

**STANDING COMMITTEE ON RURAL DEVELOPMENT**

**(2014-2015)**

**12**

**SIXTEENTH LOK SABHA**

**MINISTRY OF PANCHAYATI RAJ**

*[Action taken by the Government on the recommendations contained in the Third Report (Sixteenth Lok Sabha) on Demands for Grants (2014-15) of the Ministry of Panchayati Raj.]*

**TWELFTH REPORT**



**LOK SABHA SECRETARIAT**

**NEW DELHI**

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**STANDING COMMITTEE ON RURAL DEVELOPMENT**

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*[Action taken by the Government on the recommendations contained in the Third Report (Sixteenth Lok Sabha) on Demands for Grants (2014-15) of the Ministry of Panchayati Raj.]*

Presented to Lok Sabha on 12 August, 2015

Laid in Rajya Sabha on 12 August, 2015



LOK SABHA SECRETARIAT

NEW DELHI

*August, 2015/Shravana, 1937 (Saka)*

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**COMPOSITION OF THE STANDING COMMITTEE ON RURAL DEVELOPMENT  
(2014-2015)**

Dr. P. Venugopal      --      *Chairperson*

**MEMBERS**

**LOK SABHA**

2. Shri Sisir Kumar Adhikari
3. Shri Kirti Azad
4. Shri Harish Chandra Chavan
5. Shri Biren Singh Engti
6. Shri Jugal Kishore
7. Shri Manshankar Ninama
8. Shrimati Mausam Noor
9. Shri Mahendra Nath Pandey
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16. Shri Naramalli Sivaprasad
17. Shri Balka Suman
18. Shri Ladu Kishore Swain
19. Shri Ajay Misra Teni
20. Adv. Chintaman Navasha Wanaga
21. Shri Vijay Kumar Hansdak\*

**RAJYA SABHA**

22. Shri Munquad Ali
23. Shri Gulam Rasool Balyawi
24. Shri D. Bandyopadhyay<sup>@</sup>
25. Shri Ram Narain Dudi
26. Shri Mahendra Singh Mahra
27. Shri Ranvijay Singh Judev\*\*
28. Dr. Vijaylaxmi Sadho<sup>\$</sup>
29. Shri A. K. Selvaraj
30. Shrimati Kanak Lata Singh
31. Shri Ashwani Kumar<sup>#</sup>

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\* Nominated to the Committee w.e.f. 07.10.2014.

@ Nominated to the Committee w.e.f. 13.05.2015.

\*\* Nominated to the Committee w.e.f. 25.09.2014 vice Shri Narayan Lal Panchariya.

\$ Nominated to the Committee w.e.f. 28.11.2014 vice Shri Jairam Ramesh

# Nominated w.e.f. 16. 07.2015

## Secretariat

- |    |                             |   |                     |
|----|-----------------------------|---|---------------------|
| 1. | Shri Abhijit Kumar          | - | Joint Secretary     |
| 2. | Shri R. C. Tiwari           | - | Director            |
| 3. | Smt. B. Visala              | - | Additional Director |
| 4. | Shri Ravi Kant Prasad Sinha | - | Committee Assistant |

## INTRODUCTION

I, the Chairperson of the Standing Committee on Rural Development (2014-2015) having been authorised by the Committee to submit the Report on their behalf, present the Twelfth Report on the action taken by the Government on the recommendations contained in the Third Report of the Standing Committee on Rural Development (2014-15) (Sixteenth Lok Sabha) on Demands for Grants (2014-15) of the Ministry of Panchayati Raj.

2. The Third Report (Sixteenth Lok Sabha) was presented to Lok Sabha on 19 December, 2014. The replies of the Government to all the recommendations contained in the Report were received on 11 March, 2015.

3. The replies of the Government were examined and the Report was considered and adopted by the Committee at their sitting held on 10 August, 2015.

4. An analysis of the action taken by the Government on the recommendations contained in the Third Report of the Committee (Sixteenth Lok Sabha) is given in Appendix-II.

**NEW DELHI;**  
**10 August, 2015**  
**19 Shravana, 1937 (Saka)**

**DR. P. VENUGOPAL**  
***Chairperson,***  
**Standing Committee on Rural Development**

## CHAPTER I

### REPORT

This Report of the Standing Committee on Rural Development (2014-15) deals with the action taken by the Government on the Observations/Recommendations contained in their Third Report (Sixteenth Lok Sabha) on Demands for Grants (2014-15) of the Ministry of Panchayati Raj.

2. The Third Report was presented to Lok Sabha on 19 December, 2014 and was laid on the Table of Rajya Sabha on the same date. The Report contained 17 Observations/Recommendations.

3. Action Taken Notes in respect of all the Observations/Recommendations contained in the Report have been received from the Government. These have been examined and categorised as follows: -

- (i) Observations/Recommendations which have been accepted by the Government:  
Serial Nos. 1, 2, 3, 4, 5, 11 and 14.

Total:07  
**Chapter-II**

- (ii) Observations/Recommendations which the Committee do not desire to pursue in view of replies of the Government:  
Serial Nos.6, 7 and 17.

Total: 03  
**Chapter-III**

- (iii) Observation/Recommendation in respect of which replies of the Government have not been accepted by the Committee:  
Serial No. 8, 9, 10, 12 and 15.

Total:05  
**Chapter-IV**

- (iv) Observations/Recommendations in respect of which final replies of the Government are still awaited:  
Serial No.13 and 16

Total:02  
**Chapter-V**



4. **The Committee desire that final replies in respect of recommendations for which only interim replies have been given by the Government included in Chapter V of this Report and replies to recommendations made in the Chapter - I of this Report may be furnished to the Committee expeditiously.**

5. The Committee will now deal with action taken by the Government on some of their Observations/Recommendations that require reiteration or merit comments.

#### **A. Proper evaluation of works of Panchayats**

##### **Recommendation (Serial No. 8, Para No. 2.9)**

6. With regard to evaluation of work of Panchayats, the Committee had recommended as under:-

“The Committee further observe that the major items of expenditure under the scheme are the positioning of personnel at the gram panchayat level for the administrative and technical support to States, the construction and repair of gram panchayat bhavans, the support for creation of new training infrastructure and human resources for training etc. As informed to the Committee, with the launching of Swachh Bharat Abhiyaan (SBA) targeted to continue presently till 2019, there would be a plethora of activities related to this for being undertaken that would necessitate increased funds for construction of toilet equipped Gram Panchayat Ghars besides providing financial assistance to the States for engaging technical and administrative staff in Panchayats. According to the Ministry, all these factor would progressively accelerate the demand for budgetary provisions. The Committee observe that staff is to be recruited by the State Governments as per their own recruitment rules, norms and procedures. However, sanctions are issued by the Ministry to the States with supporting grants. The Ministry issued sanction for 55753 accountants and data entry operators in 2013-14. The Committee are of the opinion that adequate technical and administrative manpower is the pre-requisite for timely and successful completion of all the activities under RGPSA and therefore, the Ministry being the nodal body must regularly obtain from the States the requisite data about their requirement and accordingly issue quick sanctions for recruitment and deployment of adequate staff. The Ministry should also ensure that adequate number of technical personnel is engaged by the States to professionally manage the projects. The Committee, therefore, recommend that the Ministry should thoroughly examine the functioning and administration of Panchayats throughout the country, their requirements of funds and technical and administrative manpower and their remunerations, progress of the various activities under the scheme with a view to have proper evaluation of the different works under the scheme and to provide them adequate support within the mandate of RGPSA scheme.”

7. The Ministry in their action taken reply stated as under :

“The Ministry has positively responded to the Annual Plan proposals of concerned States for providing them the administrative and technical staff as per the guidelines of the scheme of RGPSA and provided the financial assistance to the States with the approval of the CEC of RGPSA. Financial assistance for positioning 148032 personnel including 10817 technical staff at block level/cluster of Gram Panchayat has been sanctioned. The progress about the recruitment/deployment of staff etc. is being monitored. The implementation of the scheme and other activities undertaken by the States have been got assessed through teams deputed in field. An online Management Information System (MIS) was developed for RGPSA which included monitoring of the training sanctioned and conducted. The performance of the State for utilisation of funds and undertaking the activities was also gone into at the regional review meetings taken with the Secretaries/Representatives of States. For providing in depth technical expertise for capacity building and training, a meeting was also held with the representatives of SIRDs and States for ensuring extensive and intensive exchange of views and formulating an effective strategy for ensuring meaningful and effective utilisation of funds provided for the capacity building and training of Elected Representative and functionaries of Panchayats. With a view to have an intensive capacity of Panchayats on sanitation the Ministry has set a National Resource Group (NRG) to train the State teams who will lead the process of capacity building of Panchayat in the States. A regional workshop to orient State teams for building the capacities of Panchayats on sanitation has been held in February 2015. An MIS was developed for the Panchayat Sashaktikaran Puraskar which captures the performance matrices in respect of functioning of panchayat, functioning of standing committees, functioning of gram sabhas, financial management and budgeting, planning and implementation and sectoral interventions. This has been customised by States to suit their contexts. It has provision for online entry by the panchayat and would enable the States to identify and monitor ‘on watch’ panchayats where performance is below par.”

