

STANDING COMMITTEE ON RURAL DEVELOPMENT

(2012-2013)

45

FIFTEENTH LOK SABHA

MINISTRY OF PANCHAYATI RAJ

CAPACITY BUILDING OF PANCHAYATI RAJ INSTITUTIONS (PRIs)

FORTY-FIFTH REPORT



LOK SABHA SECRETARIAT

NEW DELHI

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CAPACITY BUILDING OF PANCHAYATI RAJ INSTITUTIONS (PRIs)

Presented to Lok Sabha on 14.08.2013

Laid in Rajya Sabha on 14.08.2013



LOK SABHA SECRETARIAT

NEW DELHI

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CONTENTS

COMPOSITION OF THE COMMITTEE	Page No.
(2009-10).....	(iii)
(2010-11).....	(iv)
(2012-13)	(v)
INTRODUCTION.....	(vi)

REPORT

Part I

NARRATION ANALYSIS

I.	Introductory	
	A. Role of Panchayats	1
	B. Need for capacity building of Panchayats	2
	C. Role of the Ministry of Panchayati Raj	3
II.	Schemes for capacity building of Panchayats	10
	A. Schemes under Ministry of Panchayati Raj	
	(i) Backward Regions Grant Fund (BRGF)	10
	(a) Districts Planning Committees (DPCs)	10
	(b) Allocation of Resources and main features	11
	(c) Allocation, releases and Utilization of Capacity Building under BRGF	12
	(d) Mid Term Review	13
	(ii) Rashtriya Gram Swaraj Yojana (RGSY)	17
	(a) Allocation, releases and utilization	17
	(b) Mid Term Review	18
	(c) Restructuring of BRGF/RGSY Schemes	20
	(iii) Rajeev Gandhi Panchayat Sashaktikaran Abhiyan (RGPSA)	22
	(iv) The Panchayat Empowerment & Accountability Incentive Scheme (PEAIS)	23
	B. Capacity Building under the Department of Rural Development (Ministry of Rural Development)	24
	(i) MGNREGA	24
	(ii) NRLM	24
	C. Role in capacity building of Panchayats under the Ministry of Drinking Water and Sanitation	25
III.	Ensuring Capacity Building & Training of Panchayats	26
	A. Devolution of 3 Fs	28
	B. Availability of Staff	32
	C. Availability and Infrastructure and ICT facilities	34
	D. Training of elected representatives and functionaries of Panchayats	44
	(i) National Capacity Building Framework	44
	(ii) Number of Elected Representatives trained	49
	(iii) Training Infrastructure	53

IV.	Thirteenth Finance Commission Grants to PRIs	56
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PART II

Recommendations of the Committee	63
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APPENDICES

I.	List of BRGF Districts	82
II.	Funds released and utilization reported under Capacity Building Component under BRGF w.e.f. 2009-10 to 2012-13	86
III.	Status of devolution of departments/subjects with funds, functions and functionaries to Panchayati Raj Institutions (PRIs) for major States/UTs.	87
IV.	State-wise/UT-wise details of Gram Panchayats (G.P.) Ghars.	91
V.	Minutes of the Twenty-Third Sitting of the Committee held on 10.08.2010	92
VI.	Minutes of Second Sitting of the Committee held on 27.10.2010	95
VII.	Minutes of the Fifth Sitting of the Committee held on 09.01.2013	98
VIII.	Minutes of the Seventeenth Sitting of the Committee held on 24.07.2013	100

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* w.e.f. 15 April, 2010

** Re-nominated w.e.f. 3 May, 2010

@ Shri Bhagwati Singh, MP, Rajya Sabha ceased to exist as the member of the Committee, consequent upon his retirement from membership of Rajya Sabha w.e.f. 4 July, 2010.

& consequent upon the resignation of Shri Ajay Singh Chautala from the membership of Rajya Sabha w.e.f. 3 November 2009 vide Notification No. RS.10/2009-T dated 6 November 2009.

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31. Dr. (Smt.) Kapila Vatsyayan*

* Sardar Sukhdev Singh Dhindsa MP, Rajya Sabha and Dr. (Smt.) Kapila Vatsyayan MP, Rajya Sabha have been nominated to this Committee *vide* Bulletin No. 47668 dated 21 September, 2010.

** Consequent upon change in nomination of Prof. Ram Gopal Yadav, MP, Rajya Sabha to Committee on Petroleum and Natural Gas, Shri Mohan Singh has been nominated to this Committee *vide* Rajya Sabha Bulletin Part-II No. 47687 dated 11 October, 2010.

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

**COMPOSITION OF THE STANDING COMMITTEE ON RURAL DEVELOPMENT
(2012-2013)**

Shrimati Sumitra Mahajan - *Chairperson*

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SECRETARIAT

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

INTRODUCTION

I, the Chairperson, Standing Committee on Rural Development (2012-13), having been authorized by the Committee to present the Report on their behalf, present this Forty-Fifth Report on 'Capacity Building of Panchayati Raj Institutions (PRIs)'

2. The Committee (2009-10) took evidence of the former Member, Thirteenth Finance Commission, representatives of Ministry of Panchayati Raj and Ministry of Finance (Department of Expenditure) at their sitting held on 10 August, 2010. The Committee (2010-11) took further evidence of the representatives of the Planning Commission and Ministry of Panchayati Raj at their sitting held on 27 October, 2010. The Committee (2012-13) took further evidence of the representatives of the Ministry of Panchayati Raj at their sitting held on 09 January, 2013. The Committee wish to express their thanks to the representatives of the Thirteenth Finance Commission, Planning Commission and Ministry of Panchayati Raj for appearing before the Committee for evidence and furnishing the information, desired by the Committee in connection with the issues relating to the subject.

3. The Draft Report was considered and adopted by the Committee at their sitting held on 24 July, 2013.

4. The Committee place on record their deep sense of appreciation of the valuable assistance rendered to them by the officials of the Lok Sabha Secretariat attached to the Committee.

5. For facility of reference and convenience, the observations and recommendations of the Committee have been printed in bold letters in Part-II of the Report.

**NEW DELHI;
12 August, 2013
21 Sravana, 1935 (Saka)**

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

REPORT**PART -1****NARRATION ANALYSIS****A. Role of Panchayats**

1.1 The dream of 'Gram Swaraj' of Mahatma Gandhi and motto of 'Power to People' are essence of true democracy. The 73rd Amendment to the Constitution in 1992 gave Constitutional status to the Panchayats as institutions of local self government and also for planning and implementing programmes for economic development and social justice through 2.53 lakh Panchayats comprising of 589 District Panchayats, 6323 Block level Intermediate Panchayats and 2.41 lakh village Panchayats with a total of 28 lakh elected representatives and about 10 lakh and functionaries. Out of which about 10 lakh are women elected representatives. Article 243 G of the Constitution bestows powers and authority to the Panchayats.

It stipulates:

"Subject to the provisions of the Constitution, the Legislature of a State may, by law, endow the Panchayats with such powers and authority as may be necessary to enable them to function as institution of self-government and such law may contain provisions for the devolution of powers and responsibilities upon Panchayats at the appropriate level, subject to such conditions as may be specified therein, with respect to –

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

1.2 The Eleventh Schedule of the Constitution specifies the following 29 subjects to be devolved from State Governments to the Panchayats by way of enacting State Legislations:

1. Agriculture, including agricultural extension.
2. Land improvement, implementation of land reforms, land consolidation and soil conservation.
3. Minor irrigation, water management and watershed development.
4. Animal husbandry, dairying and poultry.
5. Fisheries.
6. Social forestry and farm forestry.
7. Minor forest produce.
8. Small scale industries, including food processing industries.
9. Khadi, village and cottage industries.
10. Rural housing.
11. Drinking water.
12. Fuel and fodder.

13. Roads, culverts, bridges, ferries, waterways and other means of communication.
14. Rural electrification, including distribution of electricity.
15. Non-conventional energy sources.
16. Poverty alleviation programme.
17. Education, including primary and secondary schools.
18. Technical training and vocational education.
19. Adult and non-formal education.
20. Libraries.
21. Cultural activities.
22. Markets and fairs.
23. Health and sanitation, including hospitals, primary health centers and dispensaries.
24. Family welfare.
25. Women and child development.
26. Social welfare, including welfare of the handicapped and mentally retarded.
27. Welfare of the weaker sections, and in particular, of the Scheduled Castes and the Scheduled Tribes.
28. Public distribution system.
29. Maintenance of community assets.

B. Need for Capacity Building of Panchayats

1.3 The task of capacity building of these large number of Panchayats is quite gigantic exercise. As per the assessment of the Ministry of Panchayati Raj even after 20 years of enactment of 73th Constitutional (Amendment) Act and also after having three rounds of Panchayat elections in many States the empowerment of Panchayats has not taken place as envisioned in the 73rd Constitution(Amendment) Act in 1992.

1.4 During the course of examination of the subject the Ministry of Panchayati Raj outlined the following constraints and challenges coming in the way of capacity building of Panchayats in the country:

- (i) slow pace of devolution of Powers to Panchayats by most States on account of discretionary Constitutional provisions.
- (ii) Non-empowerment of women in Panchayats on account of illiteracy, corruption and unfair practices of patriarchal society.
- (iii) Absence of physical verification of Panchayat work at ground level.

(iv) Delay in releases by the State Governments to PRIs under prominent schemes for Panchayats i.e.BRGF.

1.5 The Ministry of Panchayati Raj in their publication namely 'Roadmap for Panchayati Raj (2011-17): An All India Perspective' for Twelfth Plan has also enumerated a large number of constraints like inability of Panchayats to function efficiently with insufficient staff and office space and infrastructure, slow pace of devolution of Functions, Functionaries and Finances from State Governments to Panchayats, barring a few States, slow pace of decentralized planning as provided under Article 243(G), poor implementation of 'the Panchayats (Extension to Scheduled Areas) Act (PESA), 1996' etc.

1.6 Highlighting the role of Panchayats (third tier of Government) with reference to the need for growth accompanied with demonstrable difference to the lives of the poorest and most vulnerable citizens, the Thirteenth Finance Commission made the following observations:

"Inclusive growth is the cornerstone of India's development project. India's recent economic growth performance has, indeed, been creditable. However, such growth must make a demonstrable difference to the lives of the poorest and most vulnerable citizens. On this, as reflected in the Millennium Development Goals (MDGs) there is global consensus, of which our nation is a part. India has the potential and the means to secure such a future for its citizens. The stress laid on inclusive growth in the Eleventh Plan has meant that such growth has been accompanied by a concerted effort, by all levels of Government, to invest in the delivery of public service, particularly those which promote progress in achievement of the MDGs. But to achieve this potential, it is necessary that resources be mobilized and deployed in such a manner that the recent high rates of growth are maintained and even increased. Thus, sustainable and inclusive growth are prerequisites for achieving the MDGs.

For achieving a greener and more growth path we need a fiscally strong, fiscally strong States and fiscally strong bodies, or the third tier of government."

C. Role of the Ministry of Panchayati Raj

1.7 With a view to provide a focus to the decentralization of powers and empowerment of the Panchayats as institutions of local self government, the Ministry of Panchayati Raj (MoPR) was formed in

May, 2004 after carving out the Panchayati Raj Division from the Ministry of Rural Development. The major functions of the Ministry are to oversee the implementation of Part IX of the Constitution, inserted by the Constitution (Seventy Third Amendment) Act, 1992, the provisions of the Panchayats (Extension to the Scheduled Areas) Act (PESA), 1996 and Article 243 ZD of Part IX-A of the Constitution relating to the District Planning Committees read with the Eleventh Schedule which illustratively sets out a list of 29 matters, which might be considered by the State Legislatures for devolution to the Panchayats so as to ensure that they function as 'units of Self-Government.' Other functions include, servicing of the Empowered Sub-Committee of the National Development Council (NDC) on Administrative and Financial Empowerment of the Panchayati Raj Institutions (PRIs), review of the Centrally Sponsored Schemes of Ministries which deal with subjects included in the Eleventh Schedule to enable role & responsibilities of PRIs, capacity building and training of elected representatives of PRIs and promoting efficiency, transparency and accountability on the part of the PRIs.

1.8 Asked about whether the Constitutional provisions have been implemented fully, the MoPR in a written note stated as under:

"Provisions of Part IX of the Constitution relating to Panchayats may be broadly categorized into Mandatory and Discretionary provisions.

1.9 Mandatory provisions include:

- (a) Constitution of Panchayats (Article 243B)
- (b) Reservation of seats for the Scheduled Castes and Scheduled Tribes in proportion to their respective population (Article 243 D(1)); reservation of not less than one third of the respective number of SC and ST seats to women belonging respectively to SC and ST (Article 243 D(2)); not less than one-third (including the number of seats reserved for women belonging to SCs and STs) of the total number of seats to be filled by direct elections in every Panchayat shall be reserved for women (Article 243 D(3)).
- (c) Timely election to Panchayats every five years (Article 243 E)
- (d) Constitution of State Finance Commission (Article 243I)
- (e) Setting up of State Election Commission (SEC) and vesting the superintendence, directions and control of the preparation of electoral rolls for and the conduct of all election to the Panchayats in SEC (Article 243K).

1.10 The application/operation of the following provisions in Part IX have been left to the discretion of the respective States:

- (a) Powers of Gram Sabha (Article 243A)
- (b) Composition of Panchayats (Article 243 C)
- (c) Reservation of seats in Panchayats in favour of backward class of citizens [Article 243D (6)].
- (d) Powers, authority and responsibilities of Panchayats (Article 243G)
- (e) Powers to impose taxes by and fund of, the Panchayats (Article 243H)

Mandatory provisions have been generally complied with by all States. The discretionary provisions, as stated above, have been incorporated in Part IX keeping in view that Panchayats being in the realm of 'local government' is a State subject in terms of Article 246 read with List II- State List of the Schedule 7. Devolution of powers to Panchayats in terms of Article 243G and 243H is entirely dependent on the discretion of the State Legislatures which may by **law**, endow the Panchayats with appropriate powers, authority and responsibilities to enable them to function as institution of self-government. Therefore the profile of devolution of powers to Panchayats differ across the States. It requires willingness on the part of State Governments and Legislatures to accelerate the process of devolution of powers through Panchayats."

1.11 On being enquired whether the MoPR has examined the issue of making the provision mandatory instead of discretionary in consultation with the Ministry of Law, the MoPR in a written note clarified:

"Keeping in mind the Constitutional provisions in Part IX and the fact that Panchayats is a State subject, MoPR has a scheme of incentivizing States/UT's to devolve the 3F's. In the proposed new scheme Rajiv Gandhi Panchayat Sashaktikaran Abhiyan (RGPSA), a provision has been made for release of 20% of resources under RGPSA to performance conditions that include devolution. Making provisions of devolution of powers by States to Panchayats mandatory would require amendment to the Constitution in respect of Article 246, Seventh Schedule and Article 243 of the Constitution which would not be in line with the spirit of federalism underlined in the Constitution. "

1.12 When asked about efforts needed for facilitating the process of devolution of subjects from State Governments to Panchayats, the MoPR in a written note stated:

"Under the new Rajiv Gandhi Panchayat Sashaktikaran Abhiyan (RGPSA) proposed to be implemented during the Twelfth Five Year Plan, the States will be required to draw a roadmap on among other aspects, devolution to be eligible for grants. This is expected to both incentivize and give responsibility to the States to devolve to Panchayats powers and responsibilities. "

1.13 Explaining it further, the Secretary MoPR during the course of evidence stated:

"About the issue of devolution through the RGPSA, I would again say that we are making it an instrument whereby the States are being nursed to do more and more devolution. Yesterday, I was in Mewat (Haryana). In the panchayats, the criticism was that the State Governments are not doing adequate devolution for the panchayats to be able to take up their roles and responsibilities at the grass-roots level. The Constitution provides that the States may, by legislation, do this devolution. They are also given an indicative list in the Eleventh Schedule of the 29 subjects. Many of the States have devolved very adequate functions to the panchayats alongside funds and functionaries. Some States have simply devolved the functions but they have not devolved the functionaries nor the funds. So, through the RGPSA, the progress that the States are making on the devolution will also be monitored from the State Plan and linked to their performances as also linked to the Budgetary Support that they seek."

1.14 Enquired about the assessment of the Ministry about the progress made during the last two decades in the country with reference to capacity building of Panchayats, the MoPR informed in a note:-

"While the efforts for providing training to the ERs of PRIs have been going on for past several years, the training activities have not received adequate focus and attention at the State level. Hence, these activities did not have the desired impact on the empowerment of PRIs."

1.15 In this connection the Secretary (MoPR) also stated during evidence:

"Madam, as you have rightly said it (training of elected representatives and functionaries) is an important subject and the task is challenging. Out of 29 lakh panchayat representatives, about 36 per cent are elected women representatives, 19 per cent are SCs and another 11 per cent are STs. So, in this whole scenario, we are looking at varying requirements. A lot of them are first timers in public office. Their background, educational qualifications and attitudes also vary. Many of them have not received any formal education as such. There are some functional literacy needs to be satisfied besides educating them on the roles and responsibilities of panchayats and how they will deliver in their capacities as elected Panchayat representatives."

1.16 The Committee pointed out that the Ministry of Panchayati Raj was formed in May, 2004 to provide focus to the decentralization of powers and the empowerment of Panchayati Raj Institutions as true local self Governments and admittedly, the Panchayats are yet to come up as effective units of self governance. On being enquired by the Committee whether the MoPR has been discharging its functions effectively, the MoPR in a written note stated:

"Panchayati Raj is a State subject under the Constitution and the role of Central Government is mainly for promoting the attainment of Constitutional intent in relation to the

PRIs, which is to empower the Panchayats with adequate functions and responsibilities so as to enable them perform their expected role as institutions of local self-government. Ministry of Panchayati Raj (MoPR) has been attempting to discharge these responsibilities by way of issuing advisories, model rules and financial incentives to the States through Schemes such as Backward Regions Grant Fund (BRGF), Rashtriya Gram Swaraj Yojana (RGSY), Panchayat Empowerment & Accountability Incentives Scheme (PEAIS), Panchayat Mahila Evam Yuva Shakti Abhiyan (PMEYSA), e-Panchayat, etc. Being a relatively new Ministry, MoPR faced certain difficulties in the initial years. However, over the recent years, following sustained interactions with the States at various levels, MoPR has been able to attain higher level of success in attainment of its objectives."

1.17 In reply to a question about monitoring the Panchayats functioning at ground level the Secretary (MoPR) stated during evidence:

"In the Ministry of Panchayati Raj it has to be that the policy inputs are drawn from whatever experience is on the field. We are aware of that not only myself but also my officers, who regularly have undertaken visits to the panchayats. In fact, my Additional Secretary is just back from visit to Odisha where he visited panchayats. Yesterday, I was in Haryana in a district called Mewat, interacting with sarpanchs of Mewat. My Additional Secretary has gone to Jammu and Kashmir, and has also had the experience of visiting panchayats there."

1.18 The Secretary (MoPR) further added:

"Next week, visits are lined up for my Additional Secretary in Jaipur to visit a few panchayats. We are well aware of this. We have to interact at the panchayat level. You are also right in saying regarding the training that unless we get the feedback on exactly what is the effect on the actual representatives who are receiving the training, then, that itself will put us on course as to how to give further inputs for improving the situation. I must say that, there are many States, many panchayats, which are bringing in a lot of innovative ideas for training. The fact that many of them are coming into public life for the first time, and the fact that they have to be educated on various programmes of the Government where more and more roles and responsibilities are sought to be devolved on the panchayats, which is making the capacity building and the training of the panchayat level people more important."

1.19 To empower women and making Panchayats more inclusive institutions the Government had sought to enhance the reservation of women in the Panchayats in the total number of seats, offices of

Chairpersons and in the seats reserved for Scheduled Castes and Scheduled Tribes across three tiers from 'not less than one-third' to 'not less than one-half' and also sought to enhance similar reservation for women belonging to the Scheduled Castes and Scheduled Tribes categories in offices of Chairpersons in the Panchayats of each level upto 'not less than one-half' by introducing the Constitution (One Hundred and Tenth Amendment) Bill, 2009. The Standing Committee on Rural Development (2009-10) had concurred with the proposed amendments with some modifications in their Fourteenth Report presented to Lok Sabha on 28th July, 2010.

1.20 Asked Whether the Ministry has thought of seeking Government's priority for passage of this legislation, the MoPR in a written note informed :

"After considering the Report of Standing Committee to examine the proposed Bill, the Ministry had proposed certain Official Amendments to the Original Amendment Bill and obtained the approval of the Cabinet for the same on 21.7.2011. Thereafter, notices have been sent to the Secretary General, Lok Sabha from Hon'ble Minister for moving a motion for Amendment to the original Bill (last Notice sent being 25.07.2013)." *

1.21 Emphasizing the need for capacity building of Panchayats the Planning Commission stated as under:

"In order to fulfill their Constitutional obligations the capacities of Panchayati Raj Institutions need to be increased so that they can function effectively as the third tier of Government"

*Note: At the time of factual verification, the Ministry informed on 26.07.2013 that they have again issued a notice on 25.07.2013.

1.22 According to MoPR training of elected representatives of Panchayats have not received adequate focus and attention at the State level and hence these activities did not have desired impact on the empowerment of PRIs.

1.23 On the issue of Panchayati Raj as a State subject, during the course of evidence, Member Secretary, Planning Commission clarified:

“...according to a judgment of the Supreme Court, which is still in force, it is stated that Union Government, that is the Government of India, has a primary responsibility because the Constitutional Amendment actually is the responsibility of the Government of India and we cannot shirk our responsibility by saying that it is a State subject”

II. Schemes for Capacity Building of Panchayats

A. Schemes under MOPR

(i) Backward Regions Grant Fund (BRGF)

1.24 As a new approach to address the issue of regional imbalances in developmental process, a new programme called Backward Region Grand Fund (BRGF) was launched in 2007 after subsuming earlier programme of Rashtriya Sam Vikas Yojana (RSVY). The BRGF covers 272 districts in 27 States of which 251 districts have Panchayats and Municipalities. The remaining districts are covered by other local government structures such as Autonomous Districts Councils under Sixth Schedule of the Constitution and State specific arrangements as in the case of Nagaland and the hills areas of Manipur. A list of BRGF districts is at **Appendix –I**.

(a) District Planning Committees (DPCs)

1.25 The BRGF entrusts the central role to Panchayats in rural areas and Municipalities in urban areas in planning and implementation of programme. District Planning Committees at District level are constituted in accordance with Article 243 ZD of the Constitution to consolidate plans of the Panchayats and Municipalities into draft District Plan. Special provisions have been made for BRGF districts in J&K, Assam, Manipur, Meghalaya, Mizoram, Nagaland and Tripura which do not have Panchayats under Part IX of the Constitution but where village level bodies and institutions have been mandated under other legal or executive provisions.

1.26 The Committee wanted to know about the success achieved in regard to effective district planning by the District Planning Committees and State/UT-wise difficulties encountered and how it proposed to overcome these obstacles and within a time-frame, the MoPR in a written note clarified:

"Under the BRGF Programme, release of funds is contingent upon preparation of the District Plans, duly consolidated by the District Planning Committees (DPCs) from the local plans prepared by the Panchayats, the Municipalities and the other local bodies. The BRGF grants have encouraged the States to constitute the DPCs in the Districts. At the

time of inception of the BRGF Programme in 2007, only 13 States had constituted the DPCs. All the other remaining States have constituted the DPCs since then. In Jharkhand, DPCs were constituted in December, 2011 after continuous urging by MoPR.

