Index (DI), the Ministry have stated that the Government of Kerala provides 25% plan funds in untied form to Panchayats as per an objective allocation formula on the basis of Panchayat plans. Besides, it has devolved important revenue sources to Panchayats. Innovative steps taken by Panchayats are recognized and required manpower has also been provided to the PRIs.

#### **D. Media, Publicity and Advocacy**

1.49 The Central Sector Plan Scheme titled "Media and Publicity" was approved in 2007-08 with the objective that dissemination of message will build capacity and enhance the performance of Panchayats. The success of the programmes and policies of the Ministry of Panchayati Raj demands effective communication. The media activities will target the elected representatives of the PRIs at the three tiers, staff of the PRIs, officials of the State machinery and the public at large. Funds are utilised mainly by the Ministry itself for taking up various activities of Media and Publicity through various agencies like DAVP, Prasar Bharati etc. Budget provision for the scheme for 2012-13 is Rs. 17 crore.

1.50 Following are the main activities under the Scheme:—

- (i) Production and telecast of telefilms.
- (ii) Production and broadcast of Radio Programmes.
- (iii) Organization of Conferences, Seminars and Workshops.
- (iv) Advertisements in Print Media.
- (v) Publication of reports etc.

1.51 A special Gaurav Gram Sabha award was conferred on Gram Panchayats which had shown exceptional performance on National Panchayati Raj Day held on April 24, 2011. The Ministry have decided to bring out a bi-monthly newsletter highlighting new initiatives from Union and State Governments, but more than that to spread the news of innovative and valuable programmes taken up by Panchayats. This

Newsletter will be published in English, Hindi and other Indian languages. The first issue is expected to be released on 24th April 2012, commemorating National Panchayati Raj Day.

1.52 The Committee wanted to know the expected outcome from circulation of a bi-monthly newsletter to which the Ministry informed that:—

“The first edition of the bi-monthly Newsletter is due for release on 24th April 2012. The expected outcomes are:—

- (i) Publication in 15 regional languages and distribution upto the Gram Panchayat level would disseminate information about the development schemes of Government being implemented in the District and create an awareness about the role of PRIs in their implementation.
- (ii) It will disseminate good practices across States which are expected to be emulated.
- (iii) Print media has the advantage of making a lasting impact on the minds of the reader as discussions can be encouraged on articles printed.”

1.53 On being asked about the steps proposed to be taken in order to spread nationwide awareness on issues related to Panchayats like National Panchayati Raj Day, the Ministry in a written reply stated that:—

“The following activities have already been initiated to spread nationwide awareness on issues related to Panchayats:

- (i) Mass Media Awareness Campaign through Song and Drama Division initiated in the month of February and March 2012 through folk music & dance and other interesting medium.
- (ii) Mass Media Awareness Campaign through AIR through broadcast of radio spots on Gram Sabha and importance of National Panchayati Raj Day 2012.
- (iii) Telecast of video spots on Gram Sabha and National Panchayati Raj Day on various regional channels through NFDC.
- (iv) Special Publicity Campaign of 40 days over Vividh Bharati Network (30 Stations), 22 FM channels, 65 Primary Channels/LRS of Hindi Belt and with News on National Hookup through broadcast of one spot daily on Gram Sabha and National Panchayati Raj Day.

- (v) Broadcast of weekly sponsored programme of MoPR of 15 minutes duration over 188 Primary Channels/LRS through 52 episodes on various aspects of Panchayati Raj.
- (vi) Release of video spots on Gram Sabha and National Panchayati Raj Day 2012, in remote rural areas through Digital Cinema (over 2000 digital screens all over the country) through NFDC.
- (vii) Release of advertisements through DAVP for countrywide publication in widely-read newspapers."

1.54 Regarding the financial performance of the Scheme in respect of 11th Five Year Plan, the Ministry have provided the following information:—

*(Rs. in crore)*

| Sl.No. | Year    | Budget Estimate (BE) | Revised Estimate (RE) | Financial achievements |
|--------|---------|----------------------|-----------------------|------------------------|
| 1.     | 2007-08 | 6.90                 | 17.99                 | 13.53                  |
| 2.     | 2008-09 | 6.90                 | 18.90                 | 17.20                  |
| 3.     | 2009-10 | 6.20                 | 7.20                  | 7.85                   |
| 4.     | 2010-11 | 7.20                 | 7.20                  | 11.72                  |
| 5.     | 2011-12 | 15.00                | 15.00                 | 14.99                  |

1.55 It is observed from the above statement that allocation under the Scheme has been increased from BE to RE stage in each year except 2010-11 and 2011-12.

1.56 Regarding the reasons for additional spending over releases during 2009-10 and 2010-11, the Ministry in a written reply stated that:—

"A weekly TV programme titled "Grameen Bharat" was produced and telecast during 2010-2011 under the scheme "Mass Media Support to Panchayati Raj" through Doordarshan's National and its 18 Regional Kendras for a period of one year. A special wall-calendar was brought out in 2011 to commemorate Gram Sabha with special reference to MGNREGS. The two booklets titled (a) "Mahatma Gandhi National Rural Employment Guarantee Scheme: Shramikon Ke Liye", and (b) "Mahatma Gandhi National Rural Employment Guarantee Scheme: Gram Panchayat Guidebook" were got printed in Hindi and ten regional languages for wider dissemination at Block/Village Panchayat level across the country."

1.57 While explaining the reason for a boost in the allocation under the scheme during 2011-12, the Ministry in a written reply stated as under:—

“MoPR had planned a series of awareness generation activities to sensitize the rural people. Funds were also required to meet the committed liability from the previous year, (i) Telecast and broadcast of already approved audio-visual programmes through various Private Satellite TV/FM Radio Channels and Digital Cinemas on the panel of NFDC and All India Radio (AIR) and Lok Sabha Television (LSTV), and (ii) printing of booklets on various schemes/ themes of Panchayati Raj and its distribution in regional languages was also planned during 2011-12.”

#### **E. Action Research and Research Studies Scheme**

1.58 The Central Sector Plan Scheme titled “Action Research & Research Studies” was approved in 2007-08. The scheme provides financial support to Academic Institutions/NGOs/Research Organizations/Registered Societies/Non Profit Organizations/SIRDs having specialized experience in research and evaluation in the areas of Panchayati Raj. Action Research proposals that provide an in- depth analysis for long-term issues, assess impact and document experiences in Panchayati Raj are supported under this scheme.

1.59 Regarding the financial performance of the Scheme in respect of 11th Five Year Plan, the Ministry have provided the following information:—

(Rs. in crore)

| Sl.No. | Year    | Budget Estimate (BE) | Revised Estimate (RE) | Financial achievements |
|--------|---------|----------------------|-----------------------|------------------------|
| 1.     | 2007-08 | 2.00                 | 3.00                  | 3.00                   |
| 2.     | 2008-09 | 2.00                 | 3.00                  | 2.98                   |
| 3.     | 2009-10 | 2.70                 | 2.70                  | 1.61                   |
| 4.     | 2010-11 | 2.70                 | 2.70                  | 1.40                   |
| 5.     | 2011-12 | 3.00                 | 1.55                  | 1.55                   |

1.60 The Committee wanted to know the reasons for low financial achievement during the financial year 2011-12, the Ministry in a written reply stated that:—

“Under the scheme the total expenditure during the year 2011-12 was to the tune of Rs. 1.55 crore. The pace of research studies undertaken was much slower than anticipated due to lack of viable

and good proposals and therefore funds could not be spent as envisaged. Actual Financial Achievement during the Financial Year 2011-2012 is as under:—

(Rs. in crore)

| Name of the Scheme                 | B.E. | R.E. | Expenditure |
|------------------------------------|------|------|-------------|
| Action Research & Research Studies | 3.00 | 1.55 | 1.55"       |

1.61 Regarding the details on how funds are released under the Scheme, the Ministry in a written reply further stated that:—

“Funds are released for the projects approved by the Research Advisory Committee (RAC) in three instalments of 30:30:40. The first instalment of 30% is released after the concerned organization submits the structure & content of the proposed report, methodology of study, details of project team, time lines of various stages of study/report. The second instalment of 30% is released on furnishing of mid-term progress report containing first draft report and making a presentation on the study, a certificate of utilization of more than 80% of the funds released verified by a chartered accountant, an item-wise statement of account. The third (final) instalment of 40% is released on furnishing of 10 copies of the final report along with the soft copy on a C.D. on the project on approval of the report after making a final presentation and incorporating the suggestions (if any) in the final report, certificate of utilization of the funds sanctioned verified by a chartered accountant, statement of account indicating the actual expenditure incurred, after making a final presentation and incorporating the suggestions (if any) in the final report.”

1.62 The Committee pointed out that 19 themes necessary for Policy/Programme/Evaluation perspective were identified and out of these, studies on 12 themes have been sanctioned to shortlisted organizations/institutes, 5 have been deferred in lieu of studies sanctioned during the past financial years and 2 have been dropped.

1.63 Regarding the number of studies sanctioned, completed and still underway during the Eleventh Five Year Plan, the Ministry have furnished the following information:—

| Sl.No. | Year    | No. of studies sanctioned | Completed studies | Studies still underway |
|--------|---------|---------------------------|-------------------|------------------------|
| 1      | 2       | 3                         | 4                 | 5                      |
| 1.     | 2007-08 | 15                        | 13                | 2                      |
| 2.     | 2008-09 | 10                        | 8                 | 2                      |

| 1  | 2       | 3  | 4  | 5 |
|----|---------|----|----|---|
| 3. | 2009-10 | 18 | 11 | 7 |
| 4. | 2010-11 | 7  | 1  | 6 |
| 5. | 2011-12 | 5  | -  | 5 |

1.64 On the reasons for non-completion of large number of sanctioned research studies each year, the Ministry in a written reply stated that:—

“The reasons for the non-completion of large number of sanctioned research studies during the previous years were since for most of the studies sanctioned the pace was much slower than anticipated. The organizations had taken in-between extension of time for the completion of the study.

The Ministry does impose a timeline for the completion of research studies and if the organization is unable to complete the project on time, the Ministry reserves the right to penalize and financially deduct 5% of the approved funds on monthly basis beyond the allotted time while releasing the third and final instalment.”