**8. The Committee during examination of Demands for Grants of the Ministry of Panchayati Raj for the year 2014-15 had observed that Rajiv Gandhi Panchayat Sashaktikaran Abhiyan (RGPSA) was aimed at strengthening the Panchayati Raj system across the country by providing administrative and technical support to States, construction and repair of Gram Panchayat Bhawans, creation of new training infrastructure, positioning of adequate personnel at Gram Panchayat level etc. For the purpose of providing all these supports to the States, sufficient data base about the working and the requirements of Panchayats throughout the country is needed. The Committee had therefore recommended the Ministry to thoroughly examine the functioning and administration of Panchayats throughout**

the country, their requirements of funds and technical and administrative manpower and their remunerations, progress of the various activities under the scheme with a view to have proper evaluation of the different works under the scheme and to provide them adequate support within the mandate of RGPSA scheme. In their action taken reply, the Ministry has stated about the various measures taken by them with regard to the implementation of scheme of RGPSA. The Ministry have, however, not indicated as to whether they have started the requisite examination of the functioning of the Panchayats as had been recommended by the Committee. The Committee, therefore, reiterate their recommendation for thorough study of the functioning of Panchayats throughout the country so that effective planning could be made by the Department in future in this regard.

**B. Regular Panchayat elections – establishing Central Panchayat Election Commission and providing adequate manpower to Panchayats**

**Recommendation (Serial No. 9, Para No. 2.10)**

9. With regard to regular Panchayat elections and providing adequate manpower to Panchayats, the Committee had recommended as under:-

“The Committee was informed that one of the essential conditions for accessing any funds under RGPSA is to conduct regular elections of panchayats local bodies in non-Part IX areas under the superintendence and control of the State Election Commission. The Committee desire that elections of Panchayat/local bodies should be held regularly by the States in due time in fair and transparent manner. The Committee also desire that the feasibility of having an independent body like a Central Panchayat Election Commission for conducting the Panchayat Elections in the States in free and fair manner may be explored. The Committee also observe that Panchayat Secretary is a crucial functionary for running the Panchayat administration and therefore, the Committee strongly recommend that the positions of the Panchayat Secretaries in the Panchayats should not be kept vacant and effort should be made to fill the vacant positions immediately. The different positions in the Panchayat functionaries should also be given a fixed tenure to give stability and continuity in the functioning.”

10. The Ministry in their action taken reply stated as under :

“Article 243K of the Indian Constitution mandates that the superintendence , direction and control of the preparation of electoral rolls for, and the conduct of, all elections to the Panchayats shall be vested in a State Election Commission consisting of a State Election Commissioner to be appointed by the Governor. The election to the Panchayats are held under the supervision of the State Election Commission of the concerned States/UTs as per the provisions of relevant Statutes/Acts. As per information available with this Ministry, the elections to the Panchayats across the country are generally being held. The Constitutional provisions in this regard have to be followed.

As regards the issue of providing Panchayat Secretary to every Panchayat, this is undertaken by the State Governments. However, given the importance of providing appropriate manpower at the Gram Panchayat level, under the RGPSA provides administrative and technical staff at the Gram Panchayat level as per the annual plans prepared by the States. An advisory has been issued to States/UTs for providing a requisite staff to each Gram Panchayat.

The staff sanctioned so far under RGPSA are as under:

- (i) Accountant/Data Entry Operator - 110048
- (ii) Panchayat Sahayak/Panchayat Development Officer (PDO) - 26291
- (iii) Junior Engineers - 10817
- (iv) Others - 876”

**11. Taking into account the need for regular elections of Panchayats throughout the country, the Committee had recommended the Government to explore the feasibility of having an independent body like a Central Panchayat Election Commission for conducting the Panchayat elections in the States in free and fair manner. Further, in view of the crucial role of Panchayat Secretary in running the Panchayat institution, the Committee had also recommended not to keep such positions vacant and fill them immediately. In their action taken reply, the Ministry has merely informed to the Committee the fact that elections of Panchayats are conducted by State Election Commission under Article 243K of the Constitution of India. The Committee while advising the Government for exploring the possibility of an independent election body for Panchayats was well aware of the Constitutional provisions and the idea was to explore as to whether any better alternate mechanism could be put in place. The Ministry has, however, not taken the recommendation of the Committee in right perspective. The Committee therefore express their displeasure over such casual reply of the Ministry to an important recommendation of the Committee. The Committee reiterate their recommendation that the feasibility of having an independent body like a Central Panchayat Election Commission for conducting the Panchayat**

elections in the States in free and fair manner must be explored by the Ministry in consultation with all concerned including Ministry of Law & Justice and apprise the Committee of the steps taken in this regard within three months' time. The Committee would also like the Ministry to ensure that States deploy requisite staff including Panchayat Secretary to all Panchayats in a time-bound manner preferably within next three months.

### **C. Constitution of District Planning Committees (DPCs)**

#### **Recommendation (Serial No. 10, Para No. 2.11)**

12. With regard to constitution of District Planning Committees (DPCs), the Committee had recommended as under:-

“Under RGPSA, one of the conditions required to be fulfilled by the States for accessing any fund is the constitution of District Planning Committees(DPCs) in all districts and issuing of guidelines/rules to make them functional. With regard to the constitution of the DPCs, the Committee feel that if the MPs and MLAs are included in the DPCs, it will bring in the system the better planning, coordination and supervision of the concerned districts and if required, suitable provisions in this regard may be made in the guidelines for such inclusion. The Committee therefore, recommend that provision should be made for inclusion of MPs and MLAs in the constitution of the District Planning Committees for better functioning of these committees.”

13. The Ministry in their action taken reply stated as under :

“The Constitution contains provisions regarding the formation and membership of District Planning Committees (DPCs). Article 243ZD provides that the Legislature of a State may, by law, make provisions with respect to the composition of the District Planning Committees (DPCs) and the manner in which the seats in such Committees shall be filled. Not less than four fifths of the members are to be from amongst the elected members of the Panchayat at the district level and of the Municipalities in the district in proportion to the ratio between the population in the rural areas and of the urban areas in the district.”

**14. The Committee during examination of the subject had observed that if MPs and MLAs are included in the DPCs, it would bring in the system the better planning, coordination and supervision of the concerned Districts and, therefore, the Committee had recommended that provision should be made for inclusion of MPs and MLAs in the constitution of DPCs and if necessary, suitable provisions**

in this regard should be made in the guidelines for such inclusion. In the action taken reply, the Ministry has simply mentioned the provisions of the Constitution of India. The Committee are not happy with this routine type of submission by the Ministry as no step has been taken by the Department to explore as to how the recommendations of the Committee could be translated into action. The Committee, therefore, reiterate their recommendation and desire the Ministry to examine the issue from all perspectives to implement the recommendation of the Committee.

#### **D. Working of E-Panchayats**

##### **Recommendation (Serial No. 12, Para No. 2.13)**

15. With regard to the working of e-Panchayats, the Committee had recommended as under:-

"The Committee note that e-Panchayat has been identified as one of the Mission Mode Projects under National e-governance programme. This project is aimed at supporting all the State Governments for enabling Panchayats to make effective use of Information Technology (IT) in the process of planning at grass roots level, bring out transparency in the working of the PRIs and also help in increased accountability of these institutions. As informed to the Committee, 10 common core applications had been developed for use by the States/UTs. Further, 12506 computers were procured at the gram Panchayat level in 10 States. The Committee are of the view that computerization of the working of Gram Panchayats and provision of internet connectivity are pre-requisites for achieving the objectives of e-panchayat. The Committee however feel that power shortage in rural areas is a major constraint in making the working of e-panchayat successful. Due to power shortage, the Panchayats are not even able to regularly update their data on the website much less to use the system for effective administration. The Committee therefore recommend that the Ministry should play a pro-active role in making the e-Panchayat system a success by providing all necessary infrastructure to PRIs. The Ministry should also explore on priority basis the alternate means of power supply including use of Solar energy for running the offices of Panchayats in all the States/UTs to make them a vibrant, productive, responsible and accountable institutions."