The main difficulty encountered in implementation of the integrated and decentralized planning is that the State line departments, despite constant insistence by the Ministry, are not communicating the resource envelop to the Planning Units for effective convergence of resources before the plan preparation stage. Secondly, the PRIs/ ULBs are unable to play leading role in integrated planning as their discretionary budget, which comes only from the untied Development Grants of BRGF, is dwarfed by resources of other schemes. Capacity of local bodies to prepare Plan and of the DPC to direct and consolidate local plans need to be built and strengthened. The Ministry proposes to devote attention in this matter now during the Twelfth Plan."

(b) Allocation of resources and main features

1.27 Allocation of resources across a sample State reveals the following:-

Sl. No.	Sector	%age spending
1.	Angawadi Buildings	25.0
2.	Schools, Class Rooms, compounds etc.	16.3
3.	Drinking water	13.6
4.	Gram Panchayat Buildings	9.6
5.	Electrification	4.4
6.	Health	2.0
7.	Hostel Buildings	1.9
8.	Animal Husbandry	1.5
9.	Others	25.6
	Total	100.0

1.28 The three main features of BRGF are :

- (i) Centrality of Panchayats and the Municipalities in planning and implementation.
- (ii) Grant is 'untied' and can be used for any work preferred by the Panchayats/ Municipalities so long as it fills a development gap.
- (iii) Nearly 11% of total allocation is spent for capacity building.

1.29 Under BRGF Capacity Building component, each State is required to identify nodal agencies, usually State Institutes of Rural Development(SIRDs) for a six years Perspective Capacity Building Plans, Funds are allocated to States, calculated at the rate of Rs. 1 crore for each BRGF district in the States per

annum. Based on utilization of previous year releases, the expenditure may vary from district to district. These funds are used for Capacity Building of Panchayats.

(c) Allocation releases and Utilisation of Capacity Building Component under BRGF

1.30 The MoPR has given the following year-wise details details about entitlements, releases and utilization of Capacity Building Component under BRGF during 2009-10 2010-11 2011-12 and 2012-13 showing as under: Rs. in crore

Year	Entitlement	Grant Released	Utilisation Reported
2009-10	250.00	190.64	162.82
2010-11	250.00	197.17	114.11
2011-12	250.00	106.58	40.78
2012-13	272.00	89.56	0.53

1.31 The State-wise details are in **Appendix II**

1.32 The Committee during the course of examination pointed out that against the entitlement of Rs. 250 crore for Capacity building under BRGF each year during 2009-10, 2010-11 and 2011-12 the releases have been as low as Rs. 190.64 crore, Rs. 197.17 crore and Rs. 106.58 crore respectively. Whereas during 2012-13 against the entitlement of Rs. 272 crore for 272 BRGF Districts the releases were as low as Rs. 57.49 crore and utilization was only Rs. 0.53 crore. The MoPR attributed inadequate submission of the utilization of the grants released earlier as a reason for less than 100% release against the BE of Rs. 250 crore during these years.

1.33 Asked about the reasons behind non-submission of utilization of Grants during these years by different States, the MoPR in a written note stated as under:

"Under BRGF Capacity Building (C.B) Component, MoPR releases funds to the State Governments against their Perspective/Annual Action Plan duly approved by High Powered Committee (HPC). Further, State Governments are responsible to execute the Annual Action Plan for Capacity Building and furnish the corresponding utilisation certificates (UC), physical and financial progress report and audit report in order to avail the next release from MoPR under BRGF-C.B Component. "

1.34 Explaining further the MoPR in a note stated as under:

(i) 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 SIRD/Implementing Agency by the State Governments within 15 days. However, in most of the States, there is delay in releasing funds to the implementation authorities well beyond 15 days. This results in slow pace of utilization of the BRGF funds and consequent accumulation of unspent balance.

(ii) Progress reporting only after reaching a certain percentage of expenditure.

As the States submit utilization certificates at the time of claiming their next installments only, these reports are generally furnished to MoPR only after reaching 60% utilization of previous releases. The utilization below these levels is normally not reported by the States. This gives the impression of low utilization and high unspent balances even though the actual utilization may be as much as 59%.

(iii) Expenditure level fixed for the State as a whole.

The actual expenditure measurement is done for the State as a whole when they report their progress on reaching a minimum of 60 per cent of their expenditure. As a result, even if 30 per cent of the Districts have attained 100 per cent expenditure, they have to wait for the other Districts in the State to show good expenditure to make the total expenditure upto a minimum of 60 per cent for the State as a whole.

1.35 During the course evidence of the Secretary (MoPR) also stated:

"Under the BRGF there is still a slight problem. The funds are available. But because the States are sitting on a lot of previously released funds, Utilisation Certificates are not coming and therefore fresh funds cannot be released to them. So, we are chasing that also. We have two and half months left before the financial year comes to a close. We are pursuing with the State Governments very closely so that we could get from them the Utilisation Certificates and as many proposals as can be approved and the BRGF funds for training could also be released."

(d) Mid Term Review of BRGF

1.36 The MoPR has outlined the following major weaknesses of BRGF in the Mid Term Review of BRGF Schemes during Eleventh Plan (2007-12):

- Even though the Programme is expected to address the issue of backwardness, the formula adopted for distribution of the national allocation among the 250 backward districts does not have any weight for any indicator of backwardness. Most States too are distributing the district allocations among the PRIs and ULBs based on population and area criteria, without attention to the indicators of backwardness.
- Even though the Constitution had mandated setting up of the DPCs by the States as early as in 1993, DPCs, most States did not have the DPCs when the BRGF was launched, in later part of the FY2006-07. This did not let the programme take off in several major States such as Uttar Pradesh, Maharashtra, Jharkhand, Gujarat, Uttarakhand etc. On the persuasion of the MoPR, such States started constituting the DPCs. However, two States, namely, Jharkhand and Uttarakhand, are yet to constitute the DPCs.
- Even though the DPCs have by now been constituted in most States, they largely remain a body with political shell only, without any substantive technical support staff. This has made the DPC incapable of providing guidance to the PRIs and the ULBs in preparing good perspective and annual plans.
- The quantum of grant per Panchayat, which averages to Rs. 2 to 3 lakh per year, is too small to have any significant impact.
- PRIs/ ULBs are unable to play a leading role in integrated planning when its discretionary budget, which comes only from the BRGF, is dwarfed by other players.
- Securing convergence of the large number of Central/ State schemes operational at the District/ sub-district levels is proving to be a huge challenge, especially when the DPCs are functionally weak.
- Absence of a clear policy at Central / State level to have Panchayat-wise resource envelope under different schemes has diluted the effectiveness of the planning process envisaged under the Programme for the Panchayats, Municipalities and the DPCs.
- Lack of a clear policy at Central and State levels in regard to the decentralised planning mechanism has made the BRGF as perhaps the only GOI programme which is mandated to be placed before the DPC. This has seriously eroded the achievement of integrated decentralised planning, that is one of the core objectives of the BRGF.
- Inadequate availability of infrastructure, man-power and basic information required for integrated planning with the Panchayats has made it difficult to secure a methodical perspective plan to come from the local bodies.
- Even though most States have enacted laws to indicate subjects with regard to which functions would be devolved to Panchayats. However, effective devolution is still to be accomplished. This has contributed to diminishing the role of the Local Bodies in preparation of realistic and visionary plans.
- Transfer of funds from State Governments to implementing authorities is time consuming, delays the implementation of approved projects and also reduces the faith in the system.
- The procedure adopted for release of instalments after the first one, is cumbersome and not based on sound logic. While each PRI/ ULB is an independent unit for planning and implementation, fund releases are based on the district taken as the unit. As a result, even if 30% of the Panchayats in a district achieve 100% expenditure, they will have to wait for other PRIs/ ULBs in the district to show similar achievement for the district to become eligible for subsequent instalments.
- ULBs are neglected in the capacity building program.
- PRIs/ ULBs do not have much control over capacity building content or intensity.
- Insufficient staffing for program management at MoPR, State, District and Local Body levels, particularly in the areas of financial management, planning, M&E, capacity building, and communications.

- The Programme has not given adequate logical proof for identifying only 250 districts as backward, nor has it attempted to identify pockets of backwardness in the non-Backward districts.

1.37 The MoPR has indicated the following Mid-course correction:

- The criteria for backwardness should be made transparent and measurable. Apportionment of funds from the Centre to the Districts and from the District to the various PRIs and ULBs should be based on objective and transparent criteria of backwardness. This would enable application of the BRGF resources for bringing in equalisation.
- The BRGF has three main objectives: (a) to mitigate backwardness, (b) to strengthening the local bodies and (c) to strengthen integrated decentralised planning. Of these, (b) & (c) are common to all districts and PRIs, irrespective of their being in a backward region or not. Therefore, the scheme coverage need be expanded to all the Districts for items (b) & (c), but with enhanced allocation for the identified backward areas to address item (a).
- In consonance with the recommendations of the 2nd ARC and the Core Group on Administrative Reforms headed by the Cabinet Secretary, Blocks could be used for identifying the backwardness of the area and for enhanced support under the scheme.
- The Programme is operational through large number of rural and urban local bodies. There is no dedicated mechanism at State and District level for managing this multi-sectoral Programme. There is need to set up Project Management Unit at the State level with dedicated coordination mechanism at the District level.
- Similar to the reforms pursued through JNNURM, following the MoU mode between the States and MoPR could be considered for implementing the Programme. The Programme should provide funds for setting up of Project Management Units at the National, State and District levels.
- Each State should have a State Training Coordinator for the PRIs, who should be able to envision the training needs for the PRIs holistically and identify the resources available to meet the objective under various Central and State Schemes, Non-Government and even open market resources and the resources of the Local Bodies themselves.
- District Planning Committees need to be strengthened with adequate technical support.
- Database for special and local planning needs to be made available to the DPCs, PRIs and the ULBs, to enable them make effective local plans.
- All Central Schemes, CSSs as well ACAs, should make it mandatory to adopt the concept of integrated decentralised planning, preparation of the plans through Gram/ Ward/ Area Sabhas and approved by the respective PRIs & ULBs; consolidation into Draft District Plan by the DPC and integration into the State Plan via an exclusive "District Window" in the State's plan and Budget documents.

1.38 On the aspect of training and Capacity Building (TCB) the MoPR stated that Mid Term Appraisal of Eleventh Plan has pointed out as under :-

The aspects of Training and Capacity Building (TCB) are common to both BRGF and non-BRGF districts. Therefore, TCB component of both BRGF and RGSY should be the same.

The BRGF, RGSY, e-PRIs and PEAS could be merged and restructured with the following components:

- (i) Strengthening PRIs particularly Gram Panchayats in all districts which would include-
 - (a) Capacity building of all Panchayati Raj functionaries and frontline functionaries at Panchayat level of flagship programmes;
 - (b) Strengthening infrastructure and services of Panchayati Raj Institutions and e-enabling them for effective management of functions assigned to Panchayati Raj, improving delivery of public services and building accountability to the citizens and the Gram Sabha; and
 - (c) Preparation and Public dissemination of annual Panchayati Raj Development Reports on Panchayat Diwas (24th April) in all Gram Panchayats.
- (ii) Institutionalizing Decentralized Planning in all districts.
- (iii) Untied Development Fund for the 250 already identified backward districts and left out Left Wing Extremism (LWE)districts, based on integrated & decentralized district plans.
- (iv) Establishment of Project Management Units at Central, State and PRI levels.
- (v) Incentivising States to devolve 3Fs upon PRIs and incentivising Panchayats to raise own resources and enhance transparency. Such reward money could be used for innovative projects such as essential rural skill building (viz. barefoot engineers, accountants, computer operators) and community action.

Infrastructure, manpower, accounting system, e-governance should be the first charge on the Scheme. This should have the following components.

- (i) Panchayat buildings, wherever these do not exist or need major renovation, like CD Block buildings, would not only symbolize the rise of PRIs, but also provide physical space for the people to interact with representatives & functionaries for transacting expanded business of PRIs. Labour component of the building construction could be met out of NREGS.
- (ii) Robust but simple accounting & financial management system would enhance the credibility of PRIs. A sound accounting culture should be inculcated through good accounting package, manpower and training.
- (iii) e-PRI has the potential to revolutionise the PRIs as the symbol of modernity, efficiency & accountability and induce mass ICT culture.
- (iv) Presently the biggest deficiency of Panchayats in general is the acute shortage of manpower. Often just a Panchayat Secretary is posted for several small Panchayats. Existing BRGF guidelines provide for trained community level workers for Gram Panchayats. However, States have not used this facility, reportedly since coverage of only 250 districts under BRGF would create imbalance within the State i.e. between BRGF and Non-BRGF districts and also the uncertainty about the life of BRGF which may create a permanent liability for the States anytime. There is, therefore, a need to assure the States about the continuation of BRGF (even after restructuring) in the 12th Plan also and if possible, build staff component into Finance Commission grants on a continuing basis.

(ii) **Rashtriya Gram Swaraj Yojana (RGSY)**

1.39 Following are the objectives of RGSY:

- (a) Actual training of PRI member
- (b) Setting up of infrastructure for Satellite based training.
- (c) Training Infrastructure at District / Block level in the North Eastern and Hilly States only.
- (d) Orientation of key officials associated with functions devolved to Panchayats.
- (e) Promoting sensitization of Gram Sabha.
- (f) Sensitization of media, elected representatives in legislatures, CSOs etc.

1.40 Following is the funding pattern of RGSY:

- (a) The scheme is demand driven in nature and the funding pattern of the scheme has been 75 % by the Central Government and 25 % by the State Governments.
- (b) The assistance to Non-Governmental Organizations is 100 %. Such NGO proposals should have the recommendations of the State Government concerned.
- (c) Ordinarily, Central assistance for capital expenditure would not be considered under the scheme. States under the North Eastern region or hilly regions are given relaxation.
- (d) Proposals for setting up infrastructure for satellite based training are also eligible for funding to the States on 75 % cost fund basis.

(a) Allocation releases and utilisation

1.41 Component-wise allocation and releases under RGSY during the last three years is given below:

(Rs. In Crore)

Year	Training & Capacity Building		Infrastructure Development		Total Release
	Allocation	Release	Allocation	Release	
2009-10	39.28	39.28	4.95	4.95	44.23
2010-11	60.20	60.20	12.50	12.50	72.70
2011-12	35.80	35.80	49.00	49.00	84.80
2012-13 (upto 31.03.2013)	75 (BE) 53.78 (RE)	53.78	40 (BE) 36.22 (RE)	36.22	90.00

1.42 The Committee while finding that amount given under RGSY was thoroughly inadequate keeping in view huge demand for training and infrastructure related expenditure in non BRGF districts asked about whether MoPR ever considered revising the funding pattern from 75:25 to 100% for RGSY, the MoPR in a written note informed:

"From 2013-14, RGSY will be subsumed in RGPSA. The Finance Ministry is not in favour of less than 30% sharing of funds from States, and 20% in case of special category States."

(b) Mid Term Review of RGSY

1.43 The MoPR explaining the over-all assessment of the progress of RGSY in Mid-Term Appraisal has stated as under:

"Although the scheme has been allocated small amounts in the annual plans for 2007-08 and 2008-09, the release and utilisation of funds has progressed well. The programme of training and capacity building of elected representatives and functionaries of PRIs has received the thrust it required.

Strength and weakness of programme:

1.44 The programme has a very important objective which needs to be prioritized. It provides the required flexibility to the States to design their training and capacity building programmes for elected representatives and functionaries of PRIs. However, the following weaknesses have put limits on the benefits from this scheme:

- Prohibition on release of RGSY grants for training infrastructure (except for SATCOM and for States in NE Region and Hilly States); and
- Some States are not able to contribute 25% share, which affects the implementation of the scheme.

1.45 For BRGF a review by World Bank was undertaken in July, 2009 whereas for RGSY, MoPR sponsored evaluation through CTRAN Agency was done in 2011. Asked about remedial steps taken after these evaluation the MoPR in a written note informed:

"As per the World Bank Mission evaluation report, BRGF stimulated capacity building (esp. top-down orientation and training) activities targeted at PRIs officials and functionaries.

While undertaking the review, some States like Andhra Pradesh, Assam, Chhattisgarh and Maharashtra were selected in view of the diversity these States represent in terms of CB&T.

The Ministry of Panchayati Raj has examined the recommendations. These recommendations have been shared with the State Governments with the advice to adapt these as per the local specific conditions in order to improve the Capacity Building & Training processes."

1.46 The Committee pointed out that the MoPR in statement showing implementation of status of recommendation made by the Committee in their 22nd Report had informed that Evaluation Report in respect of RGSY has been incorporated in RGPSA. Asked about the salient feature of Evaluation Report and the extent to which it has been incorporated in RGPSA, the MoPR in a written note stated as under:

"A mid-course evaluation of RGSY was commissioned in 2010 in 6 States viz. Assam, Andhra Pradesh, Madhya Pradesh, Odisha, Rajasthan and West Bengal.

The key findings and recommendations of the Evaluation Report are:

- A pool of trainers / resource persons should be developed at the States, Districts and Block levels
- The SIRDs and ETCs need to be strengthened in terms of Human Resources
- Training Needs Assessment of ERs and Functionaries should be carried out at regular intervals
- Exposure visits to beacon Panchayats should be made mandatory
- Monitoring and supervision mechanism needs to be set up at MoPR, State and District level.

These have been broadly included in the Guidelines of RGPSA." RGSY has been subsumed in RGPSA since 2013-14

(c) Restructuring of BRGF/RGSY Schemes

1.47 During the course of examination of the subject the MoPR in 2010 had stated as under:

The MoPR under restructuring of its various schemes has proposed (a) restructuring of the BRGF and the RGSY and (b) merger of the e-Panchayat, Panchayat Mahila Evam Yuva Shakti Abhiyan (PMEYSA) and the Capacity Building Component of BRGF into RGSY and (c) renaming the restructured RGSY as the Rajiv Gandhi Panchayat Sashaktikaran Abhiyan (RGPSA). Thus the MoPR will have two schemes viz,

a) *BRGF: To provide enhanced Development Grant for the districts/ regions identified as backward; and*

b) *RGPSA: For enhancing the capacities of the PRIs, in terms of office building, ICT, training, manpower and accounting support, in all the districts to enable them discharge their roles and responsibilities efficiently and effectively.*

1.48 The Ministry of Panchayati Raj had given (October, 2010) the following abstract of costs of RGPSA:

Sl. No.	Components of RGPSA	Proposed allocation (Rs. in Crore)		
		2010-11	2011-12	2012-13
1	Panchayat Staff	500	1000	1600
2	Panchayat Ghars	500	1000	1400
3	Accounting	200	400	600
4	e-Panchayat	500	1000	1400
5	Training + Infrastructure	600	600	600
6	Institutionalising Decentralized Planning	400	600	600
7	Total – RGPSA	2,700	4,600	6,200

EFC approved the Scheme on 29.11.2012. The EFC have advised to secure the concurrence of the Planning Commission."

1.49 The Committee enquired about the basis of the above proposal, the MoPR in a written note stated:

"MoPR has identified the availability of Panchayat Staff, Office Buildings, Accounting arrangements, ICT infrastructure and training as the core issues for capacity building of the Panchayats, subject, however, to adequate devolution of functions and concomitant funds by the State Governments. Though funds under the BRGF and other Schemes can be availed to provide for these facilities, States have often displayed inability in making integrated use of the available diverse resources. Therefore, to give a push to attainment of this objective, MoPR has proposed the Rajiv Gandhi Panchayat Sashaktikaran Abhiyan (RGPSA)."

1.50 In this connection the Planning Commission also stated:

"Ministry of Panchayati Raj has submitted a proposal to restructure BRGF into Rajiv Gandhi Panchayat Empowerment and Backward a Region Development Mission (Panchayat Sashaktikaran Abhiyan (RGPSA) with an enhancement in provision from Rs. 4800 crore to Rs. 10,000 crore per year for the development grant component of BRGF, additionality of Rs. 600 crore per annum for capacity building grant for the National Capability Framework and Rs. 500 crore, Rs. 1,000 crore and Rs. 1,600 crore for the next three years for staff and Rs. 200, Rs. 400 and Rs. 600 crore for supporting account ting functions. In addition an amount of Rs. 9464 crore is assessed as the cost for panchayat building @ Rs. 12 lakh per building. Further for e-enabling Panchayats an amount of Rs. 4250 crore has been proposed for the three year period. In addition, sums have been proposed for the project management units at the Central, State and PRI levels and also for incentive scheme for performance of implementing entities. The capacity building allocation also proposed to be increased from Rs. 250 crore to Rs. 400 crore for 2010-11, Rs. 600 crore for 2011-12 and Rs. 600 crore for 2012-13."

1.51 Planning Commission has also given the provisions proposed under the restructured BRGF and RGPSA which are as follows:

(Rs. in Crore)				
Scheme	2010-11	2011-12	2012-13	Total
BRGF	10000	10000	10000	30000
RGPSA	2700	4600	6200	13500
Total	12700	14600	16200	43500

1.52 Expressing their views the Planning Commission stated as under:

- (i) "Planning Commission supports the restructuring of the programme into two components namely the BRGF and the RGPSA. However, it would be more appropriate if the RGPSA is treated as a Centrally Sponsored Scheme with some contribution from the State Governments.
- (ii) Keeping in view the need to converge all resources, there is need to converge funds from MGNREGA and also to utilize the common service centres being established by the Department of Information Technology.
- (iii) The availability of funds for BRGF and RGPSA can only be decided depending upon the availability of GBS for 2011-12."

1.53 During the course of examination of Demands for Grants (2012-13) of MoPR, the Ministry informed that during the Twelfth Five Year Plan, they propose to launch a new scheme namely RGPSA by merging the existing schemes viz. RGSY e- Panchayat, PEAIS, PMEYSA and Capacity Building part of BRGF with a total outlay of Rs. 33000 crore.

1.54 Asked as to whether necessary funds for this ambitious programme have been arranged, the MoPR in a written note stated:

"That the Planning Commission have given their in principle approval to the Scheme and also provided GBS of Rs. 6437/- crore for 12th Five Year Plan Period for MoPR." Subsequently it was revised to Rs. 11,547/-.

(iii) Rajiv Gandhi Panchayat Sashaktikaran Abhiyan (RGPSA)

1.55 The Ministry of Panchayati Raj in their Outcome Budget (2012-13) have highlighted that though there has been a dramatic rise in expenditure on programmes of social inclusion in recent years especially during the Eleventh Plan, it has been accompanied by growing problem of implementation as schemes are developed along jurisdictional lines of the Ministries, based on vertical management decision systems instead of bottom-up participatory planning. As such it is difficult to ensure that context-specific measures which address the issues in hand in a holistic manner. In this context, MoPR has also highlighted that a vibrant and empowered Panchayati Raj system is vital. Through Panchayats it is possible to move away from a top down centralized approach that can be insensitive to people's actual needs, to one based on people's participation and grass root planning. Implementation can be improved by accountability to the Gram Sabhas. Especially important is self governance through Gram Sabhas in Schedule V areas as envisioned in the Panchayat Extension on to the Schedule Area Act (1996). PESA which can ensure community control over resources.