#### **F. Rural Business Hubs**

1.65 The Rural Business Hub, a Central Sector Scheme is operational since September, 2007. RBH aims at providing technical support and marketing linkages to rural products/producers, to promote rural industrialization to diversify rural enterprises and to augment Non-Farm rural employment. It also aims at providing economic and social development in the rural areas. Ministry of Panchayati Raj extends token financial support for the viable RBH projects, and the balance project cost is to be converged through other Central/State Government Scheme/Financial Institution/Implementing Organization etc. Bringing the Panchayats and other stakeholders under the RBH umbrella is expected to promote investment in rural areas, improve productivity, increase rural employment and perhaps reverse or reduce urban migration.

1.66 Under the scheme, assistance is extended to proposing organisation for training/skill building, purchase of training equipment etc. Assistance is also extended for hiring the services of professionals for facilitating the RBHs. The products include agriculture/dairy products, food processing, carpet weaving, power generation/distribution, handloom/handicrafts, Jatropha, dal processing, chilli processing, sericulture, vermi-compost, honey, rural BPOs etc. Budget allocation for the scheme for 2012-13 is Rs. 0.25 crore.



1.67 The details of the financial performance of the Scheme in respect of 11th Five Year Plan as furnished by the Ministry are as follows:—

(Rs. in crore)

| Year    | Budget Estimate (BE) | Revised Estimate (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                  | 1.60                   |
| 2010-11 | 1.80                 | 1.80                  | 0.86                   |
| 2011-12 | 3.00                 | 0.76                  | 0.70                   |

1.68 On being asked the details on how funds released under the scheme are utilized, the Ministry in a written reply stated that:—

“The funds under the scheme are released to non-government agencies who are the implementing agencies. The funds are released in two instalments. Second instalment is released only on receipt of UC of the funds released earlier as first instalment, endorsement from Gram Panchayats for utilization of funds, activities undertaken and audited statement of accounts. These agencies utilise the funds in consultation and cooperation with the local Panchayats where the projects are implemented.”

1.69 Regarding the reasons for low expenditure, the Ministry stated that the scheme being demand driven, the main constraint for release of funds is receipt of suitable project proposals from the NGOs alongwith requisite documentation and approval of the Panchayats and District/State Authorities and that very few viable proposals were received.

1.70 Elaborating on the issue of Rural Business Hubs, the Secretary, Ministry of Panchayati Raj informed as under:—

“Madam, during 11th Five Year Plan, we started the scheme of Rural Business Hubs as a pilot project in 30 BRGF districts. Its main objective was to provide benefits to panchayats. In this regard, we received proposal from various NGOs, but its beneficiaries were NGOs only. The people their only learn sewing and weaving.”

### G. Panchayat Mahila Evam Yuva Shakti Abhiyan

1.71 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. Budget provision for the scheme during the fiscal year 2012-13 is Rs. 1.75 crore.

1.72 Regarding the financial performance of the Scheme in respect of 11th Five Year Plan, the Ministry furnished the following information:—

*(Rs. in crore)*

| Sl.No. | Year    | Budget Estimate (BE) | Revised Estimate (RE) | Financial achievements |
|--------|---------|----------------------|-----------------------|------------------------|
| 1.     | 2007-08 | 4.00                 | 4.00                  | 2.02                   |
| 2.     | 2008-09 | 4.00                 | 4.00                  | 4.00                   |
| 3.     | 2009-10 | 3.60                 | 2.60                  | 2.20                   |
| 4.     | 2010-11 | 2.70                 | 2.70                  | 0.96                   |
| 5.     | 2011-12 | 3.00                 | 3.00                  | 3.00                   |

1.73 It is observed from financial statement that allocation as well as financial achievements under the scheme has been reduced significantly since the start of the scheme in 2007 and has not increased till the termination of the Eleventh Five Year Plan in 2012.

1.74 Regarding the reasons for reduction in allocation since 2009, the Ministry in a written reply stated that:-

“The Scheme of PMEYSA is a demand driven one. It has been observed that the States have a luke warm response towards implementing this Scheme. Due to low allocation under the scheme, States are unable to set up State Support Centres, Constitution of Elected Women Association and conduct Training and Sensitizing programme for EWRs and EYRs. However, the States find it easier to train Elected Representatives under capacity building component of BRGF and RGSY. This results in decreasing number of proposals from States. Consequently, the level of expenditure was low and reduction in allocation over the year.”

1.75 Under PMEYSA, 23 States have formed the Core Committee and organized the State Level Sammelans. 14 State Support Centers under the scheme have been established. Training & Sensitization Programme under the scheme have been conducted in the States of Andhra Pradesh, Arunachal Pradesh, Chhattisgarh, Goa, Himachal Pradesh, Madhya Pradesh, Manipur, Kerala, Assam, West Bengal, Andaman & Nicobar Island and Sikkim. 627 batches of training & sensitization programme have been organized. 81 Divisional Level Sammelans have been conducted in the States of Andhra Pradesh, Chhattisgarh, Goa, Haryana, Himachal Pradesh, Karnataka, Kerala, Maharashtra, Madhya Pradesh, Manipur, Rajasthan, Sikkim, Uttarakhand, West Bengal and Andaman & Nicobar Island. State Level Association of EWRs/EYRs has been formed in the States of Andhra Pradesh, Goa, Karnataka, Maharashtra, Punjab, Sikkim and West Bengal.

1.76 On being asked about the status regarding formation of Core Committee in the remaining States which have not formed the Core Committee, the Ministry in a written reply stated that:—

“As per the information available from States/UTs, the Core Committees under the Scheme have been formed in 23 States. The other States/UTs have been exhorted through written communications and also in various review meetings etc. to take up the activities under the Scheme including the formation of Core Committee.

The Annual Report 2011-12 of the Ministry states that as per the provisions of Article 243D of the Constitution, one-third of the total number of seats to be filled by direct election in Panchayats at all levels and also those of the Chairpersons are reserved for women. The States of Andhra Pradesh, Bihar, Chhattisgarh, Himachal Pradesh, Jharkhand, Kerala, Madhya Pradesh, Maharashtra, Odisha, Rajasthan, Tripura and Uttarakhand have already legislated for 50% reservation for women. In Sikkim, reservation for women is 40%. As a result of this initiative, out of about 28 lakh elected members in Panchayats, around 10 lakh are women. The last 15 years of Panchayati Raj in India have seen women go from strength to strength in terms of their political participation.”

#### **H. Mission Project on e-Panchayats**

1.77 E-Panchayat is one of the Mission Mode Projects (MMPs) under National e-Governance Programme (NeGP) aimed at making Panchayats more efficient, transparent and accountable. It will ensure greater openness through transparency, disclosure of information, social audit, efficient delivery of services, improving internal management of Panchayats, procurement etc. Budget provisions for the scheme during the fiscal year 2012-13 is Rs. 40 crore.

1.78 So far studies on Information and Services Needs Assessment (ISNA), Business Process Re-engineering (BPR), Detailed Project Report (DPR) have been carried out by National Informatics Centre Services Inc. (NICSI) for all States. Based on these studies, 12 Core Common Applications are being developed to meet all aspects of Panchayats' functioning *viz.* from internal core functions such as Planning, Monitoring, Implementation, Budgeting, Accounting, Social Audit etc. to citizen service delivery like issue of certificates, licenses etc. Four of these twelve Core Common Applications namely Local Governance Directory (earlier called National Panchayat Directory), PRIASoft, National Panchayat Portal (NPP) and PlanPlus have already been rolled out successfully. Remaining applications except the GIS module have been developed and demonstrations of these newly developed seven applications have been given through four Regional workshops organized during the month of January and February 2012. These seven applications are now available for rolling out. One National level workshop is proposed to be held shortly to give finality to the seven newly developed applications.

1.79 Regarding the remaining seven applications to be rolled out in March, 2012, the Ministry in a written reply stated that:—

“All remaining PES applications except GIS module have been developed and demonstrated to States through four regional workshops in the months of February, March 2012. After incorporating the feedback received from these workshops, the ministry plans to officially launch these PES applications on 24 April, 2012 on the occasion of National Panchayat Diwas.”

1.80 Regarding the financial performance of the Scheme in respect of 11th Five Year Plan, the Ministry have furnished the following information:—

| (Rs. in crore) |         |                      |                       |                        |
|----------------|---------|----------------------|-----------------------|------------------------|
| Sl.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                 | 21.29                  |
| 5.             | 2011-12 | 40.00                | 40.00                 | 40.00                  |

1.81 It is observed from above data that only Rs. 97.20 crore were allocated under the scheme at BE stage during the entire 11th Five Year Plan that have been reduced to Rs. 86.28 crore at RE stage out of which Rs. 85.96 crore has been utilized during the 11th Five Year Plan.

1.82 The allocation made by the Planning Commission during the 11th FYP for this project has not been sufficient to meet the overall objectives of the project due to which the activities were limited to studies, software development and hosting of identified core common applications, capacity building and project management support. As advised by the Planning Commission, the project was revised and now the total requirement for e-Panchayat Mission Mode Projects (MMP) has been estimated at Rs. 6896 crore. The Planning Commission has been approached to make adequate allocations during the 12th Five Year Plan.