16. The Ministry in their Action Taken Reply have stated as under:-

"Under RGPSA, the Ministry provided financial assistance to States for procuring computers for Gram Panchayats. So far, financial assistance has been provided to States / UTs for procurement of 51,271 computers since operationalisation of the scheme. Under RGPSA, the Ministry also provided funds for repairs of Panchayat buildings, which includes provision of electricity connections."

17. Noting that shortage of power in rural areas was a major constraint in making the working of e-panchayat successful, the Committee had recommended the Ministry to play a pro-active role in making the e-Panchayat system a success by providing all necessary infrastructure to PRIs and also to explore on priority basis alternative means of power supply including use of solar power for running the offices of Panchayats in all the States/UTs to make them a vibrant, productive, responsible and accountable institutions. The Committee are dismayed to note that the Ministry has not paid any heed to their recommendation as nothing has been mentioned in this regard in the action taken reply of the Government. The Committee therefore strongly reiterate their recommendation and desire the Ministry to initiate steps in this regard and apprise the Committee about the action taken within a period of three months.

#### **E. Media and Publicity**

##### **Recommendation (Serial No. 15, Para No. 2.16)**

18. With regard to media and publicity, the Committee had recommended as under:-

"The Committee was informed that 'Media and Publicity' scheme is a Central Sector Plan Scheme approved in 2007-08 with the objective of dissemination of information through the print and electronic media regarding PRIs and their role and responsibility in various Government schemes. The Scheme is funded 100% by the Govt. of India. The Committee note that against the allocation of Rs. 15 crore in 2013-14, Rs. 14.42 crore had been utilized and the allocation for the year 2014-15 has been increased to Rs. 20 crore which is about Rs. 5 crores more than the allocation made for last financial year 2013-14. The Committee feel that awareness among people is pre-requisite for successful functioning of programmes meant for general public and therefore, local people need to be made aware of various programmes, schemes and the mandate of Panchayati Raj Institutions to enable them to get full advantage of the system. The Committee therefore recommend that the allocation for the current year 2014-15 would be fully and optimally utilized for creating awareness amongst the rural population all over the country through means the electronic and print media at national and local levels regarding the various schemes and programmes being implemented by the Government."

19. The Ministry in their action taken reply have stated as under:-

"Under the Media and Publicity Scheme in 2014-15, several training films as well as films on best performing Panchayats have been commissioned. There has however, been a cut of Rs. 10 crores at the RE stage. Further, as there is pressing demand from States under RGPSA, the funds under the scheme have

been reduced further. In view of the aforesaid position, funds to the tune of Rs.4.40 crore are being reappropriated from Media & Publicity Scheme to RGPSA during the current fiscal year 2014–15. Several training films to assist States in capacity building have been sanctioned and are being improved on. The process of finalising Rashtriya Gaurav Gram Sabha Puraskar (National Award) is on. Besides, comprehensive mass awareness generation campaign was carried out during the famous Palkhi Sohala–2014 in Maharashtra, and this Ministry's tableau on the theme "Model Gram Panchayat" was exhibited in the Republic Day Parade–2015."

**20. During examination of Demands for Grants (2014-15), the Committee had observed that awareness among people is pre-requisite for successful functioning of programmes meant for general public and therefore, local people need to be made aware of various programmes, schemes and the mandate of Panchayati Raj Institutions to enable them to get full advantage of the system. The Committee had, therefore, stressed for full and optimum utilization of the budgetary allocations for creating awareness amongst the rural population all over the country through means of the electronic and print media at national and local levels regarding the various schemes and programmes being implemented by the Government. The Committee observe from the action taken reply of the Ministry that contrary to the recommendation of the Committee, not only there has been a cut of Rs.10 crore at RE stage but also there had been re-appropriation of Rs.4.40 crore from media and publicity scheme. The Committee express serious displeasure over the callous attitude of the Ministry in this regard and strongly reiterate their recommendations to give full focus on wider publicity of all schemes and programmes of Panchayati Raj Institutions throughout the country through print and electronic media.**



## CHAPTER II

### RECOMMENDATION WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

#### Recommendation (Serial No. 1, Para No. 2.2)

The Ministry of Panchayati Raj came into existence on 27<sup>th</sup> May, 2004. The vision of the Ministry is to make Panchayati Raj Institutions (PRIs) an effective, efficient and transparent vehicle for local governance, social change and public service delivery mechanism for meeting the aspirations of the local population. The Committee note that the Demands for Grants of the Ministry of Panchayati Raj (Demand No. 71) were presented to Lok Sabha on 17 July, 2014. Under Demand No. 71, the Ministry of Panchayati Raj has been allocated a sum of Rs. 7000.70 crore for the financial year 2014-15 with Plan component of Rs. 7000 crore and Non-Plan component of Rs. 0.70 crore. The Committee observe that the allocated outlay for the financial year 2014-15 is Rs. 200 crore less than the budgetary allocation of the previous year viz 2013-14 but it is Rs. 3500 crore higher than R.E of the previous financial year. Taking into account the magnitude of the various programmes of the Ministry, the Committee are constrained to note that the allocation of funds of Rs. 7000 crore for the financial year 2014-15 does not appear to be adequate for effective implementation of the various projects and also for achieving the desired level of progress in these projects during the current fiscal. Since the budgetary allocations for the year 2014-15 are on the lower side, the Committee, therefore, strongly recommend that the Ministry should pursue with the Ministry of Finance and Planning Commission for considering higher budgetary allocations of funds for these schemes at RE stage so that non-availability of funds could not be a hindrance in effective implementation of the various schemes of the Ministry which are meant for strengthening the Panchayati Raj Institutions in the entire country. The Committee hope that the budgetary allocation of Rs. 7000 crore and any additional allocation which could be made for the Ministry during the current fiscal will be fully utilized by them in implementation of various schemes and programmes launched for strengthening the Panchayati Raj Institutions all over the country.

#### Reply of the Government

Keeping in view the position of unspent balances and liquidation of Utilization Certificates, the Ministry of Finance was requested for providing Rs.7000.70 at RE stage. However, an amount of Rs. 3400.00 crore was provided at RE stage for 2014-15 which was almost fully utilized.

[O.M. No.H-11013/1/2015-Parl. dated 18.03.2015]

### **Recommendation (Serial No. 2, Para No. 2.3)**

The committee note that the total allocated outlay for the Twelfth Five Year Plan (2012-17) is Rs. 40853 crore. The Committee are dismayed to observe that the funds allocated to the Ministry at BE stage had been substantially reduced at RE stage during the first two years of the Twelfth Five Year Plan period. To the surprise of the Committee, the allocation for Backward Region Grant Fund (BRGF) Scheme which is very essential for development of backward regions of the country, was substantially reduced from Rs.6500 crore at BE stage to Rs.2800 crore at RE stage during the year 2013-14. Such reduction must have impacted adversely the progress of the works under this Scheme. The Committee are not convinced with the reasons for such reduction being the lack of capacities of the States in timely submission/non submission of plan proposals and the discrepancies in the requisite documents. The Committee feel that the Ministry, in such situations, could have taken a pro-active role in persuading the States for timely submission of the proposals which could have averted such huge reduction in the allocation of funds for such an important Scheme. The Committee further observe that the allocation for BRGF Scheme for the current financial year is Rs. 5900 crore and as such only an amount of Rs.1100 crore is left for the other schemes one of them being Rajiv Gandhi Panchayat Sashaktikaran Abhiyaan (RGPSA) which will definitely be affected due to less availability of funds during the year. This aspect needs immediate attention of the Ministry. The Committee re-emphasise the need for speedy development of rural areas and to achieve the desired result, adequate allocation of funds under different schemes is required. The Committee also expect the Ministry to make earnest efforts for optimum utilization of the budgetary allocations by strengthening the capacities of the States and also by regular monitoring of the flow of funds on different projects during the year.

### **Reply of the Government**

For both BRGF and RGPSA, States were advised to submit proposals at the earliest. In the first month of April itself, all the States were advised by this Ministry, to submit proposals for BRGF and RGPSA, as early as possible and within June 2014 for expeditious sanctions.

For optimum utilization of the budgetary allocations for BRGF and RGPSA, the Ministry continued to vigorously pursue matters through numerous interactions at various levels with elected representatives, programme managers, State personnel, SIRDs etc. To speed up the submission of proposals, and implementation of the programmes, regional workshops were organized in four States viz., Hyderabad on 28<sup>th</sup> May 2014, Guwahati on 29<sup>th</sup> May 2014, Pune on 30<sup>th</sup> May 2014 and New Delhi on 27<sup>th</sup> May 2014. A meeting was held on 24<sup>th</sup> November 2014 in New Delhi to review the status of BRGF/RGPSA with the Principal Secretaries/Secretaries of the various State Governments which was chaired by Secretary, Panchayati Raj. In January and February 2015, regional review meetings were held again.