1.56 The MoPR has informed that Rajiv Gandhi Panchayat Sashaktikaran Abhiyan (RGPSA) with the following objectives will strengthen the Panchayati Raj System across the country and address the critical deficiencies that constraints the functions of Panchayats:

- (i) Enhance the capacities and effectiveness of Panchayats and the Gram Sabhas;
- (ii) Enable democratic institutions decision making and accountability in Panchayats;
- (iii) Strengthen the institutional structure for knowledge creation and capacity building of Panchayats;

- (iv) Promote devolution of powers and responsibility to Panchayats as per the spirit of the Constitutions;
- (v) Specially strengthen Gram Sabhas in Schedule V areas to discharge their responsibilities as envisaged in PESA.

1.57 According to the Ministry of Panchayati Raj, RGPSA will be extended to all States under Part IX of the Constitution and also to elected bodies in the non-Part IX areas. The MoPR has stated that RGPSA will extend to all States and Union Territories of the country. For the purpose of these guidelines, wherever 'State' is mentioned, it will include Union Territory also, and whenever 'Panchayats' are mentioned, these will include elected local governments in areas where Panchayats do not exist in the North East. Approval of RGPSA was obtained on 7th March 2013 from CCEA.

(iv) The Panchayat Empowerment & Accountability Incentive Scheme (PEAIS)

1.58 The Panchayat Empowerment & Accountability Incentive Scheme (PEAIS) is a Central Sector Scheme being implemented by the Ministry of Panchayati Raj that aims at encouraging the States to adequately empower Panchayats and put in place systems for bringing about accountability of Panchayats based on two stage evaluation of Devolution Index, one is Framework criteria that is based on following four fundamental Constitutional requirements:

- (i) Establishment of State Election Commission.
- (ii) Holding of election to Panchayats
- (iii) Setting up State Finance Commission
- (iv) Constitution of District Planning Committee (DPCs)

1.59 The second stage involves assessment of States at devolution through detailed questionnaire and field visits. Thereafter top ranked States are awarded based on Devolution Index (DI).

1.60 The Scheme also provides for incentivization of best performing Panchayats, PEIAIS and will be merged in RGPSA.

(B) Capacity Building under the Department of Rural Development (Ministry of Rural Development)

(i) MGNREGA

1.61 Construction of Bharat Nirman Rajiv Gandhi Sewa Kendras as Village Knowledge Resource Centre and Gram Panchayat Bhawans at Gram Panchayat Level has been allowed under MGNREGA. To strengthen administrative support systems, the Ministry of Rural Development has permitted use of upto 6% of the expenditure incurred in implementation of schemes, in a year, as administrative expenses. The Ministry has recommended for the recruitment of one Rozgar Sewak Sahayak in every Panchayat, one technical assistant for every five Gram Panchayats, at least one computer assistant per Block and one full time dedicated programme Officer in every Block. A scheme for dedicated manpower for Gram Panchayats in Integrated Action Plan (IAP) Districts is also in force.

(ii) National Rural Livelihood Mission (NRLM)

1.62 In view of the eminent roles of Panchayat Raj Institutions (PRIs) that include governance, commercial and political, it is necessary to consciously structure and facilitate a mutually beneficial working relationship between Panchayats and institutions of the poor, particularly at the level of Village Panchayats. Formal platforms would be established for regular consultations between such institutions and PRIs for exchange of mutual advice, support and sharing of resources. However, care would be taken to protect their autonomy. Where there are no PRIs, the linkages would be with traditional local village institutions.

(C) Role in capacity building of Panchayats under the Ministry of Drinking Water and Sanitation

1.63 The Ministry of Drinking Water and Sanitation in their programme captioned 'Nirman Bharat Abhiyan' has given the following role to Panchayats:

"As per the Constitution 73rd Amendment Act, 1992, Sanitation is included in the 11th Schedule. Accordingly, Gram Panchayats have a pivotal role in the implementation of NBA. The programme will be implemented by the Panchayati Raj institutions at all levels. They will carry out the social mobilization for the construction of toilets and also maintain the clean environment by way of safe disposal of wastes. PRIs may engage suitable NGOs for inter-personal IEC and training. Community Complexes constructed under the NBA will be maintained by the Panchayats/Voluntary Organisations/Charitable Trusts. Panchayats can also contribute from their own resources for School Sanitation over and above the prescribed amount. They will act as the custodian of the assets such as the Community Complexes, environmental components, drainage etc. constructed under NBA. GPs can also open and operate the Production Centers/Rural Sanitary Marts.

GPs can play a key role in promoting regular use, maintenance and up gradation of toilets and inter-personal communication for hygiene education. Panchayats and NGOs who are in the frontline of implementation have a key role in ensuring that safety-standards are being met with all components of NBA e.g. the distance between water source and a latrine – adhering to the minimum distance for IHHL, school and Anganwadi toilets and community sanitary complexes; regulating pit-depth, pit lining to prevent pollution, collapse of pit etc. The same will apply to key hygiene behaviour such as keeping the environment around hand pumps/water sources clear and tidy and free of human and animal excreta. GPs must also play a role in the monitoring of the NBA programme. Both Block level and District level PRIs must regularly monitor the implementation along with the concerned officials."

III. Ensuring Capacity Building & Training (CB&T) of Panchayats

1.64 The MoPR has informed that with over 28 lakh Elected Representatives (ERs) and 10 Lakh Panchayat Functionaries in the form of Gram Sevaks, Panchayat Secretaries who work with Panchayats across the country, with varied devolution of subjects to Panchayats in different States coupled with wide variation of educational and professional experience of ERs and equipping the Panchayat functionaries with increased responsibilities in various fields like planning, management, livelihood, agriculture, health etc., the challenge of Capacity Building and training is quite huge.

1.65 Asked about the strategy chalked out by the MoPR to address the issue of Capacity Building and training of ERs and Panchayat Functionaries across the country in a time bound manner, the MoPR in a written note stated:

"During the 12th Five Year plan, the MoPR will implement the Rajiv Gandhi Panchayat Sashaktikaran Abhiyan (RGPSA) with focus on creating the required human resources, physical infrastructure and building the administrative and technical capacities of Panchayats. Budgetary allocations to the Ministry of Panchayati Raj during the Twelfth Plan period are also proposed to be increased substantially to take care of these requirements."

1.66 The Committee also wanted to know whether there is a need for separate Institute for Capacity Building and Training for ERs and Panchayat Functionaries on the pattern of Civil and Defence Services for real empowerment of Panchayats, the MoPR in a written note stated:

"Capacity Building & Training for ERs/functionaries of Panchayats is required on third-tier governance issues and awareness about government Schemes particularly those in which PRI's have been given a clear role and responsibilities. The trainees should have enough knowledge so that they can exercise the functions assigned to them. The MoPR is of the view that for reasons of economy of scale the training infrastructure. HRD resources in the NIRD/SIRD and District Resource Centres would be strengthened to cater to the Capacity Building needs of Elected Representatives functionaries of PRIs."

1.67 MoPR has stated that for Panchayats to effectively perform the responsibilities entrusted to them Capacity building of Panchayats needs to be ensured through:

- (a) Devolution of 3 Fs
- (b) Availability of Staff

- (c) Availability of Infrastructures and ICT facilities
- (d) Training of Elected Representatives (ERs)

1.68 In this connection, the Planning Commission has informed that in order to fulfill the Constitutional obligations as provided under Article 243G endowing Panchayats powers to enable them to function as institution of Self Government. The capacities of Panchayati Raj Institutions need to be increased so that they can function effectively as the third tier of Government. The capacity building of Panchayats may be viewed as a three pronged effort:

- (i) Provision of adequate human resources.
- (ii) Provision of Infrastructure.
- (iii) Training and Sensitisation of
 - (i) Elected Members of PRIs
 - (ii) Functionaries of PRIs and
 - (iii) Government functionaries working at District, Block and Gram Panchayat levels.

1.69 The Twelfth Plan (2012-2017) document Captioned 'Faster Sustainable and More Inclusive Growth' brought out by the Planning Commission inter-alia observed as under.

"Rural Local self-governance is critical to rural transformation. The 73rd Amendment to the Constitution seeks to endow the Panchayats with such power and authority as may be required to enable them to function as genuine institutions of self-governance. Inherent in this devolution is the expectation that it would lead to social justice with economic development and effective local governance with emphasis on:

- Social and political empowerment of village communities, particularly of the hitherto marginalized segments.
- Accountability of local government functionaries to be elected as local representatives.
- Greater control of village communities over natural resources."

A. Devolution of 3Fs

1.70 One of the functions of the MoPR is implementation of Article 243 G read with Eleventh Schedule that provide for devolution of funds, functionaries and finances from State Governments to Panchayats.

The Thirteenth Finance Commission while dealing with the issue of devolution of three Fs in their Report observed:

"The transfer of funds, functions and functions and functionaries to local bodies consistent with the XI and XII Schedules of the Constitution has met with limited success so far. The traditional theology that funds and functionaries will follow functions does not appear to have worked. A number of States have notified transfer of functions, but this has not been followed by transfer of funds and functionaries. Only some States have significantly empowered local bodies by transferring expenditure obligations, taxation power and staff resources to them. It has been contended that decentralization is not fiscally neutral as it will generate increased demands in the scope, scale and quality of services provided by the local bodies. Thus, more funds devolve to local bodies would encourage State Governments to accelerate their decentralization efforts. Transfer of functions and functionaries may then follow transfer of funds."

1.71 The Commission also observed:

"We have also noted that in recent times the local bodies have been entrusted with funds, often directly through Centrally Sponsored Scheme (CSS) such as the National Rural Employment Guarantee Scheme (NREGS) and Jawaharlal Nehru National Urban Renewal Mission (JNNURM) which have stretched their already limited planning implementation and accounting capacities. There is a felt need and demand for untied funds to augment local capacities, which was communicated to us almost universally across States during our visits."

1.72 The Commission had further observed:

"While the issue of providing additional funding support to local bodies is significant, the building blocks of the third tier structure deserve attention. These include (i) entrusting local bodies with implementation and expenditure responsibilities consistent with their mandate (ii) enhancing their capacity to meet these obligations through assigning necessary revenue raising powers as well as providing adequate transfers; (iii) making them accountable for the performance, including delivery of services as per previously notified standards; (iv) strengthening the functioning of the State Finance Commission and (v) providing focused support to the scheduled and excluded areas. The Eleventh and Twelfth Finance Commissions made a number of recommendations in this regard. Some of the recommendations, though important, have not been implemented so far. More needs to be done to promote decentralization. We also need to put in place a stronger incentive mechanism aimed at persuading State Governments to decentralize further....."

1.73 Status of devolution of Functions, Functionaries and Finances from State Governments to Panchayats in different States/UTs is as shown in **Annexure III**.

1.74 On the progress made towards devolution over the years has been Ministry of Panchayati Raj in a written note stated:

"This Ministry has consistently been exhorting the States towards meaningful and effective devolution of functions, funds and functionaries (3Fs) to the PRIs and for preparation and notification of detailed Activity Mapping, opening of Panchayat Windows in State budgets and assignment of functionaries in accordance with the devolution of functions and funds. The devolution of the 3Fs needs to be backed by grass-roots planning and the concept of grass-roots planning through the District Planning Committees (DPCs) was almost non-existent in most of the States."

1.75 During the course of examination, the Committee enquired about the steps taken for ensuring that every State/UTs devolves the 3Fs to Panchayats, the MoPR in a written note had stated:

"Devolution upon the Panchayats is discretionary for the States. However, the Ministry of Panchayati Raj (MoPR) has issued three advisories to States: (i) Guidelines dated 01.12.2009 on the Activity Mapping (ii) Guidelines dated 09.04.2009 on Panchayat Finances and (iii) Guidelines dated 23.10.2009 on manpower to the PRIs to facilitate the process. These are available on www.panchayat.nic.in. SIRDs have also been entrusted to conduct research on the status of activity mapping in some States. The DI study under PEAIS also includes activity mapping undertaken by State."

1.76 Elaborating State-wise progress, the MoPR further informed that the Govt. of Rajasthan has transferred 3Fs in respect of five departments to the Panchayats namely; Agriculture, Primary Education, Health, Women & Child Development and Social Justice Department. MoPR has requested other States which have not devolved even these, to follow suit. In addition, the following new developments have been noted in the incremental Devolution Index Study of 2011-2012:

- (i) In Maharashtra, the Joint Forest Management Committee (JFMC) has been set up as a sub-Committee of Gram Panchayat (GP), responsible to Gram Sabha. The State has undertaken a 'Saksham Gram' as a Gram Sabha Strengthening campaign which includes awareness campaigns.
- (ii) The Government of Haryana has decided to provide funds directly to GPs in Schemes of the Panchayat Department, especially special development works, Mukhya Mantri Anusuchit Jati Nirmal Basti Yojana, pavement of roads. The GP will have to discretion to execute works upto Rs.

10 lakhs itself or through contractors. The State has taken a decision to provide an untied grant of Rs. 50 lakhs annually to Panchayat Samitis, which so far had hardly any funds.

- (iii) Rajasthan has carried forward the process, started last year, of devolution for five departments, i.e. School Education, Health, Women and Child Development, Agriculture and Social Justice and Empowerment by creating sub-heads for Panchayats in their budget and has made an allotment of untied funds of Rs. 802.54 crores to PRIs.
- (iv) Karnataka has increased accountability and transparency of Panchayats by enacting the Karnataka Guarantee of Services to Citizens Bill, 2001 and including 10 services of Rural Development & Panchayati Raj Department. Panchayat elections have been held through Electronic Voting Machines (EVMs) for the first time in the State.

1.77 Asked about the findings of devolution studies and comments of MoPR thereon, the MoPR in a written note replied:

"The DI study shows that devolution of functions is inadequate without parallel devolution of funds and functionaries. There is a tendency among States to devolve functions through activity mapping but not follow these up through devolution of funds and functionaries and detailed executive instructions. In 2010-11, the DI study ranked States along an incremental DI along with a cumulative DI, which showed that States high on the cumulative DI also undertake further devolution. However, States that have not strengthened Panchayati Raj historically do not take adequate measures to catch up. There is need therefore to mandate devolution, link Central scheme funding with devolution, and vastly upscale PEAIS outlay."

1.78 During the course of evidence of the representatives of the Planning Commission, the Committee wanted to know whether for real empowerment of Panchayats their over-all capacity building is also required like authorizing Sarpanchs to appoint technical persons, the Member, Planning Commission stated:

"I want to tell you that from 1996 to 2001, I was looking after the work of Panchayati Raj and thereafter when I returned to Kerala in my own cadre, I was Secretary, Finance Department. In Kerala one-third grants are given to Panchayats for that we constituted Public Account Committees because nobody can say that there is a corruption in Panchayats. Thereafter, their accounting audit was arranged. It is true that in Kerala the Panchayats have been given staff. In rest of States we do not see it."

1.79 The witness further informed:

"It has been clearly spelt out that as per Article 243 G they are supposed to be institutions of self-Government and in fact State Governments are asked to ensure that they are institution of self Government. For that one thing is clear where States have encouraged this and given staff to Panchayats in that Sarpanch have not been given separate role.

From 2004 to December 2005 I was brought here again in this Ministry of Panchayati Raj at the time the Ministry was formed. In every village or the Gram Panchayat area, the Constitution of Committees of Education, Health in the Eleventh Schedule as you know, that are 29 subjects which are intended for Gram Panchayats, Block Panchayats and District Panchayats. But, it appears about State Governments, there are good State Governments like Sikkim, Tripura, Kerala and to some extent Karnataka, rest of the State Governments have not given powers to Panchayats. They are not giving powers under Article 243G".

1.80 The Secretary, MoPR also informed:

"I do not know why even after these efforts there is a psychology working against decentralization at the grass roots level."

1.81 She added:-

"In the capacity building we are not just looking at training the panchayati raj functionaries but also strengthening of the capacity of the panchayats in administrative and technical matters at gram panchayat levels so that they are able to discharge their functions. The other aspects are the improving infrastructure facilities that are there; improving the institutional arrangements for giving the training, etc. So, all these are under the RGPSA. Another major advantage of this Scheme is that it lays out a menu of activities. States are at varying levels of developing their panchayati raj institutions. Some States like Kerala, Maharashtra, West Bengal, Madhya Pradesh, Rajasthan, Sikkim, and Tripura are improving very rapidly. There are some States which are still lagging behind for lack of resources or whatever. For them, a menu of activities will be there in the RGPSA Scheme which will enable them to say, "I am lagging in this area. So, I would like Budgetary assistance from the Central Government in this area, for which I give you my plan. In the next five years, this is on yearly basis these will be my performance criteria." Against those performance criteria we will examine the annual State plan and sanction the budgetary resources. Another thing under the RGPSA is that we are linking the State performance on various activities to release of 20 per cent of the funds under the RGPSA. These activities include responsibilities about devolution of the funds, functionaries and the functions to the panchayats. It includes the actions taken for training, for capacity building, actions under various infrastructure strengthening, etc. So, the inadequacies for strengthening panchayats are sought to be taken care of under this new Scheme in this fashion. The funds, as I have explained, have increased manifold because of the RGPSA approval. The formal approvals are in process of being obtained." RGPSA has since been approved on 7th March 2013.

B. Availability of Staff

1.82 The Ministry of Panchayati Raj has informed that manpower has been one of the four dimensions of Capacity Building of Panchayats that has to be enhanced for discharging the Constitutional mandate given to them under Article 243G read with Eleventh Schedule. During the course of examination it came out that as per MoPR there are 582 District Panchayats, 6351 Intermediate Panchayats and 2.43 lakh Gram Panchayats across the country. The MoPR has given the following State-wise details of staff at Gram Panchayat levels as on October, 2010 is detailed below:

Sl. No.	State	No. of GPs	GPs Secretary	
			Sanctioned	Filled
1	Andhra Pradesh	21825	12395	10670
2	Arunachal Pradesh	1646	N.R	N.R
3	Assam	2196	1955	1897
4	Bihar	8463	8463	5754
5	Chhattisgarh	9820	9734	9734
6	Goa	183	200	167
7	Gujarat	13735	11802	9224
8	Haryana	6155	2237	1370
9	Himachal Pradesh	3243	3243	3243
10	Jammu & Kashmir	4146	-	-
11	Jharkhand	4562	4423	2933
12	Karnataka	5628	5627	4847
13	Kerala	999	978	978
14	Madhya Pradesh	23012	23040	N.R
15	Maharashtra	27920	17326	16655
16	Manipur	165	409	37
17	Mizoram	818	N.R	N.R
18	Meghalaya	1179	N.R	N.R
19	Nagaland	1110	N.R	N.R
20	Orissa	6234	6234	6234
21	Punjab	12800	2319	1919
22	Rajasthan	9166	9188	8522
23	Sikkim	166	165	165
24	Tamil Nadu	12618	12618	12618
25	Tripura	1038	N.R	N.R

26	Uttar Pradesh	51914	16432	12003
27	Uttarakhand	7227	670	412
28	West Bengal	3351	3351	3351
TOTAL		241319	152809	112733

N.R. = Not Reported.

1.83 The Ministry of Panchayati Raj in a written note informed

"Manpower in the PRIs, in general is grossly insufficient. In many States the Panchayats do not have full time core staff. Even, MoPR manages the process intensive progress of BRGF with meager manpower."

1.84 Dealing with the manpower requirements of Panchayats, the Secretary MoPR stated during evidence:-

"The second important thing is that in State of Uttar Pradesh alone in 52,000 Panchayats there are 8000 Panchayat Secretaries in multiple charge. Where this multiple charge is imposed everybody has a responsibility, but nobody is responsive. For that we have proposed a Panchayat Staffing and the size of Panchayat spread from 100 to 60,000. In Gram Panchayats what would be staffing pattern, source of funding, etc. We have prepared a blueprint, which would be finalized with concurrence of Planning Commission."

1.85 The Secretary MoPR further stated:

"I am in agreement with the Members of this august Committee that in Panchayats there is a great need of infrastructure and technical manpower."

In regard to augmenting manpower of Panchayats, the MoPR informed that Secretary, MoPR has issued guidelines to the Secretaries of all the States/UTs on 23 October, 2009 which *inter-alia* stated as under:

"The 73rd Amendment to the Constitution in 1993 has ushered in an important chapter in the process of democratic decentralization in the country. The PRIs have consequently become a permanent tier of self government at the local level with, inter alia, specific role in planning and implementation of programmes for economic development, service delivery and social justice, particularly in relation to 29 matters listed in the 11th Schedule. The 11 the Plan stipulates substantial empowerment and use of the PRIs as the primary means of delivery.

However, even after 15 years of the Amendment, the PRIs are generally yet to come up as the effective units of self-governance due to several reasons, a key reason being inadequate capacity of the PRIs, which has two facets, namely, their organizational capacity and capability of the officials and elected representatives. All the same, their

responsibilities are increasing progressively due to the role in the planning and implementation of NREGA, BRGF, MDM, SSA, NRHM, TFC and so on.

Resources for deploying core staff of the Panchayats could be found out of the State resources, BRGF, NREGA, Finance Commission Awards etc. as per a well considered phasing. Other staff could be financed under the existing Plan/non-Plan arrangements."

1.86 This was later reiterated by MoPR on 12th November, 2010 on 7th June, 2011 by MoRD and and 6th July, 2011.

1.87 The Committee also wanted to know as to how many States/UTs have sufficient number of staff, the MoPR in a written note clarified:

"Ministry of Panchayati Raj (MoPR) has advised all the States to provide the basis core functionaries to the Panchayats, which includes the Secretary, an Accountant, a Data Entry Operator and a Social Mobiliser.

Most States have provided core task staff to the Panchayats, with the major exception being Uttar Pradesh. The Ministry has proposed to provide enhanced financial support to the States in respect of these components through the Rajiv Gandhi Panchayat Sashaktikaran Abhiyan (RGPSA)."

C. Availability of Infrastructural and ICT facilities

1.88 The Ministry of Panchayati Raj outlined infrastructure – Panchayat Ghars as one of the four Components of capacity building of Panchayats in the Country. The MoPR has given the State/UT-wise details of Gram Panchayat (GP) Ghars as shown in **Annexure IV**. The Ministry of Panchayati Raj has given the following details about the number of Panchayats in major States having no Panchayat Ghars and requiring major renovation is reported to be as under:-

Sl. No.	State	No. of Gram Panchayats	Panchayat having no Panchayat Ghars
1.	Andhra Pradesh	21807	5639
2.	Assam	2196	622
3.	Bihar	8463	3135
4.	Gujarat	13693	53
5.	Karnataka	5628	372
6.	Maharashtra	27893	5183

7.	Orissa	6234	401
8.	Punjab	12447	7182
9.	Rajasthan	9188	125
10.	Tamil Nadu	12618	Not reported
11.	Uttar Pradesh	51914	22930
12.	West Bengal	3354	15

1.89 The Committee pointed out that in States like Uttar Pradesh 22930 Gram Panchayats do not have their Panchayat Ghars out of 52, 000 GPs. Further, in Bihar 3135 Gram Panchayats has no Panchayat Ghars. Similarly, in Maharashtra out of 27,920 Gram Panchayats as many as 5183 have no Panchayat Ghars. The Committee enquired as to why the efforts of MoRP have not yielded desired results, the MoPR in a written note had stated:

"MoPR has advised the States to undertake construction of Panchayat Ghars by combining the funds available under the MGNREGS with BRGF and RGSY. While there is a significant progress in respect of BRGF Districts, for non-BRGF Districts further efforts are required, for which the Ministry has advised the States suitably. In respect of Panchayat Ghars, the Ministry has advised to the States to provide an appropriate office building to each Panchayat. In consultation with the Ministry of Rural Development (MoRD), the Ministry has proposed a model of Panchayat Ghars which are also called the Bharat Nirman Rajiv Gandhi Sewa Kendras (BNRGSKs), to be constructed at a cost of Rs. 10 lakh for the GPs and Rs. 20 lakh for the inter-mediate Panchayats."