1.83 Regarding the details of State-wise allocation and utilization of funds under the project for the Eleventh Five Year Plan, the Ministry in a written reply have stated that:—

“Under the 11th FYP period, an amount of Rs. 88.46 crores (RE) have been allocated under e-Panchayats. An amount of Rs. 48 crore has been released to NIC/NICSI for software development. Out of the balance amount *i.e.* Rs. 40 crore, Rs. 1.50 crore has been released to the States as centre money for adoption of PRIASoft and Rs. 38.50 crore to the State Governments for setting up State Programme Management Units (PMUs). State-wise release of funds during 2011-12 is given below:-

| Sl.No. | State/UT           | Amount (Rs. in Lakhs) |
|--------|--------------------|-----------------------|
| 1      | 2                  | 3                     |
| 1.     | A&N Islands        | 10.49                 |
| 2.     | AP                 | 171.35                |
| 3.     | Arunanchal Pradesh | 81.46                 |
| 4.     | Assam              | 163.29                |
| 5.     | Bihar              | 202.08                |
| 6.     | Chandigarh         | 25.19                 |
| 7.     | Chhattisgarh       | 153.87                |

| 1   | 2                    | 3      |
|-----|----------------------|--------|
| 8.  | Dadra & Nagar Haveli | 3.5    |
| 9.  | Daman & Diu          | 6.99   |
| 10. | Goa                  | 28.68  |
| 11. | Gujarat              | 159.79 |
| 12. | Haryana              | 120.62 |
| 13. | HP                   | 132.55 |
| 14. | Jharkhand            | 174.84 |
| 15. | J&K                  | 145.81 |
| 16. | Karnataka            | 152.08 |
| 17. | Kerala               | 117.85 |
| 18. | Lakshadweep          | 3.5    |
| 19. | Madhya Pradesh       | 244.03 |
| 20. | Maharashtra          | 212.94 |
| 21. | Manipur              | 56.64  |
| 22. | Meghalaya            | 27.96  |
| 23. | Mizoram              | 31.46  |
| 24. | Nagaland             | 41.94  |
| 25. | Odisha               | 195.81 |
| 26. | Puducherry           | 13.98  |
| 27. | Punjab               | 138.82 |
| 28. | Rajasthan            | 162.92 |
| 29. | Sikkim               | 60.86  |
| 30. | Tamil Nadu           | 137.38 |
| 31. | Tripura              | 104.24 |
| 32. | U.P.                 | 317.41 |
| 33. | Uttarakhand          | 114.35 |
| 34. | West Bengal          | 135.32 |
|     | Total                | 3850'' |

1.84 On being asked about the efforts taken by the Ministry for widespread use of PlanPlus software, the Ministry in a written reply stated that:—

“448 trainings have been conducted on PlanPlus at State and District levels across the country. Every State/UT has been assigned a State coordinator for PlanPlus to oversee implementation of PlanPlus in the States/UTs, for providing day-to-day support and also including district level trainings. Technical Support Institutions (TSIs) have also been empanelled by MoPR to assist States in uploading plans through PlanPlus. Furthermore, the Ministry is operating a Google Group (an online interaction forum) where all stakeholders are members. This is a forum for addressing the day-to-day queries of users and all other stakeholders. Often, support is also provided through Video Conferencing. All BRGF districts have been advised to upload their District Plans through PlanPlus. Funds have also been transferred to States for setting up of PMUs that will provide handholding support in adopting PlanPlus and other PES applications.”

1.85 The Ministry have also provided information regarding computerization of Gram Panchayats of 25 States as under:—

| Sl.No. | State             | No. of GPs | GPs with Computers |
|--------|-------------------|------------|--------------------|
| 1      | 2                 | 3          | 4                  |
| 1.     | Andhra Pradesh    | 21807      | 475 (2%)           |
| 2.     | Arunachal Pradesh | 1779       | 0                  |
| 3.     | Assam             | 2202       | 2202 (100%)        |
| 4.     | Bihar             | 8442       | 0                  |
| 5.     | Chhattisgarh      | 9734       | 887(9%)            |
| 6.     | Goa               | 189        | 189 (100%)         |
| 7.     | Gujarat           | 13777      | 13685 (99.3%)      |
| 8.     | Haryana           | 6083       | 0                  |
| 9.     | Himachal Pradesh  | 3243       | 3243 (100%)        |
| 10.    | Jammu and Kashmir | 4128       | 0                  |
| 11.    | Jharkhand         | 4423       | 0                  |

| 1   | 2              | 3     | 4             |
|-----|----------------|-------|---------------|
| 12. | Karnataka      | 5628  | 5628 (100%)   |
| 13. | Kerala         | 978   | 977 (99%)     |
| 14. | Madhya Pradesh | 23012 | 45            |
| 15. | Maharashtra    | 27920 | 27290 (100%)  |
| 16. | Manipur        | 165   | 165 (100%)    |
| 17. | Odisha         | 6236  | 6234 (99.7%)  |
| 18. | Punjab         | 12776 | 0             |
| 19. | Rajasthan      | 9177  | 2995 (32.67%) |
| 20. | Sikkim         | 165   | 157 (95%)     |
| 21. | Tamil Nadu     | 12524 | 4421 (35%)    |
| 22. | Tripura        | 1038  | 913 (88%)     |
| 23. | Uttar Pradesh  | 51914 | 0             |
| 24. | Uttarakhand    | 7555  | 0             |
| 25. | West Bengal    | 3351  | 3062 (90%)    |

1.86 Regarding the number of Panchayats which have been provided internet connections, the Ministry have informed that 1,45,603 Village Panchayats have been provided with broadband connectivity as on 29.2.2012.

#### IV. Unspent Balances

1.87 Regarding the status of Unspent Balances of the funds released by the Ministry under various schemes, the Ministry provided the following information:—

(Rs. in crore)

| Sl.No. | Scheme   | Unspent balances as on<br>31 December 2011 |
|--------|--|--|
| 1      | 2  | 3  |
| 1.     | Backward Regions Grants Fund   | 4724.81                                    |
| 2.     | Rashtriya Gram Swaraj Yojana<br>(a) Training and Capacity Building<br>(b) Infrastructure Development | 88.31                                      |



| 1     | 2   | 3       |
|-------|---|---------|
| 3.    | Panchayat Empowerment Accountability Incentive Scheme | 31.00   |
| 4.    | Action Research and Research Studies                  | 0.90    |
| 5.    | Rural Business Hubs                                   | 2.38    |
| 6.    | Panchayat Mahila Evam Yuva Shakti Abhiyan             | 1.69    |
| 7.    | Media & Publicity                                     | 0.07    |
| 8.    | Mission Project on e-Panchayat/IT                     | 31.75   |
| 9.    | Secretariat/Management Cell                           | —       |
| 10.   | North-Eastern Areas                                   | —       |
| Total |   | 4880.91 |

1.88 Explaining the reasons for unspent balances under BRGF, the Ministry in a written reply stated that:—

“The figures of unspent balance represent the cumulative balance available with the States including the releases made during the last financial year, *i.e.*, 2011-12. The unspent balances are computed on the basis of UCs and expenditure progress reports received from time to time from the States/districts. The amount of Rs. 4572.59 crores which is the unspent balance as on 31.3.12 includes the releases made during 2011-12 to the tune of Rs. 3917 crores for which the UCs were not due as on 31.3.12. Accordingly, the actual unspent balance is much lower than indicated by the cumulative figures though the exact figure of unspent balance is not readily available.”

1.89 A statement showing State-wise releases and expenditure position under BRGF as on 31.03.2012 is given below:

(Rs. in crore)

| Sl.No. | Name of the State/<br>Organisation | Opening Balance as on 01.04.2011 | Release made during 2011-12 as on 31.03.2012 | Total Available Funds | Expenditure Reported as on 31.03.2012 | Expenditure as % of total available funds | Unspent Balances as on 31.03.2012 |
|--------|------------------------------------|----------------------------------|--|-----------------------|---------------------------------------|---|-----------------------------------|
| 1      | 2                                  | 3                                | 4  | 5                     | 6                                     | 7   | 8                                 |
| 1.     | Andhra Pradesh                     | 268.12                           | 366.59                                       | 634.71                | 310.41                                | 48.91                                     | 324.30                            |
| 2.     | Arunachal Pradesh                  | 27.29                            | 10.70  | 37.99                 | 22.17                                 | 58.36                                     | 15.82                             |

| 1   | 2                 | 3       | 4       | 5       | 6       | 7     | 8       |
|-----|-------------------|---------|---------|---------|---------|-------|---------|
| 3.  | Assam             | 165.21  | 59.39   | 224.60  | 55.43   | 24.68 | 169.17  |
| 4.  | Bihar             | 924.16  | 408.58  | 1332.74 | 621.66  | 46.65 | 711.08  |
| 5.  | Chhattisgarh      | 210.65  | 259.94  | 470.59  | 204.67  | 43.49 | 265.92  |
| 6.  | Gujarat           | 105.64  | 109.64  | 215.28  | 106.52  | 49.48 | 108.76  |
| 7.  | Haryana           | 21.47   | 18.67   | 40.14   | 13.79   | 34.35 | 26.35   |
| 8.  | Himachal Pradesh  | 17.72   | 23.62   | 41.34   | 17.72   | 42.86 | 23.62   |
| 9.  | Jammu and Kashmir | 83.48   | 30.40   | 113.88  | 45.88   | 40.29 | 68.00   |
| 10. | Jharkhand         | 423.79  | 183.60  | 607.39  | 233.35  | 38.42 | 374.04  |
| 11. | Karnataka         | 99.04   | 92.74   | 191.78  | 90.57   | 47.23 | 101.21  |
| 12. | Kerala            | 35.96   | 34.66   | 70.62   | 11.67   | 16.52 | 58.95   |
| 13. | Madhya Pradesh    | 327.93  | 403.37  | 731.30  | 299.22  | 40.92 | 432.08  |
| 14. | Maharashtra       | 205.53  | 255.09  | 460.62  | 245.30  | 53.25 | 215.32  |
| 15. | Manipur           | 32.69   | 32.16   | 64.85   | 23.48   | 36.21 | 41.37   |
| 16. | Meghalaya         | 37.83   | 24.60   | 62.43   | 25.06   | 40.14 | 37.37   |
| 17. | Mizoram           | 15.54   | 24.90   | 40.44   | 20.48   | 50.64 | 19.96   |
| 18. | Nagaland          | 20.97   | 41.48   | 62.45   | 34.34   | 54.99 | 28.11   |
| 19. | Odisha            | 287.21  | 325.95  | 613.16  | 332.15  | 54.17 | 281.01  |
| 20. | Punjab            | 10.59   | 15.50   | 26.09   | 9.63    | 36.91 | 16.46   |
| 21. | Rajasthan         | 207.05  | 286.15  | 493.20  | 219.51  | 44.51 | 273.69  |
| 22. | Sikkim            | 9.16    | 14.21   | 23.37   | 10.52   | 45.01 | 12.85   |
| 23. | Tamil Nadu        | 44.81   | 106.03  | 150.84  | 76.52   | 50.73 | 74.32   |
| 24. | Tripura           | 9.15    | 13.66   | 22.81   | 14.72   | 64.55 | 8.09    |
| 25. | Uttar Pradesh     | 556.07  | 540.81  | 1096.88 | 536.18  | 48.88 | 560.70  |
| 26. | Uttarakhand       | 64.27   | 29.54   | 93.81   | 47.07   | 50.17 | 46.74   |
| 27. | West Bengal       | 264.66  | 205.02  | 469.68  | 192.38  | 40.96 | 277.30  |
|     | Total             | 4475.99 | 3917.00 | 8392.99 | 3820.40 | 45.52 | 4572.59 |

Note: The figures regarding Unspent Balances are based on the UCs and Expenditure Progress Reports received from time to time.