Comprehensive Advisories/ D.O letters were also issued to the States from time to time for ensuring expeditious implementation and effective utilization of BRGF funds.

The RE 2014-15 allocation for BRGF stands reduced to Rs. 2837 crore. Out of this Rs. 2819.26 crore has been released and the proposal(s) for release of the remaining amount are in the pipeline. (position as on 28.2.2015).

For RGPSA, the budgetary provision of Rs. 1050.00 crore provided in 2014-15 was reduced to Rs. 527.00 crore at RE stage. The expenditure under RGPSA as on 28.2.15 is Rs 494.64 Cr which is 93.86% of the RE.

Regarding the steep cuts at the RE stage, the Hon'ble Minister Panchayati Raj wrote to Hon'ble Finance Minister on 05.12.2014 for providing an additional provision of Rs. 2200.00 crore for BRGF and an additional amount of Rs. 375.00 crore for the scheme of RGPSA for the remaining period of financial year of 2014-15.

It may be noted that both BRGF and RGPSA have been transferred to the States for 2015-16. There is no allocation for BRGF, while there is a small allocation of Rs. 60 crores for National activities under RGPSA.

**[O.M. No.H-11013/1/2015-Parl. dated 18.03.2015]**

### **Recommendation (Serial No. 3, Para No. 2.4)**

The Committee note that the total allocated outlay for the Twelfth five Year Plan (2012-17) is Rs. 40853 crore. However, the Committee while observing the trend in reduction of outlay at RE stages and the expenditure being even less than the REs during the first two years of the Twelfth Five Year plan viz 2012-13 and 2013-14, are apprehensive about the full utilization of the total funds earmarked in Twelfth Five Year Plan in the remaining years of the Plan period. Admittedly, the utilization of the budgetary allocations depend on timely submission of the plans by the States/UTs and effective implementation of the projects by them. Unfortunately, some States have been found wanting in this regard. The Committee are of the view that to overcome this hurdle, earnest efforts are needed to be made to strengthen the capacities of the Panchayati Raj institutions by providing them all the necessary support and guidance on regular basis. The Committee therefore, recommend that the Ministry should develop a mechanism for providing the States/UTs all the required support and guidance not only for timely submission of plan proposals by them but also for their effective implementation in these States/UTs. The Committee hope that the Ministry will pursue vigorously with all the States/UTs for ensuring consistent flow of expenditure throughout the year on various projects being executed by them with the allocated funds for the Twelfth Five Year Plan and also for achieving the targets fixed for the Plan period.

### **Reply of the Government**

The Ministry had renewed its efforts to obtain plans on time for 2015-16. The Minister of Panchayati Raj on 21<sup>st</sup> November, 2014 has written to the State Chief Ministers for submission of the BRGF Annual Plans for the next financial year at the beginning of the financial year itself to enable early release of funds and availability of adequate time with the Implementing Entities for their utilization (Copy at Annex-I). Prior to this Secretary, Panchayati Raj has written to Chief Secretaries of all States on this issue on 10<sup>th</sup> November, 2014. The various review meetings taken to speed up implementation of the schemes have been mentioned above.

In addition, for speedier processing and release of funds under BRGF, with effect from this financial year (2014-15), proposals are being processed in e-office in the Ministry. Further, an online software Application has been developed and is being rolled out to facilitate online receipt of proposals, efficient processing and timely release of funds to States. In addition to the steps indicated in reply to Recommendation Sl. No. 2

above, support and guidance through various means, as indicated below, is provided to the States for timely submission of plan proposals and effective implementation of the BRGF Programme :

- (i) PlanPlus: To facilitate preparation of inclusive and participative decentralized plan, Ministry has conceptualised "PlanPlus" - one of the software applications under the e-Panchayat MMP.
- (ii) National Asset Directory: MoPR has been propagating the use of National Asset Directory (NAD), another software applications under the e-Panchayat MMP, amongst the States. The NAD Application acts as a repository of various assets created/controlled/maintained by Panchayats/ULBs/Line Departments.
- (iii) ActionSoft: This is another e-Panchayat MMP Application which works in collaboration with PlanPlus and captures the work execution flow, facilitates decentralized reporting of progress of work execution, converges and keeps track of the flow of funds from different sources during implementation, converges the rural and urban plan units to report the physical and financial progress of works and brings about total transparency in the reporting of physical and financial progress.
- (iv) Integrated District Plans : The Ministry is promoting integrated district planning in the States/UTs. During 2014-15, this effort would be piloted in two districts in each of the States/UTs. A national workshop was organised in Gujarat in September, 2014, which served to provide a platform to the States/UTs for sharing experiences and best practices in district planning and formulating roadmap for integrated district planning.
- (v) Modal Accounting System: The Panchayats have been advised to adopt the Model Accounting System through maintenance of Eight Formats devised in consultation with the C&AG. Further, to enable display of Panchayat's expenditure details in public domain, States are advised to use PRIASoft an application under the e-Panchayat MMP.
- (vi) Voluntary disclosure: The States have been advised that the Annual Action Plan is to be discussed /ratified in the Gram Sabha and Voluntary disclosure of activities undertaken under BRGF Programme is to be made before the Gram Sabha.
- (vii) Progress Report: States are to submit physical and financial progress report of the works done under BRGF during each financial year.
- (viii) Board Display: Boards are to be displayed at work sites indicating name of the schemes and source of funds of the said work.
- (ix) Audit Report: Regular physical and financial audit of the works under the scheme needs to be carried out at the end of each financial year, in each district. The audit is to be done either by Local Fund Auditors or by Chartered Accountants listed in the panel of the State Govt. or AGs of the State.
- (x) Social Audit: Verification through Social Audit is to be done by Gram or Ward Sabhas in rural areas and Area Sabhas and Ward Committees in urban areas.
- (xi) Review committee at District level: At the district level a Review Committee, constituted by the District Planning Committee needs to examine the peer review reports prepared by Panchayats.
- (xii) Technical Support Institutions (TSIs): Institutions having expertise in technical and developmental issues have been empanelled as TSIs by the Ministry to help the States in preparation of District Perspective Plans/ Annual Plans.

Under RGPSA, the Ministry has taken many steps, including those included below to assist States for strengthening of PRIs and effective implementation of the scheme:

- (i) The National Capability Framework 2014 was prepared after extensive consultation with States to provide a framework for States to expand the outreach of the training of Elected Representatives and Panchayat functionaries and to improve its quality.
- (ii) To support States in their capacity building efforts, Handbooks/Manuals for training of PRIs have been developed and shared with State Governments on the subjects of Sanitation, Drinking Water and Governance in Panchayats. These are to be translated and modified by States as per their need.
- (iii) An advisory was issued to States on integration of activities under RGPSA with those to be undertaken under the Swachh Bharat Abhiyan. For this purpose Action Plan for Sanitation prepared by this Ministry targeting strengthening governance capabilities of PRIs for the Abhiyan has also been shared with States.
- (iv) In order to have an intensive capacity of Panchayats on sanitation the Ministry has set up a National Resource Group (NRG) to train the State teams who will lead the process of capacity building of Panchayat in the States. An orientation programme for northeastern states for building the capacities of Panchayats for sanitation was held at Guwhati in February 2015.
- (v) A two-day conference on Capacity Building & Training was held with States and SIRDs with a view to understanding and discussing the issues on preparedness of SIRDs for conduct of training, training strategies, sharing training methodologies.

An online Management Information System (MIS) was developed for RGPSA which included monitoring of the trainings sanctioned and conducted.

**[O.M. No.H-11013/1/2015-Parl. dated 18.03.2015]**

#### **Recommendation (Serial No. 4, Para No. 2.5)**

The Committee observe from the information submitted by the Ministry that the unspent balances as on 31.03.2014 had been to the extent of Rs.5580.267 crore and the status of outstanding utilization certificate on the same date had been to the extent of Rs. 729.947 crore. Out of total unspent balances of Rs.5580.267 crore, Rs.4798.67 crore unspent balance was under Backward Region Grant Fund (BRGF) Scheme alone which reflects a very poor state of affairs in the areas of development of backward regions in the country. The Committee observe that while there is an urgent need for development of backward regions on priority basis, the accumulation of unspent balances over the years on this important scheme sends an alarming signal indicating the apathy of the functionaries in spending the allocated funds in the past. The Committee, therefore, while expressing their concern over non-utilization of funds in different schemes particularly under BRGF, hope that at least from now onwards, the Ministry will tighten all its processes and also issue suitable advisories to the project

implementation authorities to ensure full utilization of funds during the financial year. The non-submission of utilization certificates by the respective States/UTs is also a matter of serious concern for the Committee as further processes are often held up for want of such certificates. The Committee, therefore, desire that all the functionaries concerned with the utilization of funds and implementation of projects should be regularly advised for timely submission of utilization certificates.