1.90 The Committee also wanted to know the progress made towards ensuring Panchayat Ghars for each Gram Panchayat in the country, as well as for ensuring adequate staff at the Gram Panchayat level, the MoPR in a written note had stated as under:

"The Ministry has advised all the States to ensure Panchayat Ghars for all GPs in a time bound manner, availing funding under MGNREGS/BRGF /RGSY, besides States' own resources for this purpose. Further, the Central Government has decided to assist State Governments / UTs in providing a Panchayat Development Officer and a Junior Engineer in priority Gram Panchayats using Administrative Expenditure Head of MGNREGS. The support proposed on 90:10 sharing between Central and the State is to be gradually reduced by 10% every year for 5 years and would continue at 50:50 for another 5 years. Moreover, comprehensive guidelines dated 23.10.2009 has been given to the States on Manpower for the Panchayats. The Ministry proposes to further address these issues under the Rajeev Gandhi Panchayat Sashaktikarn Abhiyan (RGPSA)."

1..91 The MoPR has given the following details about Panchayat Ghars/other infrastructure sanctioned under RGSY as on 30.09.2011 in different States on their website:-

A. Panchayat Ghars / Resource Centres sanctioned

Sl. No.	State	Infrastructure sanctioned	No. of Units	Year of sanction
1	Bihar	Gram Panchayat Ghars	95	2006-07
2	Gujarat	Gram Panchayat Ghars	240	2006-07
3	Himachal Pradesh	Gram Panchayat Ghars	120	2006-07
4	Rajasthan	Gram Panchayat Ghars	180	2006-07
5	West Bengal	Gram Panchayat Ghars	5	2006-07
6	Assam	Gram Panchayat Ghars	770	2007-08
7	Himachal Pradesh	Gram Panchayat Ghars	120	2007-08
8	Orissa	Gram Panchayat Ghars	350	2007-08
9	Manipur	Gram Panchayat Ghars	82	2007-08
10	Himachal Pradesh	GP Resource Centre	150	2008-09
11	Himachal Pradesh	GP Resource Centre	150	2009-10
12	Manipur	Gram Panchayat Ghars	82	2009-10
13	Rajasthan	Gram Panchayat Ghars	180	2009-10
14	Karnataka	Gram Panchayat Ghars	40	2009-10
15	Chhattisgarh	Gram Panchayat Ghars	290	2010-11
16	Karnataka	Gram Panchayat Ghars	360	2010-11
17	Chhattisgarh	Gram Panchayat Ghars	290	2011-12
18	Punjab	Gram Panchayat Ghars	103	2011-12
19	Uttar Pradesh	Gram Panchayat Ghars	81	2011-12
	Total		3688	

B. Training Infrastructure Sanctioned

Sl. No.	State	Infrastructure sanctioned	No. of Units	Year of sanction
1	Arunachal Pradesh	Panchayat Resource Centre at Block level	150	2008-09
2	Assam	Panchayat Resource Centre in the Kahikuchi campus of State Institute of Rural Development at Guwahati.	1	2008-09

3	Himachal Pradesh	Administrative Block at PRTI Mashobra	1	2008-09
4	Tripura	Training Institutes at Udaipur in South District and Kumarghat in North Tripura	2	2008-09
5	Arunachal Pradesh	Panchayat Resource Centre at Block level	150	2010-11
	Total		304	

1.92 Asked about the assessment of the Ministry about the requirement of funds needed for full capacity building and training of elected representatives and functionaries of Panchayats and the target year by when the task could be accomplished fully, the MoPR in a written note stated:

"Under the BRGF, the component of Capacity Building for 2010-11 is Rs. 250 crore as in the previous years. In addition, Rs. 50 crore is available under the scheme of RGSY. Hence, Rs. 300 crore is available for Capacity Building & Training. However, bulk of the 250 crore of BRGF (CB component) is required to be utilised in the 250 BRGF districts. It has been estimated that Rs. 300 crore would be required to provide 3 day training to all the ERs at the present cost norms of RGSY programme for the non-BRGF districts. Further, training and capacity building being a continuous task with Refresher trainings once a year, the requirement of funds increases to Rs. 1500 crore for a period of 5 years. At present the training infrastructure is also not very robust and presence of training institutions below District level is very small. This is required to be augmented. In the meanwhile, MoPR has advised States to proceed with association of private partners in PPP Mode to augment the arrangements for effective and efficient management of training programmes."

1.93 Explaining the requirement of funds for Panchayat Ghars the MoPR in a written note stated as under:

"Wherever Gram Panchayat (GP) buildings do not exist or are insufficient, these would need to be financed. The labour component of the building construction would be met out of MGNREGS. Necessary orders have been issued by the Ministry of Rural Development. Accordingly, though the overall cost is assessed as Rs. 9,464 crore, the amounts sought in this proposal is Rs. 500 crore for 2010-11, Rs. 1,000 crore for 2011-12 and Rs. 1,400 crore for 2012-13, assuming that the project would be implemented in phases and that the remaining amounts would become available to the States from their own/ other resources including the MGNREGS. The unit cost is assumed as Rs. 12 lakh."

1.94 In this connection the Secretary, (MOPR) also stated during evidence:

"Side by side with this huge gap, that has to be given the capacity building we have on the other side, as Madam Chairman has very rightly pointed out, inadequate institutional resources.

Information Communication and Technology Systems (ICT)

The MoPR in a note informed that between July and December 2004, Ministry of Panchayati Raj (MoPR) had organized Seven Round Tables of State Ministers of Panchayati Raj in order to arrive at a set of action points through consensus to operationalize the implementation of Part IX of the Constitution and PESA in letter and spirit. The Seventh Round Table at Jaipur discussed the issue of Information Technology for Panchayats and in its conclusions, positioned IT as:

- a. a decision making support system for Panchayats,
- b. a tool for transparency, disclosure of information to citizens and social audit,
- c. a means for better and convergent delivery of services to citizens,
- d. a means for improving internal management and efficiency of Panchayats,
- e. a means for capacity building of representatives and officials of the Panchayats an e-Procurement medium.

Objectives of e-Panchayats

1.95 The MoPR stated that objectives of e-Panchayat is to promote ICT driven (Software governance) to enable them to perform various tasks that inter-alia includes:

- (i) Better participation of stakeholders in District Planning Process and bring in an element of full need of planning.
- (ii) Enabling capacity building of the office bearers of the Gram Panchayat, including Computer Based self-learning tools.

1.96 The MoPR also informed:

- (i) Keeping in view the strategic importance of computerization at the Panchayat level, MoPR constituted an Expert Group in June 2007 under the Chairmanship of Director General, National Informatics Centre (NIC) to assess the current and future Information Technology (IT) programmes of the Ministry, to recommend on the most cost-effective technologies for reaching IT to the Gram Panchayats, the use of IT for effectively building capacities of Panchayati Raj Institutions through distance learning; and the cost implications of the recommendations.
- (ii) MoPR formulated a new Centrally Sponsored Scheme for e-governance in Panchayats incorporating comments of different Ministries and based on the recommendations of the meeting of National Programme Committee (NPC) held on 25th September 2008.
- (iii) Under e-Panchayats scheme, under a National Project Report Village and Block Panchayats are to be provided with Desktop computer, laser printer, scanner, web camera, pen drive and UPS etc. Latest hardware was to be provided keeping in mind the present and future needs of the Panchayats. It was proposed that States/UTs would implement the e-Panchayats project on a service procurement model.

- (iv) Ministry has been working closely with NIC to build generic software solutions that could be used by PRIs across States.

1.97 The Twelfth Plan has also outlined the need Information Technology for the purpose of tracking of Central and State Releases. In this context, it has observed as under:

"The present accounting system does not permit effective monitoring of the flow of resources from Central Ministries to state governments and ultimately to the implementing agencies. The lack of uniform coding for plan schemes between the Centre and the States makes it difficult to trace releases under a particular scheme from the Centre to the ultimate user as it flows through the state budget system. As a result, the Central Government has direct information on releases made but no online capability of tracking flow of funds through the State implementing agencies. Actual expenditure incurred in the field cannot be tracked online and is only known on the basis of 'utilisation certificates' which take a great deal of time before they are submitted.

A new multi-dimensional budget and accounting classification being prepared by a Committee set up by the Ministry of Finance aims at correcting these weaknesses. The Central Plan Scheme Monitoring System (CPSMS) has been initiated by the Controller General of Accounts, in collaboration with the Planning Commission, to serve as a comprehensive management information and decision support system. CPSMS seeks to have interface with state treasuries and State AGs to obtain real time expenditure information for schemes for which funds are transferred from the Central Ministries to the consolidated fund of the states. Thousands of implementing agencies are proposed to be integrated through Core Banking Solution (CBS) of the individual banks so that fund movement is tracked at each successive stage starting with the initial release from the Centre till the money actually reaches the ultimate beneficiaries.

When fully implemented, the CPSMS will provide online information of fund deployment and utilization vertically under each scheme down to the implementing agencies in the field and also horizontally across schemes in one geographic area. Inputs provided by the system would be vital for programme management and policy planning. The information on fund utilization could also be placed in the public domain for greater public awareness, public participation in the policy making and execution and towards enhanced transparency in Government operations.

As mentioned above, many schemes involve transfer of funds to societies which are the implementing agencies. These societies must be brought under the discipline of CPSMS. They must also be made subject to CAG audit, which can be done if it is built into the guidelines of the scheme."

1.98 The MoPR also stated that out of total 12 'Common Applications' identified for PRIs – One core Common Application is for capacity building and Training where under a portal could be available giving details of training. Besides, the officials who want training would also register their demand.

1.99 The MoPR further stated :

(i) With the limited funds available with the Ministry under the head “Mission Project on e-Panchayats”, undertook some preliminary studies such as Information and Service needs Assessment (ISNA), Business Process Re-engineering (BPR) and preparation of Detailed Project Report (DPR) (State wise), which were completed in Jan 2010.

(ii) The Information and Service Needs Assessment has helped in identifying and prioritizing the information and service needs and expected service levels of citizens, State Govts, Central Ministries and other stakeholders from PRIs. Business Process (re)engineering study was undertaken in order to improve the delivery of services. DPRs provide the cost estimates for the project. ISNA, BPR and DPR reports have been prepared and are available on the website of MoPR. State wise DPRs have been prepared and feedbacks of States/UTs have also been incorporated.

1.100 The MoPR submitted the following Information and Social Need Assessment (ISNA) and Business Re-Engineering (BPR) on e-panchayats:

State Name	ZP		BP		GP		Remarks (if any)
	No. of Offices	No. of ZP having computers	No. of Offices	No. of BP having computers	No. of Offices	No. of GP having computers	
Andhra Pradesh	22	22	1097	1097	21809	475	
Arunachal Pradesh	16	0	150	0	1751	0	
Assam	21	21	185	185	2202	0	
Bihar	38	0	531	0	8463	0	* 4569 CSCs
Chattisgarh	16	16	146	146	9820	0	
Daman & Diu	2	2			14	14	
Goa	2	2			189	189	
Gujarat	26	26	224	224	13693	13693	
Haryana	19	19	119	119	6155	0	
Himachal	12	12	75	75	3243	1185	

Pradesh							
Jammu & Kashmir	22	0	143	0	4139	0	
Jharkhand	24	0	212	0	4559	0	
Karnataka	29	29	176	176	5628	5628	
Kerala	14	14	152	152	999	999	
Madhya Pradesh	48	48	313	313	23040	0	
Maharashtra	33	33	351	351	27896	409	
Manipur	4	4			165	165	
Orissa	30	30	314	314	6234	150	
Puducherry			10	10	98	98	
Punjab	20	20	141	141	12809	0	
Rajasthan	32	32	239	239	9148	1100	
Sikkim	4	4			163	163	
Tamil Nadu	30	30	385	385	12618	12618	
Tripura	4	4	40	40	1040	0	
Uttar Pradesh	71	71	820	820	52126	0	
Uttarakhand	13	13	95	95	7541	0	
West Bengal	18	18	341	205	3354	2750	

1.101 The Committee pointed out that there has been no progress in computerization in Bihar. In other States, at Zilla Panchayat and Block Panchayat levels, the computerization has been completed. However, at Gram Panchayat level, there has been no computerization in most of the States except in the case of Gujarat, Karnataka, Rajasthan and West Bengal. Asked about the specific steps taken to ensure that the

task of computerization is given priority in the States where there is no progress in this regard, the MoPR in a note stated that MoPR has prepared Detailed Project Reports (DPRs) for provision of computers to Panchayats in each State. These DPRs have been prepared after detailed analysis of the Information and Service Need Assessment (ISNA) and Business Process Re-engineering (BPR). The ISNA, BPR and DPRs are State specific and have been prepared by MoPR in collaboration with the respective State. MoPR is now interacting with the States to implement these DPRs by availing of the financial resources available under various schemes such as BRGF, MGNREGS, etc.

1.102 Asked about the progress made towards ensuring e-governance at the gram panchayat level and other levels of the panchayat system in the light of the recommendations of the Gairola Committee,

The MoPR in a written note stated:

"The Ministry is implementing e-Panchayat Mission Mode Project under the National e-Governance Programme (NeGP), which has been formulated keeping in view the recommendations of the Gairola Committee also. The project is aimed at effective use of IT in the process of governance, bringing out transparency and accountability in the working of the PRIs. In order to lay a strong foundation for e-Panchayat MMP and to ensure that project evolved through an elaborate consultative process, in 2009-10, MoPR commissioned a comprehensive study covering all States and UTs to identify the Information and Service Needs of the stakeholders viz. Central Ministries, State Departments, Panchayats and Citizens (all these reports are available at www.panchayat.gov.in). This detailed exercise led to the identification of 12 Core Common Applications that address 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. The erstwhile proposed application namely Grievance Redressal has now been merged with the configurable service delivery application (ServicePlus) thereby reducing 12 applications to 11 now. Together these 11 applications constitute the Panchayat Enterprise Suite (PES) as they talk to each other and thus seek to reduce duplication of efforts for the end user. Four PES applications, namely PRIASoft, PlanPlus, AreaProfiler and Local Governance Directory (LGD) have already been rolled out while the remaining (except GIS module) will be rolled out on 24 April, 2012 on the occasion of National Panchayat Day."

1.103 MoPR has given the following year-wise and head-wise cost estimates (In crores) for the e-panchayats projects:

(Rs. in crore)

No	Items	Year 1	Year 2	Year 3	Year 4	Total
1.	State Site ICT + National ICT	62.32	27.83	30.10	17.68	137.94
2.	Payout (PRIs ICT + Manpower)	459.88	1757.21	1840.23	1400.49	5457.82
3.	Training	93.03	177.97	177.97	88.98	537.95
4.	Block Support Group	27.14	98.77	106.67	81.01	313.60
5.	PMU (CPMU and SPMUs)	65.89	72.48	79.73	0.00	218.10
6.	IEC	49.98	0.00	0.00	0.00	49.98
	Total ePRI Project Cost	758.25	2,134.26	2,234.70	1,588.17	6,715.38

1.104 The MoPR also stated that as against the requirement of Rs.6896.18 crore worked out as per the State-wise DPRs, the Planning Commission allocated Rs. 46.28 crore only. The activities have therefore been restricted to the conduct of studies, development and deployment of 11 Core Common Application softwares, essential training and limited project management support. Meanwhile, the States have regularly been advised (vide letters dated 30th September, 2010 & 13th May 2011, etc) to funds the ICT infrastructure under MGNREGS, 13th Finance Commission Grants, BRGF grants and also through their own resources. During the Twelfth Five Year Plan, e-Panchayat has been dovetailed into the RGPSA.

1.105 The entire allocation of Rs.40.00 crore for 2011-12 (including Rs.4 cores for North East) has been disbursed to States. While, Rs. 1.5 crore were released as incentive grants for adoption of PRIASoft, Rs.38.5 cores have been released for setting up of Programme Management Units (PMUs) at the State and District levels for roll out of e-Panchayat MMP.

1.106 During the evidence the Secretary of (MoPR) also stated:

"I fully agree with the sentiments of the Members of this august Committee that there is a shortage of infrastructure and towards manpower in Panchayats ... we also fully agree that there is no shortage of potential capacity of Panchayats. The problem is how to utilize it. How far we can do it is a challenge before the Ministry. We are giving funds. These are being utilized. But there is a wide spread impression that there is a lot of corruption in Panchayats. We have decided three things for that. We will be starting at ground level shortly. First, we have developed a software for Panchayats, wherein accounting system is activated. This work will be begin from 1.4.2011. Second is social audit. Every scheme is to be discussed in Gram Sabha. But it is not done. One suggestion has come wherever Social audit has taken place it should be video graphed when Broad Band will reach in Panchayats there will be live telecast of all Gram Sabhas. Third is accountability, the day e-governance will implemented, everything of Panchayats like planning, budget, etc. will be so on line."

1.107 On the issue of Broadband connectivity, the Secretary (MOPR) stated:

"On broad band connectivity, Department of IT is now implementing the NOFN – National Optic Fibre Network by which they aim to connect all the 2.4 lakh panchayats across the country by December 2013 or early 2014. By that time, broad band connectivity will be given to the panchayats."

D. Training of elected representatives and functionaries of Panchayats

1.108 The MOPR have in their note on 'Making' available adequate funds for Capacity Building of Panchayats has outlined 'Training' as one of four dimensions which require enhanced level of capacities for discharging the responsibilities mandated Article 243G read with Eleventh Schedule of the Constitution.

(i) National Capacity Building Framework (NCBF)

1.109 The MoPR informed that National Capacity Building Framework has been designed to meet the training requirements of ERs which inter-alia pertain to equipping the ERs to perform their responsibilities better, training key Panchayat officials, improving the functioning of Gram Panchayat officials, improving the functioning of Gram Sabha etc. through Basic Foundational course, Basic Functional course etc.

1.110 The National Capacity Building Framework (NCBF) for Elected Representatives and Functionaries' of PRIs brought out by the Ministry of Panchayati Raj indicates the following as stakeholders:

- (a) Elected Panchayat representatives
- (b) Officials working with Panchayats
- (c) Pressure group within Gram Sabha such as SHGs and CBOs
- (d) Elected representatives and officials of higher levels of Government.

1.111 The different categories of elected Panchayat representatives officials under the aforesaid stakeholders are as under:

Sl. no.	Stakeholders	Comprises of
a)	Elected Panchayat Representatives	Ward Member and Territorial Constituency members, Presidents (Sarpanches, Mukhiya, Adhyakshas), Vice-

		President (Up-Sarpanch, Up-Mukhiya, Up-Adhyakshas and Chairperson of Standing Committees.
b)	Officials working with Panchayats	Panchayats Secretaries, Junior Engineer, Anganwadis workers, Primary Health Workers, Panchayat own employees such as bill Collectors and clerks Agricultural Extension officials, Teachares and Education Administration Workers.
c)	Pressure groups within the Gram Sabha such as SHGs and CBOs	SHGs/CBOs
d)	Elected representatives and officials of higher level of Government	

1.112 MOPR has given the following data about requirements of Resource Persons for implementation of NCBF:

(a)	Number of elected representatives to be trained	22,00,000
(b)	Number of person per batch	20
(c)	Number of training batches (a/b)	1,10,000
(d)	Number of weeks in which each round of training is to be completed	20
(e)	Number of training batches per week (c/d)	5,500
(f)	Number of field resource persons per batch	5
(g)	Total number of field resource persons required (exf)	27,500
(h)	Number of field resource persons per State Master trainer	15
(i)	Number of State Master trainers required (g/h)	1833
(j)	Number of national trainer per State Master Trainer	15
(k)	Number of National Master trainers required	122

1.113 The MOPR in NCBF documents have also outlined the duration and contents of training programme as shown below:

Theme	Description of Course	Area	Category	Duration	Time Line
1	2	3	4	5	6
Building mindset for	Foundational	Overview of Panchayati Raj	Elected Representatives	4 days	Within 20 days of elections

Panchayati Raj			and Officials of PRIs		
-do-	Basic Functional Course	Understanding, accounts, Panchayats revenues etc.	Chairperson of Standing Committees and Officials	-do-	-do- (Including foundation course)
-do-	Functional Literacy Course	Those who are needy	illiterate/semi illiterate	One month	6 month
Skills for Planning and Implementation	(i) Sectoral training programme	Core functions of Panchayats	Elected representatives and officials of PRIs	Six days	Within 40 days/weeks of election
	(ii) Complete training	Basic Computer training	At least two persons per Panchayats	Six days	Within 52 weeks
	(iii) Gram Sabha level	Awareness Creation	People at large	At least 3 days a week	All India coverage
Consolidation through interaction and networking	(i) Formation of networks of PRIs	Experience sharing	Elected representatives and PRIs		Within the first year after election
	(ii) Visits to beacon Panchayats	On the site of training	At least 10 lakh elected leaders of Panchayats	At least one full day	At least two exposure visits to every year
	(iii) Intermediate Panchayat level Resource Centres	Daily assistance to support Panchayat Planning and implementation	Elected Panchayat representatives	Every working day	To examine by 20 weeks when members have furnished basic training
	(iv) Certificate Courses	Interactive	Interested Stakeholders	6 months	For about 100 persons per State

1.114 The cost norms for Training and Capacity Building of Elected representative and functionaries of under capacity building component under BRGF as per MoPR 29th August, 2010 O.M. has been as under:-

1. For elected representatives of PRIs

Sl. No.	Category	Cost per participant per day (In Rs.)
1.	ZP Members	1250
2.	Block Samiti Members	680

3.	GP Members	350
4.	CP Secretaries	350

Note: The Word "Members" includes "Chairpersons" and "Vice-Chairpersons" also.

2. For functionaries of Panchayats and Line Departments.

Sl. No.	Category	Cost per participant per day (In Rs.)
1.	Central	1580
2.	State	1580
3.	District	1250
4.	Block	680
	Village	350
	ToT/Spl. Courses	1250

Note-1: The cost would be applicable as per level of participants and includes expenditure on:

- (a) Boarding and lodging,
- (b) Training materials stationery etc.
- (c) Transport including field visits.
- (d) Miscellaneous, telephone, group photo, banner etc.

Note-2: Travel expnses may be reimbursed to the elected representative's only (Rail/Bus fare on actual basis)

Note-3: Sitting fee/daily allowance @ Rs. 100 per day per head may be considered by the State Government for the training programmes for functionaries of PRIs, SHGs, NGOs, CBOs etc. (Karnataka Model). This is recommended as most of these participants lose daily income to attend the programme.

Note-4: Each course must have a minimum number of thirty participants.

Under NCBF each State is required to identify nodal authorities for preparation and implementation of a six years perspective capacity building plan against which funds are released to States, calculated at the rate of Rs. 1 crore for each BRGF districts for capacity building activities of Elected Panchayat representatives, officials etc. The MoPR has informed that as on 29.02.2012, Rs. 51.92 crore has been released for Capacity Building of Panchayats during 2011-12.