1.90 On being asked about the measures taken to address the escalating problem of unspent balances under BRGF, the Ministry in a written reply stated that:—

“The main reasons have been identified as follows:—

**(i) Delay in Release of Funds from the States to the implementing entities**

The funds sanctioned by Ministry of Panchayati Raj under the Programme are transferred to the Consolidated Funds of the State Government concerned. These funds are required to be transferred to the implementing entities (Panchayats, Municipalities etc.) by the State Governments within 15 days. Most of the States release funds to the implementation authorities late, well beyond 15 days. This results in slow pace of utilization of the BRGF funds and consequent build up of unspent balance.

**(ii) Process Intensiveness of Planning and Implementation under BRGF**

The bottom up planning and implementation process adopted under the BRGF is a relatively new concept for which there is need to build adequate capacity among the Local Bodies, District Authorities and State Governments. The Plan preparation on the basis of projects identified in GP/Gram Sabhas and consolidation and integration of Plans of GP, IP, District Panchayat and Urban Local Bodies by the DPCs is a process-intensive and time-consuming exercise.

**(iii) Limited Control of the PRIs/Municipalities over the executive functionaries**

The Panchayats and the Municipalities have limited control over the line functionaries who actually execute the works.

**(iv) Progress Reporting only after reaching a certain percentage of expenditure**

States/Districts submit utilization certificates at the time of claiming their second instalment only, which reflect 60% utilization of previous releases. As utilization below these levels are normally not reported by the States/Districts, this gives the impression of low utilization and high unspent balances even though the actual utilization may be as high as 50% though less than 60% which is the prescribed minimum utilization to claim the 2nd instalment.”

## V. Implementation of PESA

1.91 To oversee the implementation of PESA, 1996 is one of the objectives of the Ministry of Panchayati Raj. The Ministry in their Annual Report 2011-12 have stated that they have urged the states to make their Panchayat and subject Acts PESA compliant. The initiatives that have been taken by the Ministry towards the implementation of PESA Act are:—

- **PESA Model Rules:** Draft Model Rules for PESA were prepared by the Ministry and circulated to all States having Fifth Schedule areas for framing of rules for effective implementation of PESA Act.
- **Visits and meetings in PESA States:** Field visits have been made in PESA States. Meetings were held with officials of the State Departments concerned with PESA implementation *viz.* Panchayati Raj, Revenue, Excise, Environment and Forests and Mining etc. and suggestions were made to bring relevant amendments in provisions, where required, make rules and take steps towards implementation.
- **Committee on Marketing of Minor Forest Produce (MFP):** A Committee headed by Dr. T. Haque, was formed to look into the aspects of Minimum Support Price (MSP), value addition and marketing of MFP in the Fifth Schedule Areas. The Committee submitted its Final Report in May, 2011. It has recommended a MSP to be fixed centrally for 14 MFP to begin with. Further action to operationalize the recommendations of the Haque Committee is to be taken primarily by the Ministries of Tribal Affairs and of Environment and Forests. The matter is being followed up also through the Planning Commission.
- **Study of State subject laws:** Ministry of Panchayati Raj has completed a study on compliance of State Panchayati Raj laws and other subject laws with the provisions of PESA Act. All reports have been received. Reports have been sent to Jharkhand, Odisha & Chhattisgarh and the others are being examined. In these reports, the state Panchayati Raj laws and other subject laws have been analyzed in the light of the PESA Act and various amendments have been proposed. The reports have also suggested some amendment in the PESA Act itself, most of which have already been included in the proposed amendments to PESA Act.

- **ILI Studies:** The Indian Law Institute undertook a study to analyze a few Central laws and suggest amendments for compliance with PESA Act. The report has been circulated to the respective Central ministries for consideration.
- **Committee on Harmonization of Central laws with PESA:** A Committee on Harmonization of Central laws with PESA has been set up on the recommendation of Second Administrative Reforms Commission for undertaking follow up action on the issue of harmonization of Central Laws with the PESA Act, 1996. This is chaired by Secretary (Legal Affairs). This Ministry is represented by a Joint Secretary.

1.92 The Panchayat Extension to Scheduled Areas (PESA) Act, 1996 lays a framework of self-governance and people's control over resources through the Gram Sabhas in Schedule V areas. As may be seen from **Appendix I** implementation of PESA has not been satisfactory.

1.93 On being asked about the difficulties faced by the State Governments for implementation of PESA, the Ministry stated that for implementing PESA Act in its true spirit, states have to bring not only the Panchayati Raj laws but also the other subject laws of the states in compliance with PESA. The State Governments face difficulty in implementation of PESA as the departments of the States defer implementing the provisions for PESA.

1.94 Regarding the States in the Fifth Schedule Areas in which mandatory provisions of PESA have not been implemented as on date, the Ministry in a written reply stated that:—

“The status of compliance with the provisions of PESA Act, 1996 in nine PESA states is as follows:—

- (1) **Andhra Pradesh:** The State Panchayati Raj Act is in compliance with section 4 of PESA Act. The State has also framed and notified Andhra Pradesh PESA Rules, 2011. But the laws relating to Land Acquisition, Excise, MFP, Village Market, Minor Minerals and Money Lending do not comply with the provisions of the Act.
- (2) **Chhattisgarh:** Most of the provisions of the Section 4 of PESA Act have been incorporated in the State Panchayati Raj Act except clauses (i), (k), (l) and [m- (i), (ii), (iii), (v)] of Sec. 4. Further, the laws relating to land acquisition, excise, and minor minerals comply with PESA Act whereas village market, MFP and money lending do not comply with it.

- (3) **Gujarat:** All the provisions of the Section 4 of PESA Act have been incorporated in the State Panchayati Raj Act except clauses (k), (l) and [m-(i), (iii) and (vi)] of Sec. 4. But the laws relating to land acquisition, minor minerals, village market, MFP and money lending do not comply with PESA Act.
- (4) **Himachal Pradesh:** All the provisions of the Section 4 of PESA Act have been incorporated in the State Panchayati Raj Act except sub-clause (iii) of clause (m) of Sec. 4. The State has also framed Himachal Pradesh Panchayati Raj PESA Rules, 2011. Further, the laws relating to land acquisition and minor minerals comply with PESA Act. But laws relating to village market, MFP, money lending and excise do not comply with the Act.
- (5) **Jharkhand:** The State Panchayati Raj Act is in compliance with clauses (d), (e), (f), (j), (h) and sub-clauses (ii), (iv), (vi) of clause (m) of Sec. 4 of PESA Act. Other mandatory provisions contained in clauses (i), (k), (l) and sub-clauses (i), (iii) and (v) of Sec. 4 have not been complied with by the State Act. Subject laws relating to land acquisition, excise, minor minerals, village market, MFP and money lending do not comply with PESA Act. It is for the State Government to make the provisions of the State Panchayati Raj Act and other subject laws in compliance with PESA Act.
- (6) **Odisha:** The State Panchayati Raj Act is in compliance with Section 4 of PESA Act. Further, the laws relating to land acquisition, and village market do not comply with PESA Act whereas laws relating to excise, minor minerals, MFP and money lending comply with it.
- (7) **Maharashtra:** All the provisions of the Section 4 of PESA Act have been incorporated in the State Panchayati Raj Act except clause (h) and sub-clause (iv) of clause (m) of Sec. 4. The laws relating to land acquisition, excise, minor minerals, village market, MFP and money lending do not comply with PESA Act.
- (8) **Madhya Pradesh:** Clauses (d), (e), (f), (h), (j), (m-iv) and (m-vi) of Sec. 4 have been incorporated in the State panchayati raj laws whereas clauses (i), (k), (l) and (m-i, ii, iii, and v) have not been incorporated. Subject laws relating to land acquisition, minor minerals, village market, excise and money lending comply with PESA Act. However, the law relating to MFP does not comply with the Act.

- (9) **Rajasthan:** All the provisions of the Section 4 of PESA Act have been incorporated in the State Panchayati Raj Act. The laws relating to land acquisition, excise, village market and MFP do not comply with PESA Act but the laws relating to mines and minerals and money lending comply with it.”

1.95 Asked about the proposed amendments to the PESA Act, the Ministry in a written note stated:—

“(1) The following definitions are proposed to be added to Section 2 of the Act:

(i) Community resources: Community resources include land, water, forest, minerals and other resources located in the territorial domain of the community.

(ii) Consultation: Consultation means mandatory consultation on the basis of requisite information and transparency that shall be binding on the authorities concerned unless modified or rejected for reasons to be recorded in writing.

(iii) Panchayat at appropriate level: Panchayat at appropriate level means the lowest tier of Panchayat which can perform a particular function or in whose area a particular resource is situated.

(2) It is proposed that rights, duties and powers under PESA may be stated in the Act itself. The wordings in Section 4 of the Act may be changed to:

Notwithstanding anything in the Constitution or any other law in force,

(i) the following shall be rights, duties and powers entrusted to the Gram Sabha and Panchayat at the appropriate level; and

(ii) the Legislature of a State shall not make any law under that Part which is inconsistent with any of them.

(3) The following may be added to Section 4 (b):

The geographical jurisdiction of the village shall be deemed to extend to the physical boundaries that may have been so accepted by communities concerned according to their tradition.