### **Reply of the Government**

BRGF is a process oriented and demand driven programme. Unspent balance is reflected as the States are usually reporting expenditure against the previous releases only at the time of furnishing proposals for next release. The releases made in a particular financial year are also included in the unspent balances since the Utilization Certificates for the same become due in the next financial year only although expenditure would have been incurred. The Ministry in its regular follow-ups/ review meetings with the States is emphasising upon timely submission of utilization certificates. This aspect was also highlighted in the letter written by Minister of Panchayati Raj on 21<sup>st</sup> November, 2014 to the State Chief Ministers (Annex-I). Moreover, during the regional review meetings and national review meetings (details in reply to Recommendation Sl. No. 3 above), the matter of unspent balances are reviewed and States are advised to reduce the unspent balances.

**[O.M. No.H-11013/1/2015-Parl. dated 18.03.2015]**

### **Recommendation (Serial No. 5, Para No. 2.6)**

The Committee observe that the Backward Regions Grant Fund(BRGF) scheme is a Centrally Sponsored Scheme which is funded 100% by the Government of India. The aim of the scheme is to focus developmental programmes for backward areas with a view to accelerate development and to reduce regional imbalances. The Committee was informed that BRGF scheme is implemented in 272 selected backward districts in various States. The Committee note that out of the total allocation of Rs.29306 crore for BRGF scheme for the Twelfth Plan, the allocation at BE stage for the years 2012-13 and 2013-14 were Rs.5050 crore and Rs.6500 crore respectively which was subsequently reduced at RE stage to Rs.3734 crore and Rs. 2800 crore in the year 2012-13 and 2013-14. The failure of the States in timely submission of Plans and lack of capacity are stated to be the main reasons for such reduction at RE stage. The Committee are not convinced with such routine explanations of the Ministry on such an important issue. Since the scheme is 100% financed by the Government of India, it was imperative on the part of the Ministry to get all the works of the scheme executed timely by optimum utilization of the allocated funds during the year by devising a suitable mechanism for regular monitoring with the States. The BRGF is a project exclusively meant for the development of the backward regions of the country. The Committee strongly feel that the Ministry should have taken due and proper care to ensure that the States being the implementing agencies are not found lagging behind in execution of the works which are fully funded by the Govt. of India. The Committee are of the strong view that the Backward Districts require a lot of assistance in terms of funds and capacity building under the BRGF scheme and therefore, the Ministry cannot absolve itself from the responsibility simply by releasing of funds to the States and thereafter just waiting for the non-utilization thereof at the end of the year. The Committee feel that all the implementing agencies need to be fully equipped with the requisite capacity and

skills for planning of the projects and execution thereof. The Committee therefore recommend that rigorous efforts should be made by the Ministry to effectively assist the Districts and States in building up their capacities to do proper ground work at the grass root level and to frame proper plans in time for optimum utilization of funds. To meet this objective, the Ministry should ensure that the trained administrative and technical manpower are provided in adequate number for capacity building so that the scheme is effectively implemented for development of the backward areas. The Committee also recommend that regional training centres may be set up to enable all the stakeholders in the Panchayati Raj system and concerned officials to get proper and adequate training to perform their functions effectively and efficiently.

### **Reply of the Government**

Funds under the BRGF Programme are untied in nature and provide financial resources for supplementing and converging existing development inflows into identified districts and bridging the critical gaps in local infrastructure and other development requirements that are not being adequately met through other sources of funding. Each Local Body (LB), i.e. Panchayat or Municipality, within the backward district concerned is the unit for planning under the BRGF Programme. Plans prepared by each LB are consolidated into the District Plan and approved by the District Planning Committee (DPC), constituted in accordance with Article 243ZD of the Constitution.

MoPR's National Capacity Building Framework 2014 (NCBF-2014) envisages strengthening of institutional arrangements, including the infrastructure as well as extending software support for capacity building of Elected Representatives, Panchayat functionaries and other stakeholders of Panchayats/Municipalities. This framework is being implemented by the States (Panchayati Raj being a State subject). Ministry of Panchayati Raj provides financial assistance under the Capacity Building (CB) component of the BRGF Programme to the States as per the Annual Action Plans received from them.

BRGF guidelines provide for utilisation of five percent of the development grant allocated to the district towards provision of adequate functionaries for the Panchayats for planning and implementation. The various efforts of the Ministry to strengthen Panchayat level planning have been stated above. In addition, the Ministry organized a National level workshop on Integrated District Planning on 25-26 September 2014 at Gujarat for officials of States and Districts.

Development of infrastructure for capacity building and training is also one activity permissible under the scheme of RGPSA. Support for faculty is also provided for establishing resource centres at the State and district levels. The scheme was launched in full swing with effect from 2013-14. So far financial assistance has been provided by States/UTs for establishing 22 State Panchayat Resource Centres, 188 District Panchayat Resource Centres and 869 Block Panchayat Resource Centres.

[O.M. No.H-11013/1/2015-Parl. dated 18.03.2015]

**Recommendation (Serial No. 11, Para No. 2.12)**

9. The Committee in aforesaid para of the Report had recommended as under:

"The Committee note that incentivisation of States/UTs is a component of RGPSA scheme to encourage States to empower Panchayati Raj Institutions adequately and to put in place the concept of accountability. The Committee was informed that the system of Panchayat assessment has to take into account the State specific situation. As informed, on the basis of the model indicators, questionnaire and marking scheme developed by Ministry of Panchayati Raj, States will devise their own context specific version. The Committee was also informed that during 2013-14, 22 States participated to select the best performing Panchayats and an amount of Rs.37.80 crore was released as incentive grant to 194 best performing Panchayats in these States. The Committee desire that effective measures should be taken by the Ministry to assist and encourage all the States to participate in the scheme to empower the PRIs."

10. The Ministry in their Action Taken Reply have stated as under:-

"The Ministry of Panchayati Raj (MoPR), in collaboration with State Governments, has framed parameters to analyse the functioning of Panchayati Raj Institutions (PRIs). The best practices followed in some of these award winning PRIs have also been documented. The online application for entries has been brought into operation to increase the number of Panchayats brought into the evaluation process and to increase the transparency of assessment. 15 states have used the online application for entry and scrutiny. In the current year the State of Manipur has additionally joined the PSP for identifying the best performing Panchayats of the State."

**Recommendation (Serial No. 14, Para No. 2.15)**

The Committee note that with regard to dealing with the complaints of corruption at Gram Panchayat level, an online Management Information System (MIS) has been developed which is currently undergoing trials and will enable monitoring of the specific deliverables including utilization of funds. The Committee feel that a lot is needed to be done to have a clean, fair, transparent, accountable and powerful PRIs in the country. The Committee, therefore, recommend that the matter regarding devolution of functions, funds and functionaries to the Panchayati Raj Institutions (PRIs) should be seriously taken up and vigorously pursued with the States for strengthening the Panchayati raj institutions. The Committee also recommend that there should be an effective mechanism for complaint processing, grievance redressal, initiation of stringent measures for prevention of corruption, regular uploading of information on website with a view to ensuring accountability in the functioning and fixation of responsibility on the functionaries.

**Reply of the Government**

There are two MIS which have been developed under RGPSA – one to track performance under the State Plans and the other to provide a performance assessment format which can be contextualized by the States to be used both for identification of



best performing Panchayats as well as on watch Panchayats. The online application for entries has been brought into operation to increase the number of panchayats brought into the evaluation process and to increase the transparency of assessment.

Complaints with regard to misuse of power by Panchayats etc., are referred to the State Governments since the decision making authority in respect of the functioning of Panchayati Raj vests with the concerned State Government as per the Constitution. Under Sansad Adrash Gram Yojna (SAGY), States have been requested to develop panchayat level Citizens' Charters and grievance redressal mechanisms and to capacitate the Panchayats on the same.

Furthermore, under e-Panchayat, a suite of Core Common Software Applications has been developed to address various aspects of Panchayats' functioning including planning, budgeting, implementation, accounting, monitoring, social audit and delivery of citizen services like issue of certificates, licences, etc. Ministry has also provided a Central Helpdesk for logging, tracking and addressing day-to-day queries/issues related to the accounting and planning applications namely PRIASoft & PlanPlus. The helpdesk operates 7 days a week (Monday - Sunday), from 8:00 am- 8:00 pm (12 hours) and is available through the Toll Free Number - 1800117200. The helpdesk has currently been operationalized in four languages - English, Hindi, Marathi and Tamil. Going forward, the Ministry plans to provide support for all PES Applications in other regional languages too.