1.115 During the course of examination the Committee asked MOPR to summarise the present position with regard to the implementation of the National Framework for Training and Capacity Building initially submitted to the United Nations Development Fund in 2006, the MOPR in a written note stated as under:

"The National Capability Building Framework (NCBF) for Training & Capacity Building of the elected representatives (ERs) and the functionaries working for the PRIs is being implemented by all the States. Panchayati Raj being a State subject, States are expected to provide the resources

for implementing the NCBF. However, MoPR supplements and States' efforts by providing grants under the Capacity Building components of BRGF and RGSY. The Ministry extends financial assistance to the States of the order of Rs. 250 crore under the BRGF and 50 to 85 crore under the RGSY, whereas the UNDP assisted Project provides 4 to 5 crore per year."

1.116 The Committee further asked as to whether district and sub-district officials of line departments were being educated to conduct training programmes for elected PRI representatives for the schemes of their respective departments, the MoPR in a note stated as under:

"District and Sub-district officials of Line Departments are being drafted by most of the States as Resource Persons in the Training programmes for Elected PRIs representatives as they have good knowledge about the scheme of their respective departments."

1.117 When asked about the progress made towards the implementation of NCBF, the MoPR in a written note clarified:

"Networking of HIRD and SIRDs, selection of good master training establishment of District-cum-Training Centres that have emerged out of the "Implementation of NCBF are still at a nascent stage and it would be too early to assess their impact on the implementation of NCBF."

1.118 The Committee wanted to know whether the NCBF has not reached the Panchayats for which it was evolved and implemented, the MoPR in a written note stated:

"The National Capacity Building Framework provides a framework for organizing the training of elected representatives, officials and other stakeholders in the Panchayati Raj, to enable them to perform their functions effectively. This framework is being implemented by the States."

1.119 Asked whether that important Training of NCBF Programme for Capacity Building of Panchayats has not received the required level of attention, MoPR in a written note stated:

"Given the available resources, the CB&T of Panchayats have been receiving the attention of the State Governments and the Ministry of Panchayati Raj is continuing its efforts to focus attention on this important area through its various schemes."

(ii) **Number of Elected Representatives trained**

1.120 MoPR has stated that besides BRGF and RGSY Schemes financial assistance under a number of other Central/States Scheme is being utilized by States for providing training and capacity building of elected representatives of PRIs.

1.121 MoPR has given the following details of number of elected representatives and functionaries trained under BRGF/RGSY and other schemes during 2007-08 to 2011-12 at all India level.

(In lakhs)

Total numbers of ERs	Total number of ERs from 2007-08 to 2011-12 trained	Under BRGF		Under RGSY		Under Other Schemes	
1	2	3		4		5	
		No. of ERs trained	No. of functionaries trained	No. of ERs trained	No. of functionaries trained	No. of ERs trained	No. of functionaries trained
29.79	27.63	27.83	3.64	23.71	2.72	12.97	13.07

1.122 MoPR has stated that there are 29.79 lakh ERs in the country. The following are major States with large number of ERs:

(In Lakhs)

Sl. No.	Name of the State	No. of ERs
1.	<i>Uttar Pradesh</i>	7.71
2.	<i>Madhya Pradesh</i>	3.94
3.	<i>Andhra Pradesh</i>	2.61
4.	<i>Maharashtra</i>	2.33
5.	<i>Chhatisgarh</i>	1.60
6.	<i>Rajasthan</i>	1.30
7.	<i>Bihar</i>	1.30
8.	<i>Gujarat</i>	1.30
9.	<i>Orissa</i>	1.00

10.	<i>Karnataka</i>	<i>0.96</i>
11.	<i>Punjab</i>	<i>0.84</i>
12.	<i>Haryana</i>	<i>0.68</i>
13.	<i>Uttarakhand</i>	<i>0.61</i>
14.	<i>Jharkhand</i>	<i>0.53</i>
15.	<i>West Bengal</i>	<i>0.51</i>

1.123 The Committee wanted to know whether the ERs undergo any test for assessing that they are eligible for training by implementing agencies and also about the sort of evaluation which the ERs undergo in this regard, the MOPR in a written note clarified:

"As per information available, presently, there are no tests etc. prescribed for accessing as to whether the Elected Representatives and Panchayat Functionaries have actually been trained by the Implementing Agencies.

However, it has been ascertained from the State Governments that pre training and post training test of trainee are conducted by the SIRD/Implementing Agencies, Quiz sessions are organized on the last day of training and thematic film screening followed by group discussions etc. take place in order to evaluate the quality of training the ERs undergo. Moreover, SIRDs undertake periodic review of the quality of training programmes through independent agencies."

1.124 The Committee further wanted to know whether a great deal of effort is desirable on this issue in big States like Uttar Pradesh, Madhya Pradesh, Andhra Pradesh, Maharashtra, Chhatisgarh etc. with huge number of ERs, the MoPR in a written note stated:

"Right now the institutions that we rely on are the State Institutes of Rural Development. Of course, the network is fairly good all across the country. But they are State Institutes of Rural Development; there are not State Institutes of Panchayat Raj Administration, or anything specific like that. We are also not asking for that because in a huge country we have to make use of economies of scale. Madam had raised a point that we need to take the resource Centres down to district level, down to block level. Have more block level resource centres; have more district level resource centres."

1.125 The Seceretary (MoPR) during evidence also stated:

"Over the years as a result of sustained interactions with the States at various levels, Ministry of Panchayati Raj has been able to expand the outreach of Capacity Building & Training of Elected Representatives and functionaries of Panchayats. This has helped the Panchayats to improve their performance for planning, implementation and monitoring of development schemes and programmes. However, the results across the States have not been uniform. The Ministry intends to put in more effort not only in respect of these States but for all the States for effective Capacity Building and Training of ERs and Functionaries. As already submitted the proposed new Scheme

RGPSA will strengthen the institutional structure for capacity building. "It is agreed that training component particularly the quality aspect needs continuous improvement."

1.126 Enquired whether training to Elected Representatives and Functionaries have being given in local language for their real capacity building, the Secretary (MoPR) stated:

"A point was made about training in local language. It is a very well taken point. Most of the training capsules are in the regional languages. I myself know that very innovative training capsules are there for the elected women representatives. Maharashtra has the Kranti Jyoti Programme. It is conducted in the regional language for women and conducted at the district level. There is no paper as such that the women have to read because their functional literacy skill may be very low. How to teach them is the question. They teach through the interactive process, through games etc. they teach them things like DO's and Don'ts of being an elected member of the Panchayat which includes what are their roles and responsibilities. So, they have devised a very unique scheme of Snake and Ladder. If you do a particular thing that is wrong, then you come down the snake. The Board Game of Snake and Ladder is used as a teaching strategy. If you do a particular thing that is right, prepare a village plan, put it up for discussion, have the gram sabha meetings regularly, then, you go up the ladder. So, in similar ways, the elected women representatives are absorbing what are their roles, responsibilities and rights. So, there are many innovative examples like this. Under RGPSA, we have a separate component for such innovations which strengthen the capacities of the panchayati raj in addition to the normal training programmes are being held.

The subsidiarity principle was mentioned. It is a principle that we also support but it is dependent on the devolution that the States make to the panchayats of the various functions that they can handle on their own."

1.127 During the course of evidence of the representatives of the Planning Commission, the Committee pointed out that although it is told that enough funds are available to Panchayats, Sarpanch and women elected representatives do not know how to do Panchayat work or Panchayat Secretary does not know the paperwork and Panchayats do not have engineers for doing civil work, the Member Secretary, Planning Commission informed:

"There is no doubt about that the training we are giving village level is of no use. it is not related with expenditure. Even, if expenditure is incurred the quality is poor. I had just returned from Ranchi. There I spent some time. I opened their books. There situation is miserable. All are very much concerned with it. I fully understand your concern. I want to tell that many States where as compared to other States good work has been done. But by and large we have failed the Panchayats."

1.128 In reply to a query about evaluation done on training to Elected representatives, the MoPR in a written note stated as under:

"CB&T of ERs and Panchayat functionaries is a complex task given the different levels of education & skills of the trainees. It is necessary to address basic concept, skills of ERs and Panchayat functionaries, including literacy, as well as domain knowledge of subject handled by Panchayats, such as drinking water, rural development, education, health, women's issue, social forestry, livelihoods etc. To address all these issues, a sound institutional structure and partnership with resource institutions are required. Under RGPSA, each State will be expected to strengthen its own institutional structure for CB&T while collaborating with other resource institutions to ensure a high quality of CB&T and an extended outreach. To overcome the inadequacies in the field of CB&T of Elected Representatives and Panchayat Functionaries, drawing upon the experience of the achievement of different Schemes, it has been felt that there is a need to create sufficient number of Institutions at different levels for achieving a better and effect outreach on this front. As already submitted, the RGPSA has been conceived for plugging the loopholes in this matter. With regard to invigorating and strengthening the infrastructure facilities for CB&T, it has been proposed under RGPSA that all out efforts will be made to establish State Panchayat Resource Centres, District Panchayat Resource Centres and Block level Satellite Resource Centres at respective levels. "

Monitoring

1.129 MoPR has informed that it has empanelled 37 National level Monitors (NLMs) for regular monitoring of BRGF, RGSY etc. schemes and for preliminary enquiries on complaints of serious natures from Elected Representatives regarding irregularities. NLMs have been allotted specific States/Districts for peiordic visits and NLMs have completed first round of visits in September-November and submitted their reports which has being forwarded to State Governments for action on shortcomings. These are also been examined by the MoPR for notification of scheme guidelines whenever required. .

(iii) Training Infrastructure

1.130 MoPR has stated that in most States, the SIRDs are the nodal institution for training. Apart from SIRDs States have Extension Training Centre (ETCs) and District Training Centres (DTCs), several States appear to have a skeletal structure and have difficulty in performing even core managerial functions. Human Resources available in SIRDs and ETCs are far below the requirement Institutional faculty with knowledge about Panchayati is scarce. In some SIRDs there is only one faculty dealing with Panchayati Raj. The total number of Districts, number of ERs, number of SIRDs etc. as furnished by the MoPR is as below:

No. of districts	Total no. of ERs	Average no. of ER per district	No. of SIRD	DTCs/PICs/P RTCs	No. of ETCs
641	29. 26 lakhs	4565	29	169	78

1.131 The Committee further wanted to know whether that with average number of ERs 4565 per district, the existing level of training institutions of 29 SIRDs, 169 DTCs and 78 ETCs are hardly sufficient and need to be augmented manifold, the MoPR in a written note stated:

"Yes, we agree. This is proposed to be addressed through RGPSA."

1.132 The State-wise number of districts, number of ERs, No. of SIRDs etc. given by MoPR the following is the situation prevailing in major States:

Sl. No.	Name of State	No. of Dis-tricts	Total no. of ERs	Average no. of ERs per District	No. of SIRD	DTCs/PTCs/P RTCs	No. of ETCs
			(In Lakhs)				
1.	Uttar Pradesh	75	7.71	10,289	1	33 DIRD 17 RIRD 25 DTCs	0
2.	Madhya Pradesh	50	3.96	7,930	1	07 PTCs	6
3.	Bihar	38	1.30	3,423	1	-	3
4.	Maharashtra	33	2.29	6,962	1	29 DTCs 11 DRTC	8
5.	Rajasthan	33	1.20	3,644	1	-	6

6.	Karnataka	30	0.96	3,203	1	-	5
7.	Tamil Nadu	31	1.16	3,758	1	-	5
8.	Orissa	30	0.92	3,082	1	-	0
9.	Chhatisgarh	27	1.60	5,946	1	04 PTCs	1
10.	Assam	27	0.25	9,42	1	12 DTCs	12
11.	Gujarat	26	1.14	4,392	1	05 (04 PRTC +01 RTC)	0
12.	Jharkhand	24	0.53	2,217	1	12 DTCs	4
13.	Punjab	22	0.83	3,710	1	-	0
14.	Jammu & Kashmir	22	0.28	1,308	1	-	2
15.	Andhra Pradesh	22	2.24	10,182	1	22 DTCs	5
16.	Haryana	21	0.69	3,324	1	-	1
17.	West Bengal	18	0.58	3,268	1	25 DTCs	5
18.	Arunachal	17	0.08	486	1	-	1
19.	Uttarakhand	13	0.57	4,423	1	-	5

1.133 The Committee enquired whether aforesaid weaknesses and inadequacy of infrastructure at ground level, has dented the notion that Panchayats are power to people to a mere slogan, the MoPR in a written note stated:

"Empowerment of Panchayat Members and Panchayat is taking place. However the sheer numbers involved and varying emphasis given by States, and availability of resources, makes the process take longer."

1.134 The Committee also asked as to why the above weaknesses and inadequacies have not been addressed even after funds are allocated for these purposes on yearly basis. The MoPR in a written note stated:

"Under RGSY funds are provided for construction of Panchayat Ghars in the Panchayats having no buildings. Funds for developing training infrastructure are provided only to NE and hilly States.

Under BRGF there is a provision of construction of Intermediate Panchayat Resource Center. District and Block Resource and Training Centres can address the problem of training gaps and inadequacies. MoPR releases funds to the State Governments against their Perspective/Annual Action Plan duly approved by High Powered Committee. However, State Governments are responsible to include the training infrastructure component in their Perspective/Annual Action Plan for Capacity Building. "

1.135 Asked about the norm of establishment of SIRD/DTCs/ETCs and views of MoPR about need for greater number of DTCs/ETCs for big States with large number of districts, MoPR in a written note stated:

"SIRDs come under the administrative control of Ministry of Rural Development. MoPR supports the establishment of more District/Block level Resource and Training Centres to facilitate training of ER's especially EWR's, closer to their homes. As already submitted above, while formulating the scheme of RGPSA and the detailed guidelines under the Scheme, intensive and extensive consultation were held with all the stakeholders including the Central Ministries, Planning Commission and representative of State Governments. The density of training institutions will depend on economies of scale. There must also be sufficient devolution of powers. Mere increase of training centres will not build up capacity."

IV. Thirteenth Finance Commission Grants to PRIs

1.136 With reference to Grants to PRIs, one of the Term of References of Thirteenth Finance Commission is to make recommendations as to the measures needed to augment the Consolidated Fund of a State to supplement the resources of the Panchayats on the basis of recommendations made by the Finance Commission of the State. The Committee enquire whether they had approached the Thirteenth Finance Commission for their Capacity Building requirement, the MoPR in a written note clarified:

"That in its memorandum submitted before the Thirteenth Finance Commission the Ministry had specifically proposed an allocation of 4% of the divisible pool for PRIs for the activities related to Construction of Panchayati Ghars, Skelton staff ro each panchayat and sitting and honoraria fee for elected representatives, office expenses and e-governance, as per detailed break-up of requirements as follows:-

(Rs. in crore)		
S.No.	Item	Amount
1.	Construction of Panchayat Ghar	23,587
2.	Providing skelton staff for each Panchayat	43,200
3.	Honoraria and sitting fee for elected representatives	34,530
4.	Office expenses and e-goverance	11,650
	Total	1,12,987

1.137 The Ministry of Panchayati Raj also proposed another 1% of the divisible pool was proposed as 'specific purpose grant' for preparation of data base, Incentive for State Governments to empower PRIs, grants for area is planning and capacity building.

1.138 The Thirteenth Finance Commission has recommended a Basic Grant of 1.5 per cent of the previous years' divisible pool and Performance Grant of 0.50 per cent of the divisible pool in the first year and 1 per cent in the next three years. The Ministry of Panchayati Raj stated that the total estimated grant payable to PRIs works out to Rs. 63,050 crore comprising Rs. 41,225 crore as Basic Grant and Rs.21,825 as Performance Grant."

1.139 The Ministry of Panchayati Raj in a note furnished to the Committee brought out that total grants, recommended by the 13th FC for local bodies are as follows: (Rs. in crore)

Sl. No	Particulars	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	Total 2010-15
1	Divisible Pool (estimated)	545463	636183	746179	880156	1038188	1224595	3846170
2	General Basic Grant [(1)x1.5%-(7)}		8022	9303	10873	12883	15253	56334
3	General Performance Grant		0	3181	7462	8802	10382	29827
4	Total general Grant {(2)+(3)}		8022	12484	18335	21685	25635	86161
5	Special area basic grant {Rs.20 per capita}		160	160	160	160	160	798
6	Special Area Performance Grant		0	80	160	160	160	560
7	Total specific area grant {(5)+(6)}		160	240	319	319	319	1358
8	Total Grants to Local Bodies{(4)+(7)}		8182	12724	18654	22004	25955	87519

1.140 The above amounts are estimated based on the projected figures of the divisible pool and will be subject to adjustments as per actuals of the divisible pool in a year. 26.82% of the general area basic grant and general area performance grant is to be allocated to urban areas and 73.18% to the rural areas based on the share of urban and rural population in 2001 census.

1.141 Based on the distribution criteria between the rural local bodies and urban local bodies, the total estimated grant payable to PRIs works out to Rs. 63,050 crore, comprising Rs.41,225 crore as Basic Grant and Rs.21,825 as Performance Grant. In addition, there is a combined Special area Basic and Performance Grant of Rs. 1358 crore for PRIs and ULBs for areas covered by V and VI schedules and the areas exempted from the purview of Part IX and IX A of the Constitution. The allocation by the 13th Finance Commission is thus substantially higher than the allocation of Rs.20,000 crore by the 12th Finance Commission.

1.142 During the course of evidence of the representative of Thirteenth Finance Commission, the Committee wanted to know the reasons for not making clear cut allocations for Capacity Building of

Panchayats particularly when there is a likelihood that with the enactment of Constitution 110 Amendment Bill around four lakh woman elected representatives of Panchayats would be added by reservation of 50% seats for women in Panchayats. The Member, Thirteenth Finance Commission replying to these queries stated:

"I will also explain how we approached the whole issue of capacity building which, I might add, we did not ignore. We were very conscious of the fact that this needs to be done.

Let me begin with an approach that has been taken by all previous Finance Commissions starting with the 10th Commission which was the first one after the Panchayati and local bodies came into existence. The 10th, the 11th, and the 12th Finance Commissions, all three of them, have taken the stand that Finance Commission funding must not go towards establishment and salary costs. This has been stated very explicitly in the reports of all three Commissions and we endorsed that. So, why is it that Finance Commissions say that establishment costs which means structure, salary, honorarium and other such things – must not be covered by Finance Commission funding? Why do they say that?

The reasons we say that these costs of establishment, salary and honoraria, these belong property in the province of State Governments. The reason the Finance Commissions say very explicitly that their funding must not go towards this basic funding is because if they were not to say that, it is exactly where it will go. It will go towards salaries, Panchayats Ghars, and so on. The net result will be Panchayats will be no better than before and it will be State Governments who will be saving the money that they would previously have spent on setting up some basic structures, towards salaries, so on. The key work here the Finance Commission uses is additionality...."

1.143 She further added;

"You wanted to know why it was that we had no special provision for capacity building, particularly in view of the fact that female gender component is to be raised to 50 per cent. There are going to be new people inducted in the task of governance, do they not need to have some capacity building provision? This is an important issue. We have to state why it is that did not have explicit provision for capacity building.

In the experience of past Finance Commissions, they have variously earmarked, the keyword here is earmarking, the Finance Commission funding for a number of specific purposes.

What was the net result of that? The net result of that was that these usage conditionality acted as an obstruction to smooth fund flow. Why is that? It is so because when a Finance Commission flow is meant for a specific purpose, then, the Central Government which sends those funds has to be sure that the funding met that purpose. So there have to be detailed utilization certifications, certification that the fund flow was spent on the purpose for which it was earmarked. Now, there was so many procedural delays that entered into the fund flow as a result of earmarking that Madam, you would be astonished to know that in the 10th Finance Commission the under utilization by which I

mean that the funds were not even sent to Panchayats was as much as one-third of the total provision."

1.144 She further stated:-

"In the Ministry of Panchayat Raj submission they had four categories viz. Panchayat Ghar and capacity training and honorarium and so on. These are very rigid boundaries within which to specify fund flow to the States because States differ in terms of the provision that they had already made. Let me give you an example. In Kerala there is an institution called the Kerala Institute of Local Administration, Trichur. It is set up at the State Government's expense, with some assistance from the Finance Commission funding in the past for maintenance of accounts, data base, etc. But Kerala is a State, not so much in need of funding for capacity building etc. They may need it for other things."

1.145 The Committee wanted to know whether Thirteenth Finance Commission are aware about any advisory issued by the Ministry of Panchayati Raj for use of TFC Grants for specific purpose and whether Rs. 3.3 lakh grant for Panchayats is too less for actual capacity building requirements of Panchayats the witness clarified:

"The cardinal principle on which capacity is based is freedom to decide and that can only exist if the funds are untied. So, we are totally opposed to any advisories and we do think that it vitiates the basis on which we allotted the funds."

1.146 On this during the course of evidence of the representatives of MoPR, Secretary (MoPR) stated:

"Unfortunately or fortunately the use of the word untied is very subjective. Now the issue is how it is to be interpreted? It has various interpretations and a loss whatever the Committee will decide that will be guidance and there will be some suggestions thereafter the final decision will be of Ministry of Finance."

1.147 On this the Committee heard the representatives of the Department of Expenditure, Ministry of Finance and enquired whether any categorisation of funds given by Thirteenth Finance Commission Grant is permissible, the Secretary, Department of Expenditure clarified:

"Finance Commission is an Expert Body. Their recommendations by convention are accepted by the Government. Finance Commission in their report had held discussions with stake-holders on the issue. They came to the conclusion that it should be untied. Panchayats should be allowed to use their discretion for use of their funds. The funds that are being given to local bodies and Panchayats that being linked with Divisible Pool because if buoyancy comes on taxes, then States as well as local bodies should be benefitted. Therefore, they have fixed the percentage. That in the first year would be 1.5%, 2% and 2.5%. If economy will be good then these would get benefit."

1.148 The witness further stated;

"In Central Governments schemes mainly related with rural development there for State Administration some percentage is earmarked for administration expenses. In that Department of Rural Development also provides money for Capacity Building so that they can utilise that. For example under MGNREGA is some capacity building or technical people are needed, they can use that money. Therefore, it has been made flexible. Where there is a need, they can utilise that.

Besides, there are State Finance Commissions under the Constitution to determine that how much funds of State's resources are to be transferred to local bodies. These can also allocate some funds for capacity building. If Ministry of Panchayati Raj feels that capacity building Panchayats is so important, they can go before the Planning Commission for Twelfth Plan and Planning Commission can consider that because after one and half years time Twelfth Plan will commence."

1.149 The Committee enquired whether under MGNREGA half of the allowable 6% as administrative cost can be earmarked for Capacity Building for Panchayats particularly when after 50% reservation of women there would be addition of around 4 lakh women elected representatives in Panchayats, the Secretary (MoPR) stated:

"We people have considered the issue because Minister is common. Limitation in this area is that under MGNERGA whatever funding you are going to give to Panchayats that are to be under the nomenclature of MGNERGA. Right now, I am not telling anything final because it is being discussed between the two Ministries. It is in the stage of discussion. The apprehension we have is that the amount is very limited. Secondly under the nomenclature of MGNERGA under Capacity Building it says that administrative cost under MGNERGA. Second thing I will again say that in States where Panchayat system is strong, the largely the delivery of programme is good and expectancy of Panchayats is also high. But in States where Panchayats are weak where there is a need for making the delivery good, there only there is a necessity of capacity building. There we do not visualize any way."