(4) The following provisions may be added to Section 4 (b):

(i) if members of a Gram Sabha of any habitation/hamlet desire to constitute a separate village, the members of that habitation/hamlet may pass a resolution to that effect either by consensus or three fourths majority. All such application shall be enquired into and decided by the State Election Commissioner.

(ii) the Gram Sabhas of a group of villages may, if so supported by at least two third majority of each Gram Sabha, either constitute a Pargana Parishad, or if already existing, inform the District Magistrate in writing about its existence. The Pargana Parishad shall comprise of at least two representatives of each village elected by the Gram Sabha.

(5) The following may be added to Section 4(c):

(i) The Gram Sabha may constitute Standing/ad hoc Committees for discharging their respective responsibilities from amongst their members.

(ii) The members of such Committees of the Gram Sabha shall be elected in an open meeting of the Gram Sabha from among members of the Gram Sabha.

(iii) The Gram Panchayat or any village level committee constituted under any statute or executive instruction by any government department or any other authority for any purpose, shall function under the superintendence, control and direction of the Gram Sabha.

(6) The following may be added to Section 4 (d):

Provided that any person aggrieved by any decision of the Gram Sabha, or inaction on its part, or irregularity in the conduct of meetings or such like, can after inviting attention of the Gram Sabha in that regard and remaining dissatisfied with its conduct, make an appeal before the Pargana Parishad if constituted or the Sub-Divisional Magistrate, in case the Pargana Parishad is not constituted, whose decision in that regard shall be final and binding on the Gram Sabha.

Provided that a second appeal shall lie to the District Magistrate regarding the decision of Pargana Parishad or the Sub-Divisional Magistrate as the case may be in case there is an infringement of law.



- (7) The following may be added to Section 4 (e):
- (iii) conduct regular social audit of works and programmes taken up in the village by any Panchayat State, corporate or private agency whatsoever
- (8) Words “be required to” in Section 4 of Clause (f) be deleted.
- (9) Section 4 (i) needs to be amended as:
- (i) the Gram Sabhas and, if necessary, the Panchayats at the appropriate level depending on the geographical spread of the proposed activity, in the zone influence of any land acquisition project, shall be consulted before taking a decision for issuing any notification for the acquisition of land in the Scheduled Areas for any purpose and regarding the rehabilitation and sustainable livelihood plan. Full facts about the project, its zone of influence, its economic impact and rehabilitation and sustainable livelihood plans shall be placed before the Gram Sabha.  
  
Explanation: The recommendations of the Gram Sabhas shall be binding on all authorities unless it is decided otherwise by the State Government for reasons to be recorded in writing.
  - (ii) it will be mandatory for the agency acquiring land to place the progress of the rehabilitation and sustainable livelihood plan before the Gram Sabha after every 3 months from the date of notification for land acquisition.
  - (iii) If the Gram Sabha is of the view that appropriate steps for the rehabilitation and sustainable livelihood are not taken, the Gram Sabha may recommend suitable measures:  
  
Provided that if in the opinion of the Gram Sabha, suggested measures are not followed, the Gram Sabha may inform the State Government in writing regarding the same, and it will be mandatory for the State Government to take appropriate action.
- (10) Section 4 (j) be replaced as:
- planning and management of minor water bodies in the Scheduled Areas shall vest in Gram Sabha and, if necessary, the Panchayats at the appropriate level depending on the spread of the water body.

(11) Section 4 (k) may be amended as:

the recommendation of Gram Sabha and, if necessary, the Panchayats at the appropriate level depending on the spread of the proposed project shall be mandatory prior to grant of prospecting license or mining lease for minor minerals in the Scheduled Areas:

Provided that the recommendations of Gram Sabha shall be binding unless they are reversed by a competent authority for reasons to be recorded in writing and approved by the State Government.

Section 4(l) may be amended as:

the prior recommendation of the Gram Sabha and, if necessary, the Panchayats at the appropriate level shall be mandatory for grant of concession for exploitation of minor minerals by auction;

Provided that the recommendations of Gram Sabha shall be binding unless they are reversed by a competent authority for reasons to be recorded in writing and approved by the State Government.

(12) In Section 4 (m) (v), the words “control over money lending” may be substituted by “take action to protect the interests of tribals in relation to money lending”.

(13) A right of the Gram Sabha to be kept informed about migrating workers may be created by adding [section (m) (a)] as follows:

The Gram Sabha shall be kept informed by the concerned about workers, including unmarried women and minors, taken out of their home district by any person for employment about the nature of work, wages and other working conditions.

(14) In Section 5 the following clause may be inserted after the proviso:

Provided further that the provision of any law relating to Panchayats in force in the Scheduled Areas, immediately before the date on which this amendment Act receives the assent of the President, which is inconsistent with this amendment Act, shall continue to be in force until amended or repealed by a competent Legislature or other competent authority or until the expiration of one year from the date on which this amendment Act receives the assent of the President.

(15) Section 6 may be added to the Act as follows:

It shall be mandatory for State Governments to frame rules as per this Act and for the Central and State Governments to amend subject laws as per the provisions of this Act within six months of this Amendment.”

## **VI. Empowerment of Panchayati Raj Institutions (PRIs)**

1.96 Article 243G of the Constitution provides for devolution to empower Panchayati Raj Institutions (PRIs) to function as institutions of self-government for the twin purposes of:—

- (i) making plans for economic development and social justice for their respective areas as regards subjects devolved to them and,
- (ii) implementing these plans subject to such conditions as the State may, by law, specify.

### **A. Centrally Sponsored Schemes (CSSs) and the role of Panchayats**

1.97 One major area of policy intervention has been the review undertaken by the Cabinet Secretariat in consultation with Ministry of Panchayati Raj and the line Ministries implementing various Central Sector Schemes in the States. This Committee reviewed the institutional mechanism of 13 Central Ministries/Departments and they agreed to certain measures for ensuring the centrality of Panchayats in implementing the Central Sector Schemes and certain other measures were agreed for consideration. The report of the Committee was forwarded to the Central Ministries/State Governments for further action. Discussions were held with senior officers of the concerned Ministries. Activity Mapping Matrices of a large number of Central Sector Schemes of seven major Ministries/Departments were drafted during 2008-09 and sent to the concerned Ministries/Departments with a request to incorporate them in the relevant guidelines. Generic guidelines were issued in January, 2009 requesting Ministries to amend the guidelines of CSSs administered by them. Planning Commission also requested them to modify scheme guidelines. During 2009-10, the Ministry of Panchayati Raj continued its efforts to ensure that Panchayats continue to play a central role in planning, implementation and monitoring of Centrally Sponsored Schemes of various Central Ministries. The achievements have been made in some of these Centrally Sponsored Schemes namely: (i) Saakshar Bharat Mission, 2012, (ii) issuance of agreed guidelines by the Ministry of Environment & Forests to States/UTs with regard to placement of Joint Forests Management Committee (JFMCs) under Gram Sabha/Gram Panchayat.

1.98 Regarding the number of CSSs being implemented by PRIs as of now, the Ministry stated that among the major CSSs, National Rural Employment Guarantee Programme (NREGP), Saakshar Bharat Mission, Indira Awas Yojana (IAY) and National Rural Drinking Water Programme (NRDWP) provide significant roles and responsibilities to Panchayats.

1.99 On being asked about the specific efforts taken by the Ministry and other concerned Ministries for implementation of Saakshar Bharat Mission, 2012 through PRIs, the Ministry informed that:—

“Under Saakshar Bharat Scheme, Lok Shiksha Kendra (Adult Education Centre) have been established in each GP for registration of learners. This Kendra is the nerve center to provide managerial support to the literacy campaign. It will be managed by a Committee consisting of Panchayat President, women elected representative of Panchayats and others. Each tier of Panchayats has been given the responsibility of identifying non-literate women and registering them as possible learners. At District Resource Group (to function under the aegis of ZP) implements the programme. Similar structure will also available at Block Level.”

1.100 The Committee enquired about the comments of the Ministry on the need for constitution of a High Level Committee, the Ministry stated that:—

“Reports of a number of Committees on various aspects (general specific) relating to the strengthening of Panchayats are already available including recommendations of the 2nd ARC on Local Governance keeping all these in view, a roadmap for strengthening Panchayats has also been drawn up by the Ministry and the activation of the Ministry are broadly structured with a view to achieving effective implementation of the constitutional provisions contained in Part IX with the full co-operation of the State Governments. However, final view on the need for a High Level Committee to assess implementation present status of constitutional provisions and relevant States/Central acts for strengthening Panchayats is yet to be taken.”

## **B. Devolution of 3Fs to Panchayats**

1.101 The priority area before the Ministry of Panchayati Raj is to take the States towards meaningful and effective devolution of functions, funds, and functionaries to the PRIs. The Ministry has been pursuing preparation and notification of detailed Activity Mapping by

the States, opening of Panchayat Windows in State Budgets, and assignment of functionaries in accordance with the devolution of functions and funds.

1.102 The States have been requested to follow Rajasthan, pattern of devolution of 3Fs which devolves functions of 5 departments namely: Agriculture, Elementary Education, Health, Social Justice & Empowerment and Women & Child Development to the Panchayats through Activity Mapping.

1.103 The Ministry also emphasised that parallel bodies should not be established to implement the subjects devolved to PRIs. Such institutions existing at the district level should be reconstituted under the chairmanship of the Adhyaksha of the Zilla Panchayat. State level institutions may be continued, if necessary.

1.104 On being asked about the number of States in which Panchayat windows have been opened in the State Budget, the Ministry stated that twelve States/UTs namely Assam, Bihar, Chhattisgarh, Gujarat, Karnataka, Kerala, Manipur, Madhya Pradesh, Maharashtra, Sikkim, West Bengal and Rajasthan have Panchayat Windows in their State Budget.

1.105 Regarding the difficulties faced by the States regarding devolution of funds, functions and functionaries, the Ministry stated that while State Government have taken steps to devolve funds, functions and functionaries to the Panchayati Raj Institutions, the effective operationalization of the same at field level remains a constraint. In several States, Panchayats lack basic manpower and infrastructure, which impinges on their capacity to fulfill their assigned roles & responsibilities.