[O.M. No.H-11013/1/2015-Parl. dated 18.03.2015]

### CHAPTER III

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

##### Recommendation (Serial No. 6, Para No. 2. 7)

The Committee note that restructuring of the BRGF programme seeks to address intra-district inequalities to ensure that backward sub-districts units within the States receive adequate financial support. The Ministry prepared a draft EFC memorandum for restructuring of the District component of the BRGF programme and circulated to Planning Commission, Department of Expenditure and the Ministry of Rural Development for comments. The comments received are under examination and certain observations from the Department of expenditure are to be addressed. The Committee also note that implementation of BRGF in eight States of the country was evaluated by a World Bank mission and the State Governments were requested to take necessary corrective action. The Committee desire that the observations of Department of Expenditure regarding the proposed restructuring of BRGF programme should be addressed without any delay, and conveyed to the D/o Expenditure after obtaining the necessary approval so that the proposed restructuring of BRGF programme is expedited to ensure that backward sub-districts units within the States receive adequate financial support. The Committee also expect that necessary follow up action will be taken by all concerned with regard to the report of the World Bank on evaluation of BRGF programme.

##### Reply of the Government

The proposal on the restructuring of district component of BRGF Programme was revised in view of the comments received from the D/o Expenditure. The recommendations contained in the Report of the World Bank were examined in the Ministry and the actions taken by MoPR were as under:

- (a) The allocation of district component under BRGF was enhanced from Rs.21623 crores (actual expenditure) under the 11<sup>th</sup> Five Year Plan (2007-12) to Rs.29,306.00 crores (outlay) under the 12<sup>th</sup> Five Year Plan (2012-17).
- (b) To ensure strong targeting of funds towards the vulnerable areas and groups, particularly the SCs/STs, allocation criteria was revised with effect from 2011-12, whereby the funds were released to the State Governments separately for the Special Component Plan for Scheduled Caste (SCPSC) and Scheduled Tribe Sub Plan (STSP).
- (c) To ensure sufficient fund availability, requirement of minimum spending was reduced from 70% to 60% for claiming of 2nd instalment by the districts.

However, from 2015-16, the scheme has been transferred to States and there is no allocation at the Central level.

[O.M. No.H-11013/1/2015-Parl. dated 18.03.2015]

### **Recommendation (Serial No. 7, Para No. 2.8)**

The Committee observe that the Rajiv Gandhi Panchayat Sashaktikaran Abhiyan (RGPSA) aims to strengthen the Panchayati Raj system across the country. The activities under RGPSA scheme include administrative and technical support, construction and repair of Gram Panchayat buildings, capacity building and training, enablement of Panchayats, Panchayat processes for Panchayat with inadequate resource base etc. The Committee note that budgetary allocation of Rs.50 crore was made for the scheme during the year 2012-13 and the Ministry incurred expenditure of Rs.42.92 crore. According to the Ministry, the implementation of the scheme came in full swing from the financial year 2013-14 for which a budgetary allocation of Rs.655 crore was made and against that the Ministry incurred the actual expenditure of Rs.629.58 crore. The Committee was informed that the Planning Commission had provided budgetary support of Rs.6437 crore for the Twelfth Five Year plan for the scheme which has subsequently been increased to Rs.11270 crore. The Committee note that during the first three years of 12<sup>th</sup> Plan, budgetary allocations of Rs. 1755 crore have been made which is approximately 16% of the total budgetary support of Rs.11270 crore for the Plan period. Going by the trend of budgetary allocations and expenditure, the Committee express their serious apprehension about the full utilization of the balance funds of Rs. 9515 crore in the remaining two years' period of the 12<sup>th</sup> Plan. The Committee, therefore, desire that the various programmes under RGPSA be redesigned in such a manner that the allocations for the scheme in 12<sup>th</sup> Plan period are fully utilized. The Committee expect that with the redesigning of the activities by the Ministry, budgetary support for the Twelfth Five Year plan will be fully and optimally utilized by the implementing agencies for the various activities under RGPSA which will strengthen the Panchayati Raj Institutions across the country.

### **Reply of the Government**

Since operationalization of RGPSA, Annual plans to the tune of a total of Rs. 3485.55 crore have been sanctioned to the States/UTs. The scheme involves multi-dimensional activities such as positioning of administrative and technical manpower, construction of infrastructures such as Gram Panchayat Bhawans, institutional structure for training viz. State Panchayat Resource Centres (SPRCs), District Panchayats Resource Centres (DPRCs) and Block Panchayat Resource Centres (BPRCs) etc. These activities require clearances of the competent authorities, availability of lands and proper processes have to be followed. Due to Parliamentary elections during 2014, the activities slowed down. However, from the progress report received from different States and the follow up in review meetings, it is learnt that the activities have been picking up.

However, during the year 2014-15, the BE 2014-15 of Rs. 1055.00 crore for the scheme was reduced to Rs. 527.00 crore at RE stage. Taking into consideration the fact that the activities under the scheme would be picking up in the subsequent years and also in the wake of launching of Swachh Bharat Abhiyan, this Ministry had sought

Plan at allocation of Rs. 1550.00 crore for the year 2015-16. However, the scheme has now been transferred to the States to be taken up with their own resources.

[O.M. No.H-11013/1/2015-Parl. dated 18.03.2015]

### **Recommendation (Serial No. 17, Para No. 2.18)**

The Committee during examination of the Demands for Grants have observed that there is no proper system of conducting physical verification and monitoring of actual infrastructure work executed and also to monitor the utilization of funds. Although the Ministry has been holding review meetings and video conferences to monitor utilization, the Committee do not find the system very effective to bring the desired results. The Committee desire that the monitoring system should be strengthened and a mechanism should be developed for ensuring transparency and accountability and fixation of responsibility in case of delay or non implementation of projects. The Committee have also observed that non-submission of plans or slow pace of expenditure had been the major reasons for non-utilization of allocated funds by the States. The Committee are of the opinion that it happens due to absence of nodal officers of the Government at different levels of implementation of programmes. The Committee, therefore, strongly recommend that with a view to have a constant monitoring over the flow of expenditure and implementation of various projects and schemes, Nodal Officers should be appointed by the Central Government at different levels for not only conducting concurrent physical verification of the status of implementation of various programmes but also to keep a close watch over the utilization of funds by the States. Such nodal officer should be mandated to have effective coordination with the State Governments and to directly report all the developments to the Central Government so that timely remedial/corrective measures could be taken.

### **Reply of the Government**

All possible measures have been/are being taken for monitoring the status of expenditure, physical achievements, utilization of funds etc. with regard to the implementation of the Ministries schemes. The progress of implementation of the schemes has been closely looked into and in depth discussions with officers of the State Government have been held by the officers of Ministry at review meeting. Within the Ministry, coordination of specific States Annual Plans and related matters has been entrusted to the specific Divisional Heads handling the different schemes. Additional Secretary, MoPR is the Mission Leader (i.e. Nodal Officer) for the implementation of e-Panchayat MMP. Further, the Ministry had formulated a scheme for engaging National Level Monitors (NLM's) for BRGF and RGPSA. However, the same would need to be restructured given the budget cuts in 2015-16. Furthermore, as per the Union Budget proposals for 2015-16, e-Panchayat will now be taken up under Digital India programme of DeitY.

[O.M. No.H-11013/1/2015-Parl. dated 18.03.2015]

**CHAPTER IV****RECOMMENDATIONS IN RESPECT OF WHICH REPLY OF THE GOVERNMENT  
HAVE NOT BEEN ACCEPTED BY THE COMMITTEE****Recommendation (Serial No. 8, Para No. 2.9)**

The Committee further observe that the major items of expenditure under the scheme are the positioning of personnel at the gram panchayat level for the administrative and technical support to States, the construction and repair of gram panchayat bhavans, the support for creation of new training infrastructure and human resources for training etc. As informed to the Committee, with the launching of Swachh Bharat Abhiyaan (SBA) targeted to continue presently till 2019, there would be a plethora of activities related to this for being undertaken that would necessitate increased funds for construction of toilet equipped Gram\_Panchayat Ghars besides providing financial assistance to the States for engaging technical and administrative staff in Panchayats. According to the Ministry, all these factor would progressively accelerate the demand for budgetary provisions. The Committee observe that staff is to be recruited by the State Governments as per their own recruitment rules, norms and procedures. However, sanctions are issued by the Ministry to the States with supporting grants. The Ministry issued sanction for 55753 accountants and data entry operators in 2013-14. The Committee are of the opinion that adequate technical and administrative manpower is the pre-requisite for timely and successful completion of all the activities under RGPSA and therefore, the Ministry being the nodal body must regularly obtain from the States the requisite data about their requirement and accordingly issue quick sanctions for recruitment and deployment of adequate staff. The Ministry should also ensure that adequate number of technical personnel is engaged by the States to professionally manage the projects. The Committee, therefore, recommend that the Ministry should thoroughly examine the functioning and administration of Panchayats throughout the country, their requirements of funds and technical and administrative manpower and their remunerations, progress of the various activities under the scheme with a view to have proper evaluation of the different works under the scheme and to provide them adequate support within the mandate of RGPSA scheme.