1.150 The Committee further enquired whether there is a need for undertaking a study for identifying weak Panchayats where there is no Panchayat building, the Secretary (MoPR) stated:

"We had estimated and submitted a memorandum before the Thirteenth Finance Commission, it is based on precise calculation. We have told how much money is needed, for which purpose it is needed. It was told in detailed manner. We had hoped that there would be some hope from 13th Finance Commission. The main purpose of Rashtriya Gram Swaraj Yojana (RGSY) was to give facilities to Panchayats. We told before the Planning Commission to enhance funds however it was not done. We issued circulars to States to build Panchayat Ghars by making use of labour component of MGNREGA with BRGF component. In that also the cost limit is Rs. 10 lakh. It is a

beginning. As you said about manpower, we had great expectation from Thirteenth Finance Commission. However, we are disappointed. The only hope is MGNREGA in that it is only 2%. We will also see how it can be adjusted..... Under BRGF for manpower there is taken amount. On this point we in our Ministry are unable to see anything. We are only expecting that Planning Commission would give sufficient funds to RGSY so that deficient States are given funds so that we can do something for building and manpower....."

1.151 The Committee enquired about the progress on Planning Commission suggestion that a percentage of CSS (Centrally Sponsored Schemes) funds should be placed at the disposal of the Ministry of Panchayati Raj to organize training and capacity-building programmes for elected PRI representatives and officials servicing PRIs, the MoPR in a written note stated as under:

"In a recent meeting held with Member, Planning Commission in Yojana Bhavan attended by Secretary, Panchayati Raj and other senior officers in which points related to allocation of funds for capacity building under Centrally Sponsored Schemes (CSSs) for PRIs was also discussed. Matter relating to earmarking of 1% allocation for capacity building is actively under consideration with the Planning Commission."

1.152 Responding to the issue, the Secretary (Department of Expenditure) Ministry of Finance stated during evidence:

"It would not be possible to take all the Central Schemes and take out one per cent and give it in a fund to the Ministry of Panchayati Raj to administer. Sir, as you know, we are in deficit financing. So, it does not make sense for us to draw money from the GBS and put it aside in a fund, even in a public account. As and when required, it can be given from the GBS."

1.153 In this connection the Committee enquired whether one percent of that amount can be set aside and given to Ministry of Panchayati Raj for the purpose of funding the requirement of training under NCBF, the Secretary, (Department of Expenditure) Ministry of Finance clarified:

"Sir, when you take different schemes run by different Ministries, with regard to the amount available to them, including for capacity building, a flexibility is given to the States what they want to use it for example, some States might require more for capacity building at the Panchayati raj, at that tier III level, while some other States may not want it for that and they might need it for something else. So, it is better to have a separate scheme for capacity building. That is my view."

1.154 The Committee further enquired whether the Planning Commission in the foreseeable future give them Rs. 13,500 crore per year for capacity building, the Secretary (Expenditure) replied:

"Sir, they will not be able to absorb so much at one go."

1.155 In this connection, Secretary (MoPR) also informed :

"We are quite anxious about the capacity of Panchayats. We have the dilemma of capacity building. I feel personally very disbounded that with all those responsibilities and all those funds, where is the Panchayat? In fact, every time I have a dialogue with the Ministry, and I think that in your time all the initiatives were taken, but where have we landed? Nowhere! Where is the capacity of the Panchayats? Where are the of office building? Where is the manpower? Where is e-Governance? What is the system of fund transfer and management? Then, we put a sorry figure. Therefore, I said that we are living in perpetual shortage of funds in the midst of plentiful funds. If we look at MGNREGA itself, it is a big amount and many schemes that could have been devolved to Panchayats but for Ministry's fear that Panchayats do not have the capacity. So, the situation is very complex and it is for the Committee to suggest the way out."

1.156 The Secretary (MoPR) further added:

"We did make efforts with the Planning Commission to have more funds for all purposes and we have been chasing them incessantly, but they have their own priorities. We cannot say that the Planning Commission made wrong judgement or they have not been kind to us. They have their own priorities, but the fact of the matter is that presently Panchayats – in most of the States, especially, in States, which need far more attention – the capacity is very very limited, and what to talk of 29 items."

1.157 The Committee during the course of evidence of representatives of Department of Expenditure, Ministry of Finance further enquired whether Schemes of the order of Rs. 13,500 crore for Capacity Building of Panchayats being run by different Ministries like Health Ministry, Education Ministry, Ministry of Drinking Water and Sanitation can be integrated instead of training being determined by individual Ministries, the Secretary (Expenditure) stated that if such a scheme comes up they will support it:

1.158 In this Connection the 'Twelfth Plan' Document has also outlined the necessity of developing effective mechanism for convergence of Central Ministries on its various flagship programmes (para 15.14). In this context it has been observed:-

"Many of the areas where we need substantial improvement in outcomes such as health, water management, development of manufacturing etc., require action in several fields. Solutions require collaboration amongst several ministries and department. Unfortunately, Ministries/Departments typically act as silos. Plans and schemes are developed along the jurisdictional lines of the ministries and departments, based on vertical management and decision, system which often makes coordination with other concerned Ministries very difficult. It is necessary in the Twelfth Plan to undertake collaborative strategizing amongst the concerned ministries to clarify the roles of the departments in delivering holistic outcomes from the perspective of citizens.

PART-II**RECOMMENDATIONS/OBSERVATIONS OF THE COMMITTEE****Role of Panchayats**

2.1 The Committee note with dismay that dream of 'Gram Swaraj' of Mahatma Gandhi and objective of 'Power to People' are yet to be achieved fully even after over six decades of independence and over two decades of enactment of Constitution (Seventy-Third) Amendment Act in 1992 that envisioned empowerment of Panchayats as embodiment of Local Self Government across the country largely on account of absence of adequate capacity building of Panchayats over the years. Admittedly with as many as 589 District Panchayats, 6323 Block Panchayats and over 2.41 lakh Gram Panchayats with over 28 lakh elected representatives and functionaries of which 10 lakh are women, the task of their Capacity Building is quite gigantic particularly with respect to the provisions of Article 243G of the Constitution that seeks to bestow powers and authority to Panchayats in relation to 29 subjects specified in Eleventh Schedule of the Constitution. These subjects inter-alia are agriculture, land improvement, implementation of land reforms, minor irrigation, water management and watershed development, animal husbandry, dairying and poultry fisheries, social forestry and farm forestry, small scale industries including food processing industries, Khadi, Village and Cottage Industries, rural housing, drinking water, roads, culverts/bridges, rural electrification including distribution of electricity, education, health and sanitation, public distribution system, etc. The Committee find that prior to having the Ministry of Panchayati Raj as independent one in 2004, the issue of Capacity Building of Panchayats was not suitably addressed to by the Ministry of Rural Development under which the Department of the Panchayati Raj functioned. The Committee's examination has revealed that even after formation of the separate Ministry viz. the Ministry of Panchayati Raj in 2004 that was primarily formed for focusing decentralization of power and empowerment of Panchayats, main objectives have not

been achieved fully. The Committee are unhappy to note MoPR's candid admission before the Committee that although the efforts for providing training to Elected Representatives of Panchayats have been going on for past several years yet the training activities have not received adequate focus and attention at State level and as such desired impact on empowerment of Panchayat has not been forthcoming. Also that the Constitutional obligations as mandated under the 73rd amendment to the Constitution cannot be realized without increasing the capacities of the Panchayats. The Committee feel that ways and means are to be found out by MoPR as well as State Governments for making up the deficiencies in Capacity Building of Panchayats for their desired empowerment for discharging the Constitutional mandate in the light of broad parameters of new programme of Rajeev Gandhi Panchayat Sashaktikaran Abhiyan (RGPSA) launched by the Ministry of Panchayati Raj w.e.f March, 2013. Needless to emphasise that with the more and more items of work out of the list of 29 subjects under Eleventh Schedule to the Constitution proposed to be assigned to Panchayats by the State Governments, the capacity of Panchayats needs to be raised manifold.

(Recommendation Serial No.1)

Need for Capacity Building of Panchayats

2.2 A glance at various schemes for Capacity Building of Panchayats shows that the work for Capacity Building has been done by various Ministries like MoPR mainly under Backward Region Grant Fund (BRGF) and Rashtriya Gram Swaraj Yojana (RGSY), Ministry of Rural Development under MGNREGA and NLRM and also by newly created Ministry of Drinking Water and Sanitation under Nirmal Bharat Abhiyan (NBA). Besides, some other Central Ministries like Health, Education, etc. are also involved in Capacity Building work of Panchayats in a small measure in tune with their schemes/programmes. The Committee feel that in the process, funds are spent under various schemes without any composite and cohesive planning and in the process capability of Panchayats

at ground level largely remain unchanged. The Committee have been informed that within MoPR, process of merging of schemes for the purpose of Capacity Building of Panchayats in cohesive manner has started taking shape after launch of a new scheme named 'Rajiv Gandhi Panchayat Sashaktikaran Abhiyan(RGPSA)'. The Committee find that RGPSA provides for constitution of two bodies for overall policy direction, i.e. Empowered Central Steering Committee (ECSC) and the Empowered Central Executive Committee (ECEC). ECSC is chaired by the Minister of Panchayati Raj as Chairperson and has Ministers/State Ministers of Rural Development, Drinking Water and Sanitation, Education, Health, Agriculture, Social Justice and Welfare, Tribal Welfare, North East, Planning Commission, State Minister for Finance (Department of Expenditure), Ministers from well performing States as per devolution index, and five Elected Women Panchayats representatives form among best performing Panchayats as Members. ECEC is chaired by the Secretary MoPR as Chairperson, representative of Planning Commission, Secretary Expenditure (Ministry of Finance), Secretaries of Agriculture, Rural Development, Drinking Water and Sanitation, Education, Health, Social Justice Welfare, Tribal Affairs, DONER, Additional Secretaries, Financial Adviser and Joint Secretaries of the Ministry of Panchayati Raj, Director –General National Institute of Rural Development (NIRD) Hyderabad and Secretaries responsible for Panchayati Raj of well performing States as per the devolution index as Members. The Committee strongly recommend that a certain percentage of funds for the schemes run by the Ministries of Rural Development, Drinking Water & Sanitation, Health etc. in rural areas should be made available to MoPR so that capacity building of Panchayats is built in a systematic/planned manner. This will bring all the funds related with Panchayats under different Ministries for capacity building of PRIs under one umbrella. Thereafter, similar process should be initiated at State level. The Committee would await specific action taken in this regard.

(Recommendation Serial No.2)

2.3 The Committee find that empowerment of Panchayats through greater devolution of powers and responsibilities on Panchayats in planning and monitoring of development schemes in line with Constitutional intent was emphasized in Eleventh Plan (2007-2012) Document. Government pronouncements made from time to time including the recent one in Twelfth Plan (2012-2017) document brought out by the Planning Commission, wherein role of rural local self Government has been considered critical for rural transformation. According to the Twelfth Plan Document although States have taken up activity mapping, pattern of assignment of subjects and coverage of subjects widely differed among the States, barring those development programmes/schemes which expressly require the involvement of Panchayats, most others are implemented by the functionaries of line department concerned. The Committee, therefore, recommend that issue of the devolution of powers and responsibilities in the areas spelt out in Eleventh Schedule of the Constitution should be taken up by the MoPR with all the States at highest level in the Government. Similarly there should be national level Conferences/Seminars to emphasize empowerment of Panchayats.

(Recommendation Serial No.3)

2.4 The Committee's examination has revealed that a number of challenges and constraints like non-devolution of powers to Panchayats from State Legislatures on account of discretionary Constitutional provisions, non-empowerment of women in Panchayat on account of illiteracy, absence of physical verification of Panchayat works and delay in releases of funds under Backward Region Grant Fund (BRGF), slow pace of decentralized planning, etc. are coming in the way of desired level of capacity building of Panchayats in the country. The Committee are apprehensive that in the light of these challenges and constraints, the goal of inclusive growth accompanied by demonstrative difference to the lives of poorest and most vulnerable citizens may not be achieved fully.

2.5 For converting discretionary powers of State Legislatures to mandatory one for the purpose of necessary devolution of powers to Panchayats under XIth Schedule to the Constitution the MOPR has informed that it would require Constitutional amendment in respect of Article 246 (subject matter of laws made by Parliament and by State Legislatures) Seventh Schedule (containing three Lists viz Union List, State List and Concurrent List) and Article 243 (Definitions relating to Panchayats) of the Constitution and the same would not be in line with the spirit of federalism underlined in the Constitution. The Committee find that in view the above legal position, the status quo on the issue of devolution of Powers to Panchayats may continue indefinitely unless States are incentivised for devolution of powers. From the information made available to the Committee by MoPR it is observed that Andaman & Nicobar, Arunachal Pradesh, Haryana, Karnataka, Kerala, Sikkim, Tamilnadu have transferred some subjects to PRIs. However, the Committee have not been apprised about the actual empowerment of PRIs i.e. concomittent transfer of functionaries and finances. In this context the Committee also find that Ministry of Panchayati Raj seeks to make some headway under new programme of Rajeev Gandhi Panchayat Sashaktikaran Abhiyan (RGPSA) being implemented during the Current Plan(2012-2017) by allocating 20% of resources based on performance conditions that include devolution requiring the States to draw a road map for the purpose of availing Grants and giving incentives and responsibility to States to devolve powers and responsibility to Panchayats. The Committee also find that though Panchayati Raj is a State subject, yet it is the primary responsibility of the Government of India, the Ministry of Panchayati Raj to continue a purposeful dialogue with Ministries of Panchayati Raj in States and Union Territories for devolution of more power to Panchayats across the country.

(Recommendation Serial No.4)

2.6 Another major impediment coming in the way of empowerment of Panchayats is low competency to handle Panchayat work. In this connection, during the course of evidence the Secretary (Panchayati Raj) stated before the Committee that the Ministry is looking for varying requirements as out of 28 lakh Panchayat representatives, about 36 percent are elected women representatives, 19 percent are Scheduled Castes and 11 percent are Scheduled Tribes. Admittedly many of these elected representatives are first timers and are largely unlettered and as such their functional literacy needs to be satisfied. The Committee, therefore, recommend that for real capacity building of Panchayats a massive literacy campaign should be a part of training of elected representatives of Panchayats in the country. For future, the Committee feel that there is need to examine whether some minimum qualifications could be set for holding positions in PRIs.

(Recommendation Serial No.5)

2.7 The Committee also note that 'the Constitution (One Hundred and Tenth Amendment) Bill, 2009 that seeks to amend Article 243D of the Constitution by seeking reservation of women in the Panchayats in the total number of seats, offices of Chairpersons and in the seats reserved for the Scheduled Caste and Scheduled Tribes across three tiers should be raised from existing provisions of 'not less than one-third' to 'not less than one-half' and also seeking similar reservation for women belonging to the Scheduled Caste and Scheduled Tribe categories in the offices of Chairpersons in the Panchayats at each level upto 'not less than one-half' was examined by the Committee (2009-10) and is pending before the Parliament for consideration and passing. The Committee feel that the proposed legislation be enacted at the earliest so that objectives of the legislation are achieved at the earliest.

(Recommendation Serial No.6)

District Planning

2.8 Another issue that has attracted the attention of the Committee is slow pace of district planning. The Committee find that under Article 243ZD of the Constitution, it is obligatory for every State to constitute the District Planning Committees (DPCs) and every such Committee shall prepare Draft Development Plan in matters of common interest between Panchayats and Municipalities for integrated planning. The Committee find that although MoPR has been able to constitute DPCs in every State, it has not been able to make any headway on the issue of integrated and decentralized planning. This has been mainly to the fact that on-line Departments are not communicating the resource envelop to Planning Units for effective convergence of resources before the plan preparation. For this MoPR has suggested that capacity of Panchayats/ULRs is to be strengthened to prepare local plans and consolidate these at District level.

Schemes for Capacity Building of Panchayats.

2.9 The Committee have been informed that in order to have clarity in district planning Ramachandran Committee's recommendations containing elaborate guidelines were sent to Planning Commission in 2005 by MoPR and they also issued the Guidelines on 25th June, 2009 to the State Governments in this regard. As a result Central Ministries have begun to introduce the role for PRIs, integrated planning etc. that has to be pursued during Twelfth Plan. In this connection, the Committee find that Twelfth Plan Document also underlines the need of strengthening local institutions through various programmes like National Rural Livelihood Missions(NRLM), Integrated Watershed Management Programme (IWMP), MGNREGA etc. It has also highlighted that 'Government Institutions' charged with the responsibility of capacity building of Panchayats like NIRD, SIRDs, etc. have not succeeded in their designed role and thus need reform. From the perusal of the RGPSA programme the Committee find that twenty per cent of the

RGPSA funds would be disbursed to the States on the basis of their performance in twelve areas including preparing and operationalising a frame work for bottom up grassroots planning and convergence through District Planning Committees (DPCs). In the light of the experience in the previous years, the Committee apprehend that many States may lag behind on the issue of convergence. The Committee, therefore, desire that role of Panchayats be suitably defined in all Centrally Sponsored Programmes(CSPs) including those related to 29 subjects enumerated in Eleventh Schedule to the Constitution. Needless to emphasize that reform process in Government Institutions like NIRD, SIRDs, etc. should begin with right earnest for capacity building of Panchayats.

(Recommendation Serial No.7)

BRGF

2.10 The Committee's examination has revealed that two prominent schemes viz Backward Region Grant Fund (BRGF) and Rashtriya Gram Swaraj Yojna (RGSY) for Capacity Building and training of elected representatives and functionaries of Panchayats was reviewed during Mid Term Appraisal of Eleventh Plan out of which certain valuable suggestions came up for improving the both schemes. In the case of BRGF, the Committee find that inadequate Grant to Panchayats ranging between Rs. 2 lakhs to 3 lakhs, inability of PRIs to play a leading role in integrated planning on discretionary Budget, issue of convergence of Central/State Schemes of Districts/ Sub-district level etc., absence of Panchayat wise resource envelop under different schemes, faulty procedure for release of installment to Panchayats at District level etc. are some issues which need to be considered and sorted out by the Ministry of Panchayati Raj and Planning Commission.

(Recommendation Serial No.8)

RGSY

2.11 The Committee also find that Mid Term Appraisal of Eleventh Plan relating to RGSY Scheme has also pointed out certain important suggestions. These inter-alia relate to inclusion of important components of National Capability Building Framework (NCBF) components like courses for Master Resource Persons, functional literacy, enhanced allocation for capacity building, permitting capital expenditure for construction of Training Institutes, etc,. The Committee have been informed by MoPR that issues of Master Resource Persons, infrastructure etc. have broadly been taken care of under the new comprehensive scheme viz. RGPSA. The Committee would like the Government to have constant monitoring of RGPSA to ensure that its objectives are achieved in a time bound manner.

(Recommendation Serial No.9)

Allocation vis-à-vis releases and Utilization under BRGF

2.12 While reviewing the allocation releases and utilization of funds for Capacity Building of Panchayats, the Committee find with dismay that there is gross under-utilisation of funds under BRGF during the last three-four years. For instance, during 2009-10, 2010-11 and 2011-12 against the annual entitlement of Rs. 250.00 crore for 250 BRGF Districts in different States the releases were as low as Rs. 190.64 crore, Rs. 197.17 crore and Rs. 106.58 crore respectively. Further the utilization of these funds in these years has been Rs. 158.43 crore, Rs. 139.08 crore and Rs. 60.97 crore respectively. Similarly during 2012-13 against the annual entitlement of Rs. 272.00 crore for 272 BRGF Districts, the releases were as low as Rs. 89.56 crore against which the utilization was merely Rs. 0.83 crores.

2.13 The Committee find from the Demands for Grants (2013-2014) of the Ministry of Panchayati Raj that Rs. 272 crore have been allocated for capacity building and training component of BRGF for the year 2012-2013 for 272 BRGF districts in different States. The Committee feel that increase in allocation will not result in actual Capacity Building of Panchayats unless these are released and utilized for the purpose. The Government has outlined reasons for low utilization of funds viz. delay in release of funds to implementing agencies well beyond 15 days, utilization of releases are reported only when next installment is claimed i.e. when 60% utilization is achieved. The Committee feel that these reasons should be sorted out by the MoPR through regular interactions with State Government implementing agencies with a view to enhance effective utilization of funds.

(Recommendation Serial No.10)

2.14 The State-wise analysis of utilization of BRGF funds for Capacity Building Component of Panchayats, has revealed that in big States like Uttar Pradesh, Bihar and Madhya Pradesh there are large amount of BRGF funds that have remained unutilized during the last 3-4 years. For instance in Uttar Pradesh with as many as 34 BRGF districts during 2010-11, 2011-12 and 2012-13 against the entitlement of Rs. 34.00 crore the releases were Rs. 28.07 crore, Rs. 12.21 crore and Rs 00.00 crore respectively. Against this the utilization was as low as Rs 9.69 crore, Rs. 0.0 crore and Rs. 0.0 crore respectively. Similarly in the case of Bihar with as many as 36 BRGF districts, the release against the entitlement of Rs. 36.00 crore during the same period were Rs. 31.34 crore, Rs. 0.00 crore and Rs. 0.0 crore respectively. Also in the case of Madhya Pradesh with 24 BRGF districts the releases during the same period were Rs. 24.00 crore, Rs. 12.41 crore and Rs. 20.74 crore respectively. Whereas the utilization was Rs. 24.00 crore, Rs. 12.41 crore and Rs. 0.00 crore respectively. The Committee, therefore, are unable to comprehend how these States would be able to handle the additional funds that would be made available for Capacity Building of Panchayats during 2013-2014 keeping in view their low rate of utilization so far. The Committees; therefore, would like the

MoPR to examine this vital aspect of non-utilisation of funds and take remedial measures to gainfully utilize the allocated funds.

(Recommendation Serial No.11)

Demand vis-à-vis availability of funds for RGPSA

2.15 The Committee find that MOPR has been consistently seeking substantial increases in funds for capacity building requirements of Panchayats before the Planning Commission during the years 2010-2011, 2011-2012 and 2012-2013 broadly for six areas viz Panchayat Staff, Panchayat Ghars, Accounting, e Panchayats, Training & infrastructure and Institutionalising Decentralised Planning. Planning Commission admitted before the Committee about the receipt of enhanced demand from MOPR. During the course of examination of Demands for Grants (2012-2013) of MOPR the Committee were informed that the total requirement of funds for RGPSA has been pooled together at Rs. 33,000 crore for Twelfth Plan. Against this huge requirement, the Planning Commission while according in principle approval to RGPSA has provided GBS of Rs. 11,547 crore only for Twelfth Five Year Plan for MOPR. Considering the objectives of the Scheme, the Committee, strongly recommend that the Planning Commission should reconsider the requirements of funds for MOPR with an open mind for current Plan.