### **C. Decentralised Planning**

1.106 Constitution of District Planning Committees (DPCs) as mandated under Article 243 (2D) of Part IX-A relating to the DPC is one of the major functions of the Ministry of Panchayati Raj. Constitution of DPCs is important to operationalise the process of decentralized planning to achieve the objective of inclusive growth.

1.107 One of the mandatory conditions for release of development grant under the BRGF is that the district plans prepared by local bodies need to be consolidated and approved by the District Planning Committee. Consequently, there has been progress in the constitution of DPCs by States. When BRGF was launched in August, 2006, of the

24 States to which Part IX and Part IXA of the Constitution applied, only 13 States had duly constituted the DPCs. However, as on date, all the 24 States have instituted DPCs. After every election to Panchayats and Municipalities, there has to be election for DPC, and so there is bound to be a lag between institution of a DPC and its full constitution.

1.108 The Committee wanted to know the number of districts in the 24 States which have constituted DPCs so far, the Ministry in a written reply stated that:—

“Setting up of District Planning Committees (DPCs) is a mandatory obligation under Article 243 ZD of the Constitution. The Constitution enjoins that all States and Union Territories (except Meghalaya, Mizoram, Nagaland, J&K, the Hill areas in the State of Manipur, the Hill areas of the District of Darjeeling for which Darjeeling Gorkha Hill Council exists, the NCT of Delhi and Sixth Schedule Areas where Autonomous District Councils have been constituted), to set up DPCs in order to consolidate the plans prepared by Panchayats and Municipalities into the draft development plans for the district. 23 of the 27 States which have districts covered under the Backward Region Grant Fund are required to set up DPCs under the Constitutional provision. All these States including Jharkhand have set up DPCs.”

1.109 With reference to the advance planning of the Ministry for further consolidating process of decentralized planning during 12th Five Year Plan, the Ministry in a written reply stated that:—

“The Ministry invited fresh Expression of Interests from technical institutions and developmental organizations towards engagement as TSI for preparation of District Perspective/Annual Plans for the 12th Plan period (2012-17). The Ministry received over 90 EoIs from reputed organizations. Thereafter the Ministry in consultation with the States empanelled Technical Support Institutions (TSIs) for the BRGF districts. The States have been suggested time lines for preparation of the first Annual Plan and the Perspective Plan for the Twelfth Plan. Many States have already started the exercise and signed MoUs with the designated TSIs who have initiated the process of Plan preparation. Detailed guidelines for TSIs are also being finalized to guide the States and the TSI about their roles and responsibilities.”

## PART II

### OBSERVATIONS/RECOMMENDATIONS OF THE COMMITTEE

#### *Budgetary Planning*

2.1 In order to transform the Panchayati Raj Institutions (PRIs) into an effective, efficient and transparent vehicle for local governance, social change and public service delivery mechanism for meeting the aspirations of the local population, the erstwhile Department of Panchayati Raj was converted into a full-fledged Ministry with effect from 27 May, 2004. The Committee's examination has revealed that for the Eleventh Five Year Plan, the Ministry had proposed an allocation of Rs. 39899 crore (Rs. 24110 crore for BRGF and Rs. 15789 crore for other schemes), whereas, the Planning Commission had allocated Rs. 24986.37 crore *i.e.*, a decrease of around 37 percent. The Committee also note that as per the report by the Working Group for the Twelfth Five Year Plan, the total fund requirement for the Ministry would be approximately Rs. 78000 crore *i.e.*, an yearly allocation of around Rs. 15600 crore during the entire period of Twelfth Five Year Plan. However, for the first year of the Twelfth Plan *i.e.*, for the fiscal year 2012-13, a meagre amount of Rs. 5350 crore (including Rs. 5050 crore for BRGF) has been provided. The Committee are disappointed to note that the allocation of funds for the fiscal year 2012-13 is not adequate for effectively enforcing various constitutional provisions for strengthening the Panchayati Raj Institutions. Since allocation to BRGF is of Rs. 5050 crore, left out amount of Rs. 300 crore for other schemes for the entire country is hardly adequate. While approving the allocations for 2012-13, which is on lower side, the Committee strongly recommend that Planning Commission/Ministry of Finance should consider higher and realistic allocation for the Ministry so that the growth and empowerment of Panchayats are visible in the country.

*(Recommendation Sl. No. 1, Para No. 2.1)*

2.2 The Committee note that in the Draft 12th Plan the Government have highlighted achievement of GDP growth of 8% in the 11th Plan whereas the rate of poverty alleviation has been only 0.8% during the 11th Plan. The Committee find this position unacceptable as one of the prime objectives of 11th Plan was inclusive growth. From the rate of poverty alleviation it is obvious



that the objective of inclusive growth has not been achieved at all. Considering this aspect and the fact that 12th Plan has just taken off, the Committee strongly recommend that there should be serious efforts by the Government to ensure that there is inclusive governance at Panchayat level under the provisions of the Constitution wherein Panchayats are to be assigned 29 items of governance including land, water supply, etc. The Committee would await specific action taken by the Government in the matter.

*(Recommendation Sl. No. 2, Para No. 2.2)*

*Allocation of funds*

2.3 For the Eleventh Plan, Rs. 24750 crore was allocated to the Ministry at BE stage which was reduced to Rs. 22283 crore at RE stage. The Committee regret to note that funds allocated to the Ministry at BE stage during the Eleventh Five Year Plan were reduced year after year at the RE stage by the Ministry of Finance. Notwithstanding the fact that during the Eleventh Plan, the fund utilization by the Ministry has been found to be satisfactory, the Committee are of the firm opinion that the importance of PRIs in the country is talked much but constantly ignored by the Government by not only providing requisite funds and further reducing the allocated funds subsequently. Accordingly, the Committee recommend that practice of reduction of funds at RE stage by the Ministry of Finance in respect of an important Ministry like MoPR, which directly deals with the functioning and strengthening the Panchayats, should be stopped forthwith so that the objective of empowerment of people at the grass-root level through the Panchayati Raj Institutions could be achieved fully.

*(Recommendation Sl. No. 3, Para No. 2.3)*

*Rajiv Gandhi Panchayat Sashaktikaran Abhiyan (RGPSA)*

2.4 The Committee note that during the Twelfth Five Year Plan, the Ministry propose to launch a new scheme, namely, Rajiv Gandhi Panchayat Sashaktikaran Abhiyan (RGPSA) by merging the existing schemes viz., Rashtriya Gram Swaraj Yojana (RGSY), e-Panchayat, Panchayat Empowerment and Accountability Incentive Scheme (PEAIS), Panchayat Mahila Evam Yuva Shakti Abhiyan (PMEYSA) and capacity building part of Backward Regions Grant Fund (BRGF). The Committee also note that the total funds required under RGPSA for the Twelfth Pan period would be Rs. 33000 crore, whereas, for the fiscal year 2012-13, only an indicative amount of Rs. 50 crore has



been allocated for the scheme. The Committee are dismayed to note that various social welfare schemes/programmes are initially formulated by the Ministry and soon thereafter, without making any realistic assessment of attainment of objectives, the schemes/programmes are merged/renamed on the pretext of taking a holistic view of the sector. The Committee are not very sure whether any detailed analysis was done for mooted the proposal for merging existing schemes into one umbrella scheme. This sort of malady becomes all the more serious when the total funds allocated for various schemes of the Ministry excluding BRGF and RGPSA is a meagre Rs. 250 crore. Considering the lower allocation to various schemes like Rashtriya Gram Swaraj Yojana (RGSY), Panchayat Empowerment and Accountability Incentive Scheme (PEAIS) and Panchayat Mahila Evam Yuva Shakti Abhiyan (PMEYSA), where their impact could hardly reach to the ground level, the Committee strongly recommend that after the launch of RGPSA with proposed outlay of Rs. 33000 crore for the Ministry in the Twelfth Plan, allocation to the existing schemes which would become components of the RGPSA particularly in PEAIS should be increased substantially to have a real impact at village panchayat level. The Committee expect that after merging various schemes of the Ministry under the umbrella of RGPSA, the aims and objectives of these schemes would not only remain intact but would be enlarged substantially to feel the positive impact of local self governance through PRIs.

*(Recommendation Sl. No. 4, Para No. 2.4)*

#### *Backward Regions Grant Fund (BRGF)*

2.5 Even though the Ministry's main role and responsibilities are to strengthen the role by Panchayati Raj Institutions at grass-root level, the Committee find that for years, the Government has been maintaining BRGF as the main scheme of the Ministry. For instance, for the year 2012-13, out of Rs. 5350 crore, Rs. 5050 crore has been earmarked for the BRGF leaving Rs. 300 crore for the other schemes of the Ministry. The Committee are of the strong view that while backward Districts require much assistance in terms of funds and capacity building under BRGF scheme, the other Panchayats across the country also need similar help, particularly in terms of capacity building and training. The Constitutional provisions provide that the State Governments can assign the implementation of as many as 29 subjects to the Panchayats. Accordingly, it becomes all the more necessary to provide training not only to the Panchayat members but also to the other functionaries of the Panchayat like

the Secretaries, the Junior Engineers and other functionaries in the three tier PRIs who are required to conceptualize and implement the schemes like supply of drinking water, laying of roads, construction of anganwadis, health centres, etc. The Committee, therefore, strongly recommend that the Government should consider all these factors and prepare a comprehensive/composite plan for strengthening the PRIs in a realistic manner. Similarly, in this context, there is also need for setting up regional training centres so that more and more Panchayat members and related officials are trained.