**Reply of the Government**

The Ministry has positively responded to the Annual Plan proposals of concerned States for providing them the administrative and technical staff as per the guidelines of the scheme of RGPSA and provided the financial assistance to the States with the approval of the CEC of RGPSA. Financial assistance for positioning 148032 personnel including 10817 technical staff at block level/cluster of Gram Panchayat has been sanctioned. The progress about the recruitment/deployment of staff etc. is being monitored. The implementation of the scheme and other activities undertaken by the States have been got assessed through teams deputed in field. An online Management Information System (MIS) was developed for RGPSA which included monitoring of the training sanctioned and conducted. The performance of the State for utilisation of funds and undertaking the activities was also gone into at the regional review meetings

taken with the Secretaries/Representatives of States. For providing in depth technical expertise for capacity building and training, a meeting was also held with the representatives of SIRDs and States for ensuring extensive and intensive exchange of views and formulating an effective strategy for ensuring meaningful and effective utilisation of funds provided for the capacity building and training of Elected Representative and functionaries of Panchayats. With a view to have an intensive capacity of Panchayats on sanitation the Ministry has set a National Resource Group (NRG) to train the State teams who will lead the process of capacity building of Panchayat in the States. A regional workshop to orient State teams for building the capacities of Panchayats on sanitation has been held in February 2015.

An MIS was developed for the Panchayat Sashaktikaran Puraskar which captures the performance matrices in respect of functioning of panchayat, functioning of standing committees, functioning of gram sabhas, financial management and budgeting, planning and implementation and sectoral interventions. This has been customised by States to suit their contexts. It has provision for online entry by the panchayat and would enable the States to identify and monitor 'on watch' panchayats where performance is below par.

[O.M. No.H-11013/1/2015-Parl. dated 18.03.2015]

## **COMMENTS OF THE COMMITTEE**

(Please see para 8 in Chapter I)

### **Recommendation (Serial No. 9, Para No. 2.10)**

The Committee was informed that one of the essential conditions for accessing any funds under RGPSA is to conduct regular elections of panchayats local bodies in non-Part IX areas under the superintendence and control of the State Election Commission. The Committee desire that elections of Panchayat/local bodies should be held regularly by the States in due time in fair and transparent manner. The Committee also desire that the feasibility of having an independent body like a Central Panchayat Election Commission for conducting the Panchayat Elections in the States in free and fair manner may be explored. The Committee also observe that Panchayat Secretary is a crucial functionary for running the Panchayat administration and therefore, the Committee strongly recommend that the positions of the Panchayat Secretaries in the Panchayats should not be kept vacant and effort should be made to fill the vacant positions immediately. The different positions in the Panchayat functionaries should also be given a fixed tenure to give stability and continuity in the functioning.

### **Reply of the Government**

Article 243K of the Indian Constitution mandates that the superintendence, direction and control of the preparation of electoral rolls for, and the conduct of, all elections to the Panchayats shall be vested in a State Election Commission consisting of a State Election Commissioner to be appointed by the Governor. The election to the

Panchayats are held under the supervision of the State Election Commission of the concerned States/UTs as per the provisions of relevant Statutes/Acts. As per information available with this Ministry, the elections to the Panchayats across the country are generally being held. The Constitutional provisions in this regard have to be followed.

As regards the issue of providing Panchayat Secretary to every Panchayat, this is undertaken by the State Governments. However, given the importance of providing appropriate manpower at the Gram Panchayat level, under the RGPSA provides administrative and technical staff at the Gram Panchayat level as per the annual plans prepared by the States. An advisory has been issued to States/UTs for providing a requisite staff to each Gram Panchayat.

The staff sanctioned so far under RGPSA are as under:

- (i) Accountant/Data Entry Operator - 110048
- (ii) Panchayat Sahayak/Panchayat Development Officer (PDO) - 26291
- (iii) Junior Engineers - 10817
- (iv) Others - 876

[O.M. No.H-11013/1/2015-Parl. dated 18.03.2015]

### **COMMENTS OF THE COMMITTEE**

(Please see para 11 in Chapter I)

### **Recommendation (Serial No. 10, Para No. 2.11)**

Under RGPSA, one of the conditions required to be fulfilled by the States for accessing any fund is the constitution of District Planning Committees(DPCs) in all districts and issuing of guidelines/rules to make them functional. With regard to the constitution of the DPCs, the Committee feel that if the MPs and MLAs are included in the DPCs, it will bring in the system the better planning, coordination and supervision of the concerned districts and if required, suitable provisions in this regard may be made in the guidelines for such inclusion. The Committee therefore, recommend that provision should be made for inclusion of MPs and MLAs in the constitution of the District Planning Committees for better functioning of these committees.

### **Reply of the Government**

The Constitution contains provisions regarding the formation and membership of District Planning Committees (DPCs). Article 243ZD provides that the Legislature of a State may, by law, make provisions with respect to the composition of the District Planning Committees (DPCs) and the manner in which the seats in such Committees shall be filled. Not less than four fifths of the members are to be from amongst the elected members of the Panchayat at the district level and of the Municipalities in the

district in proportion to the ratio between the population in the rural areas and of the urban areas in the district.

[O.M. No.H-11013/1/2015-Parl. dated 18.03.2015]

### **COMMENTS OF THE COMMITTEE**

(Please see para 14 in Chapter I)

#### **Recommendation (Serial No. 12, Para No. 2.13)**

The Committee note that e-Panchayat has been identified as one of the Mission Mode Projects under National e-governance programme. This project is aimed at supporting all the State Governments for enabling Panchayats to make effective use of Information Technology (IT) in the process of planning at grass roots level, bring out transparency in the working of the PRIs and also help in increased accountability of these institutions. As informed to the Committee, 10 common core applications had been developed for use by the States/UTs. Further, 12506 computers were procured at the gram Panchayat level in 10 States. The Committee are of the view that computerization of the working of Gram Panchayats and provision of internet connectivity are pre-requisites for achieving the objectives of e-panchayat. The Committee however feel that power shortage in rural areas is a major constraint in making the working of e-panchayat successful. Due to power shortage, the Panchayats are not even to able to regularly update their data on the website much less to use the system for effective administration. The Committee therefore recommend that the Ministry should play a pro-active role in making the e-Panchayat system a success by providing all necessary infrastructure to PRIs. The Ministry should also explore on priority basis the alternate means of power supply including use of Solar energy for running the offices of Panchayats in all the States/UTs to make them a vibrant, productive, responsible and accountable institutions.

#### **Reply of the Government**

Under RGPSA, the Ministry provided financial assistance to States for procuring computers for Gram Panchayats. So far, financial assistance has been provided to States / UTs for procurement of 51,271 computers since operationalistion of the scheme. Under RGPSA, the Ministry also provided funds for repairs of Panchayat buildings, which includes provision of electricity connections.

[O.M. No.H-11013/1/2015-Parl. dated 18.03.2015]

### **COMMENTS OF THE COMMITTEE**

(Please see para 17 in Chapter I)



### **Recommendation (Serial No. 15, Para No. 2.16)**

The Committee was informed that 'Media and Publicity' scheme is a Central Sector Plan Scheme approved in 2007-08 with the objective of dissemination of information through the print and electronic media regarding PRIs and their role and responsibility in various Government schemes. The Scheme is funded 100% by the Govt. of India. The Committee note that against the allocation of Rs. 15 crore in 2013-14, Rs. 14.42 crore had been utilized and the allocation for the year 2014-15 has been increased to Rs. 20 crore which is about Rs. 5 crores more than the allocation made for last financial year 2013-14. The Committee feel that awareness among people is pre-requisite for successful functioning of programmes meant for general public and therefore, local people need to be made aware of various programmes, schemes and the mandate of Panchayati Raj Institutions to enable them to get full advantage of the system. The Committee therefore recommend that the allocation for the current year 2014-15 would be fully and optimally utilized for creating awareness amongst the rural population all over the country through means the electronic and print media at national and local levels regarding the various schemes and programmes being implemented by the Government.