(Recommendation Serial No.12)

Devolution of 3Fs

2.16 While reviewing the progress on 'Devolution of Functions, Functionaries and Finances' from States to Panchayats under Article 243G read with subjects enumerated in Eleventh Schedule of the Constitution, the Committee are constrained to note that only few States of have done some work on this issue whereas in other States it has not progressed much. In this connection, the MoPR have candidly admitted before the Committee that Devolution of 3 Fs needs to be backed by grass root planning which is almost absent in all the States. The MoPR has also pointed out that Devolution of powers to the Panchayats is the discretion of the State Governments. Further the Committee find that Thirteenth Finance Commission has also observed that traditional theology that funds and functionaries would follow functions did not appear to have worked as number of States that have notified transfer of functions, it has not been followed by transfer of funds and functionaries. The Committee also find that three advisories were issued by MoPR viz. on 9th April, 2009 on Panchayat Finances, on 23rd October, 2009 on manpower to Panchayats and on 1st December, 2009 on Activity Mapping but the position has not changed much. The Committee find that the RGPSA propose for disbursement of twenty percent of RGPSA funds for five years to States based on their performance on twelve parameters. Since there has not been much progress on the issue of 'Devolution' of 3 Fs to Panchayats by reason of discretion available to the State Governments, Committee would await impact of implementation of RGPSA which provides incentives for devolution of powers/functions to Panchayats.

(Recommendation Serial No. 13)

Availability of Staff

2.17 The Committee find that MoPR have projected four areas of Capacity Building of Panchayats viz. Devolution of 3 Fs, Availability of Staff, Availability of Infrastructure and ICT facilities and Training of elected representatives of Panchayats, whereas the Planning Commission has viewed three pronged effort for bringing about desired Capacity Building of Panchayats viz. Provision of adequate human Resources, Infrastructure and Training and Sensitisation of Elected Members, Functionaries of Panchayats and Government Functionaries working at District Block and Gram Panchayat level. The Committee find that broadly the identified areas of MoPR and Planning commission broadly are common. The Committee also find that issue of Capacity Building of Panchayats has received the attention of the Planning Commission which has been reflected in Eleventh and Twelfth Plan Documents. In this connection, the Committee also note that MoPR has already brought out a 'Roadmap for Panchayats for 2011-2017'. The Committee recommend that Government should hold Annual reviews of implementation of 'Roadmap for Panchayats for 2011-2017' so that corrective measures wherever necessary are taken while the implementing of the plan instead of waiting till 2017 to know the impact of the scheme.

(Recommendation Serial No.14)

2.18 While reviewing the State-wise details of sanctioned vis-à-vis filled posts of Secretary, Gram Panchayats, the Committee find that against 1.52 lakh sanctioned post, 1.12 lakh have been filled in a total of 2.41 lakh Gram Panchayats and 40,000 posts are yet to be filled. The Committee are however, glad to note that some States like Kerala (978/978), Chattisgarh (9734/9734), Himachal Pradesh (3243/3243), Orissa (6234/6234), Tamil Nadu (12618/12618), Sikkim (165/165), Rajasthan (9188/8522), Assam (1958/1897), have done brilliantly in equipping Gram Panchayats with manpower. However, the States which have substantial vacancies are Uttar Pradesh (16432/12003), Andhra Pradesh (12395/10670), Maharashtra (17326/16655), Bihar (8463/5754), Karnataka

(5628/372), Uttarakhand (670/412) Manipur (409/37) etc. Information in respect of certain States has not been made or is not available. The Committee are convinced that with huge State-wise vacancies the functioning of Panchayats would be adversely affected. The Committee, therefore, strongly recommend the MoPR to take up the matter with concerned States at the highest level for filling up sanctioned posts and also update the 'Not Reported' information from concerned States urgently.

(Recommendation Serial No.15)

2.19 On perusal of the composition of stakeholders of Panchayati Raj as reflected in the 'National Capability Building Framework (NCBF)', the Committee find that besides Elected Panchayat Representatives and officials of the Panchayats, a large number of officials like Junior Engineers, Anganwadis Workers, Primary Health Workers, Self Help Groups etc. have been shown as Pressure Groups with Gram Sabhas. In this connection, the Committee find that MoPR has advised State Governments to provide the basic core functionaries to the Panchayats which includes the Secretary, an Accountant, a Data Entry Operator and a Social Mobiliser. Keeping in view, the fact that 589 District Panchayats, 6323 Block Panchayats and 2.41 lakh Gram Panchayats are there across the country, the Committee feel that MoPR should list out a model composition of manpower for each PRI and steps should be taken to provide the same.

(Recommendation Serial No.16)

2.20 In regard to equipping Panchayats with requisite manpower, the Committee find that it is only on 23rd October, 2009 the MoPR issued Guidelines on Manpower for Panchayats to the Chief Secretaries of all States/UTs inter-alia highlighting that even after 17 years of the Amendment to the Constitution in 1992, the PRIs are yet to come up as effective institutions of Self-Government largely due to inadequate capacity of Panchayats and calling upon mobilisation of resources for deployment of core staff of Panchayats through State resources, BRGF, MGNREGA, Finance

Commission Awards etc. This was subsequently reiterated on 12th November, 2010 and also on 6th July, 2011. In this connection, the Committee find that new scheme viz, RGPSA also seeks to ensure that each Gram Panchayat (GP) has an appropriate building for holding meetings and office work and is expected to obtain funds from various sources, especially through schemes of Ministry of Rural Development. However, where funds are unavailable from other schemes GP buildings will be funded from RGPSA. Considering the importance of the subject, the Committee recommend that more initiatives like holding regular meetings/conferences of the Minister of Panchayati Raj with State Ministers should be held more often so that empowerment of panchayats takes at a faster pace as also State Governments share their concerns/problems as also the initiatives. This will also help State Governments to learn from each other's experiences.

(Recommendation Serial No.17)

Availability of infrastructure and ICT facilities

2.21 The Committee find with dismay that Panchayats are facing major constraints in terms of construction of Panchayat Ghars in various States and this has been major hurdle in necessary capacity build up of Panchayats. The Committee find that several States are yet to provide Panchayat Ghars to Gram Panchayats. Major deficit States are Andhra Pradesh (21807/5639), Bihar (8463/3135), Haryana (6155/3155), Madhya Pradesh (23012/3634), Maharashtra (27920/5183), Punjab (12800/7182) and Uttar Pradesh (51914/22930). The Committee attribute the prevailing inadequacy of infrastructure largely due to non-utilisation of funds by State Governments under BRGF. They also find that for arranging Panchayat Ghars in deficient States Government has taken a number of steps. MoPR has advised the State Governments for construction of Panchayat Ghars in a time bound manner by combining the fund available under MGNREGA , BRGF and RGPSA Schemes besides States own resources. Further, the Central Government has decided to assist State Governments/UTs in providing a Panchayat Development Officer and Junior Engineer in

priority Gram Panchayats using Administrative Expenditure Head of MGNREGA and have proposed 90:10 funding ratio between Centre and States to bring to the level of 50:50 in five years time for which comprehensive Guidelines have been issued. Viewing the work done subsequent to 2009, the Committee find from the website of MoPR that as on 30.03.2011 only 3688 'Panchayat Ghars' have been sanctioned in 19 States from 2006-07 to 2011-12 and only 304 'Resources Centres' were sanctioned in four States Arunachal Pradesh, Assam, Himachal Pradesh and Tripura during the same period. The Committee fail to understand as to how this small number of Panchayat Ghars/'Resource Centres' is going to reduce the huge deficiency of infrastructure of Panchayats across the States. The Committee, accordingly, would like the MoPR to pursue the matter with State Governments so as to ensure that all Panchayats have Panchayat Ghars by end of Twelfth Plan.

(Recommendation Serial No.18)

2.22 The Committee are unhappy to find that the resolve of the MoPR of making available the Information Technology to the doorstep of Panchayats made in December, 2004 with the object of providing transparency, better delivery of service, capacity building requirement etc. of Panchayats largely remains unfulfilled for want of allocation of funds by the Planning Commission. The Committee are also annoyed with the apathy of Planning Commission on this issue as MoPR has already quantified Rs. 6896.18 crore for this work that includes Rs. 5457.82 crore for Payout and Manpower requirements alone. As against this the actual allocation was as low as Rs. 46.28 crore in 2010-11 and Rs. 40.00 crore in 2011-12 and it has forced the MoPR to restrict their e-Panchayat activities to conduct studies, development and deployment of 12 'Common Applications'.

(Recommendation Serial No.19)

2.23 The Committee are also unhappy to find that computerization has not reached the doorsteps of Gram Panchayats in most of the States. From the data made available to the Committee about the progress of computerization, the Committee find that the offices of Zila Parishads and Block Panchayats have been given computers however these have not been given to Panchayat offices. During the course of evidence the Secretary MoPR had expected that by December, 2013 or early 2014 broadband connectivity will be given to Panchayats. The Committee apprehend that with scant coverage of computers in village Panchayats the goal of giving broad band connectivity may not be realized. The Committee would like the Ministry to adhere to their stated schedule for providing broadband connection for Panchyats. The Committee would await conclusive action taken in this regard.

(Recommendation Serial No.20)

Training of elected representatives of Panchayats:

2.24 The Committee find with dismay that training requirements of as many as 29 lakhs elected representatives of Panchayats of which 10 lakhs are elected women representatives are inadequate. The MOPR admitted before the Committee that existing training infrastructure viz. 29 State Institute of Rural Development and 78 ETCs needs to be augmented manifold and hoped that it would be addressed through RGPSA. From the State-wise details of number of elected representatives, the Committee are constrained to find that in States like Uttar Pradesh, Madhya Pradesh and Bihar with as many as 7 lakhs, 3.94 lakhs and 1.30 lakhs elected Panchayat representatives respectively, the training infrastructure available is thoroughly inadequate. For instance in Madhya Pradesh for 50 districts and 3.96 lakh elected representatives there is only one SIRD, 7 PTCs and 6 ETCs in the State. Likewise in Bihar with 1.30 lakh elected representatives, there is 1 SIRD and only 3 ETCs are available. The Committee, therefore, feel that the MOPR should undertake a comprehensive study to expand the network for training of elected representatives of

Panchayats by an Expert Committee so that in States where training infrastructure is inadequate, the same may be upgraded to the required level.

(Recommendation Serial No.21)

2.25 The Committee are constrained to find that as per MOPR there is no system of evaluation of training imparted to large number of elected representatives of Panchayats in the country. The Committee were also informed by the MOPR that quality aspect needs continuous improvement. The Committee were also informed by the Member-Secretary, Planning Commission that there is no inter-relation between expenditure and quality of training imparted. In this connection, during the course of evidence the Secretary MoPR agreed with the Committee to impart training to elected representatives in local language. The Committee are also constrained to note that most important training programme called National Capability Building Framework (NCBF) as brought out by MOPR and adopted for BRGF districts containing important features like stakeholders, requirement of resource persons to be trained for training the elected representatives of Panchayats, duration and course of training, remunerations, etc., has not been implemented in letter and spirit during the last 3-4 years. The Committee have been informed by the MOPR that RGPSA scheme broadly addresses these issues. The Committee, would like the Ministry to ensure that RGPSA takes care of these vital aspects.

(Recommendation Serial No.22)

Thirteenth Finance Commission Grants to PRIs

2.26 In the context of adequacy of Thirteenth Finance Commission Grants to PRIs, the MoPR contended before the Committee that Ministry had requested the Thirteenth Finance Commission to provide 4% of Divisible Pool to Panchayats for Capacity Building requirements like construction of Panchayat Ghars, providing skelton staff etc. and 1% of Divisible Pool for Specific Grants for

preparation data base, area planning etc. As against this, Thirteenth Finance Commission has recommended a Basic Grant of 1.5% percent of previous years' Divisible Pool and a Performance Grant of 0.50% of Divisible Pool in first year and 1 percent in next three years. The Committee find that MoPR has quantified the over-all capacity building requirement of Rs. 1.12 lakh crore out of which Thirteenth Finance Commission has recommended Rs.63,050 crore for five years to PRIs comprising of Rs.41,225 crore as Basic Grant and Rs. 21,825 crore as Performance Grant as untied Grants. In this connection, the Committee feel that an amount of Rs. 3 lakh per Panchayat per annum recommended by Thirteenth Finance Commission is not sufficient enough taking into consideration the devaluation of rupee and inflation for overall Capacity Building requirements of Panchayats.

(Recommendation Serial No.23)

New Delhi;
12 August, 2013
21 Shravana, 1935 (Saka)

SUMITRA MAHAJAN,
Chairperson,
Standing Committee
on Rural Development

Appendix-1

List of 272 BRGF districts

S. No.	State	Sl. No.	District		S. No.	State	Sl. No.	District
1	Andhra Pradesh	1	Adilabad			Bihar contd.	34	Bhojpur
		2	Anantpur				35	Buxar
		3	Chitoor				36	Darbhanga
		4	Cuddapah				37	Gaya
		5	Karimanagar				38	Gopalganj
		6	Khammam				39	Jamui
		7	Mahboobnagar				40	Jehanabad
		8	Medak				41	Kaimur
		9	Nalgonda				42	Katihar
		10	Nizamabad				43	Khagaria
		11	Rangareddy				44	Kishanganj
		12	Vizianagaram				45	Lakhisarai
		13	Warrangal				46	Madhepura
2	Arunachal Pradesh	14	Upper Subansari				47	Madhubani
3	Assam	15	Baksa				48	Munger
		16	Barpeta				49	Muzaffarpur
		17	Bongaigaon				50	Nalanda
		18	Cachar				51	Nawada
		19	Chirang				52	Paschim Champaran
		20	Dhemaji				53	Patna
		21	Goalpara				54	Purbi Champaran
		22	Hailakandi				55	Purnia
		23	Karbi Anglong				56	Rohtas
		24	Kokrajhar				57	Saharsa
		25	Moregaon				58	Samastipur
		26	North Cachar Hills				59	Saran
		27	North Lakhimpur				60	Sheikhpura
4	Bihar	28	Araria				61	Sheohar
		29	Arwal				62	Sitamarhi
		30	Aurangabad				63	Siwan
		31	Banka				64	Supaul
		32	Begusarai				65	Vaishali
		33	Bhagalpur					

S. No.	State	Sl. No.	District		S. No.	State	Sl. No.	District
5	Chhattisgarh	66	Bastar			Jharkhand contd.	105	Hazaribagh
		67	Bijapur				106	Jamtara
		68	Bilaspur				107	Koderma
		69	Dantewada				108	Khunti
		70	Dhamtari				109	Latehar
		71	Jashpur				110	Lohardagga
		72	Kabirdham				111	Pakaur
		73	Kanker				112	Palamu
		74	Korba				113	Ramgarh
		75	Koriya				114	Ranchi
		76	Mahasammund				115	Sahebganj
		77	Narayanpur				116	Saraikela Kharswan
		78	Raigarh				117	Simdega
6	Gujarat	79	Rajnandgaon		11	Karnataka	118	West Singhbhum
		80	Sarguja				119	Bidar
		81	Banas Khantha				120	Chitradurga
		82	Dahod				121	Davangere
		83	Dang				122	Gulbarga
		84	Narmada				123	Raichur
7	Haryana	85	Panchmahal		12	Kerala	124	Yadgir
		86	Sabar Kantha				125	Palakkad
		87	Mahendragarh				126	Wayanad
8	Himachal Pradesh	88	Sirsa		13	Madhya Pradesh	127	Alirajpur
		89	Chamba				128	Anuppur
9	Jammu & Kashmir	90	Sirmaur				129	Ashoknagar
		91	Doda				130	Balaghat
		92	Kishtwar				131	Barwani
		93	Kupwara				132	Betul
		94	Poonch				133	Burhanpur
10	Jharkhand	95	Ramban				134	Chhattarpur
		96	Bokaro				135	Chhindwara
		97	Chatra				136	Damoh
		98	Deoghar				137	Dhar
		99	Dhanbad				138	Dindori
		100	Dumka				139	Guna
		101	Garhwa				140	Jhabua
		102	Giridih				141	Katni
		103	Godda				142	Khandwa
		104	Gumla				143	Khargone

S. No.	State	Sl. No.	District		S. No.	State	Sl. No.	District
	Madhya Pradesh contd.	144	Mandla		19	Orissa	182	Bargarh
		145	Panna				183	Bolangir
		146	Rajgarh				184	Boudh
		147	Rewa				185	Deogarh
		148	Satna				186	Dhenkanal
		149	Seoni				187	Gajapati
		150	Shahdol				188	Ganjam
		151	Sheopur				189	Jharsuguda
		152	Shivpuri				190	Kalahandi
		153	Sidhi				191	Kandhamal
		154	Singrauli				192	Keonjhar
		155	Tikamgarh				193	Koraput
		156	Umaria				194	Malkangiri
14	Maharashtra	157	Ahmednagar				195	Mayurbhanj
		158	Amravati				196	Nabarangpur
		159	Aurangabad				197	Nuapada
		160	Bhandara				198	Rayagada
		161	Chandrapur				199	Sambalpur
		162	Dhule				200	Sonepur (Subarnapur)
		163	Gadchiroli				201	Sundargarh
		164	Gondia		20	Punjab	202	Hoshiarpur
		165	Hingoli		21	Rajasthan	203	Banswara
		166	Nanded				204	Barmer
		167	Nandurbar				205	Chittaurgarh
		168	Yavatmal				206	Dungarpur
15	Manipur	169	Chandel				207	Jaisalmer
		170	Churchandrapur				208	Jalore
		171	Tamenglong				209	Jhalawar
16	Meghalaya	172	Ri-bhoi				210	Karauli
		173	South Garo Hills				211	Pratapgarh
		174	West Garo Hills				212	Sawai Madhopur
17	Mizoram	175	Lawngtlai				213	Sirohi
		176	Saiha				214	Tonk
18	Nagaland	177	Kiphrie				215	Udaipur
		178	Longleng		22	Sikkim	216	North District
		179	Mon		23	Tamil Nadu	217	Cuddalore
		180	Tuensang				218	Dindigul
		181	Wokha				219	Nagapattinam

S. No.	State	Sl. No.	District		S. No.	State	Sl. No.	District
	Tamil Nadu contd.	220	Sivaganga		26	Uttarakhand	259	Chamoli
		221	Tiruvannamalai				260	Champawat
		222	Villupuram				261	Tehri Garhwal
24	Tripura	223	Dhalai		27	West Bengal	262	24 South Paraganas
25	Uttar Pradesh	224	Ambedkar Nagar				263	Bankura
		225	Azamgarh				264	Birbhum
		226	Badaun				265	Dinajpur Dakshin
		227	Bahraich				266	Dinajpur Uttar
		228	Balrampur				267	Jalpaiguri
		229	Banda				268	Maldah
		230	Barabanki				269	Medinipur East
		231	Basti				270	Medinipur West
		232	Chandauli				271	Murshidabad
		233	Chitrakoot				272	Purulia
		234	Etah					
		235	Farukkhabad					
		236	Fatehpur					
		237	Gonda					
		238	Gorakhpur					
		239	Hamirpur					
		240	Hardoi					
		241	Jalaun					
		242	Jaunpur					
		243	Kanshiram Nagar					
		244	Kaushambi					
		245	Kushinagar					
		246	Lakhimpurkhiri					
		247	Lalitpur					
		248	Maharajganj					
		249	Mahoba					
		250	Mirzapur					
		251	Pratapgarh					
		252	Raibareilly					
		253	Sant Kabir Nagar					
		254	Shrawasti					
		255	Siddhartha Nagar					
		256	Sitapur					
		257	Sonbhadra					
		258	Unnao					

Appendix-II

Funds Released & Utilisation Reported under Capacity Building Grant component of BRGF w.e.f. 2009-10 to 2012-13

Amount in Rs. crore

S.No.	State	Total Entitlement		2009-10		2010-11		2011-12		2012-13		Total	
		2009-10 to 2011-12	20112-13 onwards	Funds Released	Utilisation Reported	Funds Released	Utilisation Reported	Funds Released	Utilisation Reported	Funds Released	Utilisation Reported	Funds Released	Utilisation Reported
1	Andhra Pradesh	13.00	13.00	22.11	22.11	13.00	10.37	6.07	0.00	3.00	0.00	44.18	32.48
2	Arunachal Pradesh	1.00	1.00	2.90	2.90	0.00	0.00	0.00	0.00	0.79	0.00	3.69	2.90
3	Assam	11.00	13.00	0.00	0.00	13.08	12.34	9.76	0.00	1.24	0.00	24.08	12.34
4	Bihar	36.00	38.00	25.78	0.00	31.34	0.00	0.00	0.00	0.00	0.00	57.12	0.00
5	Chhattisgarh	13.00	15.00	8.46	8.46	17.54	17.54	13.00	13.00	0.00	0.00	39.00	39.00
6	Gujarat	6.00	6.00	5.47	1.88	1.85	0.00	0.00	0.00	0.00	0.00	7.32	1.88
7	Haryana	2.00	2.00	0.00	0.00	2.00	2.00	1.04	0.73	1.49	0.00	4.53	2.73
8	Himachal Pradesh	2.00	2.00	1.76	1.76	2.00	2.00	2.00	0.03	0.00	0.00	5.76	3.79
9	Jammu & Kashmir	3.00	5.00	9.00	6.34	0.00	0.00	0.00	0.00	1.84	0.00	10.84	6.34
10	Jharkhand	21.00	23.00	0.00	0.00	8.46	7.84	0.00	0.00	0.00	0.00	8.46	7.84
11	Karnataka	5.00	6.00	8.39	8.39	5.00	5.00	2.69	0.79	3.50	0.00	19.58	14.18
12	Kerala	2.00	2.00	2.00	1.82	1.28	0.00	0.00	0.00	0.67	0.00	3.95	1.82
13	Madhya Pradesh	24.00	30.00	5.66	5.66	24.00	24.00	12.41	12.41	20.74	0.00	62.81	42.07
14	Maharashtra	12.00	12.00	0.00	0.00	12.00	12.00	5.06	0.80	6.94	0.00	24.00	12.80
15	Manipur	3.00	3.00	0.00	0.00	2.02	0.99	0.67	0.00	1.00	0.00	3.69	0.99
16	Meghalaya	3.00	3.00	2.36	2.36	3.00	3.00	2.04	0.38	1.04	0.00	8.44	5.74
17	Mizoram	2.00	2.00	2.00	2.00	2.00	1.78	1.32	0.00	0.26	0.00	5.58	3.78
18	Nagaland	3.00	5.00	6.00	6.00	3.00	3.00	3.00	2.70	4.20	0.00	16.20	11.70
19	Odisha	19.00	20.00	23.27	23.27	0.00	0.00	4.99	3.35	16.36	0.00	44.62	26.62
20	Punjab	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.99	0.89	0.00	3.89	2.99
21	Rajasthan	12.00	13.00	32.08	32.08	8.45	8.45	8.70	5.68	8.68	0.00	57.91	46.21
22	Sikkim	1.00	1.00	0.73	0.73	0.84	0.84	0.63	0.63	1.43	0.53	3.63	2.73
23	Tamil Nadu	6.00	6.00	0.00	0.00	5.24	5.24	6.00	6.00	4.65	0.00	15.89	11.24
24	Tripura	1.00	1.00	0.89	0.89	1.00	1.00	1.00	1.00	1.00	0.30	3.89	3.19
25	Uttar Pradesh	34.00	35.00	20.26	20.26	28.07	9.69	12.21	0.00	0.00	0.00	60.54	29.95
26	Uttarakhand	3.00	3.00	0.00	0.00	0.00	0.00	1.99	1.48	0.00	0.00	1.99	1.48
27	West Bengal	11.00	11.00	10.52	10.52	11.00	11.00	11.00	11.00	9.84	0.00	42.36	32.52
Total		250.00	272.00	190.64	158.43	197.17	139.08	106.58	60.97	89.56	0.83	583.95	359.31

Appendix-III

Status of devolution of departments/subjects with funds, functions and functionaries to the Panchayati Raj Institutions for Major States/UTs.