*(Recommendation Sl. No. 5, Para No. 2.5)*

2.6 The Committee's examination of BRGF, the main scheme of the Ministry so far, which is aimed at redressing regional imbalances in development by providing financial resources for supplementing and converging existing developmental inflows, has revealed that a World Bank Mission evaluated the implementation of BRGF in eight States. The Mission found that BRGF had stimulated a process of strengthening PRIs and provided resources for local bodies to address investment needs and over 1 lakh local investment projects had been executed. However, while comparing the findings of World Bank Mission with the ground realities which include continuous slashing of allocated funds at RE stage, meagre funds allocated under the capacity building component of BRGF, decreasing trend in the training of elected representatives and functionaries, inordinate delay in establishing an institutional infrastructure for training and the burgeoning problem of unspent balances, the Committee are constrained to conclude that rigorous efforts are still required to be made by the Ministry to attain the underlined objectives of the Scheme. Since 94% of total allocation of funds of the Ministry account for BRGF, the Committee urge the Ministry to work out a specific plan of action to eliminate the loop-holes of the scheme to ensure a better delivery mechanism for the people at large. Since the capacity building component of BRGF would be merged with RGPSA, the Committee strongly recommend that the funds for this component should also be enhanced.

*(Recommendation Sl. No. 6, Para No. 2.6)*

*Rashtriya Gram Swaraj Yojana (RGSY)*

2.7 The Committee find that RGSY scheme is implemented in non-BRGF Districts of the country. Under the scheme, assistance is provided to the States under two components, namely (i) Training and Capacity Building, and (ii) Infrastructure Development. The

Committee also note that during the Eleventh Plan Period (2007-2012), Rs. 213.63 crore has been utilized for capacity building & training purposes and Rs. 82.99 crore for infrastructure development. The Committee have been informed that during 2009-10 to 2011-12, around 19 lakh elected representatives and functionaries have been trained and a total of 3968 Panchayat Ghars have been constructed during the Eleventh Plan. The Committee are dismayed to note that out of 28 lakh elected representatives of Panchayats, the Ministry are able to provide training to only 19 lakh people. The Committee are also unhappy with the pace of construction of Panchayat Ghars in different States. It is an acknowledged fact that in the absence of Panchayat Ghars, the growth of Panchayats would always be a difficult proposition. The Committee, therefore, strongly recommend that the Ministry should pay more attention towards training & capacity building and infrastructure development of Panchayats which are the underlying objectives of RGSY scheme. For attainment of the stated objectives, the Ministry should review the scheme on monthly basis. The Committee also hope that RGSY, on becoming a component of RGPISA, the scarcity of funds would not stand on the way of attaining the objectives of the scheme.

*(Recommendation Sl. No. 7, Para No. 2.7)*

*Panchayat Empowerment and Accountability Incentive Scheme (PEAIS)*

2.8 The Government aims at incentivizing States to empower Panchayats through devolution of Funds, Functions and Functionaries (3Fs) and put in place accountability of PRIs. The Committee note that the allocation of funds for the year 2011-12 was Rs. 31 crore which has been enhanced to Rs. 40 crore for the fiscal year 2012-13. A study of Devolution Index (DI) and ranking of States was undertaken by the Indian Institute of Public Administration (IIPA) which indicates that Kerala has ranked first in the composite Panchayat Devolution Index. The Committee's examination has further revealed that Government of Kerala provides 25 per cent Plan funds to the Panchayats and has devolved important revenue sources to Panchayats. The Committee find that the present Scheme is just to give award/prizes or holding only Panchayati Raj Divas Function, etc. In Committee's view this approach is not taking anywhere the Scheme which is called incentive scheme for Panchayat empowerment and accountability. The present allocation of Rs. 40 crore will not take the Scheme anywhere. Considering the fact that over Rs. 2 lakh crore for social sector is given by the Central

Government to the State Governments, there is urgent need for Panchayat empowerment and accountability incentives and for this purpose the fund for the Scheme has to be raised substantially. The Committee, therefore, would like the Ministry to ask the Ministry of Finance and Planning Commission for raising the fund for this Scheme substantially.

*(Recommendation Sl. No. 8, Para No. 2.8)*

*Panchayat Mahila Evam Yuva Shakti Abhiyan (PMEYSA)*

2.9 The Committee note that Panchayat Mahila Evam Yuva Shakti Abhiyan aimed at encouraging Elected Women Representatives (EWRs) and Elected Youth Representatives (EYRs) to form associations to collectively work for the attainment of goals of decentralized governance in Panchayati Raj. The Committee find that 23 States have formed core Committees under the scheme and organized State level Sammelans. However, the Committee are dismayed to note that inspite of the importance of the scheme for increasing the knowledge, capability, involvement and responsiveness of Elected Women Representatives and Elected Youth Representatives, the allocation of funds for the fiscal year 2012-13 has been placed at Rs. 1.75 crore from the earlier Rs. 3 crore. The Committee are of the considered view that any scheme with an outlay for Rs. 1.75 crore for the entire country can hardly make any impact and such schemes remain as instrument of publicity without any impact or reach to the intended beneficiaries. Since the scheme is under consideration for a merger with RGPSA, the Committee strongly recommend that allocation to the scheme should be substantially increased so that elected youth representatives are involved effectively in decentralized governance through PRIs.

*(Recommendation Sl. No. 9, Para No. 2.9)*

*Mission Project on e-Panchayats*

2.10 The Committee's examination has revealed that e-Panchayat has been identified as one of the Mission Mode Projects (MMPs) under National e-Governance Programme (NeGP) and the budget provisions for the scheme for the fiscal year 2012-13 are Rs. 40 crore. The Project is aimed at supporting State Governments to enable Panchayats to make effective use of Information Technology in the process of planning at grass-root level, bring transparency in the working of all the PRIs and help in increased accountability of these institutions. The Committee find that 12 Core Common Applications

have been developed out of which 4 have been rolled out successfully and 6 Applications have been officially launched on the occasion of National Panchayati Raj day. The Committee are, however, dismayed to note that while some States have reported 100 per cent computerization of Gram Panchayats, states like Andhra Pradesh and Chhattisgarh have reported 2 per cent and 9 per cent computerization respectively. Likewise, around 1.45 lakh village panchayats have been provided with broadband connectivity so far. The Committee feel that computerization of the working of Gram Panchayats and provision of internet connectivity are pre-requisites for attaining the objectives of the e-Panchayat project. The Committee, therefore, urge the Ministry to be proactive in implementing the project on priority basis. The Committee also recommend that after the merger of this scheme with RGPSA, the Mission Project on e-Panchayat' should continue to receive due attention with regard to availability of funds for attaining the overall objectives of the scheme.

*(Recommendation Sl. No. 10, Para No. 2.10)*

#### *Rural Business Hubs*

2.11 The Committee find that the scheme of Rural Business Hub provides technical support and marketing linkages to rural products and producers. The scheme was visualized as a pilot scheme for promoting Public-Private Panchayat Partnership. They, however, find that the financial allocation under the scheme has been minimal with releases of less than Rs. 2 crore yearly during the Eleventh Plan period and the allocation for the fiscal year 2012-13 has been brought down to an insignificant amount of Rs. 25 lakh. The Committee are astonished to find that the Ministry can run a national programme meant for all States with a meagre budget of Rs. 25 lakh. Even though the Scheme was conceptualized as a follow up of the Prime Minister's statement made in as early as 2004 comparing with China pattern for encouraging rural business hubs, the Committee find that the Scheme has remained only on paper. They, accordingly, recommend that the Government should re-visit this scheme with a view to either making a proper scheme with adequate funds or dispense with totally so that national resources are not frittered away in small schemes like the present one.

*(Recommendation Sl. No. 11, Para No. 2.11)*

#### *The Panchayats (Extension of Scheduled Areas) Act, 1996 (PESA)*

2.12 The Committee find that the provisions of the Panchayats (Extension of Scheduled Areas) Act, 1996 came into force as a sequel of the 73rd Amendment of IXth Schedule of the Constitution which

*inter alia* provided constitutional sanction to the Panchayat Raj as an institution of self-governance. The application of this amendment excluded the areas covered by the Fifth and Sixth Schedules to the Constitution. The areas of the Fifth Schedule, according to the Article 244, cover the Scheduled and Tribal areas other than the areas of the Sixth Schedule like in Assam, Meghalaya, Tripura, Nagaland and Mizoram. The areas of the Fifth Schedule are spread over nine States viz., Andhra Pradesh, Jharkhand, Gujarat, Himachal Pradesh, Maharashtra, Madhya Pradesh, Chhattisgarh, Odisha and Rajasthan. The PESA Act, 1996 was aimed to extend the provisions of 73rd Constitution amendment to the Scheduled and Tribal areas falling under the Fifth Schedule.

The Committee also note that though the enactment of PESA in 1996 was a welcome step which conferred relatively greater autonomy to Gram Sabhas, PESA's sincere implementation has not been seriously attempted by the Government as the data furnished by the Ministry has brought out that several States are yet to implement all provisions enumerated in PESA even after its enactment as many as 16 years back. The Committee have also been informed that the Government has identified the proposed amendments in the PESA to make it more beneficial to the people. The Committee, therefore, strongly recommend that the provisions contained in the PESA Act should be reviewed and amended by bringing out appropriate amendments in PESA expeditiously.

*(Recommendation Sl. No. 12, Para No. 2.12)*

#### *Devolution of Functions, Finances and Functionaries (3Fs) to Panchayats*

2.13 The Committee find that about 200 districts in the country are affected by the extremism, violence, etc. Various Government Committees have brought out that one of the reasons for this has been unequal distribution of resources and opportunities and means of regular income. Even though Constitutional provisions were made long back about involvement of Gram Sabhas and Councils in the Scheduled areas. Real financial powers/planning have not been given at the Panchayat/Gram Sabha level. The Committee are of the strong view that out of Rs. 2 lakh crores funds which are given by the Centre to the States for rural/social scheme a substantial amount should be allocated to the Panchayats/Gram Sabhas, particularly with reference to 29 items of work enumerated in 11th Schedule to the Constitution. The Committee, therefore, would like the Government to do model activity mapping to be followed by the State



Governments for empowering the Panchayats/Gram Sabhas in the matter. The Committee also note that Central Government can issue directions to the States under the provisions of Schedule V for governance in Scheduled areas and accordingly Government should make use of these provisions. The Committee would like to be apprised of the specific action taken in this regard.