### **Reply of the Government**

Under the Media and Publicity Scheme in 2014-15, several training films as well as films on best performing Panchayats have been commissioned. There has however, been a cut of Rs. 10 crores at the RE stage. Further, as there is pressing demand from States under RGPSA, the funds under the scheme have been reduced further. In view of the aforesaid position, funds to the tune of Rs.4.40 crore are being reappropriated from Media & Publicity Scheme to RGPSA during the current fiscal year 2014-15. Several training films to assist States in capacity building have been sanctioned and are being improved on. The process of finalising Rashtriya Gaurav Gram Sabha Puraskar (National Award) is on. Besides, comprehensive mass awareness generation campaign was carried out during the famous Palkhi Sohala-2014 in Maharashtra, and this Ministry's tableau on the theme "Model Gram Panchayat" was exhibited in the Republic Day Parade-2015.

[O.M. No.H-11013/1/2015-Parl. dated 18.03.2015]

### **COMMENTS OF THE COMMITTEE**

(Please see para 20 in Chapter I)

## CHAPTER V

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

#### Recommendation (Serial No. 13, Para No. 2.14)

The Committee note that States are encouraged to empower Panchayats. Performance of States is measured through a devolution index prepared by an independent national level agency. As informed, the Gram Sabhas have also not been able to function effectively as an institution providing basis forum for people's participation, transparency and accountability. The States have not effectively done the devolutions of 3Fs (Functions, Finances and Functionaries) at the three tiers of different levels and as a result, the Panchayats could not be strengthened. The Committee note that while 2 studies on strengthening of Panchayats are completed, 01 study to assess the actual status of devolution to the PRIs is in progress. While re-emphasising the necessity of effective devolution of 3Fs for making the PRIs successful and meaningful, the Committee desire that the study reports on strengthening of Panchayats may be studied and necessary measures may be taken for strengthening of PRIs. The study under process to assess the actual devolution of powers to PRIs may also be expedited.

#### Reply of the Government

MoPR has assessed the extent of devolution of powers and authority to PRIs by States through an independent study, which ranked States on a Panchayat Devolution Index (PDI). Study for 2013-14 was conducted by the Indian Institute of Public Administration (IIPA). States were ranked on the cumulative as well as incremental PDI in this study. The study for 2013-14 has been published and is available in the website of MoPR. For 2014-15 the devolution study has been entrusted to Tata Institute of social Sciences, Mumbai. The objectives are to

- Assess actual outcome of activity mapping covering transfer of functions , institutions, functionaries and finances to PRIs
- Look into the implementation of major Centrally sponsored Schemes
- Look into the segregation of functions across various tiers of panchayati raj
- Arrive at indicative ranking on the status of devolution based on field studies.

The performance of States in respect of devolution to each tier will also be assessed. Once the study is completed the web based application that has been developed will be made available for sharing information on the Status of devolution.

Besides this, under the scheme of RGPSA the progress of the States on identified performance parameters pertaining to devolution, policy framework, budgeting, e governance etc is being tracked, for which expert committee reports are also received. These have been incorporated into the appraisal process, and the States set themselves performance targets. However, with effect from 2015-16, these plans will be directly implemented by the States. It is expected that they would be taking necessary action on the recommendations in their context as necessary.

[O.M. No.H-11013/1/2015-Parl. dated 18.03.2015]

### **Recommendation (Serial No. 16, Para No. 2.17)**

The Committee note that the Action Research and Research Studies Scheme is a central sector plan which is used as a tool for better policy formation. This Scheme is 100% financed by the Government of India. Under the scheme, financial support is provided to Academic Institutions/ NGOs/ Research Organisations / Registered Societies / Non Profit Organisations /SIRDs having specialized experience in research and evaluation in the areas of Panchayati Raj. The budgetary allocation for this scheme for the year 2014-15 is Rs. 3 crore. As informed, out of 4 study projects sanctioned in 2013-14, only 1 study have been completed and 3 are still underway. The Committee observe that the research studies and their findings could be useful only when such studies are completed on time. The Committee, therefore, recommend that the remaining 3 research studies sanctioned during 2013-14 should be expedited so that the findings of the studies could be utilized for in-depth analysis of the issues relating to Panchayati Raj Institutions across the country. The Committee also recommend that the timelines set for completion of research studies should be strictly adhered to.

### **Reply of the Government**

Out of the 4 projects sanctioned during the financial year 2013-14, two study projects have already been completed and the reports have been shared with the concerned State Governments, further draft report for the third study project has been received and for the fourth country wide study project sanctioned to ten agencies titled "To Assess the Actual Status of Devolution to the PRIs", State Reports have been received from the agencies and work on the National Report is underway.

[O.M. No.H-11013/1/2015-Parl. dated 18.03.2015]

**NEW DELHI;**  
**10 August, 2015**  
**19 Shravana, 1937 (Saka)**

**DR. P. VENUGOPAL,**  
**Chairperson,**  
**Standing Committee on Rural Development**

**STANDING COMMITTEE ON RURAL DEVELOPMENT (2014-2015)**

**MINUTES OF THE TWENTY THIRD SITTING OF THE COMMITTEE HELD ON MONDAY,  
THE 10 AUGUST, 2015**

The Committee sat from 1530 hrs. to 1545 hrs. in Committee Room 'B', Ground Floor, Parliament House Annexe, New Delhi.

**PRESENT**

**Dr. P. Venugopal** - **Chairperson**

**Members**

**Lok Sabha**

2. Shri Kirti Azad
3. Shri Harish Chandra Chavan
4. Shri Manshankar Ninama
5. Shri Prahlad Singh Patel
6. Dr. Ramesh Pokhriyal "Nishank"
7. Shri Gokaraju Ganga Raju
8. Smt. Butta Renuka
9. Dr. Yashwant Singh
10. Shri Ladu Kishore Swain
11. Shri Ajay Misra Teni
12. Adv. Chintaman Navasha Wanaga
13. Shri Vijay Kumar Hansdak

**Rajya Sabha**

14. Shri Gulam Rasool Balyawi
15. Shri Ram Narain Dudi
16. Shri Mahendra Singh Mahra
17. Shri Ranvijay Singh Judev
18. Dr. Vijaylaxmi Sadho
19. Shri A. K. Selvaraj
20. Smt. Kanak Lata Singh
21. Shri Ashwani Kumar

**SECRETARIAT**

- |    |                    |   |                     |
|----|--------------------|---|---------------------|
| 1. | Shri Abhijit Kumar | - | Joint Secretary     |
| 2. | Shri R.C.Tiwari    | - | Director            |
| 3. | Smt. B. Visala     | - | Additional Director |

2. At the outset, the Chairperson welcomed the members to the Sitting of the Committee. Thereafter, the Committee took up for consideration the following draft Action Taken Reports:-

(i) XXX XXX XXX XXX

(ii) XXX XXX XXX XXX

(iii) Draft Report on Action Taken by the Government on the recommendations contained in the Third Report on Demands for Grants (2014-15) of the Ministry of Panchayati Raj;

(iv) XXX XXX XXX XXX

(v) XXX XXX XXX XXX

(vi) XXX XXX XXX XXX

3. After detailed discussions, the Committee adopted the Reports without any modifications. The Committee then authorized the Chairperson to finalize the aforesaid Reports and present the same to the Parliament.

The Committee then adjourned.

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**APPENDIX - II**

[Vide para 4 of Introduction of Report]

**ANALYSIS OF THE ACTION TAKEN BY THE GOVERNMENT ON THE  
RECOMMENDATIONS CONTAINED IN THE THIRD REPORT (16<sup>TH</sup> LOK SABHA)  
OF THE STANDING COMMITTEE ON RURAL DEVELOPMENT**

I.	Total number of recommendations:	17
II.	Recommendations that have been accepted by the Government : Serial Nos. 1, 2, 3, 4, 5, 11 and 14	
	Total:	07
	Percentage:	41.17 %
III.	Recommendations which the Committee do not desire to pursue in view of the Government's replies : Serial Nos. 6, 7 and 17	
	Total:	03
	Percentage:	17.64%
IV.	Recommendations in respect of which replies of the Government have not been accepted by the Committee : Serial Nos. 8, 9, 10,12 and 15.	
	Total:	05
	Percentage:	29.41 %
V.	Recommendations in respect of which final replies of the Government are still awaited : Serial Nos. 13 and 16	
	Total:	02
	Percentage:	11.76%