Sl. No.	State/UT	No. and names of the Departments/subjects Transferred to Panchayats with respect to		
		Funds	Functions	Functionaries
1.	Andaman & Nicobar Islands	Grant-in-aid is released to PRI's to discharge their functions	All the functions (29 subjects) have been transferred to the PRIs	639 functionaries of various departments have been transferred to the PRIs.
2.	Andhra Pradesh	Only Gram Panchayats (GPs) are empowered to collect taxes. Governments Orders (GOs) issued for devolving funds of 10 departments.	22 GOs issued during 1997-2002. Further, 10 line departments have devolved certain powers to PRIs.	Functionaries are under the administrative control of their respective line departments but they are partially accountable to PRIs.
3.	Arunachal Pradesh	PRIs do not collect taxes. Transfer of funds by departments has not taken place.	29 subjects have been devolved. GOs covering 20 departments have been issued, but not yet implemented.	Functionaries have not been transferred.
4.	Assam	PRIs are empowered to collect taxes but cannot enforce. Main source of revenue is lease rent from markets, river banks and ponds.	Activity-mapping done for 23 subjects. But GOs have been issued only for 7 subjects by 6 departments.	There has been very minimal devolution of functionaries. Officials continue to report to departments.
5.	Bihar	No taxes are collected by PRIs but a proposal regarding the same is under consideration of State Government.	Activity mapping has been conducted. 20 line deptts. have issued GOs.	Departmental staff are answerable to departments. Angandwadi workers, teachers and health workers are appointed by PRIs.
6.	Chhattisgarh	GP is authorized to collect various types of taxes. Funds for 12 departments have been devolved.	Activity Mapping of 27 matters has been undertaken. GOs not issued.	Panchayat make recruitments for 9 departments.
7.	Goa	Panchayats levy 11 types of taxes. Untied funds are given to Panchayats.	18 matters are devolved to GPs, while 6 are devolved to ZPs.	PRIs have their own core staff for the execution of works.
8.	Gujarat	8 major taxes are collected by PRIs. In 2008-09, 13 departments allocated funds to PRIs.	14 functions have been completely devolved and 5 are partially devolved.	GOs have been issued for devolution of functionaries for 14 functions.
9.	Haryana	GPs generate revenue from lease of Panchayat land, liquor cess and rental of	Panchayati Raj Act devolves 29 functions. GOs have been issued	There is no significant devolution of functionaries.

		Panchayat premises.	for 10 deptts.	
10.	Himachal Pradesh	Only GP is empowered to levy taxes. Funds have not been transferred.	27 out of 29 subjects have been devolved to PRIs.	Functionaries have not been transferred to PRIs.
11.	J&K	State Govt. has issued GO notifying activity mapping. Funds have been devolved in a limited sense. Functionaries have been identified in the Activity Mapping document who will assist Panchayats in carrying out assigned functions but have not been transferred.		
12.	Jharkhand	Elections to PRIs were held in November- December 2010 for the first time since 73 rd CAA came into force. Three departments, namely, Agriculture, Social Welfare and Primary Education have recently devolved functions to PRIs by Departmental Notification. Activity Mapping has not been done so far.		
13.	Karnataka	PRIs collect 7 types of taxes. Panchayati Raj Act provides the mandatory transfer for untied funds to PRIs.	Karnataka has delegated all 29 subjects to PRI by notifying Activity Mapping.	All Panchayat employees function under dual control of the Deptts. concerned and the PRIs.
14.	Kerala	GPs have tax domain of 9 types of taxes. Untied funds and funds for specific purposes by deptts are given to PRIs.	Activity mapping for all 29 functions done and activities devolved to Panchayats.	PRIs have full managerial and part disciplinary control over transferred functionaries.
15.	Madhya Pradesh	GPs are empowered to collect taxes. Funds for 13 departments covering 19 matters are released to PRIs.	GOs containing the Activity Mapping in respect of 25 matters pertaining to 22 deptts. have been issued.	Functionaries for 13 departments have been transferred to the PRIs. There is a State Panchayat Service.
16.	Maharashtra	ZP and GP collect taxes. Grants for 11 departments are transferred to PRIs.	11 subjects have been fully devolved. For 18 subjects, schemes are implemented by PRIs.	Class III and Class IV employees at all levels are Zilla Parishad employees.
17.	Manipur	Five Departments have issued GOs transferring funds to PRIs.	GOs have been issued devolving functions related to 22 departments.	5 Departments have issued GOs transferring functionaries to PRIs.
18.	Orissa	PRIs collect 6 types of taxes. There is no clear devolution of untied funds.	11 departments have devolved 21 subjects.	Officials of 11 departments are accountable to PRIs.
19.	Punjab	Main source of income of GP is from auction of Panchayat land. There is no clear devolution of funds.	The devolution of 7 key departments relating to 13 subjects approved.	No functionaries have been transferred to PRI by line departments.
20.	Rajasthan	5 departments have issued GOs transferring funds to PRIs up to district level. 10% untied fund to PRIs.	Five Departments have transferred all functions up to district level to PRIs. Fresh Activity Mapping of above 5 Departments has been done.	5 departments have transferred all functionaries upto district level to PRIs.
21.	Sikkim	PRIs do not collect taxes.	All 29 subjects are	Employees are under the

		Funds are being transferred by 17 departments. 10% of total fund of each department is given to Panchayats. Untied funds are given to PRIs.	devolved as per legislation. Activity Mapping has been conducted for 20 subjects covering 16 departments.	control of PRIs, but Panchayats exercise limited control over them.
22.	Tamil Nadu	Only village Panchayats have the power to levy taxes. 9% of the States own tax revenue devolved to Local Bodies, of which rural local bodies will receive 58% share.	Government of Tamil Nadu has delegated supervision and monitoring powers of 29 subject to PRIs	There is no significant devolution of functionaries.
23.	Tripura	Part funds related to PWD Department, primary schools and Social Welfare and social education department and pension funds have been transferred to the Panchayats. Untied funds are also transferred to PRIs.	So far GOs have been issued devolving irrigation schemes, primary schools and activities related to adult and non-formal education, women and child development and social welfare.	Functionaries of 5 subjects for which functions have devolved, have been transferred to Panchayats.
24.	Uttar Pradesh	All 3 tiers have the power to collect taxes.	16 subjects relating to 12 departments have been devolved to PRIs.	PRIs do not have control over functionaries.
25.	Uttarakhand	Only ZPs collect taxes. Funds are made available to PRIs for activities for only 3 functions.	Master GO on transferring financial and administrative powers on 14 subjects has been issued in 2003.	Supervisory role over functionaries related to 14 subjects.
26.	West Bengal	GPs can impose and realize taxes. Untied funds are allocated under the TFC grant as well as SFC grant. 5 departments have opened Panchayat Window in their budgets.	State Govt. agrees with transfer of these 28 subjects. 14 departments have so far issued matching GOs transferring 27 subjects.	The Panchayat employees have been made into different district cadres. Other than the posts created in the Panchayat bodies, 7 departments of the State Govt. have devolved functionaries
27.	Daman & Diu	Not available	12 subjects are fully devolved and 10 subjects are partially devolved.	Functionaries for 13 departments have been transferred to PRIs.
28.	Puducherry	Panchayats collect taxes and receive funds from the state budget under the community development sector.	22 functions have been devolved to the PRI.	Devolution of functionaries has not been done yet.

29.	Lakshadweep	Entire Plan and Non Plan budget required for Schemes and Programs being implemented by 5 departments viz Education, Medical & Health Services, Fisheries, Animal Husbandry, and Agriculture is transferred to the District Panchayat and Village (Dweep) Panchayats.	All Schemes and programmes being implemented by five major departments, viz Education, Medical & Health Services, Fisheries, Animal Husbandry, and Agriculture have been transferred to the PRIs w.e.f 1 st April 2010.	Entire establishments of five major departments, viz Education, Medical & Health Services, Fisheries, Animal Husbandry, and Agriculture except Director and few staff have been transferred to District Panchayat and Village (Dweep) Panchayats.
30.	Chandigarh		A committee constituted by the Chandigarh Administration recommended transfer of some functions of 12 Departments. However, the State Govt. felt that such an exercise of devolving the functions to PRIs would only be an interim measure because fast urbanization would result in villages becoming part of Municipal Corporation in near future.	

Note: Mizoram, Meghalaya and Nagaland are exempt.

- Delhi has no Panchayats.
- Information is not available for UT of Dadra & Nagar Haveli.

Appendix-IV

State/UT wise details of Gram Panchayat (GP) Ghars

Sl. No.	State/UT	Number of Gram Panchayats(GP)	Number of GP having building	Number of GP having no building
1	Andhra Pradesh	21825	16186	55639
2	Arunachal Pradesh	1646	1646	0
3	Assam	2196	1574	622
4	Bihar	8463	5328	3135
5	Chhattisgarh	9820	9654	166
6	Goa	183	177	6
7	Gujarat	13735	13682	53
8	Haryana	6155	2200	3955
9	Himachal Pradesh	3243	1142	2101
10	Jammu & Kashmir	4146	*	*
11	Jharkhand	4562	2007	2555
11	Karnataka	5628	5256	372
12	Kerala	999	979	20
13	Madhya Pradesh	23012	19378	3634
14	Maharashtra	27920	22737	5183
15	Manipur	165	165	0
	Mizoram	818	*	*
	Meghalaya	1179	*	*
	Nagaland	1110	*	*
16	Orissa	6234	5833	401
17	Punjab	12800	5618	7182
18	Rajasthan	9166	9041	125
19	Sikkim	166	166	0
20	Tamil Nadu	12618	*	*
21	Tripura	1038	999	39
22	Uttar Pradesh	51914	28984	22930
23	Uttarakhand	7227	*	*
24	West Bengal	3351	3336	15
25	A & N Islands	67	*	*
26	Chandigarh	17	*	*
27	Daman & Diu	14	*	*
28	Dadra & Nagar Haveli	11	*	*
29	Lakshadweep	10	*	*
30	Puducherry	98	*	*
TOTAL		241536	156088	58133

N.R. = Not Reported.

APPENDIX V

STANDING COMMITTEE ON RURAL DEVELOPMENT (2009-2010)

MINUTES OF THE TWENTY-THIRD SITTING OF THE COMMITTEE HELD ON

TUESDAY, THE 10 AUGUST, 2010

The Committee sat from 1500 hrs. to 1715 hrs. in Committee Room No. 'C', Parliament House Annexe, New Delhi.

PRESENT

Shrimati Sumitra Mahajan - *Chairperson*

MEMBERS

Lok Sabha

2. Shri Kunvarjibhai Mohanbhai Bavalia
3. Shri Manikrao Hodlya Gavit
4. Shri Sidhant Mohanpatra
5. Shri P.L. Punia
6. Shri A. Venkatarami Reddy
7. Shri Jagdish Sharma
8. Shri Jagdanand Singh
9. Shrimati Usha Verma

Rajya Sabha

10. Shri Mani Shankar Aiyar
11. Shri Ganga Charan

SECRETARIAT

- | | |
|-------------------------|-----------------------|
| 1. Shri A. Louis Martin | - Joint Secretary |
| 2. Shri Shiv Singh | - Director |
| 3. Smt. A.K. Shah | - Additional Director |

Witness

- | | |
|----------------------|--|
| Dr. Indira Rajaraman | - Former Member, Thirteenth Finance Commission |
|----------------------|--|

2. At the outset the Chairperson welcomed the members to the sitting of the Committee convened to take oral evidence of Dr. Indira Rajaraman, Former Member, Thirteenth Finance Commission and the representatives of the Ministry of Finance (Department of Expenditure) and the Ministry of Panchayati Raj on the subject 'Capacity Building of Panchayati Raj Institutions'.

[The witness Dr. Indira Rajaraman was called in].

3. The Hon'ble Chairperson welcomed Dr. Indira Rajaraman to the sitting of the Committee and direction 55(1) of the 'Directions by the Speaker' was read out. Thereafter, the Committee heard the views of Dr. Indira Rajaraman, Former Member, Thirteenth Finance Commission. The main issues discussed during the sitting broadly include requirement of funds for various components of capacity building of Panchayati Raj Institutions (PRIs) like training of elected representatives and functionaries of PRIs, their other requirements relating to infrastructure, manpower, e-governance etc, vis-à-vis untied funds recommended by Thirteenth Finance Commission (TFC) for the period 2010-2015, need for arranging funds for Panchayats for incurring non-plan expenditure such as salaries of staff, various facilities being run by Panchayats like schools, dispensaries etc., issue arising out of advisory issued by the Ministry of Panchayati Raj to States/UTs for use of Thirteenth Finance Commission grant to PRIs in contravention of Thirteenth Finance Commission recommendations giving complete freedom to Panchayats to use the funds as per their requirement etc. Various queries were raised by members which were responded to by the witness. The Chairperson thereafter thanked the witness for her appearance before the Committee.

[The witness then withdrew].

[Thereafter, the representatives of the Ministry of Finance (Department of Expenditure) and the Ministry of Panchayati Raj were called in]

The following were present:-

Representatives of the Ministry of Panchayati Raj

- | | | | |
|----|----------------------|---|----------------------|
| 1. | Shri A.N.P Sinha | - | Secretary |
| 2. | Dr. Sudhir Krishna | - | Additional Secretary |
| 3. | Dr. Hrushikesh Panda | - | Additional Secretary |
| 4. | Shri D.K. Jain | - | Joint Secretary |

**Representatives of the Ministry of Finance
(Department of Expenditure)**

- | | | | |
|----|-------------------------|---|-------------------------|
| 1. | Smt. Sushama Nath | - | Secretary (Expenditure) |
| 2. | Smt. Anjuly Chib Duggal | - | Joint Secretary |

4. The Committee held discussion with the representatives of the Ministry of Finance (Department of Expenditure) and Ministry of Panchayati Ra on the subject 'Capacity Building of Panchayati Raj Institutions'.

5. The main issues that came up for discussion include the need to utilize the available funds under different rural development schemes of State Governments and other schemes like MGNREGA for capacity Building of PRIs; need to approach the Planning Commission for making available adequate funds for capacity building of PRIs covering 29 subjects listed in Eleventh Schedule of the Constitution exclusively for the Panchayats that is to be funded by 0.5% of total allocation of centrally sponsored schemes for the purpose of funding the 'National Capacity Building Framework' (NCBF). The Committee also decided to call the representatives of Planning Commission on the issue of capacity building at one of their subsequent sittings.

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

The Committee then adjourned.

APPENDIX VI

STANDING COMMITTEE ON RURAL DEVELOPMENT (2010-2011)

MINUTES OF THE SECOND SITTING OF THE COMMITTEE HELD ON

WEDNESDAY, THE 27 OCTOBER, 2010

The Committee sat from 1500 hrs. to 1745 hrs. in Committee Room 'D', Parliament House Annexe, New Delhi.

PRESENT

Shrimati Sumitra Mahajan - *Chairperson*

MEMBERS

Lok Sabha

2. Shri Pulin Bihari Baske
3. Shri Kunvarjibhai Mohanbhai Bavalia
4. Shri Sanjay Dhotre
5. Shri Raghuvir Singh Meena
6. Shri P.L. Punia
7. Shri Navjot Singh Sidhu
8. Shri Jagdanand Singh
9. Shrimati Usha Verma
10. Shri Ramesh Vishwanath Katti

Rajya Sabha

11. Shri Ganga Charan
12. Sardar Sukhdev Singh Dhindsa
13. Shrimati Maya Singh
14. Shri Mohan Singh
15. Dr. (Smt.) Kapila Vatsyayan

SECRETARIAT

- | | | |
|-------------------------|---|---------------------|
| 1. Shri A. Louis Martin | - | Joint Secretary |
| 2. Shri Shiv Singh | - | Director |
| 3. Smt. A.K. Shah | - | Additional Director |

At the outset the Chairperson welcomed the members to the sitting of the Committee convened for informal discussion on the subject 'Implementation of Mahatma Gandhi National Rural Employment Gurantee Act (MGNREGA), 2005' and for taking the oral evidence of the representatives of Planning Commission and Ministry of Panchayati Raj on the subject 'Capacity building of Panchayati Raj Institutions (PRIs) in the coutry'.

2. * * *

3. * * *

*****Note:** Not related with subject matter of the Report

[Representatives of Planning Commission and Ministry of Panchayati Raj were then called in]

Representatives of Planning Commission

1. Smt. Sudha Pillai, Member Secretary
2. Shri Nagesh Singh, Adviser (PAMD)
3. Shri S.P. Chauhan, Adviser (MLP)
4. Smt. Indu Pathak, Deputy Adviser (MLP)

Representatives of the Ministry of Panchayati Raj

1. Shri. A.N.P Singh, Secretary
2. Dr. Sudhir Krishna, Additional Secretary
3. Shri Avtar Singh Sahota, Joint Secretary

4. Thereafter, the Chairperson welcomed the Officers to the meeting. The representatives of Planning Commission and Ministry of Panchayati Raj made their presentation on the subject 'Capacity Building of Panchayati Raj Institutions (PRIs)'. The main issues that came up for discussions include, need for transparency in functioning of Panchayats in terms of work done and utilization of funds under the supervision of Planning Commission, need for adequate funds for different components of capacity building of PRIs like infrastructure, e-governance, training etc., need for greater devolution of powers to Panchayats for making for capacity building of PRIs.

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

The Committee then adjourned.

APPENDIX VII

STANDING COMMITTEE ON RURAL DEVELOPMENT (2012-2013)

MINUTES OF THE FIFTH SITTING OF THE COMMITTEE HELD ON

WEDNESDAY, THE 9 JANUARY, 2013

The Committee sat from 1500 hrs. to 1710 hrs. in Committee Room No. 'C', Ground Floor,
Parliament House Annexe, New Delhi.

Shrimati Sumitra Mahajan - *Chairperson*

MEMBERS

Lok Sabha

2. Shri Thango Baite
3. Shri Pulin Bihari Baske
4. Dr. Ratna De (Nag)
5. Shri Premchand Guddu
6. Shri Maheshwar Hazari
7. Shri Nimmala Kristappa
8. Shri Bishnu Pada Ray
9. Shri A. Venkatarami Reddy
10. Shri Arjun Charan Sethi
11. Smt. Annu Tandon
12. Smt Usha Verma
13. Shri P. Viswanathan

Rajya Sabha

14. Shri Mani Shankar Aiyar
15. Shri Vinay Katiyar
16. Shri Mahendra Singh Mahra
17. Shri C.P. Narayanan
18. Prof. Saif-ud-Din Soz

SECRETARIAT

- | | | |
|----------------------|---|---------------------|
| 1. Smt. Veena Sharma | - | Director |
| 3. Smt. A.K. Shah | - | Additional Director |

Representatives of the Ministry of Panchayati Raj

- | | | |
|-------------------------|---|--------------------|
| 1. Smt. L.M. Vas | - | Secretary |
| 2. Shri Hrusikesh Panda | - | Addl. Secretary |
| 3. Shri A.K. Angurana | - | Addl. Secretary |
| 4. Shri Sushil Kumar | - | Joint Secretary |
| 5. Smt. Rashmi Shukla | - | Joint Secretary |
| 6. Smt. Neerja Sekhar | - | Joint Secretary |
| 7. Shri Mahabir Pershad | - | Director |
| 8. Shri Dilip Kumar | - | Director (Finance) |

2. At the outset the Chairperson welcomed the members and wished them a happy and prosperous New Year. Thereafter, the Chairperson apprised them that the sitting has been convened to take the evidence of the representatives of the Ministry of Panchayati Raj in connection with examination of the subject 'Capacity Building of Panchayati Raj Institutions (PRIs) in the country'.

[witnesses were then called in]

3. The Chairperson welcomed the representatives of the Ministry of Panchayati Raj to the sitting of the Committee and read out Direction 55(1) of the 'Direction by the Speaker' regarding confidentiality of the proceedings. The major issues that came up for discussions include constraints of infrastructure, manpower, training etc. coming in the way of the capacity building of over twenty-nine lakh elected representatives across the country on account of discretionary nature of Constitutional provisions assigned to States, 'Panchayat' being a State subject, low utilization of funds for Capacity Building Component under Backward Region Grant Fund (BRGF), need for verification of work done by regular visits of officials of the Ministry of Panchayati Raj with respect to funds utilized under different Schemes of the Ministry of Panchayati Raj for capacity building of the Panchayati, need for appropriate training of elected representatives and functionaries of the Panchayats in view of low level of literacy in rural areas, need for timely transfer of funds from the Centre to States for onward transmission to the Panchayats etc. The Committee also sought clarifications which were responded to by the witnesses. The Committee also desired that written replies to the points for which the information was not readily available be sent to the Committee expeditiously.

[The representatives of the Ministry of Panchayati Raj then withdrew]

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

The Committee then adjourned.

APPENDIX VIII

STANDING COMMITTEE ON RURAL DEVELOPMENT (2012-2013)

THE MINUTES OF THE SEVENTEENTH SITTING OF THE COMMITTEE HELD ON WEDNESDAY, THE 24 JULY, 2013

The Committee sat from 1100 hrs. to 1235 hrs. in Committee Room '074', Parliament Library Building, New Delhi.

Shrimati Sumitra Mahajan - *Chairperson*

MEMBERS

Lok Sabha

2. Shri Thangso Baite
3. Shri Premchand Guddu
4. Shri Bijoy Krishna Handique
5. Shri Maheshwar Hazari
6. Shri Ramesh Vishwanath Katti
7. Shri Bishnu Pada Ray
8. Shri Anantha Venkatarami Reddy
9. Shri Arjun Charan Sethi
10. Smt. Annu Tandon
11. Smt. Usha Verma
12. Shri P. Viswanathan
13. Shri Madhu Goud Yaskhi

Rajya Sabha

14. Shri Mani Shankar Aiyar
15. Shri Vinay Katiyar
16. Shri Mahendra Singh Mahra
17. Dr. Chandan Mitra
18. Shri C.P. Narayanan
19. Shri Mohan Singh
20. Prof. Saif-ud-Din Soz

SECRETARIAT

- | | | |
|--------------------------|---|---------------------|
| 1. Shri Brahm Dutt | - | Joint Secretary |
| 2. Shri A.K. Shah | - | Additional Director |
| 3. Smt. Meenakshi Sharma | - | Deputy Secretary |

Representatives of the Ministry of Panchayati Raj

- | | | |
|---------------------------|---|-------------------------|
| 1. Smt. L.M. Vas | - | Secretary |
| 2. Dr. Avtar Singh Sahota | - | Senior Economic Adviser |
| 3. Shri Sushil Kumar | - | Joint Secretary |
| 4. Shri Maha Bir Pershad | - | Director |

2. * * *

3. * * *

4. * * *

5. Thereafter the Committee took up for consideration the following Draft Reports:

* * *

(i) Draft Report on 'Capacity Building of Panchayati Raj Institutions (PRIs)

6. After discussing the Draft Reports the Committee adopted both the Draft Reports.

7. The Committee also authorized the Chairperson to finalise the Draft Reports after taking into account consideration consequential changes arising out of factual verification, if any, by the concerned Ministries and to present the same to both Houses of Parliament in ensuing session.

* * *

The Committee then adjourned.

*** **Note:** Matters not related with the subject matter of the Draft Report.