The Committee find that 73rd Amendment to the Constitution seeks to endow the Panchayats with authority to function as institutions of self-governance. Inherent to this provision is the need for devolution of Functions, Finances and Functionaries (3Fs) for States to the Panchayats. The Committee are aware that Panchayati Raj is a State subject and the States are responsible for devolution of 3Fs to the Panchayats. The Committee, however, find that the pace of devolution of 3Fs to the Panchayats has not been encouraging due to lack of manpower and infrastructure which impinges on their capacity to fulfil their assigned roles and responsibilities. The Committee, therefore, urge the Ministry to take up the matter with the State Governments to speed up the process of devolution of 3Fs to Panchayats by chalking out an activity map so as to ensure that progress in this regard is monitored regularly and scientifically.

*(Recommendation Sl. No. 13, Para No. 2.13)*

#### *Unspent Balances*

2.14 The Committee are disappointed to note that even after persistent recommendations of the Committee, there have been huge amounts lying unspent in all the schemes of the Ministry, especially the BRGF, which is the biggest Central Assistance to State Plan (CASP). In this regard, the Committee note that as on 31.12.2011, Rs. 4880 crore was lying unspent which includes Rs. 4724 crore [Rs. 4572 as on 31.03.2012] under BRGF. The Committee do not approve such irresponsible 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 Ministry and concerned State Governments to allow the scarce resources remain unutilized. The Committee, therefore, recommend the Ministry to devise a practical solution to this perennial problem and make every possible efforts to ensure that the problem is tackled at the earliest lest there could be a situation in the coming years, where the unspent balances would surpass the total budgetary allocation of the Department. The Committee would also like the Ministry to chalk out incentive

schemes for the best performing States. The Committee wish to be apprised of the innovative steps taken by the Department in this regard.

*(Recommendation Sl. No. 14, Para No. 2.14)*

2.15 Empowering process of Panchayati Raj Institutions in the country is nearing two decades. The Committee recommend that Government should institute a high-level committee on the pattern of Balwant Rai Mehta and Ashok Mehta Committees to review working of Panchayati Raj Institutions to identify the shortcomings in the present system and to suggest remedial measures for strengthening the PR institutions to meet the challenges of inclusive growth and inclusive governance and devolution of powers at Panchayat/Gram Sabha level as per Constitutional provisions.

*(Recommendation Sl. No. 15, Para No. 2.15)*

NEW DELHI;  
02 May, 2012  

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12 Vaisakha, 1934 (Saka)

SUMITRA MAHAJAN,  
Chairperson,  
Standing Committee on  
Rural Development.



**APPENDIX I**

**STATUS OF COMPLIANCE OF STATE PANCHAYATI RAJ ACTS AND SUBJECT LAWS WITH PESA**

| States           | State Panchayati Raj Act whether compliant with<br>(Section 4 of PESA) |   |   |   |   |   |   |   |   |    |     |    |   | Compliance of Important<br>Subject Laws with PESA |        |                   |                     |                         |                  |    |   |   |   |   |
|------------------|--|---|---|---|---|---|---|---|---|----|-----|----|---|---|--------|-------------------|---------------------|-------------------------|------------------|----|---|---|---|---|
|                  | Paragraphs   |   |   |   |   |   |   |   |   |    |     |    |   | Land<br>Acquisition                               | Excise | Forest<br>Produce | Mines &<br>Minerals | Ag. Produce<br>& Market | Money<br>Lenders |    |   |   |   |   |
|                  | d  | e | f | h | i | j | k | l | i | ii | iii | iv | v |   |        |                   |                     |                         |                  | vi |   |   |   |   |
| Andhra Pradesh   | Y  | Y | Y | Y | Y | Y | Y | Y | Y | Y  | Y   | Y  | Y | Y   | Y      | N                 | N                   | N                       | N                | N  | N | N | N |   |
| Chhattisgarh     | Y  | Y | Y | Y | N | Y | N | N | N | N  | Y   | Y  | N | Y   | Y      | Y                 | Y                   | N                       | Y                | N  | N | N | N | N |
| Gujarat          | Y  | Y | Y | Y | Y | Y | N | N | N | Y  | Y   | Y  | Y | Y   | Y      | N                 | NA                  | N                       | N                | N  | N | N | N | N |
| Himachal Pradesh | Y  | Y | Y | Y | Y | Y | Y | Y | Y | Y  | Y   | Y  | Y | Y   | Y      | Y                 | N                   | N                       | Y                | N  | N | N | N | N |
| Jharkhand        | Y  | Y | Y | Y | N | Y | N | N | N | Y  | Y   | Y  | Y | N   | Y      | N                 | N                   | N                       | N                | N  | N | N | N | N |
| Odisha           | Y  | Y | Y | Y | Y | Y | Y | Y | Y | Y  | Y   | Y  | Y | Y   | Y      | Y                 | Y                   | Y                       | Y                | Y  | Y | Y | Y | Y |
| Maharashtra      | Y  | Y | Y | N | Y | Y | Y | Y | Y | Y  | Y   | Y  | N | Y   | Y      | N                 | N                   | N                       | N                | N  | N | N | N | N |
| Madhya Pradesh   | Y  | Y | Y | Y | N | Y | N | N | N | N  | N   | Y  | Y | N   | Y      | Y                 | Y                   | Y                       | Y                | Y  | Y | Y | Y | Y |
| Rajasthan        | Y  | Y | Y | Y | Y | Y | Y | Y | Y | Y  | Y   | Y  | Y | Y   | Y      | Y                 | N                   | NA                      | Y                | N  | N | Y | Y | Y |

## APPENDIX II

### COMMITTEE ON RURAL DEVELOPMENT (2011-2012)

#### MINUTES OF THE TWENTY-FIRST SITTING OF THE COMMITTEE HELD ON WEDNESDAY, THE 11TH APRIL, 2012

The Committee sat from 1100 hrs. to 1220 hrs. in Committee Room No. 'E', Basement, Parliament House Annexe, New Delhi.

#### PRESENT

Shrimati Sumitra Mahajan—*Chairperson*

#### MEMBERS

#### *Lok Sabha*

2. Shri Gajanan D. Babar
3. Shri Maheshwar Hazari
4. Shri P. Kumar
5. Shri Raghuvir Singh Meena
6. Shri Rakesh Pandey
7. Shri Kodikunnil Suresh

#### *Rajya Sabha*

8. Shri Mani Shankar Aiyar
9. Shri Hussain Dalwai
10. Dr. Ram Prakash
11. Shri Mohan Singh
12. Smt. Maya Singh

#### SECRETARIAT

- |                         |   |                            |
|-------------------------|---|----------------------------|
| 1. Shri Brahm Dutt      | — | <i>Joint Secretary</i>     |
| 2. Smt. Veena Sharma    | — | <i>Director</i>            |
| 3. Shri Raju Srivastava | — | <i>Additional Director</i> |

#### **Representatives of Ministry of Panchayati Raj**

- |                       |   |                 |
|-----------------------|---|-----------------|
| 1. Smt. L.M.Vas       | — | Secretary       |
| 2. Shri A.K. Angurana | — | Addl. Secretary |

3. Shri Hrusikesh Panda — Addl. Secretary
4. Shri Sushil Kumar — Joint Secretary
5. Smt. Rashmi Shukla Sharma — Joint Secretary
6. Shri Avtar Singh Sahota — Economic Adviser
7. Smt. Susan D. George — Director

2. At the outset, the Chairperson welcomed the members of the Committee and apprised them that the sitting had been convened to take evidence of the representatives of the Ministry of Panchayati Raj in connection with examination of the Demands for Grants (2012-13) of the Ministry.

*[Witnesses were then called in.]*

3. The Chairperson then welcomed the representatives of the Ministry of Panchayati Raj to the sitting and read out Direction 55(1) of the Directions by the Speaker regarding confidentiality of the proceedings. Thereafter, the Chairperson highlighted the various important issues *viz.* the allocation and utilization of funds for the schemes BRGF and RGSY, salient features of the new scheme of RGPSA to be implemented by the Ministry which would subsume schemes like PMEYSA, RGSY, PEAIS, e-Panchayat etc., status of promotion of the scheme Rural Business Hubs, need for strengthening the Gram Sabha and institutes for capacity building, implementation status of PESA. These issues were replied to by the officers of the Ministry. The Committee also sought supplementary clarifications, which were responded to by the witnesses. The Committee also desired that written replies to the points which could not be replied may be sent to the Committee expeditiously.

*[The representatives of Ministry of Panchayati Raj withdrew.]*

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

*The Committee then adjourned.*

### APPENDIX III

#### COMMITTEE ON RURAL DEVELOPMENT (2011-2012)

#### EXTRACTS OF MINUTES OF THE TWENTY-FOURTH SITTING OF THE COMMITTEE HELD ON WEDNESDAY, THE 2ND MAY, 2012

The Committee sat from 1600 hrs. to 1700 hrs. in Committee Room No. 'C', Ground Floor, Parliament House Annexe, New Delhi.

#### PRESENT

Shrimati Maya Singh—*In the Chair*

#### MEMBERS

#### *Lok Sabha*

2. Shri Ramesh Vishwanath Katti
3. Dr. Ratna De (Nag)
4. Shri A. Sai Prathap
5. Shri A. Venkatarami Reddy
6. Shri Arjun Charan Sethi
7. Dr. Sanjay Singh
8. Shri Kodikunnil Suresh
9. Shri A.K.S. Vijayan

#### *Rajya Sabha*

10. Shri Mani Shankar Aiyar
11. Shri Hussain Dalwai
12. Shri P. Rajeeve

#### SECRETARIAT

- |                         |   |                            |
|-------------------------|---|----------------------------|
| 1. Shri Brahm Dutt      | — | <i>Joint Secretary</i>     |
| 2. Smt. Veena Sharma    | — | <i>Director</i>            |
| 3. Shri Raju Srivastava | — | <i>Additional Director</i> |

2. At the outset, in the absence of the Chairperson, the Committee under Rule 258(3) of the Rules of Procedure and Conduct of Business in Lok Sabha chose Smt. Maya Singh to act as Chairperson for the sitting.

3. Thereafter, 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 (2012-13) of the Ministry of Panchayati Raj and \* \* \* \*. After discussing the Draft Reports in detail the Committee adopted the Draft Reports with minor modifications.

4. The Committee also authorized the Chairperson to finalize 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.

*The Committee then adjourned.*

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